



A TRANSFORMATIVE
JOURNEY
TO GET FUTURE READY

ANNUAL REPORT

F.Y. – 2021-22

ONE NUMBER - MULTI SOLUTIONS



FOR SALES INQUIRIES & CUSTOMER CARE

7998-7998-16

WWW.MACPOWERCNC.COM

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ABOUT THE COMPANY

More than one and half decades of experience and the vision towards creating a niche in India's fastest growing CNC Manufacturing Company, Macpower CNC Machines has been transforming to meet up to the potential demand in domestic markets as well as through import substitution. This growth is a result of Macpower's vision of par excellence to manufacture state of the art products and adopting the best in technology.

In 2003, Macpower Group started Macpower CNC Machines Private Limited with a CNC Machines manufacturing unit in an area of around 4 acres. Today Macpower has has 2 units in operation situated at Metoda G. I. D.C., Rajkot (India).

In 2017, the company was converted into a public company and in 2018; Macpower listed on the National Stock Exchange of India, SME Emerge platform while in August, 2020 the company migrated to the NSE Main board.

Macpower is ISO 9001(Design) certified, a universally accepted quality assurance designation.

The modern headquarters contain a spacious State of the Art Machine Shop, totally equipped Assembly Shops, all Modern Measuring and Testing Equipment's, Technologically Advanced Sheet Metal Unit and one of its kind Powder Coating Plant. This makes Macpower

Macpower is currently offering widest range of 9 different product categories namely Turning Center, Twin Spindle Turning Center, VMC, Twin Spindle VMC, TurnMill Center, HMC, VTL, DTC, Grinder with 60+ different models serving 27 industry segment worldwide with 8500+ installations. We have our Sales & Service Team presence in 39 cities across the country with 112 qualified engineers and 9 business associates; establishment of multiple regional offices and technology centers across the country to have better connect with our valued customers.

To cater to various industrial segments and achieve deeper customer penetration, Macpower is putting in all efforts to expand it's current sales and service network as well use digital tools to address the target audience in an effective way.





OUR VISION

·To provide best solutions in the machine tool industry.

OUR MISSION

- Fostering a spirit of continuous learning and innovation.
- To offer world class products through continuous innovation.
- To reach new sectors of industry in particular and society at large by offering products which make changes in the present state of machine tools.
- To nurture best brains in the company to develop them into future leaders, to enhance the company's growth prospects to greater levels.
- To provide a quick and effective service base to enhance customer satisfaction index.

OUR CORE PRINCIPLES

- Always serve with honesty, integrity and transparency
- Always, first understand business needs and objectives
- Always think innovatively, deliver effectively!
- Always maintain client confidentiality, at all levels
- Always be accessible and responsive
- Always aim to bring better cost and operational efficiencies to our clients.
- Always meet the deadlines!

– BOARD OF DIRECTORS –



Mr. Rupesh J. Mehta
Chairman & Managing Director

Mr. Nikesh J. Mehta
Whole-Time Director & CEO

Mrs. Riya R. Mehta
Non-Executive & Woman Director

Mr. Maulik R. Mokariya
Independent Director

Mr. Rajubhai R. Bhanderi
Independent Director

Mr. Deven J. Doshi
Independent Director

– AUDITORS –

Statutory Auditor
M/s. S. C. Makhecha & Associates
Chartered Accountants, Rajkot

Secretarial Auditor
K. P. Rachhh & Co.,
Practicing Company Secretaries, Rajkot

Internal Auditor
Mr. Vishal Kadia

Registrar & Share Transfer Agent

Link Intime India Private Limited

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

Banker

Axis Bank Limited
Metoda Branch

Chief Financial Officer

Mr. Rajnikant M. Raja
E-Mail : cfo@macpowercnc.com

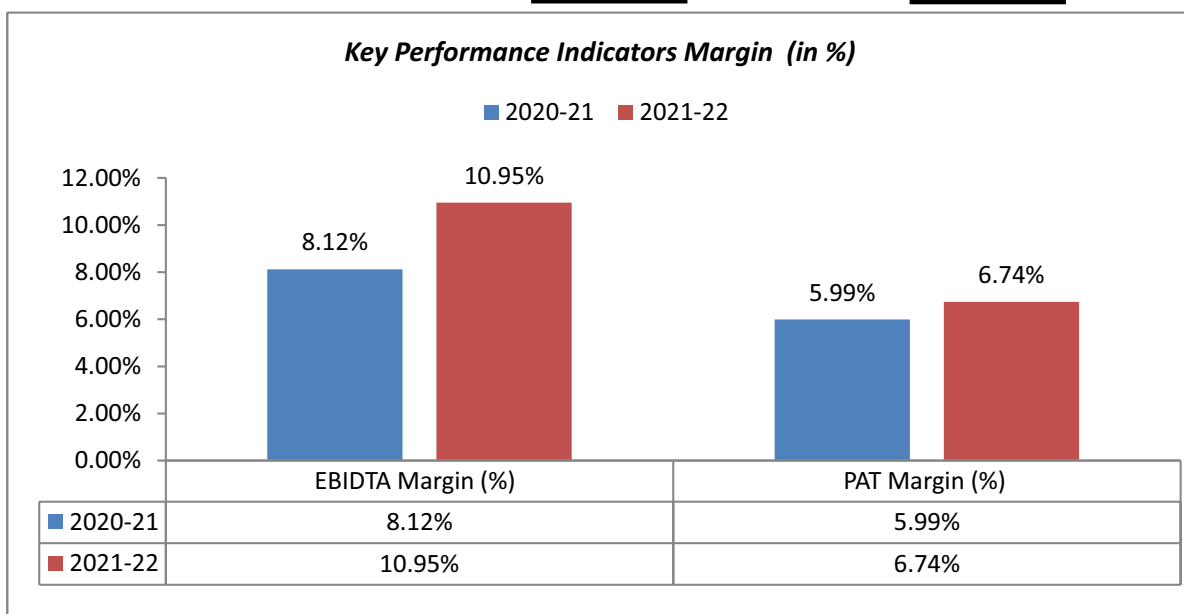
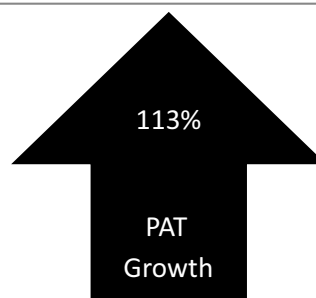
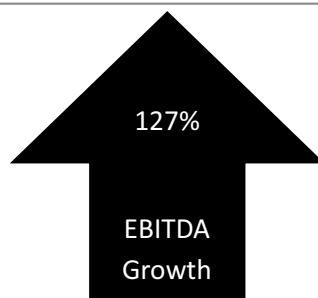
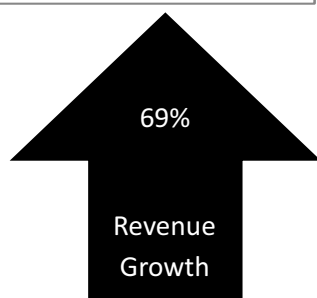
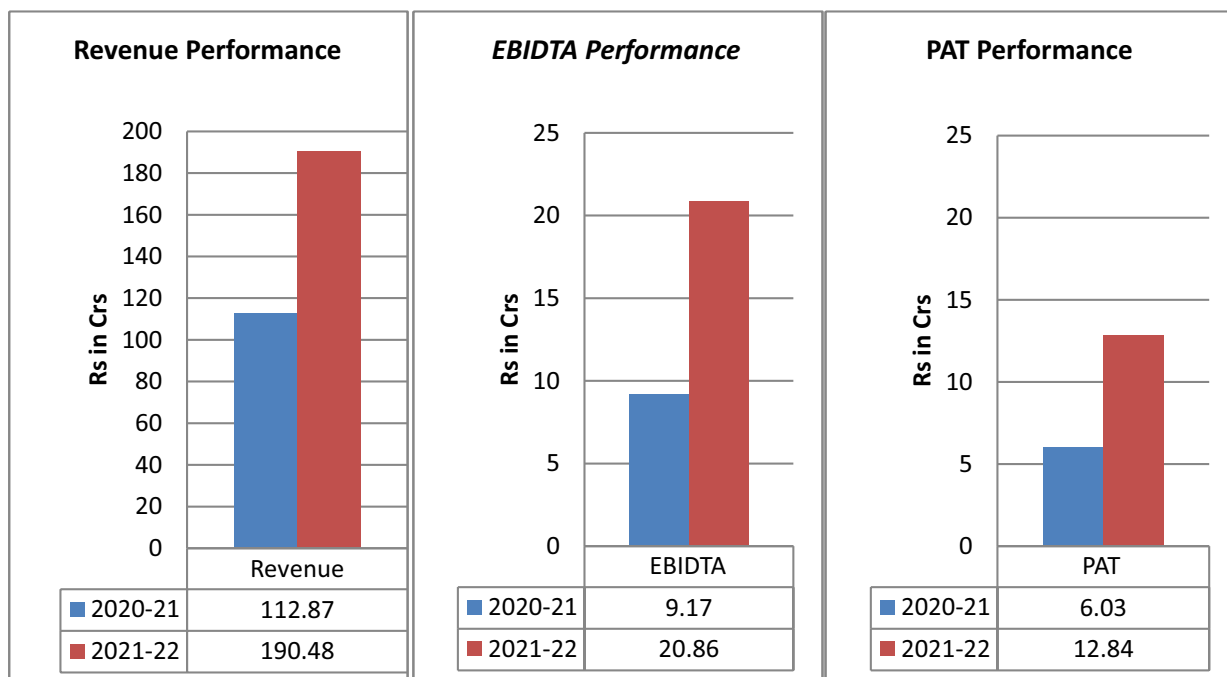
Company Secretary & Compliance Officer

Mr. Kishor Kikani
E-Mail : cs@macpowercnc.com
(W.e.f. 01.01.2022)

MACPOWER CNC MACHINES LIMITED

Reg. Office : Plot No. 2234, Near Kranti Gate, GIDC Metoda – 360 021,
Talu-Lodhika, Dist – Rajkot, Gujarat, India | Phone: +91 2827 287930,
Email: cs@macpowercnc.com | Website: www.macpowercnc.com
CIN: L30009GJ2003PLC043419 | NSE Symbol: MACPOWER | ISIN: INE15Z01011

Key Performance Indicators (in Crs)



DRIVEN BY VALUES

Values are the guiding principles that we use across our verticals to underpin decision-making, guide our conduct and define our culture. By working together with these values every day, we build a more successful and sustainable business.

Integrity

We will be fair, honest, transparent and ethical in our conduct; everything we do must stand the test of public scrutiny

Unity

We will invest in our people and partners, enable continuous learning, and build caring and collaborative relationships based on trust and mutual respect.

Pioneering

We will be bold and agile, courageously take on challenges, using deep customer insights to develop innovative solutions.

Excellence

We will be passionate about achieving the highest standards of quality, always promoting meritocracy

Responsibility

We will integrate environmental and social principles in our businesses, ensuring that what comes from the people goes back to the people many times over.

CULTURAL PILLARS

Smart Thinking

- ☛ *Fact-based analysis*
- ☛ *Use logic and customer insights*

Winning Attitude

- ☛ *Take responsibility for customers*
- ☛ *Seize every opportunity*

Innovative

- ☛ *Look at things with fresh perspective*
- ☛ *Find alternative & better ways*

Flexible

- ☛ *Adapt to every change*
- ☛ *Be prepared to face surprises*

Teamwork

- ☛ *Act, think and work together*
- ☛ *Always in the Company's interest*

THE VALUE WE GENERATED

OUR RESOURCES

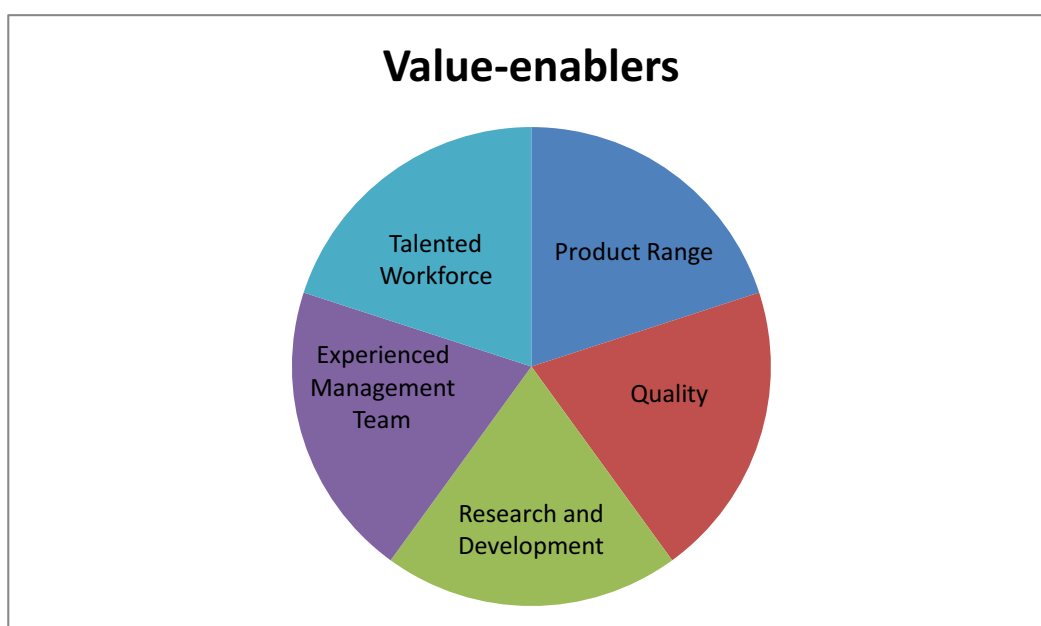
Financial capital:	Manufactured capital:	Human capital:	Intellectual capital:	Social and relationship capital:
The financial resources that we seek are based on funds we mobilize from investors, promoters, banks and financial institutions, net worth or accruals.	Our manufacturing assets, technologies and equipment for production constitute our manufactured capital. The logistics for the transfer of raw materials and finished products are integral to our manufacturing competence.	Our management, employees and contract workers form a part of our workforce, the experience and competence enhancing value.	Our focus on cost optimization and operational excellence, as well as our repository of proprietary knowledge account for our intellectual resources.	Our relationships with communities and partners (vendors, suppliers and customers) influence our role as a responsible corporate citizen.

VALUE CREATED

Financial capital:	Manufactured capital:	Human capital:	Intellectual capital:	Social and relationship capital:
Rs. 190.95 crores Total Revenue ----- Rs. 12.83 Earnings per share ----- 21.30% RoCE 32.61% Return on investment	1046 No of Machines produced & Sold	686 Number of direct and indirect employees ----- Rs. 17.56 crores Total remuneration,	More than 27 years Cumulative senior management experience ----- High Status of company in India's organized Machine tools sector	Number of vendors, suppliers, customers, Employees, Investors, Government and communities relationship with commitment, passion and integrity

VALUE SHARED WITH

Investors:	Suppliers:	Employees:	Customers:	Government and regulations:
The Company enriched investors through dividends (Interim Re. 0.50 & final Re. 1 for FY 21-22) and capital appreciation.	The Company sourced Rs. 147.59 crores of material from suppliers.	The Company provided remuneration worth Rs. 17.56 crores and a stable employment.	The Company provided widest range of different product categories, generating Rs. 190.48 crores in revenues from customers.	The Company paid Rs. 3.88 crores in the form of income tax to the government; the employment catalyzed the local community through downstream economic benefits.



ENVIRONMENT AND COMMUNITIES

We have two hands, one for helping ourselves and other for helping others.

We have two hands, one for helping ourselves and other for helping others.

As a responsible and dedicated corporate citizen, we are committed towards a balance of economic, environmental and social imperatives. We undertake programs that support society's sustainable development on a regular basis. We emphasize on protecting the interests of the society and environment at large.

To enhance the quality of life for the people of the communities we work with, we undertook initiatives in areas of basic education while providing a cleaner environment. During 2021-22, we spent a total of Rs. 19.25 Lakhs towards CSR activities for conducting vocational training in education sector such as art and craft, computer hardware, mobile repairing and tailoring & embroidery which will contribute knowledge and skills to the general public for improving their livelihood

We also continuously focus on environment conservation and encourage using renewable energy and installation of energy-efficient equipment.

Steps undertaken towards energy conservation are as follows:

SOLAR PLANT WITH CAPACITY OF 200KW



NURTURING OUR HUMAN CAPITAL TO DRIVE GROWTH

We focus on the development of our employees' over-all competence, health and safety. We aim to be a reliable employer and an encouraging working entity where every individual has the opportunity to hone their skills and abilities.

At Macpower, we aim to create a work environment where our employees flourish. Employees play a critical role in successfully running our business, creating value and supporting us in meeting the expectations of our stakeholders. Our employees proactively contribute to create a sustainable future through and we are committed to their wellbeing and safety.

INDUSTRIES CATERED

We catered to various industrial segments like Automobile, Aerospace, Agriculture Equipments, Medical Instruments, Railways, Defence Equipments, Electrical Accessories, Pumps & Valves, Die & Mould and General Engineering amongst others.

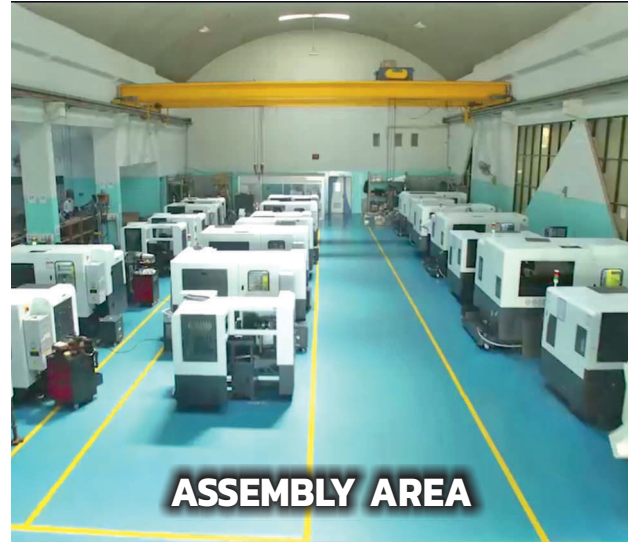


INFRASTRUCTURE

Major strength of our product quality is usage of highly precision parts as a part of our In-house manufacturing facilities. We have well qualified, trained skilled intellectual capital to manage manufacturing of High technology driven machines. We have proven state of the art manufacturing and assembly facilities to fulfill the customers' need.



MACHINE SHOP AREA



ASSEMBLY AREA



SHEET METAL AREA



SPINDLE ASSEMBLY AREA



POWDER COATING AREA



RESEARCH AND DEVELOPMENT

We have widest range of 9 different product categories namely Turning Center, Twin Spindle Turning Center, VMC, Twin Spindle VMC, Turn Mill Center, HMC, VTL, DTC, Grinder with 60+ different models:



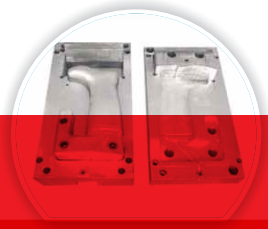
TURNING CENTER

Bearing, Valve, Pump Industry, Tool Room, Automobile, Process Plant Components, Agriculture, Textile, Piping Industry



VERTICAL MACHINING CENTRE

Tool Room, Die And Mould, Automobile, Pattern, Defence, Power, Railways



TURN MILL CENTRE

Special Purpose Components, Aeronautics, Defence, Agriculture, Medical





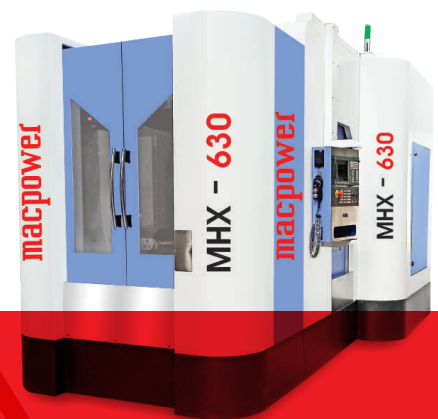
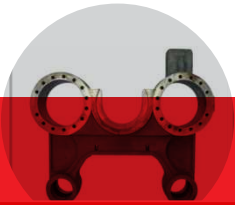
VERTICAL TURRET LATHE

Valve Body, Motor Body,
Engine Liner, Railways



HORIZONTAL MACHINING CENTRE

Automobile, Die And Mould, Defence,
Aeronautics, Textile, Medical, Railways



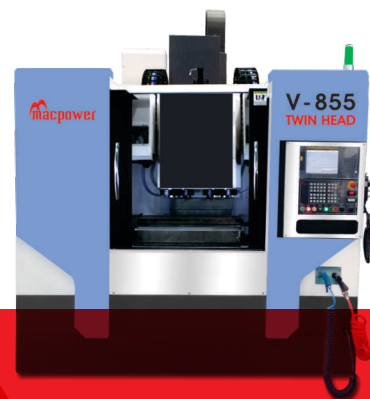
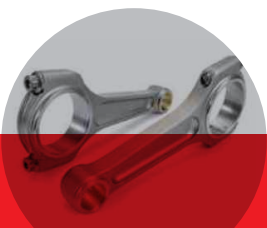
DRILL TAP CENTRE

Electronics, Automobile, Textile



TWIN HEAD VMC

Automobile & Textile



AWARDS AND RECOGNITION



FIE FOUNDATION AWARD AT
IMTEX 2013, BANGALORE FOR
DESIGNING EXCELLENCE FOR
MODEL TURN 'O' MILL 200



FIE FOUNDATION AWARD
AT IMTEX 2017 FOR
TWIN SPINDLE VMC V855 .
TWIN HEAD



FIE FOUNDATION AWARD AT
IMTEX 2015 FOR
MULTI TASKING MACHINE
TURN O' MILL Y S



Dear Shareholders,

I hope you and your families are healthy and safe. I am pleased to present to you our 19th Annual report for the financial year 2021-22. I feel very proud that your company has demonstrated ability to adapt and work cohesively with all our stakeholders to deliver the targeted results in these unprecedented times.

