

ANNUAL REPORT

MACPOWER CNC MACHINES LIMITED

An abstract geometric design featuring overlapping red, grey, and dark blue shapes, including triangles and polygons, some with diagonal line patterns, creating a sense of depth and movement.

2017-18

Index

CORPORATE INFORMATION	02
OUR MILESTONES	03
COMPANY PROFILE	04
AWARDS & RECOGNITIONS	05
PRODUCT RANGE	06
ACCOUNTING RATIOS	08
CHAIRMAN'S SPEECH	09
NOTICE TO THE 15th AGM	11
PROXY FORM	27
ATTENDANCE SLIP	29
BOARD'S REPORT	32
ANNEXURES TO BOARD'S REPORT	45
AUDITOR'S REPORT	82
BALANCE SHEET	92
STATEMENT OF PROFIT & LOSS	93
NOTES TO FINANCIALS	94
CASH FLOW STATEMENT	111

Corporate Information

Board of Directors

Mr. Rupesh J. Mehta

Chairman and Managing Director

Mr. Nimesh J. Mehta

Whole-Time Director

Mrs. Riya R. Mehta

Non- Executive Woman Director

Mr. Maulik R. Mokariya

Independent Director

Mr. Rajendrabhai R. Bhandari

Independent Director

Mr. Deven J. Doshi

Independent Director

Statutory Auditors

M/s. S.C.MAKHECHA & ASSOCIATES

1st Floor "Ram Krishna",
Nr. Atithi Chowk,
Panchvati Main Road,
Rajkot- 360 001.

Secretarial Auditors

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

Company Secretaries
317, Krishna Con Arch-2
Tagore Road, Rajkot-360 002.

Registrar & Share Transfer Agent

Link Intime India Pvt. Ltd.

5th Floor, 506 To 508, Amarnath Business Centre-1
(ABC-1), Besides Gala Business Centre,
Near ST Xavier's College Corner,
Off.C. G. Road, Ellisebridge, Ahmedabad – 380006.

Stock Exchange Details

National Stock Exchange Emerge (SME Platform)

Symbol : MACPOWER
ISIN: INE155Z01011

Bankers of the company

Axis Bank Limited

Metoda Branch
Ground Floor, Plot No. C-403/404,
GIDC Lodhika, Dist-Rajkot, Metoda – 360 021,
Gujarat, India

Key Managerial Personnel

Mr. Rajnikant M. Raja

Chief Financial Officer

Ms. Ekta P. Shukla

Company Secretary & Compliance Officer

Investor Relation Contact Details

Contact Person : Ms. Ekta Shukla

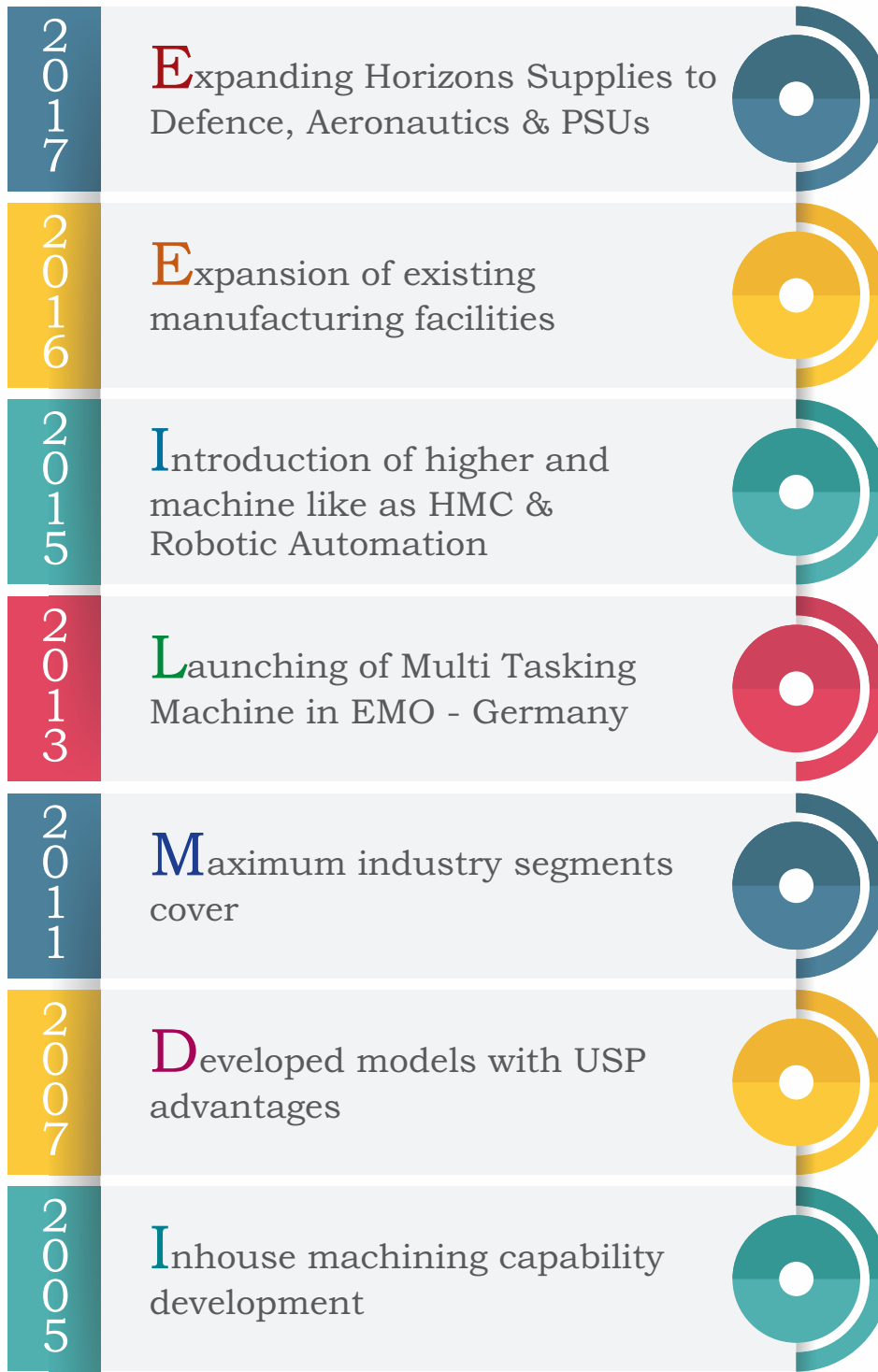
E-mail : cs@macpowercnc.com

Registered Office & Works

Macpower CNC Machines Limited

(Converted from MACPOWER CNC MACHINES PRIVATE LIMITED
to MACPOWER CNC MACHINES LIMITED w.e.f 16th November, 2017)
Plot No.2234, Nr. Kranti Gate, GIDC Metoda, Tal : Lodhika,
Dist: Rajkot-360021, Gujarat, India
☎ 02827-287930/31/32, ☎ 02827-287933
🌐 www.macpowercnc.com ✉ sales@macpowercnc.com
CIN: U30009GJ2003PLC043419

OUR MILESTONES



Company Profile

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

In 2003, Macpower Group started Macpower CNC Machines Limited, CNC Machines manufacturing unit in an area of around 4 acres situated at Metoda G. I. D.C., Rajkot (India). Macpower is registered to ISO 9001(Design), a universally accepted quality assurance designation by Integral Certification (P) Ltd. in June 2018. ISO registration is an indication of professionalism, capability and commitment to customer service earned through independent analysis of a company's quality management systems.

This modern headquarters 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 & equipments, 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 upgradation.

With more than 5000 installation base across India, Sales & Service Team presence in 31 cities across the country with 107 qualified sales and service engineers and 6 business associates across India, establishment of 4 regional offices and 4 technology centers across the country to have better attachment with our valued customers.

We Offering wide range of 16 different Product categories with 65 different models, offering 1000+ application solutions serving 27 industry segments nationwide.

Manufacturing range includes CNC Turning Center, VMC, HMC, Turn O' Mill Center, VTL, Twin Spindle Turning & VMC, Drill Tap Center, Cylindrical Grinder along with robotic automation solution.

We are going to establish new state of the art plant facility for fulfilling the future order. Additional 600 Machines per year production capacity will result into total capacity of plant to 1200 Machines per year and State of the art temperature 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 high end machines and assembly facilities. Ultra modern Powder Coating plant with 11 tank pre-treatment process followed by conveyerised backing and powder coating booth.

We provide "Competitive Manufacturing Solutions" to meet the exact requirements of our Customers.

Awards & Recognitions



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

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

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

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.



Listing Certificate

Product Range



TURNING CENTER

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



VERTICAL MACHINING CENTER

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



TURN MILL CENTER

SPECIAL PURPOSE COMPONENTS,
AERONAUTICS, DEFENCE,
AGRICULTURE, MEDICAL



VERTICAL TURNING LATHE

VALVE BODY, MOTOR BODY,
ENGINE LINER, RAILWAYS



Product Range



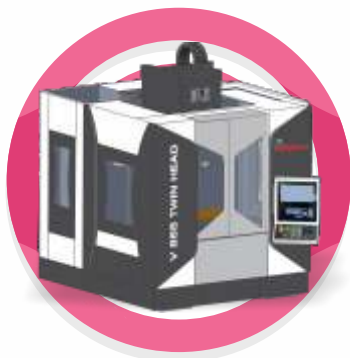
HORIZONTAL MACHINING CENTER

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



DRILL TAP CENTER

ELECTRONICS, AUTOMOBILE,
TEXTILE



TWIN HEAD VMC

AUTOMOBILE & TEXTILE



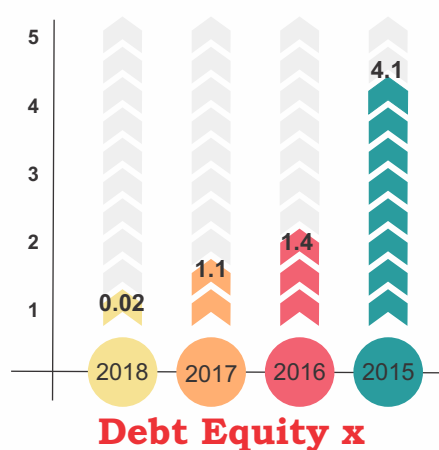
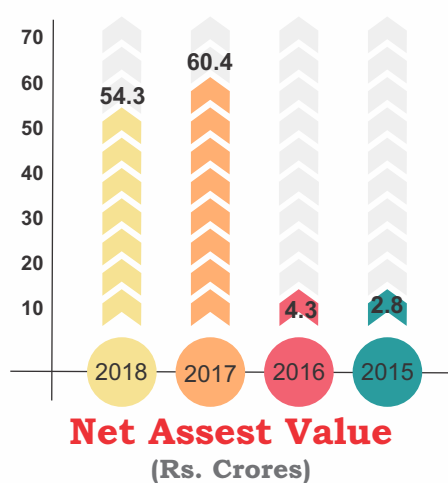
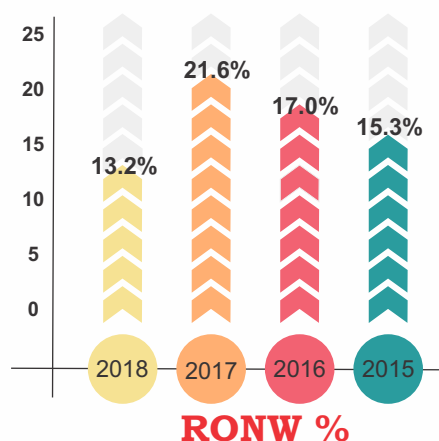
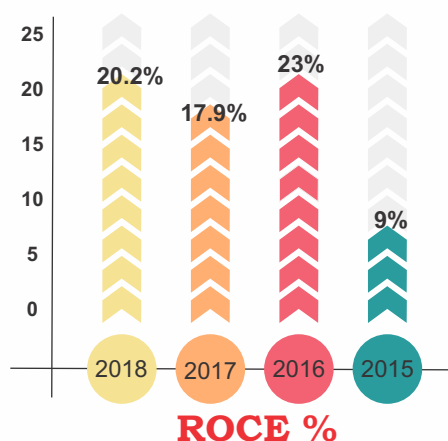
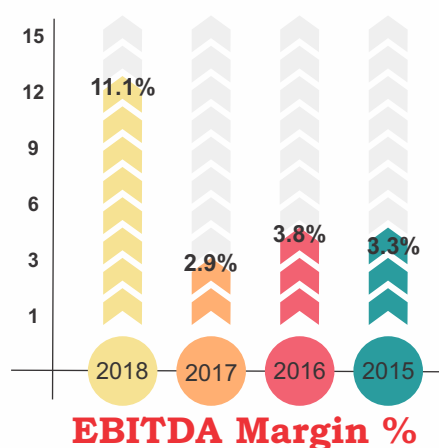
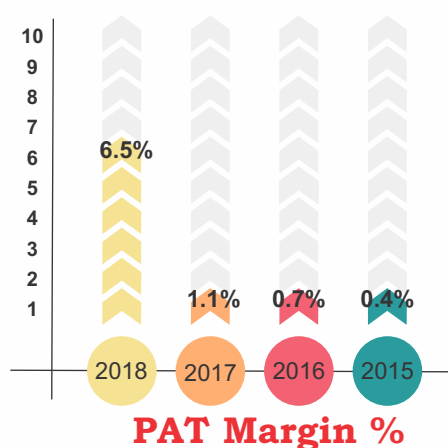
CYLINDRICAL GRINDER

SPECIAL PURPOSE COMPONENTS,
AGRICULTURE, RAILWAY



Accounting Ratios

For the period ended 31st March



Chairman's Speech

FROM THE DESK OF CHAIRMAN & MANAGING DIRECTOR

Dear Shareholders,

Machine tool industry can be considered backbone for fostering industrial growth across the different sectors of economy since machine tool is the mother machine to manufacture various components across industrial sectors.

Metal cutting machine tool industry witnessed enormous growth in the FY 2017-18 with consumption showing 28% increase and production by 26% on YOY basis, the same being observed at MACPOWER wherein your Company's growth has been marked at 54% in FY 2017-18 on YOY basis which was the result boost in demand of various types of machines across different sectors of industry ranging from automobiles, general engineering, aerospace, defence, agriculture etc.



Mr. Rupesh Mehta
Chairman & Managing Director

Your Company's vision is to provide the best possible solution in CNC machine tool industry thereby unleashing value for end users. For the same, Company have continuously adding up models in entire range of products from CNC Turning Centers, VMCs to Horizontal Machining Centers, Multi-tasking machines and Robotic Automation. Your Company has distribution strength and strong network presence across 31 cities with 107 sales and service engineers, 4 regional offices and 4 Technology centers on PAN India basis. Your Company has 27 different product categories with 60 + models serving to 27 industrial segments and delivered more than 1000 solutions.

Your Company has achieved nearly 50% growth in terms of Revenue at Rs.10694.3 Lakhs in comparison to previous year of Rs. 6918.15 Lakh and your Company has incurred profit before Tax of Rs. 1074.94 Lakh in comparison to previous year of Rs. 96.66 Lakh i.e. increased by 1012.01% and has incurred Profit after Tax of Rs. 704.18 Lakh in comparison to Profit of previous year of Rs. 78.40 Lakh i.e. increased by Rs. 798.19%. This is mainly due to approx. 50% increase in sales. Increase in production by direct final Guarding process adopted instead of rough and final guarding process. New Standard Operating Process [SOP] prepared in line with Assembly process and necessary checks put in to the SOP. Further refining of assembly process, minimum material flow, by eliminating non value added activities and making substantial changes in parts design helped to reduce the throughput cycle time without adding machinery & resources.

Considering the strong financial, Board of Directors have recommended 10% of Face Value as final dividend for the year 2017-18.

Looking at the current scenario of Indian economy and robust growth prospects ahead with projected growth of nearly 7.4% of GDP by leading financial institutions of the world, Company planned to undergo strategic restructuring to develop in-house capabilities through backward

Chairman's Speech

integration to have better process control and also increasing the production capacity from current 600 machines to 800 machines in FY 2018-19 by setting up additional Machinery, plant and state of the art machineries and with the same motive, we entered into capital market through IPO in March 2018.

The IPO came in March 2018 with 26.15 lakh shares amounting to Rs. 36.6 Cr. which was successfully oversubscribed in all the categories namely QIB, NII and RII. Company's constant endeavor will be to achieve its aim in FY 2018-19 to focus on building in-house capabilities and increase production capacity thereby increasing process control and bring down production cost and leveraging profit margins.

Looking at the growth prospects for the company considering all the above mentioned factors, your Company is looking at a healthy growth rate of nearly 50% in the FY 2018-19 by focusing Company's efforts on backward integration, increasing production capacity, reducing production cost, adding newer state of the art products in the existing product line, strengthening existing distribution network by expanding the horizon, streamlining of production processes, nurturing existing work force by imparting necessary training and upgrading their skills, increasing in-house capabilities, penetrating its presence in less explored industrial segments, delivering application based solutions and thereby resulting in maintaining same growth level in FY 2018-19 on YOY basis resulting into increased profit margins and value addition for all the stakeholders.

The background features abstract geometric shapes in shades of grey, red, and dark blue. A large red parallelogram is prominent on the left side, and various other angular shapes are scattered across the page, creating a modern, architectural feel.

Notice to the **AGM**

NOTICE FOR 15TH ANNUAL GENERAL MEETING

NOTICE is hereby given that the **FIFTEENTH (15th) ANNUAL GENERAL MEETING OF MACPOWER CNC MACHINES LIMITED, CIN: U30009GJ2003PLC043419 (Previously known as MACPOWER CNC MACHINES PRIVATE LIMITED)** will be held at the Registered Office of the Company situated at PLOT NO.2234, NEAR KRANTI GATE, GIDC METODA, TALU-LODHKA, DIST-RAJKOT - 360021, GUJARAT, INDIA ON SATURDAY ON **SEPTEMBER 22, 2018** at **4:00 P.M.** to transact the following business:

ORDINARY BUSINESS:

1. To Receive, consider, approve and adopt the Audited Financial Statements of the Company for the financial year ended on March 31, 2018 and the reports of the Board's and the Auditors' there on.
2. To declare dividend on the Equity Shares of the Company for the financial year 2017-18 to the Equity shareholders except to those who have waived entitlement to dividend, subject to approval of Alteration of Article of Association of the Company as per Item No. 5.
3. To re-appoint Mr. Rupesh Jagdishbhai Mehta [DIN: 01474523], who retires by rotation and offers himself for the re-appointment.
4. To appoint Statutory Auditors of the Company for a consecutive period of Five years and to fix their remuneration and in this regard to pass, with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of section 139, 141 and other applicable provisions, if any, of the Companies Act, 2013 and rule made there under and pursuant to Companies Amendment Act, 2017, M/s. S. C. MAKHECHA & ASSOCIATES, [Firm Registration no. 120184W], Chartered Accountants, after receiving a recommendation in this regard from the Audit Committee, be and are hereby appointed as the Statutory Auditors of the Company to hold office from the conclusion of this Annual General Meeting till the conclusion of the 20th Annual General Meeting to be held in the year 2023, at such remuneration including applicable taxes and out-of-pocket expenses, as may be mutually agreed between the Chairman of the Company and the Auditors upon recommendation of the Audit Committee.”

