



CIN No.: L30009GJ2003PLC043419 | MSME PART-II No.: 24-009-12-01046

**MACPOWER CNC MACHINES LIMITED**

**September 3, 2021**

To,  
**Listing Compliance Department,**  
**National Stock Exchange of India Limited**  
Exchange plaza, Plot No. C/1, G Block,  
Bandra Kurla Complex (BKC), Bandra (E),  
Mumbai-400 051, Maharashtra, IN

**Symbol: MACPOWER**  
**Series: EQ**  
**ISIN: INE155Z01011**

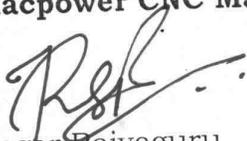
**Subject: Annual Report for the Financial Year 2020-21 and Notice convening the 18th Annual General Meeting.**

This is with further reference to our letter dated August 14, 2021 and pursuant to Regulation 30 and Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we submit herewith the Annual Report of the Company for the Financial Year 2020-21 along with Notice convening the 18th Annual General Meeting of the Company scheduled to be held on Wednesday, September 29, 2020 at 2.00 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.

The Annual Report for the FY20-21 is also available on the Company's website at [www.macpowercnc.com](http://www.macpowercnc.com).

This is for the information of the exchange and the members.

Thanking you,  
For and on behalf of  
**Macpower CNC Machines Limited**

  
Sagar Rajyaguru  
Company Secretary & Compliance officer  
Encl: As above





# ANNUAL REPORT



**2020  
2021**



FOR SALES INQUIRIES & CUSTOMER CARE

**7998-7998-16**

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## ABOUT THE COMPANY

Macpower CNC Machines (Macpower) has, over the last one and half decades, the experience and vision towards creating niche business capabilities by transforming 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 by adopting the best technologies.

In 2003, Macpower Group started Macpower CNC Machines Private Limited, to manufacture CNC Machines

In 2017, company converted into public company and In 2018, Macpower listed on National Stock Exchange of India, SME Emerge platform and in August, 2020 Company migrated to NSE Main board. The company today has 2 units in operation situated at Metoda G. I. D.C., Rajkot (India), spread over a period of 4 acres. The facility also houses the corporate office of the company.

The modern facility houses a spacious State of the Art Machine Shop, Totally Equipped Assembly Shops, All Modern Measuring and Testing Equipments, Technologically Advanced Sheet Metal Unit and One of its Kind Powder Coating Plant which has led to Macpower being totally backward integrated to enable in house manufacturing.

Macpower is registered to ISO 9001(Design), a universally accepted quality assurance certification.

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

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

We kept our spirits high to explore every possibility in technical fields to achieve manufacturing excellence.

Macpower is currently offering the 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 60+ different models serving 27 industry segment worldwide with 5500+ installations. We also have a Sales & Service Team presence in 37 cities across the country with 121 qualified engineers and 9 business associates; multiple regional offices and technology centers across the country for better connect with our valued customers.

To cater to various industrial segments in a more indepth way, Macpower is putting in all efforts to expand it's current sales and service network as well use digital tools to address our target audience in an effective way.

# CORPORATE INFORMATION

## MACPOWER CNC MACHINES LIMITED

**REG. OFFICE:** PLOT NO. 2234, NEAR KRANTI GATE, GIDC METODA - 360 021, TALU-LODHKA, DIST - RAJKOT, GUJARAT, INDIA | Phone: +91 2827 287930, FAX: +91 2827 287933, Email: admin@macpowercnc.com | CIN: L30009GJ2003PLC043419, Website: www.macpowercnc.com | NSE Symbol: **MACPOWER**

### 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. BHANDERI**  
INDEPENDENT DIRECTOR

**MR. DEVEN J. DOSHI**  
INDEPENDENT DIRECTOR

### AUDITORS:

**STATUTORY AUDITOR**  
**M/S. S. C. MAKHECHA & ASSOCIATES**  
CHARTERED ACCOUNTANTS, RAJKOT

**SECRETARIAL AUDITOR:**  
**K. P. RACHCHH & CO.,**  
PRACTICING COMPANY SECRETARIES, RAJKOT

**INTERNAL AUDITOR:**  
**CA PRATIK SIROYA**  
(W.E.F 2ND JULY, 2020)  
**MR. VISHAL KADIA**  
(W.E.F. 12TH FEBRUARY, 2021)



### KEY MANAGERIAL PERSONNEL (KMP)

**MR. RUPESH J. MEHTA**  
MANAGING DIRECTOR

**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]

**MR. SAGAR RAJYAGURU**  
COMPANY SECRETARY & COMPLIANCE OFFICER

### REGISTRAR & SHARE TRANSFER AGENT:

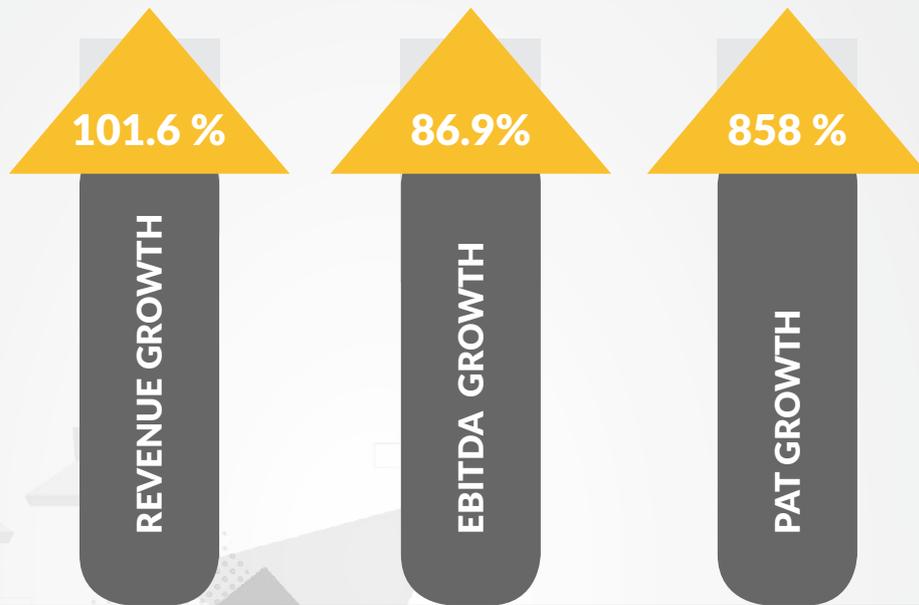
**LINK INTIME INDIA PRIVATE LIMITED**  
5TH FLOOR, 506 TO 508, AMARNATH BUSINESS CENTRE - 1 [ABC1], BESIDE GALA BUSINESS CENTRE, NR. ST.XAVIER'S COLLEGE CORNER, OFF C G ROAD, ELLISBRIDGE, AHMEDABAD - 380 006, GUJARAT, INDIA. | EMAIL: AHMEDABAD@LINKINTIME.CO.IN

### BANKER:

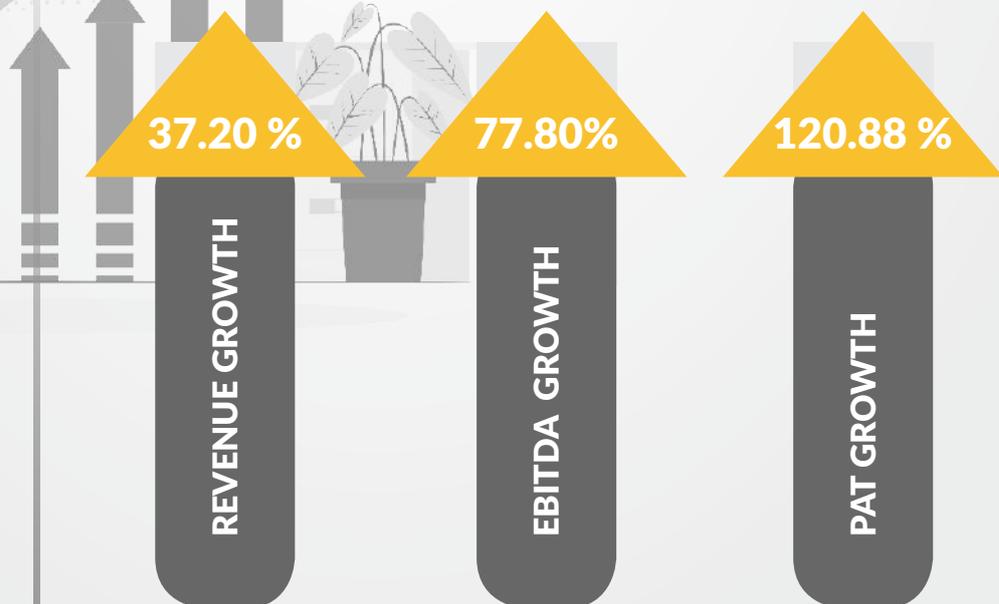
**AXIS BANK LIMITED**  
METODA BRANCH

# PERFORMANCE HIGHLIGHTS:

## Q4 YOY PERFORMANCE



## ANNUAL PERFORMANCE



# FIGHT AGAINST COVID 19



## HOT AIR SEAM SEALING MACHINE



### N95 MASK



### INDIA'S FIRST FASTEST FULLY AUTOMATIC N95 MASK MAKING MACHINE



# WE CARE

EMPLOYEES ARE TRUE ASSET FOR ANY ORGANISATION, AND HERE IN MACPOWER WE CARE FOR OUR PEOPLE. WE HAVE TILL DATE MAINTAINED ALL THE SECURITY AND SAFETY NORMS IN TRUE LETTER AND SPIRIT. THESE INCLUDES SANITIZING OF EMPLOYEES WORK PLACE, BUSES, CANTEEN, TEMPERATURE CHECK AT ENTRY GATE, COMPULSORY WEARING OF N95 MASKS FOR ALL THE EMPLOYEES AND VISITORS



## N95 MASK DISTRIBUTION

WE ARE DISTRIBUTING N95 MASK TO VARIOUS HOSPITALS, TRUSTS, SCHOOL & COLLAGES



# SOLAR POWER PANEL INSTALLATION



ONE MORE MILESTONE ACHIEVED BY THE  
**MACPOWER**  
IN THE JOURNEY OF BEING SAMPURN ATMANIRBHAR.

SUCCESSFUL INSTALLATION OF SOLAR PLANT WITH CAPACITY OF 200KW  
IS OUR STEP OF SELF RELIANCE FOR CAPTIVE POWER CONSUMPTION.

OUR SELF FUNDED INITIATIVE OF INSTALLATION ON OF SOLAR POWER  
PLANT WILL HELP TO REDUCE CARBON FOOTPRINT THAT LEADS TO PREVENT  
GREEN HOUSE EFFECTS

## MACHINES AT GLANCE



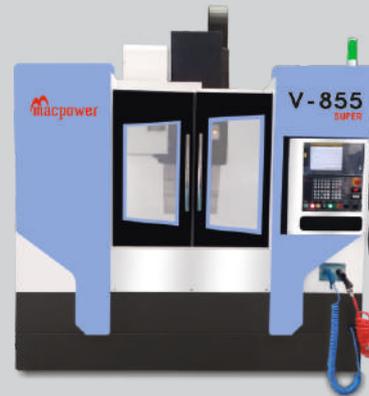
### TURNING CENTRE

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

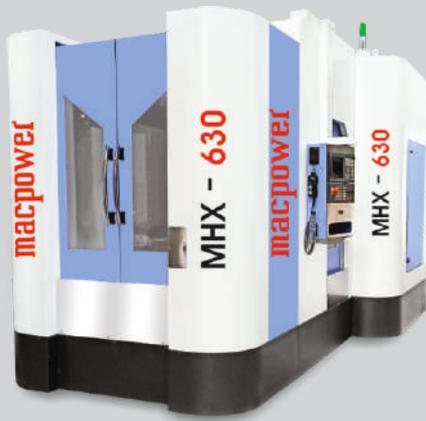


### VERTICAL TURRET LATHE

VALVE BODY, MOTOR BODY,  
ENGINE LINER, RAILWAYS



## MACHINES AT **GLANCE**



### HORIZONTAL MACHINING CENTRE

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



### DRILL TAP CENTRE

ELECTRONICS, AUTOMOBILE, TEXTILE



### TWIN HEAD VMC

AUTOMOBILE & TEXTILE



# AWARDS AND RECOGNITION



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

# MESSAGE FROM THE CHAIRMAN

Dear Shareholders,  
Hope you all are safe and healthy!

I am pleased to present to you our 18th Annual report for the financial year 2020-21. I feel very proud that your company has demonstrated the unique ability to adapt and work cohesively with all our stakeholders to deliver the targeted results in these unprecedented times.



Team Macpower is grateful to the frontline healthcare workers and other support teams who are selflessly and fearlessly serving humanity during these challenging times. The silver lining is the success of large-scale vaccination in the country in controlling the pandemic that has given hope to humanity at large.

India was relatively successful in managing the first wave of the pandemic outbreak but unfortunately, in the second wave of Covid-19, the virus infected millions of people and caused financial, economic and a health crisis at global and local levels. During these unprecedented times, Macpower and its R & D team has shown their spirit and successfully invented a first time in India a "Hot air seam sealing machine" for PPE suits and a "fully automatic CNC machine" (fastest mask making machine) to manufacture N-95 Masks. For such a tremendous effort your company received significant coverage and appreciation in print and digital media.

Your company recently got an ISI mark for its N 95 Masks which have been distributed across India.

As the Chairman of the Board of Directors of MACPOWER, let me assure you that despite myriad challenges, your company is focused on maintaining the growth momentum and delivering value.

For any organization, their employees are their true asset and here in your company we care for our people. During these unprecedented times of the pandemic we have till date maintained all the safety and security norms. We have also provided special COVID insurance for all employees of the company.

The Indian GDP, after a steep fall of -24.4% and -7.3% in Q1 and Q2 of FY 2020-21 respectively, has shown recovery with 0.4% growth in Q3. Your company has outperformed in fourth quarter of financial year 2020-21 by generating highest total revenue of Rs.50.13 Crore against INR 24.54 Crore during the fourth quarter of the previous financial year, representing an increase of 101.6% year on year.

Due to the second wave of COVID 19, production was impacted in the month of April and May of Financial Year 2021-22 as the Company's workers and / or their family member were infected in large number to the covid virus. However your company, through a planned production process kept its momentum and recorded revenue of Rs.34.72 CR in the quarter ended 30 June 2021, against Rs. 6.81 CR of first quarter of financial year 2020-21, representing an increase of 409% year on year.

Your company has recruited more than 100 employees between the two waves. The continuous recruitment, training, skill development programs has enabled the company to build a strong and robust workforce to achieve our growth and development vision.

In-house spindle manufacturing facility, machine shop, powder coating plant and sheet metal shop empowers the company to increase production and productivity every month. Your company has continued to maintain its status of being debt free and generating ample liquidity to meet the future expansion plans from internal accruals. Strong fundamentals and the robust team of Macpower will help your company to grow at +25% CAGR over the next 5 years.

At present your company is manufacturing approx. 1000-1200 machines per annum and continuously working towards increasing existing capacities every quarter to quarter. We are targeting to achieve capabilities to manufacture 1300-1400 machines per annum by the end of financial year 2021-22.

While the pandemic disrupted lives as well as businesses across the world, as a company with strong fundamentals, we emerged successful with an overarching focus on business continuity. During the Financial Year, total revenue of your company stood at Rs. 113.23 Crore against Rs. 82.53 Crore during previous financial year, representing a growth of 37.20% year on year. The EBITDA of the Company has grown by 77.80% over the previous year and reached Rs. 9.53 Crore from INR 5.36 Crore. This year your company's PAT stood at Rs. 6.03 Crore as against last year when it was Rs. 2.73 Cr, representing Y-o-Y growth of 120.88%.

As far as the company's order book is concerned, from April 2020 to date we have dispatched 959 machines in the domestic market, with a combined value of more than Rs 156 crore. We have also received advance of Rs 6 cr towards 723 machines (in our pending orders) in our order book.

Your company's performance in the defence and educational sector (tender business) has enhanced year on year. From April 2020 to date, in this sector, we have dispatched totally 65 machines and received orders worth around Rs.14.59 Crore including L1 Category. Apart from that we have participated in 123 tenders having a combined value of Rs. 147 Crore.

Dear shareholders in the month of January, 2021 we have installed 200KW Solar Plant in the company premises which is a step towards self-reliance for captive power consumption. Solar Plant installation will help to reduce carbon footprint which leads to prevent greenhouse effects.

Macpower and its progressive team firmly believes in hard work, dedication and are assured about the future prospects of the company.

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

I would like to take this opportunity to thank all our colleagues once again. Macpower's resilience in these challenging times is a testament to their dedication and commitment. I would also like to thank my fellow directors for their valuable guidance and support to the business.

Finally, let me close my remarks by thanking all our shareholders, investors, business associates and customers for the trust and confidence they have placed upon us. I look forward to your support in our endeavor to continue delivering value for all our stakeholders over the coming years.

Thank you and Jai Hind!

Regards,

**RUPESH MEHTA**

CHAIRMAN & MANAGING DIRECTOR

DIN: 01474523



# NOTICE

NOTICE

# AGM NOTICE

NOTICE IS HEREBY GIVEN THAT THE EIGHTEENTH [18<sup>TH</sup>] ANNUAL GENERAL MEETING OF MACPOWER CNC MACHINES LIMITED WILL BE HELD ON WEDNESDAY, SEPTEMBER 29, 2021 AT 02:00 P.M. IST AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT PLOT NO.2234,NR.KRANTI GATE, GIDC METODA, TAL LODHIKARAJKOT-360021, GUJARAT TO TRANSACT THE FOLLOWING BUSINESSES

## ORDINARY BUSINESS:

- 1 TO RECEIVE, CONSIDER AND ADOPT THE AUDITED STANDALONE FINANCIAL STATEMENTS OF THE COMPANY FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2021, TOGETHER WITH THE REPORT OF THE BOARD OF DIRECTORS AND AUDITOR'S THEREON.
- 2 TO APPOINT A DIRECTOR IN PLACE OF MR. RUPESH J. MEHTA [DIN: 01474523] WHO RETIRES BY ROTATION AND, BEING ELIGIBLE, OFFERS HIMSELF FOR RE-APPOINTMENT.

## SPECIAL BUSINESS:

- 3 TO APPROVE INCREASE/REVISION IN REMUNERATION OF MR. RUPESH MEHTA (DIN:01474523), MANAGING DIRECTOR OF THE COMPANY:  
TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

**“RESOLVED THAT PURSUANT TO THE PROVISIONS OF SECTION 197, 198 AND 203 READ WITH SCHEDULE V AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE COMPANIES ACT, 2013 (INCLUDING ANY STATUTORY MODIFICATION OR RE-ENACTMENT THEREOF) AND THE COMPANIES (AMENDMENT) ACT, 2017 INCLUDING ANY STATUTORY MODIFICATIONS OR RE-ENACTMENT(S) THEREOF, FOR THE TIME BEING IN FORCE, IF ANY, AND APPLICABLE CLAUSES OF THE ARTICLES OF ASSOCIATION OF THE COMPANY AND BASED ON RECOMMENDATIONS OF THE NOMINATION AND REMUNERATION COMMITTEE AND AFTER THE APPROVAL OF BOARD OF DIRECTORS OF THE COMPANY, APPROVAL OF MEMBERS OF THE COMPANY BE AND IS HEREBY ACCORDED FOR THE FOLLOWING REVISION/INCREASE MADE IN REMUNERATION OF MR. RUPESH MEHTA [DIN:01474523], CHAIRMAN AND MANAGING DIRECTOR OF THE COMPANY:**

- i. AT MONTHLY REMUNERATION (GROSS SALARY) OF RS.7,00,000/- FOR THE PERIOD OF 3 (THREE) YEARS OR FOR REMAINING TERM WHICHEVER IS EARLIER WITH EFFECT FROM 01ST JANUARY, 2021 AND ON THE TERMS AND CONDITIONS AS SET OUT IN THE SUPPLEMENTAL AGREEMENT DATED 16TH JANUARY, 2021.”
- ii. AT MONTHLY REMUNERATION (GROSS SALARY) OF RS.3,00,000/- FOR THE PERIOD OF 3 (THREE) YEARS OR FOR REMAINING TERM WHICHEVER IS EARLIER WITH EFFECT FROM 01ST AUGUST, 2021 AND ON THE TERMS AND CONDITIONS AS SET OUT IN THE SUPPLEMENTAL AGREEMENT DATED 19TH AUGUST, 2021.”

“RESOLVED FURTHER THAT WHERE IN ANY FINANCIAL YEAR, DURING THE TENURE OF THE SAID MANAGING DIRECTOR, THE COMPANY HAS NO PROFITS OR PROFITS ARE INADEQUATE, THE AFORESAID APPROVED REMUNERATION OR REMUNERATION AS MAY BE APPROVED BY THE BOARD OF DIRECTORS OF THE COMPANY FROM TIME TO TIME SHALL BE PAID AND CONSIDERED AS MINIMUM REMUNERATION WHICH SHALL BE WITHIN THE LIMIT OF SCHEDULE V AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013.”

“RESOLVED FURTHER THAT ANY OF THE DIRECTORS OF THE COMPANY OR CHIEF FINANCIAL OFFICER (CFO) OR COMPANY SECRETARY (CS) OF THE COMPANY BE AND ARE HEREBY JOINTLY OR SEVERALLY AUTHORISED TO DO ALL SUCH ACTS, DEEDS, MATTERS AND THINGS AS THEY MAY IN THEIR ABSOLUTE DISCRETION DEEM NECESSARY, PROPER OR DESIRABLE AND SETTLE ANY QUESTION, DIFFICULTY OR DOUBT THAT MAY ARISE IN THE SAID REGARD AND AUTHORIZED TO DIGITALLY SIGN NECESSARY E-FORMS AND GET IT FILLED WITH MINISTRY OF CORPORATE AFFAIRS/REGISTRAR OF COMPANIES AND TO DO ALL ACTS, DEEDS, THINGS ETC. AS MAY BE REQUIRED TO IMPLEMENT THE ABOVE RESOLUTION.”

- 4 TO APPROVE INCREASE/REVISION IN REMUNERATION OF MR. NIKESH MEHTA (DIN:01603779), WHOLE-TIME DIRECTOR (WTD) OF THE COMPANY:

TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION, THE FOLLOWING RESOLUTION AS A SPECIAL RESOLUTION:

“RESOLVED THAT PURSUANT TO THE PROVISIONS OF SECTION 197, 198 AND 203 READ WITH SCHEDULE V AND COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014 AND OTHER APPLICABLE PROVISIONS, IF ANY, OF THE COMPANIES ACT, 2013 (INCLUDING ANY STATUTORY MODIFICATION OR RE-ENACTMENT THEREOF) AND THE COMPANIES (AMENDMENT) ACT, 2017 INCLUDING ANY STATUTORY MODIFICATIONS OR RE-ENACTMENT(S) THEREOF, FOR THE TIME BEING IN FORCE, IF ANY, AND APPLICABLE CLAUSES OF THE ARTICLES OF ASSOCIATION OF THE COMPANY AND BASED ON RECOMMENDATIONS OF THE NOMINATION AND REMUNERATION COMMITTEE AND AFTER THE APPROVAL OF BOARD OF DIRECTORS OF THE COMPANY, APPROVAL OF MEMBERS OF THE COMPANY BE AND IS HEREBY ACCORDED FOR THE FOLLOWING REVISION/INCREASE MADE IN REMUNERATION OF MR. NIKESH MEHTA [DIN: 01603779], WHOLE TIME DIRECTOR OF THE COMPANY:

- i. AT MONTHLY REMUNERATION (GROSS SALARY) OF RS.7,00,000/- FOR THE PERIOD OF 3 (THREE) YEARS OR FOR REMAINING TERM WHICHEVER IS EARLIER WITH EFFECT FROM 01ST JANUARY, 2021 ON THE TERMS AND CONDITIONS AS SET OUT IN THE SUPPLEMENTAL AGREEMENT DATED-16TH JANUARY, 2021”
- ii. AT MONTHLY REMUNERATION (GROSS SALARY) OF RS. 2,00,000/- FOR THE PERIOD OF 3 (THREE) YEARS OR FOR REMAINING TERM WHICHEVER IS EARLIER WITH EFFECT FROM 01ST AUGUST, 2021 AND ON THE TERMS AND CONDITIONS AS SET OUT IN THE SUPPLEMENTAL AGREEMENT DATED 19TH AUGUST, 2021.”

“RESOLVED FURTHER THAT WHERE IN ANY FINANCIAL YEAR, DURING THE TENURE OF THE SAID WHOLE TIME DIRECTOR, THE COMPANY HAS NO PROFITS OR PROFITS ARE INADEQUATE, THE AFORESAID APPROVED REMUNERATION OR REMUNERATION AS MAY BE APPROVED BY THE BOARD OF DIRECTORS OF THE COMPANY FROM TIME TO TIME SHALL BE PAID AND CONSIDERED AS MINIMUM REMUNERATION WHICH SHALL BE WITHIN THE LIMIT OF SCHEDULE V AND OTHER APPLICABLE PROVISIONS OF THE COMPANIES ACT, 2013.”

“RESOLVED FURTHER THAT ANY OF THE DIRECTORS OF THE COMPANY OR CHIEF FINANCIAL OFFICER (CFO) OR COMPANY SECRETARY (CS) OF THE COMPANY BE AND ARE HEREBY JOINTLY OR SEVERALLY AUTHORISED TO DO ALL SUCH ACTS, DEEDS, MATTERS AND THINGS AS THEY MAY IN THEIR ABSOLUTE DISCRETION DEEM NECESSARY, PROPER OR DESIRABLE AND SETTLE ANY QUESTION, DIFFICULTY OR DOUBT THAT MAY ARISE IN THE SAID REGARD. AND AUTHORIZED TO DIGITALLY SIGN NECESSARY E-FORMS AND GET IT FILLED WITH MINISTRY OF CORPORATE AFFAIRS/REGISTRAR OF COMPANIES AND TO DO ALL ACTS, DEEDS, THINGS ETC. AS MAY BE REQUIRED TO IMPLEMENT THE ABOVE RESOLUTION.”

- 5 TO CONSIDER AND IF THOUGHT FIT, TO PASS WITH OR WITHOUT MODIFICATION(S), THE FOLLOWING RESOLUTION AS AN 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 2021-22, 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 2020-21 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 27th August, 2021. In Furtherance, as per the MCA and SEBI Circulars, the Notice of Annual General Meeting with annual report of the year 2020-21 required to sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories as on 27th August, 2021. Members may note that the Notice and Annual Report of the year 2020-21 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.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](mailto:Ahmedabad@linkintime.co.in), for sending the same or can email to Company [cs@macpowercnc.com](mailto: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. 3,4 and 5 and 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 AGM. 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](mailto: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 18<sup>th</sup> AGM 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 **Thursday, 23rd September, 2021 to Wednesday, 29th September, 2021** (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 18th 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. **Wednesday, September 22, 2021**, 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. **Wednesday, September 22, 2021** shall be entitled to exercise his/her vote through remote e-voting following the procedure mentioned in this part.
- iv. **The remote e-voting will commence on 9:00 A.M. on Saturday, 25th September, 2021 and will end on 5:00 P.M. on Tuesday, 28th September, 2021.** During this period, the members of the Company holding shares as on the Cut-off date i.e. **Wednesday, September 22, 2021** 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., **Wednesday, September 22, 2021**
- 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](http://www.macpowercnc.com) and on the website of NSE at [www.nseindia.com](http://www.nseindia.com)

## **16. INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING**

**Remote e-Voting Instructions for shareholders post change in the Login mechanism for Individual shareholders holding securities in demat mode, pursuant to SEBI circular dated December 9, 2020:**

Pursuant to SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode can vote through their demat account maintained with Depositories and Depository Participants only post 9th June, 2021.