As a Chairman of Macpower CNC Machines Limited (Macpower), let me assure you that despite myriad challenges, your company is focused on maintaining the growth momentum and delivering value.

Your company has outperformed during the financial year 2021-22 by generating highest total operating revenue of Rs. 190.48 Crore against Rs. 112.87 Crore of previous financial year, representing an increase of 69% Y-o-Y. The EBITDA of the Company has grown by 127% Y-o-Y from the last year and reached to Rs. 20.86 Crore from Rs. 9.17 Crore. This year your company's Net Profit came in at Rs. 12.84 Crore versus Rs. 6.03 Crore last year, representing a growth of 113% Y-o-Y. EPS stands at Rs 12.84 per share as against Rs 6.02 per share last year.

Your Company has sold 1046 number of Machines during the year, which is the highest annual sale of machines in the history of the Company. It was also heartening to see our NEXA vertical for premium products execute 214 machine out of the 1046 machines sold during the year

Your Company's Board has also recommended final dividend of Re 1 per share (10% of FV of Rs 10 per share) for FY 2021-22 and also paid interim dividend of Re 0.50 per share (5% of FV of Rs 10 per share) during the year, this amounts to a Total Dividend of Rs 1.50 per share (15% of FV of Rs 10 per share) which is equivalent to nearly 12% Dividend Payout for the FY 2021-22.

We have started FY2022-23 with a strong order book of Rs 146.8 crore and have continued to build on it in Q1FY23. Our order book as on 30th June, 2022 stands at Rs 154 crore, which is nearly 5% higher than our order book as of end of FY22. On a typical execution cycle of four to six months, this provides us reasonable growth visibility for the rest of the year. It's further heartening to see that our premium products, which forms a part of the NEXA vertical as of today contributes to 33% of our order book as on 30 June 2022.

Your Company today has a capacity to manufacture 1300 machines per annum and is trying further debottlenecking to manufacture 1500 machines per annum. Your company is gradually increasing its production capacity and productivity every month and has also maintained its status as a debt free company having strong liquidity.

We will continue backward integration that will play a pivotal role to leverage cost effectiveness through which higher profitability can be achieved. We expect margins to keep improving year on year, as we keep growing. Gradually increasing our capacities, improvement in our capacity utilisation, higher execution of machines, increasing mix of high end machines and developing skilled manpower will play significant role in our growth strategy.

The new PMEGP guideline has provided another big boost for our company and industry as a whole. It will give significant boost to local manufacturing and help push up demand for our CNC machines as existing customers will be able to buy additional machines to boost their capacities while new MSMEs, looking to setup manufacturing, will get financing support to buy 2 machines, which was previously restricted to 1 machine. This is primarily led by expansion in the size and scope of the scheme and will help generate incremental demand for machines which in turn will improve the capacity utilisation of our augmented capacities.

"Make in India" initiative introduced by the Government of India has identified automobiles, auto-components, biotechnology, defence, railways and textiles for development. Machine tool industry will be the key enabler in this journey as automobiles, auto-components, defence and railways have been the main users of machine tools. It gives great opportunity for the sector to grow at 20-25 percent annually to increase its market share. Consumption demand is expected to grow at 15 percent.

The machine tools market in India is poised to grow probably at a CAGR of nearly 10-15 percent. Keeping our fingers crossed, we are seeing good days ahead for the Indian Machine Tool manufacturers.

Your company has also recruited more than 156 employees and such efforts of continuous recruitment, training, skill development programs will enable your company to maintain a strong and robust workforce for the growth and development perspective.

We have also introduced new machine series having different features in comparison to our competitors, which help us strengthen our position in the market.

We continue to plan for our next leg of growth, which will allow us to achieve our targeted above industry standard CAGR over the next 5 years. Manpower management, Material management, Resources management and New Product developments continue to be our mantra for growth as we aim to achieve 20-25% Revenue CAGR over the next 5 years (base year FY2021-22) adjusted for any external events outside our control.

MESSAGE FROM THE CHAIRMAN

Macpower and its progressive team firmly believe in hard work, dedication and are assured about the future growth of the company. Your company always believes in creating value for each and every stakeholders of the company.

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

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

“To prepare for tomorrow, we have to be ready today”

Thank you and Jai Hind!
Regards,

Rupesh Mehta
Chairman & Managing Director
DIN: 01474523

NOTICE IS HEREBY GIVEN THAT THE **NINETEENTH [19TH] ANNUAL GENERAL MEETING** OF MACPOWER CNC MACHINES LIMITED WILL BE HELD ON **TUESDAY, SEPTEMBER 27, 2022 AT 02:00 P.M.** IST AT THE REGISTERED OFFICE OF THE COMPANY SITUATED AT PLOT NO.2234,NR.KRANTI GATE, GIDC METODA, TAL LODHIKA RAJKOT-360021, GUJARAT TO TRANSACT THE FOLLOWING BUSINESSES

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2022, together with the Report of the Board of Directors and Auditor's thereon,** to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT the audited financial statement of the Company for the financial year ended on March 31, 2022 and the report of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted.”

- 2. To confirm interim dividends paid during the financial year ended March 31, 2022 and to declare final dividend for the financial year ended March 31, 2022,** to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT the payments of interim dividend of Re. 0.50/- (Rupee Fifty Paise only) each per equity share paid on 1,00,04,160 Equity Shares, aggregating to Rs.50,02,080/- (Rupees Fifty lacs two thousand and eighty only), declared and paid during the financial year 2021-22, to the shareholders, whose names have appeared in the Register of Members as on November 5, 2021, be and is hereby confirmed.”

“RESOLVED FURTHER THAT in terms of the recommendation of the Board of Directors of the Company, the approval of the Members of the Company be and is hereby granted for declaration and payment of final dividend @10% i.e. Re.1/- (Rupee One only) each per equity share on 1,00,04,160 Equity Shares, aggregating to Rs. 1,00,04,160/- (Rupees One Crore Four Thousand One Hundred and Sixty only) for the financial year ended March 31, 2022.”

- 3. To appoint a Director in place of Mr. Nikesh Jagdish Mehta [DIN: 01603779] who retires by rotation and, being eligible, offers himself for re-appointment,** to consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution:**

“RESOLVED THAT in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013 and as per Articles of Association of the Company, Mr. Nikesh Jagdish Mehta [DIN: 01603779], who retires by rotation at this meeting be and is hereby appointed as a Director of the Company.”

SPECIAL BUSINESS:

4. **To ratify Remuneration of Cost Auditors for Financial Year 2022-23**, to consider and if thought fit, to pass with or without modification(s), the following resolution as on **Ordinary Resolution**:

“RESOLVED THAT pursuant to the provisions of Section-148 and all other applicable provisions, if any, of the Companies Act, 2013 and the Companies [Audit and Auditors] Rules, 2014 [including any statutory modification(s) or re-enactment thereof, for the time being in force], the remuneration of 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 2022-23, as approved by the Board of Directors of the Company, be and is hereby ratified.”

5. **To reappoint Mr. Rupesh Jagdishbhai Mehta (DIN: 01474523) as a Managing director of the Company and to fix his remuneration**, to consider and if thought fit, to pass with or without modification, the following resolution as an **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company and on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, subject to such other consents, approvals and permissions if any needed, Mr. Rupesh Jagdishbhai Mehta (DIN: 01474523), be and is hereby re-appointed as Managing Director, for a further period of 3 (Three) years with effect from 1st October, 2022, on the terms and conditions hereinafter mentioned and more particularly described in the Agreement submitted to this meeting, with the authority to the Board of directors of the Company to alter the same from time to time and vary the terms and conditions of the said appointment and/or agreement in such manner as the Board may deem fit and as may be acceptable to Mr. Rupesh Jagdishbhai Mehta (DIN: 01474523), the Managing Director of the Company, so long as the alterations are in conformity with the provisions of the Companies Act, 2013:

- (i) Managerial Remuneration of Rs. 3 Lakhs per month be paid by way of Professional fees/Management Consultancy fees, subject to revision with liberty to the Board to alter the same from time to time, so long as the alterations are in conformity with the provisions of Section 196, 197 and Schedule V to the Companies Act, 2013.”

Sitting fees shall not be paid to Managing Director for attending the meetings of the Board of Directors or committees thereof.

- (ii) The Company shall reimburse actual entertainment and traveling expenses incurred by the Managing Director in connection with the Company's business.

“RESOLVED FURTHER THAT where in any financial year, during the tenure of the said Managing Director, the company has no profits or profits are inadequate, the aforesaid approved remuneration or remuneration as may be approved by the board of directors of the company from time to time shall be paid and considered as minimum remuneration which shall be within the limit of Schedule V and other applicable provisions of the Companies Act, 2013.”

“RESOLVED FURTHER THAT pursuant to the Articles of Association of the Company, Mr. Rupesh Jagdishbhai Mehta (DIN: 01474523), Managing Director of the Company shall be subject to retirement by rotation.”

“RESOLVED FURTHER THAT any of the directors of the Company, be and is hereby authorized to execute and sign the Agreement, including any supplementary agreements as may be required at a future date, on behalf of the Company, with Mr. Rupesh Jagdishbhai Mehta (DIN:01474523), Managing Director of the Company.”

“RESOLVED FURTHER THAT any of the directors of the company or chief financial officer (CFO) or Company Secretary (CS) of the Company be and are hereby jointly or severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in the said regard and authorized to digitally sign necessary E-forms and get it filled with Ministry of corporate Affairs/Registrar of Companies and to do all acts, deeds, things etc. as may be required to implement the above resolution.”

6. To reappoint Mr. Nikesh Jagdish Mehta (DIN:01603779) as a Whole-time director (WTD) of the Company and to fix his remuneration, to consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Sections 196, 197, 198 and 203 read with Schedule V and other applicable provisions, if any, of the Companies Act 2013, (including any statutory modifications or re-enactment(s) thereof, for the time being in force) and the Articles of Association of the Company and on the recommendation of Nomination and Remuneration Committee and approval of the Board of Directors, subject to such other consents, approvals and permissions if any needed, Mr. Nikesh Jagdish Mehta [DIN: 01603779], be and is hereby re-appointed as Whole Time Director of the Company, for a further period of 3 (Three) years with effect from 1st October, 2022, on the terms and conditions hereinafter mentioned and more particularly described in the Agreement submitted to this meeting, with the authority to the Board of directors of the Company to alter the same from time to time and vary the terms and conditions of the said appointment and/or agreement in such manner as the Board may deem fit and as may be acceptable to Mr. Nikesh Jagdish Mehta [DIN: 01603779], Whole time director of the Company, so long as the alterations are in conformity with the provisions of the Companies Act, 2013:

- (I)** Managerial Remuneration of Rs. 2 Lakhs per month be paid by way of Professional fees/Management Consultancy fees, subject to revision with liberty to the Board to alter the same from time to time, so long as the alterations are in conformity with the provisions of Section 196, 197 and Schedule V to the Companies Act, 2013.”

Sitting fees shall not be paid to Whole Time Director for attending the meetings of the Board of Directors or committees thereof.

- (ii)** Company shall reimburse actual entertainment and traveling expenses incurred by the Whole-time Director in connection with the Company's business.

“RESOLVED FURTHER THAT where in any financial year, during the tenure of the said Whole Time Director, the company has no profits or profits are inadequate, the aforesaid approved remuneration or remuneration as may be approved by the board of directors of the company from time to time shall be paid and considered as minimum remuneration which shall be within the limit of Schedule V and other applicable provisions of the Companies Act, 2013.”

“RESOLVED FURTHER THAT pursuant to the Articles of Association of the Company, Mr. Nikesh Jagdish Mehta [DIN: 01603779], Whole time director of the Company shall be subject to retirement by rotation.”

“RESOLVED FURTHER THAT any of the directors of the Company, be and is hereby authorized to execute and sign the Agreement, including any supplementary agreements as may be required at a future date, on behalf of the Company, with Mr. Nikesh Jagdish Mehta [DIN: 01603779], Whole time director of the Company.”

“RESOLVED FURTHER THAT any of the directors of the company or chief financial officer (CFO) or Company Secretary (CS) of the Company be and are hereby jointly or severally authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and settle any question, difficulty or doubt that may arise in the said regard and authorized to digitally sign necessary E-forms and get it filled with Ministry of corporate Affairs/Registrar of Companies and to do all acts, deeds, things etc. as may be required to implement the above resolution.”

- 7. To re-appoint Mr. Rajubhai Ranchhodbhai Bhanderi (DIN: 07986563) as an Independent Director of the Company for a second term of five consecutive years,** to consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution:**

“RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), on the recommendation of the Nomination & Remuneration Committee and the Board of Directors for reappointment of Mr. Rajubhai Ranchhodbhai Bhanderi (DIN: 07986563), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment, the approval of the Members/Shareholders of the Company be and is hereby accorded for reappointment of Mr. Rajubhai Ranchhodbhai Bhanderi (DIN: 07986563) as an Independent Director of the Company for a second term of 5 (five) consecutive years effective from November 17, 2022, who is not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

- 8. To re-appoint Mr. Deven Jasvantrai Doshi (DIN: 07994505) as an Independent Director of the Company for a second term of five consecutive years,** to consider and if thought fit, to pass with or without modification, the following resolution as a **SPECIAL RESOLUTION:**

“RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), on the recommendation of the Nomination & Remuneration Committee and the Board of Directors for reappointment of Mr. Deven Jasvantrai Doshi (DIN: 07994505), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment, the approval of the Members/Shareholders of the Company be and is hereby accorded for reappointment of Mr. Deven Jasvantrai Doshi (DIN: 07994505) as an Independent Director of the Company for a second term of 5 (five) consecutive years effective from November 17, 2022, who is not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

9. To re-appoint Mr. Maulik Rambhai Mokariya (DIN: 05310868) as an Independent Director of the Company for a second term of five consecutive years, to consider and if thought fit, to pass with or without modification, the following resolution as a **Special Resolution**:

“RESOLVED THAT pursuant to provisions of Sections 149, 150, 152 read with Companies (Appointment and Qualification of Directors) Rules, 2014 and other applicable provisions of Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force) read with Schedule IV to the Companies Act, 2013 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'), on the recommendation of the Nomination & Remuneration Committee and the Board of Directors for reappointment of Mr. Maulik Rambhai Mokariya (DIN: 05310868), who has submitted a declaration that he meets the criteria for independence as provided under Section 149(6) of the Act and Regulation 16(1) (b) of the Listing Regulations and is eligible for appointment, the approval of the Members/Shareholders of the Company be and is hereby accorded for reappointment of Mr. Maulik Rambhai Mokariya (DIN: 05310868) as an Independent Director of the Company for a second term of 5 (five) consecutive years effective from November 17, 2022, who is not liable to retire by rotation.”

“RESOLVED FURTHER THAT the Board of Directors be and is hereby authorised to take such steps and do all such acts, deeds, matters and things as may be considered necessary, proper and expedient to give effect to this Resolution.”

Place: Metoda, Rajkot

Date: 5th August, 2022

For and on behalf of the Board of

MACPOWER CNC MACHINES LIMITED

[Rupesh J. Mehta]

Chairman & Managing Director

DIN: 01474523

NOTES:

1. The notice of AGM along with Annual Report for 2021-22 is being sent to all the members whose name appears in the Register of Members/ list of beneficiaries received from the depositories on the end of 26th August, 2022. In Furtherance, as per the MCA and SEBI Circulars, the Notice of Annual General Meeting with annual report of the year 2021-22 required to send only through electronic mode to those members whose email addresses are registered with the Company/Depositories as on 26th August, 2022. Members may note that the Notice and Annual Report of the year 2021-22 will also be available on the website of the Company at <https://www.macpowercnc.com/investor/annual-report/> and on the website of stock exchange on which the securities of the company are listed i.e. www.nseindia.com.

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

2. The relative Explanatory Statement for Special Business Item No. 4 to 9 pursuant to Section – 102 of the Companies Act, 2013 [“Act”] setting out material facts concerning the business is annexed hereto. The relevant details, pursuant to the Securities and Exchange Board of India [Listing Obligations and Disclosure Requirements] Regulations, 2015 [“SEBI Listing Regulations”] and Secretarial Standard on General Meetings issued by the Institute of Company Secretaries of India [ICSI], in respect to re-appointment of Director at this Annual General Meeting [“AGM”] is also annexed as **Annexure-A**.
3. **A member entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf and the proxy need not be a member of the Company.**

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

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

4. Institutional/Corporate Shareholders (“Body Corporates”) intending to send their authorised representative to attend the AGM are requested to send a certified copy of its Board or governing body Resolution/Authorisation etc. to the Scrutiniser by e-mail through its registered e-mail address at rachhkalpesh@gmail.com with a copy marked at cs@macpowercnc.com, authorizing them to attend and vote on their behalf at the AGM.
5. Members, Proxies and Authorized Representatives are requested to bring the duly completed Attendance Slip enclosed herewith to attend the AGM. to ensure correct identity of each member and proxy holders attending meeting is expected to bring with him/her an appropriate ID document like Aadhar Card, Driving License, Passport, Voter ID card, etc. Members are requested to bring their copies of Annual Report at the meeting.

6. To support the 'Green Initiative', members who have not yet registered their email address are requested to register the same with their Depository Participants ["DPs"] or RTAs.
7. Members are requested to intimate changes, if any, pertaining to their name, postal address, email address, telephone/mobile numbers, Permanent Account Number (PAN), mandates, nominations, power of attorney, bank details such as, name of the bank and branch details, bank account number, MICR code, IFSC code, etc.:
 - I. with their Depository Participant(s) with whom they maintain their demat accounts if shares are held in dematerialised mode by submitting the requisite documents, and
 - II. with the Company / Link Intime India Private Limited or by emailing at cs@macpowercnc.com or ahmedabad@linkintime.co.in, if shares are held in physical mode, by submitting (i) scanned copy of the signed request letter which shall contain shareholder's name, folio number, bank details (Bank account number, Bank and Branch Name and address, IFSC, MICR details), (ii) self-attested copy of the PAN card and (iii) cancelled cheque leaf.

OR

Members are requested to visit on the website of the Company's Registrar and Share Transfer Agent i.e. Link Intime India Private Limited (LINK INTIME) at https://www.linkintime.co.in/EmailReg/Email_Register.html and upload the documents required therein.

Members may please note that SEBI has made PAN as the sole identification number for all participants transacting in the securities market, irrespective of the amount of such transactions. Members may please note that SEBI has also made it mandatory for submission of PAN in the following cases:

- a. Deletion of name of the deceased shareholder(s);
- b. Transmission of shares to the legal heir(s); and
- c. Transposition of shares.

8. In case of joint holders attending the AGM, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.
9. Members seeking any information with regard to the accounts are requested to write to the Company at an early date i.e. at least 10 days before the annual general meeting through mail at cs@macpowercnc.com, so as to enable the Management to keep the information ready at the AGM.
10. Members are requested to note that, dividends if not encashed for a consecutive period of 7 years from the date of transfer to Unpaid Dividend Account of the Company, are liable to be transferred to the Investor Education and Protection Fund ("IEPF"). The shares in respect of such unclaimed dividends are also liable to be transferred to the demat account of the IEPF Authority. In view of this, Members/Claimants are requested to claim their dividends from the Company, within the stipulated timeline. Details related to unclaimed amount of shares is available at the Website of the Company <https://www.macpowercnc.com/investor/unpaid-or-unclaimed-dividend-details>.
11. Members may pursuant to section 72 of the Companies Act, 2013 read with Rule 19 of the companies (Share Capital and Debentures) Rules, 2014 file nomination in prescribed form SH- 13 with the respective depository participant

12. Non-Resident Members: Non Resident Indian Members are requested to inform Registrar and Transfer Agents, immediately of:

- a. Change in their residential status on return to India for permanent settlement.
- b. Particulars of their bank account maintained in India with complete name, branch, account type, account number, IFSC Code, MICR No. and address of the bank, if not furnished earlier.