SPECIAL BUSINESS:

5. To Consider and, if though fit, to pass with or without modification(s), the following resolution as a **SPECIAL RESOLUTION**:

“RESOLVED THAT in accordance to the provision of Section 14 and all other applicable provisions, if any of the Companies Act, 2013, including any statutory modifications and re-enactment thereof, for the time being in force, Consent of the Members of the Company be and is hereby given for alteration of following Articles of Association of the Company:

1. Insertion of following Article in Articles of Association of the Company after Article 151 as Article 151A:

Sr. No.	Particulars	
151A	Notwithstanding anything contained in this Articles of the Company, but subject to the provisions of the Companies Act, 2013 and all other applicable rules of the statutory authorities and the Rules framed by the Board of Directors of the Company in this behalf as amended from time to time by the Board, it shall be open for the Members of the Company who hold the Equity shares in the Company to waive/forgo his/her/their right to receive the dividend (interim or final) by him/her/them for any financial year which may be declared or recommended respectively by the Board of Directors of the Company. The waiver/forgoing by the Members, his/her/their right to receive the dividend (interim or final) by him/her/them under this Article shall be irrevocable immediately after the record date/book closure date fixed for determining the names of Members entitled for dividend. The Company shall not be entitled to declare or pay and shall not declare or pay dividend on equity shares to such Members who have waived/forgone his/her/their right to receive the dividend (interim or final) by him/her/them under this Article.	Open to Members to waive/forego his/her right to receive the Dividend.

2. To replace the Existing Article 152 with the following:

Sr. No.	Particulars	
152	The Company in General Meeting may declare dividends to be paid to the Members other than the Members who have waived/forgone their right of receiving any Dividend (including any interim dividend), declared / to be declared by the Company	The Company in General Meeting may declare Dividends.

	for Financial Year, in accordance with Rules framed by the Board and amended from time to time, to be paid to members according to their respective rights and interests in the profits and may fix the time for payment and the Company shall comply with the provisions of Section 127 of the Act, but no dividends shall exceed the amount recommended by the Board of Directors, but the Company may declare a smaller dividend in general meeting.	
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3. To replace the Existing Article 154 with the following:

Sr. No.	Particulars	
154	Subject to the provisions of the Act, the Directors may, from time to time, pay to the Members other than the Members who have waived/foregone their right of receiving any dividend declared / to be declared by the Company for any financial year, in accordance with Rules framed by the Board and amended from time to time, such interim dividends as in their judgment the position of the Company justifies.	Interim Dividend

“RESOLVED FURTHER THAT consent of the Members be and is hereby accorded for authorizing Board of Directors for framing Rules for equity members who want to waive/forgo the right to receive dividend in respect of any financial year and amend the same from time-to-time”

“RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things that may be necessary, proper, expedient or incidental thereto for the purpose of giving effect to the aforesaid resolution.”

6. To Consider and if thought fit, to pass with or without Modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force], the remuneration of Rs. 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 2018-19, as approved by the Board of Directors of the Company, be and is hereby ratified.”

7. To Consider and, if though fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149,152 and 160 any other applicable provisions of the Companies Act,2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 and the rules made there under including any statutory modification (s) or amendment (s) or re-enactment (s) thereof and pursuant to Articles of Association of the Company, Mr. Maulik Rambhai Mokariya [DIN: 05310868], who was appointed by the Board of Directors as an Additional Independent Non-Executive Director w.e.f. November 17, 2017, and whose term of office expires at this Annual General Meeting in terms of Section 161 of Companies Act, 2013 and in respect of whom the Company has pursuant to section 160 of the Companies Act, 2013, received a notice in writing from member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for continuous period of Five(5) years w.e.f. November 17, 2017 to November 16, 2022 and he shall not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required.”

8. To Consider and, if though fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149,152 and 160 any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 and the rules made there under including any statutory modification (s) or amendment (s) or re-enactment (s) thereof and pursuant to Articles of Association of the Company, Mr. Rajendrabhai Ranchhodbhai Bhandari [DIN: 07986563], who was appointed by the Board of Directors as an Additional Independent Non-Executive Director w.e.f. November 17, 2017 and whose term of office expires at this Annual General Meeting in terms of Section 161 of Companies Act, 2013 and in respect of whom the Company has pursuant to section 160 of the Companies Act, 2013, received a notice in writing from member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for continuous period of Five(5) years w.e.f. November 17, 2017 to November 16, 2022 and he shall not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required.”

9. To Consider and, if though fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and 160 any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 and the rules made there under including any statutory modification (s) or amendment (s) or re-enactment (s) thereof and pursuant to Articles of Association of the Company, Mr. Deven Jasvantarai Doshi [DIN: 07994505], who was appointed by the Board of Directors as an Additional Independent Non-Executive Director w.e.f. November 17, 2017 and whose term of office expires at this Annual General Meeting in terms of Section 161 of Companies Act, 2013 and in respect of whom the Company has pursuant to section 160 of the Companies Act, 2013, received a notice in writing from member proposing his candidature for the office of Director, be and is hereby appointed as an Independent Non-Executive Director of the Company to hold office for continuous period of Five(5) years w.e.f. November 17, 2017 to November 16, 2022 and he shall not be liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors or the Company Secretary of the Company be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required.”

Notes:

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE ANNUAL GENERAL MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE, INSTEAD OF HIMSELF/HERSELF AND THE PROXY NEED NOT BE A MEMBER OF THE COMPANY. THE INSTRUMENT APPOINTING PROXY SHOULD HOWEVER BE DEPOSITED AT REGISTERED OFFICE OF THE COMPANY NOT LESS THAN 48 HOURS BEFORE COMMENCEMENT OF THE MEETING.**

A person can act a Proxy on behalf of Members not exceeding fifty [50] in numbers and holding in the aggregate not more than ten per cent of the total share capital of the Company carrying Voting Rights. A member holding more than ten per cent of the total share capital of the Company carrying Voting Rights may appoint a single person as Proxy for his/her entire shareholding and such person shall not act as a Proxy for another person or shareholder.

If a Proxy is appointed for more than fifty Members, he shall choose any fifty Members and confirm the same to the company before the commencement of specified period for inspection. In case, the Proxy fails to do so, the company shall consider only the first fifty Proxies received as valid.

2. Corporate members intending to send their authorized representatives to attend the meeting are requested to send a certified copy of the Board Resolution to the Company, authorizing their representative to attend and vote on their behalf at the meeting.
3. The statement pursuant to Section 102(1) of the Companies Act, 2013 setting out the material facts in respect of the business under Item Nos. 5 to 9 set out above is annexed hereto and the details under Regulation 36(3) of the Securities and Exchange Board of India [Listing Obligations and Disclosure Requirements] Regulations, 2015 and clause 1.2.5 of Secretarial Standard on General Meeting [SS- 2] issued by the Institute of Company Secretaries of India, in respect of the person(s) seeking appointment/ re-appointment as Director at the Annual General Meeting, is annexed as Annexure 1 to Board's Report.
4. The Register of member and Share Transfer Book of the Company will remain closed from **September 15, 2018 to September 22, 2018 [Both days inclusive]**, in connection with the Annual General Meeting and for the purpose of payment of Dividend, if declared at the Meeting. Members of the Company holding Shares as on **September 14, 2018** shall be entitled for Dividend.
5. In terms of the provisions of Section 124 of the Companies Act, 2013 the amount of dividend not encashed or claimed within 7 (seven) years after date of transfer to the unpaid dividend account, will be transferred to the Investor Education and Protection Fund established by the government.
6. Members of the Company, holding shares as on **August 17, 2018 [Cut- off date for receiving Notice and Annual Report]**, shall be entitled for receiving of the Annual Report for the period 2017-18, physically or through their registered Email-id.
7. Electronic copy of the Annual Report 2017-18 along with Notice of 15th Annual General Meeting inter-alia with Attendance Slip and Proxy Form is being sent to all the Members, who's Email IDs, are registered with the Company's Registrar and Share Transfer Agents/Depository Participants for communication purpose unless any Member has requested for a hard copy of the same.
8. The Members/Proxies are requested to produce the attendance slip duly completed and signed at the entrance of the meeting. To ensure correct identity of each member and proxy holders attending meeting is expected to bring with him/her an appropriate ID document like Aadhar Card, Driving License, Passport, Voter ID card, etc. Members are requested to bring their copies of Annual Report at the meeting.
9. Members who wants to intimate any change in their address, Bank details, etc. are required to approach DP and not to the Company or RTA.

10. In terms of circular issued by the Securities and Exchange Board of India (SEBI), it is now mandatory to furnish a copy of PAN Card to the Company or its RTA in the following cases viz. transfer of shares, deletion of name, and transmission of share and transposition of shares. Shareholders are requested to furnish copy of PAN Card for all above mentioned transactions.
11. Members are requested to register their Email IDs with their respective Depository Participants (DPs). A member who's Email IDs have undergone any change or who's IDs require any correction may kindly update the same with the RTA or DPs.
12. All Statutory Registers and relevant documents shall be available for Inspection by the Members at the Registered Office of the Company on all Working Days except on Wednesday, Sunday and Public Holidays during 11:00 a.m. to 1:00 p.m. upto the date of Annual General Meeting.
13. Members having any questions on accounts are requested to send their queries at least 10 days in advance to the Company at its registered office address to enable the Company to collect relevant information.
14. The Route Map for Venue of 15th Annual General Meeting is given separately in this report.
15. 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 provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide member's facility to exercise their right to vote at the 15th Annual General Meeting (AGM) by electronic means and the business may be transacted through e-voting service provided by CDSL.

The voting period begins on 18-09-2018 at 10:00 a.m. ends on 21-09-2018 at 5:00 p.m. During this period shareholders' of the Company, holding shares as on the **cut-off date (record date) of September 15, 2018**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

The facility for voting through poll paper shall be made available at the AGM and Members attending the meeting who have not casted their vote by remote e-voting shall be able to exercise their right at the meeting through poll paper.

The Members who have casted their vote by remote e-voting prior to the AGM may attend the AGM but shall not be entitled to cast their vote again.

The instructions for shareholders voting electronically are as under:

- (i) The voting period begins on 18/09/2018 at 10:00 a.m. and ends on 21/09/2018 at 5:00 p.m. 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 15/09/2018 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> <ul style="list-style-type: none"> Members who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number which is printed on Postal Ballot / Attendance Slip indicated in the PAN field.
Dividend Bank	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

Details OR Date of Birth (DOB)	<p>order to login.</p> <ul style="list-style-type: none"> 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).
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- (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 cast their vote using CDSL's mobile app - CDSL m-Voting available for iphone as well as android and windows based mobiles. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (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 favor 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.
- 16.** Mr. Kalpesh P. Rachchh, Proprietor of M/s. K. P. Rachchh & Co., Practicing Company Secretary [Membership no. FCS 5156] [Address: 317 Krishna Con Arch -2, Tagore Road, Rajkot 360 002, Gujarat] has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
- 17.** 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.

ANNEXURE TO THE NOTICE

[Explanatory Statement pursuant to section 102 of the Companies Act, 2013]

Item No. 5

Your Directors propose to alter the Articles of Association (AOA) of the Company to enable the Members of the Company including Promoters & Promoters Group, who hold the equity shares in the Company to waive/forgo his/her/their right to receive the dividend, interim or final, by him/her/them for any financial year which may be declared or recommended respectively by the Board of Directors of the Company or Members of the Company.

Now, Pursuant to provision of section 14 of the Companies Act, 2013, for the Alteration of Articles of Association of the Company, Members approval is required by way of passing of Special Resolution.

Hence, The Resolution as at Item No. 5 of the Notice is therefore set out as a Special Resolution for approval of the Members.

None of the Directors and/or Key Managerial Personnel [KMP] of the Company and their relatives are concerned or interested in the resolution set out at Item no. 5 except to the extent of Shareholding in the Company.

Item No. 6

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its meeting held on May 25, 2018, has considered and approved the appointment of M/s. Borad Sanjay B & Associates, Cost Accountants, as the Cost Auditor of the Company for the financial year 2018-19 at a remuneration of Rs. 35,000 (Rupees Thirty Five Thousand only) plus GST.

Pursuant to Section 148(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. 6 of the Notice is therefore set out as an 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. 6 of the Notice.

Item No. 7

Mr. Maulik Rambhai Mokariya [DIN: 05310868], has been appointed as Additional Non-Executive Independent Director of the Company w.e.f. November 17, 2017 by the Board of Directors of the Company. According to provision of section 161(1) of

the Companies Act, 2013, Mr. Maulik Rambhai Mokariya holds office as an Additional Independent Director up to the date of ensuing Annual General Meeting.

Company has received a notice in writing from the Member under the provision of section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company. Mr. Maulik Rambhai Mokariya is eligible for appointment as Independent Non-Executive Director of the Company. Hence, In terms of Sections 149, 152 and 160 any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 and the rules made there under (including any statutory modification (s) or amendment (s) or re-enactment (s) thereof and pursuant to Articles of Association of the Company, Mr. Maulik Rambhai Mokariya, being eligible is proposed to be appointed as an Independent Non- Executive Director for a continuous period of Five(5) years w.e.f. November 17, 2017 to November 16, 2022 and he shall not liable to retire by rotation.

In the opinion of the Board, Mr. Maulik Rambhai Mokariya fulfils the conditions specified in the Companies Act, 2013, and a rule made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Maulik Rambhai Mokariya as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Maulik Rambhai Mokariya as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Maulik Rambhai Mokariya, being an appointee, none of the Directors and/or Key Managerial Personnel [KMP] of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item no. 7.

Item No. 8

Mr. Rajendrabhai R. Bhanderi [DIN: 07986563], has been appointed as Additional Non-Executive Independent Director of the Company w.e.f. November 17, 2017 by the Board of Directors of the Company. According to provision of section 161(1) of the Companies Act, 2013, Mr. Rajendrabhai R. Bhanderi holds office as an Additional Independent Director up to the date of ensuing Annual General Meeting.

Company has received a notice in writing from the Member under the provision of section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company. Mr. Rajendrabhai R. Bhanderi is eligible for appointment as Independent Non-Executive Director of the Company. Hence, In terms of Sections 149, 152 and 160 any other applicable provisions of the Companies Act, 2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 and the rules made there under (including any statutory modification (s) or amendment (s) or re-enactment (s) thereof and

pursuant to Articles of Association of the Company, Mr. Rajendrabhai R. Bhanderi, being eligible is proposed to be appointed as an Independent Non-Executive Director for a continuous period of Five(5) years w.e.f. November 17, 2017 to November 16, 2022 and he shall not liable to retire by rotation.

In the opinion of the Board, Mr. Rajendrabhai R. Bhanderi fulfils the conditions specified in the Companies Act, 2013, and a rule made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Rajendrabhai R. Bhanderi as an Independent Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Rajendrabhai R. Bhanderi as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rajendrabhai R. Bhanderi, being an appointee, none of the Directors and/or Key Managerial Personnel [KMP] of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item no. 8.

Item No. 9

Mr. Deven J. Doshi [DIN: 07994505], has been appointed as Additional Non-Executive Independent Director of the Company w.e.f. November 17, 2017 by the Board of Directors of the Company. According to provision of section 161(1) of the Companies Act, 2013, Mr. Deven J. Doshi holds office as an Additional Independent Director up to the date of ensuing Annual General Meeting.

Company has received a notice in writing from the Member under the provision of section 160 of the Companies Act, 2013, proposing his candidature for the office of Independent Director of the Company. Mr. Deven J. Doshi is eligible for appointment as Independent Non-Executive Director of the Company. Hence, In terms of Sections 149,152 and 160 any other applicable provisions of the Companies Act,2013 read with Schedule IV of the Companies Act, 2013 and the Companies (Amendment) Act, 2017 and the rules made there under (including any statutory modification (s) or amendment (s) or re-enactment (s) thereof and pursuant to Articles of Association of the Company, Mr. Deven J. Doshi, being eligible is proposed to be appointed as an Independent Non- Executive Director for a continuous period of Five(5) years w.e.f. November 17, 2017 to November 16, 2022 and he shall not liable to retire by rotation.

In the opinion of the Board, Mr. Deven J. Doshi fulfils the conditions specified in the Companies Act, 2013, and a rule made thereunder for his appointment as an Independent Director of the Company and is independent of the management.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Deven J. Doshi as an Independent

Director. Accordingly, the Board recommends the resolution in relation to appointment of Mr. Deven J. Doshi as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Deven J. Doshi, being an appointee, none of the Directors and/or Key Managerial Personnel [KMP] of the Company and their relatives are concerned or interested, financially or otherwise, in the resolution set out at Item no. 9.

Place: Metoda, Rajkot
Date: August 17, 2018

For and on behalf the Board of
MACPOWER CNC MACHINES LIMITED

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

ANNEXURE 1

Brief profiles of directors seeking Appointment/Re-appointment in forthcoming Annual General Meeting.

