

ANNUAL REPORT

2018-19

WIDE RANGE
WIDE CHOICE

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MACPOWER CNC MACHINES LIMITED

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

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

CIN: L30009GJ2003PLC043419, Website: www.macpowercnc.com

NSE Symbol: **MACPOWER** ISIN: **INE155Z01011**

CORPORATE INFORMATION**Board of Directors:**

Mr. Rupesh J. Mehta

Managing Director

Mr. Nikesh J. Mehta

Whole-Time Director

Mrs. Riya R. Mehta

Non-Executive & Woman Director

Mr. Maulik R. Mokariya

Independent Director

Mr. Rajubhai R. Bhandari

Independent Director

Mr. Deven J. Doshi

Independent Director

Mr. Rajnikant M. Raja

Chief Financial Officer [CFO]

Ms. Ekta Shukla

Company Secretary & Compliance Officer

Statutory Auditor:

M/s. S. C. Makhecha & Associates

Chartered Accountants, Rajkot

Secretarial Auditor:

M/s. K. P. Rachchh & Co.,

Practicing Company Secretaries, Rajkot

Internal Auditor:

Mr. Vishal Pandya [for FY19]

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

Banker:

Axis Bank Limited – Metoda Branch

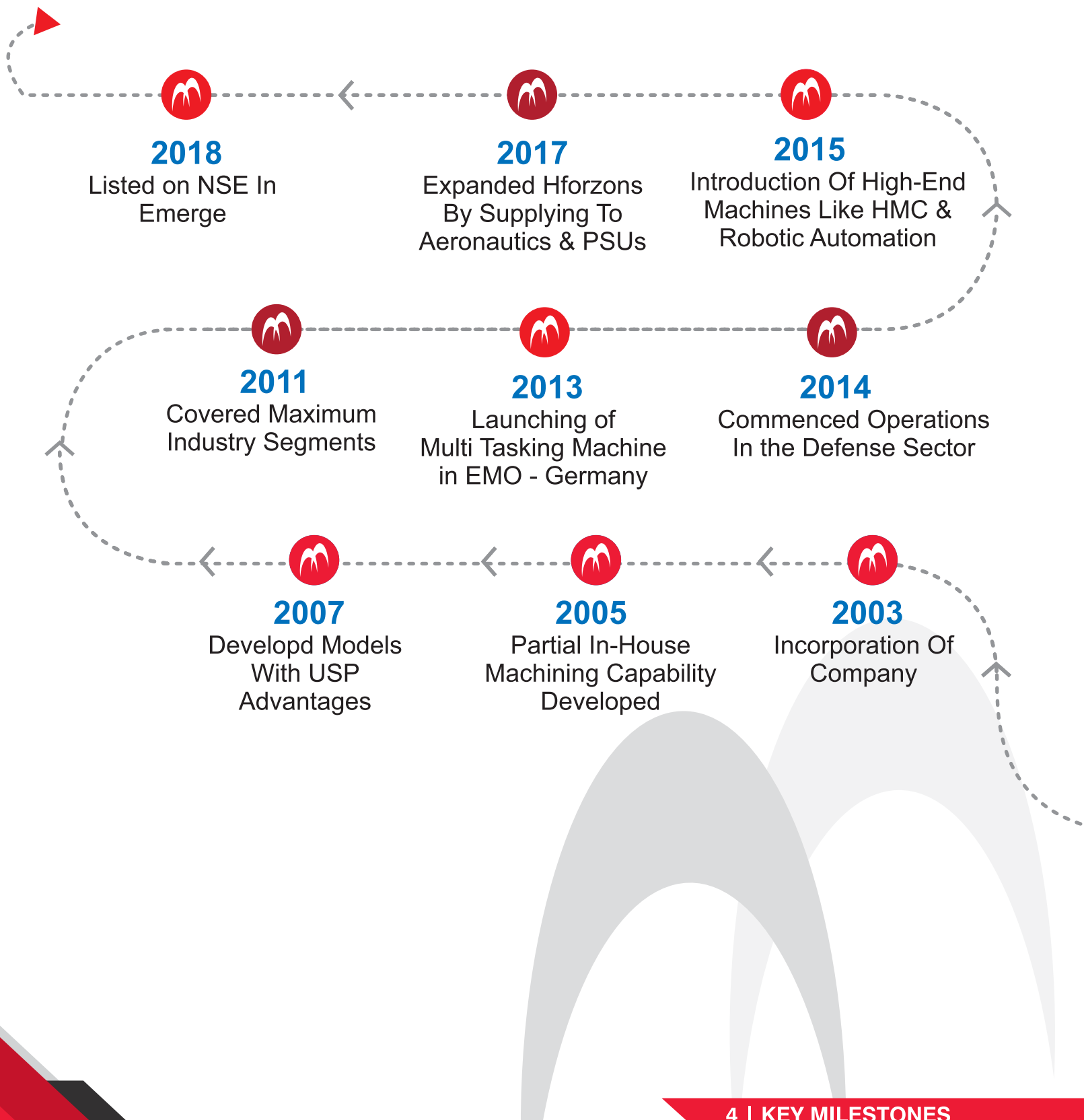
Registrar & Share Transfer Agent:

Link Intime India Private Limited

5th Floor, 506 to 508, Amarnath Business Centre – 1 [ABC-1], Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad – 380 006, Gujarat, India.

Email: ahmedabad@linkintime.co.in

Key Milestones



Company's Profile

Macpower CNC Machines Limited was incorporated in year 2003 with aim of mark a footprint in Machine Tool industry with machining excellence and provide the best possible solution in CNC machines metal cutting industry thereby unleashing value of end user. The vision of excellence transformed Macpower into India's fastest growing CNC machine Manufacturing Company. This meteoric growth is a result of Macpower's vision of par excellence to manufacture state of the art products, adopting the best in technology.

The manufacturing unit is situated at Metoda G. I. D.C., Rajkot (India) in an area of around 4 acres. Macpower has ISO 9001:2015 certificate for its Quality Management System. Macpower has been allotted MSE – 1 rating for Highest Financial strength in SME segment by CRISIL.

Macpower manufactured & Supplied **Special Purpose Machines [SPM]** to government organization. Some sector wise details are stated below:-

Defence sector – Machines supplied to Defence Research and Development Organisation [DRDO] units, Indian Ordnance Board which include factories like Heavy Rifle Factory, Gun Carriage Factory, Gun & Shell Factory, Engine Factory and Heavy Vehicle Factory [HVF] etc.

Aerospace sector – Machines delivered to ISRO and Hindustan Aeronautics Limited [HAL].

Education sector – Indian Institute of Technology i.e. IIT – Kharagpur, IIT - Roorkee, & IIT - Chhinagiri.

Research Institutes – Delivered machines to Terminal Ballistics Research Laboratory, Central Institute of Plastics Engineering & Technology [CIPET], Council of Scientific & Industrial Research (CSIR) - India [national R&D organization], Vikram Sarabhai Space Center etc.

The current headquarter contains a spacious new machine Assembly shop, Hi-tech manufacturing facility and dedicated CAD center fully equipped with latest generation of CAD work stations and Pro/ENGINEER as design and Analysis software. Macpower is very well equipped with the latest infrastructure & equipment, well qualified skilled intellectual capital to support the manufacturing of high technology driven machines. A well-facilitated design and R & D department, which uses ProE 3D, CAD software and FE Analysis, enables a continuous study of the customer feedback and related technology to make the necessary up gradation.

With more than 5000+ installation base across India, Sales & Service Team presence in 37 cities across the country with 107 qualified sales and service engineers and 5 business associates across India, establishment of 5 regional offices and 6 technology centers across the country to have better attachment with our valued customers.

Macpower offers wide range of 16 different Product categories with 65 different models, offering 1000+ application solutions serving 27 industry segments nationwide. Macpower provides "Competitive Manufacturing Solutions" to meet the exact requirements of our Customers.

Macpower's manufacturing range includes CNC Turning Center, Vertical Machining Center [VMC], Horizontal Machining Center [HMC], Turn O' Mill Center, VTL, Twin Spindle Turning & VMC, Drill Tap Center [DTC], Cylindrical Grinder along with robotic automation solution.

We are going to establish state of the art precision controlled Assembly Shop. All new in-house pattern shop adopting latest techniques to make series of patterns suitable to our entire product range. State of the art imported mother machines and equipment, in-house spindle manufacturing with higher end machines and assembly facilities, ultra-modern Powder Coating plant with 11 tank pre-treatment process followed by conveyerised backing and powder coating booth.

Awards & Recognitions

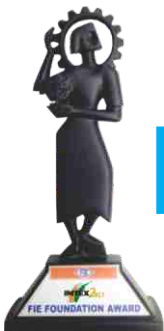


CRISIL RATING - MSE 1



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

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



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

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

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



Product Range



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





HORIZONTAL MACHINING CENTRE

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



DRILL TAP CENTRE

ELECTRONICS, AUTOMOBILE,
TEXTILE



TWIN HEAD VMC

AUTOMOBILE & TEXTILE



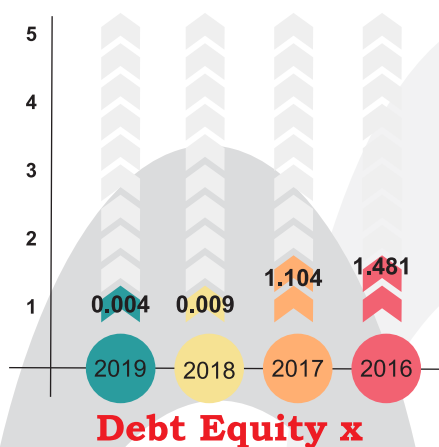
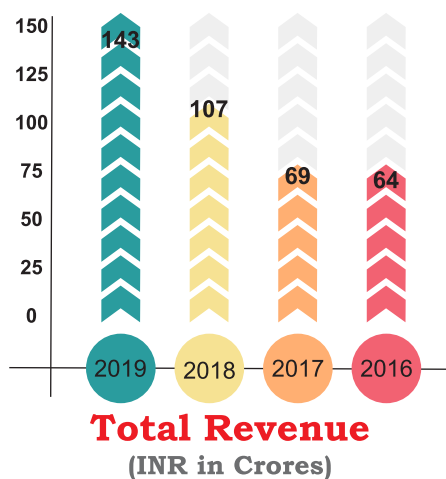
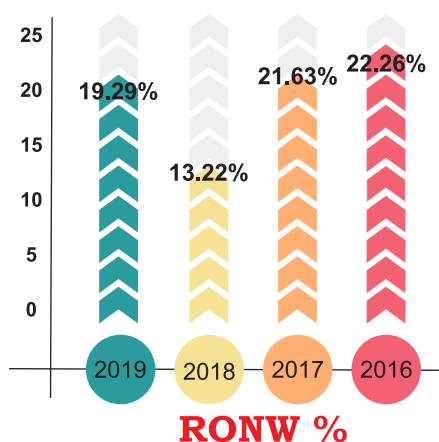
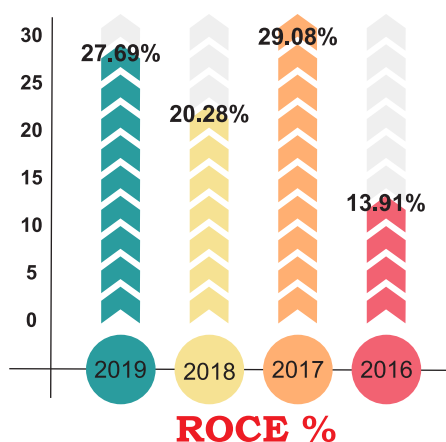
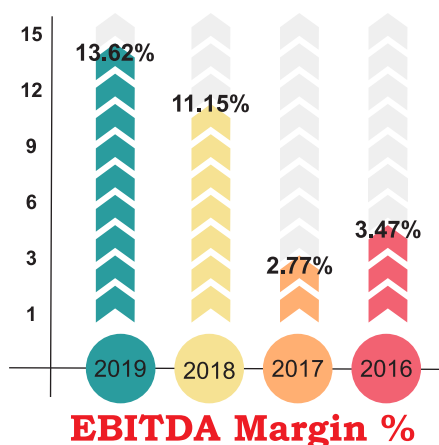
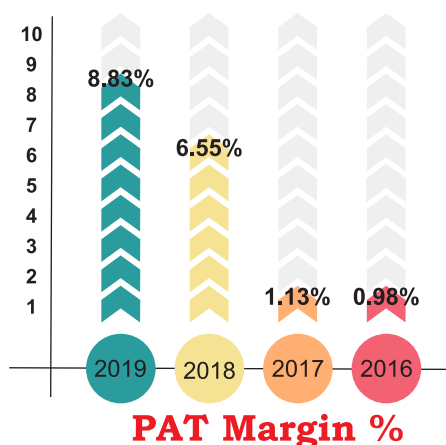
CYLINDRICAL GRINDER

SPECIAL PURPOSE COMPONENTS,
AGRICULTURE, RAILWAY



Accounting Ratios

For the period ended 31st March



Chairman's Speech



'New Horizons – New Opportunities'

Dear Shareholders,

It is my pleasure to communicate once again with you, it is sense of pride about how well your company performed this year, not just in financial terms, but also in terms of what we accomplished for customers, employees and all corner people associate with company by any mean.

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships. India's GDP is has increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups. India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019) and Net direct tax collection for FY19 has crossed INR 10 trillion.

With the improvement in economy and government policies, Indian Machine Tool industry grows by 25% or for more two years constantly. As per the latest World Machine Tool Production and Consumption Survey conducted by Gardner, India's Global rank during 2018 was 9th in Production and 7th in Consumption. It is estimated that the industry may grow around 20 - 25 per cent in 2019-2020. With 'Make in India' moment the consumption increased in existing sectors and re-export market pick-up contributes in market growth.

This is the second year in which your company grows by more than 30%. Your company's total revenue stood at INR 143.16 Cr against INR 107.47 Cr compared to previous financial year, representing Y-o-Y growth of 33%. The EBITDA of the Company rose by 62% from the last year and reached to INR 19.50 Cr from INR 11.98 Cr. This year your company's PAT comes to INR 12.64 Cr as last year it was INR 7.04 Cr, representing Y-o-Y growth of 79%. Your company catered 14 machines to the Department of Training and Employment – Karnataka [in single order], 6 machines to Defence sector, 2 machines into aerospace and in education sector supplied machine to IIT – Kharagpur. In total your company's total sales of the machines for this year is 797 machines [last year 572 machines sold]. This year your company gets MSE – 1 rating for Highest Financial Strength in SME segment by CRISIL.

You might be aware of present economic conditions of the country and world. NBFCs are facing a liquidity issue which affects automobiles and industry in general. Your management has planned out for out coming from the situation by adding higher valued products like Double Column Machining Centre [DCM], Axel Machining and Wheel Machining machines and focusing on tender business in new segment like Indian Railway. I would like to point out that this year up today, your company has get L1 position in tenders which valued INR 22 Cr and dispatch of tender's order has crossed INR 8 Cr and this will be resulted to 250% growth in tender business in compared to last year. The pending opening of the tender bided value is INR 180 Cr.

Import substitute is general term used by machine manufacturers and related peoples for those products which were earlier being imported by the customers, now manufactured in India. This year your company indigenously designed, manufactured and delivered 3 big machines to its customers. During the year your company open techs centers at Ahmedabad, Jaipur and Delhi – NCR and also arrange open house there to give live demonstration of Macpower's machine and training of tools and fixtures to its customers.

Your company came into Capital Market for expansion plan in March 2018. At the end of the year, double column machine from Taiwan and some testing equipment from Europe are delivered at company's premise. And, after that upto July, 2019 some more machines has been arrived and remaining 70% of machines are in transit and same will be received at company's premise in September-October this year. Expansion plan of the company will be completed and your company will get the benefits of this expansion from quarter 3 or 4. Last year, as first year of listing, Board of Directors recommend to declared dividend an Promoters & members of promoter group was express their wish to waive the same. Well, this year also, dividend is recommended by Board of Directors and Promoters & Promoter group members show their intention to waive their right of dividend.

On overviewing the global and Indian economy moments and the inputs from Union budget of 2019-20 by Union Government, I believe that the coming phase will be more positive for government business because the allocation of big amount to Defence and Infrastructure sectors. Indian Railways is also new path for company to cater this year. Our focus will be on growing each vertical in business. We will work toward enhancing our presence in more regions and increase our market share. But the prime attention will be on the better & better quality and upturn number of satisfied customers. As India prepare to move a fast foot forward to higher efficiency. We continue to be positive.

Every member has committed to creating a compelling scorecard for himself that impulses forward to develop professionally and individually. We are engaging closely with our vendors on improving their business process and system.

On behalf of the Board of Directors of Macpower, I want to thank you for your continued trust, confidence, and support.

Regards,

Rupesh Mehta
Chairman & Managing Director

A series of overlapping red geometric shapes, including triangles and polygons, creating a dynamic, abstract design on the left side of the page.

Notice to the **AGM**



NOTICE

NOTICE is hereby given that the **SIXTEENTH [16th] ANNUAL GENERAL MEETING** of MACPOWER CNC MACHINES LIMITED [Previously known as MACPOWER CNC MACHINES PRIVATE LIMITED], CIN: L30009GJ2003PLC043419, will be held at the Registered Office of the Company situated at PLOT NO. 2234, NEAR KRANTI GATE, GIDC METODA – 360 021, TALU-LOADHIKA, DIST-RAJKOT, GUJARAT, INDIA on **Saturday, September 28, 2019** at **04:00 P.M.** to transact the following business;

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2019, together with the Report of the Board of Directors and Auditor's thereon.
2. To declare dividend on the Equity Shares of the Company for the financial year 2018-19 to the Equity shareholders except to those who have waived entitlement to dividend.
3. To appoint a Director in place of Mr. Nikesh J. Mehta [DIN: 01603779] who retires by rotation and, being eligible, offers himself for re-appointment.