13. The route map showing directions to reach the venue of the 19th AGM is annexed.

14. Pursuant to the provisions of Section 91 of the Companies Act, 2013 the Register of Members and Share Transfer Books of the Company will remain close from **Wednesday, 21st September, 2022 to Tuesday, 27th September, 2022** (both days inclusive) for the purpose of Annual General Meeting and final dividend.

15. Subject to approval of the Members at the AGM, The Dividend, if declared, will be paid within 30 days to those Equity Shareholders whose names stand on the Register of Members as at the close of business hours on **20th September, 2022** and in respect of shares held in the electronic form, the dividend will be payable to the beneficial owners as at the close of business hours on **20th September, 2022** as per details furnished by the Depositories for this purpose. Payment of dividend shall be made through electronic mode to the Shareholders who have updated their bank account details. Dividend warrants / demand drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details, Members are requested to register / update their complete bank details as per note no 7.

TAX DEDUCTIBLE AT SOURCE/ WITHHOLDING TAX:

Pursuant to the requirement of Income Tax, 1961, the Company will be required to withhold taxes at the prescribed rates on the dividend paid to its shareholders. The withholding tax rate would vary depending on the residential status of the shareholder and documents submitted by shareholder with the Company/Link Intime/ Depository Participant.

❖ **RESIDENT SHAREHOLDERS:**

a) Tax Deductible at Source for Resident Shareholders:

Sr. No.	Particulars	Withholding tax Rate	Documents required (if any)
1.	Valid PAN updated in the Company's Register of Members	10%	No document required If dividend does not exceed Rs. 5,000/-, no TDS withholding tax will be deducted. Also, please refer note (v) below.
2	No PAN/Valid PAN not updated in the Company's Register of Members	20%	TDS/ Withholding tax will be deducted, regardless of dividend amount, if PAN of the shareholder is not registered with the Company/Link Intime/ Depository Participant. All the shareholders are requested to update, on or before 20th September, 2022 , their PAN with their Depository Participant (if shares are held in electronic form) and Company/Link Intime (if shares are held in physical form). Please quote all the folio numbers under which you hold your shares while updating the records. Please also refer note (v) below.
3	Availability of lower/nil tax deduction certificate issued by Income Tax Department u/s 197 of Income Tax Act, 1961	Rate specified in the certificate	Lower tax deduction certificate obtained from Income Tax Authority to be submitted on or before 20th September, 2022 .

b) No Tax Deductible at Source on dividend payment to resident shareholders if the Shareholders submit and register following documents as mentioned in column no.4 of the below table with the Company /Link Intime/ Depository Participant on or before **20th September, 2022**.

Sr. No.	Particulars	Withholding tax Rate	Documents required (if any)
1.	Submission of form 15G/15H	NIL	Declaration in Form No. 15G (applicable to an Individual who is below 60 years)/ Form 15H (applicable to an Individual who is 60 years and above), fulfilling certain conditions.
2	Shareholders to whom section 194 of the Income Tax, 1961 does not apply such as LIC, GIC, etc.	NIL	Documentary evidence for exemption u/s 194 of Income Tax Act, 1961.
3	Shareholder covered u/s 196 of Income Tax Act, 1961 such as Government, RBI, corporations established by Central Act & mutual funds.	NIL	Documentary evidence for coverage u/s 196 of Income Tax Act, 1961
4	Category I and II Alternative Investment Fund	NIL	SEBI registration certificate to claim benefit under section 197A (1F) of Income Tax Act, 1961
5	- Recognised provident funds - Approved superannuation fund - Approved gratuity fund	NIL	Necessary documentary evidence as per Circular No. 18/2017 issued by Central Board of Direct Taxes (CBDT)
6	National Pension Scheme	NIL	No TDS as per section 197A (1E) of Income Tax Act, 1961
7	Any resident shareholders exempted from TDS deduction as per the provisions of Income Tax Act or by any other law or notification.	NIL	Necessary documentary evidence exemption from deduction of TDS substantiating.

❖ **NON-RESIDENT SHAREHOLDERS:**

The table below shows that withholding tax on dividend payment to non-resident shareholders who submit, on or before **20th September, 2022**, the following document(s), as mentioned in column no.4 of the below table, to the Company / Link Intime. In case all necessary documents are not submitted, then the TDS/Withholding tax will be deducted @20% (plus applicable surcharge and cess).

Sr. No.	Particulars	Withholding tax Rate	Documents required (if any)
1.	Foreign Institutional Investors (FIIs) / Foreign Portfolio Investors (FPIs)/Other Non-Resident shareholders	20% (plus applicable surcharge and cess) or tax treaty rate whichever is beneficial	FPI registration certificate in case FIIs/ FPIs. To avail beneficial rate of tax treaty following tax documents would be required: 1. Tax Residency certificate issued by revenue authority of country of residence of shareholder for the year in which dividend is received 2. PAN or declaration as per Rule 37BC of Income Tax Rules, 1962 in a specified format. 3. Form 10F filled & duly signed 4. Self-declaration for non-existence of permanent establishment/ fixed base in India (Note: Application of beneficial Tax Treaty Rate shall depend upon the completeness of the documents submitted by the Non- Resident shareholder and review to the satisfaction of the Company)
2	Indian Branch of a Foreign Bank	Nil	Lower tax deduction certificate u/s 195(3) obtained from Income Tax Authority Self-declaration confirming that the income is received on its own account and not on behalf of the Foreign Bank and the same will be included in taxable income of the branch in India.
3	Availability of Lower/NIL tax deduction certificate issued by Income Tax Authority	Rate specified in certificate	Lower tax deduction certificate obtained from Income Tax Authority
4	Any non-resident shareholder exempt from WHT deduction as per the provisions of Income Tax Act or any other law such as The United Nations (Privileges and Immunities) Act, 1947, etc.	Nil	Necessary documentary evidence substantiating exemption from WHT deduction.

Notes:

- The Company will issue soft copy of the TDS certificate to its shareholders through email registered with the Company / LINK INTIME post payment of the dividend, if requested. Shareholders will be able to download Form 26AS from the Income Tax Department's website <https://incometaxindiaefiling.gov.in>.
- The aforesaid documents such as Form 15G/ 15H, documents under section 196, 197A, FPI Registration Certificate, Tax Residency Certificate, Lower Tax certificate etc. can be uploaded on the link <https://www.linkintime.co.in/formsreg/> submission-of-form-15g-15h.html on or before **20th September, 2022** to enable the Company to determine the appropriate TDS/withholding tax rate applicable. Any communication on the tax determination/ deduction received after **20th September, 2022** shall not be considered.

- (iii) Application of TDS rate is subject to necessary verification by the Company of the shareholder details as available in Register of Members as on the Record Date, and other documents available with the Company / Link Intime.
- (iv) In case TDS is deducted at a higher rate, an option is still available with the shareholder to file the return of income and claim an appropriate refund.
- (v) No TDS will be deducted in case of resident individual shareholders who furnish their PAN details and whose dividend does not exceed Rs. 5,000/-. However, where the PAN is not updated in Company/Link Intime/Depository Participant records or in case of an invalid PAN, the Company will deduct TDS u/s 194 without considering the exemption limit of Rs. 5,000/-. All the shareholders are requested to update their PAN with their Depository Participant (if shares are held in electronic form) and Company/Link Intime (if shares are held in physical form) against all their folio holding on or before **20th September, 2022**.
- (vi) In the event of any income tax demand (including interest, penalty, etc.) arising from any misrepresentation, inaccuracy or omission of information provided by the Member/s, such Member/s will be responsible to indemnify the Company and also, provide the Company with all information / documents and co-operation in any appellate proceedings. This Communication is not exhaustive and does not purport to be a complete analysis or listing of all potential tax consequences in the matter of dividend payment. Shareholders should consult their tax advisors for requisite action to be taken by them.

16. To prevent fraudulent transactions, Members are advised to exercise due diligence and notify the Company of any change in address or demise of any Member as soon as possible. Members are also advised to not leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant ('DP') and holdings should be verified from time to time.

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

- i. In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide members facility to exercise their right to vote at the 19th Annual General Meeting (AGM) through electronic voting system of link Intime India Private Limited through their Insta vote platform:
- ii. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. **Tuesday, September 20, 2022**, shall be entitled to avail the facility of remote e-voting. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- iii. A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. **Tuesday, September 20, 2022** shall be entitled to exercise his/her vote through remote e-voting following the procedure mentioned in this part.
- iv. The remote e-voting will commence on **9:00 A.M. on Friday, 23rd September, 2022** and will end on **5:00 P.M. on Monday, 26th September, 2022**. During this period, the members of the Company holding shares as on the Cut-off date i.e. **Tuesday, September 20, 2022** may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by Link Intime India Private Limited thereafter.

- v. Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- vi. The voting rights of the members shall be in proportion to their share in the paid up equity share capital of the Company as on the Cut-off date i.e., **Tuesday, September 20, 2022.**
- Vii. The Board of Directors has appointed Mr. Kalpesh P. Rachchh [Membership no. FCS 5156] proprietor of K. P. Rachchh & Co., Practicing Company Secretaries as a Scrutinizer to scrutinize the voting at the AGM and remote e-voting process in a fair and transparent manner.

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

The facility for voting through ballot paper shall be made available at the AGM for the members who have not cast their vote by remote e-voting; The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again. A member can vote either by remote e-voting or at the AGM. In case a member votes by both the modes then the votes cast at the AGM shall be considered invalid.

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

18. INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING

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

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

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

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

Type Of Shareholders	LOGIN METHOD
Individual Shareholders holding securities in demat mode with NSDL	• If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: https://eservices.nsdl.com either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. • After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be re-directed to e-Voting service provider website "InstaVote" for casting your vote during the remote e-Voting period or voting during the meeting.

	If the user is not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select “Register Online for IDeAS “Portal or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to e-Voting service provider website “InstaVote” for casting your vote during the remote e-Voting period or voting during the meeting.
Individual Shareholders holding securities in demat mode with CDSL	Existing user of who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. After successful login of Easi / Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. LINKINTIME. Click on LINKINTIME and you will be redirected to “InstaVote” website for casting your vote during the remote e-Voting period. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi./Registration/EasiRegistration Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP where the E Voting is in progress. i.e. LINKINTIME and you will be redirected to e-Voting service provider website “InstaVote” for casting your vote during the remote e-Voting period or voting during the meeting.
Individual Shareholders (holding securities in demat mode) & login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. Once login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name i.e. LINKINTIME and you will be redirected to e-Voting service provider “InstaVote” website for casting your vote during the remote e-Voting period or voting during the meeting.

Institutional shareholders:

Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on the e-voting system of LIIPL at <https://instavote.linkintime.co.in> and register themselves as '**Custodian / Mutual Fund / Corporate Body**'. They are also required to upload a scanned certified true copy of the board resolution / authority letter / power of attorney etc. together with attested specimen signature of the duly authorised representative(s) in PDF format in the '**Custodian / Mutual Fund / Corporate Body**' login for the Scrutinizer to verify the same.

Shareholders facing any technical issue in login may contact Link Intime INSTAVOTE helpdesk by sending a request at enotices@linkintime.co.in or contact on: - Tel: 022 – 4918 6000.

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

Shareholders/ members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned depository/ depository participants website.

- It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.

Helpdesk for Individual Shareholders holding securities in demat mode:

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

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022-23058738 or 22-23058542-43.

EXPLANATORY STATEMENT

As required under Section – 102 of the Companies Act, 2013 [“Act”], the following explanatory statement sets out all material facts relating to business mentioned under item no. 4 to 9 of the accompanying Notice:

Item No.: 4

The Board of Directors of the Company, on the recommendation of the Audit Committee, at its Meeting held on May 28, 2022, has considered and approved the appointment of M/s. Board Sanjay, B & Associates, Cost Accountants, as the Cost Auditor of the Company for the financial year 2022-23 at a remuneration of Rs. 35,000/- [Rupees Thirty-Five Thousand only] plus GST.

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

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

None of the directors and/or Key Managerial Personnel [KMP] of the Company and their relatives is concerned or interested financially or otherwise in the resolution set out at item no. 4 of the Notice.

Item No.: 5

Since appointment of Mr. Rupesh J. Mehta (DIN-01474523), the Company has made significant progress under the leadership of Mr. Rupesh J. Mehta (DIN-01474523), the Company's operation have grown multi fold during this period.

The Nomination & Remuneration Committee at their meeting held on 5th August, 2022 recommended before the Board of Director for reappointment of Managing Director, Mr. Rupesh J. Mehta (DIN-01474523) and Board of Directors in its meeting held on 5th August, 2022, has considered the reappointment of Mr. Rupesh J. Mehta (DIN-01474523) for service rendered by him as chairman and Managing Director of the Company and keeping in view his achievements and contributions, recommended to the members for reappointment of him w.e.f 1st October, 2022 for a period of 3 (Three) years on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board subject to approval of shareholders at this Meeting.

Further, pursuant to provision of section 196(4), section 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, reappointment of Managing Director requires the approval of Members and accordingly, the matter at Item No. 5 is recommended by the Board of directors before the Members for their approval by way of passing of Special Resolution.

The appointment is made subject to the terms and conditions contained in the agreement and are available for inspection at the Registered Office of the Company on any working day between 10.00 a.m. to 5.00 p.m. under Section 190 of the Act.

Mr. Rupesh J. Mehta (DIN-01474523) and Mrs. Riya R. Mehta (DIN: 01603726), being husband-wife, are deemed to be interested in resolution at item No 5 of the notice since it relates to reappointment of Mr. Rupesh J. Mehta (DIN-01474523) as Managing Director of the Company and to the remuneration payable to him as Managing Director.

Except Mr. Rupesh J. Mehta (DIN-01474523) and his relatives including Mrs. Riya R. Mehta (DIN: 01603726) a Non-Executive Director, None of the directors and /or Key Managerial Personnel of the Company and their relatives is in any way interested or concerned, financially or otherwise in the passing of the Resolutions set out at Item No. 5 except to the extent of their shareholding in the Company, if any.

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

I. GENERAL INFORMATION:				
1.	Nature of industry	Manufacturing		
2.	Date or expected date of commencement of commercial production	Already commence		
3.	In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus	Already commence		
4.	Financial performance based on given indicators	Financial Performance of the Company for the year ended 31st March, 2022:		
		(Rs. in Lakhs)		
		Revenue from operations:-	19,047.88	
		Other Income:	47.24	
		Total Expenditure:	17,256.23	
		Net Profit(Loss) before tax:	1,838.89	
5.	Export performance and foreign exchange earned for the financial year ended 31st March, 2022	Foreign Exchange Earning And Out Go:		
		(Rs. in Lakhs)		
		Particular	2021-22	2020-21
		i. Total foreign exchange used (Rs.)	1313.89/-	359.95/-
6.	Foreign investments or collaborations, if any.	No such investment or collaboration		
II. INFORMATION ABOUT THE MANAGING DIRECTOR:				
1.	Background details	Name:- Mr. Rupesh Jagdishbhai Mehta Designation:- Chairman and Managing Director Age:- 54 years Experience:- 26 Years Qualification:- B.COM Mr. Rupesh J. Mehta is Director of the Company since the inception of the Company i.e. w.e.f 31/12/2003. Mr. Rupesh J. Mehta is not holding any other Directorship in any other Company		
2.	Past remuneration	Rs. 7.00 Lakhs per month w.e.f from 01/01/2021 to 31/07/2021 and thereafter again revised to Rs. 3.00 Lakhs per month w.e.f 01/08/2021.		

3.	Recognition or awards	He was former director of Indian Machine tools manufacturing association, Former president of Indian Machine tools association, former treasurer of Rajkot chamber of commerce and former director of Rajkot engineering association.
4.	Job profile and his suitability	Mr. Rupesh J. Mehta is chairman and managing director of the company and leading the company upfront.
5.	Remuneration proposed	Rs. 3 Lakhs per month by way of Professional fees/Management Consultancy fees.
6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointee in other companies.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial Personnel, if any. (As on cut of date for notice dispatch to members)	Apart from Mr. Rupesh J. Mehta is a Chairman and Managing Director of the Company, he holds 32,28,526 Equity Shares at the Face value of Rs. 10/- each of the Company in his individual capacity i.e. 32.27%. Mr. Rupesh J. Mehta is brother of Mr. Nikesh J. Mehta who is Whole Time Director & CEO of the Company and husband of Mrs. Riya R. Mehta who is Non-Executive Woman Director on the Board of the Company.

III. OTHER INFORMATION

1.	Reasons of loss or inadequate profits	The Company has reported a Total income of Rs. 19,095.12/- Lakhs for the year ended on 31st March, 2022 as against Rs. 11,322.40/- Lakhs for the previous year ended on 31st March, 2021. The Company has reported a net profit after tax of Rs. 1,283.79/- Lakhs for F.Y 2021-22 as against net profit after tax of Rs. 603.18/- Lakhs for F.Y 2020-21. The proposed remuneration is less than the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits /inadequate profits pursuant to the approval of the shareholders.
2.	Steps taken or proposed to be taken for improvement	However, to address the challenges, the Company has initiated several measures and continuously keeping watch on the operations of the Business and in thoughtful process of new innovations/inventions to overcome the situation.
3.	Expected increase in productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.

(IV) DISCLOSURES

1.	The Shareholders of the Company shall be informed of the remuneration package of the managerial person.	The remuneration paid to Mr. Rupesh J. Mehta as stated above and Disclosures relating to remuneration package is disclosed in resolution.
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Item No.: 6

Considering his rich and wide experience as well as long term association with the Company and taking into account his valuable contribution to the growth of the Company, it is desirable to reappoint Mr. Nikesh J. Mehta (DIN-01603779) as Whole Time Director for a further period of 3 (Three) years w.e.f 1st October, 2022, in pursuance of the provisions of Companies Act, 2013, as amended.

The Nomination & Remuneration Committee at their meeting held on 5th August, 2022 recommended before the Board of Director for reappointment of Mr. Nikesh J. Mehta (DIN-01603779) and Board of Directors in its meeting held on 5th August, 2022 has considered the reappointment of Mr. Nikesh J. Mehta (DIN-01603779) for service rendered by him as Whole Time Director and CEO of the Company and keeping in view his achievements and contributions, recommended to the members for reappointment of him w.e.f 1st October, 2022 for a period of 3 (Three) years on the terms and conditions including remuneration as recommended by the Nomination and Remuneration Committee of the Board subject to approval of shareholders at this Meeting.

Further, pursuant to provision of section 196(4), section 197, Schedule V and other applicable provisions, if any, of the Companies Act, 2013, reappointment of Whole Time Director requires the approval of Members and accordingly, the matter at Item No. 6 is recommended by the Board of directors before the Members for their approval by way of passing of Special Resolution.

The appointment is made subject to the terms and conditions contained in the agreement and are available for inspection at the Registered Office of the Company on any working day between 10.00 a.m. to 5.00 p.m. under Section 190 of the Act.

Except Mr. Nikesh J. Mehta (DIN- 01603779), Whole-Time Director of the Company and his relatives, None of the directors and /or Key Managerial Personnel of the Company and their relatives is in any way interested or concerned, financially or otherwise in the passing of the Resolutions set out at Item No. 6 except to the extent of their shareholding in the Company, if any.

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

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

4.	Financial performance based on given indicators	Financial Performance of the Company for the year ended 31st March, 2022:		
		(Rs. in Lakhs)		
		Revenue from operations:-		19,047.88
		Other Income:		47.24
		Total Expenditure:		17,256.23
		Net Profit(Loss) before tax:		1 838.89
5.	Export performance and foreign exchange earned for the financial year ended 31st March, 2022	Foreign Exchange Earning And Out Go:		
		Particular	2021-22	2020-21
		i. Total foreign exchange used (Rs.)	1313.89/-	359.95/-
		ii. Total foreign exchange earned on F.O.B basis (Rs.)	NIL	NIL
6.	Foreign investments or collaborations, if any.	No such investment or collaboration		

II. INFORMATION ABOUT THE WHOLE-TIME DIRECTOR:

1.	Background details	Name:- Mr. Nikesh Jagdish Mehta Designation:- Whole-time director & CEO Age:- 44 years Experience:- 15 Years Qualification:- B.COM Mr. Nikesh J. Mehta is Director of the Company since the inception of the Company i.e. w.e.f 31/12/2003. Mr. Nikesh J. Mehta is not holding any other Directorship in any other Company
2.	Past remuneration	Rs. 7.00 Lakhs per month w.e.f from 01/01/2021 to 31/07/2021 and thereafter again revised to Rs. 2.00 Lakhs per month w.e.f 01/08/2021.
3.	Recognition or awards	None
4.	Job profile and his suitability	Mr. Nikesh J. Mehta is whole-time director and chief executive officer of the company and he is leading and handling purchase department and looking after machine shops, and application department of the company
5.	Remuneration proposed	Rs. 2 Lakhs per month by way of Professional fees/Management Consultancy fees.