Shareholders are advised to update their mobile number and email Id in their demat accounts to access e-Voting facility.

Login method for Individual shareholders holding securities in demat/physical mode is given below:

TYPE OF SHAREHOLDERS	LOGIN METHOD
<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<ul style="list-style-type: none"> <li>• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section. A new screen will open. You will have to enter your User ID and Password.</li> <li>• After successful authentication, you will be able to see e-Voting services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>• If the user is not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS “Portal or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>• Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<ul style="list-style-type: none"> <li>• Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> </ul>

	<ul style="list-style-type: none"> <li>• After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL, KARVY, LINKINTIME, CDSL. Click on e-Voting service provider name to cast your vote.</li> <li>• If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi./Registration/EasiRegistration">https://web.cdslindia.com/myeasi./Registration/EasiRegistration</a></li> <li>• Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress.</li> </ul>
<p><b>Individual Shareholders (holding securities in demat mode) &amp; login through their depository participants</b></p>	<ul style="list-style-type: none"> <li>• You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility.</li> <li>• Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> </ul>

#### **INSTITUTIONAL SHAREHOLDERS:**

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIPL at <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.

#### **Individual Shareholders holding securities in demat mode with NSDL/ CDSL have forgotten the password:**

- Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.
  - ➡ It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

#### **Helpdesk for Individual Shareholders holding securities in demat mode:**

In case shareholders/ members holding securities in demat mode have any technical issues related to login through Depository i.e. NSDL/ CDSL, they may contact the respective helpdesk given below:

LOGIN TYPE	HELPDESK DETAILS
<p><b>Individual Shareholders holding securities in demat mode with NSDL</b></p>	<p>Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30</p>
<p><b>Individual Shareholders holding securities in demat mode with CDSL</b></p>	<p>Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at 022-23058738 or 22-23058542-43.</p>

**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**

Since appointment of Mr. Rupesh Mehta, the Company has made significant progress under the leadership of Mr. Rupesh J. Mehta, the Company' operation have grown multi fold during this period.

The Nomination & Remuneration Committee at their meeting held on 15/01/2021 recommended before the Board of Director for revision in remuneration of Managing Director, Mr. Rupesh J. Mehta(DIN-01474523) and Board of Directors in its meeting held on 16.01.2021, has considered the matter of revision in the remuneration of Mr. Rupesh J. Mehta(DIN-01474523)for service rendered by him as chairman and Managing Director of the Company and keeping in view his achievements and contributions, recommended to the members for revision in payment of remuneration amounting to Rs.7.00 lakhs per month w.e.f 1st January, 2021 for remaining duration of appointment.

Thereafter, The Nomination & Remuneration Committee at their meeting held on 14th August, 2021 recommended before the Board of Director for revision in remuneration of Managing Director, Mr. Rupesh J. Mehta(DIN- 01474523) and Board of Directors in its meeting held on 14th August, 2021, has considered the matter of revision in the remuneration of Mr. Rupesh J. Mehta(DIN- 01474523) and recommending to the members for granting approval for revision made in payment of remuneration amounting to Rs.3.00 lakhs per month w.e.f 01st August, 2021 for remaining duration of appointment.

Further, pursuant to provision of section 196(4),section 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013,the revision made by the Board of Directors of the Company in the remuneration of Managing Director requires the approval of Members and accordingly, the matter at Item No. 3 is recommended before the Members for their approval by way of passing of Special Resolution.

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

None of the directors and /or Key Managerial Personnel of the Company and their relatives, except Mr. Rupesh J. Mehta, Managing Director (DIN- 01474523), are in any way concerned or interested in the revision in the remuneration of Managing Director of the Company.



**In terms of the requirements as per sub-clause (iv) of the proviso to Section II of Part II of Schedule V to the Act, the information is as furnished below:**

I. GENERAL INFORMATION:														
1	Nature of industry	Manufacturing												
2	Date or expected date of commencement of commercial production	Already commence												
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Already commence												
4	Financial performance based on given indicators	Financial Performance of the Company for the year ended 31st March, 2021: <table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th></th> <th style="text-align: right;">(Rs. in Lakhs)</th> </tr> </thead> <tbody> <tr> <td>Revenue from operations</td> <td style="text-align: right;">11288.00</td> </tr> <tr> <td>Other Income:</td> <td style="text-align: right;">35.00</td> </tr> <tr> <td>Total Expenditure:</td> <td style="text-align: right;">10648.00</td> </tr> <tr> <td>Net Profit(Loss) before tax:</td> <td style="text-align: right;">675.00</td> </tr> <tr> <td>Profit (Loss) after tax (after deducting comprehensive income)</td> <td style="text-align: right;">603.00</td> </tr> </tbody> </table>		(Rs. in Lakhs)	Revenue from operations	11288.00	Other Income:	35.00	Total Expenditure:	10648.00	Net Profit(Loss) before tax:	675.00	Profit (Loss) after tax (after deducting comprehensive income)	603.00
	(Rs. in Lakhs)													
Revenue from operations	11288.00													
Other Income:	35.00													
Total Expenditure:	10648.00													
Net Profit(Loss) before tax:	675.00													
Profit (Loss) after tax (after deducting comprehensive income)	603.00													
5	Export performance and foreign exchange earned for the financial year ended 31st March, 2021	<table border="1" style="width: 100%; border-collapse: collapse;"> <thead> <tr> <th colspan="3" style="text-align: center;">Foreign Exchange Earning And Out Go:</th> </tr> <tr> <th style="text-align: center;">Particular</th> <th style="text-align: center;">2020-21</th> <th style="text-align: center;">2019-20</th> </tr> </thead> <tbody> <tr> <td>i. Total foreign exchange used (Rs.)</td> <td style="text-align: right;">3,59,94,925/-</td> <td style="text-align: right;">15,43,56,859/-</td> </tr> <tr> <td>ii. Total foreign exchange earned on F.O.B basis (Rs.)</td> <td style="text-align: center;">NIL</td> <td style="text-align: right;">73,05,928/-</td> </tr> </tbody> </table>	Foreign Exchange Earning And Out Go:			Particular	2020-21	2019-20	i. Total foreign exchange used (Rs.)	3,59,94,925/-	15,43,56,859/-	ii. Total foreign exchange earned on F.O.B basis (Rs.)	NIL	73,05,928/-
Foreign Exchange Earning And Out Go:														
Particular	2020-21	2019-20												
i. Total foreign exchange used (Rs.)	3,59,94,925/-	15,43,56,859/-												
ii. Total foreign exchange earned on F.O.B basis (Rs.)	NIL	73,05,928/-												
6	Foreign investments or collaborations, if any.	No such investment or collaboration												
II. INFORMATION ABOUT THE MANAGING DIRECTOR:														
1	Background details	Name:- Mr. Rupesh Jagdishchandra Mehta Designation:- Chairman and Managing Director Age:- 53 years Experience:- 25 Years Qualification:- B.COM Mr. Rupesh J. Mehta is Director of the Company since the inception of the Company i.e. w.e.f 31/12/2003.  Mr. Rupesh J. Mehta is not holding any other Directorship in any other Company												
2	Past remuneration	Rs. 3.00 Lakhs per month from the date of appointment as Managing Director i.e. from 17/11/2017 to 31/12/2020 and thereafter revised to Rs. 7.00 Lakhs per month w.e.f from 01/01/2021 to 31/07/2021 and thereafter again revised to Rs. 3.00 Lakhs per month w.e.f 01/08/2021.												

3	Recognition or awards	He was former director of Indian Machine tools manufacturing association, Former president of Indian Machine tools association, former treasurer of Rajkot chamber of commerce and former director of Rajkot engineering association.
4	Job profile and his suitability	Mr. Rupesh J. Mehta is chairman and managing director of the company and leading the company upfront.
5	Remuneration proposed	Rs. 3,00,000/- per month
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointee in other companies.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial Personnel, if any. (As on cut of date for notice dispatch to members)	<p>Apart from Mr. Rupesh J. Mehta is a Chairman and Managing Director of the Company, he holds 32,11,980 Equity Shares at the Face value of Rs. 10/- each of the Company in his individual capacity i.e. 32.11%.</p> <p>Mr. Rupesh J. Mehta is brother of Mr. Nikesh J. Mehta who is Whole Time Director &amp; CEO of the Company and husband of Mrs. Riya R. Mehta who is Non-Executive Woman Director on the Board of the Company.</p>

### III. OTHER INFORMATION

1	Reasons of loss or inadequate profits	<p>The Company has reported a Total income of Rs. 113,23,00,000/- for the year ended on 31st March, 2021 as against Rs.82,53,00,000 /- for the previous year ended on 31st March, 2020. The Company has reported a net profit after tax of Rs 6,03,00,000/-for F.Y 2020-2021 as against net profit after tax of Rs. 2,73,00,000/- for F.Y 2019-2020.</p> <p>The proposed remuneration is less than the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits /inadequate profits pursuant to the approval of the shareholders.</p>
2	Steps taken or proposed to be taken for improvement	<p>The spread of Covid-19 pandemic and consequent lock down and long running effect of pandemic on various chains of business activities have impacted the profitability of the Business of the Company.</p> <p>However, to address these challenges, the Company has initiated several measures and continuously keeping watch on the operations of the Business and in thoughtful process of new innovations/inventions to overcome the situation.</p>

3	Expected increase in productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.
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#### (IV) DISCLOSURES

1	The Shareholders of the Company shall be informed of the remuneration package of the managerial person.	The remuneration paid to Mr. Rupesh J. Mehta as stated above and Disclosures relating to remuneration package is disclosed in the Corporate Governance Report.
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#### **Item No.: 4**

On the recommendation of Nomination and remuneration committee at their meeting held on 15th January, 2021, the Board of Directors of the Company on its meeting held on January 16, 2021 considered and approved recommendation of nomination and remuneration committee to modify/revise managerial remuneration of Mr. Nikesh Mehta, Whole-time director (DIN: 01603779) at monthly remuneration (gross salary) of Rs.7,00,000/- for remaining term with effect from 01st January, 2021.

Thereafter, The Nomination & Remuneration Committee at their meeting held on 14th August, 2021 recommended before the Board of Director for revision in remuneration of Whole-Time Director, Mr. Nikesh J. Mehta(DIN- 01603779) and Board of Directors in its meeting held on 14th August, 2021, has considered the matter of revision in the remuneration of Mr. Nikesh J. Mehta (DIN- 01603779) and recommending to the members for granting approval for revision made in payment of remuneration amounting to Rs.2.00 lakhs per month w.e.f 01st August, 2021 for remaining duration of appointment.

Further, pursuant to provision of section 196(4), section 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, the revision made by the Board of Directors of the Company in the remuneration of Whole-Time Director requires the approval of Members and accordingly, the matter at Item No. 4 is recommended before the Members for their approval by way of passing of Special Resolution.

The resolution as at item no. 4 of the Notice is therefore set out as Special Resolution for approval and ratification by the members.

None of the directors and /or Key Managerial Personnel of the Company and their relatives, except Mr. Nikesh J. Mehta, Whole-Time Director (DIN- 01603779), are in any way concerned or interested in the revision in the remuneration of Whole-Time Director of the Company.

**In terms of the requirements as per sub-clause (iv) of the proviso to Section II of Part II of Schedule V to the Act, the information is as furnished below:**

#### I. GENERAL INFORMATION:

1	Nature of industry	Manufacturing
2	Date or expected date of commencement of commercial production	Already commence
3	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Already commence

4	Financial performance based on given indicators	Financial Performance of the Company for the year ended 31st March, 2021:		
			(Rs. in Lakhs)	
		Revenue from operations	11288.00	
		Other Income:	35.00	
		Total Expenditure:	10648.00	
		Net Profit(Loss) before tax:	675.00	
	Profit (Loss) after tax (after deducting comprehensive income)	603.00		
5	Export performance and foreign exchange earned for the financial year ended 31st March, 2021	<b>Foreign Exchange Earning And Out Go:</b>		
		<b>Particular</b>	<b>2020-21</b>	<b>2019-20</b>
		i. Total foreign exchange used (Rs.)	3,59,94,925/-	15,43,56,859/-
	ii. Total foreign exchange earned on F.O.B basis (Rs.)	NIL	73,05,928/-	
6	Foreign investments or collaborations, if any.	No such investment or collaboration		

## II. INFORMATION ABOUT THE MANAGING DIRECTOR:

1	Background details	<p>Name:- Mr. Nikesh Jagdishchandra Mehta          Designation:- Whole-time director          Age:- 43 years          Experience:- 14 Years          Qualification:- B.COM</p> <p>Mr. Nikesh J. Mehta is Director of the Company since the inception of the Company i.e. w.e.f 31/12/2003.          Mr. Nikesh J. Mehta is not holding any other Directorship in any other Company</p>
2	Past remuneration	Rs. 60,000 per month from the date of appointment as Whole time Director i.e. from 17/11/2017 to 31/12/2020 and thereafter revised to Rs. 7.00 Lakhs per month w.e.f from 01/01/2021 to 31/07/2021 and thereafter again revised to Rs. 2.00 Lakhs per month w.e.f 01/08/2021.
3	Recognition or awards	None
4	Job profile and his suitability	Mr. Nikesh Mehta is whole-time director and chief executive officer of the company and he is leading and handling purchase department and looking after machine shops, and application department of the company
5	Remuneration proposed	Rs. 2,00,000/- per month
6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointee in other companies.

6	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointee in other companies.
7	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial Personnel, if any. (As on cut of date for notice dispatch to members)	<p>Apart from Mr. Nikesh J. Mehta is a Whole-time director and Chief executive officer of the Company, he holds 13,31,862 Equity Shares at the Face value of Rs. 10/- each of the Company in his individual capacity i.e. 13.31%.</p> <p>Mr. Nikesh J. Mehta is brother of Mr. Rupesh J. Mehta who is Chairman and Managing director of the Company and brother-in-law of Mrs. Riya R. Mehta who is Non-Executive Woman Director on the Board of the Company.</p>

### III. OTHER INFORMATION

1	Reasons of loss or inadequate profits	<p>The Company has reported a Total income of Rs. 113,23,00,000/- for the year ended on 31st March, 2021 as against Rs.82,53,00,000 /- for the previous year ended on 31st March, 2020. The Company has reported a net profit after tax of Rs 6,03,00,000/-for F.Y 2020-2021 as against net profit after tax of Rs. 2,73,00,000/- for F.Y 2019-2020.</p> <p>The proposed remuneration is less than the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits /inadequate profits pursuant to the approval of the shareholders.</p>
2	Steps taken or proposed to be taken for improvement	<p>The spread of Covid-19 pandemic and consequent lock down and long running effect of pandemic on various chains of business activities have impacted the profitability of the Business of the Company.</p> <p>However, to address these challenges, the Company has initiated several measures and continuously keeping watch on the operations of the Business and in thoughtful process of new innovations/inventions to overcome the situation.</p>
3	Expected increase in productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.

### (IV) DISCLOSURES

1	The Shareholders of the Company shall be informed of the remuneration package of the managerial person.	The remuneration paid to Mr. Nikesh J. Mehta as stated above and Disclosures relating to remuneration package is disclosed in the Corporate Governance Report.
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**Item No.: 5**

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its Meeting held on June 25, 2021, 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 2021-22 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. 5 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. 5 of the Notice.

**Place: Metoda, Rajkot**

**Date: 14<sup>th</sup> August, 2021**

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

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

## ANNEXURE - 1

**Brief profile of director seeking Re-appointment in forthcoming Annual General Meeting [18<sup>th</sup> AGM]**

<b>NAME OF DIRECTOR</b>	<b>MR. RUPESH MEHTA</b>
Date of Birth	23/10/1968 , 53 years
Date of Appointment	31/12/2003
Education Qualification	Bachelors of commerce from saurashtra university
Expertise in Specific functional area	Mr. Rupesh Mehta, Promoter, Chairman and Managing Director have over 27 years of experience in machine tool industry and has been the anchor person to craft out new avenues. His exposure related to machine tools industry adds tremendous value to Company
Disclosure of relationship between directors inter-se	<ul style="list-style-type: none"> <li>• Mr.Nikesh Mehta, Whole-time director and Chief Executive Officer( Brother)</li> <li>• Mrs. Riya R.Mehta, Women director (Wife)</li> </ul>
Number of Board Meetings Attended	A detail regarding number of Board Meetings attended by Mr. Rupesh Mehta is given in the Board's Report.
List of public companies in which Directorship held including in the company	<ul style="list-style-type: none"> <li>• ONE Macpower CNC Machines Limited</li> </ul>
Chairman/Member of the committees including in the Company	Member – Stakeholder and Relationship Committee Member- Audit Committee
Chairman/Member of the committees of Directors of other Companies	<ul style="list-style-type: none"> <li>• NIL</li> </ul>
No. and percentage of shares held in this Company as on 31st March, 2021	3211980 (32.11%)

Place: Metoda, Rajkot  
Date: 14<sup>th</sup> August, 2021

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

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

## MACPOWER CNC MACHINES 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](mailto:info@macpowercnc.com); | website: [www.macpowercnc.com](http://www.macpowercnc.com)  
CIN: [L30009GJ2003PLC043419](https://www.mca.gov.in/publication/Company-Details.aspx?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./ BOID	

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 18th Annual General Meeting of the Company, to be held on the Wednesday, September 29, 2021 at 02:00 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.	<b>Consider and adopt:</b> The audited Standalone Financial Statement of the Company for the year ended on March 31, 2021, and the report of the Board of Directors and Auditors thereon.		
2.	To appoint a Director in place of Mr. Rupesh J. Mehta [DIN: 01474523] who retires by rotation and, being eligible, offers himself for re-appointment.		
3.	To approve increase/revision in remuneration of Mr. Rupesh Mehta (DIN:01474523), Managing director of the Company		
4.	To approve increase/revision in remuneration of Mr. Nikesh Mehta (DIN:01603779), Whole-time director (WTD) of the Company		
5.	To Approve Remuneration of Cost Auditor for F.Y. 2021-22.		

\*Applicable for investors holding shares in electronic form.

\*\*This is Optional

Signed this \_\_\_\_\_ day of \_\_\_\_\_, 2021

**Please affix  
Revenue Stamp  
of Re. 1**

\_\_\_\_\_  
Signature of Member

\_\_\_\_\_  
Signature of Proxy Holder

**Notes:**

- i 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.
- ii \*\*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

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](mailto:info@macpowercnc.com); | website: [www.macpowercnc.com](http://www.macpowercnc.com)  
CIN: [L30009GJ2003PLC043419](https://www.mca.gov.in/publication/Company-Details.aspx?cin=L30009GJ2003PLC043419)

### ATTENDANCE SLIP

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

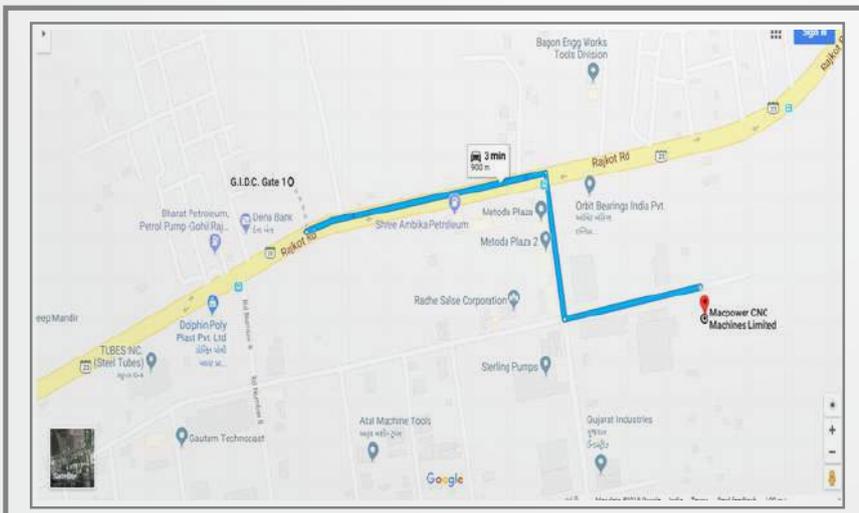
Name of the Member:			
Address of the Member:			
DPID*:		Folio No:	
Client ID*:		No. of Shares	

**I hereby record my presence at the 18th ANNUAL GENERAL MEETING of the Company held on Wednesday, September 29, 2021 at 02:00 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 21, Talu. -  
Lodhika, Dist.-Rajkot, Gujarat,  
India

#### **Date of AGM:**

Wednesday, September 29, 2021

#### **Time of AGM:**

02:00 P.M.

**B O A R D ' S**

# REPORT

# BOARD'S REPORT

To,

The Members,

of Macpower CNC Machines Limited

Your Directors have pleasure in presenting their 18th Annual Report on business and operation of your company together with the Financial Statements for the year ended on March 31, 2021.

## FINANCIAL RESULT

PARTICULARS	CURRENT FINANCIAL YEAR (2021) <i>[INR in Lakh except EPS]</i>	PREVIOUS FINANCIAL YEAR (2020) <i>[INR in Lakh except EPS]</i>
Revenue from Operations	11288	8198
Other Income	35	55
<b>Total Income</b>	<b>11323</b>	<b>8253</b>
Profit/Loss before depreciation, Finance Costs, Exceptional items and Tax Expense	953	536
Less: Depreciation/Amortization/ Impairment	261	108
Profit/(Loss) before Finance Costs, Exceptional items and Tax Expense	692	428
Less: Finance Costs	17	37
Profit/(Loss) before Exceptional items and Tax Expense	675	391
Add/(less): Exceptional items	0	0
Profit/(Loss) before Tax Expense	675	391
Less: Tax Expense [Current & Deferred]	72	118
Current Income Tax	108	27
Deferred Tax Liability/(Asset)	-36	91
<b>Profit/(Loss) for the year</b>	<b>603</b>	<b>273</b>

\* The Financial statements has been prepared according to Indian Accounting standards (IND AS) and therefore figures of last financial year has been regroup/changed accordingly



## FIRST TIME ADOPTION OF IND AS

The financial statements upto year ended 31st March 2020 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act as the Company was listed on NSE SME Emerge Platform. However, during the year Company got migrated from NSE SME portal and listed to Main Board on NSE and Ind AS got applicable to Company and accordingly Company has adopted IND As for the first time and these financial statements are prepared in compliance in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

Refer Note 2 of Notes forming part of financial statement for the year ended on 31st March, 2021 with regards to First time adoption of IND AS and Summary of significant accounting policies followed by the Company and explanation of how the transition from previous GAAP to IND AS has affected the Company's financial position, financial performance and cash flows.

## OVERVIEW OF OPERATIONS

During the Financial Year, total revenue of your company stood at INR 113.23 Crore against INR 82.53 Crore during previous financial year, representing Increase in Y-o-Y growth rate by 37.20%. The EBITDA of the Company has grown by 77.80% from the last year and reached to INR 9.53 Crore from INR 5.36 Crore. This year your company's PAT comes to INR 6.03 Crore as last year it was INR 2.73 Cr, representing Y-o-Y growth rate increase by of 120.88%.

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, 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 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;

## **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 recommended for Issue of 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.

The said bonus shares gets 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

## **LISTING ON STOCK EXCHANGES**

As stated aforesaid after availing all requisite approval from various authorities Company's shares are listed on National Stock Exchange (NSE) Main board with 10004160 equity shares w.e.f 19th August, 2020 and before that the Company's shares were listed with NSE SME Emerge Platform and same got migrated on NSE Main Board.

## DISPATCH OF MACHINES

During the year, your company has dispatched total 651 machines to various sectors like Private sector, Defence sector, Education sector, Research sector.

## MATERIAL CHANGES AND COMMITMENTS/KEY DEVELOPMENTS

No material change which has occurred between the end of financial year of the company and the date of this report

## OVERVIEW OF INDUSTRY.

Machine tools industry is a critical part of the manufacturing sector. The machine tools industry in India has been serving the need for manufacturing through the production of machine tools, accessories/attachments, subsystems and parts.

India is among the leading manufacturers of Machine Tools. Being the key player in the industry, it offers several investment opportunities. The industry is moving towards increasingly advanced CNC machines, driven by demand from key user segments, such as Electronics, medical equipment, die & mold, automobiles, consumer durables, etc.

### **The machine tool industry is a key to 'Make in India'**

- Make in India' policy aims to promote investments in the manufacturing sector and increase the share of manufacturing in GDP to 25 per cent by 2025
- The machine tool industry is the key to this flagship initiative of the Government of India, as it makes the machines required for the manufacturing sector.
- Make in India' program has provided a broad direction for manufacturers to invest in India, focus on infrastructure development and enhance manufacturing growth.
- It has changed the mindset of the machine tool industry and given a filip to their entrepreneurial side.
- As a result of this, the sector is now more open to embrace new technologies.

The global machine tool market is forecasted to reach US\$67.9 billion in 2024, growing at a CAGR of 6.06% for the period spanning 2020-2024.

The factors such as accelerating industrialization, increasing shipments of 5G smartphones, rapid urbanization, increasing electric vehicle deployment and improving consumer confidence are expected to drive the market.

In 2020, the outbreak of COVID-19 pandemic has created an unfavorable impact on the market as the machine tools orders have decreased rapidly.

The machine tools which are operated by a worker turning a handle are used mainly in developing markets. Numerical Control (NC) machine tools that perform automatic operations based on numerical control using a computer are already widespread in developed markets, including Japan, Europe, and the U.S. (NC machine tools account for over 90% of machine tool production value in Japan).

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

## CAPITAL AND DEBT STRUCTURE

During the year, as stated aforesaid your Company's authorised capital has increased by 5,000 shares Pursuant to the approval of the shareholders on 25<sup>th</sup> June, 2020 through postal ballot (including remote e-voting), the Company has allotted 1,96,160 bonus shares on 04<sup>th</sup> July, 2020 in the proportion of 2 (Two) equity shares for every 100 (One Hundred) existing equity shares as on the record date of 1st July, 2021

Your Company does not have Debt securities.

Accordingly, As on 31<sup>st</sup> March, 2021, the Authorized Share Capital of the Company is Rs. 10,00,50,000.00 (Rupees Ten Crores Fifty Thousand) divided into 1,00,05,000 (One Crore Five Thousand) Equity Shares of Rs. 10/- each and the Paid-up Share Capital of the Company is Rs. 10,00,41,600.00 (Rupees Ten Crores Forty One Thousand Six Hundred) divided into 1,00,04,160 (One Crore Four Thousand One Hundred and Sixty) Equity Shares of Rs. 10/- each.