SPECIAL BUSINESS:

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

“RESOLVED THAT pursuant to the provisions of Section-148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies [Audit and Auditors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force], the remuneration of INR 35,000 [Rupees Thirty-Five Thousand only] plus GST, to be paid to M/s. Borad Sanjay, B & Associates [Firm Registration no. 102408], Cost Auditors of the Company, for the financial year 2019-20, as approved by the Board of Directors of the Company, be and is hereby ratified.”

Notes:

1. The relative Explanatory Statement for Special Business Item No. 4, 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.

2. **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.

3. 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.
4. Members, Proxies and Authorised 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.
5. The Company has fixed **Friday, September 20, 2019** as the '**Record Date**' for determining entitlement of members to final dividend for the financial year ended March 31, 2019.
6. If the final dividend, as recommended by the Board of Directors, is approved at the AGM, payment of such dividend will be made on or before **October 27, 2019** as under:

To all beneficial owners in respect of shares held in dematerialized form as per the data as may be made available by the National Securities Depository Limited [NSDL] and the Central Depository Services (India) Limited [CDSL] as of the close of the business hours on, Friday, September 20, 2019.

7. 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"].
8. 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.

9. 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.
10. 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, so as to enable the Management to keep the information ready at the AGM.
11. 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.
12. This Notice along with Annual Report 2018-19 is being sent to all the Members of the Company, whose name appears in the Register of Members/List of Beneficiaries received from the depositories on the end of **August 16, 2019**.
13. Notice of the AGM along with the Annual Report 2018-19 is being sent by electronic mode to those Members whose email addresses are registered with the Depositories/RTA, unless any member has requested for a physical copy of the same. For members who have not registered their email addresses, physical copies are being sent by the permitted mode. Members may note that the Notice and Annual Report 2018-19 will also be available on the Company's website <https://www.macpowercnc.com/> and on the website of CDSL at www.evotingindia.com.
14. At the 15th AGM held on September 22, 2018 the members approved appointment of M/s. S. C. MAKHECHA & ASSOCIATES, Chartered Accountants [Firm Registration No. 120184W] as Statutory Auditors of the Company to hold office for a period of five years from the conclusion of that AGM till the conclusion of the 20th AGM Accordingly, no resolution is being proposed for appointment/ re-appointment of statutory auditors at this 16th AGM.
15. 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.
16. The route map showing directions to reach the venue of the 16th AGM is annexed.
17. Voting through electronic means:

As per Notification issued by Ministry of Corporate Affairs dated 19th March, 2015 with reference to the Companies (Management and Administration) Rules, 2014 and as per Secretarial Standard, Companies covered under Chapter XB and XC as per SEBI (ICDR) Regulations, 2009, will be exempted from E-Voting provisions. Our Company is covered under Chapter XB since it is listed on SME platform of NSE EMERGE. However, Company is voluntarily providing E-voting facilities to its Members.

In compliance with the provision of Section – 108 of Act, read with Rule 20 of the Companies [Management and Administration] Rules, 2014, as amended from time to time, and Regulation 44 of the SEBI Listing Regulations, the Members are provided with the facility to cast their vote electronically, through the e-voting services provided by CDSL, on all the resolutions set forth in this Notice. The instructions for e-voting are given herein below.

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 instructions for shareholders voting electronically are as under:

- I. The voting period begins on **September 24, 2019** at **10:00 AM** and ends on **September 27, 2019** at **05:00 PM**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **September 20, 2019** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- II. The shareholders should log on to the e-voting website www.evotingindia.com.
- III. Click on Shareholders.
- IV. Now Enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Members holding shares in Physical Form should enter Folio Number registered with the Company.
- V. Next enter the Image Verification as displayed and Click on Login.

- VI. If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier voting of any company, then your existing password is to be used.
- VII. If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
PAN	<p>Enter your 10 digit alpha-numeric PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Attendance Slip indicated in the PAN field.</p>
Dividend Bank Details OR Date of Birth (DOB)	<p>Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login.</p> <p>If both the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</p>

- VIII. After entering these details appropriately, click on “SUBMIT” tab.
- IX. Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach ‘Password Creation’ menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- X. For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- XI. Click on the EVSN for the relevant MACPOWER CNC MACHINES LIMITED on which you choose to vote.
- XII. On the voting page, you will see “RESOLUTION DESCRIPTION” and against the same the option “YES/NO” for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- XIII. Click on the “RESOLUTIONS FILE LINK” if you wish to view the entire Resolution details.

- XIV. After selecting the resolution you have decided to vote on, click on “SUBMIT”. A confirmation box will be displayed. If you wish to confirm your vote, click on “OK”, else to change your vote, click on “CANCEL” and accordingly modify your vote.
- XV. Once you “CONFIRM” your vote on the resolution, you will not be allowed to modify your vote.
- XVI. You can also take a print of the votes cast by clicking on “Click here to print” option on the Voting page.
- XVII. If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- XVIII. **Shareholders can also use Mobile app - “m - Voting” for e voting. Shareholders may log in to m - Voting using their e voting credentials to vote for the company resolution(s).**
- XIX. **Note for Non – Individual Shareholders and Custodians**
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to www.evotingindia.com and register themselves as Corporates.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.
 - After receiving the login details, user would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- XX. In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions (“FAQs”) and e-voting manual available at www.evotingindia.com, under help section or write an email to helpdesk.evoting@cdslindia.com.

Other Instructions:

- (a) The e-voting period commences on Tuesday, September 24, 2019 [10:00 a.m. IST] and ends on Friday, September 27, 2019 [05:00 p.m. IST]. During this period, members holding shares in dematerialized form, as on Friday, September 20, 2019 i.e. cut-off date, may cast their vote electronically. The e-voting module shall

be disabled by CDSL for voting thereafter. 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.

- (b) The voting rights of members shall be in proportion to their shares in the paid-up capital of the Company as on the cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of voting, either through remote e-voting or voting at the AGM through electronic voting system or poll paper.
- (c) Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as of the cut-off date, may obtain the login ID and password by sending a request at helpdesk.evoting@cdslindia.com. However, if he/she is already registered with CDSL for remote e-voting then he/she can use his/her existing user ID and password for casting the vote.
- (d) The Scrutinizer shall, immediately after the conclusion of voting at the AGM, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the company and make, not later than 48 hours of conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same.
- (e) The result declared along with the Scrutinizer's Report shall be placed on the Company's website www.macpowercnc.com and on the website of CDSL www.evotingindia.com immediately. The Company shall simultaneously forward the results to National Stock Exchange of India Limited, where the share of the Company is listed.

Place: Metoda, Rajkot
Date: August 19, 2019

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

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

Explanatory Statement

As required under Section – 102 of the Companies Act, 2013 [“Act”], the following explanatory statement sets out all material facts relating to business mentioned under item no. 4 of the accompanying Notice:

Item No.: 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its Meeting held on May 20, 2019, 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 2019-20 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. 4 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. 4 of the Notice.

Place: Metoda, Rajkot

Date: August 19, 2019

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

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

ANNEXURE

Brief profile of director seeking Re-appointment in forthcoming Annual General Meeting [16th AGM]

Name of Director	Nikesh J. Mehta
Date of Birth	27/12/1978
Date of Appointment	31/12/2003 [Appointed as Whole-Time Director w.e.f.17/11/2017]
Education Qualification	Bachelor of Commerce
Expertise in Specific functional area	<ul style="list-style-type: none"> • He has been on the Board of the Company since inception and has around 15 years of experience in the Machine Tools Industry. • He has expertise in Techno-Commercial Management and looks after the Machine Shop, Application and Purchase departments operations of the Company.
Disclosure of relationship between directors inter-se	Mr. Rupesh Mehta [Brother]
List of public companies in which Directorship held	Macpower CNC Machines Limited
Chairman/Member of the committees	Member –Corporate Social Responsibility Committee and Stakeholders Relationship Committee
Chairman/Member of the committees of Directors of other Companies	NIL
No. of shares held in this Company	11,96,400 shares

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

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

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

CIN: L30009GJ2003PLC043419

Form MGT-11**Proxy Form**

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

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

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

Name		Signature	
Address			
Email			

or failing him/her;

Name		Signature	
Address			
Email			

or failing him/her;

Name		Signature	
Address			
Email			

and whose signature(s) is appended below as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 16th Annual General Meeting of the Company, to be held on the **Saturday, September 28, 2019 at 04:00 P.M.** at Plot No. 2234, Near Kranti Gate, GIDC Metoda – 360 021, Talu-Lodhika, Dist-Rajkot, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Resolution No.	Particulars	For	Against
1	Consider and adopt: the audited Standalone Financial Statement of the Company for the year ended on March 31, 2019, and the report of the Board of Directors and Auditors thereon.		
2	To declare dividend on the Equity Shares of the Company for the financial year 2018-19 to the Equity shareholders except to those who have waived entitlement to dividend.		
3	Appoint a Director in place of Mr. Nikesh J. Mehta, who retires by rotation and being eligible, offers himself for re-appointment.		
4	Approve Remuneration of Cost Auditor for F.Y. 2019-20.		

*Applicable for investors holding shares in electronic form.

**This is Optional

Signed this _____ day of _____, 2019

Signature of Member

Signature of Proxy Holder

Please affix
Revenue
Stamp of
Re. 1.

Notes:

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.
- **It is optional to indicate your preference. If you leave the 'For' or 'Against' blank against any or all resolutions, your Proxy will be entitled to vote in the manner as he/she may deem appropriate.

Macpower CNC Machines Limited
[Formerly known as Macpower CNC Machines Private Limited]

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

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

CIN: L30009GJ2003PLC043419

ATTENDANCE SLIP

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

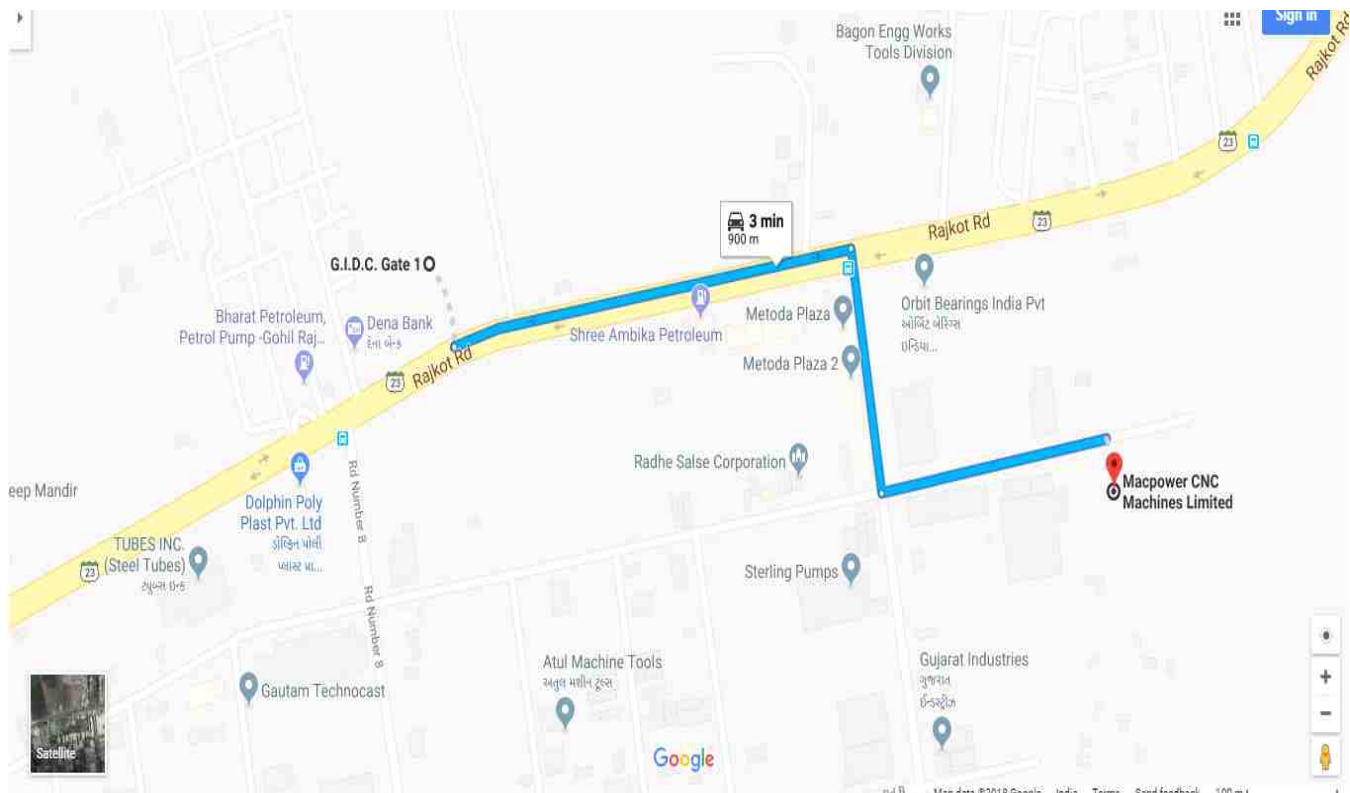
Name of the Member:			
Address of the Member:			
DP ID*:		Folio No:	
Client ID*:		No. of Shares	

I hereby record my presence at the 16th ANNUAL GENERAL MEETING of the Company held on **Saturday, September 28, 2019** at **04:00 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 - Saturday, September 28, 2019

Time of AGM: 04:00 P.M.

A large, abstract graphic on the left side of the page composed of several overlapping red and dark red geometric shapes, including triangles and polygons, creating a dynamic, layered effect.

Board's Report

2018-19

A graphic at the bottom right of the page consisting of two overlapping, stylized arches or hills in a light grey color, set against a white background.

Board's Report

To,
The Members,
 of Macpower CNC Machines Limited

Your Directors have pleasure in presenting their 16th Annual Report on business and operation of your company together with the Financial Statements for the year ended on March 31, 2019.

FINANCIAL RESULT

[INR in Lakh except EPS]

Particulars	Current Financial Year (2019)	Previous Financial Year (2018)
Revenue from Operations	14,024.86	10,694.26
Other Income	292.03	53.26
Profit/Loss before depreciation, Finance Costs, Exceptional items and Tax Expense	1950.04	1198.33
Less: Depreciation/Amortization/ Impairment	118.20	102.28
Profit/Loss before Finance Costs, Exceptional items and Tax Expense	1831.84	1096.05
Less: Finance Costs	23.61	21.10
Profit/Loss before Exceptional items and Tax Expense	1808.23	1074.95
Add/(less): Exceptional items	---	---
Profit/Loss before Tax Expense	1808.23	1074.95
Less: Tax Expense [Current & Deferred]		
Current Income Tax	530.14	394.56

Deferred Tax Liability/(Asset)	13.62	(23.79)
Profit/(Loss) for the year	1264.46	704.18

OVERVIEW OF OPERATIONS

During the Financial Year, total revenue of your company stood at INR 143.16 Cr against INR 107.47 Cr during previous financial year, representing Y-o-Y growth of 33%. The EBITDA of the Company rose by 62% from the last year and reached to INR 19.50 Cr from INR 11.98 Cr. This year your company's PAT comes to INR 12.64 Cr as last year it was INR 7.04 Cr, representing Y-o-Y growth of 79%.

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

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 is pleased to recommend a dividend of INR 1/- per equity share of the face value of INR 10/- [$@10\%$], payable to those Shareholders whose names appear in the Register of the Members as on **September 20, 2019** [Record Date].*

**This Final Dividend is subject to the approval of Shareholders in the 16th Annual General Meeting. As per approval of Shareholders, Dividend shall be paid to Equity Shareholders except to those who intend to waive entitlement of dividend. This is second time in a row that your company recommended dividend and, if approved, promoters and promoter group member will waive their right to receive dividend.*

An amount of INR 6,15,219 [approx.] would be paid as dividend distribution tax [DDT] on the dividend.

MAJOR EVENTS OCCURRED DURING THE YEAR

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

- This year under review, your company awarded with NSIC – CRISIL Rating: CRISIL MSE 1 by CRISIL [well known credit rating agency] that indicates 'HIGHEST' creditworthiness in relation to other Micro & Small Enterprises in August, 2018.
- This year, your company has opened new tech centers at Ahmedabad, Jaipur and Delhi – NCR at the same place where company's branch office is situated.

Object of Tech centers: To give live demo of Macpower's CNC Machines, To provide one one-stop-solution for getting all the information required regarding machines, tooling, fixture options, part development, machine applications and training & Prove outs. These Centers are staffed with experienced personal aided by state-of-the-art facilities. The Tech Centers has a representative selection of CNC turning center, Machining Centers for customers to get hands on experience about these machines.

- Important part of Expansion plan, for which your company has come into Capital market with Initial Public Offering, **Sheet Metal Cutting shop** has been started with Laser profile cutting Machine, purchased from IPO funds, to in-house processing of sheet metal to cut sheets in shape for further fabrication and welding work. This in-house process helping company in saving logistic cost and possible damages accrued during transportation from Vendor's place. Now, due to this we can design, form and cut any type of profile shape like radius taper, odd angle shaping on latest equipment for better aesthetic looks and compactness of the machine. Latest equipment/advance software helps us to increase our capacity of machine enclosure due to higher speeds and automatic angular correction features. Latest nesting software can control the wastage of sheet during sheet metal laser cutting and interface very accurately with higher speeds with in few seconds.
- During the year, your company dispatched total 797 machines and achieved growth in manufacturing and dispatching from 600 to 800 machines per year with ongoing expansion project. This year, your Company is been able to catered 14 Machines to the Department of Training and Employment – Karnataka [in single order], 6 Machines to Defense sector, 2 Machines to Aerospace and also catered to educational institute like IIT-Kharagpur.
- **Import Substitute:** Being a machine tools company, you have to keep upgrade your technology and working level and your company doing this without any overseas help. This year, your company designed, manufactured and dispatched 3 big machines to company's valued customer which were normally being imported normally by the customers.
- **Expansion project update:** As stated above sheet metal cutting has been commenced, operation with indigenous purchase of laser profile machine and Construction of Heavy Machine shop and Powder Coating plant is under progress. By end of the year, some of imported machines, from IPO project, were delivered at Company's premises. One of Imported machine and testing equipment details are as follows;

Double Column Machining Centre 4x2.5 Mt from Taiwan:

This imported machine is with universal head help us to machining in single set-up. All five sides machining is possible in single set-up with respect to resting side and also its help to improve machining quality, reeducation in manufacturing cost and cycle time saving with better accuracy.