6.	Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin)	Taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level appointee in other companies.
7.	Pecuniary relationship directly or indirectly with the company, or relationship with the managerial Personnel, if any. (As on cut of date for notice dispatch to members)	Apart from Mr. Nikesh J. Mehta is a Whole-time director and Chief executive officer of the Company, he holds 13,41,062 Equity Shares at the Face value of Rs. 10/- each of the Company in his individual capacity i.e. 13.41%. Mr. Nikesh J. Mehta is brother of Mr. Rupesh J. Mehta who is Chairman and Managing director of the Company and brother-in-law of Mrs. Riya R. Mehta who is Non-Executive Woman Director on the Board of the Company.

III. OTHER INFORMATION

1.	Reasons of loss or inadequate profits	The Company has reported a Total income of Rs. 19,095.12/- Lakhs for the year ended on 31st March, 2022 as against Rs. 11,322.40/- Lakhs for the previous year ended on 31st March, 2021. The Company has reported a net profit after tax of Rs. 1,283.79/- Lakhs for F.Y 2021-22 as against net profit after tax of Rs. 603.18/- Lakhs for F.Y 2020-21. The proposed remuneration is less than the maximum permissible remuneration prescribed as per Schedule V of the Companies Act, 2013 in case of no profits /inadequate profits pursuant to the approval of the shareholders.
2.	Steps taken or proposed to be taken for improvement	However, to address the challenges, the Company has initiated several measures and continuously keeping watch on the operations of the Business and in thoughtful process of new innovations/inventions to overcome the situation.
3.	Expected increase in productivity and profits in measurable terms	It is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that productivity and profitability may improve and would be comparable with the industry average.

(IV) DISCLOSURES

1.	The Shareholders of the Company shall be informed of the remuneration package of the managerial person.	The remuneration paid to Mr. Nikesh J. Mehta as stated above and Disclosures relating to remuneration package is disclosed in resolution.
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Item No.: 7

The Board of Directors at its meeting held on November 17, 2017 had appointed Mr. Rajubhai Ranchhodbhai Bhanderi (DIN: 07986563) as an Additional Director of the Company to hold office till the next Annual General Meeting. Further, the Members at their 15th Annual General Meeting appointed Mr. Rajubhai Ranchhodbhai Bhanderi (DIN: 07986563) as an Independent Director to hold office for a term of 5 years w.e.f. November 17, 2017. Accordingly, the tenure of Mr. Rajubhai Ranchhodbhai Bhanderi (DIN: 07986563), as an Independent Director is due for expire on November 16, 2022.

In terms of provisions of section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company shall recommend to the Board of the Directors, the appointment/ reappointment of a Director. In terms of provisions of section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a special resolution by the Shareholders of the Company and disclosure of such appointment in the Board's report. the Independent Directors shall be appointed by the Board of Directors of the Company, based on the nomination received from Nomination and Remuneration Committee of the Company, constituted by the Board, in accordance with Applicable Law and the Independent Director(s) to be so appointed shall be persons of high standing, good repute and widely acknowledged as experts in their respective field, which the Board deems beneficial to the Company.

The Company has received the consent from Mr. Rajubhai Ranchhodbhai Bhanderi (DIN: 07986563) to continue to act as an Independent Director along with the declaration on criteria of Independence as per Section 149(6) of the Act. After taking into account the performance evaluation, during his first term of five years and considering the knowledge, acumen, expertise and experience in respective fields and the substantial contribution made by Mr. Rajubhai Ranchhodbhai Bhanderi (DIN: 07986563) during his tenure as an Independent Director since his appointment, the Nomination and Remuneration Committee at its meeting held on 5th August, 2022 has considered, approved and recommended the re-appointment of Mr. Rajubhai Ranchhodbhai Bhanderi (DIN: 07986563) as an Independent Directors for a second term of five years with effect from November 17, 2022, to the Board of Directors for their approval. The Board of Directors at its meeting held on 5th August, 2022 has approved the proposal for reappointment of Mr. Rajubhai Ranchhodbhai Bhanderi (DIN: 07986563) as an Independent Director for a second term of five consecutive years with effect from November 17, 2022.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Rajubhai Ranchhodbhai Bhanderi (DIN: 07986563), as an Independent Director. Accordingly, the Board recommends the resolution for approval of the Members as a Special Resolution as set out in the item no. 7 of the notice in relation to reappointment of Mr. Rajubhai Ranchhodbhai Bhanderi (DIN: 07986563), as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Rajubhai Ranchhodbhai Bhanderi (DIN: 07986563), being the appointee, no other Director or Key Managerial Personnel of the Company or their respective relatives is/ are concerned or interested, financially or otherwise, in the said Resolution.

Item No.: 8

The Board of Directors at its meeting held on November 17, 2017 had appointed Mr. Deven Jasvantrai Doshi (DIN: 07994505) as an Additional Director of the Company to hold office till the next Annual General Meeting. Further, the Members at their 15th Annual General Meeting appointed Mr. Deven Jasvantrai Doshi (DIN: 07994505) as an Independent Director to hold office for a term of 5 years w.e.f. November 17, 2017. Accordingly, the tenure of Mr. Deven Jasvantrai Doshi (DIN: 07994505), as an Independent Director is due for expire on November 16, 2022.

In terms of provisions of section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company shall recommend to the Board of the Directors, the appointment/ reappointment of a Director. In terms of provisions of section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a special resolution by the Shareholders of the Company and disclosure of such appointment in the Board's report. the Independent Directors shall be appointed by the Board of Directors of the Company, based on the nomination received from Nomination and Remuneration Committee of the Company, constituted by the Board, in accordance with Applicable Law and the Independent Director(s) to be so appointed shall be persons of high standing, good repute and widely acknowledged as experts in their respective field, which the Board deems beneficial to the Company.

The Company has received the consent from Mr. Deven Jasvantrai Doshi (DIN: 07994505) to continue to act as an Independent Director along with the declaration on criteria of Independence as per Section 149(6) of the Act. After taking into account the performance evaluation, during his first term of five years and considering the knowledge, acumen, expertise and experience in respective fields and the substantial contribution made by Mr. Deven Jasvantrai Doshi (DIN: 07994505) during his tenure as an Independent Director since his appointment, the Nomination and Remuneration Committee at its meeting held on 5th August, 2022 has considered, approved and recommended the re-appointment of Mr. Deven Jasvantrai Doshi (DIN: 07994505) as an Independent Directors for a second term of five years with effect from November 17, 2022, to the Board of Directors for their approval. The Board of Directors at its meeting held on 5th August, 2022 has approved the proposal for reappointment of Mr. Deven Jasvantrai Doshi (DIN: 07994505) as an Independent Director for a second term of five consecutive years with effect from November 17, 2022.

The Board considers that his association would be of immense benefit to the Company and it is desirable to avail services of Mr. Deven Jasvantrai Doshi (DIN: 07994505), as an Independent Director. Accordingly, the Board recommends the resolution for approval of the Members as a Special Resolution as set out in the item no. 8 of the notice in relation to reappointment of Mr. Deven Jasvantrai Doshi (DIN: 07994505), as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Deven Jasvantrai Doshi (DIN: 07994505), being the appointee, no other Director or Key Managerial Personnel of the Company or their respective relatives is/ are concerned or interested, financially or otherwise, in the said Resolution.

Item No.: 9

The Board of Directors at its meeting held on November 17, 2017 had appointed Mr. Maulik Rambhai Mokariya (DIN: 05310868) as an Additional Director of the Company to hold office till the next Annual General Meeting. Further, the Members at their 15th Annual General Meeting appointed Mr. Maulik Rambhai Mokariya (DIN: 05310868) as an Independent Director to hold office for a term of 5 years w.e.f. November 17, 2017. Accordingly, the tenure of Mr. Maulik Rambhai Mokariya (DIN: 05310868), as an Independent Director is due for expire on November 16, 2022.

In terms of provisions of section 178 of the Companies Act, 2013, the Nomination and Remuneration Committee of the Company shall recommend to the Board of the Directors, the appointment/ reappointment of a Director. In terms of provisions of section 149(10) of the Companies Act, 2013, an independent director shall hold office for a term up to five consecutive years on the Board of a Company, but shall be eligible for reappointment on passing of a special resolution by the Shareholders of the Company and disclosure of such appointment in the Board's report. the Independent Directors shall be appointed by the Board of Directors of the Company, based on the nomination received from Nomination and Remuneration Committee of the Company, constituted by the Board, in accordance with Applicable Law and the Independent Director(s) to be so appointed shall be persons of high standing, good repute and widely acknowledged as experts in their respective field, which the Board deems beneficial to the Company.

The Company has received the consent from Mr. Maulik Rambhai Mokariya (DIN: 05310868) to continue to act as an Independent Director along with the declaration on criteria of Independence as per Section 149(6) of the Act. After taking into account the performance evaluation, during his first term of five years and considering the knowledge, acumen, expertise and experience in respective fields and the substantial contribution made by Mr. Maulik Rambhai Mokariya (DIN: 05310868) during his tenure as an Independent Director since his appointment, the Nomination and Remuneration Committee at its meeting held on 5th August, 2022 has considered, approved and recommended the re-appointment of Mr. Maulik Rambhai Mokariya (DIN: 05310868) as an Independent Directors for a second term of five years with effect from November 17, 2022, to the Board of Directors for their approval. The Board of Directors at its meeting held on 5th August, 2022 has approved the proposal for reappointment of Mr. Maulik Rambhai Mokariya (DIN: 05310868) as an Independent Director for a second term of five consecutive years with effect from November 17, 2022.

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 (DIN: 05310868), as an Independent Director. Accordingly, the Board recommends the resolution for approval of the Members as a Special Resolution as set out in the item no. 9 of the notice in relation to reappointment of Mr. Maulik Rambhai Mokariya (DIN: 05310868), as an Independent Director, for the approval by the shareholders of the Company.

Except Mr. Maulik Rambhai Mokariya (DIN: 05310868), being the appointee, no other Director or Key Managerial Personnel of the Company or their respective relatives is/ are concerned or interested, financially or otherwise, in the said Resolution.

Place: Metoda, Rajkot

Date: 5th August, 2022

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

[Rupesh J. Mehta]

Chairman & Managing Director

DIN: 01474523

Annexure-A

Details of Directors seeking appointment/re-appointment at forthcoming 19th AGM

[Pursuant to Regulation 36(3) and 26(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015]

Name of Director	Mr. Rupesh J. Mehta	Nikesh J. Mehta
Date of Birth	23/10/1968	27/12/1978
Date of Appointment	31/12/2003 (Appointed as MD w.e.f 17/11/2017)	31/12/2003 [Appointed as WTD w.e.f 17/11/2017]
Education Qualification	B.Com	B.Com
Expertise in Specific functional area	Mr. Rupesh J. Mehta, Promoter, Chairman and Managing Director have over 26 years of experience in machine tool industry and have been the anchor person to craft out new avenues. His exposure related to machine tools industry adds tremendous value to Company	He has been on the Board of the Company since inception and has around 15 years of experience in the Machine Tools Industry. He has expertise in Techno-Commercial Management and looks after the Machine Shop, Application and Purchase departments operations of the Company.
Disclosure of relationship between directors inter-se	Mr. Nikesh J. Mehta, Whole-time director and Chief Executive Officer (Brother) and Mrs. Riya R. Mehta, Women director (Wife)	Mr. Rupesh J. Mehta, Chairman & Managing Director [Brother] and Mrs. Riya R. Mehta, Non-Executive Director (Sister-in-law)
Terms and conditions of appointment/ continuation of Directorship	For a period of three years subject to liable to retire by rotation.	For a period of three years subject to liable to retire by rotation.
Details of last remuneration drawn (FY22)	Rs. 3 Lakhs Per Month	Rs. 2 Lakhs Per Month
Details of proposed remuneration	Rs. 3 Lakhs per month by way of Professional fees/ Management Consultancy fees.	Rs. 2 Lakhs per month by way of Professional fees/ Management Consultancy fees.
Number of Board Meetings Attended	Detail is given in the Board's Report.	Detail is given in the Board's Report.
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	Member of Corporate Social Responsibility Committee, Stakeholders Relationship Committee and Audit Committee	Member of Corporate Social Responsibility Committee and Stakeholders Relationship Committee
List of public companies in which Directorship held	Macpower CNC Machines Limited	Macpower CNC Machines Limited
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of other Listed Companies	Nil	Nil
Shareholding in the Company	3228526 (32.27%)	1341062 (13.41%)

Name of Director	Maulik R. Mokariya	Rajubhai R. Bhanderi	Deven J. Doshi
Date of Birth	03/11/1988	09/10/1964	27/10/1966
Date of Appointment	17/11/2017	17/11/2017	17/11/2017
Education Qualification	BCA & MSC in Financial Management	S.S.C	S.Y. B.Com
Expertise in Specific functional area	Finance, Operation & Management	Engineering Industries including Techno and Commercial field	Finance sector including financial system in general and stock exchange market
Disclosure of relationship between directors inter-se	None	None	None
Terms and conditions of appointment/ continuation of Directorship	For a period of five years of second term and not liable to retire by rotation.	For a period of five years of second term and not liable to retire by rotation.	For a period of five years of second term and not liable to retire by rotation.
Details of last remuneration drawn in Rs.(FY22)	NIL	NIL	NIL
Details of proposed remuneration	Seating fee if fixed by Board	Seating fee if fixed by Board	Seating fee if fixed by Board
Number of Board Meetings Attended	A detail is given in the Board's Report.	A detail is given in the Board's Report.	A detail is given in the Board's Report.
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of the Company	NIL	Chairman of Corporate Social Responsibility Committee, Stakeholders Relationship Committee, Nomination & Remuneration Committee and Audit Committee	Member of Nomination & Remuneration Committee and Audit Committee
List of public companies in which Directorship held	1. Macpower CNC Machines Limited 2. Wedib Express Limited 3. Vapsee Logistics Limited	Macpower CNC Machines Limited	Macpower CNC Machines Limited
Chairmanship/Membership of the Statutory Committee(s) of Board of Directors of other Listed Companies	NIL	NIL	NIL
Shareholding in the Company	NIL	NIL	3006 (0.03%) jointly hold with others

Place: Metoda, Rajkot
Date: 5th August, 2022

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

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

MACPOWER CNC MACHINES LIMITED

CIN: L30009GJ2003PLC043419

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

Tel: +91 2827 287930/31/32; Email: info@macpowercnc.com;website: www.macpowercnc.com**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 19th Annual General Meeting of the Company, to be held on the **Tuesday, September 27, 2022** at **02:00 P.M.** at Plot No. 2234, Near Kranti Gate, GIDC Metoda – 360 021, Talu-Lodhika, Dist-Rajkot, Gujarat, India and at any adjournment thereof in respect of such resolutions as are indicated below:

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

Resolution No.	Particulars	For	Against
1.	To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the financial year ended on March 31, 2022, together with the Report of the Board of Directors and Auditor's thereon.		
2.	To confirm interim dividends paid during the financial year ended March 31, 2022 and to declare final dividend for the financial year ended March 31, 2022.		
3.	To appoint a Director in place of Mr. Nikesh Jagdish Mehta [DIN: 01603779] who retires by rotation and, being eligible, offers himself for re-appointment.		
4.	To ratify Remuneration of Cost Auditor for F.Y. 2022-23.		
5.	To reappoint Mr. Rupesh Jagdishbhai Mehta (DIN: 01474523) as a Managing director of the Company and to fix his remuneration.		
6.	To reappoint Mr. Nikesh Jagdish Mehta (DIN:01603779) as a Whole-time director (WTD) of the Company and to fix his remuneration.		
7.	To re-appoint Mr. Rajubhai Ranchhodbhai Bhanderi (DIN: 07986563) as an Independent Director of the Company for a second term of five consecutive years.		
8.	To re-appoint Mr. Deven Jasvantrai Doshi (DIN: 07994505) as an Independent Director of the Company for a second term of five consecutive years.		
9.	To re-appoint Mr. Maulik Rambhai Mokariya (DIN: 05310868) as an Independent Director of the Company for a second term of five consecutive years.		

*Applicable for investors holding shares in electronic form.

**This is Optional

Signed this _____ day of _____, 2022

Signature of Member

Signature of Proxy Holder

Please affix
Revenue Stamp
of Re. 1

Notes:

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

Macpower CNC Machines Limited

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

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

www.macpowercnc.com

CIN: L30009GJ2003PLC043419

ATTENDANCE SLIP

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

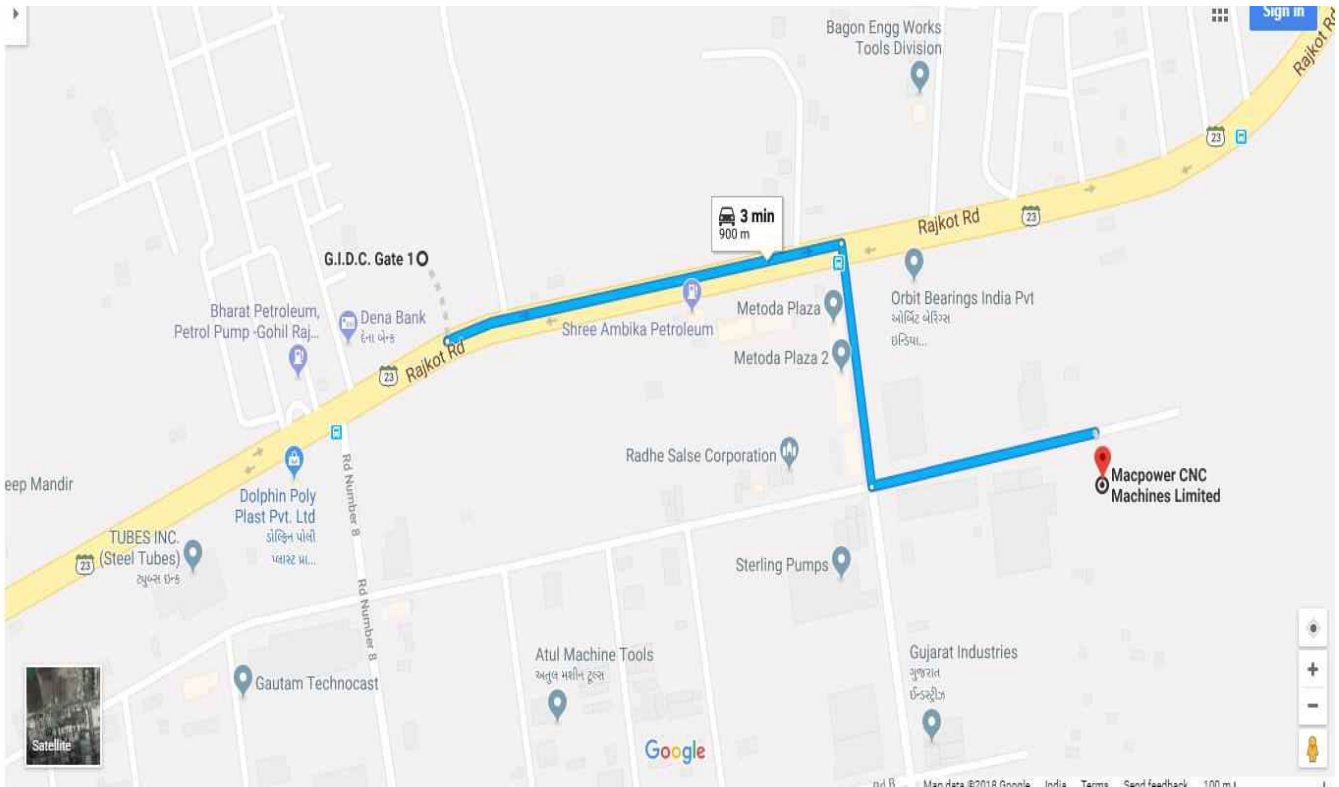
Name of the Member:			
Address of the Member:			
DP ID*:		Folio No:	
Client ID*:		No. of Shares	

I hereby record my presence at the 19th ANNUAL GENERAL MEETING of the Company held on **Tuesday, September 27, 2022** at **02:00 P.M.** at Plot No. 2234, Near Kranti Gate, GIDC Metoda – 360 021, Talu-Lodhika, Dist-Rajkot, Gujarat, India.

Signature of member/Proxy holder(s)

*Applicable for investors holding shares in electronic form.

Route Map for the Venue of Annual General Meeting



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

Date of AGM- Tuesday, September 27, 2022

Time of AGM: 02:00 P.M.

To,
The Members,
 of Macpower CNC Machines Limited

Your Directors have pleasure in presenting their 19th Annual Report on business and operation of your company together with the Financial Statements for the year ended on March 31, 2022.