## 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/>.

In Furtherance, Company has appointed Nodal Officer for and on behalf of the Company to Co-Ordinate with IEPF Authority pursuant to Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Second amendment Rules, 2019 and amendment thereto if any, Details of Nodal Officer is as under:

Name: Mr. Sagar Rajyaguru

Designation: Company Secretary & Compliance Officer

Contact details: cs@macpowercnc.com

## MANAGEMENT

### i. Director and Key Managerial Personnel

#### Directors

Following are the Promoter/Promoter group Directors of the Company as on 31st March, 2021 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 & Chief Executive Officer	01603779
3	Mrs. Riya R. Mehta	Non-Executive & Woman Director	01603726

**Director retiring by rotation**

Mr. Rupesh J. Mehta, Managing director (DIN:01474523) 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 himself 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, 2021:

Sr.No.	Names of Directors	Designation	DIN
1	Mr. Rupesh J. Mehta	Managing Director	01474523
2	Mr. Nikesh J. Mehta	Whole-Time Director & Chief Executive Officer	01603779
3	Mr. Rajnikant Raja	CFO	-
4	Mr. Sagar Rajyaguru	CS	-

**Change in KMP during the year**

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

Mr. Nikesh Mehta, Whole time director (DIN: 01603779) 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.

**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, other than sitting fees, commission and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Board/Committee of 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:

<b>Name of Directors</b> Designation as on 31-03-2021	<b>Rupesh J. Mehta</b> Managing Director	<b>Nikesh J. Mehta</b> Whole - Time Director	<b>Riya R. Mehta</b> Non-Executive & Woman Director	<b>Maulik R. Mokariya</b> Independent Director	<b>Rajubhai R. Bhanderi</b> Independent Director	<b>Deven J. Doshi</b> Independent Director
<b>Date of Board Meeting</b>						
22/05/2020	YES	YES	YES	YES	YES	YES
02/07/2020	YES	YES	YES	YES	YES	YES
25/08/2020	YES	YES	YES	NO	YES	YES
12/11/2020	YES	YES	YES	YES	YES	YES
*13/11/2020	YES	YES	YES	YES	YES	YES
16/01/2021	YES	YES	YES	YES	YES	YES
12/02/2021	YES	YES	YES	YES	YES	YES
30/03/2021	YES	YES	YES	YES	YES	YES

\* The meeting convened on 12th November, 2020 was adjourned in between and the meeting was continued and convened on 13th November, 2020.

During FY 2020-2021, meetings of the Independent Directors were held on 12/02/2021. 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, 2021 that have been formed, considering the needs of the Company, details of which are as follows;

<b>Name of the Committee</b>	<b>Category and Composition</b>			<b>Date of Committee meetings</b>	<b>Presence</b>
	<b>Name</b>	<b>Category</b>	<b>Role in Committee</b>		
<b>Audit Committee</b>	Mr. Rajubhai R. Bhanderi	Independent Director	Chairperson	(1) 22/05/2020 (2) 02/07/2020	All the Members have attended the said meeting. Mr. Sagar Rajyaguru, 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) 12/11/2020 (4) 13/11/2020	
	Mr. Rupesh J. Mehta	Independent Director	Member	(5) 12/02/2021	

Name of the Committee	Category and Composition			Date of Committee meetings	Presence
	Name	Category	Role in Committee		
Stakeholders' Relationship Committee (SRC)	Mr. Rajubhai R. Bhanderi	Independent Director	Chairperson	(1) 25/08/2020	All the Members have attended the said meeting. Mr. Sagar Rajyaguru, 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		
	Mr. Rupesh J. Mehta	Managing Director	Member		
Name of the Committee	Category and Composition			Date of Committee meetings	Presence
Name	Category	Role in Committee			
Nomination Remuneration Committee (NRC)	Mr. Rajubhai R. Bhanderi	Independent Director	Chairperson	(1) 25/08/2020	All the Members have attended the said meeting. Mr. Sagar Rajyaguru, CS, Acts as the Secretary to the Committee Meetings & Mr. Rajnikant M. Raja, CFO has also attended the Meeting.
	Mr. Deven J. Doshi	Whole-Time Director	Member		
	Mrs. Riya R. Mehta	Non-Executive and Woman Director	Member	(2) 15/01/2021	
Name of the Committee	Category and Composition			Date of Committee meetings	Presence
Name	Category	Role in Committee			
Corporate Social Responsibility Committee	Mr. Rajubhai R. Bhanderi	Independent Director	Chairperson	(1) 25/08/2020	All the Members have attended the said meeting. Mr. Sagar Rajyaguru, 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	(2) 12/02/2021	

#### **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.	Names	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, 2021

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

c. Details of investor complaints received and redressed during F.Y.2020-2021 are as follows;

Opening Balance	Received during the year	Resolved during the year	Closing Balance
0	0	0	0

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

The Terms of Reference of Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee and corporate social responsible committee are disclosed in Corporate Governance report which forms part of this Annual Report.

**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

The Board of Directors, on the recommendation of the Nomination and Remuneration Committee, decides the commission/remuneration 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/remuneration is decided each year by the Board of Directors, on the recommendation of the Nomination and Remuneration Committee and paid to the Managerial personnel 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. The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

The performance of the committees was evaluated by the Board after seeking inputs from the committee members on the basis of criteria such as the composition of committees, effectiveness of committee meetings, etc.

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, 2021:**

<b>Name of Director</b>	<b>Designation</b>	<b>Amount of Remuneration</b>
*Mr. Rupesh J. Mehta	Managing Director	INR 42,75,000/-
**Mr. Nikesh J. Mehta	Whole-Time Director	INR 25,35,000/-

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

\* Board of directors has based upon the recommendation of nomination and remuneration committee and subject to approval of members of the company has revised/ increased managerial remuneration of Mr. Rupesh Mehta, Managing director(DIN: 01474523) of the company as follows:

1. at monthly remuneration (gross salary) of Rs.7,00,000/- for the period of 3 (Three) years or for remaining term whichever is earlier with effect from 01st January, 2021.
2. At monthly remuneration (gross salary) of Rs.3,00,000/-for the period of 3 (Three) years or for remaining term whichever is earlier with effect from 01<sup>st</sup> August, 2021 and on the terms and conditions as set out in the Supplemental agreement Dated 19<sup>th</sup> August, 2021."

\*\* Board of directors has based upon the recommendation of nomination and remuneration committee and subject to approval of members of the company has revised/ increased managerial remuneration of Mr. Nikesh Mehta, Whole-time director (DIN: 01603779) of the company as follows:

1. At monthly remuneration (gross salary) of Rs.7,00,000/- for the period of 3 (Three) years or for remaining term whichever is earlier with effect from 01<sup>st</sup> January, 2021.
2. At monthly remuneration (gross salary) of Rs. 2,00,000/-for the period of 3 (Three) years or for remaining term whichever is earlier with effect from 01<sup>st</sup> August, 2021 and on the terms and conditions as set out in the Supplemental agreement dated 19<sup>th</sup> August,2021.”

### **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 - 4.

### **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 2020-21.

**xi. Internal Financial Controls and Internal Audit**

During the year 2020-21, Pursuant to resignation of Mr. Pratik Siroya, your Company has appointed Mr. Vishalkadia as on 12th February, 2021 to oversee and carry out internal audit.

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, 2021 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 - 3 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 2020-21, company has spend total amount of Rs.21,41,145 as CSR Expense and CSR Expenditure responsibility for the unspent amount for the financial year 2018-19 to be spent in 2019-20 of Rs. 19,83,308/- was also been duly fulfilled by the company.

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 -2of this report in the format prescribed in the Companies [Corporate Social Responsibility Policy] Rules, 2014 i.e. Annual Report on CSR Activities.

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 Company was not required to frame Risk Management Committee pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly not constituted, however, the board of directors is responsible for framing, implementing and monitoring the risk management plan for the listed entity and Audit Committee of the Company also evaluating Risk Management Systems.

## **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.

## **DETAILS OF APPLICATION MADE OR ANY PROCEEDING PENDING UNDER THE INSOLVENCY AND BANKRUPTCY CODE, 2016**

During the year under review, there was no application made or no proceeding pending under the insolvency and bankruptcy code, 2016.

## 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 <sup>th</sup> AGM [i.e. AGM for 2017 -18] for consecutive term of 5 years from 15 <sup>th</sup> Annual General Meeting till the Conclusion of 20 <sup>th</sup> 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 2020-21.	No change during the year
M/s. Borad Sanjay B & Associates	Cost Auditor	Appointed to conduct cost audit for FY 2020-21.	No change during the year .
Mr. Vishal Kadia	Internal Auditor	Appointed to conduct Internal Audit w.e.f. 12.02.2021 for the year 2020-21.	Change in Internal Auditor due to resignation by earlier appointed auditor Mr. Pratik Siroya.

## 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 31,2021 is annexed herewith to this Report.

Secretarial Auditors' Report in the prescribed format i.e. MR-3 is attached in this report as Annexure - 5.

## COMPLIANCE WITH SECRETARIAL STANDARDS

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

## ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2021 is available on the Company's website on [www.macpowercnc.com](http://www.macpowercnc.com)

## 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 2020-21 as recommended by the Audit Committee. In furtherance, Company has re-appointed M/s. Borad Sanjay B & Associates, Cost Accountants for the year 2021-22 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.

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)

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

## CORPORATE GOVERNANCE REPORT

Your directors reaffirm their continued commitment to good corporate governance practices. During the year under review, your company was in compliance with the provisions of SEBI (Listing Obligation and Disclosure Requirements) Regulations 2015, relating to Corporate Governance.

A report on Corporate Governance is enclosed hereto and forms part of this annual report. The certificate on Corporate Governance availed from Practicing Company Secretaries M/s. K. P. Rachchh & co., Rajkot

## 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.

## 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: 14<sup>th</sup> August, 2021**

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

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

## ANNEXURE - 1

**Brief profile of director seeking Re-appointment in forthcoming Annual General Meeting [18<sup>th</sup> AGM]**

<b>NAME OF DIRECTOR</b>	<b>MR. RUPESH MEHTA</b>
Date of Birth	23/10/1968 , 53 years
Date of Appointment	31/12/2003
Education Qualification	Bachelors of commerce from saurashtra university
Expertise in Specific functional area	Mr. Rupesh Mehta, Promoter, Chairman and Managing Director have over 27 years of experience in machine tool industry and has been the anchor person to craft out new avenues. His exposure related to machine tools industry adds tremendous value to Company
Disclosure of relationship between directors inter-se	<ul style="list-style-type: none"> <li>• Mr.Nikesh Mehta, Whole-time director and Chief Executive Officer( Brother)</li> <li>• Mrs. Riya R.Mehta, Women director (Wife)</li> </ul>
Number of Board Meetings Attended	A detail regarding number of Board Meetings attended by Mr. Rupesh Mehta is given in the Board's Report.
List of public companies in which Directorship held including in the company	<ul style="list-style-type: none"> <li>• ONE Macpower CNC Machines Limited</li> </ul>
Chairman/Member of the committees including in the Company	Member – Stakeholder and Relationship Committee Member- Audit Committee
Chairman/Member of the committees of Directors of other Companies	<ul style="list-style-type: none"> <li>• NIL</li> </ul>
No. and percentage of shares held in this Company as on 31st March, 2021	3211980 (32.11%)

## REPORT ON CSR

### ANNEXURE - 2

1. Brief outline on CSR Policy of the Company.

The company considers itself as Responsible Corporate and as a Responsible Corporate, Company's Philosophy is not just to abide by the Legal Laws but actively contribute to the social, environmental and economic development of the society in which company operates.

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Rajubhai Bhanderi	Chairman of the Committee & Independent Director	2	2
2.	Mr. Rupesh Mehta	Member of the Committee & Managing Director	2	2
3.	Mr. Nikesh Mehta	Member of the Committee CEO and Whole - time director	2	2

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company. - [www.macpowercnc.com](http://www.macpowercnc.com)

4. Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report) - **Not Applicable**

5. Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any

Sl. No.	Financial Year	Amount available for set - off from preceding financial years (in Rs)	Amount required to be set - off for the financial year, if any (in Rs)
Nil			

6. Average net profit of the company as per section 135(5). - **10,70,50,666/- (Ten Crore Seventy Lakhs Fifty Thousand Six Hundred Sixty Six Only)**

7. (a) Two percent of average net profit of the company as per section 135(5) - **21,41,013/- (Twenty One Lakhs Forty One Thousand Thirteen Only)**

- 7 (b) Surplus arising out of the CSR projects or programmers or activities of the previous financial years.  
- **Not Applicable**
- 7 (c) Amount required to be set off for the financial year, if any - **Not Applicable**
- 7 (d) Total CSR obligation for the financial year (7a+7b- 7c). - **21,41,013/- ( Twenty One Lakhs Forty One Thousand Thirteen Only)**
- 8 (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount.	Date of transfer.
21,41,013/ -  ( Twenty One Lakhs Forty One Thousand Thirteen Only)	NIL				

- 8 (b) details of CSR amount spent against ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Sl. No.	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local area (Yes/No)	Location of the project.	Project duration.	Amount allocated for the project (in Rs.).	Amount spent in the current financial Year (in Rs.).	Amount transferred to Unspent CSR Account for the project as per Section 135(6) (in Rs.).	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency
				State. District						Name CSR registration number.
Nil										

- 8 (c) Details of CSR amount spent against other than ongoing projects for the financial year:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation - Direct (Yes/N).	Mode of implementation - Through implementing agency.	
				State.	District.			Name.	CSR registration number.
1.	For small Children and Girls Education and Healthcare	i & ii	YES	Gujarat	Ahmedabad	16,50,000/-	Yes	NA	
2.	Support Programmes for COVID -19 Pandemic Relief	i	YES	Gujarat	Rajkot	4,91,145/-	Yes	NA	
	TOTAL					21,41,145/-			

- 8 (d) Amount spent in Administrative Overheads - **NIL**
- 8 (e) Amount spent on Impact Assessment, if applicable - **Not Applicable**
- 8 (f) Total amount spent for the Financial Year (8b+8c+8d+8e) - **21,41,013/- ( Twenty One Lakhs Forty One Thousand Thirteen Only)**
- 8 (g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	21,41,013/ -
(ii)	Total amount spent for the Financial Year	21,41,145/ -
(iii)	Excess amount spent for the financial year [(ii)-(i)]	132/ -
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	Nil

- 9 (a) Details of Unspent CSR amount for the preceding three financial years: **NOT APPLICABLE**

Sr. No.	Preceding Financial Year.	Amount transferred to Unspent CSR Account under section 135 (6) (in Rs.)	Amount spent in the Reporting Financial Year (in Rs.).	Amount transferred to any fund specified under Schedule VII as per section 135(6), if any.			Amount remaining to be spent in succeeding financial years. (in Rs.)
				Name of the Fund	Amount (in Rs).	Date of transfer.	
1.				N.A.			NIL

- 9 (b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s):

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)
Sr. No.	Project ID.	Name of the Project.	Financial Year in which the project was commenced.	Project duration	Total amount allocated for the project (in Rs.).	Amount spent on the project in the reporting Financial Year (in Rs).	Cumulative amount spent at the end of reporting Financial Year. (in Rs.)	Status of the project - Completed /Ongoing.
Nil								

- 9 In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details). - **Not Applicable**
- Date of creation or acquisition of the capital asset(s).
  - Amount of CSR spent for creation or acquisition of capital asset.
  - Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.
  - Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset).
- 9 Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5). - **Not Applicable**

Place: **Metoda, Rajkot**  
Date: **14<sup>th</sup> August, 2021**

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

Sd/-  
[Rajubhai Bhanderi]  
Chairman - CSR Committee  
DIN: 07986563

## ANNEXURE - 3

**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]

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

1. **Details of contracts or arrangements or transactions not at arm's length basis:** NOT APPLICABLE
2. **Details of material contracts or arrangement or transactions at arm's length basis:**

<b>Name(s) of the related party and nature of relationship:</b>	<b>Nature of contracts/ arrangements /transactions</b>	<b>Duration of the contracts/ arrangement/ transactions</b>	<b>Salient terms of the contracts or arrangements or transactions including the value, if any</b>	<b>Date(s) of approval by the Board</b>	<b>Amount paid as advances, if any</b>
<b>Modern Machine Tools</b> [Proprietorship of Mrs. Raxaben Jagdish Mehta] [Relative of Directors]	Purchases [Parts and Tools]	Ongoing but Approved by Board of Directors Yearly	<b>15,63,430/-</b>	22/05/2020	---
<b>Modern Machine Tools</b> [Proprietorship of Mrs. Raxaben Jagdish Mehta] [Relative of Directors]	Sales	Ongoing but Approved by Board of Directors Yearly	<b>9,09,546/-</b>	22/05/2020	---

**Place: Metoda, Rajkot**  
**Date: 14<sup>th</sup> August, 2021**

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

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

## ANNEXURE - 4

**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**

<b>Name of Director/KMP</b>	<b>Designation</b>	<b>Ratio to median remuneration [annually]</b>
Rupesh J. Mehta	Managing Director	16.86x
Nikesh J. Mehta	Whole-Time Director	10x
Riya R. Mehta	Non-executive & Woman Director	Not applicable as no Remuneration
Rajnikant M. Raja	CFO	2.7x
Sagar R. Rajyaguru	CS	0.13x

**Notes:**

- 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 2020-21 is 4% to 6%.
  - The number of permanent employees on the rolls of the company as on March 31, 2021 is 482

**Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration- NA**

- The average increase in the managerial remuneration for the F.Y 2020-21 is 6% to 8% and the average increase in the salary of employees other than managerial personnel for the FY 2020-21 is upto 4 to 6%.

*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/ Manager (Yes/No) If yes then name of such director and manager
1.	JIGNESH CHANDARANA	DGM	S.S.C	39	17 Years	3 July, 2007	1356140	PARAS INDUSTRIES RAJKOT	No
2..	ATUL SARDHARA P.	Dy. General Manager Sales & Service	M.B.A	39	8 years	18- July, 13	1260946	MEHTA CAD CAM SYSTEMS PVT. LTD.	No
3.	NAKUM ASHISHBHAI BAVANJIBHAI	COO	DME	39	2 Years	01- June- 19	1126537	COSMOS IMPEX PVT.LTD	No
4.	ANISH DOSHI	Country Head Sales & Marketing	M.B.A	47	7 Years	01- May- 14	986330	Matrix Weighing Systems Pvt. Ltd	No
5.	VAIBHAV PATIL R.	GM Sales & Marketing	B.E.	40	8 Years	1 Jan 2013	941894	PRECIHOLE MACHINES TOOLS PVT. LTD	No
6.	SACHIN HARI CHUHAN	ASST.AREA.M ANAGER	DIPLOMA IN COMPUTER APPLICATION	38	7 Years	01- Aug-14	857399	MICROALIGNMENT	No.
7.	SAKHIYA AMITKUMAR	Manager VMC	B.E.MEC HNICAL	33	2 Years	01- June- 19	850046	COSMOS IMPEX PVT.LTD	No.
8.	CHE'TANKUMAR MAKWANA	SR.ENGINEER	M.E.	31	5 Years	19 July, 2016	803022	CONSULTA NCH FOR CNC PROGRAMI NG	No
9.	SHIVAPPA DODAMANI S	MANAGER	DME	39	2 Years	17 April, 2007	753158	PARWAN ENGINEERING P.LTD	No
10.	PADMANABAN K	DGM Sales & Service	M Tech	32	2 Years	15 March, 2019	722232	Jyoti CNC Automation ltd	No

\*\* 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: 14<sup>th</sup> August, 2021**

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

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

## ANNEXURE - 5

**Form No. MR-3 SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON 31<sup>ST</sup> MARCH, 2021****[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, 2021, 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, 2021, 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;
  - 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. Not applicable as the Company is not registered as a Registrar to an issue and Share Transfer Agent.

- 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 as applicable to the company as listed entity with NSE SME emerge and w.e.f 19th August, 2020 Company got migrated and listed with NSE main board and the Company has complied accordingly with the Listing Agreement.

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, appointment made of CFO in due Compliance with the provisions of the Act.

Adequate notice (including shorter notice) was given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 through circular resolutions, 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 during the audit period, following major events have occurred which were carried out in compliance with the applicable provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018 and other applicable provisions and regulations and with the approval of Members of the Company, National Stock Exchange of India Limited, Registrar of Companies, Gujarat and other authority as and when required:

- The Authorized Share Capital of the Company increased from Rs. 10,00,00,000/- to Rs. 10,00,50,000/- through Postal Ballot on June 25, 2020 and accordingly has altered Clause V of the Memorandum of Association of the Company.
- Issued Bonus Shares in the proportion of 2 Equity Shares for every 100 Existing Equity Shares held through Postal Ballot on June 25, 2020 and accordingly allotted 1,96,160 Equity Shares as Bonus Shares on 04/07/2020.
- Company got migrated from NSE SME Emerge Platform to NSE Main Board and Equity shares are listed at NSE Main Board on 19 August, 2020.

For all the aforesaid events, Members approval is taken through Postal Ballot pursuant to provision of section 108 and Section 110 of the Companies Act, 2013 read with the General Circular No. 14/2020 dated April 8, 2020 and the General Circular No. 17/2020 dated April 13, 2020, in relation to "Clarification on passing of ordinary and special resolutions by Companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid - 19" issued by the Ministry of Corporate Affairs, Government of India ('the MCA Circulars') and related SEBI Circulars.

In Furtherance, Some of the Forms were filed for the event occurred in 2020-21 under CFSS Scheme of Ministry of Corporate Affairs due to covid-19 pandemic.

We further report that based on review of compliance mechanism established by the Company and on the basis of the Management representation letter, 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 June, 2021**

**UDIN: F005156C000517734**

**[Kalpesh P. Rachchh]**  
Proprietor  
FCS No. : 5156  
C P No.: 3974

## ANNEXURE TO SECRETARIAL AUDIT REPORT

To,  
The Members,  
MACPOWERCNC 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.

Place : Rajkot

Date: 25th June, 2021

UDIN: F005156C000517734

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

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

## ANNEXURE - 6

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

**A. CONSERVATION OF ENERGY:**

- The steps taken or impact on conservation of energy: 200KW Solar Plant was installed during the year. Installation of solar plant is company's one step towards self-reliance for captive power consumption. Solar Plant installation will help to reduce carbon footprint which leads to prevent greenhouse effects.
- The steps taken by the company for utilizing alternate sources of energy: Solar Plant
- The capital investment on energy conservation equipment's: 63,39,000/-

**Total Energy Consumption**

<b>A. Power &amp; Fuel Consumption</b>		
<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
<b>a) Electricity</b>		
Purchased (KWH)(Units)	6,69,105	5,39,555
Total Amount	50,13,312/-	41,20,661/-
Average Rate Rs.	7.49	7.64
<b>b) Coal</b>		
Quantity (MT)	<b>N.A.</b>	<b>N.A.</b>
Total Amount (Rs. In Lacs)		
Average Rate Rs.		
<b>c) Furnace Oil</b>		
Quantity (MT)	<b>N.A.</b>	<b>N.A.</b>
Total Amount (Rs. In Lacs)		
Average Rate Rs.		
<b>d) Solar Energy</b>		
Generated (Units)(w.e.f. Jan. 2021)	1,04,066	<b>N.A.</b>
<b>B. Consumption for Unit of Production</b>		
<b>Particulars</b>	<b>2020-21</b>	<b>2019-20</b>
<b>Production (Nos)</b>	671	418
Consumption per unit [Electricity(KWH)& Solar (Units)]	1152.27	1290.80

**B. TECHNOLOGY ABSORPTION -**

- the efforts made towards technology absorption: Nil
- the benefits derived like product improvement, cost reduction, product development or import substitution: Nil
- in case of imported technology (imported during the last three years reckoned from the beginning of the year under reference) -
  - Details of the technology imported;
  - The year of import;
  - 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
- the expenditure incurred on Research and Development : Rs.3,77,328/-

**C. FOREIGN EXCHANGE EARNING AND OUTGO:**

- Total foreign Exchange Earnings during the year: NIL
- Total foreign Exchange outgo (CIF): INR 3,59,94,925/-

**Place: Metoda, Rajkot**  
**Date: 14<sup>th</sup> August, 2021**

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

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

### 2. ECONOMY OUTLOOK

#### a. WORLD ECONOMY

Prospects for the world economy have brightened but this is no ordinary recovery. It is likely to remain uneven and dependent on the effectiveness of vaccination programs and public health policies. Some countries are recovering much faster than others. Korea and the United States are reaching pre-pandemic per capita income levels after about 18 months. Much of Europe is expected to take nearly 3 years to recover. In Mexico and South Africa, it could take between 3 and 5 years.

Global economic growth is now expected to be 5.8% this year, a sharp upwards revision from the December 2020 Economic Outlook projection of 4.2% for 2021. The vaccines rollout in many of the advanced economies has been driving the improvement, as has the massive fiscal stimulus by the United States. World GDP growth is expected to be 4.4% next year but global income will still be some USD 3 trillion less by end 2022 than was expected before the crisis hit. USD 3 trillion is about the size of the entire French economy.

Differences in the strength of economic recovery across countries are being driven by the extent of government support to vulnerable workers and businesses, by a country's dependency on particular sectors such as tourism (Rebuilding tourism for the future), as well as by public health and vaccination policies. Trade is also playing a role. Consumers have been spending less on services and more on goods since the pandemic began. The pick-up in merchandise trade has benefitted countries heavily involved in supply chains, particularly pharmaceuticals, medical supplies and IT material.

[Source: OECD]

### **EXPECTATION FOR Fy22:**

Following a collapse last year caused by the COVID-19 pandemic, global economic output is expected to remain more than 5 percent below pre-pandemic projections. Global growth is projected to moderate to 3.8 percent in 2022, weighed down by the pandemic's lasting damage to potential growth. In particular, the impact of the pandemic on investment and human capital is expected to erode growth prospects in emerging market and developing economies (EMDEs) and set back key development goals. The global recovery, which has been dampened in the near term by a resurgence of COVID-19 cases, is expected to strengthen over the forecast horizon as confidence, consumption, and trade gradually improve, supported by ongoing vaccination. Downside risks to this baseline predominate, including the possibility of a further increase in the spread of the virus, delays in vaccine procurement and distribution, more severe and longer-lasting effects on potential output from the pandemic, and financial stress triggered by high debt levels and weak growth. Limiting the spread of the virus, providing relief for vulnerable populations, and overcoming vaccine-related challenges are key immediate policy priorities. As the crisis abates, policy makers need to balance the risks from large and growing debt loads with those from slowing the economy through premature fiscal tightening. To confront the adverse legacies of the pandemic, it will be critical to foster resilience by safeguarding health and education, prioritizing investments in digital technologies and green infrastructure, improving governance, and enhancing debt transparency. Global cooperation will be key in addressing many of these challenges.

The IMF is projecting a stronger recovery for the global economy, at six per cent in 2021, compared with 5.5 per cent it predicted in January. It has also projected global economy to grow by 4.4 per cent in 2022. The world output contracted 3.3 percent in 2020.

[Source: World Bank& IMF]

## **b. INDIAN ECONOMY**

Recording its worst ever performance in over four decades, India clocked a negative growth of 7.3 per cent for 2020-21 while the fourth quarter of the fiscal showed a nominal rise of 1.6 per cent. The GDP numbers released by the National Statistical Office (NSO) on Monday reflect the delicate state of the nation's economy and are all the more glaring since the Centre had begun the 'Unlock' process from July 2020 onwards after imposing a nation-wide lockdown in March 2020, which had lasted till June 2020.

During the January-March period, all sectors had completely opened and the situation was near normal. 1.6 percent growth during the fourth quarter of FY21 shows a systematic improvement in play.