Testing Equipment from Europe:

- Testing Equipment imported from UK for axis Laser measurement/calibration system. The said equipment is CE certified. This equipment compensates the axis error and upgrade machine performance to select the precise machine for every job. This kit helps to plan and improve machine accuracy level by monitoring/compensating wear and extend the life of machine by identifying its source of error. Auto compensation feature will compensate machine instantly.
- Hardening Testing Equipment is imported from Switzerland. This application of hardness testing enables evaluate a material's properties, such as strength, ductility and wear resistance and so helps determine whether a material or material treatment is suitable for the purpose of the requirement. A hardness test is typically performed by pressing a specifically dimensioned and loaded object [indenter] into the surface of the material testing. The hardness is determined by measuring the depth of indenter penetration or by measuring the size of the impression left by an indenter.

MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY, HAVING OCCURRED SINCE THE END OF THE YEAR AND TILL THE DATE OF THE REPORT

There have been no material changes and commitments, which affect the financial position of the company which have occurred between the end of the financial year to which the financial statements relate and the date of this Report.

OVERVIEW OF INDUSTRY

Machine Tools have critical role in manufacturing industry and they are called the 'mother machines', because they make other machines possible. Indian Machine Tool industry grows by 25% or for more two years constantly. As per the latest World Machine Tool Production and Consumption Survey conducted by Gardner, India's Global rank during 2018 was 9th in Production and 7th in Consumption. It is estimated that the industry may grow around 20 - 25 per cent in 2019-2020. With 'Make in India' moment the consumption increased in existing sectors and re-export market pick-up contributes in market growth.

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

EXTERNAL ENVIRONMENT AND ECONOMIC OUTLOOK

The softening of global industrial activity since late-2018 has now become more broad-based. While this had been driven by contractions in the eurozone, Japan, Korea, and the UK, that weakness has now spread to the US. The impacts of the global trade slowdown, heightened trade tensions and idiosyncratic factors, like Brexit uncertainty, have had a more pronounced impact upon Machine Tools.

GDP growth to slow down to 7.1% in 2019 and 7% in 2020. Despite looser monetary policy, the transmission is likely to be weak amid continued fiscal slippage. Also, credit availability

concerns are likely to cap fixed investment growth, although the economy will benefit from lower oil prices and a more stable currency. Metal products are forecast to be the slowest growing sector, due to in part to adverse base effects after a sudden fall. However, there are some bright spots with precision & optical instruments and electrical engineering expected to grow at a double-digit pace this year. Also, strong growth in construction, underpinned by supportive government policy and urbanization trends, will support demand for Machine Tool consuming sectors like basic metals, helping to offset the impact of the section 232 tariffs. With strong fundamentals supporting future output, it is expected that Machine Tool weighted production growth to pick up to 6.6% in 2020.

Despite concerns surrounding credit conditions, Machine Tool demand was considerably stronger than expected in 2018, up by 36%. Meanwhile, capital spending by the machine tool consuming sectors is forecast to increase by 7.9% in 2019 and 8% in 2020. Investment will be supported by the 'Make in India' initiative, which will help to gradually move local machine tool production up the value chain. Overall, it is expected that machine tool demand to expand by 8% in 2019 and 8.3% in 2020.

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

CAPITAL AND DEBT STRUCTURE

There is no change in capital structure of your company for the year under review.

Your company does not have Debt securities.

CREDIT RATING OF SECURITIES

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

INVESTOR EDUCATION AND PROTECTION FUND [IEPF]

No amount of dividend or no shares is transferred to Investor Education and Protection Fund.

But, preceding year, Your Company declared dividend and the details of Unpaid/Unclaimed Dividend account is under as per the requirement of Secretarial Standard – 3 on dividend.

Sr. No.	Date declaration of Dividend	Name of Shareholder and Address [available with RTA's records]	DP ID + Client ID	Amount [in INR]
1	22/09/2018 [for FY 2017-18]	Name: IndraneelSarkar Address: B-202, Philips Towers, Plot No-3, Sector-23 Dwarka, New Delhi – 110075	IN30154938349506	1000
2	22/09/2018 [for FY 2017-18]	Name: SheetalGoyal Address: Goel Hospital And Scan Centre RlyRoad, Moga- 142001	IN30154932288311	1000

3	22/09/2018 [for FY 2017-18]	Name: Pooja Vishal Chhabria Address: 31/B Sterling Appt, 16 th Floor, Peddar Road, Mumbai – 400026	1203410000277173	18,000
	Total			20,000

Above list is also available at Company's website at <https://www.macpowercnc.com/investor/unpaid-or-unclaimed-dividend-details/>.

MANAGEMENT

i. Director and Key Managerial Personnel

Mr. Rupesh J. Mehta [DIN: 01474523], Mr. Nikesh J. Mehta [DIN: 01603779], Mrs. Riya R. Mehta [DIN: 01603726] –are the Managing Director, Whole-Time Director and Non-Executive & Woman Director of your company.

Mr. Nikesh J. Mehta, Whole-Time Director of the Company retires at this ensuing Annual General Meeting pursuant to provision of section 152(6) of the Companies Act, 2013 and being eligible for offer himself for re-appointment. Brief profile of Director seeking re-appointment is disclosed in **Annexure - 1** to Board's Report.

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company as on March 31, 2019 are: Mr. Rupesh J. Mehta – Managing Director, Mr. Rajnikant M. Raja – CFO and Ms. Ekta P. Shukla – CS for the year under review.

ii. Independent Directors

Mr. Maulik R. Mokariya [DIN: 05310868], Mr. Rajubhai R. Bhandari [DIN: 07986563] and Mr. Deven J. Doshi [DIN: 07994505] are the Independent Directors of the Company for a period of five (5) years from November 17, 2017 to November 16, 2022.

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 meet the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and Regulation 16(1)(b) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"). 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

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

Name of Directors Designation as on 31-03-2019	Rupesh J. Mehta Managing Director	Nikesh J. Mehta Whole-Time Director	Riya R. Mehta Non-Executive & Woman Director	Maulik R. Mokariya Independent Director	Rajubhai R. Bhanderi Independent Director	Deven J. Doshi Independent Director
Date of Board Meeting						
06/04/2018	Y	Y	Y	Y	Y	Y
25/05/2018	Y	Y	Y	Y	Y	Y
17/08/2018	Y	Y	Y	Y	Y	Y
12/11/2018	Y	Y	Y	Y	Y	Y
31/12/2018	Y	Y	Y	Y	Y	Y
29/03/2019	Y	Y	Y	Y	Y	Y

During FY 2018-2019, meetings of the Independent Directors were held on 12/11/2018. 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, 2019 that have been formed, considering the needs of the Company, details of which are as follows;

Name of the Committee	Category and Composition			Date of Committee meetings	Presence
	Name	Category	Role in Committee		
Audit Committee	Mr. Rajubhai R. Bhanderi	Independent Director	Chairperson	06/04/2018 25/05/2018 17/08/2018	All the Members have attended the said meeting. Ms Ekta Shukla, CS, Acts as the Secretary to the Committee Meetings & Mr. Rajnikant M. Raja, CFO has also attended the Meeting.
	Mr. Deven J. Doshi	Independent Director	Member	31/10/2018 12/11/2018	
	Mr. Rupesh J. Mehta	Managing Director	Member	07/3/2019	

Name of the Committee	Category and Composition			Date of Committee meetings	Presence
	Name	Category	Role in Committee		
Stakeholder's Relationship Committee	Mrs. Riya R. Mehta	Non-Executive & Woman Director	Chairperson	17/04/2018	All the Members have attended the said meeting. Ms Ekta Shukla, CS, Acts as the Secretary to the Committee Meetings & Mr. Rajnikant M. Raja, CFO has also attended the Meeting.
	Mr. Nikesh J. Mehta	Whole-Time Director	Member	10/07/2018	
	Mr. Rupesh J. Mehta	Managing Director	Member	11/10/2018 15/01/2019	
Nomination Remuneration Committee	Mr. Rajubhai R. Bhandari	Independent Director	Chairperson	17/04/2018	All the Members have attended the said meeting. Ms Ekta Shukla, CS, Acts as the Secretary to the Committee Meetings & Mr. Rajnikant M. Raja, CFO has also attended the Meeting.
	Mr. Deven J. Doshi	Independent Director	Member	02/08/2018	
	Mrs. Riya R. Mehta	Non-Executive and Woman Director	Member	11/02/2019	
Corporate Social Responsibility Committee	Mr. Rajubhai R. Bhandari	Independent Director	Chairperson	02/08/2018	All the Members have attended the said meeting. Ms Ekta Shukla, CS, Acts as the Secretary to the Committee Meetings & Mr. Rajnikant M. Raja, CFO has also attended the Meeting.
	Mr. Rupesh J. Mehta	Managing Director	Member	31/12/2018	
	Mr. Nikesh J. Mehta	Whole-Time Director	Member	04/03/2019	

Stakeholders Relationship Committee – Other Details

- a. Name, Designation and Address of Compliance Officer
 Ekta Shukla
 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

a. Details of investor complaints received and redressed during FY2019 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

Silent features of policies;

Name of Committee	Terms of Reference
Audit Committee	<p>Committee is constituted in line with the provisions of Regulation 18 of SEBI Listing Regulations and Section 177 of the Act.</p> <ul style="list-style-type: none"> • Overview of financial reporting process. • Reviewing with the management, the annual financial statements and auditors' report thereon before submission to the Board for approval. • Evaluation of internal financial controls and risk management systems • Recommendation for appointment, remuneration and terms of appointment of auditors of the Company. • Approve policies in relation to the implementation of the Insider Trading Code and to supervise implementation of the same.
Nomination and Remuneration Committee	<p>Committee is constituted in line with the provisions of Regulation 19 of SEBI Listing Regulations and Section 178 of the Act.</p> <ul style="list-style-type: none"> • Recommend to the Board the setup and composition of the Board and its committees. • Recommend to the Board the appointment/re-appointment of Directors or Key Managerial Personnel or Senior Managerial Personnel. • Support the Board and Independent Directors in evaluation of the performance of the Board, its Committees and individual Directors. • Recommend to the Board the Remuneration Policy for Directors, or Key Managerial Personnel or Senior Managerial Personnel.
Stakeholders' Relationship Committee	<p>Committee is constituted in line with the provisions of Regulation 20 of SEBI Listing Regulations and Section 178 of the Act.</p> <ul style="list-style-type: none"> • Consider and resolve the grievances of security holders. • Consider and approve issue of share certificates, transfer and transmission of securities, etc., if any.

Corporate Social Responsibility (“CSR”) Committee	<p>Committee is constituted in line with the provisions of Section 135 of the Act.</p> <ul style="list-style-type: none"> • Formulate and recommend to the Board, a CSR Policy indicating the activities to be undertaken by the Company as specified in Schedule VII of the Act. • Recommend the amount of expenditure to be incurred on the activities mentioned in the CSR Policy. • Monitor the CSR Policy.
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Above stated policies is placed on the website of the Company at <https://www.macpowercnc.com/investor/policies/>.

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

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

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

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

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 Directors for the year ended on March 31, 2019:

Name of Director	Designation	Amount of Remuneration
Mr. Rupesh J. Mehta	Managing Director	INR 36,00,000/-
Mr. Nikesh J. Mehta	Whole-Time Director	INR 7,20,000/-
Ms. Riya R. Mehta	Non-executive & Woman Director	INR 2,00,000/- [Since August, BoDs decided to discontinue to pay remuneration to non-executive director]

Particulars of employees:

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

x. Directors' Responsibility Statement

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

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

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 2018-2019.

xi. Internal Financial Controls and Internal Audit

During the year 2018-19, your Company has appointed Mr. Vishal Pandya to oversee and carry out internal audit of its activities. The audit is based on an internal audit plan, which is reviewed each year in consultation with the statutory auditors and approved by the audit committee. In line with international practice, the conduct of internal audit is oriented towards the review of internal controls and risks in the Company's operations.

Based on its evaluation [as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015], our audit committee has concluded that, as of March 31, 2019, our internal financial controls were adequate and operating effectively.

DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

DETAILS OF DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

CORPORATE SOCIAL RESPONSIBILITIES

Your Company is falling under the ambit of Section 135 of the Companies Act, 2013 i.e. Corporate Social Responsibility. Accordingly, the brief outline of the Corporate Social Responsibilities [CSR] policy of the Company and the initiatives undertaken by your company on CSR activity during the year under review are set out in **Annexure –8** of this report in the format prescribed in the Companies [Corporate Social Responsibility Policy] Rules, 2014. The CSR policy is available on <https://www.macpowercnc.com/investor/policies/>.

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

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

RISK MANAGEMENT

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

The Company has a Whistle Blower Policy and has established the necessary vigil mechanism for directors and employees to report concerns about unethical behavior. 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/>.

MATERIAL ORDERS OF JUDICIAL BODIES / REGULATORS

There are no significant or material orders passed by the Regulators/Courts/Tribunals that could impact the going concern status of the company and its future operations.

AUDITORS

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

Name of Auditor	Type of Auditor	Term of Appointment	Changes during the year
M/s. S. C. Makhecha & Associates	Statutory Auditor	Appointed in 15 th AGM [i.e. AGM for 2017-18] for consecutive term of 5 years from 15 th Annual General Meeting till the Conclusion of 20 th AGM and from the financial year 2018-19 till the AGM of Financial year 2022-23.	No change during the year
M/s. K. P. Rachchh & Co.	Secretarial Auditor	Appointed to conduct audit for FY 2018-19.	No change during the year
M/s. Borad Sanjay B & Associates	Cost Auditor	Appointed to conduct cost audit for FY 2018-19	No change during the year
Mr. Vishal Pandya	Internal Auditor	Appointed to conduct Internal audit for FY 2018-19	No change during the year
CA Pratik Siroya	Internal Auditor	Appointed to conduct Internal Audit w.e.f. 22.05.2019	Change in Internal Auditor due to resignation by earlier appointed auditor Mr. Vishal Pandya.

AUDITOR'S REPORT AND SECRETARIAL AUDIT REPORT

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

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

The secretarial audit report does not contain any qualifications, reservations, or adverse remarks or disclaimer. The Secretarial Audit Report for the financial year ended March 31, 2019 is annexed herewith to this Report. Secretarial Auditors' Report in the prescribed format i.e. MR-3 is attached in this report as **Annexure - 4**.

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

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

COMPLIANCE WITH SECRETARIAL STANDARDS

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

EXTRACT OF ANNUAL RETURN

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

COST AUDITORS

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

ADDITIONAL DISCLOSURES UNDER LISTING REGULATIONS

i. STATEMENT OF DEVIATION OR VARIATION

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

In terms of Regulation 32 of SEBI [Listing Obligations and Disclosure Requirements] Regulations, 2015 there is deviation/variation in issue proceed of public issue from stated in the Prospectus of the Company. The issue expenses calculated on assumption basis and after closing company's accounts and after paying all obligations including stamp duty, company incurred less issue related expenses than stated in prospectus. Due to this effect, company's issue proceeds change as following table:

As on March 31, 2019

[Rs. in Lakhs]

Particulars	Amount allotted as per prospectus	Actual Utilization of Issue Proceeds till March 31, 2019	Deviation/Variation
Pre IPO Placement	535.50		
Gross Proceeds from the Issue	3661.00		
Setting-up Backward Integration	3290.21	979.94*	
General Corporate Purpose	647.98	738	(90.02) Excess utilization of Rs. 90.02 funds for General Corporate Purpose which is for betterment of the Company and Investors.
(Less) Issue related expenses	258.31	161.4440#	96.87 Due to effort of the Management, Company has incurred less IPO related expenses than stated in the Prospectus and the same utilized/will be utilized only for the betterment of the Company.
Net Proceeds	3938.19	1879.384	

Notes:-

*Company came-up with IPO with aim of Setting-up of Backward Integration. So, Balance amount will be utilized as per the requirements. The utilized IPO proceeds from the issue are deployed in Fixed Deposit with Bank.

#GST has been considered as input tax credit. Hence, not claim as expenses.

i. MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)

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

ii. CORPORATE GOVERNANCE REPORT

Corporate Governance Report is not applicable to SME listed company and hence the same is not presented here.