FINANCIAL RESULT

Particulars	Current Financial Year (2021-22)	Previous Financial Year (2020-21)
Revenue from Operations	19048	11287
Other Income	47	35
Total Income	19095	11322
Profit/Loss before depreciation, Finance Costs, Exceptional items and Tax Expense	2134	954
Less: Depreciation/Amortization/Impairment	279	261
Profit/(Loss) before Finance Costs, Exceptional items and Tax Expense	1855	693
Less: Finance Costs	16	17
Profit/(Loss) before Exceptional items and Tax Expense	1839	676
Add/(less): Exceptional items	0	0
Profit/(Loss) before Tax Expense	1839	675
Less: Tax Expense [Current & Deferred]	555	72
Current Income Tax	388	108
Deferred Tax	167	-36
Profit/(Loss) for the year	1284	603

OVERVIEW OF OPERATIONS

Performance of your company was outperformed during the financial year 2021-22 by generating highest total operating revenue of Rs. 190.48 Crore against Rs. 112.87 Crore of previous financial year, representing Increase in Y-o-Y growth rate by 69%. The EBITDA of the Company has grown by 127% from the last year and reached to Rs. 20.86 Crore from Rs. 9.17 Crore. This year your company's PAT comes to Rs. 12.84 Crore as last year it was Rs. 6.03 Crore, representing Y-o-Y growth rate increase by of 113%. EPS stands at Rs 12.84 per share as against Rs 6.02 per share last year.

CHANGE IN NATURE OF BUSINESS

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

TRANSFER TO RESERVE

No amount is proposed to be transferred to General Reserve out of the net profits of the Company for the FY22. Hence, the entire amount of profit has been carried forward to the Profit & Loss Reserve Account.

DIVIDEND

During the year under review, the Board of Directors declared and paid interim dividends of Re. 0.50/- per equity share each. The total amount distributed as interim dividends on the paid-up equity share capital for the year amounted to Rs. 50,02,080/-.

Based on the performance of the Company for the year, the Board of Directors is pleased to recommend a final dividend of Re.1/- per equity share subject to approval of Shareholders at the Annual General Meeting, which if approved, will absorb Rs. 1,00,04,160/- towards final dividend.

The aggregate amount of payout by the Company considering interim dividends paid during the year and the final dividend recommended for the financial year ended March 31, 2022 would be Rs. 1.50/- per equity share i.e. Rs. 1,50,06,240/-.

In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020 and amendments thereof, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. The Company shall, accordingly, make the payment of the final dividend after deduction of tax at source.

MAJOR EVENTS OCCURRED DURING THE YEAR

During the year under review, there have been no events occurred in your company which management believes that having an impact on the affairs of your company;

DISPATCH OF MACHINES

During the year, your company has dispatched total 1046 Machines to various sectors like Private sector, Defense sector, Education sector, Research sector etc.

MATERIAL CHANGES AND COMMITMENTS/KEY DEVELOPMENTS

There have been no material changes and commitments affecting the financial position of the Company since the closure of financial year i.e. since March 31, 2022

REVISION OF FINANCIAL STATEMENTS

None of Financial Statements of the Company, pertaining to previous financial years were revised during the financial year under review.

SHARE CAPITAL AND DEBT STRUCTURE

There was no change in Authorised and Paid up Share Capital of the Company and neither there was any reclassification nor sub-division of equity shares during the year under review.

Your Company does not have Debt securities.

CREDIT RATING OF SECURITIES

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

INVESTOR EDUCATION AND PROTECTION FUND [IEPF]

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

But in the financial year of 2017-2018, 2018-2019, your Company has declared dividend, interim dividend in 2021-22 and the details of Unpaid/Unclaimed Dividend account of Members of the Company is given on the website of the Company – <https://www.macpowercnc.com/investor/unpaid-or-unclaimed-dividend-details/>

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

Name: Mr. Kishor Kikani

Designation: Company Secretary & Compliance Officer

Contact details: cs@macpowercnc.com

MANAGEMENT

I. Director and Key Managerial Personnel

Directors

Following are the Promoter/Promoter group Directors of the Company as on 31st March, 2022 and during the year under review, there has been no change in the Board of Directors of the Company:

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

Director retiring by rotation

Mr. Nikesh J. Mehta, Whole Time Director (DIN: 01603779) of the Company retires at this ensuing Annual General Meeting pursuant to provision of section 152(6) of the Companies Act, 2013 and being eligible, offer himself for re-appointment.

Key Managerial Personnel (KMP)

Pursuant to the provisions of Section 203 of the Companies Act, 2013, following are the Key Managerial Personnel of the Company as on March 31, 2022:

Sr. No	Names of KMP	Designation	DIN
1.	Mr. Rupesh J. Mehta	Managing Director	01474523
2.	Mr. Nikesh J. Mehta	Whole-Time Director(WTD) and Chief Executive Officer(CEO)	01603779
3.	Mr. Rajnikant Raja	CFO	-
4.	Mr. Sagar Rajyaguru (Resigned on 31.31.2021 after closing of working hours)	CS	-
5.	Mr Kishor Kikani (Appointed w.e.f. 01.01.2022)	CS	

Board at their meeting held on 5th August, 2022 has re-appointed Mr. Rupesh J. Mehta (DIN: 01474523), Managing Director and Mr. Nikesh J. Mehta (DIN: 01603779), Whole Time Director of the Company for a period of 3 (three) years effective from October 1, 2022 to September 30, 2025 and has fixed remuneration as stated in the Notice of Annual General Meeting, subject to approval of the Members of the Company and accordingly seeking approval of Members for their re-appointment and remuneration fixed at this annual general meeting, pursuant to provision of section 196(4) of the Companies Act, 2013. Necessary resolutions relating to their reappointment along with details of remuneration fixed are included in the Notice of Annual General Meeting. The relevant details and Brief profile of Director seeking re-appointment are given in the Notes/Annexures to the Notice of the Annual General Meeting.

Change in KMP during the year

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

Mr. Sagar Rajyaguru was resigned as a Company Secretary of the Company on 31-12-2021 after the closure of working hours and in place of them Company has Appointed Mr. Kishor Kikani as a Company Secretary of the Company w.e.f. 01.01.2022.

ii. Independent Directors

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

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

They have been appointed as Independent Directors for a period of five (5) years from November 17, 2017 to November 16, 2022. Therefore aforesaid all the Independent Directors are seeking reappointment at this annual general meeting for a period of five (5) years for 2nd term from November 17, 2022 to November 16, 2027. Necessary resolutions relating to their reappointment for a period of five (5) years for 2nd term are included in the Notice of Annual General Meeting. The relevant details and Brief profile of Director seeking re-appointment are given in the Notes/Annexures to the Notice of the Annual General Meeting.

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

iii. Declaration by Independent Directors

Pursuant to the provisions of Section 149 of the Act, the independent directors have submitted declarations that each of them meets the criteria of independence as provided in Section 149(6) of the Act along with Rules framed thereunder and as per Regulation 16(1)(b) and Regulation 25 (8) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") at the first meeting of the Board of financial year. In Furtherance, Company has also received confirmation that that they are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and that they are independent of the management. There has been no change in the circumstances affecting their status as independent directors of the Company.

During the year under review, the non-executive director and Independent Directors of the Company had no pecuniary relationship or transactions with the Company, other than sitting fees, commission and reimbursement of expenses, if any, incurred by them for the purpose of attending meetings of the Board/Committee of the Company.

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

iv. Board Meeting

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

Board of Directors	Rupesh J. Mehta	Nikesh J. Mehta	Riya R. Mehta	Maulik R. Mokariya	Rajubhai R. Bhanderi	Deven J. Doshi
Meeting Date/ Designation	Managing Director	Whole-Time Director	Non-Executive & Woman Director	Independent Director	Independent Director	Independent Director
25.06.2021	YES	YES	YES	YES	YES	YES
14.08.2021	YES	YES	YES	YES	YES	YES
18.10.2021	YES	YES	YES	NO	YES	YES
25.10.2021	YES	YES	YES	NO	YES	YES
30.11.2021	YES	YES	YES	NO	YES	YES
31.12.2021	YES	YES	YES	NO	YES	YES
10.02.2022	YES	YES	YES	YES	YES	YES

During FY 2021-2022, meetings of the Independent Directors were held on 10/02/2022. The Independent Directors, inter-alia, reviewed the performance of Chairman of the Company and Board of Directors.

v. Committees of the Board

There are 4 Board Committees as on March 31, 2022 that have been formed, considering the needs of the Company, details of which are as follows;

Audit Committee Meeting	Rupesh J. Mehta	Rajubhai R. Bhanderi	Deven J. Doshi
	Managing Director	Independent Director	Independent Director
Date/Designation	Member	Chairperson	Member
25.06.2021	YES	YES	YES
14.08.2021	YES	YES	YES
25.10.2021	YES	YES	YES
30.11.2021	YES	YES	YES
10.02.2022	YES	YES	YES
Stakeholders' Relationship Committee (SRC) Meeting	Rupesh J. Mehta	Nikesh J. Mehta	Rajubhai R. Bhanderi
	Managing Director	Whole-Time Director	Independent Director
Date/Designation	Member	Member	Chairperson
25.06.2021	YES	YES	YES
Nomination Remuneration Committee (NRC) Meeting	Rajubhai R. Bhanderi	Deven J. Doshi	Riya R. Mehta
	Independent Director	Independent Director	Non-Executive Director
Date/Designation	Chairperson	Member	Member
13.08.2021	YES	YES	YES
31.12.2021	YES	YES	YES
Corporate Social Responsibility Committee Meeting	Rupesh J. Mehta	Nikesh J. Mehta	Rajubhai R. Bhanderi
	Managing Director	Whole-Time Director	Independent Director
Date/Designation	Member	Member	Chairperson
10.02.2022	YES	YES	YES

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

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

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

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

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

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

Nomination and Remuneration policy is placed on the website of the Company at www.macpowercnc.com

viii. Board Evaluation

The Board of Directors has carried out an annual evaluation of its own performance, board committees, and individual directors pursuant to the provisions of the Act and SEBI (LODR) Regulations, 2015. The performance of the board was evaluated by the Board after seeking inputs from all the directors on the basis of criteria such as the board composition and structure, effectiveness of board processes, information and functioning, etc.

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

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

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

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

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

ix. Remuneration of Directors and Employees

Details of Remuneration of Executive Directors for the year ended on March 31, 2022:

Name of Director	Designation	Amount of Remuneration
Mr. Rupesh J. Mehta	Managing Director	INR 52,00,000/-
Mr. Nikesh J. Mehta	Whole-Time Director	INR 44,00,000/-

* Board of directors has based upon the recommendation of nomination and remuneration committee and subject to approval of members of the company (which later approved by members at their AGM held on 29.09.2021) has revised/ increased managerial remuneration as follows:

Mr. Rupesh J. Mehta having monthly remuneration (gross salary) of Rs.7,00,000/- with effect from 01st January, 2021 and Rs.3,00,000/- with effect from 01st August, 2021 and Mr. Nikesh J. Mehta having monthly remuneration (gross salary) of Rs.7,00,000/- with effect from 01st January, 2021 and Rs.2,00,000/- with effect from 01st August, 2021

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

Particulars of employees:

Disclosure pertaining to remuneration and other details as required under the Act read with Rule 5 of the Companies [Appointment and Remuneration of Managerial Personnel] Rules, 2014 and amendments thereof are provided in the Annual Report. Particulars of Employees in terms of the provisions of Section –197(12) of the Act read with Rule 5 is attached with this report as **Annexure -1**.

x. Directors' Responsibility Statement

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

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

INTERNAL FINANCIAL CONTROLS AND INTERNAL CONTROL SYSTEMS:

"Internal financial controls" means the policies and procedures adopted by the company for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and external consultants, including the audit of internal financial controls over financial reporting by the statutory auditors and the reviews performed by management and the relevant board committees, including the audit committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during FY 2021-22.

The Internal Financial Controls with reference to financial statements as designed and implemented by the Company are adequate. During the year under review, no material or serious lapses have been observed by the Internal Auditors of the Company for inefficiency or inadequacy of such controls.

The Company's internal control procedure, which includes internal financial controls, ensures compliance with various policies, practices and statutes keeping in view the organization's pace of growth and increasing complexity of operations. The Internal Auditors carry out extensive audits throughout the year across all functional areas and submit their reports to the Audit Committee. The said Reports have not included any observation of any serious lapses in the system during the year under review.

Based on its evaluation [as defined in section 177 of Companies Act 2013 and Clause 18 of SEBI Regulations 2015], our audit committee has concluded that, as of March 31, 2022 our internal financial controls were adequate and operating effectively.

DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

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

DETAILS OF DEPOSITS

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

PARTICULARS OF LOANS, GUARANTEES AND INVESTMENTS

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

CORPORATE SOCIAL RESPONSIBILITIES

Your Company is falling under the ambit of Section 135 of the Companies Act, 2013 i.e. Corporate Social Responsibility. During the year 2021-22, company has spent total amount of Rs.19.25 Lacs as CSR expenditure.

The brief outline of the Corporate Social Responsibilities [CSR] policy of the Company and the initiatives undertaken by your company on CSR activity during the year under review are set out in **Annexure -3** of this report in the format prescribed in the Companies [Corporate Social Responsibility Policy] Rules, 2014 i.e. Annual Report on CSR Activities. The CSR policy is available on the website of the company at www.macpowercnc.com

Further, the details relating to the Composition of CSR Committee and Meetings of CSR Committee disclosed in above point of Board's Report relating to Committees of Board and also disclosed in the Annual Report on CSR Activities.

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 - 4** attached to this report.

RISK MANAGEMENT

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

VIGIL MECHANISM/WHISTLE BLOWER POLICY

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

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

MATERIAL ORDERS OF JUDICIAL BODIES /REGULATORS

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

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

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

AUDITORS AND AUDITORS' REPORT

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

Name of Auditor	Type of Auditor	FY 21-22	FY 22-23
M/s. S. C. Makhecha & Associates (FRN: 120184W)	Statutory Auditor, Rajkot	Appointed in 15 th AGM [i.e. AGM for 2017-18] for consecutive term of 5 years from 15 th Annual General Meeting till the Conclusion of 20 th AGM (i.e. F.Y2022-23.)	Continue till the Conclusion of 20 th AGM
M/s. K. P. Rachchh & Co. FCS: 5156	Secretarial Auditor	Appointed to conduct Secretarial audit for FY 2021-22.	Re-appointed to conduct Secretarial audit for FY 2022-23.
M/s. Borad Sanjay B & Associates	Cost Auditor	Appointed to conduct cost audit for FY 2021-22.	Re-appointed to conduct cost audit for FY 2022-23.
Mr. Vishal Kadia	Internal Auditor	Appointed to conduct Internal Audit for FY year 2021-22.	Re-appointed to conduct Internal audit for FY 2022-23.

A. STATUTORY AUDITORS:

M/s. S. C. Makhecha & Associates, Chartered Accountants (FRN: 120184W) were Appointed in 15th AGM [i.e. AGM for 2017-18] for consecutive term of 5 years from 15th Annual General Meeting till the Conclusion of 20th AGM (i.e. F.Y2022-23.). They have confirmed that they are not disqualified from continuing as Auditors of the Company

The Auditors' Report for the financial year ended March 31, 2022 does not contain any reservation, qualification or adverse remark. The notes on financial statement referred to in the Auditors' Report are self-explanatory and do not call for any further comments.

NO FRAUD REPORTING

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

B. SECRETARIAL AUDITORS:

Pursuant to the provisions of Section 204 of the Act and Rules made there under, the Board of Directors had appointed M/s. K. P. Rachchh & Co., Practicing Company Secretaries for conducting Secretarial Audit of the Company for the FY 2021-22.

The Secretarial Audit Report obtained pursuant to the provisions of Section 204 of the Act and Rules made there under, from M/s. K. P. Rachchh & Co., Practicing Company Secretaries for the FY 2021-22 is set out at 'Annexure- 5' forming a part of this Report.

The Secretarial Auditors Report for the financial year ended March 31, 2022 is self-explanatory and does not call for any further clarifications.

Further, the Board of Directors at their meeting held on May 28, 2022 has re-appointed M/s. K. P. Rachchh & Co., Practicing Company Secretaries for conducting Secretarial Audit of the Company for the FY-2022-23.

C. COST AUDITORS:

The Board has appointed M/s. Borad Sanjay B & Associates, Cost Accountants for conducting the audit of cost records of the Company for single segment for the financial year 2021-22 as recommended by the Audit Committee.

In furtherance, Company has re-appointed M/s. Borad Sanjay B & Associates, Cost Accountants for the year 2022-23 at a remuneration of Rs. 35,000/- and As required under Section-148 and Rule 14 of the Companies [Audit and Auditors] Rules, 2014, Necessary resolution for ratification of payment of remuneration to the said Cost Auditors forms part of the Notice of the ensuing Annual General Meeting

D. INTERNAL AUDITORS:

Mr. Vishal Kadia has been appointed by the Board of Directors at their meeting held on May 28, 2022, as Internal Auditors of the Company for the financial 2022-23.

COMPLIANCE WITH SECRETARIAL STANDARDS

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

ANNUAL RETURN

Pursuant to Section 92(3) read with Section 134(3)(a) of the Act, the Annual Return as on March 31, 2022 is available on the website of the Company at www.macpowercnc.com

MANAGEMENT DISCUSSION AND ANALYSIS REPORT (MDAR)

Management Discussion & Analysis Report for the year under review, under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), is presented in a separate section and forms a part of this Report.

CORPORATE GOVERNANCE REPORT

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

The Report on Corporate Governance as stipulated under Regulation 34 of the SEBI Listing Regulations forms an integral part of this Report. The requisite certificate on Corporate Governance availed from M/s. K. P. Rachchh & co. Practicing Company Secretaries, confirming compliance with the conditions of corporate governance as stipulated under Schedule V of the SEBI Listing Regulations is enclosed to the Report on Corporate Governance presented in a separate section and forms a part of this Report

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

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

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

INSURANCE

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

SEGMENT REPORTING

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

HUMAN RESOURCE DEVELOPMENT

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

The Company's relation with human resource continued to be cordial during the year under review. The Board wishes to take place on record its appreciation for the valuable services rendered by its entire workforce. During the year there was no instance of Strike, Lock out or another issues related to Human Resources.

GENERAL

The Board of Directors confirms that no disclosure or reporting is required in respect of the following matters as there were no transactions on these matters during the FY22:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise;
2. Issue of shares (including sweat equity shares or Stock options) to employees of the Company;
3. non-exercising of voting rights in respect of shares purchased directly by employees under a scheme pursuant to Section 67(3) of the Act read with Rule 16(4) of Companies (Share Capital and Debentures) Rules, 2014;
4. Material or serious instances of fraud falling within the purview of Section 143(12) of the Act and Rules made there under.

ACKNOWLEDGMENTS

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

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

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

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

Place: Metoda, Rajkot
Date: 5th August, 2022

For and on behalf the Board of
MACPOWER CNC MACHINES LIMITED

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

ANNEXURE -1

PARTICULARS OF EMPLOYEES

The information required under Section 197(12) of the Act read with Rule 5(1) of the Companies (Appointment and Remuneration (Managerial Personnel) Rules, 2014 are given below:

- a. **The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year and the percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:**

Name of Director/KMP	Designation	Ratio to median remuneration [annually]
Rupesh J. Mehta	MD	14.29x
Nikesh J. Mehta	WTD & CEO	9.52x
Riya R. Mehta	Non-executive & Woman Director	Not applicable as no Remuneration
Rajnikant M. Raja	CFO	3.49x
Sagar R. Rajyaguru (Resigned on 31-12-2021 after closure of working hours)	CS	-
Kishor Kikani (Appointed w.e.f. 01.01.2022)	CS	-

No sitting fees and commission paid to Non-Executive Directors & Independent Directors during the year under review.

Mr. Rupesh J. Mehta having monthly remuneration (gross salary) of Rs.7,00,000/- with effect from 01st January, 2021 and Rs.3,00,000/- with effect from 01st August, 2021 and Mr. Nikesh J. Mehta having monthly remuneration (gross salary) of Rs.7,00,000/- with effect from 01st January, 2021 and Rs.2,00,000/- with effect from 01st August, 2021

- b. **The percentage increases in the median remuneration of employees in the financial year:** 6% to 8%.
- c. **The number of permanent employees on the rolls of the company:** 578
- d. **The explanation on the relationship between average increase in remuneration and Company performance:** The average increase in the managerial remuneration for the F.Y 2021-22 is 6% to 10% and the average increase in the salary of employees other than managerial personnel for the FY 2021-22 is upto 6 to 10%.

On an average, employees received an annual increase of upto 6%. The individual increments varied from 6% 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.

- 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:** NA
- f. **Affirmation:** The Company affirms that the remuneration of the Director and the employees of the Company are as per the remuneration policy of the Company.

The Statement of particulars of employees under Section 197(12) read with Rule 5(2) and 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel), Rules, 2014 is not provided with as during the financial year under review, no employee of the Company including Managing Director was in receipt of remuneration in excess of the limits set out in the said rules.