Real GDP or Gross Domestic Product (GDP) at Constant (2011-12) Prices in the year 2020-21 is now estimated to attain a level of Rs. 135.13 lakh crore, as against the First Revised Estimate of GDP for the year 2019-20 of Rs.145.69 lakh crore, released on 29th January 2021. The growth in GDP during 2020-21 was estimated at -7.3 percent as compared to 4.0 percent in 2019-20," Ministry of Statistics & Programme Implementation.

In 2019-20, the GDP had shown a poor growth of four per cent, an 11-year low, mainly due to contraction in secondary sectors like manufacturing and construction.

During the first quarter of 2020-21, India's GDP had shrunk by 24.38 per cent, hit mainly by the Covid-19 pandemic.

[Source: NDTV MAY 31, 2021]

### **INDIAN ECONOMY PROJECTIONS FOR FY-2022**

The International Monetary Fund (IMF) has raised its projection for India's economic growth in the current financial year by one percentage point to 12.5 per cent. The forecast, published in the IMF's World Economic Outlook, suggests India would again become the fastest-growing large economy in the world. In fact, India is the only country among major world economies that is projected to grow at a double-digit rate during FY22. China comes closest, with a forecast of 8.4 per cent economic expansion.

The IMF also sees India's gross domestic product (GDP) growing by 6.9 per cent, rate 10 basis points higher than its earlier projection, in the next financial year.

Considering the uncertainty caused by Covid-19 cases, the World Bank gave a range for India's economic growth – from 7.5 per cent to 12.5 per cent – in FY22. However, it also said India was likely to grow by 10.1 per cent during the year.

[Source: BUSINESS STANDARD APRIL 6, 2021]

## **3. INDUSTRY STRUCTURE AND DEVELOPMENT**

### **Machine Tools Industry**

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

The machine tools sector considered the mother of all other manufacturing industries, is at the forefront to bear the brunt of the ripple effect of other manufacturing sectors.

Machine tools industry is a critical part of the manufacturing sector. The machine tools industry in India has been serving the need for manufacturing through the production of machine tools, accessories/attachments, subsystems and parts. As per the 2017 Gartner Business Media survey, India stands 12th in production and 8th in the consumption of machine tools in the world.

The spurt in manufacturing due to increased industrialization is driving the growth for machine tools sector. Due to this, several overseas companies have entered the Indian machine tools sector either by setting up wholly owned subsidiaries or through joint ventures.

### **Developments/ Road ahead:**

Advancements in hardware and software are changing the Machine Tool Industry. Industry trends in the coming years are likely to focus on these advancements, especially as they pertain to automation.

The machine tool industry is expected to see advancements in:

- a. CNC software advancements
- b. Automated and IoT-ready machines
- c. Artificial intelligence (AI)
- d. Inclusion of smart features and networks

### **CNC SOFTWARE ADVANCEMENTS**

Advancements in computer-aided manufacturing (CAM) software used in CNC machining allows for even further precision in manufacturing. CAM software now allows machinists to use digital twinning – the process of simulating a physical object or process in the digital world.

Before a part is physically manufactured, digital simulations of the manufacturing process can be run. Different toolsets and methods can be tested to see what is likely to produce the optimal result. That reduces cost by saving material and man-hours that might have otherwise been used to refine the manufacturing process.

Newer versions of machining software like CAD and CAM are also being used to train new workers, showing them 3D models of the parts they're making and the machine they're working with to illustrate concepts. This software also facilitates faster processing speeds, meaning less lag time and quicker feedback for machine operators while they work.

Multi-axis machine tools are more efficient, but they also come at a higher risk for collision as multiple parts work at once. Advanced software cuts down on this risk, in turn cutting downtime and lost materials.

### **AUTOMATED AND IOT-READY MACHINES**

As the industry continues to adopt more digital technologies, we'll see the manufacture of more machines built for automation and the industrial internet of things (IIoT).

Smart machine tools and robotics will likely handle a greater percentage of the work in industrial settings as technology advances. Especially in those situations where the work is too dangerous for human beings to perform, automated machine tools will become more widely used.

As more internet-connected devices populate the factory floor, cyber security will become an increased concern. Industrial hacking has resulted in several worrying breaches of automated systems over the years, some of which could have resulted in the loss of life. As IIoT systems become more integrated, cyber security will only increase in importance.

### **ARTIFICIAL INTELLIGENCE (AI)**

Especially in large-scale industrial settings, the use of AI programmed machines will increase. As machines and machine tools become automated to a greater degree, programs will need to be written and executed in real-time to manage those machines. That's where AI comes in.

In the context of machine tools, AI can be used to monitor the programs the machine is using to cut parts, making sure they don't deviate from the specifications. If something goes wrong, AI could shut the machine off and run diagnostics, minimizing damage. AI can also assist in machine tool maintenance to minimize and address problems before they happen.

### **INCLUSION OF SMART FEATURES AND NETWORKS**

Advancements in networking technology have made it easier than ever to connect smart devices and build local networks.

Able to transfer power and data simultaneously, SPE is well suited to connecting smart sensors and networked devices to the more powerful computers driving industrial networks. Half the size of conventional Ethernet cable, it can fit in more places, be used to add more connections in the same space, and be retrofitted to existing cable networks. This makes SPE a logical choice for building smart networks in factory and warehouse environments that may not be suitable for current generation WiFi.

Low-power wide-area networks (LPWAN) allow data to be transmitted wirelessly to connected devices over a greater range than previous technologies. Newer iterations of LPWAN transmitters can go a full year without replacement and transmit data up to 3 km.

Even WiFi is becoming more capable. New standards for WiFi currently in development by the IEEE will use 2.4 GHz and 5.0 GHz wireless frequencies, boosting strength and reach beyond what current networks are capable of.

The increased reach and versatility provided by new wired and wireless technology make automation possible on a grander scale than before. By combining advanced networking technologies, automation and smart networks will become more common across the board in the near future, from aerospace manufacturing to agriculture.

## 4. SWOT

STRENGTH:	WEAKNESS
<p>Robust Team of Research &amp; Development.</p> <p>Ever-growing production capacity.</p> <p>Wide range of products.</p> <p>Satisfied and prestigious Client base.</p> <p>Experienced and Visionary Management.</p> <p>Trained Workforce.</p> <p>Debt Free culture.</p> <p>Strong Operational and Financial Strength.</p> <p>Delivering value to end users</p> <p>Strong tender/ Government Business</p> <p>Dispatching Machines to defence sector, educational sector etc.</p>	<p>Long manufacturing cycle.</p> <p>Inventory Maintenance of critical components.</p>
OPPORTUNITIES	THREAT
<p>High opportunities in defence sector:</p> <p>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.</p> <p>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&amp;D</p>	<p>Entry of global players in the machine tools industry.</p> <p>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.</p> <p>.</p> <p>External factors such as political, environmental, technical etc</p> <p>Economic slowdown due to surge of COVID virus</p>

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

### 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 the current product portfolio and incorporating feasible IoT solutions to maintain the growth trajectory.
- Your company is vigilant enough, with above factors, to have an internal restructuring mechanism to counter the above mentioned conditions to the maximum extent.

### 5. PRODUCT WISE PERFORMANCE IN FY-2021

Sales in value – Product wise (INR in Lakh)

PARTICULARS	2020-2021		
	DOMESTIC	TENDER	TOTAL
CNC	7686.93	192.26	7879.19
VMC	2707.37	401.23	3108.6
VTL	26	-	26
HASSM	58.59	-	58.59

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

**Your company operates in a single segment and hence 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.	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.	Strong customer-centricity which aligned to customer needs.  Continue research and development for emerging technologies, innovation, and solution.  Staying relevant to customers constantly.

Key Risks	Impact on the Company	Mitigation
Litigation risks	<p>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.</p>	<ul style="list-style-type: none"> <li>▪ Strengthening internal processes and controls to adequately ensure compliance with contractual obligations.</li> <li>▪ Potential disputes are promptly brought to the attention of management and dealt with appropriately.</li> </ul>
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"> <li>▪ In-house process and machining of our products will reduce dependency on suppliers.</li> <li>▪ Planning of inventory with import schedule and research global factor for price fluctuations.</li> <li>▪ Import certain equipment to check quality of raw materials.</li> <li>▪ Periodical review of requirement and procurement by Purchase, Procure and Control department.</li> </ul>

## **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]*

<b>Particulars</b>	<b>2020-2021</b>	<b>2019-2020</b>	<b>Change in %</b>
Total Revenue	11322	8253	37.19
EBITDA [Earnings before Interest, Tax, Depreciation and Amortization]	952	536	77.61
PBT [Profit Before Tax]	675	391	72.63
PAT [Profit After Tax]	603	273	120.88
EPS [Earning Per Share]	6.03	2.73	120.88

A result of Operations is disclosed in the Financial Statements for the year ended on March 31, 2021.

## 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 482 permanent employees as on March 31, 2021. 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.

For the betterment of its employees in these pandemic times we created SOPs

- For employees entry at the gate,
- For distancing during work,
- For frequent health monitoring during the day,
- For their isolation and care in case of symptoms or health deterioration and for contact tracing
- And trained our people to adhere to above SOPs in letter and spirit.

We sanitized our facilities, offices equipment and practically all human interfacing surfaces multiple times a day.

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

Ratios	Units	FY 2020 - 21	FY 2019 - 20	Change in %	Reason
Debtors Turnover	Times	2.04	2.40	-0.36	N.A.
Inventory Turnover	Times	1.45	1.18	0.28	N.A.
Interest Coverage Ratio	Times	40.84	11.50	29.33	Higher revenue results in higher profitability which results in higher interest coverage ratio
Current Ratio	Times	1.54	2.01	-0.47	N.A.
Debt -to- Equity Ratio	Is to	0.00	0.00	0.00	
Operating Profit Margin	%	5.83%	4.56%	1.27%	
Net Profit Margin	%	5.98%	4.78%	1.21%	
Return on Net Worth	%	8.32%	4.11%	4.21%	
Return on Net Assets	%	15.98%	11.16%	4.83%	

**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 Net worth is increased due to increase in Profitability of the Company

Net worth of the as in the year 2019-20 was Rs. 69.32 Cr. and in the year 2020-21 it is Rs. 72.46 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: 14<sup>th</sup> August, 2021

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

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

## CORPORATE GOVERNANCE REPORT

A report on corporate governance is set out in compliance with the corporate governance requirements as stipulated in SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015.

### I. COMPANY'S PHILOSOPHY ON THE CORPORATE GOVERNANCE.

The Company's philosophy on Corporate Governance is embedded in the rich legacy of ethical governance practices. This includes its corporate and other structures, its culture, policies and the manner in which it deals with various stakeholders. Accordingly timely and accurate disclosure of information regarding the financial situation, performance, ownership and governance of the company is an important part of corporate governance.

Integrity, accountability, transparency and compliance with laws which are the columns of good governance are connected in the Company's robust business practices to ensure ethical and responsible leadership both at the Board and the Management Level.

Your company has complied with the requirement of corporate governance as laid down under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

### II. BOARD OF DIRECTORS

#### a. Composition of Board:

The Board of Directors of the Company is duly constituted. The Composition of Board of Directors of the Company comprises of Executive and Non-Executive directors as on 31st March, 2021, the board of directors of the company consists of six directors out of which four(4) are Non-Executive and amongst the four(4) Non-Executive Directors Three (3) are independent directors which is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations") and the Company's Act, 2013 ("ACT").

Independent Directors are non-executive directors as defined under Regulation 16(1)(b) of the SEBI Listing Regulations and Section 149(6) of the Act along with rules framed thereunder. In terms of Regulation 25(8) of SEBI Listing Regulations, they have confirmed that they are not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact their ability to discharge their duties. Based on the declarations received from the Independent Directors, the Board of Directors has confirmed that they meet the criteria of independence as mentioned under Regulation 16(1)(b) of the SEBI Listing Regulations and that they are independent of the management. Further, the Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

The composition of Board of Directors is as follows:

<b>SR. NO.</b>	<b>NAME OF DIRECTORS</b>	<b>DIN</b>	<b>CATEGORY</b>
1.	Mr. Rupesh J. Mehta	01474523	Promoter/Executive Director
2.	Mr. Nikesh J. Mehta	01603779	Promoter/Executive Director
3.	Mrs. Riya R. Mehta	01603726	Non-Executive Woman Director
4.	Mr. Rajubhai Bhanderi	07986563	Non- Executive and Independent Director
5.	Mr. Devenbhai Doshi	07994505	Non- Executive and Independent Director
6.	Mr. Maulik Mokariya	05310868	Non- Executive and Independent Director

**b. Board Meeting and attendance of Directors:**

- i. The Company's Board of Directors play a primary role in ensuring good governance and functioning of the company. The Board reviews from time to time compliance reports of all the laws applicable to the company. The members of the Board have complete freedom to express their opinion and decisions taken after detailed discussion.

The attendance record of the directors at the Board Meetings during the year ended on 31<sup>st</sup> March, 2021 and at the last Annual General Meeting (AGM) is as under:

SR. NO.	NAME OF THE DIRECTOR	DIN	NO. OF BOARD MEETINGS ATTENDED	ATTENDANCE AT THE LAST AGM HELD ON 29/09/2020
1	Mr. Rupesh J. Mehta	01474523	7 Out of 7	Yes
2	Mr. Nikesh J. Mehta	01603779	7 Out of 7	Yes
3	Mrs. Riya R. Mehta	01603726	7 Out of 7	Yes
4	Mr. Rajubhai Bhanderi	07986563	7 Out of 7	Yes
5	Mr. Devenbhai Doshi	07994505	7 Out of 7	Yes
6	Mr. Maulik Mokariya	05310868	7 Out of 6	NO

**c. Membership/Directorship:**

SR. NO.	NAME OF THE DIRECTOR	*DIRECTORSHIP IN OTHER COMPANY	#COMMITTEES OF COMPANY	
			Member	Chairman
1	Mr. Rupesh J. Mehta	NO	1. Audit Committee 2. Stakeholder and relationship Committee 3. Corporate Social Responsibility Committee	NO
2	Mr. Nikesh J. Mehta	NO	1. Stakeholder and relationship Committee 2. Corporate Social Responsibility Committee	NO
3	Mrs. Riya R. Mehta	NO	1. Nomination and remuneration Committee	NO
4	Mr. Rajubhai Bhanderi	NO	1. Audit Committee 2. Nomination and remuneration Committee 3. Stakeholder and relationship Committee 4. Corporate Social Responsibility Committee	Yes Yes Yes Yes
5	Mr. Devenbhai Doshi	NO	1. Audit Committee 2. Nomination and remuneration Committee	No No
6	Mr. Maulik Mokariya	Yes - in 8 companies	NIL	NA

\* No directors of the company are directors in any other listed entity.

# No directors are member/Chairman in any committee of other corporates except Mr. Maulik Mokariya is the member of the committee of Corporate Social Responsibility Committee of the Shree Maruti Courier Service Private Limited

**d. Number of meetings of the board of directors held and its dates.**

During the year ended on 31st March, 2021 the board of Directors had 7 Meetings on following dates:

<b>SR.NO.</b>	<b>DATES OF BOARD MEETINGS</b>
1.	22/05/2020
2.	02/07/2020
3.	25/08/2020
4.	12/11/2020
	The meeting held on 12/11/2020 was adjourned and held on 13/11/2020
5.	16/01/2021
6.	12/02/2021
7.	30/03/2021

During FY 2020-21, one meeting of the Independent Directors was held on 12/02/2021. The Independent Directors, inter-alia, reviewed the performance of Non Independent Directors, Board as a whole and Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors.

**e. Disclosure of relationships between directors inter-se.**

Mr. Rupesh Mehta, Chairman and Managing director of the Company is brother of Mr. Nikesh Mehta, Whole time director of the Company and husband of Mrs. Riyaben Mehta.

Other directors as per their category are independent and not related with in any way.

**f. Number of share and convertible instruments held by non-executive directors as on 31st March, 2021.**

<b>Name of non-executive directors</b>	<b>Number of shares held</b>	<b>Number of convertible instruments held</b>
Mr. Rajubhai Bhanderi	Nil	Nil
Mr. Devenbhai Doshi	Nil	Nil
Mr. Maulikbhai Mokariya	Nil	Nil
Mrs. Riyaben Mehta	1814982	Nil

**g. Web link where details of familiarization Programs imparted to independent directors.**

The details related to structure of familiarization Programs to be imparted to independent directors are available on Company's website viz. <https://www.macpowercnc.com> and during the year 2020-21 no familiarization programs were imparted to Independent directors.

#### **h. Details of skills/expertise/competence of the Board of Directors**

The Board of Directors has identified certain parameters in the context of Company's business to measure the skills, expertise and competence of the directors. These parameters include:

- Business Leadership
- Operational Experience
- Strategic Planning
- Risk Management
- Corporate Governance
- Research Development and Innovation
- Human Resource Management
- Financial, Regulatory and Legal

The Board of Macpower CNC Machines Limited has a diversified board. The directors hold adequate qualification and experience and possess specialization in their respective fields.

Each of the Directors is skilled, expert and competent in the area of his/her specialization and provides considerable contribution and support in operations of your Company.

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>Skills/ Expertise</b>
1	Mr. Rupesh J. Mehta	<ul style="list-style-type: none"> <li>• Business Leadership</li> <li>• Operational Experience</li> <li>• Strategic Planning</li> <li>• Risk Management</li> <li>• Corporate Governance</li> <li>• Research Development and Innovation</li> <li>• Human Resource Management</li> <li>• Financial, Regulatory and Legal</li> </ul>
2	Mr. Nikesh J. Mehta	<ul style="list-style-type: none"> <li>• Operational Experience</li> <li>• Strategic Planning</li> <li>• Risk Management</li> <li>• Corporate Governance</li> <li>• Research Development and Innovation</li> </ul>
3	Mrs. Riya R. Mehta	<ul style="list-style-type: none"> <li>• Risk Management</li> <li>• Corporate Governance</li> <li>• Human Resource Management</li> </ul>
4	Mr. Rajubhai Bhanderi	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Financial, Regulatory and Legal</li> <li>• Risk Management</li> </ul>
5	Mr. Devenbhai Doshi	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Risk Management</li> <li>• Human Resource Management</li> </ul>
6	Mr. Maulik Mokariya	<ul style="list-style-type: none"> <li>• Corporate Governance</li> <li>• Financial, Regulatory and Legal</li> <li>• Risk Management</li> <li>• Risk Management</li> <li>• Human Resource Management</li> </ul>

**I. Confirmation by board of directors**

- In the opinion of the Board of Directors, the Independent Directors fulfill the conditions specified in SEBI (Listing obligations and Disclosure Requirements) Regulations, 2015 and are Independent of the Management.

**j. Resignation of Independent Directors**

- No independent director has resigned during the financial year 2020-2021.

**COMMITTEES OF THE BOARD****iii. AUDIT COMMITTEE**

Audit committee of the Board is entrusted with the powers and the role that are in accordance with regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 as well as Section 177 of the Company's Act, 2013.

Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing (LODR) Regulations, 2015 and Section 177 of the Act.

The terms of reference of the Audit Committee are as per the Companies Act, 2013 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 which are as follows:

1. 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;
2. Recommendation for appointment, remuneration and terms of appointment of auditors of the listed entity;
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors;
4. Reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval, with particular reference to:
  - 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
6. 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;
7. Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
8. Approval or any subsequent modification of transactions of the listed entity with related parties;

- 9 Scrutiny of inter-corporate loans and investments;
10. Valuation of undertakings or assets of the listed entity, wherever it is necessary;
11. Evaluation of internal financial controls and risk management systems;
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
13. 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;
14. Discussion with internal auditors of any significant findings and follow up there on;
15. 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.
16. 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;
17. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
18. Discussion with 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;
19. 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.
20. 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;
21. To review the functioning of the whistle blower/Vigil mechanism;
22. 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;
23. Audit committee shall oversee the vigil mechanism.
24. Audit Committee will facilitate KMP/auditor(s) of the Company to be heard in its meetings.
25. Carrying out any other function as is mentioned in the terms of reference of the audit committee or containing into SEBI Listing Regulations 2015.

Further, the Audit Committee shall mandatorily review the following:

- 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

During the year ended on 31st March, 2021 five audit committee meetings were held on following dates

<b>Sr.No.</b>	<b>Dates of Audit Committee Meetin</b>
1.	22/05/2020
2.	02/07/2020
3.	12/11/2020
4.	13/11/2020
5.	12/02/2021

**Composition and attendance of members**

Sr.No.	Name of Director	Category	Member/ Chairman	No. of Meetings	
				Held	Atten ded
1.	Mr. Rajubhai Bhanderi	Independent, Non- executive	Chairman	5	5
2.	Mr. Devenbhai Doshi	Independent, Non- executive	Member	5	5
3.	Mr. Rupesh Mehta	Executive Director	Member	5	5

Mr. Sagar R. Rajyaguru, Company Secretary and Compliance Office and Mr. Rajnikant M. Raja, CFO of the Company have also attended the Meeting of Audit Committee.

**IV. NOMINATION AND REMUNERATION COMMITTEE**

The powers, role and terms of reference of the nomination and remuneration committee covers the areas as contemplated under regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and section 178 of the Company's Act, 2013, besides other terms as may be referred by the Board of Directors.

The role includes formulation of criteria for determining qualifications, positive attitudes and independence of a director and recommending to the Board a policy relating to the remuneration for the directors, Key managerial personnel and Senior Management Personnel, formulation of criteria for evaluation of independent directors and the Board, devising a policy on Board's diversity, and identification of 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.

The performance evaluation of Independent directors is carried out on the basis of criteria, in the form of parameters, set up by the Board of Directors. These parameters include positive attitude and promptness, contribution in improving financial and other functions of the company, inputs on inclusion of matters to be discussed at the Board meetings to improve the operating procedures, understanding of laws having impact on Company's business.

During the year ended on 31st March, 2021 Two Nomination and remuneration committee meetings were held on following dates:

Sr.No.	Dates of Nomination and Remuneration Committee Meetings
1.	25/08/2020
2.	15/01/2021

**Composition and attendance of members**

Sr.No.	Name of Director	Category	Member/ Chairman	No. of Meetings	
				Held	Attended
1.	Mr. Rajubhai Bhanderi	Independent, Non-executive	Chairman	2	2
2.	Mr. Devenbhai Doshi	Independent, Non-executive	Member	2	2
3.	Mrs.Riyaben Mehta	Non-Executive Director	Member	2	2

Mr. Sagar R. Rajyaguru, Company Secretary and Compliance Office and Mr. Rajnikant M. Raja, CFO of the Company have also attended the Meeting of Nomination and Remuneration Committee.

**V. REMUNERATION OF DIRECTORS:**

In accordance with the principles of transparency and consistency, the company has adopted a nomination and remuneration policy for directors, key managerial personnel and senior management.

The policy is available on the website of the company at <https://www.macpowercnc.com>.

The detail remuneration paid to the directors during the financial year 2020 -2021 is as follows:

Name of Director	Designation	Amount of Remuneration
*Mr. Rupesh J. Mehta	Managing Director	INR 42,75,000/ -
**Mr. Nikesh J. Mehta	Whole -Time Director	INR 25,35,000 /-

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

\* Board of directors has based upon the recommendation of nomination and remuneration committee and subject to approval of members of the Company at ensuing Annual General Meeting has revised/ increased managerial remuneration of Mr. Rupesh Mehta, Managing director of the Company as follows:

- 1) At monthly remuneration (gross salary) of Rs.7,00,000/- for the period of 3 (Three) years or for remaining term whichever is earlier with effect from 01st January, 2021.
- 2) At monthly remuneration (gross salary) of Rs.3,00,000/- for the period of 3 (Three) years or for remaining term whichever is earlier with effect from 01st August, 2021 and on the terms and conditions as set out in the Supplemental agreement Dated 19th August, 2021."

\*\* Board of directors has based upon the recommendation of nomination and remuneration committee and subject to approval of members of the company at ensuing Annual General Meeting has revised/ increased managerial remuneration of Mr. Nikesh Mehta, Whole-time director of the Company as follows:

- 1) At monthly remuneration (gross salary) of Rs.7,00,000/- for the period of 3 (Three) years or for remaining term whichever is earlier with effect from 01st January, 2021.
- 2) At monthly remuneration (gross salary) of Rs. 2,00,000/- for the period of 3 (Three) years or for remaining term whichever is earlier with effect from 01st August, 2021 and on the terms and conditions as set out in the Supplemental agreement dated 19th August, 2021."

## **VI. STAKEHOLDER RELATIONSHIP COMMITTEE:**

Company has framed Stakeholder Relationship Committee in accordance with the provision of section 178 of the Companies Act, 2013 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. As at 31st March, 2021 the Stakeholder Relationship committee comprises of Mr. Rajubhai Bhanderi as its chairman- Non Executive Director and Mr. Rupesh Mehta and Mr. Nikesh Mehta as its two members. Mr. Sagar Rajyaguru, Company Secretary of the Company acts as the Compliance officer.

The Committee is entrusted with the powers to approve the share transfers, issue of duplicate certificates and to resolve the grievances of members including complaints relating to non-receipt of balance sheet, non- receipt of declared dividends etc. The terms of Reference of the Committee are as per the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. which are as follows:

Committee is constituted in line with the provisions of Regulation 20 of SEBI (LODR) Regulations, 2015 and Section 178 of the Act.

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; and
7. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
8. Any other power specifically assigned by the Board of Directors of the Company

During the year ended on 31st March, 2021, only one Committee Meeting was held on 25th August, 2020. The summary of composition and attendance record is as under:

### **Composition and attendance of members**

Sr.No.	Name of Director	Category	Member/ Chairman	No. of Meetings	
				Held	Attended
1.	Mr. Rajubhai Bhanderi	Independent, Non- executive	Chairman	1	1
2.	Mr. Rupesh Mehta	Executive Director	Member	1	1
3.	Mr. Nikesh Mehta	Executive Director	Member	1	1

Mr. Sagar R. Rajyaguru, Company Secretary and Compliance Office and Mr. Rajnikant M. Raja, CFO of the Company have also attended the Meeting of Stakeholder Relationship Committee.

### **Status of Complaint**

During the year 2020-21:

- (1) Number of shareholders' complaints received during the financial year: NIL
- (2) Number of complaints not solved to the satisfaction of shareholders: NIL
- (3) Number of pending complaints: NIL

## VII. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The corporate social responsibility committee was constituted in compliance with the provisions of section 135 of the Companies Act, 2013 and the Companies (Corporate Social Responsibility Policy) Rules, 2014.

The terms of Reference of the Committee are as per the Companies Act, 2013 which are as follows:

- The CSR Committee shall formulate and recommend a CSR policy to the Board. CSR policy shall point out the activities to be undertaken by the company as enumerated in Schedule VII.
- CSR Committee shall recommend the amount of expenditure to be incurred on the CSR activities to be undertaken by the company.
- CSR Committee shall monitor the CSR policy of the Company from time to time.
- The committee shall establish the transparent controlling mechanism for the implementation of the CSR projects or programs or activities undertaken by the company.

During the year ended on 31st March, 2021, Two Committee Meeting was held on 25th August, 2020 and 12th February, 2021. The summary of composition and attendance record is as under:

### • Composition and attendance of members

Sr.No.	Name of Director	Category	Member/ Chairman	No. of Meetings	
				Held	Atten ded
1.	Mr. Rajubhai Bhanderi	Independent, Non- executive	Chairman	2	2
2.	Mr. Rupesh Mehta	Executive Director	Member	2	2
3.	Mr. Nikesh Mehta	Executive Director	Member	2	2

Mr. Sagar R. Rajyaguru, Company Secretary and Compliance Office and Mr. Rajnikant M. Raja, CFO of the Company have also attended the Meeting of Corporate Social Responsible Committee.