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

The Company has adopted a policy on prevention, prohibition and Redressal of Sexual harassment at workplace and has duly constituted an Internal Complaints Committee in line with the provisions of the Sexual Harassment of Women at Workplace [Prevention, Prohibition and Redressal] Act, 2013 and the Rules there under. 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: August 19, 2019

For and on behalf the Board of
MACPOWER CNC MACHINES LIMITED

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

ANNEXURE - 1

**Brief profile of director seeking Re-appointment in forthcoming Annual General Meeting
[16th AGM]**

Name of Director	Nikesh J. Mehta
Date of Birth	27/12/1978
Date of Appointment	31/12/2003 [Appointed as Whole-Time Director w.e.f 17/11/2017]
Education Qualification	Bachelor of Commerce
Expertise in Specific functional area	<ul style="list-style-type: none"> • He has been on the Board of the Company since inception and has around 15 years of experience in the Machine Tools Industry. • He has expertise in Techno-Commercial Management and looks after the Machine Shop, Application and Purchase departments operations of the Company.
Disclosure of relationship between directors inter-se	Mr. Rupesh Mehta [Brother]
List of public companies in which Directorship held	Macpower CNC Machines Limited
Chairman/Member of the committees	Member –Corporate Social Responsibility Committee and Stakeholders Relationship Committee
Chairman/Member of the committees of Directors of other Companies	NIL
No. of shares held in this Company	11,96,400 shares

ANNEXURE -2

Form No. AOC-2

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

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:**

Name(s) of the related party and nature of relationship:	Nature of contracts / arrangements/transactions	Duration of the contracts / arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
Rupesh J. Mehta [Managing Director]	Remuneration	Upto November 16, 2022	36,00,000/-	17/11/2017	---
Nikesh J. Mehta [Whole-Time Director]	Remuneration	Upto November 16, 2022	7,20,000/-	17/11/2017	---
Modern Machine Tools [Proprietorship of Mrs. Raxaben Jagdish Mehta] [Relative of Directors]	Purchases [Part, Tools and Machinery]	Ongoing but Approved by Board of Directors Yearly	4,06,130/-	06/4/2018	---

Name(s) of the related party and nature of relationship:	Nature of contracts / arrangements/transactions	Duration of the contracts / arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
Modern Machine Tools [Proprietorship of Mrs. Raxaben Jagdish Mehta] <i>[Relative of Directors]</i>	Sales	Ongoing but Approved by Board of Directors Yearly	5,42,725/-	06/4/2018	---
Macpower Industries [Proprietorship of Mr. Rupesh J. Mehta] <i>[Proprietor Firm of Director]</i>	Purchases [Part, Tools and Machinery]	Ongoing but Approved by Board of Directors Yearly	9,18,134/-	06/04/2018	---

Place: Metoda, Rajkot
Date: August 19, 2019

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

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

ANNEXURE -3

PARTICULARS OF EMPLOYEES/REMUNERATION

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

Name of Director/KMP	Designation	Ratio to median remuneration [annually]	% increase in remuneration in Financial Year 2018-19
Rupesh J. Mehta	Managing Director	15x	---
Nikesh J. Mehta	Whole-Time Director	3x	---
Riya R. Mehta	Non-executive & Woman Director	Not applicable as no Remuneration	---
Rajnikant M. Raja	CFO	3x	---
Ekta P. Shukla	CS	1x	---

Notes:

1. No sitting fees and commission paid to Independent Directors during the year under review.
2. Remuneration to Riya Mehta was paid till July 2018. In august, Board of Directors in its meeting pass resolution to not to pay remuneration to non-executive directors.

- The percentage increase in the median remuneration of employees for the financial year 2018-19 is 0 to 5%.
- The number of permanent employees on the rolls of the company as on March 31,2019 is **429**
- The average increase in the managerial remuneration for the F.Y 2018-19 is 0% and the average increase in the salary of employees other than managerial personnel for the FY 2018-19 is upto 5%.

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

S r . N o .	Employee Name	Designation	Educational Qualification	Age	Experience (In Years)	Date of joining	Gross Remuneration Paid in Re. (For the year 18-19)	Previous employment	Relative of any director / Manger (Yes/No) If yes then name of such director and manager
1	Balasaheb G. Bastawade	DGM - Assembly	DIP in Mechanical	53	22	17/07/2016	15,24,000	PMT Machines Limited	No
2	Jitendra P. Mehta	President – R & D	B.E.	65	46	01/08/2017	18,00,000	Personal	No
3	Atul P. Sardhara	DGM – Sales & Service [Gujarat]	M.B.A.	39	9	18/07/2013	12,64,953	Mehta Cad Cam Systems Pvt. Ltd.	No
4	Vaibhav R. Patil	GM – Sales & Marketing [Maharashtra]	B.E.	40	11	01/01/2013	19,33,053	Precihole Machines Tools Pvt. Ltd.	No
5	Rajinder Jain	Manager – Sales & Service [NCR]	P.G.D.B.M	34	13	16/03/2017	11,59,978	Bonsai Engg. Works	No
6	Thimmesh Prabhu*	Manager - Service	DIP in Mechanical	42	19	18/12/2017	2,38,236	Sribe Tech	No
7	Vivek C. Haridas**	Product Head – Sales	Master in Management	51	39	01/09/2018	7,20,664	Grindmaster	No
8	Salil Kumar***	VP – Sales & Service [North India]	M. Tech in Production & B.E. Mechanical	54	32	14/03/2019	73,741	ISGEC Heavy Engg. Ltd.	No
9	Padmanaban K***	DGM – Sales & Service [Chennai]	M. Tech	32	16	15/03/2019	44,858	Jyoti CNC Automation Limited	No

*Mr. Thimmesh Prabhu was appointed in month of December 2017 and resigned on 06/07/2018. Hence, only that period of salary counted.

** Salary counted with reference to appointment period.

***Employed with Company only for 16 and 17 days for FY 2018-19.

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

Place: Metoda, Rajkot
Date: August 19, 2019

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

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

Form No. MR-3**SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2019
*[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)

(Previously Known as MACPOWER CNC MACHINES PRIVATE LIMITED)

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, 2019, 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, 2019, 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, 2009 and the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; **Not Applicable** as the Company has not issued any Capital during the year under review.
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **Not Applicable** 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** as the Company has not issued such debt securities.
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **Not Applicable** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; **Not Applicable** as the Company has not processed any buy back of its securities.
- (i) The Company has identified the following laws as specifically applicable to the Company:
 - 1. Explosive Act, 1884

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreement entered into Company with National Stock Exchange of India Limited and the Company is listed on NSE SME Emerge and thereby Provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is applicable to the extent applicable to SME Listed Company.

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. During the period under review, Changes that took place in the composition of the Board of Directors i.e. change in Designation of the directors were made in compliance with the applicable provisions of the Act.

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

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

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

We further report that during the period under review, Company has altered some of its Articles of Association of the Company with the approval of Shareholders at the 15th Annual General Meeting convened on 22nd September, 2018.

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

Place: Rajkot
Date: 19th August, 2019

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

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

To,

The Members,

MACPOWER CNC MACHINES LIMITED

(CIN: L30009GJ2003PLC043419)

(Previously Known as MACPOWER CNC MACHINES PRIVATE LIMITED)

Plot No. 2234, Nr. Kranti Gate, GIDC Metoda,

Tal. Lodhika, Dist. Rajkot- 360021

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

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

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

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

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

Place: Rajkot

Date: 19th August, 2019

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

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31/03/2019

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

I. REGISTRATION AND OTHER DETAILS

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

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES-

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

IV. SHAREHOLDING PATTERN

(Equity Share Capital Breakup as Percentage of total Equity) Category -Wise Share Holding

1 Category-wise Share Holding

Sr No	Category of Shareholders	Shareholding at the beginning of the year - 2018				Shareholding at the end of the year - 2019				% Change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(A)	Shareholding of Promoter and Promoter Group									
[1]	Indian									
(a)	Individuals / Hindu Undivided Family	6768000	0	6768000	'69.0049	6822500	0	6822500	'69.5606	'0.5557
(b)	Central Government / State Government(s)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Any Other (Specify)									
	Sub Total (A)(1)	6768000	0	6768000	'69.0049	6822500	0	6822500	'69.5606	'0.5557
[2]	Foreign									
(a)	Individuals (Non-Resident Individuals / Foreign Individuals)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(b)	Government	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Institutions	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Foreign Portfolio Investor	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Sub Total (A)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total Shareholding of Promoter and Promoter Group(A)=(A)(1)+(A)(2)	6768000	0	6768000	'69.0049	6822500	0	6822500	'69.5606	'0.5557
(B)	Public Shareholding									
[1]	Institutions									
(a)	Mutual Funds / UTI	480000	0	480000	'4.8940	406000	0	406000	'4.1395	'-0.7545
(b)	Venture Capital Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(c)	Alternate Investment Funds	714000	0	714000	'7.2798	765500	0	765500	'7.8049	'0.5251
(d)	Foreign Venture Capital Investors	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Foreign Portfolio Investor	49000	0	49000	'0.4996	288500	0	288500	'2.9415	'2.4419
(f)	Financial Institutions / Banks	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(g)	Insurance Companies	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(h)	Provident Funds/ Pension Funds	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(i)	Any Other (Specify)									
	Sub Total (B)(1)	1243000	0	1243000	'12.6733	1460000	0	1460000	'14.8858	'2.2125
[2]	Central Government/ State Government(s)/ President of India									
	Sub Total (B)(2)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[3]	Non-Institutions									
(a)	Individuals									
(i)	Individual shareholders holding nominal share capital upto Rs. 1 lakh.	268371	0	268371	'2.7362	407500	0	407500	'4.1548	'1.4186
(iii)	Individual shareholders holding nominal share capital in excess of Rs. 1 lakh	80000	0	80000	'0.8157	312000	0	312000	'3.1811	'2.3654
(b)	NBFCs registered with RBI	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(d)	Overseas Depositories(holding DRs) (balancing figure)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
(e)	Any Other (Specify)									
	Trusts	344000	0	344000	'3.5073	218000	0	218000	'2.2227	'-1.2846
	Hindu Undivided Family	49000	0	49000	'0.4996	32500	0	32500	'0.3314	'-0.1682
	Non Resident Indians (Non Repat)	4000	0	4000	'0.0408	7000	0	7000	'0.0714	'0.0306
	Non Resident Indians (Repat)	0	0	0	'0.0000	20000	0	20000	'0.2039	'0.2039
	Clearing Member	684886	0	684886	'6.9829	249000	0	249000	'2.5387	'-4.4442
	Bodies Corporate	366743	0	366743	'3.7392	279500	0	279500	'2.8497	'-0.8895
	Sub Total (B)(3)	1797000	0	1797000	'18.3218	1525500	0	1525500	'15.5536	'-2.7682
	Total Public Shareholding(B)=(B)(1)+(B)(2)+(B)(3)	3040000	0	3040000	'30.9951	2985500	0	2985500	'30.4394	'-0.5557
	Total (A)+(B)	9808000	0	9808000	'100.0000	9808000	0	9808000	'100.0000	'0.0000
(C)	Non Promoter - Non Public									
[1]	Custodian/DR Holder	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
[2]	Employee Benefit Trust (under SEBI (Share based Employee Benefit) Regulations, 2014)	0	0	0	'0.0000	0	0	0	'0.0000	'0.0000
	Total (A)+(B)+(C)	9808000	0	9808000	'100.0000	9808000	0	9808000	'100.0000	

2 Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year - 2018			Shareholding at the end of the year - 2019			% change in shareholding during the year
		No. of Shares held	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	No. of Shares held	% of total Shares of the Company	% of Shares Pledged/encumbered to total shares	
1	RUPESHKUMAR JAGDISHCHANDRA MEHTA	3149000	'32.1064	'0.0000	3149000	'32.1064	'0.0000	'0.0000
2	RIYABEN RUPESHKUMAR MEHTA	1776600	'18.1138	'0.0000	1776600	'18.1138	'0.0000	'0.0000
3	NIKESH JAGDISHCHANDRA MEHTA	1184400	'12.0759	'0.0000	1196400	'12.1982	'0.0000	'0.1223
4	RAXABEN JAGDISHCHANDRA MEHTA	374120	'3.8144	'0.0000	374120	'3.8144	'0.0000	'0.0000
5	MEHTA NIMISHABEN NIKESHBHAI	282000	'2.8752	'0.0000	289000	'2.9466	'0.0000	'0.0714
6	MEHTA RUPESHKUMAR JAGDISHCHANDRA (HUF)	940	'0.0096	'0.0000	940	'0.0096	'0.0000	'0.0000
7	MEHTA PRITIBEN JAGDISHBHAI	940	'0.0096	'0.0000	36440	'0.3715	'0.0000	'0.3619
	Total	6768000	'69.0049	'0.0000	6822500	'69.5606	'0.0000	'0.5557

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

Sr. No.	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc)	Shareholding at the beginning of the year - 2018		Transactions during the year			Cumulative Share holding during the year	
		No. of Shares	% of total shares of the company	Date	Increase /Decrease in Share holding	Reason	No of shares	*% of total shares of the company
1	RUPESHKUMAR JAGDISHCHANDRA MEHTA							
	At the beginning of the year	3149000	32.1064				3149000	32.1064
	Changes during the year							
	At the end of the year						3149000	32.1064
2	RIYABEN RUPESHKUMAR MEHTA							
	At the beginning of the year	1776600	18.1138				1776600	18.1138
	Changes during the year							
	At the end of the year						1776600	18.1138
3	NIKESH JAGDISHCHANDRA MEHTA							
	At the beginning of the year	1184400	12.0759				1184400	12.0759
	Changes during the year			18/05/2018	12000	Purchase	1196400	12.1982
	At the end of the year						1196400	12.1982
4	RAXABEN JAGDISHCHANDRA MEHTA							
	At the beginning of the year	374120	3.8144				374120	3.8144
	Changes during the year							
	At the end of the year						374120	3.8144
5	MEHTA NIMISHABEN NIKESHBHAI							
	At the beginning of the year	282000	2.8752				282000	2.8752
	Changes during the year			18/05/2018	7000	Purchase	289000	2.9466
	At the end of the year						289000	2.9466
6	MEHTA PRITIBEN JAGDISHBHAI							
	At the beginning of the year	940	0.0096				940	0.0096
	Changes during the year			18/05/2018	28000	Purchase	28940	0.2951
				19/10/2018	5000	Purchase	33940	0.3460
				16/11/2018	2500	Purchase	36440	0.3715
	At the end of the year						36440	0.3715
7	MEHTA RUPESHKUMAR JAGDISHCHANDRA (HUF)							
	At the beginning of the year	940	0.0096				940	0.0096
	Changes during the year							
	At the end of the year						940	0.0096

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 9808000 Shares.
 2. The details of holding has been clubbed based on PAN.
 3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

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

Sr. No.	Share holding at the beginning of the Year			Date	Increase /Decrease in Share holding	Reason	Cumulative Share holding during the year	
	Date wise increase/decrease in Top 10 Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc)	No. of Shares	% of total shares of the company				No of shares	*% of total shares of the company
1	VANTAGE EQUITY FUND							
	At the beginning of the year	714000	7.2798				714000	7.2798
	Changes during the year							
	At the end of the year						714000	7.2798
2	HSBC SMALL CAP EQUITY FUND							
	At the beginning of the year	480000	4.8940				480000	4.8940
	Changes during the year			18/05/2018	(5000)	Sale	475000	4.8430
				25/05/2018	(17000)	Sale	458000	4.6697
				1/6/2018	(8000)	Sale	450000	4.5881
				8/6/2018	(1000)	Sale	449000	4.5779
				11/1/2019	(40500)	Sale	408500	4.1650
				18/01/2019	(2500)	Sale	406000	4.1395
	At the end of the year						406000	4.1395
3	MASSACHUSETTS INSTITUTE OF TECHNOLOGY							
	At the beginning of the year	0	0				0	0.0000
	Changes during the year			4/1/2019	122000	Purchase	122000	1.2439
				11/1/2019	132500	Purchase	254500	2.5948
				18/01/2019	3500	Purchase	258000	2.6305
				25/01/2019	5000	Purchase	263000	2.6815
				8/2/2019	2000	Purchase	265000	2.7019
				1/3/2019	16500	Purchase	281500	2.8701
				8/3/2019	500	Purchase	282000	2.8752
				15/03/2019	2000	Purchase	284000	2.8956
				29/03/2019	4500	Purchase	288500	2.9415
	At the end of the year						288500	2.9415
4	PANTOMATH SABRIMALA AIF PANTOMATH SABRIMALA SME GROWTH FUND SERIES I							
	At the beginning of the year	240000	2.447				240000	2.4470
	Changes during the year			6/4/2018	(22000)	Sale	218000	2.2227
	At the end of the year						218000	2.2227
5	SSJ FINANCE & SECURITIES PVT. LTD							
	At the beginning of the year	236000	2.4062				236000	2.4062
	Changes during the year			13/04/2018	103000	Purchase	339000	3.4564
				20/04/2018	9000	Purchase	348000	3.5481
				27/04/2018	50000	Purchase	398000	4.0579
				11/5/2018	(51000)	Sale	347000	3.5379
				25/05/2018	(38000)	Sale	309000	3.1505
				22/06/2018	(24000)	Sale	285000	2.9058
				14/09/2018	(18000)	Sale	267000	2.7223
				29/09/2018	(17000)	Sale	250000	2.5489
				12/10/2018	4000	Purchase	254000	2.5897
				26/10/2018	(50000)	Sale	204000	2.0799
				2/11/2018	(5000)	Sale	199000	2.0290
				28/12/2018	1500	Purchase	200500	2.0442
				8/2/2019	(1000)	Sale	199500	2.0341
	At the end of the year						199500	2.0341
6	NIRAJ RAJNIKANT SHAH							
	At the beginning of the year	65000	0.6627				65000	0.6627
	Changes during the year			27/04/2018	35000	Purchase	100000	1.0196
				4/5/2018	(11000)	Sale	89000	0.9074
				11/5/2018	(28000)	Sale	61000	0.6219
				1/6/2018	78000	Purchase	139000	1.4172
				10/8/2018	(14000)	Sale	125000	1.2745
				17/08/2018	(6000)	Sale	119000	1.2133
				14/09/2018	(10000)	Sale	109000	1.1113
				29/09/2018	10000	Purchase	119000	1.2133
				28/12/2018	(6000)	Sale	113000	1.1521
	At the end of the year						113000	1.1521
7	SHREE MARUTI COURIER SERVICES PRIVATE LIMITED							
	At the beginning of the year	68000	0.6933				68000	0.6933
	Changes during the year			13/04/2018	33000	Purchase	101000	1.0298
	At the end of the year						101000	1.0298