Name of Director	RUPESH J. MEHTA	MAULIK R. MOKARIYA	RAJENDRABHA I R. BHANDERI	DEVEN J. DOSHI
Date of Birth	23/10/1968	03/11/1988	09/10/1964	27/10/1966
Date of Appointment	31/12/2003 (Appointed as MD w.e.f 17/11/2017)	17/11/2017	17/11/2017	17/11/2017
Expertise in Specific functional area	More than 25 years of experience in Machine Tool industry out of 14 years of experience in Macpower as a Management Personnel. Specific area includes Accounts, General Administration, Sales, Service, IT, HMC, VMC R & D, CNC R & D.	Finance, Operation & Management	Engineering Industries including Techno and Commercial field	Finance sector including financial system in general and stock exchange market
List of public companies in which Directorship held	1. Macpower CNC Machines Limited 2. Indian Machine Tool Manufacturers Association	1. Macpower CNC Machines Limited 2. Wedib Express Limited	Macpower CNC Machines Limited	Macpower CNC Machines Limited
Chairman/Member of the committees	Member – Audit Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee	NIL	Chairman – Audit Committee, Corporate Social Responsibility Committee and NRC	Member – Audit Committee and NRC
Chairman/Member of the committees of Directors of other Companies	NIL	Member in CSR Committee of Shree Maruti Courier Services Private Limited	NIL	NIL

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

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

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

CIN: U30009GJ2003PLC043419

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 15th Annual General Meeting of the Company, to be held on the Saturday, **September 22, 2018** at **04:00 P.M.** at Plot No. 2234, Near Kranti Gate, GIDC Metoda, Talu-Lodhika, Dist-Rajkot – 360 021, 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 March 31, 2018, and the report of the Board of Directors and Auditors thereon.		
2	Declare dividend on Equity Shares at Re. 1/- per share of Face Value of Re. 10/- for the financial year ended March 31, 2018		
3	Appoint a Director in place of Mr. Rupesh J. Mehta, Managing Director, who retires by rotation and being eligible, offers himself for re-appointment.		
4	Appointment of M/s. S. C. MAKHECHA & ASSOCIATES, [Firm Registration no. 120184W], Chartered Accountants, as Statutory Auditor of the Company for a Consecutive period of Five years.		
5	Alteration of Articles of the Company		
6	Approve Remuneration of Cost Auditor for F.Y. 2018-19.		
7	Appointment of Mr. Maulik R. Mokariya, as an Independent Director of the Company.		
8	Appointment of Mr. Rajendra R. Bhandari, as an Independent Director of the Company.		
9	Appointment of Mr. Deven Doshi, as an Independent Director of the Company.		

*Applicable for investors holding shares in electronic form.

**This is Optional

Signed this _____ day of _____, 2018

Signature of Member

Signature of Proxy Holder

Please affix
Revenue
Stamp

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, Talu-Lodhika, Dist-Rajkot – 360 021, Gujarat,
India

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

CIN: U30009GJ2003PLC043419

ATTENDANCE SLIP

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

Joint Shareholders may obtain additional Slip at the venue of the meeting

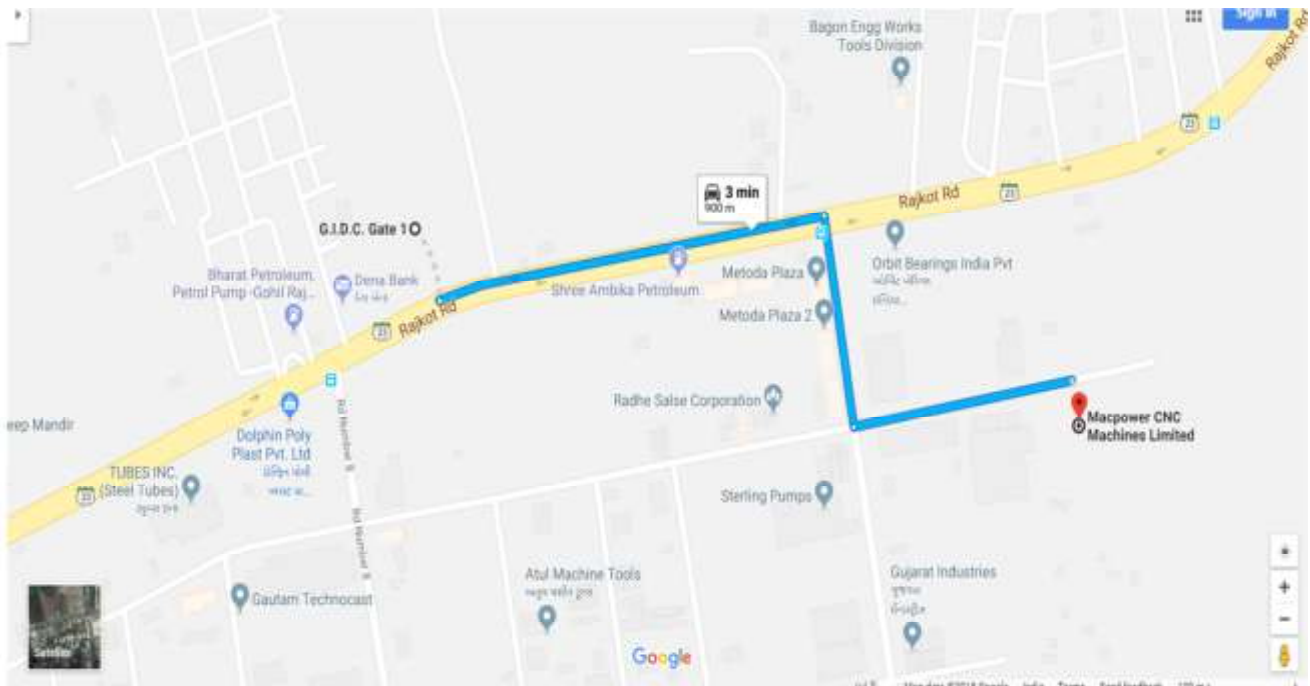
Name of the Member:			
Address of the Member:			
DP ID*:		Folio No:	
Client ID*:		No. of Shares	

I hereby record my presence at the 15th ANNUAL GENERAL MEETING of the Company held on **Saturday, September 22, 2018** at **04:00 P.M.** at Plot No. 2234, Near Kranti Gate, GIDC Metoda, Talu-Lodhika, Dist-Rajkot – 360 021, 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, Talu-Lodhika, Dist-Rajkot – 360 021, Gujarat, India

Date of AGM: September 22, 2018, Saturday

Time of AGM: 04:00 P.M.

The background is white with abstract geometric shapes in red and grey. A large red parallelogram is on the left, and a grey horizontal band is in the center. The bottom right corner features a complex arrangement of red and grey geometric shapes, including triangles and rectangles.

Board's Report 2017-18

BOARD'S REPORT

To,
The Members,
 of the Company

Your Directors have pleasure in presenting the 15th Annual Report of the Company together with the Audited Financial Accounts for the year ended March 31, 2018.

FINANCIAL RESULT

(Rs.in Lakhs)

Particulars	2017-2018	2016-2017
Income from Operation and Other income	10,747.51	6,960.53
Profit/ (loss)Before Finance Cost, Depreciation & taxation	1198.32	203.08
Less:		
Finance Cost	21.10	40.24
Depreciation & Amortization	102.28	66.19
Profit/(Loss) Before Taxation	1074.94	96.66
Less:		
Provision for Taxation	394.56	18.50
Deferred Tax Liability/(Asset)	(23.79)	(0.24)
Add/ Less: Prior Year Adjustment	----	----
Net Profit/(Loss) Available	704.18	78.40

REVIEW OF BUSINESS OPERATION AND FUTURE PROSPECTS

In the Financial year 2017-18, despite challenging business environment of the Industry as whole, Company has achieved growth momentum and in revenue as profitability. Overall Indian Machine Tools Industry has scored 25% growth in which our Company Macpower has recorded its growth of 54.41%.

From the Highlights of Financial Result, it can be seen that the sales of the Company has grown up. Company has revenue from Operation of Rs. 10694.3 Lacs in comparison to previous year of Rs. 6918.15 Lacs i.e. increased by 54.58% and Company has incurred profit before Tax of Rs. 1074.94 Lacs in comparison to previous year of Rs. 96.66 Lacs i.e. increased by 1012.01% and has incurred Profit after Tax of Rs. 704.18 Lacs in comparison to Profit of previous year of Rs. 78.40 Lacs i.e. increased by Rs. 798.19%.

For the Financial year 2018-19, Company is scouting the space for Tech Centre at Jaipur which has shown enormous business potential and have already zeroed on few locations to finalize it at earliest. Futuristic expansion plans for capacity enhancements, advanced assembly building machine shop machinery Measuring instruments are being procured. Company in on its way to increase revenue and profit in FY 2019 by boosting the production capacity of 800 machines from present 600 machines capacity. Further refining of assembly process, minimum material flow, by eliminating non value added activities and making substantial changes in parts design which will help to reduce the throughput cycle time without adding machinery and resources.

CONVERSION OF COMPANY TO PUBLIC LIMITED COMPANY

Company has been converted from MACPOWER CNC MACHINES PRIVATE LIMITED to MACPOWER CNC MACHINES LIMITED w.e.f November 16, 2017 and Board of Directors of the Company is very happy to share that on March 22, 2018 Company got listed on NSE - SME Emerge.

EQUITY INFUSION

Company has increased Authorised share Capital from Rs.60,00,000 (Rupees Sixty Lacs) to Rs. 10,00,00,000 (Rupees Ten Crores) by passing ordinary resolution at Annual General Meeting convened on September 21, 2017 and has also increase paid up share capital as follows:

- 1,20,00 Equity shares by way of Right Issue allotted on 29/09/2017
- 60,48,000 Equity Shares by way of Bonus Shares allotted on 17/11/2017
- 4,25,000 Equity Shares by way of Private Placement allotted on 27/02/2018
- 26,15,000 Equity Shares by way of Public Issue which includes 7,14,000 Equity Shares issued to Anchor Investor

By this allotment, Paid-Up Capital of the Company increased from Rs. 60,00,000/- (Rupees Sixty Lacs) to Rs. 980,80,000/- (Rupees Nine Crores Eighty Lacs Eighty Thousand).

DIVIDEND

Your Board of Directors has recommended the Final Dividend of Re.1/- per equity share having face value of Re.10/- each (i.e. 10% of face value) for the financial year ended March 31, 2018. This Final Dividend is subject to the approval of Shareholders in the 15th Annual General Meeting. As per approval of Shareholders, Dividend shall be paid to Equity Shareholders except to those who have waived entitlement to dividend, subject to approval of Shareholders at this ensuing 15th Annual General Meeting for Alteration of Articles of Association of the Company for addition of article which gives right to shareholders including Promoter and Promoter group to waive off their entitlement to a dividend.

TRANSFER TO GENERAL RESERVE

No amount has been transferred to General Reserve for the financial year ended March 31, 2018.

HOLDING/SUBSIDIARY/ASSOCIATE

The Company has no Holding, Subsidiary and Associate Company.

MATERIAL CHANGES AND COMMITMENTS

There were no material changes or commitments affecting the financial position of the Company have occurred between the end of the financial year and the date of this Report.

DETAILS OF SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE

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.

DEPOSITS

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 OR INVESTMENTS

Your Company has not made any transaction forming part of section 186 of the Companies Act, 2013.

RELATED PARTY TRANSACTIONS

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

INTERNAL FINANCIAL CONTROLS AND INTERNAL AUDIT

The Company has a well-established and comprehensive internal control system. Documents, policies and authorization guidelines comply with the level of responsibility and standard operating procedures specific to the respective businesses. The system of internal control is being improved to ensure that all assets are safe and protected against loss from unauthorized use or disposition, and that all transactions are authorized, recorded and reported correctly. The Company regularly conducts internal check, using external and internal resources to monitor the effectiveness of internal control in the organization. It strictly adheres to corporate policy with respect to financial reporting and budgeting functions. The Audit Committee of the Board of Directors deals with significant control and instructs further areas to be covered. The Company has also appointed internal auditor as on May 25, 2018 and who will deal with Internal Control Systems and their adequacy.

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 risk.

SEGMENT REPORTING

The Company is engaged in the business of 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 5-axis along with sub spindle. Considering the nature of the Business and Financial Reporting of the Company, the segment reporting is not applicable to company.

INDUSTRIAL RELATIONS & HUMAN RESOURCES

The strength of the Company is human resources; Company treats its all manpower as valuable assets and believes that growth of the company is possible through entire workforce working in the company. 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.

POLICY ON PREVENTION OF SEXUAL HARASSMENT WOMAN AT WORKPLACE

The Company has in place a policy on Prevention of Sexual Harassment of Woman at Workplace. During the year, no complaints were received by the Company. Your Company has always believed in providing a safe and harassment free workplace for every individual working in Companies premises through various interventions and practices. The policy on prevention of sexual harassment is placed on the website of the company at <http://www.macpowercnc.com>- Investor Forum –Policies.

PARTICULARS OF EMPLOYEES

Disclosures pertaining to remuneration and other details as required under 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**.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

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

NUMBER OF MEETINGS OF THE BOARD AND COMPOSITION:

The Board has met 15(Fifteen) times during the financial year, details of which are as under:

Name of Directors	Rupesh J. Mehta	Riya R. Mehta	Nikesh J. Mehta	Maulik R. Mokariya	Rajendra R. Bhanderi	Deven J. Doshi
Designation as on 31-03-2018	Managing Director	Non-Executive Director	Whole-Time Director	Additional Independent Director	Additional Independent Director	Additional Independent Director
Date of Board Meeting & Attendance of meeting (Y/N/NA) (NA: as the Directors were appointed on 17-11-2017)						
08/04/2017	Y	Y	Y	NA	NA	NA
31/07/2017	Y	Y	Y	NA	NA	NA
21/08/2017	Y	Y	Y	NA	NA	NA
21/09/2017	Y	Y	Y	NA	NA	NA
26/09/2017	Y	Y	Y	NA	NA	NA
29/09/2017	Y	Y	Y	NA	NA	NA
10/10/2017	Y	Y	Y	NA	NA	NA
17/11/2017	Y	Y	Y	NA	NA	NA
01/12/2017	Y	Y	Y	Y	Y	N
11/12/2017	Y	Y	Y	Y	Y	Y
02/02/2018	Y	Y	Y	Y	Y	Y
27/02/2018	Y	Y	Y	Y	Y	Y
09/03/2018	Y	Y	Y	Y	Y	Y
16/03/2018	Y	Y	Y	N	Y	Y
20/03/2018	Y	Y	Y	N	Y	Y

DIRECTORS

Mr. Maulik R. Mokariya [DIN:05310868], Mr. Rajendrabhai R. Bhanderi [DIN:07986563] and Mr. Deven J. Doshi [DIN: 07994505] were appointed on the Board of the Company as Additional Independent Director w.e.f. November 17, 2017 and their appointment to be regularized in ensuing Annual General Meeting. Mr. Rupesh J Mehta, Managing Director of the Company retires at the ensuing Annual General Meeting pursuant to provision of

section 152(6) of the Companies Act, 2013 and being eligible offer himself for re-appointment. Brief profile of Director seeking appointment/re-appointment is disclosed in **Annexure 1** to Board's Report.

DECLARATION BY INDEPENDENT DIRECTORS

The Company has received necessary declaration from each Independent Director under section 149(7) of the Companies Act, 2013 that he meets with the criteria of Independence laid down in Section 149(6) of the Companies Act, 2013.

POLICY ON DIRECTORS' APPOINTMENT AND REMUNERATION

The Company's Policy relating to appointment of Directors, payment of Managerial remuneration, Directors' qualifications, positive attributes, independence of Directors and other related matters as provided under Section 178(3) of the Companies Act, 2013 placed on the website of the Company at <http://www.macpowercnc.com>- Investor Forum –Policies.

BOARD EVALUATION

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.

COMMITTEES OF THE BOARD

As on 31st March, 2018, the Company is having 3 (Three) Committees as mentioned below:

- (1) AUDIT COMMITTEE:** The Company has an adequately qualified Audit Committee constituted w.e.f December 01, 2017 in accordance with the provisions of section 177 of the Companies Act, 2013.

COMPOSITION OF AUDIT COMMITTEE :Mr. Rajendra R. Bhandari - Non- executive Independent Director as Chairman, Mr. Rupesh J. Mehta – Executive Non-Independent Director and Mr. Deven J. Doshi – Non- executive Independent Director, as its members.

MEETING: During the period, Audit Committee has met 1 time on 09th January, 2018 and all the Members have attended the said meeting. Ms Ekta Shukla, Company Secretary Acts as the Secretary to the Audit Committee and Mr. Rajnikant M. Raja, CFO has also attended the Meeting.

BRIEF TERMS OF REFERENCE:

1. Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible.

2. Recommending to the Board, the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor and the fixation of audit fees.
3. Approval of payment to statutory auditors for any other services rendered by the statutory auditors.
4. Reviewing, with the management, the annual financial statements before submission to the board for approval, with particular reference to:
 - i. Matters required to be included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013;
 - ii. Changes, if any, in accounting policies and practices and reasons for the same;
 - iii. Major accounting entries involving estimates based on the exercise of judgment by management;
 - iv. Significant adjustments made in the financial statements arising out of audit findings;
 - v. Compliance with listing and other legal requirements relating to financial statements;
 - vi. Disclosure of any related party transactions;
 - vii. Qualifications in the draft audit report;
5. Reviewing, with the management, the half yearly financial statements before submission to the board for approval.
6. Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, right issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document/Draft Prospectus/ Prospectus /notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter.
7. Review and monitor the auditor's independence, performance and effectiveness of audit process.
8. Approval or any subsequent modification of transactions of the company with related parties.
9. Scrutiny of inter-corporate loans and investments.
10. Valuation of undertakings or assets of the company, wherever it is necessary.

11. Evaluation of internal financial controls and risk management systems.
12. Reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems.
13. Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit.
14. Discussion with internal auditors any significant findings and follow up there on.
15. Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board.
16. Discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern.
17. To look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors.
18. To oversee and review the functioning of the vigil mechanism which shall provide for adequate safeguards against victimization of employees and directors who avail of the vigil mechanism and also provide for direct access to the Chairperson of the Audit Committee in appropriate and exceptional cases.
19. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board.
20. Approval of appointment of CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience & background, etc. of the candidate.
21. To investigate any other matters referred to by the Board of Directors.
22. Carrying out any other function as is mentioned in the terms of reference of the Audit Committee.

The Audit Committee shall mandatorily review the following information:

- a. Management discussion and analysis of financial information and results of operations;
- b. Statement of significant related party transactions (as defined by the Audit Committee), submitted by the management;

- c. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- d. Internal audit reports relating to internal control weaknesses; and
- e. The appointment, removal and terms of remuneration of the chief internal auditor shall be subject to review by the Audit Committee.

(2) NOMINATION AND REMUNERATION COMMITTEE:

The Company has also constituted Nomination and Remuneration Committee w.e.f December 01, 2017 in accordance with the provision of section 178 of the Companies Act, 2013.

COMPOSITION OF NOMINATION AND REMUNERATION COMMITTEE: Mr. Rajendra R. Bhandari - Non- executive Independent Director as Chairman, Mrs. Riya R. Mehta – Non-executive Director and Mr. Deven J. Doshi – Non-executive Independent Director of the Company as the Members of the Committee.

MEETING: During the period, Committee has met 1 time on February 02, 2018 and all the Members have attended the said meeting. Ms Ekta Shukla, Company Secretary Acts as the Secretary to the Nomination and Remuneration Committee and Mr. Rajnikant M. Raja, CFO has also attended the Meeting.