## VIII. RISK MANAGEMENT COMMITTEE

The Company was not required to frame Risk Management Committee pursuant to Regulation 21 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and accordingly not constituted, however The board of directors is responsible for framing, implementing and monitoring the risk management plan for the listed entity and Audit Committee of the Company also evaluating Risk Management Systems.

## IX. GENERAL BODY MEETINGS:

### a. Details of last three general meetings are as under:

YEAR	LOCATION	DAY AND DATE	TIME	SPECIAL RESOLUTIONS
2017- 18	At Registered office of the company	Saturday, 22 <sup>nd</sup> Srptember,2018	4:00 p.m.	1. Alteration of Articles of Association of the company.
2018- 19	At Registered office of the company	Saturday, 28 <sup>th</sup> Srptember,2019	4:00 p.m.	Nil
2019- 20	At Registered office of the company	Tuesday, 29 <sup>th</sup> September,2020	3:00 p.m.	Nil

\*Registered office address:

Plot No. 2234, Nr.Kranti Gate, GIDC Metoda, Tal-Lodhika, Gujarat, Rajkot-360021.

**b. Postal Ballot**

During the year ended on 31st March, 2021 following ordinary and special resolution were passed through postal ballot:

**Ordinary Resolutions:**

1. Increase in authorised capital of the company and consequent alteration in the Memorandum of Association (MOA) of the company
2. Issue of Bonus Shares

**Special Resolution:**

3. Migration of the company from SME Platform of National Stock Exchange of India to Main board of National Stock Exchange of India Limited.

The board of directors of the Company had appointed M/s. K.P.Rachchh & Co., Practicing Company secretary (FCS No.5156, CP No.3974) as the scrutinizer for conducting the postal ballot(e-voting process) in a fair and transparent manner.

No resolution whether special/ordinary Resolution is proposed to be passed through postal ballot at the ensuing Annual General Meeting.

**c. Voting result of postal ballot:**

<b>1. Resolution No.1:</b> Increase in Authorized Share Capital of the Company and Consequent Alteration in the Memorandum of Association of the Company.								
<b>Resolution Required [Ordinary/Special]</b>					Ordinary			
<b>Whether Promoter/Promoter Group are interested in the agenda/resolution?</b>					NO			
Category	Mode of Voting	No. of Shares held [1]	No. of Votes polled [2]	% of Votes Polled on Outstanding Shares [3]=[(2)/(1)]*100	No. of Votes in Favor [4]	No. of Votes in Against [5]	% of Votes in Favor in voted polled [6]=[(4)/(2)]*100	% of Votes against on voted polled [7]=[(5)/(2)]*100
<b>Promoter and Promoter Group</b>	E-voting	6848000	6848000	100%	6848000	0	100%	0
	Poll	0	0	0	0	0	0	0
	Ballot Paper	0	0	0	0	0	0	0
	Total	6848000	6848000	100%	6848000	0	100%	0
<b>Public-Institutions</b>	E-voting	1353500	721000	53.27%	721000	0	100%	0
	Poll	0	0	0	0	0	0	0
	Ballot Paper	0	0	0	0	0	0	0
	Total	1353500	721000	53.27%	721000	0	100%	0
<b>Public-Non Institutions</b>	E-voting	1606500	212500	13.23%	212500	0	100%	0
	Poll	0	0	0	0	0	0	0
	Ballot Paper	0	0	0	0	0	0	0
	Total	1606500	212500	13.23%	212500	0	100%	0
<b>Total</b>		<b>9808000</b>	<b>7781500</b>	<b>79.34</b>	<b>7781500</b>	<b>0</b>	<b>100%</b>	<b>0</b>

<b>Resolution No.2: Issue of Bonus Shares</b>								
<b>Resolution Required [Ordinary/Special]</b>					Ordinary			
<b>Whether Promoter/Promoter Group are interested in the agenda/resolution?</b>					NO			
Category	Mode of Voting	No. of Shares held [1]	No. of Votes polled [2]	% of Votes Polled on Outstanding Shares [3]=[2]/(1)]*100	No. of Votes in Favor [4]	No. of Votes in Against [5]	% of Votes in Favor in voted polled [6]=[4]/(2)]*100	% of Votes against on voted polled [7]=[5]/(2)]*100
<b>Promoter and Promoter Group</b>	E-voting	6848000	6848000	100%	6848000	0	100%	0
	Poll	0	0	0	0	0	0	0
	Ballot Paper	0	0	0	0	0	0	0
	Total	6848000	6848000	100%	6848000	0	100%	0
<b>Public-Institutions</b>	E-voting	1353500	721000	53.27%	721000	0	100%	0
	Poll	0	0	0	0	0	0	0
	Ballot Paper	0	0	0	0	0	0	0
	Total	1353500	721000	53.27%	721000	0	100%	0
<b>Public-Non Institutions</b>	E-voting	1606500	212500	13.23%	212500	0	100%	0
	Poll	0	0	0	0	0	0	0
	Ballot Paper	0	0	0	0	0	0	0
	Total	1606500	212500	13.23%	212500	0	100%	0
<b>Total</b>		<b>9808000</b>	<b>7781500</b>	<b>79.34</b>	<b>7781500</b>	<b>0</b>	<b>100%</b>	<b>0</b>

<b>Resolution No.3:</b> Migration of the Company from SME Platform of National Stock Exchange of India Limited to Main Board of National Stock Exchange of India Limited								
<b>Resolution Required [Ordinary/Special]</b>					Special			
<b>Whether Promoter/Promoter Group are interested in the agenda/resolution?</b>					NO			
Category	Mode of Voting	No. of Shares held [1]	*No. of Votes polled [2]	% of Votes Polled on Outstanding Shares [3]=[2]/(1)*100	No. of Votes in Favor [4]	No. of Votes in Against [5]	% of Votes in Favor in voted polled [6]=[4]/(2)*100	% of Votes against on voted polled [7]=[5]/(2)*100
<b>Promoter and Promoter Group</b>	E-voting	6848000	6848000	100%	6848000	0	100%	0
	Poll	0	0	0	0	0	0	0
	Ballot Paper	0	0	0	0	0	0	0
	Total	6848000	6848000	100%	6848000	0	100%	0
<b>Public-Institutions</b>	E-voting	1353500	721000	53.27%	721000	0	100%	0
	Poll	0	0	0	0	0	0	0
	Ballot Paper	0	0	0	0	0	0	0
	Total	1353500	721000	53.27%	721000	0	100%	0
<b>Public-Non Institutions</b>	E-voting	1606500	212500	13.23%	212500	0	100%	0
	Poll	0	0	0	0	0	0	0
	Ballot Paper	0	0	0	0	0	0	0
	Total	1606500	212500	13.23%	212500	0	100%	0
<b>Total</b>		<b>9808000</b>	<b>7781500</b>	<b>79.34</b>	<b>7781500</b>	<b>0</b>	<b>100%</b>	<b>0</b>

#### **d. Procedure of Postal Ballot:**

Procedure for postal ballot: The postal ballot was carried out as per the provisions of Sections 108 and 110 and other applicable provisions of the Act, read with the Rules framed thereunder and read with the Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020 and Circular No. 33/2020 dated September 28, 2020, issued by the Ministry of Corporate Affairs.

#### **X. MEANS OF COMMUNICATION:**

The Company recognizes the importance of two way communication with shareholders and of giving a balanced reporting of results and progress. Full and timely disclosure of information regarding the Company's financial position and performance is an important part of your corporate governance ethos.

Your Company follows a robust process of communicating with its stakeholders, security holders and investors through multiple channels of communications such as dissemination of information on the website of the stock Exchanges, the annual reports and uploading relevant information on its website.

The quarterly, half yearly and annual financial results of the company are submitted with National Stock Exchange where the equity shares of the company are listed, and the same are published in leading newspapers viz. The Financial Express (English and Gujarati) in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The results are also posted on Company's website viz. <https://www.macpowercnc.com>. The website of the company also displays the information of the company's products, dealers, availability among others presentations made to the institutional investor and analysts are also disseminated on the website of the Company.

#### **XI. GENERAL SHAREHOLDER INFORMATION:**

18 <sup>th</sup> Annual General Meeting	29 <sup>th</sup> September, 2021			
Day and Date	Wednesday			
Time	2:00 P.M.			
Venue	Registered office of company situated at PLOT NO.2234,NR.KRANTI GATE, GIDC METODA, TAL LODHIKA RAJKOT Rajkot GJ 360021			
Financial Year	2020-2021			
Record date for dividend	NA – as not recommended			
Dividend payment date	NA – as not recommended			
Listing on Stock Exchange	National Stock Exchange of India Limited, Mumbai			
Corporate Identification Number (CIN)	L30009GJ2003PLC043419			
Symbol	MACPOWER			
ISIN	INE155Z01011			
Address of stock exchange:	Corporate Office National Stock Exchange of India Ltd. Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E) Mumbai - 400 051			
Confirmation about payment of listing fees	It is hereby confirmed that Company has paid annual Listing Fees to the Stock Exchange within the prescribed time period.			
Market Price data	<b>Month</b>	<b>Quotations on NSE</b>		<b>Total No. of Equity Shares traded</b>
		<b>High</b>	<b>Low</b>	
	April 2020	40.45	33.30	92000
	May 2020	61.55	34.10	45500
	June 2020	74.35	58.40	147510
	July 2020	65.80	47.00	22440
	August 2020	78.25	46.40	187000
	September 2020	100.60	70.75	164869
	October 2020	78.65	55.80	104322
	November 2020	69.35	55.65	163140
	December 2020	114.00	60.80	409146
	January 2021	126.00	96.00	115341
	February 2021	104.85	91.30	227819
	March 2021	106.90	82.80	339517

Registrar and share transfer agent	Link Intime India Private Limited 5 <sup>th</sup> Floor, 506 to 508, Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Nr.st.Xavier's Collage Corner, Off C G Road, Ellisbridge, Ahmedabad-380006, Ph-079-26465179 E-mail- <a href="mailto:Ahmedabad@linkintime.co.in">Ahmedabad@linkintime.co.in</a>					
Share Transfer system	There are no members holding shares in physical form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.					
Distribution of shareholdings as on 31 <sup>st</sup> March, 2021	Distribution Of Shareholding (Shares) Report Type : ALL(NSDL+CDSL)					
	Sr_No	Shareholding of Shares	Number of Shareholders	% of Total Shareholders	Shares	% of Total Share Capital
	1	1 to 500	476	60.8696	49666	0.4965
	2	501 to 1000	91	11.6368	57358	0.5733
	3	1001 to 2000	99	12.6598	119778	1.1973
	4	2001 to 3000	30	3.8363	68540	0.6851
	5	3001 to 4000	20	2.5575	66435	0.6641
	6	4001 to 5000	11	1.4066	49102	0.4908
	7	5001 to 10000	20	2.5575	145669	1.4561
	8	10001 to 99999999	35	4.4757	9447612	94.4368
		TOTAL :	782	100	10004160	100
	Note: All the Shares of the Company are in Demat form					
Categories of Equity Shareholders as on 31 <sup>st</sup> March, 2021.	Category	No. of Equity Shares Held		Percentage of Holding		
	Promoters and promoter group	7259058		72.56		
	Alternate Investment Fund	848116		8.48		
	Public	816900		8.17		
	Foreign Portfolio Investor	590270		5.90		
	Trust	222360		2.22		
	Other Bodies	151287		1.51		
	Corporate	69297		0.70		
	Hindu Undivided Family	69297		0.70		
	Non-Resident Indians	27370		0.27		
Clearing Members	19502		0.19			
<b>Total</b>	<b>10004160</b>		<b>100</b>			
Outstanding GDRs/ADRs	As of date, the Company has not issued these types of Securities.					
Plant Locations	Plot No. 2234, Nr.Kranti Gate, GIDC Metoda, Tal-Lodhika, Gujarat, Rajkot-360021.					
Address for Correspondence	Same as Above					
Investor Contacts	<ol style="list-style-type: none"> <li>Company Secretary and Compliance officer <b>Mr. Sagar Rajyaguru</b> Plot No. 2234, Nr.Kranti Gate, GIDC Metoda, Tal-Lodhika, Gujarat, Rajkot-360021.</li> <li>Registrar and Share Transfer Agent <b>Link Intime India Private Limited</b> 5<sup>th</sup> Floor, 506 to 508, Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Nr.st.Xavier's Collage Corner, Off C G Road, Ellisbridge, Ahmedabad-380006, Ph-079-26465179   E-mail- <a href="mailto:Ahmedabad@linkintime.co.in">Ahmedabad@linkintime.co.in</a></li> </ol>					

**XII. DISCLOSURES:**

- a. There are no materially significant related party transactions made by the company with its promoters, Directors, or the management, their relatives etc. that may have potential conflict with the interest of listed entity at large
- b. There is no non-compliance by the company, no penalties and strictures imposed on the company by the stock exchange or SEBI or any statutory authority on any matter related to capital markets, during the last three years.
- c. i. Whistle Blower Policy/ Vigil Mechanism:  
As mandated under section 177 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has already in place and implemented a Whistle Blower Policy ('The Policy'). This inter alia provides a mechanism for employees of the company and other persons dealing with the company to report to the chairman of the audit committee: any instance of unethical behavior, actual or suspected fraud or violation of the company's code of conduct. Thus, any employee/ stakeholder has access to the audit and finance committee.  
The policy has been communicated to all the employees of the company and other persons dealing with the company, through circular/display on the Notice board/ display on the intranet and through training programs from time to time. The policy has also been uploaded on the Company's Website.
- ii. Affirmation:  
This is to affirm that during the year ended 31st March, 2021 no personnel have been denied access to the audit committee:
- d. All mandatory requirements of SEBI Listing Regulations, 2015 have been complied with by the company and the extent of adoption of non-mandatory requirements is given hereunder:

**Discretionary requirements as per schedule II part E:**

1. The Board:  
The Company has an Executive Chairman and the office with required facilities is provided and maintained at the Company's expense for use by the chairman.
  2. Shareholders Rights:  
The half yearly financial results are published in English and Vernacular newspapers and are also displayed on the Company's website. No separate circulation of the financial performance was sent to the shareholders for the year under consideration.
  3. Modified opinion(s) in audit report:  
Company has Financial Statements with Unmodified audit opinion.
  4. Reporting of internal auditor:  
The internal Auditor's report are presented to the audit committee
  5. Separate posts of Chairman and CEO:  
There is separate post for chairman and CEO in the company. Chairman is managing director and Whole-time director is Chief Executive officer of the company.
- a. Web link where policy for determining 'Material' subsidiaries is disclosed: Not applicable
  - b. Web link where policy on dealing with related party transactions:  
<https://www.macpowercnc.com/investor/policies/>
  - c. Disclosure of commodity price risks and commodity hedging activities:  
Not applicable
  - d. Details of utilization of funds raised through preferential allotment or qualified institutional placement as specified under regulation 32(7A):  
There was no preferential allotment or qualified institutional placement done during FY 2020-2021 as specified under regulations 32(7A) of SEBI (Listing Obligations Disclosure Requirements) Regulations, 2015.
  - e. A certificate from practicing company secretary for directors non-disqualification:  
None of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of the company by the SEBI/MCA or any such statutory authority. A certificate in this regard has been issued by M/s. K.P.Rachchh& Co. practicing company secretary and the same is appended hereto.

- j. The board has always accepted all the recommendations of all the committees during financial year 2020-2021:
- k. Total fees for all services paid to statutory auditor:Rs.2,36,000/-
- l. Policy for prevention of sexual harassment at work:  
The Company has also in place and implemented a policy for prevention of sexual harassment at work. This provides a mechanism to prevent or deter the commission of acts of sexual harassment or inappropriate behavior at work and to ensure that all employees are treated with respect and dignity. Under the said policy, the procedures for the resolution, settlement or prosecution of acts or instances of sexual harassment have also been provided for.  
Disclosure under the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013':

In terms of section 22 of the above mentioned Act, read with Sexual Harassment of Women at Workplace (Prevention, prohibition and Redressal) Rules, 2013, during the financial year ended on March 31, 2021, we report as follows:

1. No. of complaints received in the year : Nil
2. No. of complaints disposed off in the year : Nil
3. Cases pending as on end of the financial year : Nil

**XIII. Non-compliance of any requirement of corporate governance report of sub-paras (2) to (10) above, with reasons thereof shall be disclosed.**

Not Applicable as the Company have complied with the requirement of corporate governance report of sub-paras (2) to (10) above.

**XIV. The disclosures of the compliance with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 .**

It is hereby confirmed that Company has complied with corporate governance requirements specified in regulation 17 to 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46

**DISCLOSURES WITH RESPECT TO DEMAT SUSPENSE ACCOUNT/ UNCLAIMED SUSPENSE ACCOUNT**

There are no Demat Suspense Account/unclaimed Suspense Account.

**DECLARATION FOR COMPLIANCE WITH CODE OF CONDUCT**

To the members of **MACPOWER CNC MACHINES LIMITED**

Pursuant to Regulation 34(3) read with Schedule V Para D of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, I hereby declare that all Board members and Senior Management Personnel are aware of the provisions of the Code of Conduct laid down by the Board. All board members and Senior Management Personnel have affirmed compliance with the Code of Conduct.

For: Macpower CNC Machines Limited

**Nikesh J. Mehta**

Chief Executive Officer

**Date: 14<sup>th</sup> August, 2021**

## PRACTICING COMPANY SECRETARY'S CERTIFICATE ON CORPORATE GOVERNANCE

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

We have examined the compliance of the conditions of Corporate Governance by MACPOWER CNC MACHINES LIMITED ('the Company') for the year ended on March 31, 2021, as stipulated under Regulations 17 to 27, clauses (b) to (i) and (t) of sub- regulation (2) of Regulation 46 and para C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") effective from the migration of the Company from National Stock Exchange of India (NSE) SME Emerge platform to NSE Main Board and the date of listing of shares on Main board of NSE is 19th August, 2020.

The compliance of the conditions of Corporate Governance is the responsibility of the management of the Company. Our examination was limited to the review of procedures and implementation thereof, as adopted by the Company for ensuring compliance with conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India warranted due to the spread of the COVID-19 pandemic, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2021.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

**Place: Rajkot**  
**Date: 14<sup>th</sup> August, 2021**  
**UDIN: F005156C000788323**

**For, K. P. Rachchh & Co.**  
Company Secretaries  
**Proprietor**  
**FCS No. 5156C P No.: 3974**

**Signature: \_\_\_\_\_**  
Kalpesh P. Rachchh

## PRACTICING COMPANY SECRETARY'S CERTIFICATE ON NON-DISQUALIFICATION OF DIRECTORS

*(Pursuant To Regulation 34(3) And Clause (10)(i) Of Part C Of Schedule V Of SEBI  
(Listing Obligations And Disclosure Requirements) Regulations, 2015)*

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

Based on the examination of records and documents, explanations provided by the management of the company, its officer and written representations received from the Directors of the Company and according to the verifications including Director Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in), it is hereby certified that as on 31st March, 2021, none of the directors on the board of the Company as mentioned below have been debarred or disqualified from being appointed or continuing as directors of company by the Board/Ministry of Corporate Affairs or any such statutory authorities:

Sr. No.	Name of Director	Director Identification Number (DIN)
1	Mr. Rupesh J. Mehta	01474523
2	Mr. Nikesh J, Mehta	01603779
3	Mrs. Riyaben R. Mehta	01603726
4	Mr. Rajubhai R. Bhandari	07986563
5	Mr. Deven J. Doshi	07994505
6	Mr. Maulik R. Mokariya	05310868

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

**Place: Rajkot**  
**Date: 14<sup>th</sup> August, 2021**  
**UDIN: F005156C000788290**

**For, K. P. Rachchh & Co.**  
Company Secretaries

**Kalpesh P. Rachchh**  
Proprietor  
**FCS No- 5156**  
**CP No - 3974**

## CERTIFICATION BY C.E.O. AND CHIEF FINANCIAL OFFICER OF THE COMPANY (Pursuant to Regulations 17(8) of SEBI (LODR) Regulations, 2015)

The Board of Directors  
Macpower CNC Machines Limited  
Gujarat/Rajkot

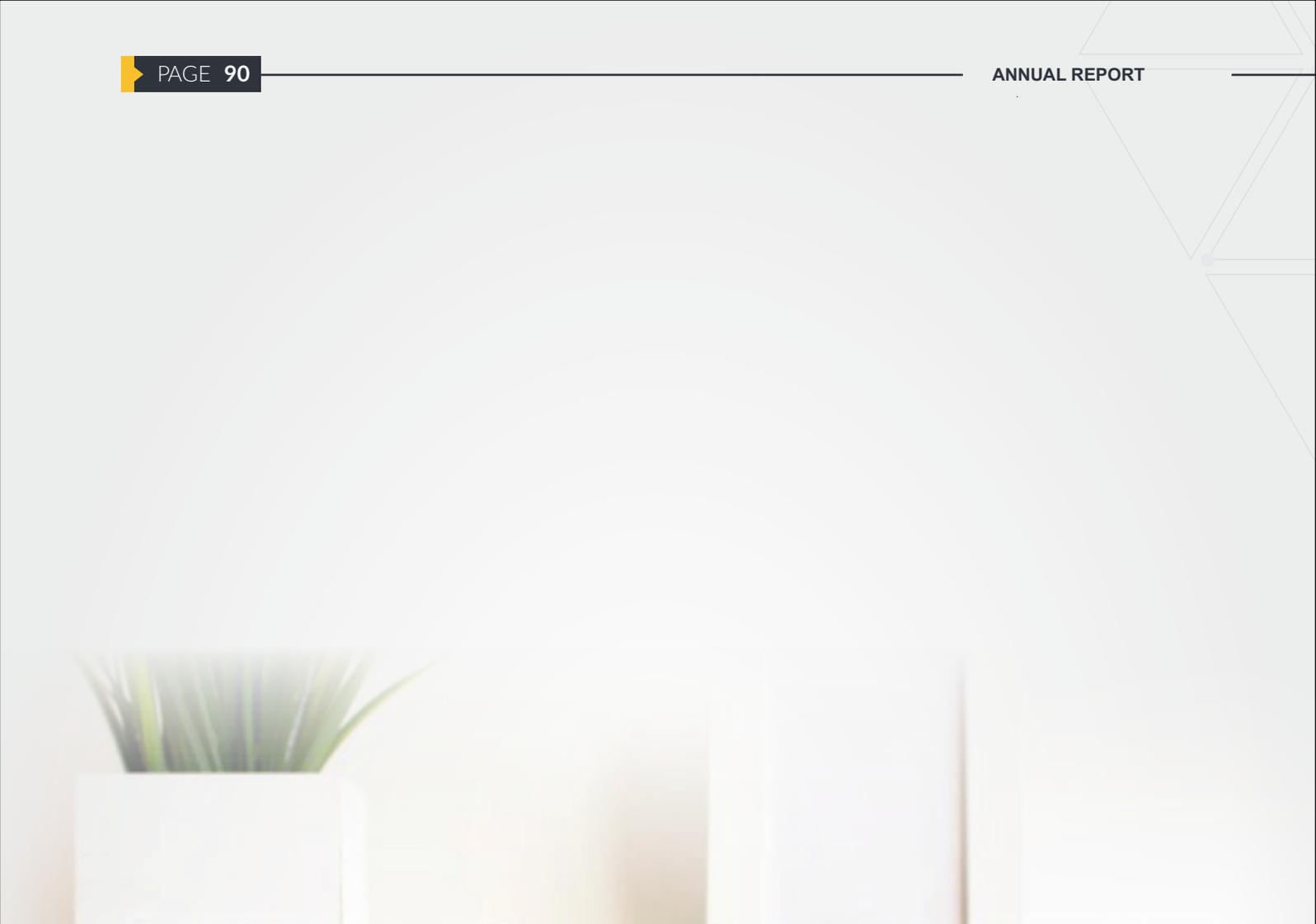
14th August, 2021

We Mr. Nilesh J. Mehta, Chief Executive Officer (CEO) and Whole-Time Director (DIN: 01603779) of the Company and Mr. Rajnikant M. Raja, Chief Financial Officer (CFO) hereby certify to the Board that:

1. We have reviewed financial statements and the cash flow statement for the year and that to the best of our knowledge and belief:
  - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - II. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee
  - I. significant changes in internal control over financial reporting during the year;
  - II. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - III. That there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**Rajnikant Raja**  
Chief Financial Officer

**Nikesh J. Mehta**  
Whole-time director and  
Chief Executive Officer  
(DIN: 01603726)



A U D I T O R S

# REPORT

## INDEPENDENT AUDITORS' REPORT ON THE STANDALONE IND AS FINANCIAL STATEMENTS

### TO THE BOARD OF DIRECTORS OF MACPOWER CNC MACHINES LIMITED

#### Opinion

We have audited the accompanying standalone Ind AS Financial Statements of Macpower CNC Machines Limited, which comprises the Balance Sheet as at 31 March 2021, the statement of Profit & Loss including statement of other comprehensive income, the Cash Flow Statements and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone Ind AS financial statements gives the information required by the Companies Act, 2013 as amended in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the company as at 31 March 2021, its profit including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

#### Basis for Opinion

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

#### Emphasis of Matter

We would like to draw your attention to Note No. 37 of Standalone Financial Statements which states the management's estimation of impact of COVID-19 on financial statements of the company for the year ended 31 March, 2021.

Our opinion is not modified in respect of this matter.

#### Key Audit Matters

In our opinion there are no Key Audit Matters to communicate in audit report.

#### Information Other than Financial Statements and Auditor's Report Thereon

The company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in Management discussion and analysis, Board's report including Annexure to board's report, business responsibility reports, Corporate governance and shareholder's information, but doesn't include standalone financial statements and our auditor's report thereon.

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

In connection with our audit of standalone financial statement, our responsibility is to read the other information and in doing so, consider whether the other information is materially inconsistent with the standalone financial statement or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

## Management's Responsibilities for the Statement

This Statement which includes the Financial Results is the responsibility of the Company's Board of Directors and has been approved by them for the issuance. The Financial Results for the year ended on 31<sup>st</sup> March, 2021 has been compiled from the related audited financial statements.

This responsibility includes the preparation and presentation of the financial results for the quarter and year ended on 31<sup>st</sup> March, 2021 that give a true and fair view of the net profit and other comprehensive income and other financial information in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed u/s 133 of the Act read with relevant rules issued there under and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

## Auditors' Responsibilities

### (a) Audit of the Financial Results for the year ended 31<sup>st</sup> March, 2021

Our objectives are to obtain reasonable assurance about whether the financial results for the year ended on 31<sup>st</sup> March, 2021 as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.

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

Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

Evaluate the appropriateness and reasonableness of disclosures made by the Board of Directors in terms of the requirements specified under Regulation 33 of the Listing Regulations.

Conclude on the appropriateness of Board of Director's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

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

Obtain sufficient appropriate audit evidence regarding the Annual Financial Results of the Company to express an opinion on the Audited Financial Results.

Materiality is the magnitude of misstatements in the Annual Financial Results that individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Annual Financial Results may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the Annual Financial Results.