Sr. No.	Share holding at the beginning of the Year			Date	Increase /Decrease in Share holding	Reason	Cumulative Share holding during the year	
	Date wise increase/decrease in Top 10 Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc)	No. of Shares	% of total shares of the company				No of shares	% of total shares of the company
8	PANTOMATH STOCK BROKERS PRIVATE LIMITED							
	At the beginning of the year	154000	1.5701				154000	1.5701
	Changes during the year			6/4/2018	2000	Purchase	156000	1.5905
				13/04/2018	(13000)	Sale	143000	1.4580
				27/04/2018	(1000)	Sale	142000	1.4478
				11/5/2018	2000	Purchase	144000	1.4682
				18/05/2018	13000	Purchase	157000	1.6007
				25/05/2018	(12000)	Sale	145000	1.4784
				8/6/2018	(1000)	Sale	144000	1.4682
				15/06/2018	6000	Purchase	150000	1.5294
				6/7/2018	(2000)	Sale	148000	1.5090
				20/07/2018	1000	Purchase	149000	1.5192
				27/07/2018	(1000)	Sale	148000	1.5090
				10/8/2018	4000	Purchase	152000	1.5498
				17/08/2018	3500	Purchase	155500	1.5854
				24/08/2018	(500)	Sale	155000	1.5803
				14/09/2018	2000	Purchase	157000	1.6007
				21/09/2018	1000	Purchase	158000	1.6109
				29/09/2018	(12500)	Sale	145500	1.4835
				5/10/2018	26500	Purchase	172000	1.7537
				12/10/2018	51000	Purchase	223000	2.2737
				19/10/2018	1500	Purchase	224500	2.2889
				26/10/2018	49000	Purchase	273500	2.7885
				2/11/2018	1000	Purchase	274500	2.7987
				9/11/2018	(500)	Sale	274000	2.7936
				16/11/2018	(500)	Sale	273500	2.7885
				30/11/2018	(500)	Sale	273000	2.7834
				7/12/2018	(500)	Sale	272500	2.7783
				14/12/2018	(11000)	Sale	261500	2.6662
				21/12/2018	(14000)	Sale	247500	2.5235
				28/12/2018	(500)	Sale	247000	2.5184
				31/12/2018	(1000)	Sale	246000	2.5082
				4/1/2019	(60500)	Sale	185500	1.8913
				11/1/2019	(29500)	Sale	156000	1.5905
				8/2/2019	(1000)	Sale	155000	1.5803
				15/03/2019	(500)	Sale	154500	1.5752
				29/03/2019	(500)	Sale	154000	1.5701
				30/03/2019	(86000)	Sale	68000	0.6933
		At the end of the year					68000	0.6933
9	ROHA EMERGING COMPANIES FUND							
	At the beginning of the year	0	0				0	0.0000
	Changes during the year			23/11/2018	21500	Purchase	21500	0.2192
				14/12/2018	10000	Purchase	31500	0.3212
				21/12/2018	10000	Purchase	41500	0.4231
				28/12/2018	10000	Purchase	51500	0.5251
At the end of the year						51500	0.5251	
10	ART FINANCE INDIA PRIVATE LIMITED							
	At the beginning of the year	0	0				0	0.0000
	Changes during the year			17/08/2018	19500	Purchase	19500	0.1988
				29/09/2018	500	Purchase	20000	0.2039
				12/10/2018	4000	Purchase	24000	0.2447
				11/1/2019	8500	Purchase	32500	0.3314
				18/01/2019	1000	Purchase	33500	0.3416
		29/03/2019	500	Purchase	34000	0.3467		
At the end of the year						34000	0.3467	
11	RIKHAV SECURITIES LIMITED							
	At the beginning of the year	233912	2.3849				233912	2.3849
	Changes during the year			6/4/2018	(25000)	Sale	208912	2.1300
				13/04/2018	5000	Purchase	213912	2.1810
				20/04/2018	12000	Purchase	225912	2.3033
				11/5/2018	(104000)	Sale	121912	1.2430
				18/05/2018	(61497)	Sale	60415	0.6160
				25/05/2018	(35172)	Sale	25243	0.2574
				8/6/2018	(11260)	Sale	13983	0.1426
				15/06/2018	(983)	Sale	13000	0.1325
				13/07/2018	3000	Purchase	16000	0.1631
				20/07/2018	(467)	Sale	15533	0.1584
				27/07/2018	(2533)	Sale	13000	0.1325
				3/8/2018	2000	Purchase	15000	0.1529
				10/8/2018	1000	Purchase	16000	0.1631
				17/08/2018	(3000)	Sale	13000	0.1325
				12/10/2018	(11500)	Sale	1500	0.0153
				19/10/2018	1000	Purchase	2500	0.0255

Sr. No.	Share holding at the beginning of the Year			Date	Increase /Decrease in Share holding	Reason	Cumulative Share holding during the year	
	Date wise increase/decrease in Top 10 Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus /sweat equity etc)	No. of Shares	% of total shares of the company				No of shares	*% of total shares of the company
	RIKHAV SECURITIES LIMITED CONTINUE..			26/10/2018	(1000)	Sale	1500	0.0153
				7/12/2018	(1500)	Sale	0	0.0000
	Changes during the year			21/12/2018	30000	Purchase	30000	0.3059
				31/12/2018	1500	Purchase	31500	0.3212
				4/1/2019	8500	Purchase	40000	0.4078
				11/1/2019	(40000)	Sale	0	0.0000
	At the end of the year						0	0.0000
12	EW CLOVER SCHEME							
	At the beginning of the year	104000	1.0604				104000	1.0604
	Changes during the year			13/04/2018	(25000)	Sale	79000	0.8055
				11/5/2018	(2000)	Sale	77000	0.7851
				18/05/2018	(4000)	Sale	73000	0.7443
				25/05/2018	(3000)	Sale	70000	0.7137
				22/06/2018	(2000)	Sale	68000	0.6933
				6/7/2018	(2000)	Sale	66000	0.6729
				27/07/2018	(1000)	Sale	65000	0.6627
				3/8/2018	(8000)	Sale	57000	0.5812
				7/9/2018	(500)	Sale	56500	0.5761
				29/09/2018	(1500)	Sale	55000	0.5608
				5/10/2018	(5000)	Sale	50000	0.5098
				12/10/2018	(8000)	Sale	42000	0.4282
				19/10/2018	(9000)	Sale	33000	0.3365
				26/10/2018	(4000)	Sale	29000	0.2957
				2/11/2018	(1000)	Sale	28000	0.2855
				9/11/2018	(2000)	Sale	26000	0.2651
				16/11/2018	(2000)	Sale	24000	0.2447
				23/11/2018	(1000)	Sale	23000	0.2345
				30/11/2018	(1000)	Sale	22000	0.2243
				7/12/2018	(500)	Sale	21500	0.2192
				21/12/2018	(2500)	Sale	19000	0.1937
				31/12/2018	(10500)	Sale	8500	0.0867
				7/1/2019	(8500)	Sale	0	0.0000
	At the end of the year						0	0.0000
13	BHUMIKA CONSULTANCY PVT LTD							
	At the beginning of the year	96000	0.9788				96000	0.9788
	Changes during the year			6/4/2018	23000	Purchase	119000	1.2133
				13/04/2018	(60000)	Sale	59000	0.6015
				20/04/2018	(12000)	Sale	47000	0.4792
				27/04/2018	1000	Purchase	48000	0.4894
				4/5/2018	2000	Purchase	50000	0.5098
				11/5/2018	10000	Purchase	60000	0.6117
				18/05/2018	(45000)	Sale	15000	0.1529
				25/05/2018	72000	Purchase	87000	0.8870
				1/6/2018	(40000)	Sale	47000	0.4792
				8/6/2018	1000	Purchase	48000	0.4894
				15/06/2018	1000	Purchase	49000	0.4996
				22/06/2018	2000	Purchase	51000	0.5200
				30/06/2018	(2000)	Sale	49000	0.4996
				13/07/2018	3000	Purchase	52000	0.5302
				27/07/2018	(1000)	Sale	51000	0.5200
				10/8/2018	(1000)	Sale	50000	0.5098
				17/08/2018	3000	Purchase	53000	0.5404
				21/09/2018	(6000)	Sale	47000	0.4792
				29/09/2018	5000	Purchase	52000	0.5302
				5/10/2018	1000	Purchase	53000	0.5404
				12/10/2018	(31500)	Sale	21500	0.2192
				26/10/2018	1000	Purchase	22500	0.2294
				9/11/2018	2000	Purchase	24500	0.2498
				16/11/2018	(1000)	Sale	23500	0.2396
				4/1/2019	(5000)	Sale	18500	0.1886
				18/01/2019	(4000)	Sale	14500	0.1478
				25/01/2019	(14500)	Sale	0	0.0000
	At the end of the year						0	0.0000

Note: 1. Paid up Share Capital of the Company (Face Value Rs. 10.00) at the end of the year is 9808000 Shares.
2. The details of holding has been clubbed based on PAN.
3. % of total Shares of the Company is based on the paid up Capital of the Company at the end of the Year.

5 Shareholding of Directors and Key Managerial Personnel:

3 Shareholding of Directors and Key Managerial Personnel:								
Sr. No.	Share holding at the beginning of the Year			Date	Increase /Decrease in Share holding	Reason	Cumulative Share holding during the year	
	Date wise increase/decrease in Directors' Share holding during the year specifying the reasons for increase/decrease (e.g.allotment/transfer/bonus /sweat equity etc)	No. of Shares	% of total shares of the company				No of shares	*% of total shares of the company
1	Rupeshbhai Jagdishchandra Mehta							
	At the beginning of the year	3149000	32.11				3149000	32.11
	Changes during the year							
	At the end of the year						3149000	32.11
2	Riyaben Rupeshbhai Mehta							
	At the beginning of the year	1776600	18.11				1776600	18.11
	Changes during the year							
	At the end of the year						1776600	18.11
3	Nikeshbhai Jagdishchandra Mehta							
	At the beginning of the year	1184400	12.07				1184400	12.04
	Changes during the year			18/05/2018	12000	Purchase	1196400	12.1982
	At the end of the year						1196400	12.1982

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

Sr. No.	Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtness
1	Indebtedness at the beginning of the financial year				
	i) Principal Amount	4559949	-	-	4559949
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	4559949	-	-	4559949
2	Change in Indebtedness during the financial year				
	• Addition	-	-	-	-
	• Reduction	2080959	-	-	2080959
	Net Change	2080959	-	-	2080959
3	Indebtedness at the end of the financial year				
	i) Principal Amount	2478990	-	-	2478990
	ii) Interest due but not paid	-	-	-	-
	iii) Interest accrued but not due	-	-	-	-
	Total (i+ii+iii)	2478990	-	-	2478990

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

(INR IN LAKH)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager		Total
		Rupesh J. Mehta- Managing Director	Nikesh J. Mehta-Whole-Time Director	
1	Gross Salary			
	(a) Salary as per Provisions contained in Section 17(1) of the Income Tax Act, 1961	36	7.2	43.2
	(b) Value of perquisites u/s 17(2) of Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission	-	-	-
	- As % of Profit	-	-	-
	- Others, Specify	-	-	-
5	Others, Please Specify	-	-	-
	Total (A)	36	7.2	43.2
	Ceiling as Per the ACT	-	-	197.2

B. Remuneration to other directors:

[INR in Lakh]

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

* Remuneration was paid upto July i.e. 4 months only. Board decided in August 2018 to discontinue to pay remuneration to Non-Executive Directors

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

[INR in Lakh]

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			Total
		CEO	Company Secretary EKTA SHUKLA	CFO RAJNIKANT M. RAJA	
1	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	3.15	7.19	10.34
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961	-			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961	-			
2	Stock Option	-			
3	Sweat Equity	-			
4	Commission	-			
	- As % of Profit	-			
	- Others, Specify	-			
5	Others, Please Specify	-			
	Total	-	3.15	7.19	10.34

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

Place: Metoda, Rajkot
Date: August 19, 2019

For and on behalf the Board of
MACPOWER CNC MACHINES LIMITED

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

ANNEXURE -6

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

A. CONSERVATION OF ENERGY:

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

Total Energy Consumption

A. Power & Fuel Consumption		
Particulars	2018-19	2017-18
a) Electricity		
Purchased (KWH)(Units)	6,09,629	4,92,424
Total Amount	49,47,171/-	40,03,594/-
Average Rate Rs.	8.12	8.13
b) Coal	N.A.	N.A.
Quantity (MT)	--	--
Total Amount	--	--
Average Rate Rs.	--	--
c) Furnace Oil	N.A.	N.A.
Quantity (MT)	--	--
Total Amount	--	--
Average Rate Rs.	--	--
B. Consumption for Unit of Production		
Particulars	2018-19	2017-18
Production (Nos.)	799	570
Electricity[Mt. on Electricity(KWH)]	762.99	863.90

B. TECHNOLOGY ABSORPTION:

1. The efforts made towards technology absorption: NIL
2. The benefits derived like product improvement, cost reduction, product development or import substitutions: NIL
Any imported technology: NIL
3. The expenditure incurred on Research and Development: INR 11,36,055/-

C. FOREIGN EXCHANGE EARNING AND OUTGO:

- (i) Total foreign Exchange Earnings during the year : NIL
(ii) Total foreign Exchange outgo (CIF) : INR 15,05,32,250/-

Place: Metoda, Rajkot
Date: August 19, 2019

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

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

Management Discussion and Analysis Report

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

1. BUSINESS OVERVIEW

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

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

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

2. ECONOMY OUTLOOK

• World Economy

After strong growth in 2017 and early 2018, global economic activity slowed notably in the second half of last year, reflecting a confluence of factors affecting major economics. China's growth declined following a combination of needed regulatory tightening to rein in shadow banking and an increase in trade tensions with the United States. The euro area economy lost more momentum than expected as consumer and business

confidence weakened and car production on Germany was disrupted by the introduction of new emission standards; investment dropped in Italy as sovereign spreads widened; and external demand, especially from emerging Asia, softened. Elsewhere, natural disasters hurt activity in Japan. Trade tensions increasingly took a toll on business confidence and, so, financial market sentiment worsened, with financial conditions tightening for vulnerable emerging markets in the spring of 2018 and then in advanced economies later in the year, weighing on global demand. Conditions have eased in 2019 as the US Federal Reserve signaled a more accommodative monetary policy stance and markets became more optimistic about a US-China trade deal, but they remain slightly more restrictive than in the fall.

[Source: IMF]

Expectation for FY20: *Against this backdrop, global growth is forecast at 3.2 percent in 2019, picking up to 3.5 percent in 2020 (0.1 percentage point lower than in the April WEO projections for both years). GDP releases so far this year, together with generally softening inflation, point to weaker-than-anticipated global activity. Investment and demand for consumer durables have been subdued across advanced and emerging market economies as firms and households continue to hold back on long-range spending. Accordingly, global trade, which is intensive in machinery and consumer durables, remains sluggish. The projected growth pickup in 2020 is precarious, presuming stabilization in currently stressed emerging market and developing economies and progress toward resolving trade policy differences.*

[Source: IMF]

• Indian Economy

India has emerged as the fastest growing major economy in the world and is expected to be one of the top three economic powers of the world over the next 10-15 years, backed by its strong democracy and partnerships.

India's GDP has increased 7.2 per cent in 2017-18 and 7 per cent in 2018-19. India has retained its position as the third largest startup base in the world with over 4,750 technology start-ups.

India's labour force is expected to touch 160-170 million by 2020, based on rate of population growth, increased labour force participation, and higher education enrolment, among other factors, according to a study by ASSOCHAM and Thought Arbitrage Research Institute.

India's foreign exchange reserves were US\$ 405.64 billion in the week up to March 15, 2019, according to data from the RBI.

Developments highlights

- During 2018-19, Merchandise exports upraised to 8.85% and service exports have grown 8.54% Y-o-Y.
- Net direct tax collection for 2018-19 had crossed Rs 10 trillion (US\$ 144.57 billion) by March 16, 2019, while goods and services tax (GST) collection stood at Rs 10.70 trillion (US\$ 154.69 billion) as of February 2019.
- India's Index of Industrial Production (IIP) rose 4.4 per cent year-on-year in 2018-19 (up to January 2019).

Road Ahead

India's gross domestic product (GDP) is expected to reach US\$ 6 trillion by FY27 and achieve upper-middle income status on the back of digitisation, globalisation, favourable demographics, and reforms.

India's revenue receipts are estimated to touch Rs 28-30 trillion (US\$ 385-412 billion) by 2019, owing to Government of India's measures to strengthen infrastructure and reforms like demonetization and Goods and Services Tax (GST).

India is expected to be the third largest consumer economy as its consumption may triple to US\$ 4 trillion by 2025, owing to shift in consumer behavior and expenditure pattern, according to a Boston Consulting Group (BCG) report; and is estimated to surpass USA to become the second largest economy in terms of purchasing power parity (PPP) by the year 2040, according to a report by PricewaterhouseCoopers.

[Source: IBEF]

3. INDUSTRY STRUCTURE AND DEVELOPMENT

Machine tools are a strategic piece of the manufacturing sector for its ability to make 'mother machines' that are used by original equipment manufacturers. As a result, this sector is key to the government's flagship 'Make in India' and 'Skill India' initiatives. As per the latest World Machine Tool Production and Consumption Survey conducted by Gardner, India's Global rank during 2018 was 9th in Production and 7th in Consumption. The automobile industry is the primary user of machine tools. Machine Tools are used extensively by companies across several applications such as die molding, components manufacturing, aerospace, shipbuilding, electrical, healthcare and consumer durables.

Developments or moving forward

▪ Defence

Defence and aerospace industries that are expected to further drive demand for precision and technologically advanced machine tools like grinding & turning tools,

and milling and drilling, in the coming years. As, a result, the country has the opportunity to become a force to reckon with the machine tools manufacturer, this will bound to result in a significant growth in high-end machine tools production.

- **Conversion of manual process to CNC**

Reduced manual intervention in process control using the machine tool control system and smart tooling will be the key to optimizing costs, scrap reduction and improved machine utilization. Globally, many advanced manufacturing markets have adopted these technologies and the trend is set for the Indian machine tool industry to address the technology-gap and drive innovation in this direction.