Place: Metoda, Rajkot
Date: 5th August, 2022

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

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

ANNEXURE - 2

FORM NO. AOC-2

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

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

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

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

Name(s) of the related party and nature of relationship:	Nature of contracts/ arrangements /transactions	Duration of the contracts/ arrangement/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
Modern Machine Tools [Proprietorship of Mrs. Raxaben Jagdish Mehta] [Relative of Directors]	Purchases [Repair, Parts and Tools]	Ongoing but Approved by Board of Directors Yearly	35,44,401	25.06.2021	---
Macpower Industries [Proprietorship of Mr. Rupesh. J. Mehta] [Directors]	Purchases [Repair, Parts and Tools]	Ongoing but Approved by Board of Directors Yearly	14,13,252	25.06.2021	---

Place: Metoda, Rajkot
Date: 5th August, 2022

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

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

ANNEXURE - 3

CORPORATE SOCIAL RESPONSIBILITY REPORT

1. Brief outline on CSR Policy of the Company:

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

2. Composition of CSR Committee:

Sl. No.	Name of Director	Designation / Nature of Directorship	Number of meetings of CSR Committee held during the year	Number of meetings of CSR Committee attended during the year
1.	Mr. Rajubhai Bhandari	Chairman of the Committee & ID	1	1
2.	Mr. Rupesh Mehta	Member of the Committee & MD	1	1
3.	Mr. Nikesh Mehta	Member of the Committee & CEO and WTD	1	1

3. Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:

The Company has framed a CSR Policy in compliance with the provisions of Section 135 of the Companies Act, 2013 and the same is placed on the website of the Company and the web link for the same is at uploaded on website of the company i.e -www.macpowercnc.com

- Provide the details of Impact assessment of CSR projects carried out in pursuance of sub-rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report): **Not Applicable**
- Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any: **Nil**
- Average net profit of the company as per section 135(5): **9,51,34,788/-**
- (a) Two percent of average net profit of the company as per section 135(5): **19,02,696/-**
 (b) Surplus arising out of the CSR projects or programmes or activities of the previous financial years: **Not Applicable**
 (c) Amount required to be set off for the financial year, if any: **Not Applicable**
 (d) Total CSR obligation for the financial year (7a+7b- 7c): **19,02,696/-**
- (a) CSR amount spent or unspent for the financial year:

Total Amount Spent for the Financial Year. (in Rs.)	Amount Unspent (in Rs.)				
	Total Amount transferred to Unspent CSR Account as per section 135(6).		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5).		
	Amount.	Date of transfer.	Name of the Fund	Amount	Date of transfer.
19,25,000/-	NIL				

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

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

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sl. No.	Name of the Project	Item from the list of activities in schedule VII to the Act.	Local area (Yes/No).	Location of the project.		Amount spent for the project (in Rs.).	Mode of implementation on Direct (Yes/No).	Mode of implementation Through agency.	
				State.	District			Name.	CSR Registration number.
1.	Promoting education & employment enhancing vocation skills	i & ii	YES	Gujarat	Rajkot	19,25,000	No	Shree Jagatbharti Education and Charitable Trust	CSR00007065
	TOTAL					19,25,000			

(d) Amount spent in Administrative Overheads: **NIL**

(e) Amount spent on Impact Assessment, if applicable: **Not Applicable**

(f) Total amount spent for the Financial Year (8b+8c+8d+8e): **19,25,000/-**

(g) Excess amount for set off, if any

Sl. No.	Particular	Amount (in Rs.)
(i)	Two percent of average net profit of the company as per section 135(5)	19,02,696
(ii)	Total amount spent for the Financial Year	19,25,000
(iii)	Excess amount spent for the financial year [(ii)-(i)]	22,304
(iv)	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	Nil
(v)	Amount available for set off in succeeding financial years [(iii)-(iv)]	22,304

9. (a) Details of Unspent CSR amount for the preceding three financial years: **Nil**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

10. In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (Asset-wise details): **Not Applicable**

11. Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

Sd/-

Rupesh Mehta
Chairman and Managing Director
DIN: 01474523

Sd/-

Rajubhai Bhandari
Chairman – CSR Committee
DIN: 07986563

Date: 5th August, 2022

Place: Metoda, Rajkot

ANNEXURE - 4**CONSERVATION OF ENERGY, RESERARCH AND DEVELOPMENT,
TECHNOLOGY ABSORPTION AND FOREIGN EARNING & OUTGO****A. CONSERVATION OF ENERGY:**

- The steps taken or impact on conservation of energy: **200KW Solar Plant was installed during the FY 2020-21.**
 - Installation of solar plant is company's one step towards self-reliance for captive power consumption
 - Solar Plant installation will help to reduce carbon footprint which leads to prevent greenhouse effects.
- The steps taken by the company for utilizing alternate sources of energy: **Solar Plant installation**
- The capital investment on energy conservation equipment's: **Nil**

TOTAL ENERGY CONSUMPTION

A. Power & Fuel Consumption		
Particulars	2021-22	2020-21
a) Electricity		
Purchased (KWH)(Units)	8,95,140	6,69,105
Total Amount	66,98,344	50,13,312
Average Rate Rs.	7.48	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.		
d) Solar Energy		
Generated (Units) during the year	2,54,000	1,04,066
B. Consumption for Unit of Production		
Particulars	2021-22	2020-21
Production (Nos)	1046	671
Consumption per unit [Electricity (KWH)& Solar (Units)]	1098.60	1152.27

B. TECHNOLOGY ABSORPTION –

- (i) the efforts made towards technology absorption: **Nil**
- (ii) the benefits derived like product improvement, cost reduction, product development or import substitution: **Nil**
- (iii) in case of imported technology (imported during the last three years reckoned from the beginning of the year under reference) –
 - a) Details of the technology imported;
 - b) The year of import;
 - c) Whether the technology has been fully absorbed and if not, areas where absorption has not taken place, and the reasons thereof: No technology Imported in last three years
- (iv) the expenditure incurred on Research and Development : **NIL**

C. FOREIGN EXCHANGE EARNING AND OUTGO:

- (i) Total foreign Exchange Earnings during the year: **NIL**
- (ii) Total foreign Exchange outgo (FOB): **INR 13,13,89,653/-**

Place: Metoda, Rajkot
Date: 5th August, 2022

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

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

ANNEXURE - 5**FORM NO. MR-3
SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2022
[Pursuant to section 204(1) of the Companies Act, 2013 and rule
No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

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

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2022, has generally 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, 2022, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder and further amendments thereto and as per applicability to the company;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA'), Securities Contracts (Regulation) Amendment Act, 2007 and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, transfer and transmission of shares;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011 and amendments thereto;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and amendments thereto;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018; Not Applicable during the Audit period.

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; The Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021; Not Applicable during the Audit period.
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 and The Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021; Not Applicable during the Audit period.
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client. Not applicable during the Audit period.
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 and The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2021; Not Applicable during the Audit period and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; Not Applicable during the Audit period.
- (vi) The Company has identified the following laws as specifically applicable to the Company:
1. Explosive Act, 1884
- We have also examined compliance with the applicable clauses of the following:
- (i) Secretarial Standards issued by The Institute of Company Secretaries of India with respect to board and general meetings.
 - (ii) The Listing Agreement as per SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and amendments thereto entered into by the Company with National Stock Exchange of India Limited and Compliances to be made as per SEBI (Listing of Obligations and Disclosure Requirement) Regulations, 2015 were complied within the time prescribed under the SEBI (Listing of Obligations and Disclosure Requirement) Regulations, 2015.

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 there were no changes in the composition of the Board of Directors of the Company and changes in Key Managerial Personnel i.e. cessation and appointment of Company Secretary and compliance officer was made in due compliance with the provision of the Act.

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

All decisions at Board Meetings 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 Management representation letter, we are of the opinion that the management has adequate systems and processes commensurate with its size and operations, to monitor and ensure compliance with all applicable laws, rules, regulations and guidelines.

Place : Rajkot
Date : 05th August, 2022
UDIN: F005156D000749933

For: K. P. Rachchh & Co.
Company Secretaries
Kalpesh P. Rachchh
Proprietor
FCS No. : 5156 C P No.: 3974
Peer Review Certificate No.: 737/2020

ANNEXURE TO SECRETARIAL AUDIT REPORT

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

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

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

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

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

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

Place : Rajkot
Date : 05th August, 2022
UDIN: F005156D000749933

Kalpesh P. Rachchh
Proprietor
FCS No. : 5156 C P No.: 3974
Peer Review Certificate No.:737/2020

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

1. BUSINESS OVERVIEW

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

Company's in house research and development approach allows us to offer customized solutions to our customers. Macpower CNC Machines Limited is an ISO 9001:2015 certified Company for Manufacture and Supply of CNC Metal Cutting Machines 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.

We are also expanding our capacity to nearly 1300 to 1500 machines per annum. This will help us to continue delivering growth at 20-25% CAGR for the next 3 to 5 year.

Further, as we have also been indicating, we have continuously been growing our order book in spite of strong revenue execution. This has led to our unexecuted order book as of 31st March, to grow to Rs. 146.86 crores, which at the beginning of the year was Rs. 120 crores.

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

2. ECONOMY OUTLOOK

a. WORLD ECONOMY

The substantial economic costs of the conflict and elevated uncertainty has added to the challenges already facing policymakers from rising inflationary pressures and the imbalanced recovery from the pandemic. Faced with an adverse supply shock of uncertain duration and magnitude from higher commodity prices, monetary policy should remain focused on ensuring well-anchored inflation expectations and intervention if needed to ensure the smooth functioning of financial markets. Additional temporary, timely and well-targeted fiscal measures, where feasible, provide the best policy option to cushion the immediate impact of the crisis on consumers and businesses, especially with rising inflation limiting the room for monetary policy manoeuvre. Regulatory measures, to improve market design in order to enhance energy security and competitiveness, can also help reduce the vulnerability to some of the energy market disruptions in the short-term and beyond.

At the same time, economic damage from the conflict will contribute to a significant slowdown in global growth in 2022-23 and add to inflation. Fuel and food prices have increased rapidly, hitting vulnerable populations in low-income countries hardest. Prior to the conflict, the global recovery from the pandemic was expected to continue in 2022 and 2023, helped by continued progress with global vaccination efforts, supportive macroeconomic policies in the major economies and favourable financial conditions. The December 2021 OECD Economic Outlook projected global GDP growth of 4.5% in 2022 and 3.2% in 2023. Subsequent national accounts data and high-frequency indicators in early 2022 remained broadly consistent with this outlook, with business activity bouncing back quickly after the disruption from the Omicron variant in most countries.

In one respect, however, Russia and Ukraine do have an important influence on the global economy. This is via their role as major suppliers in a number of commodity markets. Russia and Ukraine together account for about 30% of global exports of wheat, 20% for corn, mineral fertilisers and natural gas, and 11% for oil. In addition, supply chains around the world are dependent on exports of metals from Russia and Ukraine.

Ahead of the conflict, the fiscal stance was set to tighten gradually in most advanced economies in 2022 and 2023 due to the gradual withdrawal of pandemic-related support measures and some discretionary fiscal consolidation. These plans are already being reconsidered in many countries due to the impact of the conflict.

[Source: OECD]

EXPECTATION FOR FY2023:

The global economy is entering a pronounced slowdown amid fresh threats from COVID-19 variants and a rise in inflation, debt, and income inequality that could endanger the recovery in emerging and developing economies, according to the World Bank's latest Global Economic Prospects report. Global growth is expected to decelerate markedly from 5.5 percent in 2021 to 4.1 percent in 2022 and 3.2 percent in 2023 as pent-up demand dissipates and as fiscal and monetary support is unwound across the world.

The slowdown will coincide with a widening divergence in growth rates between advanced economies and emerging and developing economies.

Beyond 2023, global growth is forecast to decline to about 3.3 percent over the medium term. War-induced commodity price increases and broadening price pressures have led to 2022 inflation projections of 5.7 percent in advanced economies and 8.7 percent in emerging market and developing economies—1.8 and 2.8 percentage points higher than projected last. Multilateral efforts to respond to the humanitarian crisis, prevent further economic fragmentation, maintain global liquidity, manage debt distress, tackle climate change, and end the pandemic are essential.

Global growth is expected to slow significantly in 2023, largely as a consequence of the war in Ukraine. A severe double-digit drop in GDP is expected in Ukraine due to fighting. A deep contraction is projected for Russia due to sanctions and European countries' decisions to scale back energy imports. The economic costs of war are expected to spread farther afield through commodity markets, trade, and—to a lesser extent—financial interlinkages. Fuel and food price rises are already having a global impact, with vulnerable populations—particularly in low-income Middle East countries. [Source: World Bank&IMF]

b. INDIAN ECONOMY

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

We have been through over two years of challenging times posed by the COVID-19 pandemic. The impact continues to be felt with supply chain disruptions and steep increase in energy, logistics and other input costs. The commendable efforts by the medical fraternity, governments and various organisations have enabled the return to normalcy. Consequently, FY 2021-22 witnessed a faster than expected demand recovery and revival in business confidence with the Indian economy growing by 8.7% during the year.

As per the data published in a Department of Economic Affairs report, in the first quarter of FY22, India's output recorded a 20.1% YoY growth, recovering >90% of the pre-pandemic output in the first quarter of FY20. India's real gross value added (GVA) also recorded an 18.8% YoY increase in the first quarter of FY22, posting a recovery of >92% of its corresponding pre-pandemic level (in the first quarter of FY20). Also, in FY21, India recorded a current account surplus at 0.9% of the GDP. The growth in the economic recovery is due to the government's continued efforts to accelerate vaccination coverage among citizens. This also provided an optimistic outlook to further revive industrial activities.

India's nominal gross domestic product (GDP) at current prices is estimated to be at Rs. 232.15 trillion (US\$ 3.12 trillion) in FY2021-22.,

The country's large spatially diversified economy, which is not dependent on a few products, commodities, or natural resources, has further added strength to it. India engages with different trading partners spread across the world. Thus a slowdown limited to one part of the world will not result in a large impact on India.

Inflation in India is primarily driven by changes in the prices of food and fuel. A change in prices of crude oil is also responsible for inflation spikes in India. In the recent past, supply-chain disruptions caused by the pandemic have also contributed to a rise in prices.

Recent economic developments in India are as follows:

With an improvement in the economic scenario, there have been investments across various sectors of the economy. The private equity - venture capital (PE-VC) sector recorded investments worth US\$ 6.8 billion across 102 deals in November 2021 42% higher than November 2020. Some of the important recent developments in the Indian economy are as follows:

India's merchandise exports between April 2021 and December 2021 were estimated at US\$ 299.74 billion (a 48.85% YoY increase). In December 2021, the Manufacturing Purchasing Managers' Index (PMI) in India stood at 56.4.

India's real gross value added (GVA) also recorded an 18.8% YoY increase in the first quarter of FY22, posting a recovery of >92% of its corresponding pre-pandemic level (in the first quarter of FY20). Also, in FY21, India recorded a current account surplus of 0.9% of the GDP.

Gross GST revenue for the month of May 2022 exceeded Rs. 1.40 lakh crore (US\$ 18.08 billion), a 44% YoY growth.

India's Index of Industrial Production (IIP) for November 2021 stood at 128.5 against 126.7 for November 2020.

[Source: IBEF]

INDIAN ECONOMY OUTLOOK FOR FY-2023

India's economy is estimated to grow by 8.2% in the current fiscal year (2022-23), sharply slower than the International Monetary Fund's ([IMF](#)) [earlier forecast of 9% as the impact of Russia's invasion of Ukraine weighs heavily on prices and disruption of supply chains](#).

The World Bank has slashed India's GDP forecast for fiscal year 2022-23 to 8% from 8.7% predicted earlier, citing worsening supply bottlenecks and rising inflation risks caused by Russia's invasion of Ukraine.

Meanwhile, the Asian Development Bank Outlook 2022 earlier said that India is likely to maintain its position as the fastest-growing major economy with a growth rate of 7.5% for 2022-23 on strong investment prospects.

The survey showed, "rising international commodity prices are the biggest risk emanating from the ongoing conflict as Russia and Ukraine are global suppliers of key commodities. Prolonging this conflict will further hit supplies of major raw materials, including crude oil, natural gas, food, fertilisers, and metals." The participants believed that inflation continues to be the most significant risk for India as well."

[Source: livemint, NDTV]

3. INDUSTRY STRUCTURE AND DEVELOPMENT

Machine Tools Industry

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

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

Industry Competitive Analysis

<u>Threat of New Entrants</u> A well-established large player requires significant investment in technology, scale. Gap in domestic supply offers attractive opportunity for new entrants		
<u>Supplier Power</u> Adequate supplier base for domestic supplies. Increasing dependence on imports.	<u>Competitive Rivalry</u> Industry, dominated by a few large players. Significant growth opportunities for organised players.	<u>Customer Power</u> User industries growing strongly. Demand outstripping domestic supply.
<u>Threat of Substitutes</u> While there are no product substitutes, increasing imports are a threat to the domestic industry.		

Industry Snapshot

The Indian machine tool industry is growing at a steady pace and, with the continuous support of the government's aims to grow even further ahead and steadily positioned itself in the global market..

India stands 17th in production and 12th in the consumption of machine tools in the world. The country is set to become a key player in the global machine tools industry and is likely to see substantial high-end machine tool manufacturing. Studies have rated India higher in terms of manufacturing capability and availability of quality engineers. This design strength gives the Indian machine tools industry a competitive advantage, in terms of special purpose machine tools.

The Indian machine tools sector also offers several opportunities for investment. Given the current gap between demand and supply, there is now an increasing need for adding capacities in this sector. The industry is moving towards increasingly sophisticated CNC machines, driven by demand from key user segments, such as, Automobile, Aerospace, Agriculture Equipments, Medical Instruments, Railways, Defence Equipments, Electrical Accessories, Pumps & Valves, Die & Mould, consumer durables and General Engineering etc.

"Make in India" initiative introduced by the Government of India has identified automobiles, auto-components, biotechnology, defence, railways and textiles for development. Machine tool industry will be the key enabler in this journey as automobiles, auto-components, defence and railways have been the main users of machine tools. It gives great opportunity for the sector to grow at 20-25 percent annually to increase its market share. Consumption demand is expected to grow at 15.0 percent, and the domestic production meets less than 50.0 percent of the domestic demand. Industries whereas the small scale sector meets the demand of ancillary and other unit.

As the government emphasizes on 'Make in India' and 'Atmanirbhar Bharat', the spotlight is on the Indian manufacturing sector. Going by the industry reports of the last few years, there has been encouraging response to the Indian machine tools industry and is also projected to grow further in the coming years.

The India machine tools market is expected to exhibit a CAGR of 11.45% during 2022-2027. Keeping in mind the uncertainties of COVID-19, we are continuously tracking and evaluating the direct as well as the indirect influence of the pandemic on different end use industries.

The global Machine Tooling Market is estimated to surpass \$94.42 billion marks by 2026 growing at an estimated CAGR of more than 3.7% during the forecast period 2022 to 2026. Increasing demand for high efficiency in complex machining products is expected to drive the machine tooling market. Rise in demand for low operating cost and high precision, along with technological advancement in production processes, is further resulting in the popularity of CNC machine tools. Moreover, development and launch of next-gen, cutting-edge machine products and solutions are the central focus areas for key players in this market. These players are continuously investing in R&D to create enhanced and sophisticated offerings to strengthen their portfolio and further entrench their position in the market.

Developments/ Road ahead:

Technology and Product Development

Having access to the latest technology is a key imperative for success in the Indian manufacturing sector. As companies look to source manufactured products from India, they expect the same level of technology and product development capability in India that is prevalent in other global markets. Indian machine tool manufacturers have responded to this challenge by focusing on improvement in capabilities and performance in technology, design and product development.

Productivity Improvement and Cost Reduction

The Indian manufacturing sector is highly competitive and continuous improvement in productivity and costs is imperative for players to sustain in the global market. Indian machine tool manufacturers have been focusing on critical areas such as, reduction of idle time, increased asset utilization; productivity through quality improvement; optimizing processes; leveraging IT to increase productivity and better management of productivity through appropriate performance metrics.

Design and Innovation Capability

With user industries becoming more demanding, the machine tools sector faces the need to develop increasingly complex machine tools, to meet their customized requirements. At the same time, product development cycle times need to be crunched. This indicates that it is imperative for players to invest in R&D and develop robust design and innovation capabilities.

Rising Adoption of Internet of Things (IoT) Technologies to Fuel Growth

One of the most prominent machine tools market trends is expected to be the increasing uptake of IoT in the manufacturing sector. This will be a result of escalating demand for information and access to information. Furthermore, producers are looking to bring down their production costs, streamline processes, and raise the safety quotient in their units. As a result, there is growing investment in IoT by manufacturers for improved management and control, which is propelling the machine tool market, especially CNC Machine tools

Adoption of CNC Machine Tools in Medical Sector:

CNC machines are capable of producing sophisticated surgical instruments, tiny screws and everything in between. In addition medical machined parts for the most complex devices require tight tolerances, which is capable through CNC machine tools. Adding to this, multi-tool and multi-axis machines, such as CNC Swiss turning centers, improve the manufacturing of medical parts with shorter cycle times and owing to the features allowing versatility during production. Moreover several medical equipment manufacturers such as Pulse systems are focusing on adopting CNC machine tools for advancements in manufacturing.