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

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

#### **Report on other legal and regulatory requirements**

As required by section 143(3) of the act, based on our audit we report that:

- a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of the 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 those books.
- c) The balance sheet, the statement of Profit and Loss including other comprehensive income, Statement of changes in equity and statement of cash flow dealt with by this report are in agreement with relevant books of accounts.
- d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under section 133 of the act, read with rule 7 of the Companies (Accounts) rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on records by board of directors, none of the directors is disqualified as on March 31, 2021 from being appointed as director in terms of section 164(2) of the act.

- f) With respect to the adequacy of the internal financial controls over financial reporting of the company and operating effectiveness of such controls, refer to our separate report in “Annexure B”. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company’s internal financial controls over financial reporting.
- g) With respect to the other matters to be included in the Auditor’s Report in accordance with the requirements of section 197(16) of the act, as amended:  
In our opinion and to the best of our information and according to the explanation given to us, the remuneration paid by the company to its directors during the year is in accordance with the provisions of section 197 of the act.
- h) With respect to the other matters to be included in the Auditor’s report in accordance with rule 11 of the Companies (Audit and Auditors) rules 2016, as amended:
- i. The company has disclosed the impact of pending litigation on its financial position in its standalone financial statements.
  - ii. The company has made provision, as required under the applicable law or accounting standard, for material foreseeable losses, if any, on long term contracts including derivative contracts.
  - iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

**For, S. C. Makhecha & Associates**

Chartered Accountants

FRNo: 120184W

**Sanat C Makhecha**

Partner

Mem. No.: 107192

Signed at Rajkot on 25/06/2021

UDIN : **21107192AAAALP7245**

## 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. Accordingly reporting to Clause iii(a), iii(b) & iii(c) are not applicable.
    - 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**

vii(b) As informed and explained to us, there are disputed amounts outstanding to deposit in respect

of Value Added Tax & Service Tax as on 31/03/2021, details of which are as under:

Sr. No.	Name of The Statute	Assessment Year	Demand Raised	Authority Passing the order	Amount Rs.
1	Gujarat value Added Tax Act, 2003	2017-18 (F.Y. 2016-17)	Demand Raised	STO 2, Unit-93, Rajkot	476,940
2	Central Sales Tax Act, 1956	2017-18 (F.Y. 2016-17)	Demand Raised	STO 2, Unit-93, Rajkot	2,484,793
3	Gujarat value Added Tax Act, 2003	2018-19 (F.Y. 2017-18)	Demand Raised	Assistant Commissioner of State Tax, Unit-93, Rajkot	326,954
4	Gujarat value Added Tax Act, 2003	2010-11 (F.Y. 2011-12)	Demand Raised	Deputy Commissioner of commercial tax(Appeals)	2,765,500

viii According to the information provided to us, company has not defaulted in repayment of loans or borrowing from financial institutions banks or 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.

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.

**ANNEXURE - A**

- 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

Signed at Rajkot on 25/06/2021

Place: Rajkot

UDIN : 21107192AAAALP7245

**Macpower CNC Machines Limited**  
CIN: L30009GJ2003PLC043419

**Balance Sheet as at March 31, 2021**

(Rs. in lakhs)

Sr. No.	Particulars	Note no.	As at March 31,2021	As at March 31,2020	As at April 01,2019
<b>ASSETS</b>					
(1)	<b>Non-current assets</b>				
	(a) Property, Plant and Equipment	3	3,715	3,492	580
	(b) Right to use asset	3	21	79	83
	(c) Capital work-in-progress	3	114	67	552
	(d) Other Intangilble Assets	3	12	20	12
	(e) Intangible Assets under Development	3	13	9	-
	(f) Financial Assets				
	(i) Investments		-	-	-
	(ii) Loans		-	-	-
	(ii) Other Financial Assets		-	-	-
	(g) Deferred Tax Assets	4	49	13	101
	(h) Other non-current assets	5	180	100	372
	<b>Sub-Total</b>		<b>4,104</b>	<b>3,780</b>	<b>1,700</b>
(2)	<b>Current assets</b>				
	(a) Inventories	6	6,093	4,622	4,737
	(b) Financial Assets				
	(i) Investments	7	1,966	125	100
	(ii) Trade Receivables	8	382	326	866
	(iii) Cash and cash equivalents	9	444	218	238
	(iv) Other Bank Balance	10	60	369	2,550
	(iv) Loans & Advances	11	13	10	15
	(c) Current Tax Assets (Net)	12	12	51	-
	(d) Other current assets	5	363	281	181
	<b>Sub-Total</b>		<b>9,333</b>	<b>6,002</b>	<b>8,687</b>
	<b>Total Assets</b>		<b>13,437</b>	<b>9,782</b>	<b>10,387</b>
<b>EQUITY AND LIABILITIES</b>					
<b>EQUITY</b>					
	(a) Equity Share Capital	13	1,000	981	981
	(b) Other Equity	14	6,247	5,664	5,431
<b>LIABILITIES</b>					
(1)	<b>Non-current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	15	-	-	-
	(i) Lease Liabilities	16	13	56	55
	(ii) Other financial liabilities		-	-	-
	(b) Provisions	19	98	89	73

**Macpower CNC Machines Limited**  
**CIN: L30009GJ2003PLC043419**

**Balance Sheet as at March 31, 2021**

(Rs. in lakhs)

Sr. No.	Particulars	Note no.	As at March 31,2021	As at March 31,2020	As at April 01,2019
(2)	<b>Current liabilities</b>				
	(a) Financial Liabilities				
	(i) Borrowings	15	-	-	-
	(i) Lease Liabilities	16	9	28	28
	(ii) Trade Payables	17			
	(a) total outstanding dues of micro enterprises and small enterprise		32	11	192
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises		4,519	2,336	3,036
	(iii) Other Financial Liabilities		-	-	-
	(b) Other current liabilities	18	1,454	585	499
	(c) Provisions	19	65	32	49
	(d) Current Tax Liability	20	-	-	43
	<b>Total Equity and Liabilities</b>		<b>13,437</b>	<b>9,782</b>	<b>10,387</b>

As per our report of even date

**For,**  
**S.C. Makhecha & Associates**  
Chartered Accountants  
Firm Reg. No. : 120184W

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

**Sanat C. Makhecha**  
Partner  
Membership no. : 107192

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

**Mr. Rajnikant M. Raja**  
(Chief Financial Officer)

**Mr. Nikeshbhai J. Mehta**  
(Whole Time Director &  
Chief Executive Officer)  
DIN 01603779

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

Signed at Rajkot on 25/06/2021  
UDIN : 21107192AAAALP7245

## Macpower CNC Machines Limited

CIN: L30009GJ2003PLC043419

## Statement of Profit &amp; Loss for the year ended March 31,2021

(Rs. in lakhs)

Sr. No.	Particulars	Note No.	For the year ended March 31,2021	For the year ended March 31,2020
1	INCOME FROM OPERATIONS			
a	Net Sales	21	11,276	8,141
b	Other Operating Income	21	12	57
	Total Revenue from Operations (a+b)		11,288	8,198
2	Other Income	22	35	55
<b>3</b>	<b>TOTAL INCOME (1+2)</b>		<b>11,323</b>	<b>8,253</b>
4	EXPENSES			
a	Cost of materials consumed	24	7,547	5,594
	Purchase of Stock in Trade		-	-
b	Changes in inventories of finished goods, work-in-progress and stock-in-trade	24	247	(79)
c	Employee benefits expenses	25	1,171	1,139
d	Finance Costs	26	17	37
e	Depreciation and amortisation expenses	3	261	108
f	Other expenses	27	1,405	1,063
	<b>TOTAL EXPENSES</b>		<b>10,648</b>	<b>7,862</b>
5	Profit before exceptional items		675	391
6	Exceptional items		-	-
7	<b>Profit Before tax (5-6)</b>		<b>675</b>	<b>391</b>
8	<b>Tax expenses</b>	<b>30</b>	<b>72</b>	<b>118</b>
a	Current Tax		108	27
b	Deferred tax		(36)	91
9	<b>Profit for the period</b>		<b>603</b>	<b>273</b>
10	<b>Other Comprehensive Income, Net of Tax</b>		<b>-1</b>	<b>-10</b>
a	Items that will be reclassified to profit or loss		-	-
b	Items that will not be reclassified to profit or loss		-1	-10
11	<b>Total Comprehensive Income for the Period (9+10)</b>		<b>602</b>	<b>263</b>
12	<b>Earning Per Share Basic &amp; Diluted but not annualised</b>	<b>31</b>	<b>6.03</b>	<b>2.73</b>

As per our report of even date

For,

**S.C. Makhecha & Associates**

Chartered Accountants

Firm Reg. No. : 120184W

**Sanat C. Makhecha**

Partner

Membership no. : 107192

Signed at Rajkot on 25/06/2021

UDIN : 21107192AAAALP7245

For and on behalf of Board of Directors of  
Macpower CNC Machines Ltd.**Mr. Rupeshbhai J.  
Mehta**

(Managing Director)

DIN 01474523

**Mr. Rajnikant M.  
Raja**(Chief Financial  
Officer)**Mr. Nikeshbhai J.  
Mehta**(Whole time Director  
& Chief Executive  
Officer)

DIN 01603779

**Mr. Sagar Rajyaguru**

(Company Secretary)

Membership No.  
A61544

<b>Macpower CNC Machines Limited</b>					
<b>CIN: L30009GJ2003PLC043419</b>					
<b>Statement of Changes in Equity for the year ended March 31,2021</b>					
<b>(A) EQUITY SHARE CAPITAL</b>					
Particulars	Note No.	31-Mar-21	31-Mar-20		
At the beginning of the year		981	981		
Changes in equity share capital during the year	13	19	-		
At the end of the year		1,000	981		
<b>(B) OTHER EQUITY</b>					
Particulars	Note No.	Security Premium	General Reserve	Retained earnings	Total Other Equity
<b>Balance as at 1 April, 2019</b>	<b>14</b>	<b>3,719</b>	-	<b>1,712</b>	<b>5,431</b>
Profit for the year		-	-	273	273
Other comprehensive income (net of tax)		-	-	-10	-10
<b>Total comprehensive income for the year ended March 31, 2020</b>		<b>-</b>	<b>-</b>	<b>263</b>	<b>263</b>
<b>Transaction with owners in their capacity as owners</b>					
Subsidy received for share issue expense		5	-	-	5
Proposed dividend		-	-	-30	-30
Tax on proposed dividend		-	-	-5	-5
<b>Balance as at 31 March, 2020</b>		<b>3,724</b>	<b>-</b>	<b>1,940</b>	<b>5,664</b>
Profit for the year		-	-	603	603
Other comprehensive income (net of tax)		-	-	-1	-1
<b>Total comprehensive income for the year ended 31 March, 2020</b>		<b>-</b>	<b>-</b>	<b>602</b>	<b>602</b>
<b>Transaction with owners in their capacity as owners</b>					
Share issue expense		-	-	-	-
Utilised for bonus		-20	-	-	-20
Proposed dividend		-	-	-	-
Dividend Distribution Tax on above		-	-	-	-
<b>Balance as at 31 March,2021</b>		<b>3,704</b>	<b>-</b>	<b>2,542</b>	<b>6,247</b>
As per our report of even date					
For, <b>S.C. Makhecha &amp; Associates</b> Chartered Accountants Firm Reg. No. : 120184W			For and on behalf of Board of Directors of  <b>Macpower CNC Machines Ltd.</b>		
<b>Sanat C. Makhecha</b> Partner Membership no. : 107192			<b>Mr. Rupeshbhai J. Mehta</b> (Managing Director) DIN 01474523	<b>Mr. Rajnikant M. Raja</b> (Chief Financial Officer)	
Signed at Rajkot on 25/06/2021 UDIN : 21107192AAAALP7245			<b>Mr. Nikeshbhai J. Mehta</b> (Whole time Director & Chief Executive Officer) DIN 01603779	<b>Mr. Sagar Rajyguru</b> (Company Secretary) Membership No. A61544	

**Macpower CNC Machines Limited**  
**CIN: L30009GJ2003PLC043419**

**Notes forming part of the Financial Statements:**

**For the year ended on March 31, 2021**

**1 Corporate Information :**

MAC Power CNC Machines Limited was incorporated in 2003. The Company is situated at Rajkot. The Company is engaged in the business of manufacturing and sale of CNC and Lathe Machines.

**2 First time adoption and summary of significant accounting policies followed by the Company:**

**2.1 Basis of preparation**

These financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under section 133 of the Companies Act, 2013 (the Act) [Companies (Indian Accounting Standards) Rules, 2015] and other relevant provisions of the Act.

The financial statements up to year ended 31 March 2020 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standard) Rules, 2006 (as amended) and other relevant provisions of the Act.

These financial statements are the first financial statements of the Company under Ind AS. Refer note 2.2 for an explanation of how the transition from previous GAAP to Ind AS has affected the Company's financial position, financial performance and cash flows.

The Company has considered its operating cycle as 12 months for the purpose of Current or Non - Current classification of Assets and Liabilities.

**2.2 First-time adoption of Ind AS  
 Transition to Ind AS**

These are the Company's first financial statements prepared in accordance with Ind AS.

The accounting policies set out in note 2.3 have been applied in preparing the financial statements for the year ended 31 March 2021, the comparative information presented in these financial statements for the year ended 31 March 2020 and in the preparation of an opening Ind AS Balance Sheet at 01 April 2019 (the Company's date of transition) is not possible as Ind AS is applicable to the company for the first time. In preparing its opening Ind AS Balance Sheet, the Company has adjusted the amounts reported previously in financial statements prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (as amended) and other relevant provisions of the Act (previous GAAP or Indian GAAP).

**2.2.1 Exemptions and exceptions availed**

Set out below are the applicable Ind AS 101 mandatory exceptions applied in the transition from previous GAAP to Ind AS, which are considered to be material or significant by the Company.

**Macpower CNC Machines Limited**  
CIN: L30009GJ2003PLC043419

**Notes forming part of the Financial Statements:**  
**For the year ended on March 31, 2021**

***Ind AS mandatory exceptions***

**(i) Estimates**

An entity's estimates in accordance with Ind ASs at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error. Ind AS estimates as at 1 April 2019 are consistent with the estimates as at the same date made in conformity with previous GAAP.

**(ii) Classification and measurement of financial assets**

Ind AS 101 requires an entity to assess classification and measurement of financial assets on the basis of the facts and circumstances that exist at the date of transition to Ind AS and apply requirements in Ind AS 109 prospectively for transactions occurring on after the date of transition to Ind ASs.

**2.2.2 Reconciliations between previous GAAP and Ind AS**

**Impact of Ind AS adoption on the Statement of Cash Flows for the year ended 31 March 2020**

There are no material adjustments of transition to the Statement of Cash Flows to conform to Ind AS presentation for the year ended 31 March, 2020.

Ind AS 101 requires an entity to reconcile equity, total comprehensive income and cash flows for prior periods. The following tables represent the reconciliations from previous GAAP to Ind AS:

**2.3 Notes to first-time adoption**

**Note 1: Plant, Property & Equipment**

Under the previous IGAAP, the company had changed the method of depreciation from Written Down Value to Straight Line Method w.e.f. 01.04.2019. As per I-GAAP, change in method of depreciation is change in accounting policy and accordingly retrospective impact of depreciation upto 31.03.2019 was considered in Profit & Loss Account under the head exceptional item and depreciation for FY 2019-20 was provided after considering retrospective impact.

However, under Ind AS, change in method of depreciation is considered as change in estimate and hence, retrospective impact of depreciation given in the profit & loss accounts in the year 19-20 is reversed and depreciation for FY 19-20 is provided without considering retrospective impact. Accordingly, carrying amount of PPE is adjusted.

**Macpower CNC Machines Limited**  
**CIN: L30009GJ2003PLC043419**

**Notes forming part of the Financial Statements:**  
**For the year ended on March 31, 2021**

**Note 2 : Lease**

Ind AS 116 requires the Company to recognize a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases), and lease contract for which the underlying asset is of low value (low-value assets). Hence, on transition date right to use asset and lease liability are recognised under Ind AS which was not recognised under I GAAP. Accordingly, interest on lease liability is recognised as finance cost, rent expense is derecognised and amortisation of right to use asset is recognised under the head depreciation and amortisation for FY 19-20.

**Note 3 : Other Non -Current Assets**

Under previous IGAAP, security deposits were reflected under the head 'Long Term Loans and Advances' which is now shown under the head 'Other Non-Current Assets' in INDAS.

The advances to capital goods which were reflected under the head 'Short Term Loans and Advances' in IGAAP are now shown under the head 'Other Non-Current Assets' in INDAS. Hence, there is no impact on equity and profit.

**Note 4 : Cash & Cash Equivalents**

The balances in the 'Unpaid Dividend Account' previously reflected under the head 'Cash & Cash Equivalents', is now reflected under the head 'Other Current Liabilities'. There is no impact on equity or profit.

The fixed deposits balances which were reflected under the head 'Cash & Bank Balances' under IGAAP, are now reflected under the head of 'Other Bank Balances'.

**Note 5 : Loans**

The Advances given to employees which were previously reflected under the head 'Other Current Assets' are now reflected under the head 'Loans' under the head 'Current Financial Assets'.

**Macpower CNC Machines Limited**

CIN: L30009GJ2003PLC043419

**Notes forming part of the Financial Statements:****For the year ended on March 31, 2021****Note 6: Income Tax Assets, Other Financial Assets & Other Current Assets**

Under previous IGAAP, Advances to Suppliers (Expenses & Capital Goods) & Balances with Govt. Authorities were reflected under the head 'Short Term Loans and Advances'. Under IND AS, these items are classified under the following heads:

- a. Advances to Suppliers - Other Current Assets
- b. Advances to Suppliers for Capital Goods - Other Non-Current Assets
- c. Balance with Govt. Authorities - Other Current Assets

The Income Tax Asset reflected under IND AS is Income Tax Receivable i.e. Advance Tax less Provision for Income Tax.

**Note 7: Remeasurements of post-employment benefit obligations**

Under Ind AS, remeasurements i.e. actuarial gains and losses and the return on plan assets, excluding amounts included in the net interest expense on the net defined benefit liability are recognised in other comprehensive income instead of profit or loss. Under the previous I-GAAP, these remeasurements were forming part of the Statement of Profit and Loss for the year.

**Note 8 : Trade Payables**

Under IGAAP the 'Advances Received Against Supply of Machines or Services' which were forming part of Trade Payables, are now forming part of 'Other Current Liabilities' under INDAS.

**Note 9 : Provisions**

Under IGAAP, the Income Tax Provisions which were reflected under the head 'Provisions' are now reflected under Current Tax Liability/ Income Tax Assets, as applicable.

**Note 10 : Revenue from Operations**

Exchange Rate Difference which was previously clubbed under the head 'Other Operating Income' under IGAAP, is now forming part of total sales under Ind AS.

**Note 11 : Other Comprehensive Income**

Under Ind AS, all items of income and expense recognised in a period should be included in the Statement of Profit and Loss for the period, unless a standard requires or permits otherwise. Items of income and expense that are not recognised in profit or loss but are shown in the Statement of Profit and Loss as 'other comprehensive income' includes remeasurements of defined benefit plans, effective portion of gains and losses on cash flow hedging instruments etc. The concept of other comprehensive income did not exist under previous IGAAP.

**Note 12: Unpaid Dividend & Expenses Payable**

Under IGAAP, these are presented under 'Short Term Provisions' whereas under INDAS these are presented under 'Other Current Liabilities'.

**Macpower CNC Machines Limited**  
CIN: L30009GJ2003PLC043419

**Notes forming part of the Financial Statements:**  
**For the year ended on March 31, 2021**

**Note 13: Preliminary expenses**

The share issue expenses / IPO Expenses were recognised as asset and presented under the head 'Other Non Current Assets' as 'Preliminary Expenses'. However, as per Ind AS, share issue / IPO expenses is not recognisable as asset and hence, the same is de recognised on the date of transition and these expenses are adjusted against balance of security premium as per Sec. 52 of the Companies Act, 2013. Accordingly 1/5 of preliminary expenses written off in profit and loss account under I GAAP is reversed under Ind AS. Further, subsidy received on IPO expenses is also recognised in securities premium account.

**Note 14 : Deferred Tax Asset / Liability**

Under INDAS, the deferred tax is computed on the changes/ adjustments accounted for under 'Other Equity'.

**2.4 Summary of significant accounting policies followed by the Company**

**2.4.1 Accounting Charges:**

- (i) The Company follows the mercantile system of accounting and recognises income and expenditure on an accrual basis except in case of significant uncertainties.
- (ii) The financial statements have been prepared under historical cost convention on an accrual basis except in case of assets for which provision for impairment is made.
- (iii) Estimates and assumptions used in the preparation of these financial statements and disclosures made therein are based upon Management's evaluation of the relevant facts and circumstances as of the date of the financial statements, which may differ from the actual results at a subsequent date.

**2.4.2 Revenue Recognition:**

- a Revenue from sale of goods is recognized when all the significant risks and rewards of ownership of the goods have been passed to the buyer, usually on delivery of the goods.
- b Interest Income and Rental Income are recognised on a time proportion basis taking into account the amount outstanding and the interest rate applicable.
- c Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

**Transition to Ind AS**

Foreign Exchange Gain(Loss) which was previously clubbed under the head 'Other Operating Income' under IGAAP, is now forming part of Total Sales under IND AS.

**Macpower CNC Machines Limited**  
CIN: L30009GJ2003PLC043419

**Notes forming part of the Financial Statements:**  
**For the year ended on March 31, 2021**

**2.4.3 Property, plant and equipment and depreciation**

a

Property, plant and equipment are stated at cost less accumulated depreciation / amortisation and impairment loss, if any, except freehold land which is carried at cost. The cost comprises its purchases price, borrowing cost and any cost directly attributable to the bringing the assets to its working condition for its intended use, net charges on foreign exchange contracts and adjustment arising from exchange rate variations attributable to the assets. Subsequent expenditures related to an item of Fixed Assets are added to its book value only if they increases the future benefits from the existing asset beyond its previously assessed standard of performance.

b

All other expenses on fixed assets, including repair and maintenance expenditure and replacement expenditure of parts, are charged to Statement of Profit and Loss for the period during the which such expenses are incurred.

c

Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of an asset and are recognised in the statement of profit and loss when the asset is derecognised.

**Transition to Ind AS**

On Transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2019 measured as per previous GAAP which in case of the Company, corresponds with carrying costs measured in accordance with Ind AS 16 Property, plant and equipment.

d

**Depreciation and amortisation methods, estimated useful lives and residual value**

1

Depreciation on tangible assets is provided on the straight-line method over the useful lives of assets as prescribed under Part C of Schedule II of the Companies Act 2013.

2

The management of the company believes that the useful lives as given below best represent the useful lives of these assets based on internal assessment and supported by technical advice wherever necessary which is as prescribed under Part C of Schedule II of the Companies Act 2013.

Sr. No.	Assets Category	Useful Life (Years)
1	Building	30 Years
2	Computers	3 Years
3	Furniture & Fixtures	10 Years
4	Plant & Machinery	15 Years
5	Vehicle	8 Years

**Macpower CNC Machines Limited**  
**CIN: L30009GJ2003PLC043419**

**Notes forming part of the Financial Statements:**  
**For the year ended on March 31, 2021**

**e Impairment of Assets:**

Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less cost of disposal and value in use. For the purposes of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash generating units).

**f Deferred Tax Asset / Liability**

Under IGAAP, deferred tax accounting was done using the income statement approach, which focuses on differences between taxable profits and accounting profits for the period. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. The application of Ind AS 12 approach has resulted in recognition of deferred tax on new temporary differences which was not required under IGAAP. According to the accounting policies, the Company has to account for such differences. Deferred tax adjustments are recognised in correlation to the underlying transaction in retained earnings on the date of transition.

**2.4.4 Investments, Financial assets and Financial Liability**

**a) Other investments and financial assets**

**(i) Classification**

The Company classifies its financial assets in the following measurement categories:

- \* those to be measured subsequently at fair value (either through other comprehensive income, or through profit or loss), and those measured at amortised cost.
- \* The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded in profit or loss.

**(ii) Measurement**

At initial recognition, the Company measures a financial asset at its fair value.

Fair value through profit or loss: Assets that do not meet the criteria for amortised cost, are measured at fair value through profit or loss.

**(iii) Impairment of financial assets**

The Company assesses on a forward looking basis the expected credit losses associated with its assets carried at amortised cost. The impairment methodology applied depends on whether there has been a significant increase in credit risk and if so, assess the need to provide for the same in the Statement of Profit and Loss.

**Macpower CNC Machines Limited**

CIN: L30009GJ2003PLC043419

**Notes forming part of the Financial Statements:****For the year ended on March 31, 2021****(iv) Derecognition of financial assets**

A financial asset is derecognised only when Company has transferred the rights to receive cash flows from the financial asset. Where the entity has transferred an asset, the Company evaluates whether it has transferred substantially all risks and rewards of ownership of the financial asset. In such cases, the financial asset is derecognised.

**(v) Income recognition****Interest Income**

Interest income from fixed deposits, corporate guarantee and from dealers deposits are recognised using the effective interest rate method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the gross carrying amount of a financial asset. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

**b) Financial Liability****(i) Classification as debt or Equity**

Debt and equity instruments issued by the Company are classified as either financial liabilities or as equity in accordance with the substance of the contractual arrangements and the definition of a financial liability and an equity instrument.

An equity instrument is any contract that evidences a residual interest in the assets of an entity after deducting all of its liabilities.

**(ii) Initial recognition and measurement**

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings and payables, net of directly attributable transaction costs.

The Company's financial liabilities include borrowings, trade payables and other financial liabilities.

**(iii) Subsequent measurement**

The measurement of financial liabilities depends on their classification, as described below:

**a Trade and other payable**

These amounts represent obligations to pay for goods or services that have been acquired in the ordinary course of business from suppliers. These payable are classified as 'current liabilities' if payments are due within one year or less otherwise they are presented as 'non-current liabilities'. Trade and payables are subsequently measured at amortised cost using the effective interest method.

**Macpower CNC Machines Limited**

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**Notes forming part of the Financial Statements:****For the year ended on March 31, 2021****b Derecognition**

Liability is removed from the balance sheet when the obligation specified in the contract is discharged, cancelled or expired. The difference between the carrying amount of a financial liability that has been extinguished or transferred to another party and the consideration paid, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss as other gains/ (losses).

When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognised in the statement of profit or loss.

Liability is classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period. Where there is a breach of a material provision of a long-term loan arrangement on or before the end of the reporting period with the effect that the liability becomes payable on demand on the reporting date, the entity does not classify the liability as current, if the lender agreed, after the reporting period and before the approval of the financial statements for issue, not to demand payment as a consequence of the breach.

**2.4.5 Foreign Currency Transactions:**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates (the functional currency). The financial statements are presented in Indian rupee (INR), which is Company's functional and presentation currency.

**a Initial Recognition:**

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting current and the foreign currency at the date of the transactions.

**b Conversion:**

Foreign currency monetary items are retranslated using the exchange rate prevailing at the reporting date. Non- monetary items, which are measured in terms of historical cost denominated in a foreign currency, are reported using the exchange rate at the date of the transactions. Non- monetary items, which are measured at fair value or others similar valuation denominated in a foreign currency, are translated using the exchange rate at the date when such value was determined.

**c Exchange Differences:**

The company accounts for exchange differences arising on translation/ settlement of foreign currency are recognized as income or as expenses in the period in which they arise.