BRIEF TERMS OF REFERENCE:

- a. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to the level and composition of remuneration of the directors, key managerial personnel and other employees;
- b. Formulation of criteria for evaluation of independent directors and the Board;
- c. To ensure that the relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- d. Devising a policy on Board diversity; and
- e. Identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the Board their appointment and removal.

(3) STAKEHOLDERS RELATONSHIP COMMITTEE:

To consider and resolve the Grievances of Stakeholders, the Company has framed Stakeholders Relationship Committee in accordance with the provision of section 178 of the Companies Act, 2013 w.e.f December 01, 2017.

COMPOSITION OF STAKEHOLDERS RELATONSHIP COMMITTEE : Mrs. Riya R. Mehta – Non-executive Director as Chairperson, Mr. Rupesh J. Mehta – Executive Director and Mr. Nikesh J. Mehta – Executive Director of the Company as the Members of the Committee.

MEETING: During the period, Committee has met 1 time on March 26, 2018 and all the Members have attended the said meeting. Ms Ekta Shukla, Company Secretary Acts as the Secretary to the Stakeholder Relationship Committee and Mr. Rajnikant M. Raja, CFO has also attended the Meeting.

BRIEF TERMS OF REFERENCE:

- i. Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- ii. Redressal of security holder's / investor's complaints Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- iii. Reviewing on a periodic basis the approval/refusal of transfer or transmission of shares, debentures or any other securities;
- iv. Issue of duplicate certificates and new certificates on split/consolidation/renewal;
- v. Allotment and listing of shares;
- vi. Reference to statutory and regulatory authorities regarding investor grievances; and
- vii. To otherwise ensure proper and timely attendance and redressal of investor queries and grievances;
- viii. Any other power specifically assigned by the Board of Directors of the Company.

(4) CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

The Company has also constituted Corporate Social Responsibility Committee w.e.f May 25, 2018 in accordance with the provision of section 135 of the Companies Act, 2013.

COMPOSITION OF CORPORATE SOCIAL RESPONSIBILITY COMMITTEE: Mr. Rajendrabhai R. Bhanderi– Non- executive Independent Director as Chairman, Mr. Rupesh J. Mehta – Executive Director and Mr. Nikesh J. Mehta – Executive Director of the Company as the Members of the Committee.

BRIEF TERMS OF REFERENCE:

- i. Formulate and recommend to the Board, a Corporate Social Responsibility Policy which shall indicate the activities to be undertaken by the company in areas or subject, specified in Schedule VII;

- ii. Recommend the amount of expenditure to be incurred on the activities referred to in clause (a); and
- iii. Monitor the Corporate Social Responsibility Policy of the company from time to time.

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) That in the preparation of the annual accounts, the applicable accounting standards have been followed along with proper explanation relating to material departures;
- (b) That 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 financial year and of the profit or loss of the Company for that period;
- (c) That the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) That the Directors had prepared the annual accounts on a going concern basis; and
- (e) That the directors had laid down internal financial controls to be followed by the company and that such internal financial controls are adequate and were operating effectively. And
- (f) That the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

AUDITORS AND AUDITORS' REPORT

STATUTORY AUDITORS

Pursuant to provision of section 139 of the Companies Act, 2013, Board hereby recommends to appoint M/s S. C. Makhecha & Associates [FRN: 120184W], Chartered Accountants as Statutory Auditors for a consecutive term of 5 years to hold office from the conclusion of this 15th Annual General Meeting till the conclusion of 20th Annual General Meeting for the financial year 2022-23.

STATUTORY AUDITORS' REPORT

The observations of Auditors in their report read with the relevant notes to accounts in schedule are self-explanatory and do not require further explanation. There are no

qualifications, reservations or adverse remarks made by M/s S. C. Makhecha & Associates, Chartered Accountants in their Audit Report.

SECRETARIAL AUDITOR

Pursuant to Provision of section 204 of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board has appointed M/s. K. P. Rachchh & Co., Practicing Company Secretary, to conduct Secretarial Audit for the financial year 2017-18.

SECRETARIAL AUDITORS' REPORT

The Secretarial Audit Report for the financial year ended March 31, 2018 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**. The observations of Secretarial Auditor in their report are self-explanatory and do not require further explanation.

STATEMENT FOR COMPLIANCE OF APPLICABLE SECRETARIAL STANDARDS:

We the Directors of the Company hereby states the Company has complied all applicable Secretarial Standards to the extend its applicable.

EXTRACT OF ANNUAL RETURN

In accordance with Section 134(3) (a) of the Companies Act, 2013, an extract of the annual return in the prescribed format i.e. **MGT-9** is appended as **Annexure 5** to the Board's report.

CORPORATE SOCIAL RESPONSIBILITY

Company has earned Profit before tax of Rs 10.75 Crores in the financial year ended on 31st March, 2018. As the Profit before Tax is more than Rs. 5.00 Crores, section 135 of the Companies Act, 2013 related to Corporate Social Responsibility will be applicable from the year 2018-19 and accordingly Company has framed CSR Committee in pursuant to provision of section 135 of the Companies Act, 2013 and rule made thereunder. Company is looking forward towards the Corporate Social Responsibility and Board shall ensure that the company spends, at least two per cent of the average net profits of the company made during the three immediately preceding financial years in the year 2018-19 in pursuance of its Corporate Social Responsibility Policy.

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.

WHISTLE BLOWER POLICY /VIGIL MECHANISM

The Company has in place a whistleblower policy (vigil mechanism) to support the Code of Business Ethics. This policy documents the Company's commitment to maintain an open work environment in which employees, consultants and contractors are able to report instances of unethical or undesirable conduct, actual or suspected fraud or any violation of Company's Code of Business Ethics at a significantly senior level without fear of intimidation or retaliation. The said policy is placed on the website of the company at <http://www.macpowercnc.com>- Investor Forum –Policies.

ACKNOWLEDGMENT

Your Directors wish to place on record their sincere appreciation for the continued co-operation and devoted services rendered by their esteemed vendors and suppliers. The Directors takes this opportunity to express their sincere appreciation for the continued co-operation, guidance, support and assistance during the year under report by our Bankers of the Company including Government and Government agencies. The Board of Directors also wishes to express its appreciation for the efforts and contribution made by the employees at all levels during the year under report. Stakeholders support is also acknowledged by the Management of the Company.

Place: Metoda, Rajkot
Date: August 17, 2018

For and on behalf the Board of
MACPOWER CNC MACHINES LIMITED

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

ANNEXURE 1

Brief profiles of directors seeking Appointment/Re-appointment in forthcoming Annual General Meeting.

Name of Director	RUPESH J. MEHTA	MAULIK R. MOKARIYA	RAJENDRABHA I R. BHANDERI	DEVEN J. DOSHI
Date of Birth	23/10/1968	03/11/1988	09/10/1964	27/10/1966
Date of Appointment	31/12/2003 (Appointed as MD w.e.f 17/11/2017)	17/11/2017	17/11/2017	17/11/2017
Expertise in Specific functional area	More than 25 years of experience in Machine Tool industry out of 14 years of experience in Macpower as a Management Personnel. Specific area includes Accounts, General Administration, Sales, Service, IT, HMC, VMC R & D, CNC R & D.	Finance, Operation & Management	Engineering Industries including Techno and Commercial field	Finance sector including financial system in general and stock exchange market
List of public companies in which Directorship held	1. Macpower CNC Machines Limited 2. Indian Machine Tool Manufacturers Association	1. Macpower CNC Machines Limited 2. Wedib Express Limited	Macpower CNC Machines Limited	Macpower CNC Machines Limited
Chairman/Member of the committees	Member – Audit Committee, Corporate Social Responsibility Committee and Stakeholders Relationship Committee	NIL	Chairman – Audit Committee, Corporate Social Responsibility Committee and NRC	Member – Audit Committee and NRC
Chairman/Member of the committees of Directors of other Companies	NIL	Member in CSR Committee of Shree Maruti Courier Services Private Limited	NIL	NIL

ANNEXURE 02

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
Nimishaben N. Mehta (Relative of Director)	Salary	Yearly	2,39,000	08/04/2017	NIL
	Bonus	Yearly	21,000	08/04/2017	NIL
Morden Machine Tools (Proprietorship of Mrs. Raxaben Jagdish Mehta)*	Purchase of Goods	Ongoing but Approved Yearly	8,44,440	08/04/2017	NIL
	Tool Expenses	Ongoing but Approved Yearly	15,281	08/04/2017	NIL
Macpower Industries (Proprietorship of Mr. Rupesh Jagdish Mehta)	Purchase of Goods	Ongoing but Approved Yearly	7,74,890	08/04/2017	NIL

***Note:** upto August 01, 2017 Mr. Jagdish N. Mehta was a proprietor of Morden Machines Tools. Due his dismissal on August 01, 2018, with hereditary effect his lawful wife Mrs. Raxaben Jagdish Mehta becomes proprietor of the Morden Machine Tool.

Place: Metoda, Rajkot
Date: August 17, 2018

For and on behalf the Board of
MACPOWER CNC MACHINES LIMITED

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

ANNEXURE 3

PARTICULARS OF EMPLOYEES/REMUNERATION

The information required in respect of employees of the company under section 197(12) of the Companies Act, 2013 and Rule 5(1) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is as follows:-

(a) The ratio of remuneration of each director to the median remuneration of employees for the financial year:

- Mr. Rupesh J. Mehta – 11.33x
- Mr. Nikesh J. Mehta – 2.27x
- Mrs. Riya R. Mehta – 1.51x

(b) The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary, Manager if any, in the financial year:

No Change in remuneration of Directors in the F.Y. 2017-18

Increase in CFO& CS remuneration: CFO designated and CS appointed in the F.Y. 2017-18 and hence no change.

(c) The percentage increase in the median remuneration of employees in the financial year:

2% to 5% increase in median remuneration of employees in the financial year as compared to the previous financial year.

(d) The number of permanent employees on the rolls of the Company:

As on March 31, 2018 there were 405 permanent employees on the rolls of the Company.

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

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.

(f) Affirmation that the remuneration is as per the policy of the company:

The Company's remuneration policy is driven by the success and performance of the individual employees and the company. The Company affirms remuneration is as per the remuneration policy of the company.

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

Sr. No.	Employee Name	Designation	Educational Qualification	Age	Experience (In Years)	Date of joining	Gross Remuneration Paid in Re. (For the year 17-18)	Previous employment	Relative of any director/Manager (Yes/No) If yes then name of such director and manager
1	Balasaheb G. Bastawade	DGM - Assembly	DIP in Mechanical	52	21	17/07/2016	1496000	PMT Machines Limited	No
2	Vaibhav R. Patil	GM – Sales & Marketing [Maharashtra]	B.E.	39	10	01/01/2013	1404229	Precihole Machines Tools Pvt. Ltd.	No
3	Jitendra P. Mehta	President – R & D	B.E.	64	45	01/08/2017	1200000	Personal	No
4	Atul P. Sardhara	DGM – Sales & Service	M.B.A.	38	8	18/07/2013	994274	Mehta Cad Cam Systems Pvt. Ltd.	No
5	Rajinder Jain	DGM – Sales & Service - Delhi	P.G.D.B. M	33	12	16/03/2017	965343	Bonsai Engg. Works	No
6	Hanamant Vithal Badiger	Assistance Manager	DIP in Mechanical	38	6.5	01/05/2017	735922	Ace Mfg. System Ltd.	No

Sr. No.	Employee Name	Designation	Educational Qualification	Age	Experience (In Years)	Date of joining	Gross Remuneration Paid (For the year 17-18)	Previous employment	Relative of any director/Manager (Yes/No) If yes then name of such director and manager
7	Hemantkumar Bankar	Manager – Sales	DIP in Mechanical	42	11	02/010/2016	561970	Cosmos Impex Pvt.Ltd.	No
8	Ravindra D. Rode	DGM - Machine shop	MBS	47	21	05/03/2017	452770	PMT Machines Limited	No
9	Raju N. Puntambekar*	DGM – Machines hop	DIP in Mechanical	59	29	21/11/2016	248458	Batliboi Ltd.	No
10	Thimmesh** Prabhu	Manager - Service	DIP in Mechanical	41	18	18/12/2017	221105	Sribe Tech	No

*Employed with Company only for 2.5 months.

**Mr. Thimmesh Prabhu was appointed in month of December 2017. Hence, only 4 months' salary counted.

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 17, 2018

For and on behalf 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, 2018

[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
(Previously Known as MACPOWER CNC MACHINES PRIVATE LIMITED)
(CIN: U30009GJ2003PLC043419)
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 my 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, 2018, 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, 2018, according to the provisions of:

- I. The Companies Act, 2013 (the Act) and the rules made thereunder;
- II. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- III. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- IV. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, transfer and transmission of shares;
- V. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
(Applicable w.e.f. 22nd March, 2018 i.e. the date on which the Equity Shares of the Company got listed on NSE SME Emerge)

- a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 (Applicable w.e.f. 22nd March, 2018 i.e. the date on which the Equity Shares of the Company got listed on NSE SME Emerge);
- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 (Applicable w.e.f. 22nd March, 2018 i.e. the date on which the Equity Shares of the Company got listed on NSE SME Emerge);
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 (Applicable w.e.f. 22nd March, 2018 i.e. the date on which the Equity Shares of the Company got listed on NSE SME Emerge);
- 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, 1998; **Not Applicable** as the Company has not processed any buy back of its securities.

VI. The Company has identified the following laws as specifically applicable to the Company:

1. Explosive Act, 1884

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

- a. Secretarial Standards issued by The Institute of Company Secretaries of India
- b. The Listing Agreement entered into by 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 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 audit period Company has carried out following major events in compliance with the applicable provisions of the Companies Act, 2013 and other applicable provisions and regulations and with the approval of Shareholders, Registrar of Companies, Gujarat, Central Government and other authority as and when required :

- 1) Company has been converted from Private Limited Company to Public Company and thereby name of Company was changed from MACPOWER CNC MACHINES PRIVATE LIMITED having CIN: U30009GJ2003PTC043419 to MACPOWER CNC MACHINES LIMITED with CIN: U30009GJ2003PLC043419 w.e.f. 16th November, 2017.
- 2) Company has altered Name Clause and Share Capital Clause of Memorandum of Association and has adopted altogether new Set of Articles of Association in consonance with the provisions applicable to Public Company.
- 3) Company has increased its Authorized Share Capital from Rs. 60.00 Lacs(Rupees Sixty Lacs to Rs. 10.00 Crores (Rupees Ten Crores) on 21st September, 2017.
- 4) Company has allotted 1,20,000 Equity Shares of Rs. 10/- at a premium of Rs. 44/- per share as Right Shares on 29th September, 2017.
- 5) Company has allotted 60,48,000 Equity Shares of Rs. 10/- each as Bonus Shares on 17th November, 2017.
- 6) Company has allotted 4,25,000 Equity Shares of Rs. 10/- each at a premium of Rs. 116/- per share on 27th February, 2018 by way of Private Placement on Preferential Basis.

- 7) Company has made an Initial Public Offering (IPO) upto 26,15,000 Equity Shares of Face Value of Rs. 10/- each at a price of Rs. 140/- per Equity Shares and through this IPO, Company has allotted 26,15,000 Equity Shares (Including to Anchor Investor) of Rs. 10/- each at a Premium of Rs. 130/- per Share on 20th March, 2018.
- 8) Company got listed on NSE SME Emerge Platform on 22nd March, 2018.

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

Place: Rajkot
Date: 17th August, 2018

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

ANNEXURE TO SECRETARIAL AUDIT REPORT

To,

The Members

MACPOWER CNC MACHINES LIMITED

(CIN: U30009GJ2003PLC043419)

(Previously known as MACPOWER CNC MACHINES PRIVATE LIMITED)

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.
3. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
4. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
5. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. 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.
7. 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: 17th August, 2018

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

Annexure 5

Form No. MGT-9

EXTRACT OF ANNUAL RETURN as on the financial year ended on 31/03/2018

[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	Particulars
i)	CIN	U30009GJ2003PLC043419
ii)	Registration Date	31/12/2003
iii)	Name of the Company	MACPOWER CNC MACHINES LIMITED (Previously known as MACPOWER CNC MACHINES PRIVATE LIMITED)
iv)	Category/Sub Category of the Company	COMPANY LIMITED BY SHARES/INDIAN NONGOVERNMENT COMPANY
v)	Address of the Registered office and Contact Details	PLOT NO.2234, NR. KRNATI GATE, GIDC METODA, TAL. LODHIKA, DIST. RAJKOT , RAJKOT-360021 GUJARAT, INDIA EMAIL: info@macpowercnc.com Ph.No: 02827-287930/31/32, Fax No. 02827-287933 Website: www.macpowercnc.com
vi)	Whether Listed Company: Yes/No	Yes with NSE SME Emerge
vii)	Name, Address and Contact Details of Registrar and Transfer Agent ,if any	LINK INTIME INDIA PRIVATE LIMITED 5th 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 380006 Phone No. 079-26465179/86/87, E-mail : ahmedabad@linkintime.co.in Website : www.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	% to total turnover of the company
1	Manufacture of CNC Machine	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

i) Category-wise Share Holding

Category of Shareholders	No. of shares at the beginning of the year				No. of Shares at the end of the year			% Change during the year	
	Demat	Physical	Total	*% of Total Shares	Demat	Physical	Total	*% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	0	600000	600000	100.00	6768000	0	6768000	69.005	-30.995
b) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
c) State Govt(s).	0	0	0	0.00	0	0	0	0.00	0.00
d) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
e) Banks/ FI	0	0	0	0.00	0	0	0	0.00	0.00
f) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(1):-	0	600000	600000	100.00	6768000	0	6768000	69.005	-30.995

Category of Shareholders	No. of shares at the beginning of the year				No. of Shares at the end of the year			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs- Individuals	0	0	0	0.00	0	0	0	0.00	0.00
b) other Individuals	0	0	0	0.00	0	0	0	0.00	0.00
c) Bodies Corporate	0	0	0	0.00	0	0	0	0.00	0.00
d) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
e) Any Other	0	0	0	0.00	0	0	0	0.00	0.00
Sub-Total (A)(2):-	0	0	0	0.00	0	0	0	0.00	0.00
Total Shareholding of Promoter (A)= (A)(1) + (A)(2)	0	600000	600000	100.00	6768000	0	6768000	69.005	-30.995
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	0	0	0	0.00	480000	0	480000	4.894	4.894
b) Banks/FI	0	0	0	0.00	0	0	0	0.00	0.00
c) Central Govt.	0	0	0	0.00	0	0	0	0.00	0.00
d) State Govt(s).	0	0	0	0.00	0	0	0	0.00	0.00
e) Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00
f) Insurance Companies	0	0	0	0.00	0	0	0	0.00	0.00
g) FIIs	0	0	0	0.00	0	0	0	0.00	0.00
h) Foreign Venture Capital Funds	0	0	0	0.00	0	0	0	0.00	0.00