The Future of Machine Tool industry:

Machine tool industry has emerged in the new avatar courtesy of Digitalization and Industry 4.0. One of the oldest and traditional industries, the machine tool industry has walked many miles to achieve the current status.

In the coming years, digitalization will completely transform the Machine tool industry and the merger of these dynamic elements will result in process efficiency and productivity. Although the industry is flooded with numerous solutions, it is essential to identify the space, which requires transformation and adopt solutions accordingly. The industry is witnessing innovative technological solutions in every aspect of the processes.

The sensor integration, utilization of artificial intelligence (AI), and the integration of sophisticated simulation features, enable the advancements in machine performance and overall equipment effectiveness (OEE). Additionally, the advanced sensors and modern ways of communication, controlling, and monitoring systems allows creating new opportunities for smart services and new business models in the machine tool market. The digitally enhanced services are about to become part of each OEM's portfolio in the future.

Along with various innovative technologies, the market is laden with new trends, which will help to boost the machine tool industry. In the current digital age, mass customization, reduced time-to-consumer, error proofing using latest technologies are a few trends that require enhanced machine flexibility. It is essential to comprehend the new machines and utilize them to achieve maximum efficiency. Additionally, core aspects such as price, usability, longevity, process speed, quality, and greater machine flexibility are few characteristics of new machines.

Currently, data security, open communication interfaces, new information & communication technology (ICT) are essential elements to integrate digital applications and prominent automation solutions. This process will help to transform the machine tools into user friendly tools in the future.

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

The machine tool industry is expected to see advancements in:

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

4. SWOT ANALYSIS:

STRENGTH

- Ø Robust Team of Research & Development.
- Ø Ever-growing production capacity.
- Ø Wide range of products.
- Ø Satisfied and prestigious Client base.
- Ø Experienced and Visionary Management.
- Ø Trained Workforce.
- Ø Debt Free culture.
- Ø Strong Operational and Financial Strength.
- Ø Delivering value to end users
- Ø Strong tender/ Government Business
- Ø Dispatching Machines to defence sector, educational sector etc.

WEAKNESS

- Ø Long manufacturing cycle.
- Ø Inventory Maintenance of critical components.

OPPORTUNITIES

- Ø High opportunities in defence sector: Invoking Atmanirbhar Bharat (Self-Reliant India) initiative, the Ministry of Defence (MOD) has announced ban on the import of 101 items of defence equipment. As an equipment type comes under the import embargo, the military will be required to buy it from Indian defence manufacturers. This decision will offer great opportunity to the Indian defence industry to manufacture items on the negative list by using its own design and development capabilities or adopting the technologies designed and developed by the Defence R&D Organization to meet the requirements of the Armed Forces.
- Ø Introducing PPP model in Indian Railways and privatization of trains helps to boost some changes in the Railway sector as a whole, with a positive impact on machine tool industry.
- Ø Growing demand of capital goods in the market.
- Ø Presence of fewer major players in the machine tools industry.
- Ø Automation and artificial intelligence opening doors for machine tools manufactures to manufacture high end machines with specifications.
- Ø Make in India' and 'Aatmanirbhar Bharat' abhyan are triggering concepts for Indian Manufacturer and which will enhance in-house manufacturing and reduces burden of imports.
- Ø There is opportunity and potentiality for Exporting of Machines and Machining components

THREAT

- Ø Entry of global players in the machine tools industry.
- Ø Mobilization of funds in various segments of industry is very essential for demand pull in capital goods sector. This is to be maintained on macro-economic level otherwise poses a threat to capacity utilization of any machine tool company since, majority of machines roll out based on end user's loan facilities.
- Ø External factors such as political, environmental, technical etc
- Ø Competition from international players manufacturing/supplying in India.

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

Approach of Macpower

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

5. PRODUCT WISE PERFORMANCE IN FY-2022

Sales in value – Product wise in 2021-2022

PARTICULARS	(INR in Lakh)
CNC	12810.03
VMC	5377.41
VTL	58.71
HMC	339.74
HASSM	59.89

Note: Revenue from operations in the balance sheet is total of Sales + Selling of Parts + Selling of Scrap. Your company operates in single segment and that's why segment wise performance reporting is not applicable to your company.

6. RISKS & CONCERNS

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

Key Risks	Impact on the Company	Mitigation
Volatile global political and Economic scenario	Corporate spending on capital goods has shown strong correlations with GDP growth. The Company derives a material portion of its revenues from customers' discretionary spending which is linked to their business outlook. Political disruptions or volatile economic conditions (US-China trade conflicts, Russia-Ukraine conflict etc.) may adversely affect that outlook resulting in reduced spending which could restrict revenue growth opportunities.	● Well diversified business strategy across geographies and industry verticals. ● Cater to other untouched market segment. ● Long term contracting models.
Business model changes	Rapidly updates or changes in technologies, demand of new design from buyers, new competitors, giving rise to entirely new business models. This will result in increased demands on the Company's ability to keep pace with the changing customer expectations. Failure to cope may result in loss of market share and impact business growth.	● Strong customer-centricity which aligned to customer needs. ● Continue research and development for emerging technologies, innovation, and solution. ● Staying relevant to customers constantly.
Litigation risks	Given the scale and geographic spread of the Company's operations, litigation risks can arise from commercial disputes, perceived violation of intellectual property rights and employment related matters. In addition to incurring legal costs and distracting management, litigations garner negative media attention and pose reputation risk.	● Strengthening internal processes and controls to adequately ensure compliance with contractual obligations. ● Potential disputes are promptly brought to the attention of management and dealt with appropriately.
Operation risks	Any increase in costs for raw materials and components, interruptions in their availability and poor quality of these raw materials, Dependence on a few suppliers for key components may require us to procure them from other suppliers at higher cost, Demand for our products depends various industries type, foreign currency exchange rate fluctuations for imports etc.	● In-house process and machining of our products will reduce dependency on suppliers. ● Planning of inventory with import schedule and research global factor for price fluctuations. ● Import certain equipment to check quality of raw materials. ● Periodical review of requirement and procurement by Purchase, Procure and Control department.

7. INTERNAL CONTROL SYSTEMS & THEIR ADEQUACY

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

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

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

8. OPERATIONAL PERFORMANCE

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

[INR in Lakh]

Particulars	2021-22	2020-21	Change in %
Total Operating Revenue	19048	11287	69%
EBITDA [Earnings before Interest, Tax, Depreciation and Amortization]	2086	917	127%
PBT [Profit Before Tax]	1839	676	172%
PAT [Profit After Tax]	1284	603	113%
EPS [Earning Per Share]	12.83	6.03	113%

9. HUMAN RESOURCES

Your Company enjoys the support of committed and well satisfied human capital. Compensation packages offered by the company, recruitment process, training, motivation and performance appraisal, attract and retain the best talent. The Company had 578 permanent employees as on March 31, 2022. Industrial relations remained cordial throughout the year.

For the safety of our employees in these pandemic times we have made COVID-19 SOPs by following all the Government directives to prevent from spread of Coronavirus (COVID-19) and also trained our employees to adhere to aforesaid SOPs and government directives from time to time in letter and spirit.

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

Ratios	Units	FY 21-22	FY 20-21	Change in %	Reason
Debtors Turnover	Times	3.64	2.04	78.47%	Higher efficiency on Working capital improvement has resulted in improvement in the ratio.
Inventory Turnover	Times	1.95	1.45	33.88%	Higher efficiency on Working capital improvement has resulted in improvement in the ratio.
Interest Coverage Ratio	Times	119.97	40.84	193.76%	Increased Turnover and reduced overall cost has resulted in improvement in the ratio.
Current Ratio	Times	1.85	1.54	20.39%	-
Debt-to-Equity Ratio	Is to	0.00	0.00	0%	-
Operating Profit Margin	%	9.49%	5.83%	62.78%	Increased Turnover and reduced overall cost has resulted in improvement in the ratio.
Net Profit Margin	%	9.65%	5.98%	61.27%	Increased Turnover and reduced overall cost has resulted in improvement in the ratio.
Return on Net Worth	%	15.18%	8.32%	82.45%	Increased Turnover and reduced overall cost has resulted in improvement in the ratio.
Return on Net Assets	%	32.61%	15.96%	104.25%	Increased Turnover and reduced overall cost has resulted in improvement in the ratio.

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

As stated aforesaid there is change in return on net worth as compared to the immediately previous financial year Net worth is increased due to increase in Profitability of the Company Net worth of the as in the year 2020-21 was Rs. 72.46 Cr. and in the year 2021-22 it is Rs. 84.70 Cr.

12. DISCLOSURE OF ACCOUNTING TREATMENT:

The Company has followed all relevant Ind AS while preparing the financial statements.
Cautionary Statement:-

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

Place: Metoda, Rajkot

Date: 5th August, 2022

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

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

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

I. COMPANY'S PHILOSOPHY ON THE CORPORATE GOVERNANCE.

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

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

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

II. BOARD OF DIRECTORS

The Board of Directors of the Company is duly constituted. The Composition of Board of Directors of the Company comprises of Executive and Non-Executive directors as on 31st March, 2022, the board of directors of the company consists of six directors out of which four (4) are Non-Executive and amongst the four (4) Non-Executive Directors Three (3) are independent directors and one (1) is Woman Non-Executive director which is in conformity with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015("Listing Regulations") and the Company's Act, 2013 ("ACT").

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

a. Composition/ Category of Directors/ Attendance at Meetings/ Directorships and Committee Memberships in other companies:

Sr. No	Name of Directors	Category	Number of Board Meetings Attended out of 7 (Seven) Meetings held in 2021-22	Whether attended last AGM	Number of Directorships and Committee Membership / Chairmanship (Including Macpower CNC Machines Ltd.)		
					Directorship *	Committee Membership **	Committee Chairmanship **
1.	Mr. Rupesh J. Mehta	Promoter/ MD	7	Yes	1	2	-
2.	Mr. Nikesh J. Mehta	Promoter/ WTD&CEO	7	Yes	1	1	-
3.	Mrs. Riya R. Mehta	Promoter/ NED-Woman	7	Yes	1	-	-
4.	Mr. Rajubhai Bhandari	ID	7	No	1	2	2
5.	Mr. Devenbhai Doshi	ID	7	Yes	1	1	-
6.	Mr. Maulik Mokariya	ID	3	No	3	-	-

* This excludes Directorship held in Private & Foreign Companies and Companies incorporated under Section 8 of the Companies Act, 2013.

** Committees include Audit Committee and Stakeholders' Relationship Committee of Public Company.

None of the Directors is a director in more than 20 Companies and more than 10 public limited Companies, in terms of Section 165 of the Companies Act, 2013. Also, none of the Directors is a member of neither more than 10 Committees, nor acts as Chairman of more than 5 Committees across all Companies in which they are Directors, as required under Regulation 26 of the Listing Regulation. The Independent Directors fulfill the requirements stipulated in Regulation 25 (1) of the Listing Regulations.

b. Disclosures pertaining to directors:

The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 introduced requirement to disclose separately the names of the listed entities, where the persons is a director and the category is of directorship. The details of all directors are as below:

Sr. No	Name of Directors	Name Company in which he/she is Director	Type of Directorship
1.	Mr. Rupesh J. Mehta	Macpower CNC Machines Limited)	MD
2.	Mr. Nikesh J. Mehta	Macpower CNC Machines Limited)	WTD
3.	Mrs. Riya R. Mehta	Macpower CNC Machines Limited)	NED
4.	Mr. Rajubhai Bhandari	Macpower CNC Machines Limited)	ID
5.	Mr. Devenbhai Doshi	Macpower CNC Machines Limited)	ID
6.	Mr. Maulik Mokariya	Macpower CNC Machines Limited)	ID

Skills/expertise/competencies of Directors

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

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

The Board of Macpower CNC Machines Limited has a diversified board. The directors hold adequate qualification and experience and possess specialization in their respective fields. Each of the Directors is skilled, expert and competent in the area of his/her specialization and provides considerable contribution and support in operations of your Company.

Sr. No.	Name of Directors	Skills/ Expertise
1	Mr. Rupesh J. Mehta	• Business Leadership • Operational Experience • Strategic Planning • Risk Management • Corporate Governance • Research Development and Innovation • Human Resource Management • Financial, Regulatory and Legal
2	Mr. Nikesh J. Mehta	• Operational Experience • Strategic Planning • Risk Management • Corporate Governance • Research Development and Innovation
3	Mrs. Riya R. Mehta	• Risk Management • Corporate Governance • Human Resource Management
4	Mr. Rajubhai Bhandari	• Corporate Governance • Financial, Regulatory and Legal • Risk Management
5	Mr. Devenbhai Doshi	• Corporate Governance • Risk Management • Human Resource Management
6	Mr. Maulik Mokariya	• Corporate Governance • Financial, Regulatory and Legal • Risk Management • Human Resource Management

c. No. of Board Meetings held during the Financial Year 2021-22 and dates on which held:

The Board held Seven (7) meetings during the Financial Year 2021-22 on:

Sr. No.	Date of Board Meetings	Place
1	25.06.2021	Registered Office
2	14.08.2021	
3	18.10.2021	
4	25.10.2021	
5	30.11.2021	
6	31.12.2021	
7	10.02.2022	

d. Disclosure of relationships between directors inter-se.

Mr. Rupesh Mehta, Chairman and Managing director of the Company is brother of Mr. Nikesh Mehta, Whole time director of the Company and husband of Mrs. Riyaben Mehta. Other directors as per their category are independent and not related with in any way.

e. Number of share and convertible instruments held by each director as on 31st March, 2022.

Name of director	Number of shares held	Number of convertible instruments held
Mr. Rupesh J. Mehta	3628526	Nil
Mr. Nikesh J. Mehta	1341062	Nil
Mrs. Riyaben Mehta	1814982	Nil
Mr. Rajubhai Bhandari	Nil	Nil
Mr. Devenbhai Doshi	Nil	Nil
Mr. Maulikbhai Mokariya	Nil	Nil

f. Independent Directors:

The Independent Directors, who are from diverse fields of expertise and have long standing experience and expert knowledge in their respective fields are very relevant as well as of considerable value for the Company's business. As a part of familiarization programme as required under Listing Regulations, the Directors have been appraised during the Board Meetings about the amendments to the various enactments viz., Companies Act, 2013 (the Act), Listing Regulations, Code of Conduct for Prevention of Insider Trading and Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information etc.

During the year, a separate meeting of the Independent Directors was held on 31.12.2021, without the presence of Non-Executive Directors / Managing Director/ Management to discuss the matter as required/agreed amongst them.

Further familiarization programmes and the terms & conditions of appointment of the Independent Directors as required under the Companies Act, 2013 & Listing Regulations are updated on the Company's website at www.macpowercnc.com

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

No independent director has resigned during the financial year 2021-22.

g. Formal annual evaluation:

The Board of Directors, Nomination & Remuneration Committee and Independent Director has carried out an annual evaluation of its own performance, its Committees and individual Directors pursuant to the requirements of the Act and the Listing Regulations.

h. Function and Procedure of Board:

Board meets regularly to make and review policies. Board's role, functions and responsibility are well defined. All relevant information as required under the Listing Regulation and Companies Act, 2013 as amended from time to time is regularly placed before the Board. Further the Board periodically reviews the compliance reports submitted by the management in respect of all laws applicable to the Company.

III. AUDIT COMMITTEE:

Your Company has an Audit Committee at the Board level with the powers and role that are in accordance with Listing Regulations and Companies Act, 2013.

a. Terms of Reference:

The Audit Committee acts on the terms of reference given by the Board pursuant to Section 177 of the Act and Regulation 18 of the Listing Regulations. The Committee acts as a link between the Management, the Statutory Auditors, the Internal Auditors, the Cost Auditors, Secretarial Auditors and the Board of Directors. The scope of functioning of the Audit Committee is to review, from time to time, the internal control system & procedures and its adequacy. The Committee reviews accounting policies and financial reporting system & procedures of the Company. It ensures that the financial statements are correct, sufficient and credible and also such other functions as may prescribe from time to time by Regulatory Authorities. The Audit Committee is vested with the necessary powers to achieve its objectives.

b. Composition, name of Members & Chairman, Meetings held during the year and attendance at meetings:

The Audit Committee presently consists of Two Non-executive Independent Directors and one Executive Director. The Audit Committee meets regularly as stipulated in Regulation 18 of the Listing Regulations. The Executive Directors, Internal Auditors and the Statutory Auditors are permanent invitees to the meetings of the Committee. The Secretarial Auditors and Cost Auditor are also invited to attend the Audit Committee Meetings, as and when required.

The details of composition of the Audit Committee, meetings held during the year and attendance of members are as under:

Sr. No.	Name of Director	Category	Member/ Chairman	No. of Meetings attended out of Five (5) meetings held during the year 2021-22
1.	Mr. Rajubhai Bhanderi	Independent Director	Chairman	5
2.	Mr. Devenbhai Doshi	Independent Director	Member	5
3.	Mr. Rupesh Mehta	Executive Director	Member	5

During the financial year 2021-22, Five (5) meetings of the Audit Committee were held as per details given below:

Sr. No.	Date of Meetings	Place
1	25.06.2021	Registered Office
2	14.08.2021	
3	25.10.2021	
4	30.11.2021	
5	10.02.2022	

IV. NOMINATION AND REMUNERATION COMMITTEE:

a. Terms of Reference:

The terms of reference and Role of the Nomination and Remuneration Committee are as per the provisions of Section 178 of the Act and Regulation 19 of the Listing Regulations, which includes Devising a policy on Board diversity, 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, determination of qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration of the directors, key managerial personnel and other employees and also formulating performance evaluation criteria. The Committee also ensures equity, fairness and consistency. The recommendations of the Nomination and Remuneration Committee are considered and approved by the Board, subject to the approval of Members, wherever necessary.

The policy is framed by the Nomination and Remuneration Committee and approved by the Board, which includes performance evaluation criteria for Independent Directors is disclosed on the website of the Company at www.macpowercnc.com

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

b. Composition, name of Members & Chairman, Meetings held during the year and attendance at meetings:

The Nomination and Remuneration Committee presently consist of two Independent Non-Executive Directors and one Non-Executive Director. The Chairman is an Independent Non-Executive Director.

The details of composition of the Nomination and Remuneration Committee, meetings held during the year and attendance of members are as under:

Sr. No.	Name of Director	Category	Member/ Chairman	No. of Meetings attended out of Two (2) meetings held during the year 2021-22
1.	Mr. Rajubhai Bhandari	Independent, Non-executive	Chairman	2
2.	Mr. Devenbhai Doshi	Independent, Non-executive	Member	2
3.	Mrs. Riyaben Mehta	Non-Executive Director	Member	2

During the financial year 2021-22, Two (2) meetings of the Nomination and Remuneration Committee were held as per details given below:

Sr. No.	Date of Meetings	Place
1	13.08.2021	Registered Office
2	31.12.2021	

c. Policy for selection and appointment of Directors and their remuneration:

The Nomination and Remuneration (N&R) Committee has adopted a Policy which, inter alia, deals with the manner of selection of Board of Directors and Key Managerial Personnel and their remuneration are as under:

I. Appointment criteria and qualification:

The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director in terms of Diversity Policy of the Board and recommend to the Board his/her appointment.

A person should possess adequate qualification, expertise and experience for the position he / she is considered for the appointment of KMP (other than Managing / Whole time Director) or Senior Management Personnel. Further, for administrative convenience, the appointment of KMP (other than Managing / Whole time Director) or Senior Management, the Managing Director is authorized to identify and appoint a suitable person for such position. However, if the need be, the Managing Director may consult the Committee / Board for further directions / guidance.

II. Remuneration Policy:

The Company has a standard remuneration policy for the Executive and Non-Executive Directors, which is periodically reviewed by the Nomination and Remuneration Committee, are as under.

The remuneration / commission / sitting fees, as the case may be, to the Non-Executive / Independent Director, shall be in accordance with the provisions of the Act and the Rules made thereunder for the time being in force or as may be decided by the Committee / Board / Shareholders.

An Independent Director shall not be entitled to any stock option of the Company unless otherwise permitted in terms of the Companies Act, 2013 and Listing Regulation, as amended from time to time

- The remuneration / compensation / commission, etc., as the case may be, to the Managing / Whole Time Director will be determined by the Committee and recommended to the Board for approval. Subject to the prior / post approval of the shareholders of the Company and Central Government, wherever required and shall be in accordance with the provisions of the Act and Rules made thereunder.
- Further, the Managing Director of the Company is authorized to decide the remuneration of KMP (other than Managing / Whole time Director) and Senior Management, and which shall be decided by the Managing Director based on the standard market practice and prevailing HR policies of the Company
- The Board has approved Nomination and Remuneration Policy which has been uploaded on the website of the Company at www.macpowercnc.com.

d. Details of Remuneration to all the Directors:

The Details of remuneration/sitting fees paid/payable to the Directors for the financial year 2021-22 are as under:

Name of director	Salary, Allowance, Perquisites and other benefits	Performance-linked Income/Bonus / Commission Paid or Payable***	Stock Option**	Pension	Sitting Fees Paid
Executive Directors					
Mr. Rupesh J. Mehta*	52,00,000	-	-	-	-
Mr. Nikesh J. Mehta*	44,00,000	-	-	-	-
Non-Executive Directors					
Mrs. Riyaben Mehta	-	-	-	-	-
Mr. Rajubhai Bhandari	-	-	-	-	-
Mr. Devenbhai Doshi	-	-	-	-	-
Mr. Maulikbhai Mokariya	-	-	-	-	-

* Service Contract/Notice Period/Severance Fees are as per Agreement entered with Managing Director and Whole Time Director.