**Macpower CNC Machines Limited**

CIN: L30009GJ2003PLC043419

**Notes forming part of the Financial Statements:****For the year ended on March 31, 2021****2.4.6 Inventories:**

- a** Raw Materials, Work-In-Progress and Finished Goods are valued at Cost or Net Realizable Value whichever is lower. Waste and Scrap are valued at Net Realisable Value.

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

**2.4.7 Government Grants:**

- a** Grants and subsidies from the government are recognized when there is reasonable assurance that

(i) the company will comply with the conditions attached to them and  
(ii) the grant/subsidy will be received.

- b** Export benefits are accounted in the year of exports based on eligibility and when there is no uncertainty in receiving the same.

**2.4.8 Employee Benefits:**

- a** Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contributions payable to the provident fund scheme as an expenditure, when an employee renders the related services.

- b** The Company has defined benefit plans for its employees, viz., gratuity. The cost of providing benefits under this plans are determined on the basis of actuarial valuation at each year end. Actuarial valuation is carried out for the plan using the projected unit credit method. Actuarial gains and losses for defined benefit plans are recognised in full in the period in which they occurs in the statement of profit and loss.

- c** The Company provides for the encashment of leave or leave with pay subject to certain rules. The employee are entitled to accumulate leave subject to certain limits, for future encashment. The liability is provided based on the number of days of unutilised leave at each balance sheet date.

**2.4.9 Borrowing Costs:**

- a** Borrowing cost includes interest and ancillary costs incurred in connection with the arrangement of borrowings and foreign exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest costs

- b** Borrowing costs directly attributable to the construction of an asset that necessarily take a substantial period of time to get ready for its intended use are capitalized as part of the cost of the respective asset. All of these borrowing costs are expensed in the period they are incurred.

**Macpower CNC Machines Limited**  
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**Notes forming part of the Financial Statements:**  
**For the year ended on March 31, 2021**

**2.4.10 Lease:**

- a** Assets taken on lease by the Company in its capacity as lessee, where the company has substantially all the risks and rewards of ownership are classified as finance lease. Such a lease is capitalised at the inception of the lease at lower of the fair value or the present value of the minimum lease payments and a liability and the interest cost so as to obtain a constant periodic rate of interest on the outstanding liability of each year.
  
- b** Lease arrangement where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rentals under operating leases are recognised in the statement or profit and loss on a straight line basis over the lease term.
  
- c** Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease. The Company's lease asset primarily consists of Building. The company assesses whether a contract contains a lease, at inception of contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:
  - (i) the contract involves the use of an identified asset
  - (ii) the Company has substantially all the economic benefits from use of the asset through the period of the lease and
  - (iii) the Company has the right to direct the use of the asset.

**As a Lessee**

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases), and lease contract for which the underlying asset is of low value (low-value assets). For these short-term, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognised at cost, which comprises the initial measurement of the lease liability adjusted plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate of cost of capital. The lease liability is subsequently remeasured by increasing the carrying amount to reflect interest on the lease liability, reducing the carrying amount to reflect the lease payments made.

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**Notes forming part of the Financial Statements:****For the year ended on March 31, 2021**

In calculating the present value of lease payments, the company uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is not readily determinable.

**Transition**

Effective from April 1, 2019, the Company adopted Ind AS 116, Leases and applied the standard to all lease contracts existing on April 1, 2019 using the modified retrospective method, on the date of initial application. Consequently, the Company recorded the lease liability at the present value of the lease payments discounted at the incremental cost of capital and the ROU asset at its carrying amount as if the standard had been applied since the commencement date of the lease, but discounted at the Company's incremental cost of capital at the date of initial application. Comparatives as at and for the year ended March 31, 2020 and opening balance sheet as at April 1, 2019 have been retrospectively adjusted.

**2.4.11 Cash and cash equivalents**

For the purpose of presentation in the Statement of Cash Flows, cash and cash equivalents includes cash on hand, balance with banks.

**2.4.12 Earning Per Share:**

Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Earnings considered in ascertaining the Company's earnings per share is the net profit for the period. The weighted average number of equity shares outstanding during the period and all periods presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources. For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of share outstanding during the period is adjusted for the effects of all dilutive potential equity shares.

**2.4.13 Taxation:**

- a Provision for tax comprises of current and deferred tax. Provision is made on the basis of deductions available under relevant tax laws. Deferred tax resulting from "temporary differences" between taxable and accounting income is accounted for using the tax rates and laws that are enacted or substantively enacted as on the balance sheet date. The deferred tax asset is recognised and carried forward for temporary differences of items other than unabsorbed depreciation and accumulated losses only to the extent that there is a reasonable certainty that the assets can be realised in future.

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**Notes forming part of the Financial Statements:**

**For the year ended on March 31, 2021**

- b However, if there is unabsorbed depreciation or carry forward of losses, deferred tax assets are recognized only if there is virtual certainty that there will be sufficient future taxable income available to realise the assets. Deferred tax assets are reviewed as at each balance sheet date for their reliability.

**2.4.14 Provision, Contingent Liabilities and Contingent Assets:**

- a Provision is recognised in the accounts when there is a present obligation as a result of past event(s) and it is probable that an outflow of resources will be required to settle the obligation and reliable estimate can be made. Provisions are not discounted to their present value and are determined based on the best estimate required to settle the obligation at the reporting date. These estimates reviewed at each reporting date and adjusted to reflect the current best estimate.
- b Contingent liabilities are disclosed unless the possibility of outflow of resources is remote. Contingent assets are not recognised in the financial statements.

**Macpower CNC Machines Limited**  
CIN: L30009GJ2003PLC043419

**Statement of Cash Flow for the year ended March 31, 2021**

(Rs. in lakhs)

Sr. No.	Particulars	For the year ended March 31,2021	For the year ended March 31,2020
<b>A.</b>	<b>Cash flow from operating activities</b>		
	<b>Net profit before taxation</b>	675	392
	<u>Adjustment for:</u>		
	Depreciation & Impairment	261	107
	Finance Cost	17	37
	Short Term Capital Gain (On Mutual Fund)	(17)	(4)
	<b>Operating Profit before working capital changes</b>	<b>936</b>	<b>532</b>
	<u>Movements in working capital:</u>		
	Decrease/-Increase in Trade & Other Receivables	(55)	540
	Decrease/-Increase in Inventories	(1,471)	115
	Decrease/-Increase in Other Assets	(179)	(77)
	Increase/-Decrease in Trade Payables, Liabilities & Provisions	3,114	(805)
	Sub-Total Movement in Working Capital	1,409	(227)
	<b>Cash generated from operations</b>	<b>2,345</b>	<b>305</b>
	Direct taxes paid (net of refunds)	(70)	(124)
	<b>NET CASH FROM OPERATING ACTIVITIES</b>	<b>2,275</b>	<b>181</b>
<b>B.</b>	<b>Cash flow from investing activities</b>		
	Increase in Current Investments	(1,841)	(25)
	Purchase of fixed assets	(454)	(2,295)
	(Increase)/Decrease in Other Bank Balances	308	2,181
	Short Term Capital Gain (On Mutual Fund)	17	4
	<b>NET CASH FLOW FROM INVESTING ACTIVITIES</b>	<b>(1,970)</b>	<b>(135)</b>
<b>C.</b>	<b>Cash flow from financing activities</b>		
	Increase/(Decrease) in Lease Liabilites	(62)	2
	Dividend Paid	-	(36)
	Receipt of Subsidy for IPO	-	5
	Finance Cost	(17)	(37)
	<b>NET CASH CLOW FROM FINANCING ACTIVITIES</b>	<b>(79)</b>	<b>(66)</b>

## Statement of Cash Flow for the year ended March 31, 2021

(Rs. in lakhs)

Sr. No.	Particulars	For the year ended March 31,2021	For the year ended March 31,2020
	<b>NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)</b>	<b>226</b>	<b>(20)</b>
	Cash and cash equivalents at the beginning of the year	218	238
	Cash and cash equivalents at the end of the year	444	218
	<b>Components of cash and cash equivalents as at the end of the year</b>	<b>-</b>	<b>-</b>
	Cash and cheques on hand	3	4
	With bank	-	-
	- In current account	441	214
	<b>TOTAL</b>	<b>444</b>	<b>218</b>

**Notes:**

Standard - 7 on Cash Flow Statement.

As per our report of even date

**For,**  
**S.C. Makhecha & Associates**  
Chartered Accountants  
Firm Reg. No. : 120184W

**Sanat C. Makhecha**  
Partner  
Membership no. : 107192

Signed at Rajkot on 25/06/2021

UDIN : 21107192AAAALP7245

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

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

**Mr. Rajnikant M.  
Raja**  
(Chief Financial  
Officer)

**Mr. Nikeshbhai J.  
Mehta**  
(Whole time  
Director & Chief  
Executive Officer)

**Mr. Sagar Rajyguru**  
(Company Secretary)

DIN 01603779

Membership No.  
A61544



**Macpower CNC Machines Ltd.**  
CIN: L30009GJ2003PLC043419

**Notes forming part of the Financial Statements:**

(Rs. In lakhs)

Note No.	Particulars	March 31,2021	March 31,2020	April 1,2019
	<b><u>Other Current Assets</u></b>			
	Advances to Supplier	159	63	66
	Balance with Govt Authorities	199	211	110
	Prepaid Expenses	5	7	5
	<b>TOTAL OTHER CURRENT ASSETS (B)</b>	<b>363</b>	<b>281</b>	<b>181</b>
	<b>TOTAL OTHER ASSETS (A+B)</b>	<b>543</b>	<b>381</b>	<b>553</b>
<b>6</b>	<b>INVENTORIES</b>	<b>March 31,2021</b>	<b>March 31,2020</b>	<b>April 1,2019</b>
	Raw Material	5,251	3,533	3,727
	Finished Goods	842	1,089	1,010
	<b>TOTAL INVENTORIES</b>	<b>6,093</b>	<b>4,622</b>	<b>4,737</b>
<b>7</b>	<b>INVESTMENT</b>	<b>March 31,2021</b>	<b>March 31,2020</b>	<b>April 1,2019</b>
	<b><u>CURRENT INVESTMENT</u></b>			
	<b><u>a. Investment in Mutual Funds</u></b>			
	Axis Liquid Fund (Direct Growth)	964	125	100
	Units: Current Year: 87307.864			
	Previous Year: 5685.870			
	Axis Banking & PSU (Banking Fund)	700	-	-
	Units: Current Year: 33467.19			
	Previous Year: 0.00			
	SBI Banking & PSU Fund(Direct Growth)	300	-	-
	Units: Current Year: 11676.095			
	Previous Year:			
	<b>Total Investment in Mutual Funds (a)</b>	<b>1,964</b>	<b>125</b>	<b>100</b>
	<b><u>b. Other Investment</u></b>	<b>2</b>	<b>-</b>	<b>-</b>
	<b>Total Other Investment (b)</b>	<b>2</b>	<b>-</b>	<b>-</b>
	<b>TOTAL INVESTMENTS (a+b)</b>	<b>1,966</b>	<b>125</b>	<b>100</b>

**Macpower CNC Machines Ltd.**  
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**Notes forming part of the Financial Statements:**

(Rs. In lakhs)

8	TRADE RECEIVABLES	March 31,2021	March 31,2020	April 1,2019
	(Unsecured, Considered Good, unless stated otherwise)			
	Good	382	326	866
	Doubtful	-	-	-
	<b>TOTAL TRADE RECEIVABLES</b>	<b>382</b>	<b>326</b>	<b>866</b>
9	CASH & CASH EQUIVALENT	March 31,2021	March 31,2020	April 1,2019
	Cash on Hand	3	4	1
	Balances with Bank			
	In Current Account	213	102	7
	In EEFC Currency Account	-	-	11
	In Cash Credit Account -Debit Balance	228	112	219
	<b>TOTAL CASH &amp; CASH EQUIVALENT</b>	<b>444</b>	<b>218</b>	<b>238</b>
10	OTHER BANK BALANCES	March 31,2021	March 31,2020	April 1,2019
	Deposits with residual maturity for less than 12 months	60	369	2,550
	<b>TOTAL OTHER BANK BALANCES</b>	<b>60</b>	<b>369</b>	<b>2,550</b>
11	LOANS & ADVANCES	March 31,2021	March 31,2020	April 1,2019
	Advances to Employees	13	10	15
	PGVCL Interest Receivable	0	0	0
	<b>TOTAL LOANS &amp; ADVANCES</b>	<b>13</b>	<b>10</b>	<b>15</b>
12	INCOME TAX ASSETS (NET)	March 31,2021	March 31,2020	April 1,2019
		12	51	-
13	EQUITY SHARE CAPITAL	March 31,2021	March 31,2020	April 1,2019
(a)	<u>Authorized Share Capital</u>			
	Equity Shares of Rs. 10 each			
	No. of Equity Shares	10,005,000	10,000,000	10,000,000
	Amount	1,001	1,000	1,000
(b)	<u>Issued, Subscribed &amp; Paid up Share</u>			
	Capital Equity Shares of Rs. 10 each			
	No. of Equity Shares	10,004,160	9,808,000	9,808,000
	Amount	1,000	981	981
	<b>TOTAL EQUITY SHARE CAPITAL</b>	<b>1,000</b>	<b>981</b>	<b>981</b>

**Macpower CNC Machines Ltd.**  
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**Notes forming part of the Financial Statements:**

(Rs. In lakhs)

(c) Reconciliation of the shares outstanding at the beginning and at the end of the reporting period - Equity

Shares	2020-21		2019-20	
	No.	Amount (Rs.)	No.	Amount (Rs.)
At the beginning of the period	9,808,000	981	9,808,000	981
Shares issued during the year	196,160	20	-	-
Outstanding at the end of the period	10,004,160	1,000	9,808,000	981

Terms/Rights attached to

(d) Equity Shares

The company has only one class of equity shares having a per share value of Rs. 10/- per share. Each holder of equity shares is entitled to one vote per share.

In the event of liquidation of the company, the holders of equity shares will be entitled to receive remaining assets of the company, after distribution of all preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

(e) Details of shareholders holding more than 5% shares in the company

Name of Shareholder	As at March 31,2021		As at March 31,2020		As at April 1 ,2019	
	No.	% of total holding	No.	% of total holding	No.	% of total holding
Rupeshbhai J. Mehta	3,211,980	32.11%	3,149,000	32.11%	3,149,000	32.11%
Riyaben R. Mehta	1,814,982	18.14%	1,776,600	18.11%	1,776,600	18.11%
Nikeshbhai J. Mehta	1,331,862	13.31%	1,205,900	12.30%	1,205,900	12.30%
Vantage Equity Fund (Old Bridge Capital)	-	0.00%	581,000	5.92%	581,000	5.92%

As per records of the company, including its register of shareholders/members and other declaration received from shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownership of shares.

**Macpower CNC Machines Ltd.**  
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**Notes forming part of the Financial Statements:**

(Rs. In lakhs)

(f) Disclosure of Aggregate number and class of shares allotted as fully paid up by way of bonus shares during the period of five years immediately preceding the reporting date:			
Year of Allotment	<b>2017-18</b>		<b>2020-21</b>
No of Shares Allotted	6,048,000		196,160
Class of Shares	Equity Shares		Equity Shares

<b>14 OTHER EQUITY</b>	<b>March 31,2021</b>	<b>March 31,2020</b>	<b>April 1,2019</b>
(a) <u>Security Premium</u>			
Opening Balance	3,724	3,719	3,893
Less: Preliminary expenses	-	-	-174
Add: Subsidy received for share issue expense	-	5	-
Less: Utilised for Bonus	-20	-	-
<b>Sub-Total</b>	<b>3,704</b>	<b>3,724</b>	<b>3,719</b>
(b) <u>Surplus / (Deficit) in Statement of Profit and Loss</u>			
Opening Balance	1,940	1,712	1,683
Add: Profit during the year	603	273	-
Add: Other Comprehensive Income	(1)	(10)	-
Add: Adjustments due to Transition to IND AS			29
Less: Proposed Dividend	-	(30)	-
Less: Tax on Proposed Dividend	-	(5)	-
<b>Sub-Total</b>	<b>2,542</b>	<b>1,940</b>	<b>1,712</b>
<b>TOTAL OTHER EQUITY</b>	<b>6,247</b>	<b>5,664</b>	<b>5,431</b>

<b>15 BORROWINGS</b>		<b>March 31,2021</b>	<b>March 31,2020</b>	<b>April 1,2019</b>
<u>Loan from Bank</u>	Non	-	-	-
	Current			
	Current	-	-	25
	Maturity			
<b>Total borrowings</b>		<b>-</b>	<b>-</b>	<b>-</b>

Current maturity of borrowings from Bank is forming part of Other Financial liability (Note No. 18).

**Macpower CNC Machines Ltd.**  
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**Notes forming part of the Financial Statements:**

(Rs. In lakhs)

**Loan from Bank:**

Term loan Outstanding as on 1st April 2019 is secured against :

- (a) i) AXIS Bank car loan is primarily secured by the hypothecation of Maruti Ciaz Car Purchased through loan.  
ii) State Bank of India car loan is primarily secured by the hypothecation of Land Rover car purchase through loan.

Rate of Interest is :

- (b) i)Axis Bank Car Loan: 8.90%  
ii)State Bank of India Car Loan: 8.75%

Repayment Terms :

- (c) i) Axis Bank car loan: Repayable in 36 EMIs Out of which first 35 EMIs are of Rs.25,403/- & Last EMI of Rs.25,404/-  
ii) State Bank of India car loan: Repayable in 36 EMIs Out of which first 35 EMIs are of Rs.1,55,947 /- & Last EMI of Rs.1,38,244/-

Commencement Date :

- i)Axis Bank Car Loan: 10/01/2017  
ii)State Bank of India Car Loan: 07/07/2017

16 LEASE LIABILITIES	March 31,2021	March 31,2020	April 1,2019
<b>LEASE LIABILITIES</b>			
A. Non-Current	13	56	55
B. Current	9	28	28
<b>TOTAL LEASE LIABILITIES</b>	<b>22</b>	<b>84</b>	<b>83</b>
17 TRADE PAYABLES	March 31,2021	March 31,2020	April 1,2019
Total outstanding dues of micro enterprises and small enterprise	32	11	192
Total outstanding dues of creditors other than micro enterprises and small enterprises	4,519	2,336	3,036
<b>TOTAL TRADE PAYABLES</b>	<b>4,551</b>	<b>2,347</b>	<b>3,228</b>
18 OTHER CURRENT LIABILITIES	March 31,2021	March 31,2020	April 1,2019
Advances received against supply of machines	1,436	577	461
Statutory Dues	18	8	13
Unpaid Dividend	0	0	0
Current Maturities of Long Term Borrowings	-	-	25
<b>TOTAL OTHER CURRENT LIABILITIES</b>	<b>1,454</b>	<b>585</b>	<b>499</b>

**Macpower CNC Machines Ltd.**  
CIN: L30009GJ2003PLC043419

**Notes forming part of the Financial Statements:**

*(Rs. In lakhs)*

<b>19 PROVISIONS</b>	<b>March 31,2021</b>	<b>March 31,2020</b>	<b>April 1,2019</b>
<b>A NON-CURRENT PROVISION</b>			
Provision for employee benefits	98	89	73
<b>Total Non-Current Provisions</b>	<b>98</b>	<b>89</b>	<b>73</b>
<b>B CURRENT PROVISION</b>			
Provision for employee benefits	35	28	33
Provision for expenses	30	4	16
<b>Total Current Provisions</b>	<b>65</b>	<b>32</b>	<b>49</b>
<b>TOTAL PROVISIONS (A+B)</b>	<b>163</b>	<b>121</b>	<b>122</b>
<b>20 CURRENT TAX LIABILITY</b>	<b>March 31,2021</b>	<b>March 31,2020</b>	<b>April 1,2019</b>
	-	-	43

**Macpower CNC Machines Limited**  
CIN: L30009GJ2003PLC043419

**Notes forming part of the Financial Statements**

(Rs. In lakhs)

Note No.	Particulars	March 31,2021	March 31,2020
<b>21</b>	<b>REVENUE FROM OPERATIONS</b>		
(a)	<b><u>SALES</u></b>		
	(i) Sale of Products	11,233	8,047
	(ii) Sale of Services	43	94
	<b>TOTAL SALES ((i)+(ii))</b>	<b>11,276</b>	<b>8,141</b>
(b)	<b><u>OTHER OPERATING INCOME</u></b>		
	Other Income	0	14
	Cash Discount Income	5	36
	Exchange Rate Difference	7	7
	<b>TOTAL OTHER OPERATING INCOME</b>	<b>12</b>	<b>57</b>
	<b>TOTAL REVENUE FROM OPERATIONS ((a)+(b))</b>	<b>11,288</b>	<b>8,198</b>
<b>22</b>	<b>OTHER INCOME</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
	Interest on Fixed Deposit	5	47
	Interest on other Deposit	7	5
	Profit on sale of Fixed Assets, Investments	17	3
	Gain on termination of Lease	6	-
	<b>TOTAL OTHER INCOME</b>	<b>35</b>	<b>55</b>
<b>23</b>	<b>COST OF MATERIAL CONSUMED</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
a.	<b><u>Opening Stock</u></b>		
	Raw Material	3,533	3,727
b.	<b><u>Purchases</u></b>		
	Purchase of Raw Material	9,265	5,424
	Less: Purchase Return	-	-24
	<b>Net Purchases</b>	<b>9,265</b>	<b>5,400</b>
c.	<b><u>Closing Stock</u></b>		
	Raw Material	5,251	3,533
	<b>TOTAL COST OF MATERIAL CONSUMED (a+b-c)</b>	<b>7,547</b>	<b>5,594</b>

**Macpower CNC Machines Limited**  
CIN: L30009GJ2003PLC043419

**Notes forming part of the Financial Statements**

(Rs. In lakhs)

<b>24 CHANGES IN INVENTORIES</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Opening Stock	1,089	1,010
Closing Stocks	-842	-1,089
<b>TOTAL CHANGES IN INVENTORIES</b>	<b>247</b>	<b>-79</b>
<b>25 EMPLOYEE BENEFIT EXPENSES</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Bonus	60	37
Canteen Exp.	36	34
Conveyance Exp.	49	66
Salary - Director	68	43
Gratuity Exp.	20	17
Incentives to Sales & Service Engineers	53	21
Medical Exp.	2	1
Provident Fund Exp.	40	37
Salary Exp	834	874
Staff Welfare Exp.	0	1
Tea Refreshment Exp.	9	8
<b>TOTAL EMPLOYEE BENEFIT EXPENSES</b>	<b>1,171</b>	<b>1,139</b>
<b>26 FINANCE COST</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
<u>Interest Expense</u>		
Bank Interest Auto Loan	-	1
Bank Interest - C.C. 359	1	18
Interest on Finance Lease	5	7
<u>Other Borrowing Costs</u>		
Bank Commission	11	11
<b>TOTAL FINANCE COST</b>	<b>17</b>	<b>37</b>

**Macpower CNC Machines Limited**  
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**Notes forming part of the Financial Statements**

(Rs. In lakhs)

<b>27 OTHER EXPENSES</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
Advertising & Sales Promotion	5	2
After Sales Service Exp.	0	3
Audit & Compliance Fees	9	14
Bad Debts	16	-
Brokerage & Commission Exp.	255	127
Cleaning Exp.	9	10
Rent, Rates & Taxes	15	39
Factory Exp.	5	12
Donation & CSR Exp.	42	-
Exhibition Exp.	-	24
Import Exp.	10	11
Insurance Exp.	23	12
Job Work Exp.	470	347
Office Exp.	26	28
P&F Charges	13	7
Pattern Thermocol Exp.	59	20
Power & Fuel Exp.	89	51
Professional Fees Exp.	11	34
Repairs & Maintenance Exp.	67	37
Security Services Exp	8	10
Share Listing, Voting, Registry & other Charges	6	8
Stationary Exp.	22	16
Telephone & Mobile Exp.	5	7
Tools Exp.	45	31
Transportation Exp.	174	150
Travelling Exp.	12	43
Vehicle Exp.	9	20
<b>TOTAL OTHER EXPENSES</b>	<b>1,405</b>	<b>1,063</b>
<b>28 TAX EXPENSES</b>	<b>March 31,2021</b>	<b>March 31,2020</b>
<u>Current Tax</u>		
Provision for current year	108	27
Deferred Tax	-36	91
<b>TOTAL TAX EXPENSES</b>	<b>72</b>	<b>118</b>
<b>Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate</b>	<b>675</b>	<b>391</b>
Tax at the Indian tax of 25.168% (Previous Year 27.12%)	<b>170</b>	<b>106</b>
Donation expense which is not allowable	10	-
Impact of change in tax rates, reversal of (short)/excess provisions and others	-108	12
<b>Total Tax Expenses</b>	<b>72</b>	<b>118</b>

**Macpower CNC Machines Limited**  
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**Notes forming part of the Financial Statements**

(Rs. In lakhs)

29 EARNING PER SHARE	March 31,2021	March 31,2020
Net profit as per statement of Profit & Loss	603	273
Weighted average number of shares outstanding during the year (Nos)	10,004,160	9,808,000
<b>Earning Per Share (Basic and Diluted)</b>	<b>6.02</b>	<b>2.73</b>
<b>Face Value Per Share (In Rs.)</b>	<b>10</b>	<b>10</b>

**Note:**

Our basic EPS before exceptional item and bonus shares increased by 121.30% during the year to Rs. 6.15 per share from Rs. 2.78 per share in the previous year. But after issuing bonus share the EPS is Rs.6.03 and Rs. 2.73 per share in current year and previous year, respectively. However, after issuing bonus shares the outstanding shares for computing basic EPS is increased from 98,08,000 shares to 1,00,04,200 shares for the year ended March 31, 2021

30 CONTINGENT LIABILITY NOT ACKNOWLEDGED AS DEBT	March 31,2021	March 31,2020
Claims against company not acknowledged as debt (incl. disputed statutory dues)	118.00	131.00
Guarantees issued by bank on behalf of company	187.00	293.00
<b>TOTAL</b>	<b>305.00</b>	<b>424.00</b>

**31 LEASE**

**As a Lessee:**

The company has entered into various lease agreements. The lease period can be extended beyond the agreed period at mutually acceptable terms and conditions. There are no restrictions placed upon the company by entering into these leases.

Future minimum rentals payable under operating lease are as follows:

	31-Mar-21	31-Mar-20	01-Apr-19
Within one year	12	8	11
After one year but not more than five years	15	7	1
More than five years	-	-	-
<b>Total</b>	<b>27</b>	<b>15</b>	<b>12</b>

**Macpower CNC Machines Limited**  
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**Notes forming part of the Financial Statements**

(Rs. In lakhs)

**32 EXCHANGE DIFFERENCE GAIN/(LOSS) RECOGNISED IN STATEMENT OF PROFIT AND LOSS**

Particulars	31-Mar-21	31-Mar-20	01-Apr-19
Relating to export during the year as a part of sales / other Income	-	1.14	-
Others	6.54	5.63	37.67
<b>Total</b>	<b>-</b>	<b>6.77</b>	<b>37.67</b>

**33 PARTICULARS OF UNHEDGED FOREIGN CURRENCY AT THE REPORTING DATE**

		31-Mar-20	31-Mar-19	01-Apr-18
Export Trade receivable	USD	-	-	-
	INR	-	-	-

**34 EMPLOYEE BENEFITS**

**A. Gratuity**

The defined benefit obligation is calculated annually by actuaries using the projected unit credit method in conformity with the principles and manner of computation specified in Ind AS 19.