Category of Shareholders	No. of shares at the beginning of the year				No. of Shares at the end of the year			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
i) Others (Specify)									
Alternative Investment funds	0	0	0	0.00	714000	0	714000	7.2798	7.2798
Foreign Portfolio Investor	0	0	0	0.00	49000	0	49000	0.4996	0.4996
Sub Total (B)(1):-	0	0	0	0.00	1243000	0	1243000	12.6733	12.6733
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	0	0	0	0.00	366743	0	366743	3.739	3.739
ii) Overseas	0	0	0	0.00	0	0	0	0.00	0.00
b) Individuals									
i) Individual Shareholders holding nominal share Capital upto Rs. 1.00 Lacs	0	0	0	0.00	268371	0	268371	2.736	2.73
ii) Individual Shareholders holding nominal share Capital in excess of Rs. 1.00 Lacs	0	0	0	0	80000	0	80000	0.816	0.816
c) Others (Specify)									
Non Resident Indians (Non Repat)	0	0	0	0	4000	0	4000	0.041	0.041
Clearing Members	0	0	0	0	684886	0	684886	6.983	6.983
Trusts	0	0	0	0	344000	0	344000	3.507	3.507
HUF	0	0	0	0	49000	0	49000	0.500	0.500

Category of Shareholders	No. of shares at the beginning of the year				No. of Shares at the end of the year			% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
Sub Total (B)(2):-	0	0	0	0	1797000	0	1797000	18.322	18.322
Total Public Shareholding (B)=(B)(1)+ (B)(2)	0	0	0	0	3040000	0	3040000	30.995	30.995
C. Shares Held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00	0.00
GrandTotal (A+B+C)	0	600000	600000	100.00	9808000	0	9808000	100.00	0.00

*percentage of holding is calculated on the basis of paid-up capital of the respective dates

ii) Shareholding of Promoters

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			No. of Shares at the end of the year			% Change in Shareholding during the year
		No. of Shares	*% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	*% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
1	RupeshKumar Jagdishchandra Mehta	225000	37.500	0.00	3149000	32.11	0.00	-5.394
2	Nikesh Jagdishchandtra Mehta	125000	20.833	0.00	1184400	12.08	0.00	-8.757
3	Riyaben Rupeshkumar Mehta	180000	30.000	0.00	1776600	18.11	0.00	-11.886
4	Jagdishchandra Nandlal Mehta	20000	3.333	0.00	0	0.00	0.00	-3.333
5	Nimishaben Nikeshbhai Mehta	30000	5.000	0.00	282000	2.88	0.00	-2.125

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			No. of Shares at the end of the year			% Change in Shareholding during the year
		No. of Shares	*% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	No. of Shares	*% of Total Shares of the Company	% of Shares Pledged/ Encumbered to Total Shares	
6	Raxaben Jagdishchandra Mehta	20000	3.333	0.00	374120	3.81	0.00	0.481
7	Rupesh J. Mehta – HUF	0	0.000	0.00	940	0.01	0.00	0.010
8	Priti J. Mehta	0	0.000	0.00	940	0.01	0.00	0.010
	Total	600000	100.00	0.00	6768000	69.005	0.00	-30.995

*percentage of holding is calculated on the basis of paid-up capital of the respective dates

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

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 Promoters 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 compa ny				No of shares	*% of total shares of the company
1	Rupeshkumar Jagdishchandra Mehta							
	At the beginning of the year	225000	37.50					
	Changes during the year			29/09/2017	110000	Right Issue	335000	46.53
				17/11/2017	2814000	Bonus Shares	3149000	46.53
	At the end of the year						3149000	32.11

2	Nikesh Jagdishchandra Mehta							
	At the beginning of the year	125000	20.83					
	Changes during the year			29/09/2017	1000	Right Issue	126000	17.50
				17/11/2017	1058400	Bonus Shares	1184400	17.50
	At the end of the year						1184400	12.07

3	Riyaben Rupeshkumar Mehta							
	At the beginning of the year	180000	30.00					
	Changes during the year			29/09/2017	9000	Right Issue	189000	26.25
				17/11/2017	1587600	Bonus Shares	1776600	26.25
	At the end of the year						1776600	18.11

4	Jagdishchandra Nandlal Mehta							
	At the beginning of the year	20000	3.33					
	Changes during the year			21/08/2017	(20000)	Transmission	0	0.00
	At the end of the year						0	0.00

5	Nimishaben Nikeshbhai Mehta							
	At the beginning of the year	30000	5.00					
	Changes during the year			17/11/2017	252000	Bonus Shares	282000	4.17
	At the end of the year						282000	2.87

6	Raxaben Jagdishchandra Mehta							
	At the beginning of the year	20000	3.33					
	Changes during the year			21/08/2017	20000	Through Transmission	40000	6.67
				29/09/2017	(200)	Transfer	39800	5.53
				17/11/2017	334320	Bonus Shares	374120	5.53
	At the end of the year						374120	3.81

7	Rupeshkumar J Mehta HUF							
	At the beginning of the year	0	0.00					
	Changes during the year			29/09/2017	100	Transfer	100	0.01
				17/11/2017	840	Bonus Shares	940	0.01
	At the end of the year						940	0.009

8	Pritiben J. Mehta							
	At the beginning of the year	0	0.00					
	Changes during the year			29/09/2017	100	Transfer	100	0.01
				17/11/2017	840	Bonus Shares	940	0.01
	At the end of the year	0	0.00				940	0.009

*percentage of holding is calculated on the basis of paid-up capital of the respective dates

iv) 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	0	0.00					
	Changes during the year			31-03-2018	714000	Transfer	714000	7.28
	At the end of the year						714000	7.28

2	HSBC SMALL CAP EQUITY FUND							
	At the beginning of the year	0	0.00					
	Changes during the year			31-03-2018	480000	Transfer	480000	4.89
	At the end of the year						480000	4.89

3	PANTOMATH SABRIMALA AIF PANTOMATH SABRIMALA SME GROWTH FUND SERIES I							
	At the beginning of the year	0	0.00					
	Chages during the year			31-03-2018	240000	Transfer	240000	2.45
	At the end of the year						240000	2.45

4	SSJ FINANCE & SECURITIES PVT. LTD							
	At the beginning of the year	0	0.00					
	Changes during the year			31-03-2018	236000	Transfer	236000	2.41
	At the end of the year						240000	2.41

5	RIKHAV SECURITIES LIMITED							
	At the beginning of the year	0	0.00					
	Changes during the year			31-03-2018	233912	Transfer	233912	2.38
	At the end of the year						233912	2.38

6	PANTOMATH STOCK BROKERS PRIVATE LIMITED							
	At the beginning of the year	0	0.00					
	Changes during the year			31-03-2018	154000	Transfer	154000	1.57
	At the end of the year						154000	1.57

7	EW CLOVER SCHEME							
	At the beginning of the year	0	0.00					
	Changes during the year			31-03-2018	104000	Transfer	104000	1.06
	At the end of the year						104000	1.06

8	BHUMIKA CONSULTANCY PVT LTD							
	At the beginning of the year	0	0.00					
	Changes during the year			31-03-2018	96000	Transfer	96000	0.98
	At the end of the year						96000	0.98

9	SHREE MARUTI COURIER SERVICES PRIVATE LIMITED							
	At the beginning of the year	0	0.00					
	Changes during the year			31-03-2018	68000	Transfer	68000	0.69
	At the end of the year						68000	0.69

10	NIRAJ RAJNIKANT SHAH							
	At the beginning of the year	0	0.00					
	Changes during the year			31-03-2018	65000	Transfer	65000	0.66
	At the end of the year						65000	0.66

*percentage of holding is calculated on the basis of paid-up capital of the respective dates

v) 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	225000	37.50					
	Changes during the year			29/09/2017	110000	Right Issue	335000	46.53
				17/11/2017	2814000	Bonus Shares	3149000	46.53
	At the end of the year						3149000	32.11
2	Nikeshbhai Jagdishchandra Mehta							
	At the beginning of the year	125000	20.83					
	Changes during the year			29/09/2017	1000	Right Issue	126000	17.50
				17/11/2017	1058400	Bonus Shares	1184400	17.50
	At the end of the year						1184400	12.07
3	Riyaben Rupeshbhai Mehta							
	At the beginning of the year	180000	30.00					
	Changes during the year			29/09/2017	9000	Right Issue	189000	26.25
				17/11/2017	1587600	Bonus Shares	1776600	26.25
	At the end of the year						1776600	18.11

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	32676545	6454439	-	39130984
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	32676545	6454439	-	39130984
Change in Indebtedness during the financial year				
• Addition	-	-	-	-
• Reduction	30197555	6454439	-	36651994
Net Change	(30197555)	(6454439)	-	(36651994)
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:

Amount in Rs. In Lacs

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	36.00	7.20		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)	36.00	7.20		43.2
	Ceiling as Per the ACT	-	-		125.70

B. Remuneration to other directors:

Amount in Rs. In Lacs

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	4.80	--	--	4.80
	Total(2)	4.80	--	--	--
	Total (B)= (1)+(2)	4.80	--	--	4.80
	Total Managerial Remuneration	4.80	--	--	4.80
	Overall Ceiling as per the Act				11.40

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

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		CEO	Company Secretary EKTA SHUKLA*	CFO RAJNIKANT M. RAJA**	Total
1.	Gross salary				
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	-	89,756	6,91,580	7,81,336
	(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	-	89,756	6,91,580	7,81,336

*Appointed on November 17, 2017

** Designated as CFO on November 17, 2017

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL

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

Place: Metoda, Rajkot
Date: August 17, 2018

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	2017-18	2016-17
a) Electricity		
Purchased (KWH)(Units)	4,92,424	3,79,124
Total Amount (Rs. In Lacs)	40,03,594/-	28,40,793/-
Average Rate Rs.	8.13	7.49
b) Coal	N.A.	N.A.
Quantity (MT)		
Total Amount (Rs. In Lacs)		
Average Rate Rs.		
c) Furnace Oil	N.A.	N.A.
Quantity (MT)		
Total Amount (Rs. In Lacs)		
Average Rate Rs.		
B. Consumption for Unit of Production		
Particulars	2017-18	2016-17
Production (MT)	569	343
Electricity[Mt. on Electricity(KWH)]	865.42	1105.31

B. TECHNOLOGY ABSORPTION:

1. The efforts made towards technology absorption: None
2. The benefits derived like product improvement, cost reduction, product development or import substitutions: None
Any imported technology: None
3. The expenditure incurred on Research and Development: Rs. 56,37,936/- [salary]

C. FOREIGN EXCHANGE EARNING AND OUTGO:

(i) Total foreign Exchange Earnings during the year:	NIL
(ii) Total foreign Exchange outgo (CIF)	Rs. 5,57,50,478.29

Place: Metoda, Rajkot
Date: August 17, 2018

For and on behalf the Board of
MACPOWER CNC MACHINES LIMITED

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

Annexure 7

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

OVERVIEW OF BUSINESS:

Our Company is established in 2003 as MACPOWER CNC MACHINES PRIVATE LIMITED, and the Company is converted to Public Company “MACPOWER CNC MACHINES LIMITED” w.e.f November 16, 2017. Company has brought Initial Public Offer for 26,15,000 Equity Shares of Face Value of Rs. 10/- each at a price of Rs. 140/- per Equity Shares. Company has received immense support from Public and Company got listed at NSE Emerge – SME Platform on March 22, 2018 at a price of Rs. 149.00 per Share.

Our 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.

Our 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.

Few Awards and Recognitions of the Company are listed below:

1. FIE Foundation Award at IMTEX 2017 for Designing Excellence of Twin Spindle VMC V855 Twin Head
2. FIE Foundation Award at IMTEX 2015 for Designing Excellence of Multitasking Machine Turn O' Mill Y S
3. FIE Foundation Award at IMTEX 2013, Bangalore for designing excellence for model TURN 'O' Mill200
4. Ranked 4th in highest excise tax pay in the year 2010-11
5. Best Design award for LX 200 Super at Engineering Expo in 2004

INDUSTRY STRUCTURE AND DEVELOPMENTS

GLOBAL ECONOMIC OVERVIEW

For India, three external developments are of significant consequence. In the short run, the change in the outlook for global interest rates and exchange rates. Markets are factoring in a regime change in advanced countries, especially US macroeconomic policy, with high expectations of fiscal stimulus and unwavering exit from unconventional monetary policies. Second, the medium-term political outlook for globalisation and in particular for the world's "political carrying capacity for globalisation" may have changed in the wake of recent developments. In the short run a strong dollar and declining competitiveness might exacerbate the lure of protectionist policies. These follow on on-going trends—documented widely—about stagnant or declining trade at the global level. This changed outlook will affect India's export and growth prospects.

Third, developments in the US, especially the rise of the dollar, will have implications for China's currency and currency policy. If China is able to successfully re-balance its economy, the spillover effects on India and the rest of the world will be positive. On the other hand, further declines in the yuan, even if dollar-induced, could interact with underlying vulnerabilities to create disruptions in China that could have negative spill overs for India.

In 2018, the global economic expansion is expected to continue and grow stronger. New fiscal stimuli in Germany and the US are expected to aid the acceleration of growth seen in the second half of 2017. Emerging market economies and China are also projected to improve their growth during the year.

INDIAN ECONOMIC OVERVIEW:

India has emerged as the fastest growing major economy in the world as per the Central Statistics Organisation (CSO) and International Monetary Fund (IMF) and it 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 estimated to have increased 6.6 per cent in 2017-18 and is expected to grow 7.3 per cent in 2018-19.

Corporate earnings in India are expected to grow by 15-20 per cent in FY 2018-19 supported by recovery in capital expenditure, according to JM Financial.

India has retained its position as the third largest startup base in the world with over 4,750 technology startups, with about 1,400 new start-ups being founded in 2016, according to a report by NASSCOM.

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 is also focusing on renewable sources to generate energy. It is planning to achieve 40 per cent of its energy from non-fossil sources by 2030 which is currently 30 per cent and also have plans to increase its renewable energy capacity from 57 GW to 175 GW by 2022.

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.

MANUFACTURING SECTOR & ENGINEERING INDUSTRY IN INDIA

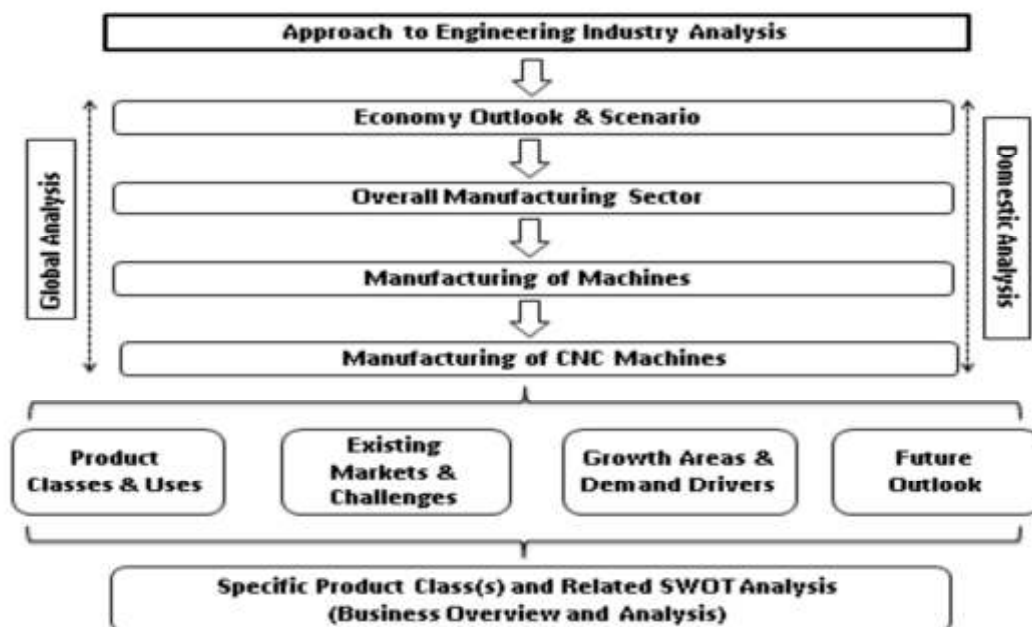
Manufacturing has emerged as one of the high growth sectors in India. India is expected to become the fifth largest manufacturing country in the world by the end of year 2020.

The Gross Value Added (GVA) at basic current prices from the manufacturing sector in India grew at a CAGR of 4.34 per cent during FY12 and FY18 as per the second advance estimates of annual national income published by the Government of India. Under the Make in India initiative, the Government of India aims to increase the share of the manufacturing sector to the gross domestic product (GDP) to 25 per cent by 2022, from 16 per cent, and to create 100 million new jobs by 2022. Business conditions in the Indian manufacturing sector continue to remain positive.

The Indian Engineering sector has witnessed a remarkable growth over the last few years driven by increased investments in infrastructure and industrial production. The engineering sector, being closely associated with the manufacturing and infrastructure sectors, is of strategic importance to India's economy.

India on its quest to become a global superpower has made significant strides towards the development of its engineering sector. The Government of India has appointed the Engineering Export Promotion Council (EEPC) as the apex body in charge of promotion of engineering goods, products and services from India. India exports transport equipment, capital goods, other machinery/equipment and light engineering products such as castings, forgings and fasteners to various countries of the world.