- **Railways**

Machine tool manufacturers supply machines to Indian Railways for machining of Axle, Rail Wheel, Axle wheel assembly and many more parts. Indian Railway has pullet another magnificent trick from under its sleeve and made the nation proud, yet again. Supporting the Make in India movement and breaking all the records at once is Indian Railways, who has produced over 6000 train coaches in the FY 2018-19. These coaches have been produced by the three production factories of Indian Railways, which are Integral Coach Factory [ICF], Modern Coach Factory [MCF] and Rail Coach Factory [RCF] and the grand total is 6037 coaches. ICF is planning on developing Train 19.

- **Make in India initiative**

Make in India is a major new national programme of the Government of India designed to facilitate investment, foster innovation, enhance skill development, protect intellectual property and build best in class manufacturing infrastructure in the country. The primary objective of this initiative is to attract investments from across the globe and strengthen India's manufacturing sector.

The focus of Make in India programme is on 25 sectors. These include: automobiles, aviation, chemicals, IT & BPM, pharmaceuticals, construction, defence manufacturing, electrical machinery, food processing, textiles and garments, ports, leather, media and entertainment, wellness, mining, tourism and hospitality, railways, automobile components, renewable energy, biotechnology, space, thermal power, roads and highways and electronics systems.

- **Government Initiatives**

In the Union Budget 2018-19, the government allocated INR 6400 billion for the infrastructure sector. Allocation to the defence sector was raised to INR 3200 billion under Union Budget 2018-19. In addition, Make in India policy is being carefully pursued to achieve greater self-sufficiency in the area of defence equipment including air-craft.

The Union Cabinet has approved incentives up to INR 10,000 crore (USD 1.47 billion) for investors by amending the M-SIPS scheme, in order to further incentivise investments in electronics sector, create employment opportunities and reduce dependence on imports by 2020.

With the interest rates forecasted to be tending lower in the medium term, increasing domestic consumption, and the government capital spending expected to increase, the machine tool market should grow at about 13% to 15% CAGR going forward for the next few years. We should be looking at a total machine tool market size of about INR 210 billion by the year 2020.

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

4. OPPORTUNITIES AND TREATS

Opportunities

Infrastructure, Defence & Railways	<ul style="list-style-type: none"> Government spending on Infrastructure, Defence and Railways is increasing every financial year. Overall infrastructural development of India throws huge opportunity for capital goods sector. Budgetary allocations for Ordnance factories and Railways have been considerably increased. This opens new gates of opportunities for various industrial segments thereby giving boost to machine tool industry as a whole.
Joint ventures in automobile sector	<ul style="list-style-type: none"> Joint Ventures [JV] in automobile sector from Foreign Players with Indian entities also pose a very good prospect for machine tool industry as total new set-up will come into existence. Government's 'Make in INDIA' will also get fortified. Re-export from India also becomes feasible due to JVs which will boost the export numbers too and will demand additional add-up of plant capacity whereby increasing the demand for higher end machines.
Conventional to CNC	<ul style="list-style-type: none"> Changeover from conventional to CNC technology has also taken pace, which demands for repaid changeover of machinery as industry segments to demand upgradation in technology which results into more demand for machine tools.

Industry 4.0 and IoT	<ul style="list-style-type: none"> Adoption of Industry 4.0 and IoT by machine tool industry has made convergence and connectivity of technology more feasible which pushes end users to adopt upgraded technology because of digitalization which ends up in more demands for upgraded technology enabled machines.
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Threats

Conventional fuel automobile to Electric Vehicle	<ul style="list-style-type: none"> If Government insist a radical change over from conventional fuel automobile to Electric Vehicle, the shift poses a big challenge for the entire automobile industry and thereby machine tools as majority of machine tool consumption is directly or indirectly addressed to automobile sector and also one cannot neglect it since automobile sector's contribution to manufacturing sector contribution in GDP is almost 45%.
Mobilization of Funds	<ul style="list-style-type: none"> Mobilization of funds in various segments of industry is very essential for demand pull in capital goods sector. This is to be maintained on macro-economic level otherwise poses a threat to capacity utilization of any machine tool company since, majority of machines roll out based on end user's loan facilities.

Approach of Macpower

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

5. PRODUCT WISE PERFORMANCE

Sales in value – Product wise

[INR in Lakh]

Particulars	2018-19		2017-18	
	Domestic	Tender	Domestic	Tender
CNC	9557.38	383.74	6049.13	604.21
VMC	2826.14	704.98	3040.76	167.49
VIL	38.25	-	62.75	-
HMC	208.01	117.91	214.80	402.91
Total	12629.78	1206.63	9367.44	1174.61

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

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

6. RISKS & CONCERNS

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

Key Risks	Impact on the Company	Mitigation
<p>Volatile global political and Economic scenario</p>	<p>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.</p>	<ul style="list-style-type: none"> Well diversified business strategy across geographies and industry verticals. Cater to other untouched market segment. Long term contracting models.
<p>Business model changes</p>	<p>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 agility to keep pace with the changing customer expectations. Failure to cope may result in loss of market share and impact business growth.</p>	<ul style="list-style-type: none"> Strong customer-centricity which aligned to customer needs. Continue research and development for emerging technologies, innovation, and solution. Staying relevant to customers constantly.

Key Risks	Impact on the Company	Mitigation
Litigation risks	Given the scale and geographic spread of the Company's operations, litigation risks can arise from commercial disputes, perceived violation of intellectual property rights and employment related matters. In addition to incurring legal costs and distracting management, litigations garner negative media attention and pose reputation risk.	<ul style="list-style-type: none"> Strengthening internal processes and controls to adequately ensure compliance with contractual obligations. Potential disputes are promptly brought to the attention of management and dealt with appropriately.
Operation risks	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.	<ul style="list-style-type: none"> In-house process and machining of our products will reduce dependency on suppliers. Planning of inventory with import schedule and research global factor for price fluctuations. Import certain equipment to check quality of raw materials. Periodical review of requirement and procurement by Purchase, Procure and Control department.

7. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

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

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

8. OPERATIONAL PERFORMANCE

This year under review, your company was able to achieve the growth of 33% on Y-o-Y basis in terms of revenue and 40% in sales of the machines.

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

[INR in Lakh]

Particulars	2018-19	2017-18	Growth
Total Revenue	14316.89	10747.52	33%
EBITDA [Earnings before Interest, Tax, Depreciation and Amortization]	1950.04	1198.33	62.72%
PBT [Profit Before Tax]	1808.23	1074.94	68.22%
PAT [Profit After Tax]	1264.46	704.18	79.56%
EPS [Earning Per Share]	12.89	10.31	25%

A result of Operations is disclosed in the Financial Statements for the year ended on March 31, 2019.

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 429 permanent employees as on March 31, 2019. Industrial relations remained cordial throughout the year and there was no incidence of strike, lock-out, etc.

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

Ratios	Units	FY 2018-19	FY 2017-18	Change in %	Reason
Debtors Turnover	Times	2.74	2.79	-17%	NA
Inventory Turnover	Times	2.94	3.84	-23%	NA
Interest Coverage Ratio	Times	77.59	51.93	49%	In current year, your company's import is on higher side compared to previous year because of higher turnover. In addition to this, company has imported testing equipment and machinery which is part of IPO projects. The Bank Charges and Commission charge is treated as Finance Cost. That's why the interest coverage ratio increased.
Current Ratio	Times	2.196	2.132	3%	NA
Debt-to-Equity Ratio	Is to	0.0038	0.0086	-3%	NA
Operating Profit Margin	%	12.80	10.20	25%	This is the effect of increase in Total Revenue of the Company.
Net Profit Margin	%	8.83	6.55	34%	This is the effect of increase in Total Revenue of the Company.
Return on Net Worth	%	19.29	13.22	45%	Due to higher turnover and increase in profit margin RONW has been increased.
Return on Net Assets	%	20.10	13.19	44%	Due to higher turnover and increase in profit margin RONA has been increased.

Notes:-

In Debtor to Turnover Ratio, Net Credit sales is aggregate of Machine sold to Government through tender and normal payment terms in tender business is 90% of basic value and 100% taxes being paid in between 30 to 90 days after successful commissioning of the

machines at their site and that commissioning took place normally after 30 days of dispatch. In some cases of normal sale for which the payment was made by Finance Company on submission of proof of dispatch and receipt of the machine at customers place.

- Total revenue of FY19 was INR 143.17 Cr and for FY18 it was INR 107.47 Cr and because of this change comes to more than 25%.

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

As stated aforesaid there is change in return on net worth as compared to the immediately previous financial year due to higher turnover and increase in profit margin. Net worth of the Company in the year 2017-18 was INR 53.27 Cr and in the year 2018-19 it is INR 65.56 Cr.

Cautionary Statement:-

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

Place: Metoda, Rajkot
Date: August 19, 2019

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

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

ANNUAL REPORT ON CSR ACTIVITIES

Sr. No.	Particulars	Remarks
1	A brief outline of the Company's CSR policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and project or programs	<p>The guiding principle of Macpower's CSR program is "<u>Helping others makes the world better place</u>". The Company's focus areas are education and skill development of children and women.</p> <p>The project undertaken is within the broad framework of Schedule VII of the Companies Act, 2013.</p> <p>Details of the CSR policy and project or programs undertaken by Company are available on links given below:</p> <p>https://www.macpowercnc.com/investor/policies/</p>
2	The Composition of the CSR Committee	<p>Mr. Rajubhai Bhanderi – Chairperson</p> <p>Mr. Rupesh Mehta – Member</p> <p>Mr. Nikesh Mehta – Member</p>
3	Average net profit of the company for last three financial years	INR 3,98,89,435.33
4	Prescribed CSR Expenditure [2% of the amount as in item 3 above]	INR 7,97,788.7067
5	Details of CSR spent during the financial year:	
	a. Total amount to be spent for the financial year	INR 8,00,000/-
	b. Amount unspent, if any;	---
	c. Manner in which the amount spent during the financial year is detailed below	As per below table

[INR in Lakh]

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)
Sr. No.	CSR project or activity identified	Sector in which the Project is covered	Projects or programs (1) Local area or other (2) Specify the State and district where projects or programs was undertaken	Amount outlay [budget] project or programs wise	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on projects or programs (2) Overheads:	Cumulative expenditure upto to the reporting period	Amount spent: Direct or through implementing agency*
1	To educating children, women for their development and to have lively future	Promoting education especially among children and women and livelihood enhancement	Outside the local limit of City i.e. at Ahmedabad, Gujarat.	8	8	---	Direct
Total CSR spend					8		

1. In case the company has failed to spend the two percent of the average net profit of the last three financial years or any part thereof, the reasons for not spending the amount in its Board's Report. – **Not Applicable**
2. A responsibility statement of the CSR Committee that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company.

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

[Rupesh J. Mehta]
Managing Director
DIN: 01474523

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

Metoda, Rajkot, August 19, 2019

A large, abstract graphic on the left side of the page composed of several overlapping red and dark red geometric shapes, including triangles and polygons, creating a dynamic, layered effect.

Auditor's Report

2018-19

A decorative graphic at the bottom right of the page consisting of two overlapping, stylized arches in a light grey color, resembling a bridge or a series of hills.

Auditor's Report

To,
The Members,
Macpower CNC Machines Limited
Rajkot.

-Report on the Financial Statements:

- 1 We have audited the accompanying Financial Statements of **Macpower CNC Machines Limited**, which comprise the Balance Sheet as at 31st March 2019 and the Statement of Profit & Loss, the Cash Flow Statement for the year ended, and a summary of significant accounting policies and other explanatory information.

-Management's Responsibility for the Financial Statements:

- 2 The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 (the Act) with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

-Auditor's Responsibility

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

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

-Opinion

- 8 In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. in the case of the Balance Sheet, of the state of affairs of the Company, as at 31st March, 2019; and
- ii. in the case of the Profit & Loss Account, of the Profit for the period ended on that date.

-Report on Other Legal and Regulatory Requirements:

- 9 As required by the Companies (Auditor's Report) Order, 2016 issued by the Central Government of India in terms of powers conferred by Section 143(11) of the Companies Act, 2013 (18 of 2013), We give in the Annexure "A" statement on the matters specified in paragraphs 3 and 4 of the order

10 As required by Section 143(3) of the Act, we report that:

- A. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
- B. In our opinion, proper books of accounts as required by law have been kept by the Company so far as it appears from our examination of the books.
- C. The Balance Sheet and the Profit & Loss A/c. dealt with by this report are in agreement with the books of account.
- D. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

- E. On the basis of written representations received from the Directors of the Company as on 31st March, 2019, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2019 from being appointed as a director in terms of Section 164(2) of the Act.
- F With respect to the adequacy of internal financial controls over financial reporting of the company and operative effectiveness of such controls, refer to our separate report in Annexure B to this report; and
- G With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long term contracts including derivative contracts for which there were any foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For S. C. Makhecha & Associates

Chartered Accountants

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

Partner

M.No. 107192

Date: 20/05/2019

Place: Rajkot

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) As informed to us, the company is maintaining proper records showing full particulars, including quantitative details and situation of fixed assets;
- i(b) As informed to us, the title deeds of immovable properties are held in the name of the company.
- i(c) As explained to us, the fixed assets have been physically verified by the management at reasonable intervals and there were no material discrepancies noticed on such verification and if so, the same have been properly dealt with in the books of account;
- ii As explained to us, the physical verification of inventory has been conducted at reasonable intervals by the management and there were no material discrepancies noticed and if so, they have been dealt with in the books of account;
- iii As informed to us, the company has not granted loans, secured or unsecured to companies, firms or other parties covered by clause (76) of Section 2 of the Companies Act, 2013. If so,
 - iii(a) Reporting to this Clause is not Applicable.
 - iii(b) Reporting to this Clause is not Applicable.
 - iii(c) Reporting to this Clause is not Applicable.
- iv As informed 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 As informed to us, 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) As informed to us, the company is regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Goods & Service Tax, Service tax, duty of Customs, duty of Excise, Value Added Tax, and any other statutory dues with the appropriate authorities.

ANNEXURE - A

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

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

vii(b) As informed and explained to us, there are disputed amount outstanding to deposit in respect of Value Added Tax & Service Tax as on 31/03/2019 as under:

Sr. No.	Name of the Statute	Nature of Dues	Amount Involved	Year	Forum Against which the dispute is pending
1	Value Added Tax Act, 2003	Order of Commercial Tax Officer dated 31.03.2016	Rs. 1607840/- + Interest Rs. 1157660/-	F.Y.2011-12	Deputy Commissioner of Commercial tax(Appeals)
2	Value Added Tax Act, 2003	Order of Commercial Tax Officer dated 31.03.2017	Rs. 833966/-	F.Y. 2012-13	Commissioner of Commercial tax(Appeals)
3	Service Tax Act(Finance Act, 1994)	Letter of Superintendent of Service Tax, AR-III dated 08/10/2013	Rs. 198378/-	F.Y. 2013-14	Superintendent of Service Tax, AR III, S. Tax Devision, Rajkot

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

ANNEXURE - A

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

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

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

For S. C. Makhecha & Associates

Chartered Accountants

Firm Regn. No. 120184W

Sanat C. Makhecha

Partner

M.No. 107192

Date: 20/05/2019

Place: Rajkot

ANNEXURE-B

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

We have audited the internal financial controls over financial reporting of **Macpower CNC Machines Limited**, as of 31st March, 2019 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

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

Auditors' Responsibility:

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

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

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

Meaning of Internal Financial Controls Over Financial Reporting:

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting:

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2019 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
FRN:120194W

Sanat Makhecha
Partner
Membership No. 107192

Place: Rajkot
Date: 20/05/2019

BALANCE SHEET AS AT 31ST MARCH 2019

	NOTE No.	31.03.2019 Amount Rs.	31.03.2018 Amount Rs.
EQUITY AND LIABILITIES			
1 SHARE HOLDERS FUND :			
Share Capital	2	98,080,000	98,080,000
Reserve & Surplus	3	557,570,451	434,712,435
2 NON CURRENT LIABILITIES			
Long term Borrowings	4	-	2,478,990
Long term Provisions	5	5,954,114	5,144,151
3 CURRENT LIABILITIES			
Short Term Borrowings	6	-	-
Trade Payables	7	368,891,043	357,995,434
Other Current Liabilities	8	3,850,212	5,141,009
Short Term Provisions	9	57,423,685	43,330,655
TOTAL		1,091,769,505	946,882,674
ASSETS			
1 NON CURRENT ASSETS			
Property, Plant And Equipment	10		
- Tangible Assets		58,208,480	44,554,432
- Intangible Assets		1,058,448	757,347
- Capital Work-in-progress		55,175,877	611,760
Deferred Tax Asset (Net)	11	5,222,845	6,585,280
Long Term Loans & Advances	12	10,083,774	12,029,289
Other Non Current Assets	13	17,358,397	15,709,804
		147,107,821	80,247,912
2 CURRENT ASSETS			
Current Investments	14	10,000,000	75,064,878
Inventories		473,674,900	276,803,881
Trade Receivables	15	86,551,674	41,624,303
Cash & Bank Balances	16	278,782,100	391,628,473
Short Term Loans & Advances	17	95,653,010	81,513,227
		944,661,684	866,634,762
TOTAL		1,091,769,505	946,882,674
Notes on Accounts	1	-	0.00

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

For and on behalf of Macpower CNC Machines Ltd.