Particulars	31-Mar-21	31-Mar-20	01-Apr-19
<u>Amount recognised in Balance Sheet</u>			
Present Value of funded defined benefit obligation	106	98	80
<b>Net funded obligation</b>	<b>106</b>	<b>98</b>	<b>80</b>
<u>Expense recognised in the statement of Profit &amp; Loss</u>			
Current Service Cost	11	10	8
Past Service Cost	-	-	72
Interest on net defined benefit liability /(assets)	7	6	-
<b>Total expense charged to profit &amp; loss</b>	<b>18</b>	<b>16</b>	<b>80</b>
<u>Amount recorded as other comprehensive income</u>			
<b>Opening amount recognised in OCI outside profit &amp; loss account</b>	<b>-</b>	<b>-</b>	<b>-</b>
<u>Remeasurements during the period due to</u>			
Actuarial (gain)/losses on obligation for the period	-2	-12	-
Actual return on plan assets less interest on plan assets	-	-	-
<b>Closing amount recognised in OCI outside profit &amp; loss account</b>	<b>-2</b>	<b>-12</b>	<b>-</b>

**Macpower CNC Machines Limited**  
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**Notes forming part of the Financial Statements**

(Rs. In lakhs)

Particulars	31-Mar-21	31-Mar-20	01-Apr-19
<u>Reconciliation of net liability/(assets)</u>			
<b>Opening net defined benefit liability/(assets)</b>	98	80	-
Expense charged to profit & loss account	18	16	80
Amount recognised outside profit & loss account	2	12	-
Employer contributions	-12	-10	-
<b>Closing net defined benefit liability/(assets)</b>	<b>106</b>	<b>98</b>	<b>80</b>
<u>Movement in benefit obligation</u>			
<b>Opening of defined benefit obligation</b>	98	80	-
Current Service Cost	11	10	80
Interest on defined benefit obligation	7	6	-
Past Service cost	-	-	-
<u>Remeasurements due to</u>			
Actuarial Loss /(gain) arising from change in financial assumptions	-1	9	-
Actuarial Loss /(gain) arising on account of experience changes	3	3	-
Actuarial Loss /(gain) arising from change in demographic assumptions	-	-	-
Benefits paid	-12	-10	-
<b>Closing of Defined benefit obligation</b>	<b>106</b>	<b>98</b>	<b>80</b>

Key actuarial assumptions	31-Mar-21	31-Mar-20	01-Apr-19
Discount rate (p.a)	6.79%	6.71%	7.77%
Rate of increase in Compensation levels	12.00%	12.00%	12.00%

**Sensitivity Analysis**

The sensitivity analysis have been determined based on reasonably possible changes of the respective assumptions occurring at the end of the reporting period, while holding all other assumptions constant.

The sensitivity analysis presented above may not be representative of the actual change in the projected benefit obligation as it is unlikely that the change in assumptions would occur in isolation of one another as some of the assumptions may be correlated.

Furthermore, in presenting the above sensitivity analysis, the present value of the projected benefit obligation has been calculated using the projected unit credit method at the end of the reporting period, which is the same method as applied in calculating the projected benefit obligation as recognised in the balance sheet. There was no change in the methods and assumptions used in preparing the sensitivity analysis from prior years.

**Macpower CNC Machines Limited**  
CIN: L30009GJ2003PLC043419

**Notes forming part of the Financial Statements**

Particulars	(Rs. In lakhs)	
	Current Period	Previous Period
Projected Benefit Obligation on Current Assumptions	106	98
Delta Effect of +0.5% Change in Rate of Discounting	-5	(5)
Delta Effect of -0.5% Change in Rate of Discounting	6	5
Delta Effect of +1% Change in Rate of Salary Increase	10	9
Delta Effect of -1% Change in Rate of Salary Decrease	-9	(9)
Delta Effect of +5% Change in Rate of Employee Turnover	-15	(14)
Delta Effect of -5% Change in Rate of Employee Turnover	29	28

**B. Provident Fund**

Retirement benefit in the form of provident fund is a defined contribution scheme. The company has no obligation, other than the contribution payable to the provident fund. The company recognizes contribution payable to the provident fund scheme as an expenditure, when an employee renders the related service. If the contribution payable to the scheme for service received before the balance sheet date exceeds the contribution already paid, the deficit payable to the scheme is recognized as a liability after deducting the contribution already paid. If the contribution already paid exceeds the contribution due for services received before the balance sheet date, then excess is recognized as an asset to the extent that the pre payment will lead to, for example, a reduction in future payment or a cash refund.

**Macpower CNC Machines Limited**  
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**Notes forming part of the Financial Statements**

**35 DISCLOSURE OF TRANSACTION WITH RELATED PARTIES AS REQUIRED BY THE INDIAN ACCOUNTING STANDARD-24**

(Rs. In lakhs)

Name of related party and nature of relationship	Nature of transaction	2020-2021			2019 - 2020		
		Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.	Transaction Value	Outstanding amount in Balance Sheet	Dr./Cr.
Mr. Rupesh J. Mehta Director	Managing Director's Remuneration	42.75	4.54	Cr.	36.00	3.00	Cr.
		<b>42.75</b>	<b>4.54</b>		<b>36.00</b>	<b>3.00</b>	
Mr. Nikesh J. Mehta Director	Director's Remuneration	25.35	2.83	Cr.	7.20	0.60	Cr.
		<b>25.35</b>	<b>2.83</b>		<b>7.20</b>	<b>0.60</b>	
Modern Machine Tools (Prop. Raxaben Mehta) Relative of Director	Purchase of Machine Parts & Tools Sales	15.63	0.99	Cr.	6.26	0.27	Cr.
		9.10			3.99		
		<b>24.73</b>	<b>0.99</b>		<b>10.25</b>	<b>0.27</b>	

**36 FINANCIAL RISK MANAGEMENT**

Board of Directors oversees Risk Management Framework and monitors Company's risk management policies. The risk management policies are established to ensure timely identification and evaluation of risks, setting acceptable risk thresholds, identifying and mapping controls against these risks, monitor the risks and their limits, improve risk awareness and transparency. Risk management policies and systems are reviewed regularly to reflect changes in the market conditions and the Company's activities to provide reliable information to the Management and the Board to evaluate the adequacy of the risk management framework in relation to the risk faced by the Company.

(Rs. in lakhs)

Particulars	31-Mar-21		31-Mar-20	
	FVTPL	Amortised Cost	FVTPL	Amortised Cost
<b>Financial Assets</b>				
Investment in Mutual Fund	1,964	-	125	-
Trade Receivable	-	382	-	326
Cash & Cash Equivalents	-	444	-	218
Loans to Staff	-	13	-	10
Investment in Fixed Deposits	-	60	-	369
Other Investment	-	2	-	-
Other Income Receivable	-	0	-	0
<b>Total Financial Assets</b>	<b>1,964</b>	<b>901</b>	<b>125</b>	<b>923</b>
<b>Financial Liabilities</b>				
Trade Payable	-	4,551	-	2,347
Lease Liability	-	22	-	84
<b>Total Financial Liabilities</b>	<b>-</b>	<b>4,573</b>	<b>-</b>	<b>2,431</b>

The risk management policies aims to mitigate the following risks arising from the financial instruments:

- 1 Market Risk
- 2 Credit Risk
- 3 Liquidity Risk

#### 1 Market Risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in the market prices. The Company is exposed in the ordinary course of its business to risks related to changes in foreign currency exchange rates, commodity prices and interest rates.

The Company seeks to minimize the effects of these risks by using financial instruments to hedge risk exposures. The use of financial derivatives is governed by the Company's policies approved by the Board of Directors, which provide written principles on foreign exchange risk, interest rate risk, credit risk, the use of financial derivatives and non-derivative financial instruments, and the investment of excess liquidity. Compliance with policies and exposure limits is reviewed by the Management and the internal auditors on a continuous basis. The Company does not enter into or trade financial instruments, including derivatives for speculative purposes.

## 2 Credit Risk

Credit risk refers to the risk that a counterparty will default on its contractual obligations resulting in financial loss to the Company. Credit risk encompasses both, the direct risk of default and the risk of deterioration of creditworthiness as well as concentration risks. Company's credit risk arises principally from the trade receivables, loans, investments in debt securities, cash & cash equivalents, derivatives and financial guarantees. Company has a policy to get the collateral, where appropriate, as a means of mitigating the risk of financial loss from defaults.

### a) Trade Receivables

Customer credit risk is managed centrally by the Company and subject to established policy, procedures and control relating to customer credit risk management. Credit quality of a customer is assessed based on an extensive credit rating scorecard and individual credit limits defined in accordance with the assessment. Trade receivables consist of a large number of customers spread across diverse industries and geographical areas with no significant concentration of credit risk. The outstanding trade receivables are regularly monitored and appropriate action is taken for collection of overdue receivables. To mitigate credit risk from trade receivables, the company has adopted a policy of despatching machines only on receiving full amount unless to Government department or dealing with creditworthy parties exceptionally. The history of trade receivables shows a negligible allowance for bad and doubtful debts.

### b) Loans and investment in debt securities

The Company's centralized treasury function manages the financial risks relating to the business. The treasury function focuses on capital protection, liquidity and yield maximization. Investments of surplus funds are made only in approved counterparties within credit limits assigned for each of the counterparty. Counterparty credit limits are reviewed and approved by the Company. The limits are set to minimize the concentration of risks and therefore mitigate the financial loss through counter party's potential failure to make payments.

### c) Cash and cash equivalents

Credit risks from balances with banks and financial institutions are managed in accordance with the Company policy.

## 3 Liquidity Risk

Liquidity risk refers to the risk of financial distress or extraordinary high financing costs arising due to shortage of liquid funds in a situation where business conditions unexpectedly deteriorate and requiring financing. The Company requires funds both for short term operational needs as well as for long term capital expenditure growth projects. The Company generates sufficient cash flow for operations, The Company has established an appropriate liquidity risk management framework for the management of the Company's short, medium and long-term funding and liquidity management requirements. The Company manages liquidity risk by maintaining adequate reserves, banking facilities and reserve borrowing facilities, by continuously monitoring forecast and actual cash flows, and by matching the maturity profiles of financial assets and liabilities.

**Capital management**

For the purpose of the Company's capital management, capital includes issued equity capital, share premium and all other equity reserves attributable to the equity holders. The primary objective of the Company's capital management is to maximize the shareholder value.

The Company monitors its capital using gearing ratio, which is net debt divided to total equity. Net debt includes, interest bearing loans and borrowings less cash and cash equivalents, bank balances other than cash and cash equivalents and current investments.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. Breaches in meeting the financial covenants would permit the bank to immediately call loans and borrowings. There have been no breaches in the financial covenants of any interest-bearing loans and borrowing in the current period.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2021 and 31 March 2020.

**Fair value measurement of financial instruments**

When the fair values of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

**4 Maturities of financial liabilities***(Rs. In lakhs)*

Particulars	Less than & equal to 1 Year	More than to 1 Year	Total
<b><u>As on 31 March 2021</u></b>			
Borrowings	-	-	-
Trade Payable	4,551	-	4,551
Other Financial Liabilities	-	-	-
<b><u>As on 31 March 2020</u></b>			
Borrowings	-	-	-
Trade Payable	2,347	-	2,347
Other Financial Liabilities	-	-	-
<b><u>As on 1 April 2019</u></b>			
Borrowings	-	-	-
Trade Payable	3,228	-	3,228
Other Financial Liabilities	-	-	-

**5 Open Exposure**

The Company's exposure to foreign currency risk at the end of the reporting period:

USD in Lakhs.

Particulars	31-Mar-21	31-Mar-20	01-Apr-19
Receivables (Amount in USDs)	-	-	-

**Sensitivity Analysis**

The following table demonstrates the sensitivity to a reasonably possible change in the exchange rates, with all other variables held constant:

Particulars	Currency	Change in Rate	Effect on PBT	Effect on Pre-Tax Equity
Year Ended 31st March 2021	USDs	(+/-)10%	-	-
Year Ended 31st March 2020	USDs	(+/-)10%	-	-

If the change in rates decline by a similar percentage, there will be opposite impact of similar amount on Profit Before Tax and Pre-Tax Equity.

The sensitivity analysis is unrepresentative of the inherent foreign exchange risk because the exposure at the end of the reporting period does not reflect the exposure during the year.

**37 IMPACT OF COVID-19**

The Company has considered the possible effects of COVID-19 on the carrying amounts of Property, Plant and Equipment, Investments, Inventories, Trade Receivable and Other current assets.- In developing the assumptions relating to possible future uncertainties in future economic conditions because of this pandemic, the company, as at the date of approval of the financial results, has used external and internal sources of information/ indicators to estimate the future performance of the Company. Based on current estimates the Company expects the carrying amount of these assets to be recovered. Hence, company has estimated nil impact of COVID-19 in the financial results for the quarter and year ended 31st March, 2021. The impact of the COVID-19 on the Company's Audited financial results may differ from that estimated as at the date of approval of these results.

Macpower CNC Machines Limited CIN No.: L30009GJ											
Notes forming part of Financial Statements for the year ended 31st March 2021											
Note - 3 Property, Plant and Equipment											
Current Year											
Particulars	Gross Block						Depreciation/Impairment			Net Block	
	As at April 1, 2020	Additions	Deductions/ Adjustments	As at March 31, 2021	As at April 1, 2020	Additions	Deductions/ Adjustments	As at March 31, 2021	As at March 31, 2021	(Rs. In lakhs)	
<b>(a) Property, Plant and Equipment:</b>											
1. Land	46	-	-	46	-	-	-	-	-	46	46
2. Building	1,048	-	-	1,048	198	28	-	226	822	822	822
3. Plant & Machinery	2,669	417	-1	3,085	216	163	-	379	2,706	2,706	2,706
4. Furniture & Fixtures	69	4	-	73	34	4	-	38	35	35	35
5. Office Equipment	59	9	-	68	36	5	-	41	27	27	27
6. Vehicles	194	8	-	202	128	12	-	140	62	62	62
7. Computers & Software	52	11	-	63	33	13	-	46	17	17	17
<b>Total</b>	<b>4,137</b>	<b>449</b>	<b>-1</b>	<b>4,585</b>	<b>645</b>	<b>225</b>	<b>-</b>	<b>870</b>	<b>3,715</b>	<b>3,715</b>	<b>3,715</b>
<b>(b) Intangible Assets:</b>											
Design	12	-	-	12	8	1	-	9	3	3	3
Computer Software	31	-	-	31	15	7	-	22	9	9	9
<b>Total</b>	<b>43</b>	<b>-</b>	<b>-</b>	<b>43</b>	<b>23</b>	<b>8</b>	<b>-</b>	<b>31</b>	<b>12</b>	<b>12</b>	<b>12</b>
<b>(c) Right to use asset:</b>											
Leasehold Assets	119	19	-50	88	40	27	-	67	21	21	21
<b>Total</b>	<b>119</b>	<b>19</b>	<b>-50</b>	<b>88</b>	<b>40</b>	<b>27</b>	<b>-</b>	<b>67</b>	<b>21</b>	<b>21</b>	<b>21</b>
<b>(d) Intangible Assets under Development</b>	<b>9</b>	<b>4</b>	<b>-</b>	<b>13</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>13</b>	<b>13</b>	<b>13</b>
<b>(e) Capital Work in Progress</b>	<b>67</b>	<b>47</b>	<b>-</b>	<b>114</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>114</b>	<b>114</b>	<b>114</b>

Macpower CNC Machines Limited CIN No.: L30009GJ									
Notes forming part of Financial Statements for the year ended 31st March 2021									
Note - 3 Property, Plant and Equipment									
Previous Year	Gross Block					Depreciation/Impairment			Net Block
	As at April 1, 2019	Additions	Deductions/ Adjustments	As at March 31, 2020	As at April 1, 2019	Additions	Deductions/ Adjustments	As at March 31, 2020	As at March 31, 2020
<b>(a) Property, Plant and Equipment:</b>									
1. Land	33	13	-	46	-	-	-	-	46
2. Building	312	736	-	1,048	191	7	-	198	850
3. Plant & Machinery	490	2,179	-	2,669	184	32	-	216	2,453
4. Furniture & Fixtures	56	13	-	69	30	4	-	34	35
5. Office Equipment	44	15	-	59	32	4	-	36	23
6. Vehicles	197	7	-10	194	125	12	-9	128	66
7. Computers	36	16	-	52	26	7	-	33	19
<b>Total</b>	<b>1,168</b>	<b>2,979</b>	<b>-10</b>	<b>4,137</b>	<b>588</b>	<b>66</b>	<b>-9</b>	<b>645</b>	<b>3,492</b>
<b>(b) Intangible Assets:</b>									
Design	12	-	-	12	8.00	-	-	8	4
Computer Software	22	10	-1	31	14.00	2	-1	15	16
<b>Total</b>	<b>34</b>	<b>10</b>	<b>-1</b>	<b>43</b>	<b>22.00</b>	<b>2</b>	<b>-1</b>	<b>23</b>	<b>20</b>
<b>(c) Right to use asset:</b>									
Leasehold Assets	83	36	-	119	-	40	-	40	79
<b>Total</b>	<b>83</b>	<b>36</b>	<b>-</b>	<b>119</b>	<b>-</b>	<b>40</b>	<b>-</b>	<b>40</b>	<b>79</b>
<b>(d) Intangible Assets under Development</b>									
	-	9	-	9	-	-	-	-	9
<b>(e) Capital Work in Progress</b>									
	552	67	-552	67	-	-	-	-	67

## Macpower CNC Machines Limited

CIN No.: L30009GJ

Notes forming part of Financial Statements for the year ended 31st March 2021

## Note - 3 Property, Plant and Equipment

## Note :-

On transition to Ind AS , the company has elected to continue with the carrying value of its property, plant and equipments recognised as at 1 April 2019 measured as per previous GAAP, which in case of the company, corresponds with carrying costs measured in accordance with Ind AS - 16 Property, Plant and Equipments. As on date of transition, gross block and accumulated depreciation was Rs.1,837 Lakhs and Rs. 610 Lakhs.

2 Refer to clause 2.4.3 of notes to significant accounting policies

Ind AS 116 requires lessees to determine the lease term as the non-cancellable period of a lease adjusted with any option to extend or terminate the lease. The Company's lease asset primarily consists of Building. The right-of-use assets are initially recognised at cost, which comprises the initial measurement of the lease liability adjusted plus any initial direct costs less any lease incentives.

## Macpower CNC Machines Limited

CIN: L30009GJ2003PLC043419

## Reconciliation as at March 31, 2020 and as at the date of Transition

(Rs. in Lakhs)

Sr. No.	Particulars	Note to first time Adoption	As at March 31, 2020			As at April 1, 2019		
			Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
	<b>ASSETS</b>							
(1)	<b>Non-current assets</b>							
	(a) Property, Plant and Equipment	1	3,707	(215)	3,492	581	(1)	580
	(b) Right to use asset	2	-	79	79	-	83	83
	(c) Capital work-in-progress		67	-	67	552	-	552
	(d) Other Intangible Assets	1	20	-	20	11	1	12
	(e) Intangible Assets under Development		9	-	9	-	-	-
	(f) Financial Assets							
	(i) Investments		-	-	-	-	-	-
	(ii) Loans		-	-	-	-	-	-
	(ii) Other Financial Assets		-	-	-	-	-	-
	(g) Deferred Tax Assets	14	-	13	13	52	49	101
	(h) Other non-current assets	3	217	(117)	100	274	98	372
(2)	<b>Current assets</b>							
	(a) Inventories		4,622	-	4,622	4,737	-	4,737
	(b) Financial Assets							
	(i) Investments		125	-	125	100	-	100
	(ii) Trade Receivables		326	-	326	866	-	866
	(iii) Cash and cash equivalents	4	587	(369)	218	238	-	238
	(iv) Other Bank Balance	4	-	369	369	2,550	-	2,550
	(iv) Loans	5	-	10	10	-	15	15
	(v) Other Financial Assets							
	(Balance in Unpaid Dividend Account)	4 & 12	-	-	0	-	-	-
	(c) Income tax assets (net)	6	-	51	51	-	-	-
	(d) Other current assets	6	388	(107)	281	957	(776)	181
	<b>Total Assets</b>		<b>10,068</b>	<b>(286)</b>	<b>9,782</b>	<b>10,918</b>	<b>(531)</b>	<b>10,387</b>

Macpower CNC Machines Limited CIN: L30009GJ2003PLC043419								
Sr. No.	Particulars	Note to first time Adoption	As at March 31, 2020			As at April 1, 2019		
			Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet	Previous GAAP	Effect of transition to Ind AS	As per Ind AS balance sheet
	<b>EQUITY AND LIABILITIES</b>							
	<b>EQUITY</b>							
	(a) Equity Share Capital		981	-	981	981	-	981
	(b) Other Equity		5,952	-288	5,664	5,576	-145	5,431
	<b>LIABILITIES</b>							
(1)	<b>Non-current liabilities</b>							
	(a) Financial Liabilities							
	(i) Borrowings		-	-	-	-	-	-
	(ii) Lease Liabilities	2	-	56	56	-	55	55
	(iii) Other financial liabilities		-	-	-	-	-	-
	(b) Provisions	7	64	25	89	60	13	73
	(c) Deferred tax liabilities (Net)	14	86	-86	-	-	-	-
(2)	<b>Current liabilities</b>							
	(a) Financial Liabilities							
	(i) Borrowings		-	-	-	-	-	-
	(ii) Lease Liabilities	2	-	28	28	-	28	28
	(iii) Trade Payables							
	(a) total outstanding dues of micro enterprises and small enterprise		11	-	11	192	-	192
	(b) total outstanding dues of creditors other than micro enterprises and small enterprises	8	2,912	-576	2,336	3,497	-461	3,036
	(iii) Other Financial Liabilities		-	-	-	-	-	-
	(b) Other current liabilities	8	8	577	585	38	461	499
	(c) Provisions	9	54	-22	32	574	-525	49
	(d) Current Tax Liability		-	-	-	-	43	43
	<b>Total Equity and Liabilities</b>		<b>10,068</b>	<b>-286</b>	<b>9,782</b>	<b>10,918</b>	<b>-531</b>	<b>10,387</b>

Macpower CNC Machines Limited CIN: L30009GJ2003PLC043419					
Reconciliation of Total Comprehensive Income for the year ended March 31, 2020 (Rs. in lakhs)					
Sr. No	Particulars	Notes to First Time Adoption	Previous GAAP	Adjustments	IND AS
	<b>INCOME FROM OPERATIONS</b>				
(a)	Gross Sales	10	8,148	-8	8,141
(b)	Other Operating Income	10	49	8	57
	<b>Total Revenue from Operations (a+b)</b>		<b>8,198</b>	<b>-</b>	<b>8,198</b>
	Other Income		55	-	55
	<b>TOTAL INCOME</b>		<b>8,253</b>	<b>-</b>	<b>8,253</b>
	<b>EXPENSES</b>				
(a)	Cost of materials consumed		5,594	-	5,594
(b)	Purchase of Stock in trade		-	-	-
(c)	Changes in inventories of finished goods, work-in-progress and stock-in-trade		-79	-	-79
(d)	Employee benefits expenses		1,139	-	1,139
(e)	Finance Costs	2	29	8	37
(f)	Depreciation and amortisation expenses	2	99	9	108
(g)	Other expenses	2 & 13	1,138	-75	1,063
	<b>TOTAL EXPENSES</b>		<b>7,921</b>	<b>-58</b>	<b>7,863</b>
	<b>Profit before exceptional items</b>		<b>332</b>	<b>58</b>	<b>391</b>
	Add: Exceptional items	1	245	-245	-
	<b>Profit Before tax</b>		<b>577</b>	<b>-187</b>	<b>391</b>
	<b>Tax expenses</b>		<b>165</b>	<b>-47</b>	<b>118</b>
(a)	Current Tax		27	-	27
(b)	Deferred tax	14	138	-47	91
	<b>Profit for the period</b>		<b>412</b>	<b>-140</b>	<b>273</b>

Macpower CNC Machines Limited CIN: L30009GJ2003PLC043419					
Sr. No	Particulars	Notes to First Time Adoption	Previous GAAP	Adjustments	IND AS
	<b>Other Comprehensive Income, Net of Tax</b>		-	-10	-10
(a)	Items that will be reclassified to profit or loss		-	-	-
(b)	Items that will not be reclassified to profit or loss	11	-	-10	-10
	<b>Total Comprehensive Income for the Period</b>		<b>412</b>	<b>-149</b>	<b>263</b>
<b>Reconciliation of Other Comprehensive Income for the year ended 31 March 2020</b>					
<i>(Rs. In lakhs)</i>					
Particulars		Notes to First-time Adoption	Amount (Rs.)		
<b>Profit after tax as reported in previous period as per Indian GAAP</b>			<b>412</b>		
	Preliminary expense written off		13	34	
	Gratuity as per I GAAP		7	17	
	Depreciation as per IGAAP		1	99	
	Rent as per I GAAP		2	42	
	Depreciation as per Ind AS		1	(69)	
	Gratuity as per Ind AS		7	(16)	
	Amortization of Right to Use Assets as per IND AS 116		2	(40)	
	Reversal of Depreciation		1	(245)	
	Interest on lease liability as per IND AS 116		2	(8)	
	Tax impact on above adjustments		14	47	
<b>Net Profit after tax as reported under Ind AS</b>				<b>273</b>	
	Other Comprehensive Income (net of tax)		11	(10)	
<b>Total Comprehensive Income</b>				<b>263</b>	

Macpower CNC Machines Limited CIN: L30009GJ2003PLC043419			
<b>Reconciliation of Total Equity as at March 31, 2020 and as at the date of Transition</b>			
<i>(Rs. In lakhs)</i>			
Particulars	Notes to first-time adoption	31-Mar-2020 (Rs.)	1-Apr-2019 (Rs.)
<b>Total equity (shareholder's funds) as reported under previous I-GAAP</b>		<b>5,952</b>	<b>5,576</b>
Gratuity	7	(20)	(20)
Change in Profit as per IND AS		(139)	-
Right to use asset	2	(83)	(83)
Lease liability	2	83	83
Gratuity expense	7	(13)	-
IPO Subsidy	13	5	-
Preliminary expenses	13	(174)	(174)
Tax Impact on above Adjustments	14	53	49
<b>Total equity (shareholder's funds) as per IND AS</b>		<b>5,664</b>	<b>5,431</b>

## **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 31<sup>st</sup> March, 2021 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 judgment, 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 31<sup>st</sup> March, 2021 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.

**For, S.C. Makhecha & Associates**

Chartered Accountants

FRNo: 120184W

**Sanat C Makhecha**

Partner

Mem. No.: 107192

Signed at Rajkot on 25/06/2021

UDIN : 21107192AAAALP7245

THANK YOU



PLANT & CORPORATE OFFICE :

**MACPOWER CNC MACHINES LIMITED**

PLOT NO. 2234, NEAR KRANTI GATE, GIDC, METODA - 360 021, RAJKOT,  
GUJARAT, INDIA. PH. +91 2827 - 287930/31, SALES@MACPOWERCNC.COM,  
CS@MACPOWERCNC.COM, WWW.MACPOWERCNC.COM