APPROACH TO ENGINEERING INDUSTRY ANALYSIS

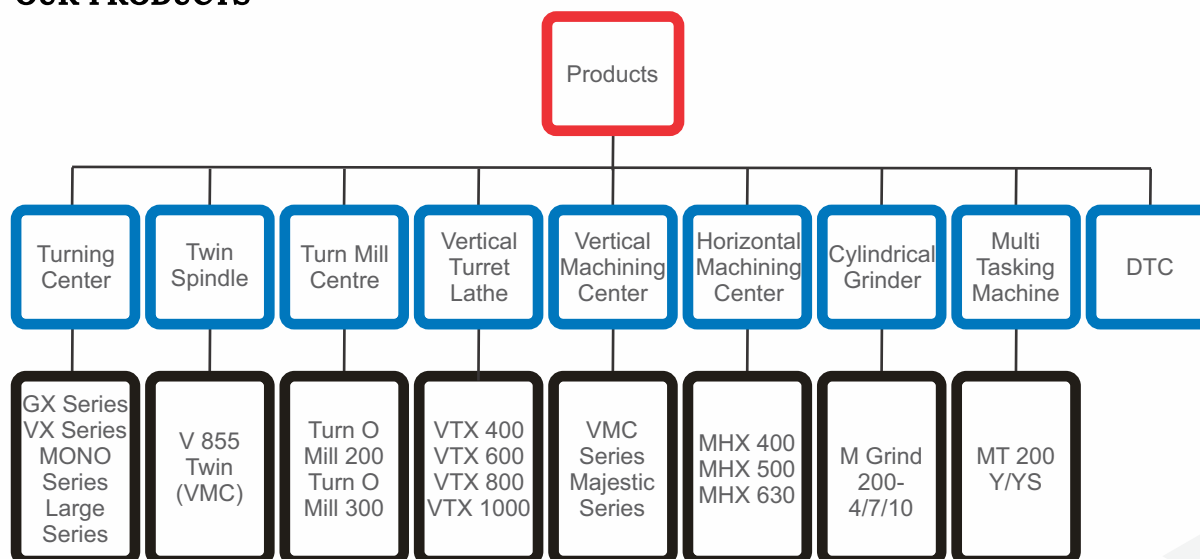


OPPORTUNITIES AND THREATS

<p><u>Strengths</u></p> <ul style="list-style-type: none"> ▪ Serving 60 plus models catering 27 Product Categories ▪ Research & Development ▪ Pro Engineer 3-D Modeling and Finite Element Analysis (FEA) digital design tools allow our designers to achieve maximum accuracy and flexibility, while applying practical experience and knowledge to our new product ▪ Experienced Management ▪ Sales and Service Network 	<p><u>Threats</u></p> <ul style="list-style-type: none"> ▪ Increase in price of raw material ▪ Changing Technology ▪ Possible entry of global players ▪ Perceived lack of quality
<p><u>Weaknesses</u></p> <ul style="list-style-type: none"> ▪ Logistics time of Raw Material ▪ Assembling Time ▪ Dependency on Imports of Key Components ▪ Long Manufacturing Cycle 	<p><u>Opportunities</u></p> <ul style="list-style-type: none"> ▪ Expanding New Geographical Markets ▪ Covering New Industries ▪ Backward Integration ▪ Huge number of Orders in row

SEGMENT WISE OR PRODUCT WISE PERFORMANCE:

The company is engaged in the business of 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 5-axis along with sub spindle. Considering the nature of the Business and Financial Reporting of the Company, the segment reporting is not applicable to company.

OUR PRODUCTS**PRODUCT WISE REVENUE BREAK-UP**

Product	Amount	%
Revenue from operations		
TURN MILL CENTER	0	0
TURNING CENTER	660999215	62.069
VMC	318195204	29.879
MULTI TASKING MACHINE	0	0
VTL	6275000	0.5892
TWIN SPINDLE	10505000	0.9864
HMC	61770827	5.8004
DTC	0	0
Other Income		
Parts	5935150	0.5573
Scrap	1255364	0.1179
TOTAL	1064935760	100

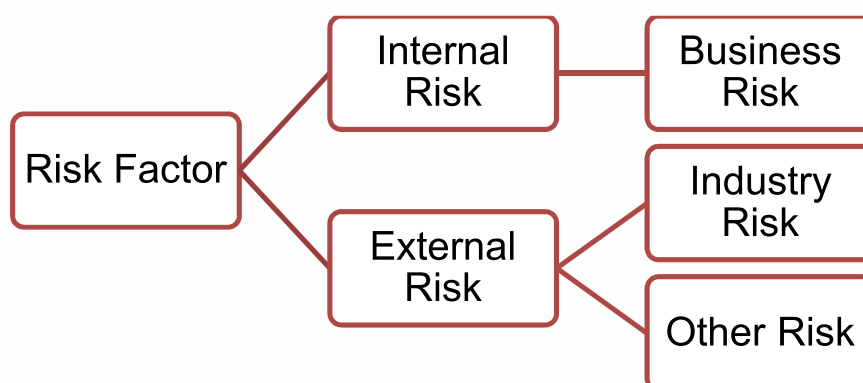
OUTLOOK

We believe that we are a one-stop metal cutting solutions provider. We offer a wide range of CNC metal cutting products for both Turning and Milling operations. The momentum of growth already achieved by the company. Now we are planning for integrated operation of our products by in-house machine shop and Sheet metal manufacturing facility. We believe that our integrated operations reduce our dependence on third party suppliers of products, services and quality, enabling us to streamline our production process and achieve timely delivery of quality products at competitive costs. We believe that there exist substantial opportunities to grow our business internationally. Historically our revenue has been dependent on domestic market. We intend to develop new distribution channels in international geographies and upscale our export operations to sell higher volumes of our products. We believe that the growing demand for machine tools presents a significant opportunity for us. The consumption of machine tools in India was 117.6 bn in 2012 and is expected to reach 293.0 bn in 2020 (Source: Indian Machine Tool Industry Vision Document & Perspective Plan 2010-2020, August 2010, by the Ministry of Heavy Industries & Public Enterprises). As per the National Manufacturing Policy, the Government has announced its intention to improve the share of Manufacturing in GDP from nearly 16% currently to 25% by 2022.

The continued increase in domestic and foreign investment into industry will translate into a higher demand for machine tools, the “Mother Industry” for all manufacturing activities. The major mechanical engineering ancillary hubs in the country that comprise a large number of SMEs and MSMEs are expected to contribute in a major way to the growth of the machine tools industry. We intend to continue the expansion of our manufacturing capacities to address this growing industry demand

We had supplied series of Machines to Government of India Establishments like Ordnance Factories, PSUs, Educational Institutes of State and Central Government, Research Centers and we are firmly establishing our footholds in those categories with multifold planning to supply various machines and cater to this vertical. Our Company receives advances against each order except government orders as it works through tenders only.

RISKS AND CONCERNS



BUSINESS RISK:

- Increased costs for raw materials and components, interruptions in their availability and poor quality of these raw materials may adversely affect our results of operations.
- Dependence on a few suppliers for key components may require us to procure them from other suppliers at higher cost and cause operational interruptions and affect our delivery capacity leading to loss of production and underutilization of our capacity.
- Demand for our products depends on demand and capital spending by customers in the industries like Automobile, Agriculture, Earth Moving Equipment's, Bearings, General Engineering, Aerospace, Metal, Petroleum, Construction Industries, Defense. Any downturn affecting these sectors may result in a decrease in demand for our products and services and adversely affect our business, financial condition and results of operations.
- Number of approvals, NOCs, licences, registrations and permits are required in the ordinary course of our business. Any failure or delay in obtaining the same in a timely manner may adversely affect our operations.
- Failure by the customers to make payment and take delivery of our products could affect our cash flows and working capital, which may have an adverse effect on our results of operations.
- We provide after sales service to our customers. Any failure or deterioration of after sale service could have an adverse effect on our business, reputation, results of operations or financial condition.
- The operations of our Company are subject to manufacturing risk and may be disrupted by failure in the facilities causing fatal injury to personnel including death and destruction of property and consequent imposition of civil and criminal penalties.
- Our company is highly dependent on third party logistics services for the delivery of our manufactured machines and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.
- We face significant competition in our business from Indian and international companies which could adversely affect our operations and our profitability.
- Our product designs are not protected by Intellectual Property Rights. Any misuse of the same may have an adverse effect on our reputation and goodwill, business and results of operations.
- We are subject to foreign currency exchange rate fluctuations which could have a material and adverse effect on our results of operations and financial conditions.

INDUSTRY RISK:

- Changes in government regulations or their implementation could disrupt our operations and adversely affect our business and results of operations

OTHER RISK:

- Political instability or a change in economic liberalization and deregulation policies could seriously harm business and economic conditions in India generally and our business in particular.
- Natural calamities could have a negative impact on the Indian economy and cause our Company's business to suffer.
- Conditions in the Indian securities market may affect the price or liquidity of our Equity Shares.

Your Company regularly monitors the various risks associated with its business. The Risk mitigation process reviewed by company. The Company continues to take suitable steps to minimize risks and their impact on Company's overall performance.

INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has a well-established and comprehensive internal control system. Documents, policies and authorization guidelines comply with the level of responsibility and standard operating procedures specific to the respective businesses. The system of internal control is being improved to ensure that all assets are safe and protected against loss from unauthorized use or disposition, and that all transactions are authorized, recorded and reported correctly. The Company regularly conducts internal check, using external and internal resources to monitor the effectiveness of internal control in the organization. It strictly adheres to corporate policy with respect to financial reporting and budgeting functions. The Audit Committee of the Board of Directors deals with significant control and instructs further areas to be covered. The Company has also appointed internal auditor as on May 25, 2018, who will deal with Internal Control Systems and their adequacy.

DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**Financial Performance:**

Particulars	Year 2017-2018	Year 2016-2017	% wise Up/Down
Production(in MT)	569	343	1.66%
Export Sales (Rs. In Lakhs)	NIL	NIL	N.A.
Domestic Sales (Rs. In Lakhs)	10649.36	6877.68	1.55%
Total Sales (Rs. In Lakhs)	10649.36	6877.68	1.55%
Other Income (Rs. In Lakhs)	98.16	82.85	1.18%
Earnings Per Share (In Rs.)	22.79	13.07	1.74%
Dividend%	Rs. 1 Per share/ 10% of Face value	NIL	--

Revenue and Expenses

Our revenue and expenses are reported in the following manner:

Total Revenue

Our Total Revenue comprises of revenue from operations and other income.

Revenue from operations: Our revenue from operations comprises of revenue from domestic and export sale of manufactured Turning Center, Twin Spindle, Turn mill Center, Vertical Machining Center, Vertical Turret Lathe, HMC, Drill Tap Center and Cyclical Grinder. It also includes operating income from Order Cancellation Charges, Kasar, Turnover and other discount and duty drawback income.

Other Income: Our other income comprises of income from exchange rate difference, bad debts recovered, interest on term deposits, dividend, excise duty refund, awards, short term capital gain, interest in income-tax refund and profit on sale of assets.

Expenses

Our expenses comprise of cost of material consumed, purchase of stock in trade, changes in inventories of work-in-progress and finished goods, employee benefit expenses, finance costs, depreciation and amortization expenses and other expenses.

Cost of material consumed: Cost of material consumed consists of consumption of MS steel, spindle(turning), turret, ATC, chuck, rotary cylinder, hydraulic power oack, steady rest, lubrication unit, coolant pump, conveyor, telescopic cover, and pneumatic. It also includes consumption of imported spindle, ball screw, linear guide ways, linear glass scale, live tool holder, probe, auto tool changer, auto pallet changer and CNC system.

Changes in inventories of work-in-progress and finished goods: It includes changes in inventories of work-in-progress and finished goods.

Employee benefit expense: Our employee benefit expenses include salary & wages, directors' remuneration, bonus and incentives, contribution to statutory funds, gratuity expenses and staff welfare expenses.

Finance costs: Our finance costs comprise of interest on short & long term loans, interest on unsecured loan, bank commission on Non Fund based facilities and other borrowing costs.

Depreciation and amortization expenses: Depreciation and amortization expenses comprise of depreciation on tangible fixed assets and amortization of intangible assets.

Other expenses: Our other expenses majorly consist of advertisement expenses, after sale service, expenses, bonus, brokerage & commission expense, electricity expense, exhibition expense, factory repair& maintenance expense, import expense, job work expense, machinery spare parts and tools expense, machine repairs & maintenance expense, communication expense, professional fees expense, rent expense, sales

promotion expense, security service expense, stationery expense, transportation expense, travelling expense, staff uniform expense, vehicle fuel and other expense and office expense among others.

Our Results of Operations is disclosed in the Financial Statements for the year ended on March 31, 2018.

QUALITY OF PRODUCTS

Thought for the Quality of the Management is: "Quality is never an accident; it is always the result of high Intention, Sincere effort, Intelligent Direction and Skillfull execution. Considering this thought Management has developed Quality Policy which ensures about the excellent quality and reliability of every part and the 100% Customer's satisfaction. "ZERO FAULT" is the goal to our quality assurance system.

We are continuously establishing new benchmarks for our products, processes and services. Our quality management system encompasses all current industry standard methods, including machine and process capability analysis, etc. MACPOWER CNC MACHINES LIMITED has committed to customer satisfaction through continuous improvement.

Macpower CNC Machines Limited is ISO 9001:2015 certified Company for Manufacturing and Supply of CNC Metal Cutting Machines by ICL.

MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

Human resource remains a valuable asset of our business. The Company gives more emphasis on attracting and retaining talent. Personnel developmental initiatives including training, both technical and managerial, are regularly conducted to enhance human potential.

The Company recognizes that its employees are its principal assets and that it's continued growth is dependent upon the ability to attract and retain quality people. The company has established a full-fledged Human Resources Department, which is entrusted with the responsibility of retaining and developing the skills of all its employees. The Company also recognizes the importance of providing training and development opportunities to its people to enhance their skills and experiences, which in turn enables the Company to achieve its business objectives.

Company has framed requisite policies through which Healthy environment remains amongst the Employees and help us improve quality of life of our employees. Employees are given freedom to share their views to the Management. We are committed to fair employment practices and freedom of expression, supported by a strong, Companywide value system. During the year there was no instance of Strike, Lock out or another issues related to Human Resources.

CAUTIONARY STATEMENT

Statement in this Management Discussion and Analysis Report, describing the Company's objectives, estimates and expectations may constitute 'Forward Looking Statements' within the meaning of applicable laws or Regulations. Actual results might differ materially from those either expressed or implied.

Place: Metoda, Rajkot
Date: August 17, 2018

For and on behalf the Board of
MACPOWER CNC MACHINES LIMITED

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

The background is white with abstract geometric shapes in red and grey. A large red rectangle is on the left, and a grey horizontal band is in the center. The title is centered in the grey band. There are also some grey and red shapes in the bottom right corner.

Auditor's Report 2017-18

AUDITOR'S REPORT

To,
The Members,
Macpower CNC Machines Limited
Rajkot.

-Report on the Financial Statements:

We have audited the accompanying Financial Statements of **Macpower CNC Machines Limited**, which comprise the Balance Sheet as at 31st March 2018 and the Statement of Profit & Loss, the Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

-Management's Responsibility for the Financial Statements:

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

Our responsibility is to express an opinion on these financial statements based on our audit.

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.

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.

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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion on the financial statements.

-Opinion

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, 2018; 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:

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

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, 2018, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2018 from being appointed as a director in terms of Section 164(2) of the Act.

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

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:

- A. The Company does not have any pending litigations which would impact its financial position.
- B. The Company did not have any long term contracts including derivative contracts for which there were any foreseeable losses.
- C. 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: 25/05/2018

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
- vii(b) As informed and explained to us, there are disputed amount outstanding to deposit in respect of Value Added Tax as on 31/03/2018 as under:

to us and on the basis of such checks as we considered appropriate, we further state that:-

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. 11,57,660/-	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. 1,98,378/-	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 During the year company has raised fund through Initial Public Offer. As per the regulation fund after routing through Excrow account reached to company in the last of March only. Thus the same was lying in companies bank account till 31st March 2018.
- x No fraud on or by the company has been noticed or reported during the year.
- xi As explained to us, the managerial remuneration has been paid / provided in accordance with

the requisite approvals mandated by the provisions of section 197 of the Companies Act 2013.

- xii As the company is not a Nidhi Company, reporting to this clause is not applicable.
- xiii All transactions with the related parties are in compliance with Section 188 and 177 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the accounting standards and Companies Act, 2013.

to us and on the basis of such checks as we considered appropriate, we further state that:-

- xiv During the year under review the company has made Private Placement of 4,25,000 Equity Shares at price of Rs. 126/- each including premium of Rs. 116/- each. Fund raised through Private Placement reached to company in the month February 2018. Though company started utilising the same behind the purpose for which it is raised but as at close of the year majority of fund is lying in company's bank account.
- 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: 25/05/2018

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**, ("the Company") as of 31st March, 2018 in conjunction with ~~my~~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 (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both 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, 2018 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:120184W

Sanat Makhecha
Partner
Membership No. 107192

Place: Rajkot
Date: 25/05/2018

Auditor's Report on Half Yearly Financial Results and Year to Date Results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

To
The Board of Directors of
Macpower CNC Machines Limited

We have audited the financial results of **Macpower CNC Machines Limited** for the half Year and year ended on 31st March, 2018, attached herewith, being submitted by the company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. These half yearly financial results as well as the yearly financial results have been prepared on the basis of the related interim financial statements, which are the responsibility of the company's management. Our responsibility is to express an opinion on these financial results based on our audit of such financial statements, which have been prepared in accordance with the recognition and measurement principles laid down in Accounting Standard for Interim Financial Reporting (AS 25/IndAS 34), prescribed under Section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.

We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial results are free of material misstatement(s). An audit includes examining, on a test basis, evidence supporting the amounts disclosed as financial results. An audit also includes assessing the accounting principles used and significant estimates made by management. We believe that our audit provides a reasonable basis for our opinion.

In our opinion and to the best of our information and according to the explanations given to us these half yearly financial results as well as the yearly results:

- (i) are presented in accordance with the requirements of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 in this regard; and
- (ii) give a true and fair view of the net profit and other financial information for the half year as well as the year ended on 31st March, 2018.