Sanat C. Makhecha
Partner
M.No. 107192
Date: 20/05/2019
Place: Rajkot

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

Mr. Rajnikant M. Raja
(Chief Financial Officer)

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

Miss. Ekta P. Shukla
(Company Secretary)
Membership No. A52677

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED
31ST MARCH 2019**

	NOTE No.	2018-19 Amount Rs.	2017-18 Amount Rs.
INCOME			
I Revenue from Operation	19	1,402,485,698	1,069,426,177
II Other Income	20	29,203,311	5,325,655
III Total Revenue (I + II)		1,431,689,009	1,074,751,832
EXPENDITURE			
I Cost of Materials Consumed	21	1,001,486,944	666,933,607
II Goods, Work - In - Progress and Stock - in - Trade	22	(57,376,300)	46,786,250
III Employee Benefit Expenses	23	123,998,994	114,376,304
IV Finance Costs	24	2,360,914	2,110,473
V Depreciation and Amortisation	10	11,820,323	10,227,956
VI Other Expenses	25	168,575,313	126,822,730
Total Expenditure		1,250,866,188	967,257,320
Profit/(Loss) for the period/year before Tax		180,822,821	107,494,512
Less Tax Provisions :-			
Current Income Tax		53,014,152	39,455,645
Deferred Tax Liability/(Asset)		1,362,434	(2,379,246)
Profit for the Period/Year after Tax		126,446,235	70,418,113
EARNINGS PER EQUITY SHARES			
i) Basic		12.89	10.31
ii) Diluted		12.89	10.31
Notes on Accounts	1		

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

Sanat C. Makhecha
Partner
M.No. 107192
Date: 20/05/2019
Place: Rajkot

For and on behalf of Macpower CNC Machines Ltd.

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

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

Mr. Rajnikant M. Raja
(Chief Financial Officer)

Miss. Ekta P. Shukla
(Company Secretary)
Membership No. A52677

CASH FLOW STATEMENT

Cash Flow Statement as required to annexed as per **Accounting Standard - 3** as per Indirect
Method for the year ended 31st MARCH 2019

	Amount Rs.	Amount Rs.
A. Cash flow from operating activities		
Net Profit/(Loss) before taxation and extraordinary items	180,822,821	
Adjustments for :		
Depreciation	11,820,323	
Dividend Received	-	
Profit on Sale of Fixed Assets	(49,545)	
Interest received	(27,058,658)	
Interest charged	2,360,914	
Short Term Capital Gain (On Mutual Fund)	(1,504,173)	
Operating profit before working capital changes	166,391,682	
Adjustment for changes in :		
Increase in Trade & Other Receivables	(44,927,371)	
Increase in Inventories	(196,871,019)	
Increase in Trade Payables, Liabilities & Provisions	23,697,842	
Increase in Other non current assets	(1,648,593)	
Increase in Long Term Provisions	809,963	
	(52,547,496)	
Less: Income Tax & Dividend Tax Paid/Provided	(53,629,365)	
Net cash from operating activities		(106,176,861)
B. Cash flows from Investing activities		
Increase in Non Current Investments	-	
Decrease in Current Investments	65,064,878	
Purchase of Fixed Assets	(80,428,878)	
Sale of Fixed Assets	138,828	
Increase in Short Term Loans & Advances	(14,139,783)	
Decrease in Long Term Loans & Advances	1,945,515	
Short Term Capital Gain (On Mutual Fund)	1,504,173	
Net cash from investing activities		(25,915,267)
C. Cash flows from Financing activities		
Share Premium	-	
Interest Received	27,058,658	
Dividend Received	-	
Dividend Paid (Net of Unpaid)	(2,973,000)	
Issuance of Equity shares	-	
Decrease in Short Term Borrowings	-	
Proceeds from long-term borrowings (Net of repayment)	(2,478,990)	
Interest paid	(2,360,914)	
Net cash available from financing activities		19,245,754
Net increase in cash and cash equivalents (A + B + C)		(112,846,373)
Cash and cash equivalents at beginning of period		391,628,473
Cash and cash equivalents at the end of period		278,782,100

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

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

Sanat C. Makhecha
Partner
M.No. 107192
Date: 20/05/2019
Place: Rajkot

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

Mr. Rajnikant M. Raja
(Chief Financial Officer)

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

Miss. Ekta P. Shukla
(Company Secretary)
Membership No. A52677

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED ON 31st MARCH 2019

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

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

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NOTES TO BS

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED ON 31st MARCH 2019

		31.03.2019 Amount Rs.	31.03.2018 Amount Rs.
2.3 Terms/Rights attached to Equity Shares: The company is having only one class of Equity Shares with par 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 shall be entitled to receive any of the 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.			
3	RESERVE & SURPLUS : - Security Premium -Profit & Loss A/c. Opening Balance Add: Profit for the Period/Year Unpaid Dividend Dividend (Incl. Tax on Dividend of Rs.6.15 Lacs) Less: Bonus issue Closing Balance	389,250,000 45,462,435 126,446,235 20,000 3,608,219 - 557,570,451	389,250,000 13,824,322 70,418,113 - (38,780,000) 434,712,435
4	LONG TERM BORROWINGS TERM LOAN SECURED LOANS 1 Loan from Banks 2 Loan from Financial Institutions Total A	- - - -	2,478,990 - 2,478,990
1. AXIS Bank car loan is primarily secured by the hypothecation of Maruti Ciaz Car Purchased through loan. Repayment Terms : Repayable in 36 EMIs Out of which first 35 EMIs are of Rs.25,403/- & Last EMI of Rs.25,404/- 2. State Bank of India car loan is primarily secured by the hypothecation of Land Rover car purchase through loan. Repayment Terms : Repayable in 36 EMIs Out of which first 35 EMIs are of Rs.1,55,947 /- & Last EMI of Rs.1,38,244/-.			

NOTES TO BS

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED ON 31st MARCH 2019

		31.03.2019 Amount Rs.	31.03.2018 Amount Rs.
5	LONG TERM PROVISIONS -Provision for Employee Benefits 1 Gratuity Total	 5,954,114 5,954,114	 5,144,151 5,144,151
6	SHORT TERM BORROWINGS -Cash Credit 1 Loan From Banks (Secured) Total	 - -	 - -
<p>Axis Bank Ltd. CC A/c. No. 914030041250678, is primarily secured by hpthecation of current assets both present and future of the company.</p> <p>ii Further Mortgage of Industrial Property Situated at Plot no.2234, GIDC Lodhika Industrail Estate , Kalawad Road, Village : Methoda , Taluka : Lodhika , Rajkot.</p> <p>iii.Further mortgage of Residentail property situated at Panchratna Park, Street no.1, Opp. Jalaram Hospital Street , B/h Panchvati Hall, Rajkot.</p> <p>iv. The facility is further guaranteed by the personal gurantee of Mr. Rupeshbhai Mehta and Mrs. Seemaben Mehta.</p> <p>Repayment Terms : Repayable on Demand.</p>			
7	TRADE PAYABLES -Acceptances 1 Advances Received against supply of Machines -Other than Acceptances (a) Total oustantding dues of Micro, Small & Medium Enterprises (b) Total oustantding dues of creditors other than Micro, Small & Medium Enterprise Total	 46,113,639 19,165,387 303,612,018 368,891,043	 58,749,205 26,933,498 272,312,730 357,995,434
<p>Note: Identification of Creditors into MSME & others is done on the basis of information available with the Company and relied upon by auditor</p>			

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED ON 31st MARCH 2019

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NOTES TO BS

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED ON 31st MARCH 2019

		31.03.2019 Amount Rs.	31.03.2018 Amount Rs.
12	LONG TERM LOANS AND ADVANCES		
	-Unsecured Considered Good		
	1 Security Deposits	10,083,774	12,029,289
	TOTAL	10,083,774	12,029,289
13	OTHER NON CURRENT ASSETS		
	1 Preliminary Expense	17,358,397	15,709,804
	TOTAL	17,358,397	15,709,804
14	CURRENT INVESTMENTS		
	1 Axis Liquid Fund (Direct Growth)	10,000,000	75,064,878
	TOTAL	10,000,000	75,064,878
15	TRADE RECEIVABLES		
	-Outstanding Unsecured Considered Good		
	- Outstanding for a period exceeding six months from the date they are due for payment	13,880,345	7,472,088
	- Others Receivables	72,671,329	34,152,215
	TOTAL	86,551,674	41,624,303
16	CASH & BANK BALANCES		
	CASH & CASH EQUIVALENTS		
	-Balance with Banks		
	1 AXIS BANK LTD (IPO) CA	412,635	49,361,534
	2 AXIS BANK LTD (IPO) CC	21,928,912	341,658,168
	3 Axis Bank Ltd. - 381303	28,852	62,513
	4 AXIS Bank Ltd. (Dividend A/c)	20,000	-
	5 Axis Bank Ltd.- 76398	219,642	107,588
	6 AXIS Bank Ltd. EEFC A/c.	1,049,870	-
	7 BANK OF INDIA CC A/C. 009	-	265,481
	8 State Bank Of India - 88792	27,904	53,989
	-Cash on Hand	110,585	119,201
	OTHER BANK BALANCES		
	1 Axis Bank Fixed Deposits (Maturity less than 12 months)	254,983,700	-
	TOTAL	278,782,100	391,628,473

NOTES TO BS

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED ON 31st MARCH 2019

		31.03.2019 Amount Rs.	31.03.2018 Amount Rs.
17	SHORT TERM LOANS & ADVANCES (Unsecured, Considered Good) <div> 1 Advances to Employees 1,479,530 1,400,149 2 Advances to Suppliers 33,705,323 29,023,042 3 Balance With Revenue Authorities 59,983,063 49,460,616 4 PGVCL Interest Receivable 23,600 23,045 5 Prepaid Expense 461,494 1,606,375 TOTAL 95,653,010 81,513,227 </div>		
18	CONTINGENT LIABILITIES & COMMITMENTS <div> 1 Claims against company not acknowledged as debt (incl. disputed statutory dues) 13,927,358 12,095,989 2 Guarantees issued by bank on behalf of company 26,287,185 27,188,339 TOTAL 40,214,543 39,284,328 </div>		

Signature to Notes 1 to 25

For S. C. Makhecha & Associates **For and on behalf of Macpower CNC Machines Ltd.**

Chartered Accountants

Firm Regn. No. 120184W

Sanat C. Makhecha
Partner
M.No. 107192
Date: 20/05/2019
Place: Rajkot

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

Mr. Rajnikant M. Raja
(Chief Financial Officer)

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

Miss. Ekta P. Shukla
(Company Secretary)
Membership No. A52677

NOTE 10 : FIXED ASSETS AS ON 31st MARCH 2019

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at	Add. during	Ded.	As at	Upto	For the	Ded.	Upto	As at	As at
		01.04.2018	the year		31.03.2019	31.03.2018	year		31.03.2019	31.03.2019	31.03.2018
A - Tangible Assets											
1	Air Cleaner	-	30,424	-	30,424	-	1,964	-	1,964	28,460	-
2	Air Conditioner	1,550,994	94,603	-	1,645,597	1,305,610	62,450	-	1,368,060	277,537	245,384
3	Attendance Machine	12,570	74,966	-	87,536	11,499	13,542	-	25,041	62,495	1,071
4	Bmw Car 530d Gj3-Fk 2134	5,819,378	-	-	5,819,378	4,412,702	458,023	-	4,870,726	948,652	1,406,676
5	Camera	470,960	10,283	-	481,243	282,490	49,873	-	332,363	148,880	188,470
6	Car Land Rover	5,574,754	-	-	5,574,754	1,110,031	1,460,660	-	2,570,692	3,004,062	4,464,723
7	Car Maruti Baleno Zeta	-	908,962	-	908,962	-	244,138	-	244,138	664,824	-
8	Car Maruti Ignis Zeta	-	646,038	-	646,038	-	173,536	-	173,536	472,502	-
9	Car Maruti Wagon R	-	488,715	-	488,715	-	133,828	-	133,828	354,887	-
10	Compressor - Delhi Branch	-	15,000	-	15,000	-	2,245	-	2,245	12,755	-
11	Computer - Pune Branch	-	6,610	-	6,610	-	1,373	-	1,373	5,237	-
12	Computer System	2,384,587	1,251,372	-	3,635,959	1,535,050	1,015,795	-	2,550,845	1,085,114	849,537
13	Crain	1,054,621	83,160	-	1,137,781	335,904	140,130	-	476,034	661,747	718,717
14	Crain Ipo	-	1,486,170	-	1,486,170	-	119,390	-	119,390	1,366,780	-
15	Electric Fitting - Abad Office	-	78,686	-	78,686	-	16,760	-	16,760	61,926	-
16	Electric Fitting - Delhi Office	-	41,000	-	41,000	-	6,727	-	6,727	34,273	-
17	Electric Installation	1,463,953	115,753	-	1,579,706	807,205	179,519	-	986,723	592,982	656,748
18	Electric Installation - Ipo	1,251,000	-	-	1,251,000	16,860	318,234	-	335,094	915,906	1,234,140
19	Electric Installation - Jaipur Branch	-	49,624	-	49,624	-	5,434	-	5,434	44,190	-
20	Electric Installation - Pune Branch	-	16,072	-	16,072	-	1,322	-	1,322	14,749	-
21	Electric Installation -Delhi Branch	-	137,113	-	137,113	-	20,916	-	20,916	116,197	-
22	Factory Building Office Unit Ii	3,208,037	-	-	3,208,037	2,061,975	107,428	-	2,169,403	1,038,634	1,146,062
23	Factory Building Unit Ii	19,338,368	-	38,828	19,299,540	9,350,806	956,721	-	10,307,526	8,992,014	9,987,562
24	Furniture	3,874,611	645,246	1,009,092	3,510,765	3,323,851	186,434	958,637	2,551,648	959,117	550,759
25	Furniture - Delhi Branch	-	871,202	-	871,202	-	117,123	-	117,123	754,079	-
26	Furniture - Abad	-	185,430	-	185,430	-	45,859	-	45,859	139,571	-
27	Furniture - Jaipur	-	11,765	-	11,765	-	1,510	-	1,510	10,255	-
28	Furniture - Jaipur Branch	-	488,376	-	488,376	-	60,081	-	60,081	428,295	-
29	Furniture - Pune	521,906	-	-	521,906	173,719	87,100	-	260,820	261,086	348,187
30	Furniture-Delhi	27,800	19,100	-	46,900	1,571	8,243	-	9,814	37,086	26,229
31	Generator	227,975	-	-	227,975	153,449	17,402	-	170,852	57,123	74,526
32	Gidc Plot A/C.	3,345,978	-	-	3,345,978	-	-	-	-	3,345,978	3,345,978
33	Hero Honda Cd Deluxe 1928	45,625	-	-	45,625	40,128	1,397	-	41,525	4,100	5,497
34	Hero Honda Cd Deluxe 2248	45,625	-	-	45,625	40,128	1,397	-	41,525	4,100	5,497
	Bal C/d	50,218,742	7,755,668	1,047,920	56,926,490	24,962,978	6,016,555	958,637	30,020,896	26,905,594	25,255,763

NOTE 10 : FIXED ASSETS AS ON 31st MARCH 2019

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at	Add. during	Ded.	As at	Upto	For the	Ded.	Upto	As at	As at
		01.04.2018	the year		31.03.2019	31.03.2018	year		31.03.2019	31.03.2019	31.03.2018
	Bal C/f	50,218,742	7,755,668	1,047,920	56,926,490	24,962,978	6,016,555	958,637	30,020,896	26,905,594	25,255,763
35	Herohonda Hf Dulexe-1	51,500	-	-	51,500	548	13,149	-	13,697	37,803	50,952
36	Herohonda Hf Dulexe-2	51,500	-	-	51,500	548	13,149	-	13,697	37,803	50,952
37	Honda Activa	60,671	-	-	60,671	28,278	9,298	-	37,576	23,095	32,393
38	Laser Ball Bar Instrument	2,320,214	-	-	2,320,214	2,122,947	15,857	-	2,138,804	181,410	197,267
39	Laser Ball Bar Instrument - Ipo	1,955,376	1,304,358	-	3,259,734	2,774	568,955	-	571,729	2,688,005	1,952,602
40	Maruti Alto 800 Car	301,058	-	-	301,058	231,513	22,110	-	253,622	47,436	69,545
41	Maruti Ciaz	1,037,258	-	-	1,037,258	334,004	218,679	-	552,682	484,576	703,254
42	Maruti Ertiga Car Zdi	928,449	-	-	928,449	708,803	70,719	-	779,522	148,927	219,646
43	Material Movment	3,372,606	74,250	-	3,446,856	639,412	503,224	-	1,142,636	2,304,220	2,733,194
44	Material Movment Ipo	-	779,000	-	779,000	-	56,013	-	56,013	722,987	-
45	Metoda Factory Const.	8,704,721	-	-	8,704,721	6,402,259	216,542	-	6,618,801	2,085,920	2,302,462
46	Nissan Micra Car	594,953	-	-	594,953	548,208	16,998	-	565,205	29,748	46,745
47	Office Equipments	545,049	38,452	-	583,501	405,358	74,743	-	480,101	103,400	139,691
48	Office Equipments - Delhi	-	13,475	-	13,475	-	3,511	-	3,511	9,964	-
49	Office Equipments - Pune	-	8,800	-	8,800	-	1,304	-	1,304	7,496	-
50	Pattern	7,724,990	3,253,426	-	10,978,416	4,276,091	888,017	-	5,164,108	5,814,306	3,448,899
51	Plant & Machinery	3,429,866	1,460,740	-	4,890,606	2,477,853	259,532	-	2,737,385	2,153,221	952,013
52	Plant & Machinery - IPO	-	7,339,361	-	7,339,361	-	311,050	-	311,050	7,028,311	-
52	R & D Machinery	2,899,588	-	-	2,899,588	676,052	581,932	-	1,257,983	1,641,605	2,223,536
53	R O System	254,475	-	-	254,475	218,664	17,615	-	236,279	18,196	35,811
54	Refrigerator	-	16,817	-	16,817	-	959	-	959	15,858	-
55	Refrigerator - Delhi Branch	-	9,144	-	9,144	-	1,368	-	1,368	7,776	-
56	Staff Bus Eicher 41	1,533,585	-	-	1,533,585	1,213,766	96,025	-	1,309,792	223,793	319,819
57	Submersible Pump	94,482	342,486	-	436,968	61,686	31,826	-	93,513	343,455	32,796
58	Tata Tiago	-	510,946	-	510,946	-	83,937	-	83,937	427,009	-
59	Telephone Epbx System	651,830	210,404	-	862,234	390,640	141,778	-	532,418	329,816	261,190
60	Television A/C.	168,988	221,375	-	390,363	146,568	41,841	-	188,408	201,954	22,420
61	Testing Equipments	5,196,330	-	-	5,196,330	2,184,015	520,333	-	2,704,348	2,491,982	3,012,315
62	Testing Equipments - Ipo	-	1,460,610	-	1,460,610	-	119,836	-	119,836	1,340,774	-
63	Truck Eicher	1,010,552	-	-	1,010,552	579,470	129,512	-	708,982	301,570	431,082
64	Vehicle Tracking System	12,924	-	-	12,924	6,358	1,652	-	8,010	4,914	6566
65	Water Purifier _ Jaipur Branch	-	6,949	-	6,949	-	1,133	-	1,133	5,816	0
66	Yamaha Fazerfi Red	99,000	-	-	99,000	45,487	13,773	-	59,260	39,740	53513
	Total - A	93,218,706	24,806,261	1,047,920	116,977,047	48,664,278	11,062,924	958,637	58,768,565	58,208,480	44,554,428