For S.C.Makhecha & Associates,
Chartered Accountants
FRN: 120184W

Place: Rajkot
Date: 25/05/2018

Sanat C. Makhecha
Partner
Membership No. 107192

BALANCE SHEET AS AT 31ST MARCH 2018

	NOTE No.	31.03.2018 Amount Rs.	31.03.2017 Amount Rs.
EQUITY AND LIABILITIES			
1 SHARE HOLDERS FUND :			
Share Capital	1	98,080,000	6,000,000
Reserve & Surplus	2	434,712,435	30,244,322
2 NON CURRENT LIABILITIES			
Long term Borrowings	3	2,478,990	7,180,956
Long term Provisions	4	5,144,151	-
3 CURRENT LIABILITIES			
Short Term Borrowings	5	-	31,950,028
Trade Payables	6	357,995,434	240,156,424
Other Current Liabilities	7	5,141,009	7,180,790
Short Term Provisions	8	43,330,655	2,507,184
TOTAL		946,882,674	325,219,704
ASSETS			
1 NON CURRENT ASSETS			
Fixed Assets	9		
- Tangible Assets		44,554,432	28,555,570
- Intangible Assets		757,347	989,642
- Capital Work-in-progress		611,760	-
Deferred Tax Asset (Net)	10	6,585,280	4,206,034
Long Term Loans & Advances	11	12,029,289	10,406,024
Other Non Current Assets	12	15,709,804	-
		80,247,911	44,157,270
2 CURRENT ASSETS			
Current Investments	13	75,064,878	20,962
Inventories		276,803,881	173,091,600
Trade Receivables	14	41,624,303	103,774,032
Cash & Cash Equivalents	15	391,628,473	592,956
Short Term Loans & Advances	16	81,513,228	3,582,884
		866,634,763	281,062,433
TOTAL		946,882,674	325,219,704
Notes on Accounts	26	-	-

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: 25/05/2018
Place: Rajkot

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

Mr. Rajnikant M. Raja
(Chief Financial Officer)

Mr. Nikesh J. Mehta
(Wholetime Director)
DIN: 01603779

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

**STATEMENT OF PROFIT & LOSS FOR THE YEAR ENDED
31ST MARCH 2018**

	NOTE No.	2017-18 Amount Rs.	2016-17 Amount Rs.
INCOME			
I Revenue from Operation	18	1,069,426,177	691,814,848
II Other Income	19	5,325,655	4,239,079
III Total Revenue (I + II)		1,074,751,832	696,053,927
EXPENDITURE			
I Cost of Materials Consumed	20	666,933,607	536,888,882
II Changes in Inventories of Finished Goods, Work - In - Progress and	21	46,786,250	(40,346,530)
III Employee Benefit Expenses	22	114,376,304	85,965,835
IV Finance Costs	23	2,110,473	4,023,690
V Depreciation and Amortisation	9	10,227,956	6,618,907
VI Other Expenses	24	126,822,730	93,236,989
Total Expenditure		967,257,320	686,387,773
Profit/(Loss) for the period/year before Tax		107,494,512	9,666,154
Less Tax Provisions :-		-	-
Current Income Tax		39,455,645	1,850,000
Deferred Tax Liability/(Asset)		(2,379,246)	(23,846)
Profit for the Period/Year after Tax		70,418,113	7,840,000
EARNINGS PER EQUITY SHARES			
i) Basic		22.79	13.07
ii) Diluted		-	2.54
Notes on Accounts	26		

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: 25/05/2018
Place: Rajkot

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

Mr. Rajnikant M. Raja
(Chief Financial Officer)

Mr. Nikesh J. Mehta
(Wholetime Director)
Din No:01603779

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

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2018**NOTES TO BS**

		31.03.2018 Amount Rs.	31.03.2017 Amount Rs.
1	SHARE CAPITAL		
	Authorised Share Capital		
	6,00,000 Equity Shares of Rs. 10/- each	-	6,000,000
	1,00,00,000 Equity Share of Rs. 10/- each	100,000,000	-
	Issued, Subscribed & Paid up Capital		
	98,08,000 Equity Shares of Rs.10/- each	98,080,000	6,000,000
	Par Value of Equity share	10/-	10/-
	Total	98,080,000	6,000,000

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

Sr No.	Name of the Shareholders	No. of shares	% of Holding
Equity Shareholding Pattern as on 31/03/2018			
1	Rupeshbhai J. Mehta	3,149,000	32.11%
2	Riyaben R. Mehta	1,776,600	18.11%
3	Nikeshbhai J. Mehta	1,184,400	12.08%
4	Old Bridge Capital	714,000	7.28%
Equity Shareholding Pattern as on 31/03/2017			
1	Rupeshbhai J. Mehta	225,000	37.50%
2	Mrs. Riyaben R. Mehta	180,000	30.00%
3	Nikeshbhai J. Mehta	125,000	20.83%
4	Mrs Nimisha Nikesh Mehta	30,000	5.00%

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

Sr No.	Particulars	
1	Opening Balance 600,000 Equity Shares of Rs.10/- each as on 01/04/2017	600,000
1	Addition During Year	
	1,20,000 Equity Shares Issued in the form of Right Shares of Rs.10/- each at Rs. 54 per share	120,000
2	60,48,000 Equity Shares issued in the form of Bonus Share of Rs. 10 each out of the Share Premium and Accumulated Reserves and Surplus till 17/11/2017.	6,048,000

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2018**NOTES TO BS**

		31.03.2018 Amount Rs.	31.03.2017 Amount Rs.
3	Private Placement of 4,25,000 Equity Shares issued at price of Rs. 126/- each including premium of Rs. 116/- each as on 05/03/2018		425,000
4	7,14,000 Equity Shares issued to Anchor Investors at price of Rs. 140/- each including premium of Rs. 130/- each on 20/03/2018		714,000
5	19,01,000 Equity Shares issued to Public at price of Rs. 140/- each including premium of Rs. 130/- each on 20/03/2018		1,901,000
	Total no of Equity Share as on 31st March 2018		9,808,000

1.3 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.

1 Aggregate number and class of shares allotted as fully paid up by way of bonus shares :

Particulars	2017-18	2016-17	2015-16	2014-15	2013-14
Fully paid up bonus shares (Equity Shares)	6,048,000	-	-	-	-

2	RESERVE & SURPLUS : -Share Premium A/c. -Profit & Loss A/c. Opening Balance Less: Assets Written off Less: Bonus issue Add: Profit for the Period/Year Closing Balance	389,250,000 13,824,322 - (38,780,000) 70,418,113 434,712,435	16,420,000 5,939,022 45,300 - 7,840,000 30,244,322
3	LONG TERM BORROWINGS TERM LOAN A SECURED LOANS 1 Loan from Banks 2 Loan from Financial Institutions Total - A B UNSECURED LOANS 1 Loans From Directors 2 Loans From Relatives of Directors Total - B Total (A + B)	2,478,990 - 2,478,990 - - 2,478,990	511,412 215,105 726,517 539,823 5,914,616 6,454,439 7,180,956

NOTES TO BS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 201831.03.2018
Amount Rs.31.03.2017
Amount Rs.

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. Cholamandalam Investments and Finance Limited vehicle Loan is primarily secured by hypothecation of Eicher Truck purchased through loan.

Repayment Terms : Repayable in 36 EMIs of Rs. 27,850/- each.

3. 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/-.

4	LONT TERM PROVISIONS		
	-Provision for Employee Benefits		
	1 Gratuity	5,144,151	-
	Total	5,144,151	-
5	SHORT TERM BORROWINGS		
	-Cash Credit		
	1 Loan From Banks (Secured)	-	31,950,028
	Total	-	31,950,028

Axis Bank Ltd. CC A/c. No. 914030041250678, is primarily secured by hpthection of current assets both present and future of the company.

ii Further Mortgage of Industrial Property Situated at Plot no.2234, GIDC Lodhika Industrail Estate , Kalawad Road, Village : Methoda , Taluka : Lodhika , Rajkot.

iii.Further mortgage of Residentail property situated at Panchratna Park, Street no.1, Opp. Jalaram Hospital Street , B/h Panchvati Hall, Rajkot.

iii. The facility is further guaranteed by the personal gurantee of both the directors and Mrs. Riyaben Mehta and Mrs. Seemaben Mehta.

Repayment Terms : Repayable on Demand.

6	TRADE PAYABLES		
	-Acceptances		
	1 Advances Received against supply of Machines	58,749,205	34,926,332
	-Other than Acceptances		
	(a) Micro,Small and Medium Ent.		
	For Goods	26,231,527	154,865,904
	For Exp	701,971	-
	Balance B/f	85,682,704	189,792,236

NOTES TO BS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2018

		31.03.2018 Amount Rs.	31.03.2017 Amount Rs.
	TRADE PAYABLES		
	Balance C/d		
	(b) Others		
	For Goods	249,384,650	43,670,500
	For Exp	22,928,081	6,693,688
	Total	357,995,434	240,156,424
7	OTHER CURRENT LIABILITIES		
	-Current Maturities of Long Term Debt		
	1 Loan From Banks	1,865,855	288,588
	2 Loan From Financial Institution	215,104	588,161
	-Duties & Taxes		
	1 Tax Deducted at Source	2,040,734	479,309
	2 TCS - SCRAP	1,852	295
	3 CST Diff Payable(C Form Not Recd)	361,351	361,351
	4 VAT/CST Payable	-	4,697,674
	5 Provident Fund	-	676,676
	6 Professional Tax - Workers	207,000	65,270
	7 Cash Ledger(CGST)	63,629	-
	8 Cash Ledger(IGST)	33	-
	9 Cash Ledger(SGST)	63,629	-
	10 Custom Duty Advance	264,085	-
	-Others		
	11 Chennai Office Exp. Payable	-	8,193
	12 Delhi Office Exp. Payable	16,080	8,752
	13 Jaipur Office Exp. Payable	7,466	1,206
	14 Pune Office Exp. Payable	23,791	5,315
	15 IT Refund Wrongly Received	10,400	-
	TOTAL	5,141,009	7,180,790
8	SHORT TERM PROVISIONS		
	-Provision For Employee Benefits		
	1 Provident Fund	663,966	-
	2 Bonus	1,797,717	-
	-Others		
	1 Audit Fees Payable	270,000	72,000
	2 Mobile Bill Exp.	20,883	-
	3 Telephone Exp.	3,016	-
	4 Electricity (Power) Exp.	263,358	210,085
	5 Provision for Expenses	-	35,884
	6 Pre Received Income - AMC	856,071	339,215
	7 Income Tax Provision	39,455,645	1,850,000
	TOTAL	43,330,655	2,507,184
11	LONG TERM LOANS AND ADVANCES		
	1 Security Deposits (Unsecured, Considered Good)	12,029,289	10,406,024
	TOTAL	12,029,289	10,406,024

NOTES TO BS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2018

		31.03.2018 Amount Rs.	31.03.2017 Amount Rs.
12	OTHER NON CURRENT ASSETS		
	1 Preliminary Expense	15,709,804	-
	TOTAL	15,709,804	-
13	CURRENT INVESTMENTS		
	1 Axis Bank FD	-	20,962
	2 Axis Liquid Fund (Direct Growth)	75,064,878	-
	TOTAL	75,064,878	20,962
14	TRADE RECEIVABLES		
	-Outstanding Unsecured Considered Good		
	Outstanding for a period exceeding six months from the date they are due for payment	7,472,088	11,477,924
	Others Receivables	34,152,215	92,296,108
	TOTAL	41,624,303	103,774,032
15	CASH & CASH EQUIVALENTS		
	-Balance with Banks		
	1 Axis Bank Ltd.- 76398	107,588	259,636
	2 Axis Bank Ltd. - 381303	62,513	46,268
	3 Bank Of India EEFC A/c No. 015020	-	9,075
	4 State Bank Of India - 88792	53,989	192,999
	5 AXIS BANK LTD (IPO) CA A/C NO.918020003568875	49,361,534	-
	6 BANK OF INDIA CC A/C. 009	265,481	3,832
	7 AXIS BANK LTD. C.C. A/C.NO. 914030041250678	341,658,168	
	-Cash on Hand	119,201	81,146
	TOTAL	391,628,473	592,956
16	SHORT TERM LOANS & ADVANCES (Unsecured, Considered Good)		
	1 Balance With Revenue Authorities	49,460,617	3,575,367
	2 PGVCL Interest Receivable	23,045	7,517
	3 Prepaid Expense	1,606,375	-
	4 Advances to Employees	1,400,149	-
	5 Advances to Suppliers	29,023,042	-
	TOTAL	81,513,228	3,582,884
17	CONTINGENT LIABILITIES & COMMITMENTS		
	1 Claims against company not acknowledged as debt	8,298,145	-
	Balance b/f	8,298,145	-

NOTES TO BS

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED ON 31ST MARCH 2018

		31.03.2018 Amount Rs.	31.03.2017 Amount Rs.
	CONTINGENT LIABILITIES & COMMITMENTS		
	Balance C/d		
	2 Guarantees issued by bank on behalf of company	8,298,145	-
	TOTAL	35,486,484	19,539,133

Signature to Notes 1 to 26

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: 25/05/2018

Place: Rajkot

Mr. Rupeshbhai J. Mehta

(Managing Director)

DIN: 01474523**Mr. Nikesh J. Mehta**

(Wholtime Director)

DIN: 01603779**Mr. Rajnikant M. Raja****(Chief Financial Officer)****Miss. Ekta P. Shukla**

(Company Secretary)

Membership No. A52677

MACPOWER CNC MACHINES LIMITED

NOTE 9 : FIXED ASSETS AS ON 31st MARCH 2018

Sr. No.	Particulars	Gross Block			
		As at 01.04.2017	Add. during the period	Ded. during the period	As at 31.03.2018
	A - Tangible Assets				
1	Air Conditioner	1,523,454	27,540	-	1,550,994
2	Attendance Machine	12,570	-	-	12,570
3	BMW Car 530D GJ3-FK 2134	5,819,378	-	-	5,819,378
4	Camera	378,799	92,161	-	470,960
5	Computer System	1,580,542	804,045	-	2,384,587
6	Crain (Hydraulic Mobile Crane)	1,054,621	-	-	1,054,621
7	Electric Installation	776,620	1,938,333	-	2,714,953
8	Furniture	3,555,341	319,270	-	3,874,611
9	Furniture - Pune	521,906	-	-	521,906
10	Furniture - Delhi	-	27,800	-	27,800
11	Generator	227,975	-	-	227,975
12	GIDC Plot A/c.	3,345,978	-	-	3,345,978
13	Hero Honda CD Deluxe 1928	45,625	-	-	45,625
14	Hero Honda CD Deluxe 2248	45,625	-	-	45,625
15	HEROHONDA HF DULEXE-1	-	51,500	-	51,500
16	HEROHONDA HF DULEXE-2	-	51,500	-	51,500
17	Honda Activa	60,671	-	-	60,671
18	Laser Ball Bar Instrument	2,320,214	1,955,376	-	4,275,590
19	Metoda Factory Const.	8,704,721	-	-	8,704,721
20	Maruti Ertiga Car ZDI	928,449	-	-	928,449
21	Maruti Alto 800 Car	301,058	-	-	301,058
22	Maruti Ciaz Car	1,037,258	-	-	1,037,258
23	Nissan Micra Car	594,953	-	-	594,953
24	R O System	254,475	-	-	254,475
25	Factory Building Unit II	15,952,717	3,385,651	-	19,338,368
26	Factory Building Office Unit II	3,208,037	-	-	3,208,037
27	Office Equipments	443,237	101,812	-	545,049
28	Pattern	5,631,702	2,093,288	-	7,724,990
29	Plant & Machinery Material Movement	3,104,446	379,950	54,530	3,429,866
30	Equipment	370,606	3,002,000	-	3,372,606
31	Scoda Superb Car	2,036,647	-	2,036,647	-
32	Staff Bus Eicher 41	1,533,585	-	-	1,533,585
	Bal C/d	65,371,209	14,230,226	2,091,177	77,510,258

MACPOWER CNC MACHINES LIMITED

NOTE 9 : FIXED ASSETS AS ON 31st MARCH 2018

Depreciation				Net Block	
Upto 01.04.2017	For the period	Ded. during the period	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
1,240,013	65,597	-	1,305,610	245,384	283,441
10,743	755	-	11,498	1,072	1,827
3,733,539	679,164	-	4,412,702	1,406,676	2,085,839
218,452	64,038	-	282,490	188,470	160,347
932,231	602,819	-	1,535,050	849,537	648,311
175,949	159,955	-	335,904	718,717	878,672
716,892	107,173	-	824,064	1,890,889	59,728
3,120,876	202,975	-	3,323,851	550,760	434,465
57,561	116,158	-	173,719	348,187	464,345
-	1,571	-	1,571	26,229	-
120,004	33,445	-	153,449	74,526	107,971
-	-	-	-	3,345,978	3,345,978
38,255	1,873	-	40,128	5,497	7,370
38,255	1,873	-	40,128	5,497	7,370
-	548	-	548	50,952	-
-	548	-	548	50,952	-
15,237	13,041	-	28,278	32,393	45,434
1,992,029	133,692	-	2,125,721	2,149,869	328,185
6,163,225	239,034	-	6,402,259	2,302,462	2,541,496
604,503	104,300	-	708,803	219,646	323,946
199,098	32,415	-	231,513	69,545	101,960
16,640	317,364	-	334,004	703,254	1,020,618
521,497	26,710	-	548,208	46,745	73,456
183,814	34,851	-	218,664	35,811	70,661
8,378,550	972,256	-	9,350,806	9,987,562	7,574,167
1,943,435	118,540	-	2,061,975	1,146,062	1,264,602
303,654	101,704	-	405,358	139,691	139,583
2,892,328	1,383,763	-	4,276,091	3,448,899	2,739,374
2,097,717	380,136	-	2,477,853	952,013	1,006,729
7,622	631,790	-	639,412	2,733,194	362,984
1,862,000	26,150	1,888,150	0	(0)	174,647
1,076,538	137,228	-	1,213,766	319,819	457,047
37,986,412	6,691,465	1,888,150	43,463,972	34,046,289	26,710,552

MACPOWER CNC MACHINES LTD.**NOTE 9 : FIXED ASSETS AS ON 31st MARCH 2018**

Sr. No.	Particulars	Gross Block			
		As at 01.04.2017	Add. during the period	Ded. during the period	As at 31.03.2018
	Bal C/f	65,371,209	14,230,226	2,091,177	77,510,258
33	Submersible Pump	94,482	-	-	94,482
34	Telephone EPBX System	492,871	158,959	-	651,830
35	Television A/c.	168,988	-	-	168,988
36	Testing Equipments	2,072,311	3,124,019	-	5,196,330
37	Truck Eicher	1,010,552	-	-	1,010,552
38	Vehicle Tracking System	12,924	-	-	12,924
39	Yamaha Fazerfi Red	99,000	-	-	99,000
40	R & D Machinery	-	2,899,588	-	2,899,588
41	Land Rover Car	-	5,574,754	-	5,574,754
	Total - A	69,322,337	25,987,546	2,091,177	93,218,706
	B - Intangible Assets				
1	Computer Software	745,256	210,000	-	955,256
2	Design HMC	900,000	-	-	900,000
3	Design VTL	300,000	-	-	300,000
	Total - B	1,945,256	210,000	-	2,155,256
	C - Capital Work-in-Progress				
1	Factory Building Office Unit III	-	611,760	-	611,760
	Total - B	-	611,760	-	611,760
	Grand Total (A+B+C)	71,267,593	26,809,306	2,091,177	95,985,722
	<i>For Year ended on 31st March 2017</i>	<i>63,300,510</i>	<i>8,236,698</i>	<i>918,171</i>	<i>70,619,037</i>

For S. C. Makhecha & Associates

Chartered Accountants

Firm Regn. No. 120184W

Sanat C. Makhecha

Partner

M.No. 107192

Date: 25/05/2018

Place: Rajkot

MACPOWER CNC MACHINES LTD.**NOTE 9 : FIXED ASSETS AS ON 31st MARCH 2018**

Depreciation				Net Block	
Upto 01.04.2017	For the period	Ded. during the period	Upto 31.03.2018	As at 31.03.2018	As at 31.03.2017
37,986,412	6,691,465	1,888,150	43,463,972	34,046,289	26,710,552
45,541	16,145	-	61,686	32,796	48,941
265,590	125,050	-	390,640	261,190	227,281
123,710	22,858	-	146,568	22,420	45,278
1,245,842	938,173	-	2,184,015	3,012,315	826,469
394,337	185,133	-	579,469	431,083	616,215
4,151	2,207	-	6,358	6,566	8,773
26,940	18,547	-	45,487	53,513	72,060
-	676,052	-	676,052	2,223,536	-
-	1,110,031	-	1,110,031	4,464,723	-
40,092,522	9,785,660	1,888,150	48,664,278	44,554,432	28,555,570
437,920	263,829	-	701,750	253,507	307,336
514,289	101,939	-	616,228	283,772	385,711
3,405	76,527	-	79,932	220,068	296,595
1,052,114	442,296	-	1,397,910	757,347	989,642
-	-	-	-	611,760	-
1,052,114	-	-	-	611,760	-
42,196,750	10,227,956	1,888,150	50,062,187	45,923,539	29,545,212
35,172,238	6,618,907	642,309	41,148,836	29,545,213	28,128,272

For and on behalf of Macpower CNC Machines Ltd.

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

Mr. Nikesh J. Mehta
(Wholetime Director)
Din No:01603779

Mr. Rajnikant M. Raja
(Chief Financial Officer)

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

MACPOWER CNC MACHINES LTD.

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED 31st MARCH 2018

Note 10 Deferred Tax Asset(liability)**1 Deferred Tax Asset/(Liability):****A. Fixed Assets**

Date	Particulars	Value as per Book	Value as per I.T.	Total	Deferred Tax Asset/(Liability)
31.03.2017	Fixed Assets	29,545,212	39,810,994	10,265,782	3,172,127
31.03.2018	Fixed Assets	45,923,539	56,820,108	10,896,569	3,771,084
	Provision for Gratuity	5,144,151	-	5,144,151	1,780,288
Deferred Tax Asset for the year					2,379,246

NOTES TO P & L STATEMENT

		2017-18 Amount Rs.	2016-17 Amount Rs.
18	REVENUE FROM OPERATION -Sale of Products 1 Sales against Form 'C' 2 Sales VAT (4%+1%) 3 Sales (GST) 4 Sales (GST) - Scrap 5 Sales (IGST) 6 Sales CST (4%+1%) 7 Sales Export 8 Sales Without 'C' Form - Re-sale (4%+1%) 9 Sales CST - Re-sale (4%+1%) 10 Sales Local (Re-sale) (4%+1%) 11 Sales Scrap Local 12 Sales CST (12.5%+2.5%) 13 Sales against Form 'C' - Re-sale 14 Sales Without Form 'C' (12.5%+2.5%) 15 Sales Without 'C' Form - Re-sale 16 Sales Local (Re-sale) (12.5%+2.5%) Total A -Other Operating Revenues 1 Exchange Rate Difference 2 Service & Maintenance Total B Total (A+B)	66,144,000 51,799,453 233,175,592 1,097,451 630,787,484 81,071,405 - - 569,058 123,043 157,913 3,056 - - - 7,305 1,064,935,760 667,337 3,823,080 4,490,417 1,069,426,177	329,041,892 138,993,400 - - - 202,067,272 16,275,000 780,245 - 312,199 213,350 8,595 9,000 57,958 8,942 687,768,172 1,084,072 2,962,604 4,046,676 691,814,848
19	OTHER INCOME 1 Award Income 2 Dividend Income 3 Excise Refund Income 4 Discounts Income 5 Interest on Deposit 6 Insurance Claim 7 Interest Income on Income Tax Refund 8 Kasar Income 9 Order Cancellation Charges 10 Realisation on sale of Written/off Assets. 11 Profit on sale of Scrap of Building Structure 12 Short Term Capital Gain (On Mutual Fund) TOTAL	- - 155,700 650,888 334,123 146,406 - 734,093 2,535,800 11,503 - 757,142 5,325,655	100,000 4 - 794,489 457,992 561,666 71,340 582,507 1,115,923 375,050 51,227 128,881 4,239,079
20	COST OF MATERIALS CONSUMED Opening Stock of Raw Material Add Purchases 1 Purchase Form 'C' 2 Purchase (GST) 4 Purchase (IGST) 4 Purchase (Import-GST) 5 Purchase VAT 4% + 1% 6 Purchase Import 7 Purchase VAT 12.5% + 2.5% Balance B/f	82,709,600 - 67,987,612 230,670,189 417,750,242 38,385,845 47,559,780 12,393,602 1,590,394 899,047,264	50,823,530 329,878,498 - - - 164,403,929 65,264,370 6,765,469 617,135,796

NOTES TO P & L STATEMENT

		2017-18 Amount Rs.	2016-17 Amount Rs.
	Balance C/d	899,047,264	617,135,796
	8 Purchase VAT 15% + 2.5%	590,730	1,524,925
	9 Purchases A/c. (VAT 1%)	275,986	882,260
	10 Purchase A/c. (Retail)	165,268	33,000
	11 Purchases Retail (W/o C Form)	62,490	22,501
	Less: Closing Stock of Raw Material	233,208,131	82,709,600
	Total	666,933,607	536,888,882
21	CHANGES IN INVENTORIES		
	Opening Stock	90,382,000	50,035,470
	Closing Stock	43,595,750	90,382,000
	CHANGES	46,786,250	(40,346,530)
22	EMPLOYEE BENEFIT EXPENSES		
	1 Salary Exp.-Technical Staff	36,024,979	65,808,867
	2 Salary Exp - Factory Staff	29,364,025	591,686
	3 Salary Apprentice	120,923	-
	4 Salary - office staff	11,112,641	-
	5 Salary - R & D	5,637,936	-
	6 Gratuity Exp.	5,748,140	688,341
	7 Conveyance Exp.	4,837,999	3,570,559
	8 Leave Encashment Exp.	89,106	-
	9 LTA to Employees	350,701	492,959
	10 Bonus	5,315,977	3,380,374
	11 Canteen Exp.	3,729,813	3,211,808
	12 Medical Exp.	36,056	19,136
	13 Provident Fund Exp.	3,766,534	3,822,671
	14 Incentives to Sales & Service Engineers	2,147,708	1,775,595
	15 Tea Refreshment Exp.	1,293,767	1,131,839
	16 Director Remuneration	4,800,000	1,472,000
	Total	114,376,304	85,965,835
23	FINANCE COSTS		
	Interest Expense		
	1 Bank Interest Auto Loan	370,471	194,981
	2 Bank Interest - C.C. 359	743,257	877,408
	3 Interest Expenses - Local Suppliers	-	1,126,500
	4 Interest Expenses - Staff Bus Loan	-	11,063
	5 Interest on unsecured Loan	-	752,754
	Other Borrowing Costs		
	1 Bank Commission	996,744	1,060,984
	Total	2,110,473	4,023,690
24	OTHER EXPENSES :		
	1 Advertisement Exp.	720,952	170,001
	2 After Sales Service Exp.	1,152,735	1,670,939
	3 Payments to the Auditor	300,000	80,000
	4 Amounts not receivable - written off	5,242,165	-
	Balance B/f	7,415,852	1,920,940

NOTES TO P & L STATEMENT

		2017-18 Amount Rs.	2016-17 Amount Rs.
	OTHER EXPENSES :		
	Balance C/d	7,415,852	1,920,940
5	Books & Periodicals Exp.	650	620
6	Brokerage & Commission Exp.	7,336,973	4,237,401
7	Callibration Exp.	253,758	186,282
8	Catallouge & Brochure Exp.	299,192	533,613
9	Computer Maintenance & Stationary Exp.	118,485	161,962
10	Crane Rent Exp.	161,250	299,070
11	Custom duty Exp	2,766,900	-
12	Diesel Exp.	262,606	84,978
13	Donation Exp.	17,500	-
14	Electric Power Consumption	4,003,594	2,840,793
15	Electric Power Exp.-Branches	131,553	48,549
16	Electric Repairing Exp.	88,203	59,083
17	Erection & Commissioning Charges Exp.	239,000	274,023
18	Excise Exp.	-	120,522
19	Exhibition Exp.	3,104,683	15,920,670
20	Factory Exp.	337,377	396,927
21	Factory Building Repairing Exp.	171,441	1,090,192
22	Gas Consumption Exp.	86,737	22,632
23	Gift Exp.	4,509	7,010
24	Gardening Exp.	4,196	-
25	GST Enrollment Charges	2,001	-
26	Import Exp.	1,980,529	2,393,397
27	Income Tax	-	322
28	Insurance Exp.	1,185,188	560,681
29	Interest Expenses - CST/VAT	6,347	5
30	Interest Expenses	1,505	-
31	Interest Expenses - Service Tax	-	328
32	Interest on Late Payment of TDS	2,061	3,644
33	Interest Expense-local Supplier	613,662	-
34	Internet Exp.	155,241	228,345
35	Interview Reimbursement Exp.	5,580	82,525
36	Job Work Exp.	50,768,963	25,620,225
37	Kasar	19	-
38	Labour Welfare Exp.	9,233	7,428
39	Legal Exp.	603,775	237,531
40	Loading/Unloading Exp.	11,240	-
41	Late Return Filing Fees(TDS)	106,520	-
42	Machinery Repairing Exp.	245,931	196,971
43	Machinery Spares & Parts Exp.	422,683	754,578
44	Maintainace & Repairing Exp.	751,783	856,529
45	Membership Fees	40,690	37,000
46	Mobile Exp.	589,671	692,059
47	Office Equipment Repair & Maintainace Exp.	23,780	62,875
48	Office Exp.	487,461	886,068
49	Office Renovation Exp. - Faridabad	-	5,250
50	Pattern Repair & Maint. Exp.	401,550	257,132
51	Postage & Courier Exp.	108,191	135,495
52	Professional Fees Exp.	1,941,027	1,161,047
53	Professional Tax	4,800	2,400
54	Recruitment Charges	123,573	-
55	Repairing Exp.	95	1,366
56	Rent Exp.	1,772,638	1,175,020
	Balance B/f	89,170,196	63,563,488

NOTES TO P & L STATEMENT

		2017-18 Amount Rs.	2016-17 Amount Rs.
	OTHER EXPENSES :		
	Balance C/d	89,170,196	63,563,488
57	Registry Handling Expense (IPO)	40,234	-
58	ROC Fees	9,200	-
59	Swachh Bharat Cess Exp	23,464	137,717
60	Sales Promotion Exp.	64,375	680,485
61	Security Services Exp	532,750	569,200
62	Service Tax	1,188	8,390
63	Software Maintainance Exp.	30,839	42,934
64	Share Transaction Fees	11,960	-
65	Staff Welfare Exp	3,150	79,695
66	Stationary Exp.	680,181	481,877
67	Telephone Exp.	166,402	305,783
68	Tender Exp.	186,702	145,180
69	Tools Exp.	9,551,194	4,055,024
70	Training Exp.	52,910	15,917
71	Transporation Exp. (GST Not Payable)	1,177,742	-
72	Transporation Exp. (GST Paid)	1,704,796	-
73	Transporation Exp. (GST Payable)	10,965,017	-
74	Transporation Exp. (Service Tax Payable)	3,744,806	10,739,424
75	Transporation Exp. (Service Tax Paid)	345,620	2,832,388
76	Transport Exp. (Service Tax Not Payable)	281,821	1,202,511
77	Travelling Exp.	5,219,748	4,300,614
78	Trademark Exp.	9,900	-
79	Uniform Exp.	219,388	839,106
80	Vat Input 1 % (Credit Not Taken)	421,470	1,311,360
81	VAT Expense (Assessment for F.Y. 2015-16)	133,319	-
82	Vehicle Exp.	569,286	513,574
83	Vehicle Expense - Fuel	1,259,159	1,159,275
84	Water Exp.	235,316	233,048
85	Website Update & Maintainace	10,600	20,000
	Total	126,822,730	93,236,989
25	Value of Import Calculated On C.I.F. Basis		
	Raw material	55,750,478	63,575,802
		55,750,478	63,575,802

Signature to Notes 1 to 26

For S. C. Makhecha & AssociatesChartered Accountants
Firm Regn. No. 120184W**Sanat C. Makhecha**Partner
M.No. 107192
Date: 25/05/2018
Place: Rajkot**For and on behalf of Macpower CNC Machines Ltd.****Mr. Rupeshbhai J. Mehta**(Managing Director)
Din No:01474523**Mr. Nikesh J. Mehta**(Wholetime Director)
Din No:01603779**Mr. Rajnikant M. Raja**

(Chief Financial Officer)

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

MACPOWER CNC MACHINES LTD.

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED

NOTE 26

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

b) RECOGNITION OF REVENUE

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

c) INVENTORIES:

Inventories are valued lower of Cost or Net Realisable Value.

d) FIXED ASSETS :

Fixed Assets are stated at Cost less Depreciation. Cost comprises all the expenditure incurred in

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.

e) INVESTMENTS :

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

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

Name of related party	Description of relationship	Nature of transaction	Amount Rs.
Shri Rupeshbhai J. Mehta	Director	Director's Remuneration	3,600,000
Shri Nikeshbhai J. Mehta	Director	Director's Remuneration	720,000
Smt. Riyaben R. Mehta	Director	Director's Remuneration	480,000
Smt. Nimisha Mehta	Relative of Director	Salary	239,000
Smt. Nimisha Mehta	Relative of Director	Bonus	21,000
Shri Shashikant Vora	Relative of Director	Salary	175,000
Shri Shashikant Vora	Relative of Director	Bonus	16,000
Morden Machine Tools (Prop. Raxaben J. Mehta)	Relative of Director	Repayment of loan	54,063
Morden Machine Tools (Prop. Raxaben J. Mehta)	Relative of Director	Purchase of Goods	844,440
Morden Machine Tools (Prop. Raxaben J. Mehta)	Relative of Director	Tools Exp.	15,281
Macpower Industries (Prop. Rupeshbhai Mehta)	Proprietorship of Director	Purchase of Goods	774,890
Shri Chintan Vora	Relative of Director	Salary	302,250
Shri Chintan Vora	Relative of Director	Bonus	15,600
Shri Nikesh J. Mehta	Director	Loan Taken	2,705,000
Shri Nikesh J. Mehta	Director	Repayment of loan	2,796,420
Smt. Riya Mehta	Director	Loan Taken	400,000
Smt. Riya Mehta	Director	Repayment of loan	527,839
Smt. Nimisha Mehta	Relative of Director	Repayment of loan	3,695,361
Smt. Priti Mehta	Relative of Director	Loan Taken	370,000
Smt. Priti Mehta	Relative of Director	Repayment of loan	2,377,186
Smt. Raxaben Mehta	Relative of Director	Repayment of loan	158,006

SCHEDULES ANNEXED TO AND FORMING PART OF ACCOUNTS FOR THE YEAR ENDED**NOTE 26****NOTES TO ACCOUNTS :**

Macpower Industries (Prop. Rupeshbhai Mehta)	Proprietorship of Director	Loan Taken	8,700,000
Macpower Industries (Prop. Rupeshbhai Mehta)	Proprietorship of Director	Repayment of loan	9,020,564

Note: The above details are as per information furnished by the company

g) **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 are recognised in Profit & Loss Statement.

h) **BORROWING COSTS**

Borrowing costs that are attributable to acquisition or construction of assets are capitalized as a part

2. Calculation for the Deferred Tax Asset/(Liability) is annexed separately.
3. Previous Year's figures have been regrouped/recast in order to confirm the current year's classification
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: 25/05/2018
Place: Rajkot

Mr. Rupeshbhai J. Mehta

(Managing Director)
Din No:01474523

Mr. Nikesh J. Mehta

(Wholetime Director)
Din No:01603779

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 2018

	Amount Rs.	Amount Rs.
A. Cash flow from operating activities		
Net Profit/(Loss) before taxation and extraordinary items	107,494,512	
Adjustments for :		
Depreciation	10,227,956	
Dividend Received	-	
Profit on Sale of Fixed Assets	(11,503)	
Interest received	(334,123)	
Interest charged	2,110,473	
Short Term Capital Gain (On Mutual Fund)	(757,142)	
Operating profit before working capital changes	118,730,173	
Adjustment for changes in :		
Decrease in Trade & Other Receivables	62,149,729	
Increase in Inventories	(103,712,281)	
Increase in Short Term Loans & Advances	(77,930,344)	
Increase in Long Term Loans & Advances	(1,623,265)	
Increase in Trade Payables, Liabilities & Provisions	156,622,700	
Increase in Other non current assets	(15,709,804)	
Increase in Long Term Provisions	5,144,151	
	143,671,059	
Less: Income Tax Paid/Provided	(39,455,645)	
Net cash from operating activities		104,215,415
B. Cash flows from Investing activities		
Increase in Non Current Investments	-	
Increase in Current Investments	(75,043,916)	
Purchase of Fixed Assets	(26,809,306)	
Sale of Fixed Assets	214,530	
Short Term Capital Gain (On Mutual Fund)	757,142	
Net cash from investing activities		(100,881,550)
C. Cash flows from Financing activities		
Share Premium	389,250,000	
Interest Received	334,123	
Dividend Received	-	
Issuance of Equity shares	30,400,000	
Decrease in Short Term Borrowings	(31,950,028)	
Proceeds from long-term borrowings (Net of repayment)	1,778,034	
Interest paid	(2,110,473)	
Net cash available from financing activities		387,701,657
Net increase in cash and cash equivalents (A + B + C)		391,035,521
Cash and cash equivalents at beginning of period		592,956
Cash and cash equivalents at the end of period		391,628,477

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: 25/05/2018
Place: Rajkot

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

Mr. Rajnikant M. Raja
(Chief Financial Officer)

Mr. Nikesh J. Mehta
(Wholesale Director)
Din No:01603779

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

Notes:

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are approximately 20 lines visible. On the right side of the page, there is a faint, light gray geometric pattern consisting of overlapping triangles and polygons. The overall appearance is that of a clean, unused piece of stationery or notebook paper.



Plant & Corporate Office :

Macpower CNC Machines Limited

Plot No. 2234, Near Kranti Gate, GIDC, Metoda - 360 021,

Rajkot, Gujarat, India. ☎ +91 2827 - 287930/31/32 📠 +91 2827 287933

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