NOTE 10 : FIXED ASSETS AS ON 31st MARCH 2019

Sr. No.	Particulars	Gross Block				Depreciation				Net Block	
		As at 01.04.2018	Add. during the year	Ded.	As at 31.03.2019	Upto 31.03.2018	For the year	Ded.	Upto 31.03.2019	As at 31.03.2019	As at 31.03.2018
	B - Intangible Assets										
1	Computer Software	1,051,756	1,058,500	-	2,110,256	798,250	625,619	-	1,423,869	686,387	253,506
2	Design HMC	900,000	-	-	900,000	616,228	74,998	-	691,226	208,774	283,772
3	Design VTL	300,000	-	-	300,000	79,932	56,782	-	136,714	163,286	220,068
	Total - B	2,251,756	1,058,500	-	3,310,256	1,494,410	757,398	-	2,251,808	1,058,448	757,346
	C - Capital Work-in-Progress										
1	CNC Vertical Liner Guideway Type Machine Center	-	5,754,937	-	5,754,937	-	-	-	-	5,754,937	-
2	Double Coloumn Machining Center	-	25,738,560	-	25,738,560	-	-	-	-	25,738,560	0
3	Factory Building Office Unit III	611,760	23,070,620	-	23,682,380	-	-	-	-	23,682,380	611,760
	Total - C	611,760	54,564,117	-	55,175,877	-	-	-	-	55,175,877	611,760
	Grand Total (A+B+C)	96,082,222	80,428,878	1,047,920	175,463,180	50,158,688	11,820,323	958,637	61,020,373	114,442,805	45,923,535
	<i>For Year ended on 31st March 2018</i>	71,267,593	26,809,306	2,091,177	95,985,722	42,196,750	10,227,956	1,888,150	50,062,187	45,923,539	29,545,212

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

For S. C. Makhecha & Associates

Chartered Accountants
Firm Regn. No. 120184W

Sanat C. Makhecha

Partner
M.No. 107192
Date: 20/05/2019
Place: Rajkot

For and on behalf of Macpower CNC Machines Ltd.

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

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

Mr. Rajnikant M. Raja
(Chief Financial Officer)

Miss. Ekta P. Shukla
(Company Secretary)
Membership No. A52677

NOTES TO P & L STATEMENT

		2018-19 Amount Rs.	2017-18 Amount Rs.
19	REVENUE FROM OPERATION -Sale of Products 1 Sales (GST) 458,586,533 233,175,592 2 Sales (GST) - Pune Branch 4,700,000 - 3 Sales (GST) - Scrap 2,029,125 1,097,451 4 Sales (IGST) 928,362,506 630,787,484 5 Sales against Form 'C' - 66,144,000 6 Sales CST - Re-sale (4%+1%) - 569,058 7 Sales CST (12.5%+2.5%) - 3,056 8 Sales CST (4%+1%) - 81,071,405 9 Sales Local (Re-sale) (4%+1%) - 123,043 10 Sales Scrap Local - 157,913 11 Sales VAT (4%+1%) - 51,799,453 12 Sales Without 'C' Form - Re-sale - 7,305 Total A 1,393,678,164 1,064,935,760 -Other Operating Revenues 1 Exchange Rate Difference 3,766,735 667,337 2 Service & Maintenance 5,040,800 3,823,080 Total B 8,807,534 4,490,417 Total (A+B) 1,402,485,698 1,069,426,177		
20	OTHER INCOME 1 Discounts Income - 650,888 2 Excise Refund Income 285,320 155,700 3 Insurance Claim - 146,406 4 Interest FD IPO 26,653,150 - 5 Interest on Deposit 405,508 334,123 6 Kasar Income 192,846 734,093 7 Order Cancellation Charges 51,000 2,535,800 8 Packing & Courier Charges 36,314 - 9 Provision for Income Tax W/back. - - 10 Realisation on sale of Written/off Assets. - 11,503 11 Short Term Capital Gain (On Car) 75,000 - 12 Short Term Capital Gain (On Mutual Fund) 1,504,173 757,142 TOTAL 29,203,311 5,325,655		
21	COST OF MATERIALS CONSUMED Opening Stock of Raw Material 233,208,131 82,709,600 Add Purchases 1 Purchase - High Seas 5,751,957 - 2 Purchase (GST) 458,378,277 230,670,189 3 Purchase (IGST) 562,454,935 417,750,242 4 Purchase (Import-GST) 119,354,864 38,385,845 5 Purchase A/c. (Retail) - 165,268 6 Purchase Exempt 70,000 - Balance B/f 1,379,218,164 769,681,144		

NOTES TO P & L STATEMENT

		2018-19 Amount Rs.	2017-18 Amount Rs.
	COST OF MATERIALS CONSUMED :		
	Balance C/d	1,379,218,164	769,681,144
7	Purchase Form 'C'	-	67,987,612
8	Purchase Import	-	12,393,602
9	Purchase VAT 12.5% + 2.5%	-	1,590,394
10	Purchase VAT 15% + 2.5%	-	590,730
11	Purchase VAT 4% + 1%	-	47,559,780
12	Purchases A/c. (VAT 1%)	-	275,986
13	Purchases Retail (W/o C Form)	-	62,490
	Total	1,379,218,164	900,141,738
1	Purchase Return	5,028,370	-
	Total	1,374,189,794	900,141,738
	Less: Closing Stock of Raw Material	372,702,850	233,208,131
	Total	1,001,486,944	666,933,607
22	CHANGES IN INVENTORIES		
	Opening Stock	43,595,750	90,382,000
	Closing Stock	100,972,050	43,595,750
	CHANGES	(57,376,300)	46,786,250
23	EMPLOYEE BENEFIT EXPENSES		
1	Bonus	4,567,135	5,315,977
2	Canteen Exp.	4,537,369	3,729,813
3	Conveyance Exp.	5,585,827	4,837,999
4	Director Remuneration	4,520,000	4,800,000
5	Gratuity Exp.	1,299,257	5,748,140
6	Incentives to Sales & Service Engineers	4,540,237	2,147,708
7	Leave Encashment Exp.	-	89,106
8	LTA to Employees	-	350,701
9	Medical Exp.	39,674	36,056
10	Provident Fund Exp.	3,311,297	3,766,534
11	Salary - office staff	19,088,271	11,112,641
12	Salary - R & D	1,208,286	5,637,936
13	Salary Apprentice	635,113	120,923
14	Salary Exp - Factory Staff	34,593,590	29,364,025
15	Salary Exp.-Technical Staff	38,703,038	36,024,979
16	Tea Refreshment Exp.	1,369,900	1,293,767
	Total	123,998,994	114,376,304
24	FINANCE COSTS		
	Interest Expense		
1	Bank Interest Auto Loan	318,041	370,471
2	Bank Interest - C.C. 359	830,685	743,257
	Other Borrowing Costs		
1	Bank Commission	1,212,188	996,744
	Total	2,360,914	2,110,473

NOTES TO P & L STATEMENT

		2018-19 Amount Rs.	2017-18 Amount Rs.
25	OTHER EXPENSES :		
1	Advertisement Exp.	7,76,231	7,20,952
2	After Sales Service Exp.	9,60,867	11,52,735
3	AGM Exp.	10,500	-
4	Amounts not receivable - written off	-	52,42,165
5	Annual Custody Fees	30,000	-
6	Annual Listing Fees	15,000	-
7	Books & Periodicals Exp.	720	650
8	Brokerage & Commission Exp.	157,68,719	73,36,973
9	Callibration Exp.	72,200	2,53,758
10	Catallouge & Brochure Exp.	97,000	2,99,192
11	Cleaning Exp.	8,22,439	-
12	Components Testing Exp.	42,950	-
13	Computer Maintenance & Stationary Exp.	84,846	1,18,485
14	Corporate Social Responsibility Exp.	8,00,000	-
15	Crane Rent Exp.	3,59,000	-
16	Crane Rent Exp. - GST	1,13,500	1,61,250
17	Custom duty Exp	46,61,223	27,66,900
18	Demurrage Exp.	10,018	-
19	Diesel Exp.	2,42,101	2,62,606
20	Donation Exp.	63,000	17,500
21	Electric Power Consumption	51,87,367	41,35,147
22	Electric Repairing Exp.	91,512	88,203
23	Erection & Commissioning Charges Exp.	2,99,154	2,39,000
24	E-Voting Charges	2,500	-
25	Exhibition Exp.	8,81,282	31,04,683
26	Factory Building Repairing Exp.	3,14,530	1,71,441
27	Factory Exp.	2,82,727	3,37,377
28	Gardening Exp.	-	4,196
29	Gas Consumption Exp.	2,55,983	86,737
30	Gift Exp.	5,511	4,509
31	GST Enrollment Charges	-	2,001
32	Import Exp.	29,62,480	19,80,529
33	Insurance Exp.	11,42,117	11,85,188
34	Interest Expense-local Supplier	-	6,13,662
35	Interest Expenses	1,640	1,505
36	Interest Expenses - CST/VAT	-	6,347
37	Interest on Custom Duty	1,887	-
38	Interest on Late Payment of TDS	65,585	2,061
39	Internal Audit Fees Exp.	3,50,000	-
40	Internet Exp.	1,42,861	1,55,241
41	Interview Reimbursement Exp.	1,07,492	5,580
42	Investor Relation Services	3,61,100	-
43	Issuer Fees	32,500	-
44	Job Work Exp.	718,22,030	507,68,963
45	Job Work Exp. Non GST	27,39,569	-
46	Kasar	-	19
47	Labour Walfare Exp.	10,182	9,233
48	Late Return Filing Fees(TDS)	-	1,06,520
49	Legal Exp.	76,610	6,03,775
50	Legal Exp. GST	86,694	-
51	Loading/Unloading Exp.	-	11,240
	Balance B/f	1121,53,627	819,56,323

NOTES TO P & L STATEMENT

		2018-19 Amount Rs.	2017-18 Amount Rs.
OTHER EXPENSES :			
	Balance C/d	1121,53,627	819,56,323
52	Machinery Repairing Exp.	2,28,423	2,45,931
53	Machinery Spares & Parts Exp.	1,98,090	4,22,683
54	Maintainace & Repairing Exp.	22,53,590	7,51,783
55	Membership Fees	46,500	40,690
56	Mobile Exp.	5,37,739	5,89,671
57	Octroi Exp.	4,326	-
58	Office Equipment Repair & Maintainace	36,830	23,780
59	Office Exp.	6,93,401	4,87,461
60	P&F Charges	6,61,769	
61	Pattern Thermocol Exp.	42,45,141	4,01,550
62	Payments to the Auditor	3,00,000	3,00,000
63	Postage & Courier Exp.	90,356	1,08,191
64	Processing Fees	50,670	-
65	Professional Fees Exp.	4,77,317	19,41,027
66	Professional Fees Exp. GST Payable	4,09,262	-
67	Professional Tax	7,300	4,800
68	Recruitment Charges	45,100	1,23,573
69	Registry Charges	3,000	-
70	Registry Handling Expense (IPO)	-	40,234
71	Rent Exp.	31,91,604	17,72,638
72	Repairing Exp.	22,325	95
73	ROC Fees	21,422	9,200
74	RTO Exp.	71,000	-
75	Sales Promotion Exp.	1,12,271	64,375
76	Security Services Exp	7,42,244	5,32,750
77	Service Tax	2,34,784	1,188
78	Share Of Insurance Premium	81	-
79	Share Registry Maintenance	74,113	-
80	Share Transaction Fees	-	11,960
81	Short Term Loss On Furniture	25,455	-
82	Software Maintainance Exp.	1,73,636	30,839
83	Staff Welfare Exp	23,419	3,150
84	Stationary Exp.	16,74,343	6,80,181
85	Swachh Bharat Cess Exp	-	23,464
86	Tech Center Opening Exp	48,970	-
87	Telephone Exp.	1,42,150	1,66,402
88	Tender Exp.	62,352	1,86,702
89	Tools Exp.	95,56,519	95,51,194
90	Trademark Exp.	-	9,900
91	Training Exp.	31,375	52,910
92	Transporation Exp. (GST Not Payable)	23,48,163	11,77,742
93	Transporation Exp. (GST Paid)	36,54,088	17,04,796
94	Transporation Exp. (GST Payable)	140,55,667	109,65,017
95	Transporation Exp. (Service Tax Paid)	-	3,45,620
96	Transporation Exp. (Service Tax Payable)	-	37,44,806
97	Transport Exp. (Service Tax Not Payable)	-	2,81,821
98	Traveling Exp. - Foreign	2,04,736	-
99	Travelling Exp.	61,89,502	52,19,748
100	Uniform Exp.	10,47,739	2,19,388
	Balance B/f	1661,50,399	1241,93,580

NOTES TO P & L STATEMENT

	2018-19 Amount Rs.	2017-18 Amount Rs.
OTHER EXPENSES :		
Balance C/d	166,150,399	124,193,580
101 VAT Expense (Assessment for F.Y. 2015-16)	-	133,319
102 Vat Input 1 % (Credit Not Taken)	-	421,470
103 Vehicle Exp.	473,752	569,286
104 Vehicle Expense - Fuel	1,541,418	1,259,159
105 Vehicle Fine Exp.	1,500	-
106 Water Exp.	400,244	235,316
107 Website Update & Maintainace	8,000	10,600
Total	168,575,313	126,822,730

Signature to Notes 1 to 25

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

For and on behalf of Macpower CNC Machines Ltd.

Sanat C. Makhecha
Partner
M.No. 107192
Date: 20/05/2019
Place: Rajkot

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

Mr. Rajnikant M. Raja
(Chief Financial Officer)

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

Miss. Ekta P. Shukla
(Company Secretary)
Membership No. A52677

**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED
31st MARCH 2019**

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

The Financial statements of the company are prepared in accordance with the generally accepted accounting principles in India (Indian GAAP). GAAP comprises mandatory accounting standards as prescribed under section 133 of the Companies Act, 2013 read with Rule 7 of the Companies (Accounts) Rules, 2014

Accounts are prepared on the basis of Historical Cost Convention using Mercantile System of accounting.

b) RECOGNITION OF REVENUE

Revenue from Sale of Machine is recognised when significant risk & rewards of ownership have been transferred to buyer.

Revenue from Service and Maintenance is recognised as revenue after the service is rendered.

c) INVENTORIES:

Inventories are valued lower of Cost or Net Realisable Value whichever is lower.

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

d) FIXED ASSETS :

Fixed Assets are stated at Cost less Depreciation. Cost comprises all the expenditure incurred in bringing the asset to its intended use. For the Assets imported from Foreign Countries, exchange rate fluctuations, if any are recognised to the respective assets only.

e) DEPRECIATION :

Depreciation on Fixed Assets is provided on written down value as per the rates prescribed under Part C of Schedule II of Companies Act, 2013.

f) INVESTMENTS :

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

g) DISCLOSURE AS REQUIRED IN ACCOUNTING STANDARD 18 "RELATED PARTY DISCLOSURE"

Name of related party	Description of relationship	Nature of transaction	Amount Rs.
RUPESH J. MEHTA	Director	Director's Remuneration	3,600,000
NIKESH J. MEHTA	Director	Director's Remuneration	720,000
RIYA R. MEHTA	Director	Director's Remuneration	200,000
MODERN MACHINE TOOLS (PROP. RAXABEN MEHTA)	Relative of Director	Purchases (Parts, Tools & Machinery)	406,130
MODERN MACHINE TOOLS (PROP. RAXABEN MEHTA)	Relative of Director	Sales	542,725
MACPOWER INDUSTRIES	Proprietary Firm of Director	Purchases (Parts, Tools & Machinery)	918,134

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

**SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED
31st MARCH 2019**

NOTE 01

NOTES TO ACCOUNTS :

h) **FOREIGN CURRENCY TRANSACTIONS**

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

i) **BORROWING COSTS**

Borrowing costs that are attributable to acquisition or construction of assets are capitalized as a part of cost of such assets, if any. All other borrowing costs are charged to revenue.

2 Previous Year's figures have been regrouped/recast in order to confirm the current year's classification

3 Previous Year's earning per share is reworked.

4 In the opinion of the management of company, value of all current assets, loans, advances and other receivables is not less than their net realisable value in the ordinary course of business.

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

For S. C. Makhecha & Associates

Chartered Accountants
Firm Regn. No. 120184W

For and on behalf of Macpower CNC Machines Ltd.

Sanat C. Makhecha

Partner
M.No. 107192
Date: 20/05/2019
Place: Rajkot

Mr. Rupeshbhai J. Mehta

(Managing Director)
Din No:01474523

Mrs. Riyaben R. Mehta

(Director)
DIN: 01603726

Mr. Rajnikant M. Raja

(Chief Financial Officer)

Miss. Ekta P. Shukla

(Company Secretary)
Membership No. A52677

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Plant & Corporate Office :

Macpower CNC Machines Limited

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

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