Mr. Rupesh J. Mehta having monthly remuneration (gross salary) of Rs.7,00,000/- with effect from 01st January, 2021 and Rs.3,00,000/- with effect from 01st August, 2021 and Mr. Nikesh J. Mehta having monthly remuneration (gross salary) of Rs.7,00,000/- with effect from 01st January, 2021 and Rs.2,00,000/- with effect from 01st August, 2021

**The Company is not having stock option scheme therefore the same is not applicable.

***Commission is payable to Managing Director and Whole Time Director only, as per the terms of Contract entered into between the Company and the Managing Director & Whole Time Director, if any.

e. Pecuniary Relationship with Non-Executive Directors:

None of the Non-executive Directors has any pecuniary relationship or transactions with the Company except as per requirements of Indian Accounting Standard are disclosed in the notes to accounts annexed to the financial statements.

V. STAKEHOLDER RELATIONSHIP COMMITTEE:

The Stakeholders Relationship Committee, amongst the areas, mentioned in Regulation 20 of the Listing Regulations and Section 178 of the Act is ensuring expeditious redressal of shareholders' and investors' complaints like non-receipt of annual report, non-receipt of share certificates upon transfer of shares, dematerialization/re-materialization, transfer/transmission, split/consolidation of shares etc.

The details of Composition of the Committee are as under:

Sr. No.	Name of Director	Category	Member/ Chairman	No. of Meetings attended out of One (1) meetings held during the year 2021-22
1.	Mr. Rajubhai Bhanderi	Independent, Non-executive	Chairman	1
2.	Mr. Nikesh Mehta	Executive Director	Member	1
3.	Mr. Rupesh Mehta	Executive Director	Member	1

During the financial year 2021-22, One (1) meetings of the Stakeholders Relationship Committee were held as per details given below:

Sr. No.	Date of Meetings	Place
1	25.06.2021	Registered Office

Mr. Kishor Kikani, Company Secretary, is the Compliance Officer w.e.f. 01.01.2022 and before that Mr. Sagar Rajyaguru was the Compliance officer upto 31.12.2021.

The details of investors' complaints received and resolved during the Financial Year 2021-22 are as under:

No. of investors' complaints received during the Year	No. of investors' complaints Resolved during the year	Investors' complaints pending at the end of the year
--	--	--

VI. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Corporate Social Responsibility Committee was constituted in accordance with the provisions of the Companies Act, 2013 and rules made there under. Amongst the areas, mentioned under the Companies Act, 2013, is to formulate policy and monitoring activities of Corporate Social Responsibility spending.

The terms of reference and role of the Corporate Social Responsibility Committee are as mentioned in policy formulated in line with schedule VII to the Companies Act, 2013 and Rules made thereunder, same is disclosed on the website of the Company at www.macpowercnc.com.

The details of composition of the Corporate Social Responsibility Committee meeting held during the year and attendance of members are as under:

Sr. No.	Name of Director	Category	Member/ Chairman	No. of Meetings attended out of One (1) meetings held during the year 2021-22
1.	Mr. Rajubhai Bhanderi	Independent , Director	Chairman	1
2.	Mr. Rupesh Mehta	Executive Director	Member	1
3.	Mr. Nikesh Mehta	Executive Director	Member	1

During the financial year 2021-22, One (1) meeting of the Corporate Social Responsibility Committee was held as per details given below:

Sr. No.	Date of Meetings	Place
1.	10.02.2022	Registered Office

VII. RISK MANAGEMENT COMMITTEE

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

VIII. SUBSIDIARY COMPANIES:

The requirement of formulating a specific policy on dealing with material subsidiaries doesn't arise as the Company has no Subsidiary as on date.

IX. GENERAL BODY MEETINGS:

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

YEAR	AGM/EGM	LOCATION	DATE	TIME	Special Resolutions passed for
2018-19	AGM	At Registered office of the company	28 th September, 2019	4:00 p.m.	Nil
2019-20	AGM	At Registered office of the company	29 th September, 2020	3:00 p.m.	Nil
2020-21	AGM	At Registered office of the company	29 th September, 2021	2:00 p.m.	1. Increase/revision in remuneration of Mr. Rupesh Mehta (DIN: 01474523), managing director of the company. 2. increase/revision in remuneration of Mr. Nimesh Mehta (DIN:01603779), Whole-Time Director (WTD) of the company

*Registered office address: Plot No. 2234, Nr.Kranti Gate, GIDC Metoda, Tal-Lodhika, Gujarat, Rajkot-360021.

b. Passing of Resolution by Postal Ballot:

None of special resolution was passed by way of postal ballot during the financial year ended March 31, 2022. As on date, the Company does not have any proposal to pass any special resolution by way of postal ballot.

X. DISCLOSURES:**a. Related Party Transactions:**

Transactions with related parties, as per requirements of Indian Accounting Standard (Ind AS) 24 are disclosed in the notes to accounts annexed to the financial statements. All the transactions with related parties were in the ordinary course of business and on arm's length basis. In terms of Regulation 23 of Listing Regulations the Company has started obtaining prior approval of the Audit Committee for entering into any transaction with related parties. The Audit Committee granted omnibus approval for certain transactions to be entered into with the related parties which are repetitive in nature, during the year. Statement giving details of all related party transactions entered into pursuant to the omnibus approval so granted is placed before the Audit Committee and the Board of Directors for their approval on a quarterly basis.

Policy on dealing with Related Party Transactions can be viewed on the Company's website at www.macpowercnc.com.

b. Details of non-compliance by the Company, penalties and strictures imposed on the Company by the Stock Exchanges or SEBI or any statutory authorities or any matter related to capital markets during the last three years:

No strictures or penalties have been imposed on the Company by the Stock Exchanges or by the Securities and Exchange Board of India (SEBI) or by any statutory authority on any matters related to capital markets in the last three years.

c. Whistleblower Policy:

The Company has formulated Whistleblower Policy in conformity with the Regulation 22 of the Listing Regulation and Section 177 of the Companies Act, 2013, to provide a mechanism for directors and employees of the company to approach the Chairman of the Audit Committee of the Company for the purpose of dealing with instance of fraud and mismanagement, if any and also ensure that whistleblowers are protected from retribution, whether within or outside the organization. No personnel have been denied access to the Audit Committee, if any, during the year.

The Company's Whistleblower Policy is on the Company's website at www.macpowercnc.com.

d. Details of compliance with mandatory requirements and adoption of the non-mandatory requirements of Listing Regulation:

Mandatory: During the year, the Company has fully complied with the mandatory requirements as stipulated in Listing Regulations. Further Company has disseminated report on compliance with corporate governance requirements as specified in regulation 17 to 27 and 46(2) on it's website at www.macpowercnc.com and also submitted with NSE.

Non-Mandatory: The Company has adopted following Non- Mandatory requirements of C & E of the Non-Mandatory requirements as provided in Part E of Schedule II to the Listing Regulations and not adopted A and B since they are discretionary requirements.

e. Commodity Price Risk and Hedging activities:

Company is a sizable user of various commodities, which exposes it to the price risk on account of procurement of commodities. The company has not drawn a hedging policy for activities exposed to foreign exchange fluctuations including for imports of goods.

XI. RISK MANAGEMENT:

The management of the Company has identified some of the major areas of concern having inherent risk, viz. Foreign Currency Fluctuation, Client Concentration, Technology Risks, noncompliance risk and Credit Control. The processes relating to minimizing the above risks have already been put in place at different levels of management. The management of the Company reviews the risk management processes and implementation of risk mitigation plans periodically. The processes are continuously improved.

XII. GENERAL CODE OF CONDUCT:

The Company has formulated and implemented a General Code of Conduct (Copy available on Company's website at www.macpowercnc.com) for all its Directors and Senior Management of the Company in compliance with Listing Regulation. All the Board Members and Senior Management of the Company have affirmed compliance with the Said Code of Conduct for the financial year ended March 31, 2022. A declaration by the Whole-Time Director & CEO affirming compliance with the said Code of Conduct by Board Members and Senior Management is annexed at the end of the Report and forms part of this Report.

XIII. CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING:

The Board of Directors has framed a policy for code of practices and procedures for fair disclosure of unpublished price sensitive information as per SEBI (Prohibition of Insider Trading) (Amendment) Regulations, 2018 and the Rules made thereunder. The said policy can be accessed on the Company's website at www.macpowercnc.com. The necessary preventive actions, including Closure of Trading Window around the time of any price sensitive events or information, are taken. All the Designated Persons have given declaration affirming compliance with the said Code for the year ended 31 March, 2022.

XIV. CEO & CFO CERTIFICATION:

In accordance with the requirements of Regulation 17 (8) of Listing Regulation, a certificate from Whole-Time Director & CEO and Chief Financial Officer of the Company, on the financial statements of the Company was placed before the Board in the Meeting held on May 28, 2022 and the same is annexed to this report, also forms part of this Annual Report.

XV. REPORT ON CORPORATE GOVERNANCE:

This Corporate Governance Report forms part of the Annual Report. Certificate obtained from the Secretarial Auditor M/s. K.P. Rachchh & Co. practicing company secretary confirming compliance with the conditions of Corporate Governance as stipulated in Listing Regulations and the same is annexed to this report, also forms part of this Annual Report.

XVI. MEANS OF COMMUNICATION:

The Company has a practice to publish Quarterly\Annual results in at least 1 English language National Daily newspaper circulating in the whole or substantially the whole of India and in one daily newspaper published in the language of the region, where the registered office of the Company is situated and also to put the same on its website at www.macpowercnc.com.

The aforesaid financial results are also disclosed on (www.nseindia.com) website of NSE where the Company's securities are listed, immediately after these are approved by the Board. Moreover, a direct communication is also made to the shareholders by the Managing Director as and when required. Further, there is separate General Shareholder Information section in this Annual Report and forms part of it.

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

The website of the company also displays the information of the company's products, dealers, availability among others presentations made to the institutional investor and analysts are also disseminated on the website of the Company.

XVII. DISCLOSURES OF RELATED PARTY TRANSACTIONS (RPTS):

The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 have introduced, as a part of the "related party disclosure" in the annual report, disclosures of transactions of the listed entity with any person or entity belonging to the promoter or promoter group which hold(s) 10 % or more shareholding in the listed entity. The details of related party transactions entered during the financial year 2021-22 are as below:

Name of the Related Party	Nature of Transaction	Amount In Rs.
Modern Machine Tools	Purchases [Repair, Parts and Tools]	35,44,401
Macpower Industries	Purchases [Repair, Parts and Tools]	14,13,252
Mr. Rupesh J. Mehta	Remuneration	52,00,000
Mr. Nikesh J. Mehta	Remuneration	44,00,000

XVIII. DISCLOSURE ON AUDIT AND NON-AUDIT SERVICES RENDERED BY THE AUDITOR:

The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 requires to disclose total fees paid to auditors for audit and non-audit services to improve transparency. The total fee paid to the Statutory Auditor during the FY 2021-22 is as under:

Fee paid for audit services:	Rs. 2,00,000
Fee paid for Non-Audit Service:	Nil
Total fee paid:	Rs. 2,00,000

XIX. Disclosure pertaining to Credit Rating:

[SEBI (LODR) (Amendment) Regulations, 2018, Para 3(t)(ii) and Para 3(x)(c)(ii)] require listed entity to disclose as a part of the Corporate Governance Report, a list of all credit ratings obtained by the listed entity for all debt instruments or for any fixed deposit program, or any scheme or proposal involving mobilization of funds, needs to be disclosed along with any revisions thereto during the relevant financial year. There is no requirement of obtaining credit rating by your company as there are no such types of debts

XX. DISCLOSURES IN RELATION TO THE SEXUAL HARASSMENT OF WOMEN AT WORK PLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:

The Company has framed a policy for prevention of sexual harassment at work. This provides a mechanism to prevent or deter the commission of acts of sexual harassment or inappropriate behavior at work and to ensure that all employees are treated with respect and dignity. Under the said policy, the procedures for the resolution, settlement or prosecution of acts or instances of sexual harassment have also been provided for.

Disclosure under the 'Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013, during the financial year ended on March 31, 2022, we report as follows:

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

XXI. DISCLOSURES PERTAINING TO DISQUALIFICATION OF DIRECTORS:

The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 introduced requirement to disclose a certificate from a Company Secretary in practice that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Board/MCA or any such statutory authority. In this regard, Company have obtained a certificate from **M/s. K. P. Rachchh & Co**, Practicing Company Secretary that none of the directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as the directors of companies by the Board/MCA or any such statutory authority and the same is annexed to this report, also forms part of this Annual Report.

XXII. VIEWS OF COMMITTEES NOT ACCEPTED BY THE BOARD OF DIRECTORS:

The SEBI (Listing Obligations & Disclosure Requirements) (Amendment) Regulations, 2018 introduced requirement to disclose along with the reasons thereof, where the Board has not accepted any recommendation of any committee of the Board which is mandatorily required. We hereby confirm that the Board has accepted all the recommendations received from committee of the Board which is mandatorily required and there is no recommendation which has not been accepted by the Board to comment on required to disclose.

XXIII. GENRAL SHAREHOLDER INFORMATION:

- a. **Information about Annual General Meeting, Financial Year, Book Closure & Dividend Payment Date, Stock Exchanges & Stock Code:**

Particulars	Details			
Financial Year:	From April 1 to March 31			
AGM (as indicated in the Notice)	Date	Time	Venue	
	27.09.2022	02:00 PM	Registered office of company situated at Plot No.2234, Nr. Kranti Gate, Gidc Metoda, Tal Lodhika Rajkot Gj 360021	
Date of Book Closure (both days inclusive)	From		To	
	21.09.2022		27.09.2022	
Dividend payment date	Credit/Dispatch of Dividend Warrants/Demand Draft within 30 days of AGM.			
Listing on Stock Exchange	Name of Stock Exchange	Symbol	ISIN	Listing Fees paid upto
	National Stock Exchange of India Limited, Exchange Plaza, Plot no. C/1, G Block, Bandra-Kurla Complex Bandra (E) Mumbai - 400 051	MACPOWER	INE155Z01011	March 31, 2023
Plant Locations & Address for Correspondence	Plot No. 2234, Nr.Kranti Gate, GIDC Metoda, Tal-Lodhika, Gujarat, Rajkot-360021.			
Investor Contacts	Mr. Kishor Kikani, Company Secretary and Compliance officer Plot No. 2234, Nr. Kranti Gate, GIDC Metoda, Tal-Lodhika, Gujarat, Rajkot-360021.			

b. Registrar and share transfer agent:

Link Intime India Private Limited, 5th Floor, 506 to 508, Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Nr. st.Xavier's Collage Corner, Off C G Road, Ellisbridge, Ahmedabad-380006, Ph-079-26465179 E-mail- Ahmedabad@linkintime.co.in

c. Share Transfer system:

There are no members holding shares in physical form. Transfers of equity shares in electronic form are effected through the depositories with no involvement of the Company.

d. Market Price data and Performance in comparison to broad-based indices viz., NSE Nifty & BSE Sensex:

Month	Quotations on NSE		NSE Nifty 50		BSE Sensex	
	High	Low	High	Low	High	Low
April 2021	99.35	79.25	15044.35	14151.40	50,375.77	47,204.50
May 2021	115.40	82.00	15606.35	14416.25	52,013.22	48,028.07
June 2021	163.80	101.00	15915.65	15450.90	53,126.73	51,450.58
July 2021	172.15	133.80	15962.25	15513.45	53,290.81	51,802.73
August 2021	226.45	158.20	17153.50	15834.65	57,625.26	52,804.08
September 2021	190.95	164.00	17947.65	17055.05	60,412.32	57,263.90
October 2021	218.50	166.50	18604.45	17452.90	62,245.43	58,551.14
November 2021	240.65	190.10	18210.15	16782.40	61,036.56	56,382.93
December 2021	204.50	162.55	17639.50	16410.20	59,203.37	55,132.68
January 2022	279.70	184.90	18350.95	16836.80	61,475.15	56,409.63
February 2022	248.00	189.15	17794.60	16203.25	59,618.51	54,383.20
March 2022	253.30	195.65	17559.80	15671.45	58,890.92	52,260.82

e. Distribution of shareholding as on March 31, 2022:

S. N.	No. of equity shares	No of shareholders	% of shareholders	No of shares held	% of shareholding
1	1 to 500	3550	88.97	300049	3.00
2	501 to 1000	212	5.31	157479	1.57
3	1001 to 2000	119	2.98	159576	1.60
4	2001 to 3000	31	0.78	77388	0.77
5	3001 to 4000	19	0.48	64388	0.64
6	4001 to 5000	14	0.35	64283	0.64
7	5001 to 10000	17	0.43	116548	1.17
8	10001 to	28	0.70	9064449	90.61
	TOTAL :	3990	100.00	10004160	100.00

Note: All the Shares of the Company are in Demat form

f. Shareholding pattern as on March 31, 2022:

Sr. No.	Category	No of Shareholders	No of shares held in demat form	% of shareholding	% of shareholders
1.0	Promoters and promoter group	7	7311892	73.09	0.18
2.0	Public Shareholding				
2.1	Alternate Investment Fund	2	411116	4.11	0.05
2.2	Public	3778	1309981	13.09	94.69
2.3	Foreign Portfolio Investor	2	692000	6.92	0.05
2.4	Trust	1	41581	0.42	0.02
2.5	Other Bodies Corporate	23	134113	1.34	0.58
2.6	Hindu Undivided Family	66	53892	0.54	1.65
2.7	Non-Resident Indians	86	41722	0.42	2.16
2.8	Clearing Members	25	7863	0.08	0.63
	Total Public Shareholding	3983	2692268	26.91	99.82
	Grand Total (1+2)	3990	10004160	100.00	100.00

g. Dematerialization of Shares and Liquidity:

The equity shares of the Company are available in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL). The Company's equity shares are traded compulsorily in the dematerialized form. As on date, All the Shares of the Company are in Demat form.

h. Outstanding GDRs/ ADRs/ Warrants or any Convertible Instruments, conversion date and likely impact on equity:

As on date, the Company has not issued GDRs, ADRs or any other Convertible Instruments and as such, there is no impact on the equity share capital of the Company.

I. Commodity Price Risk/Foreign Exchange Risk and Hedging Activities:

Company is exposed to foreign exchange risk on account of import and export transactions entered into. Also it is a sizable user of various commodities, which exposes it to price risk on account of procurement of commodities. The Company did not hedge Foreign Currency for import of goods and did not hedge commodities that company imported during the year.

j. Disclosure with respect to demat suspense account/unclaimed suspense account of shares:

As on date, there is no requirement to transfer the share into demat suspense account/unclaimed suspense account of shares.

k. Discretionary Requirements:

- The position of the Chairman and Managing Director are not separate but there is separate post for chairman and CEO in the company. Chairman is managing director and Whole-time director is Chief Executive officer of the company.
- The quarterly/yearly financial results are published in the newspapers of wide circulation and are not sent to individual shareholders. Further, the financial results are available on the website of the Company and of the Stock Exchange where the shares of the Company are listed,
- The Auditors' Opinion on the Financial Statements is unmodified.
- Internal Auditor reports to the Audit Committee.

l. Disclosure of the Compliance with Corporate Governance requirement as specified in Listing Regulation:

During the Financial Year under review, SEBI issued new Listing Regulations viz., Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 which is effective from December 1, 2015. As required under the said Regulations, the Company has complied with the following requirements:

- (i) Adopted Policy on Preservation of Documents and Policy on Materiality of Event/Information,
- (ii) Executed Listing Agreements with NSE. Further the Company affirms that all the requirements applicable under Listing Regulations (effective from December 1, 2015) are complied with. Company has also disseminated, report on compliance with corporate governance requirements as specified in regulation 17 to 27 and 46(2) of Listing Regulation (effective from December 1, 2015) on its website and also submitted with NSE.

Place: Metoda, Rajkot
Date: 5th August, 2022

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

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

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

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

**To,
The Members,
MACPOWER CNC MACHINES LIMITED
(CIN:L30009GJ2003PLC043419)**

Plot No. 2234, Nr. Kranit Gate, GIDC Metoda,
Tal. Lodhika, Rajkot – 360021

Based on the examination of records and documents and written representations received from the Directors of the Company and according to the verifications including Director Identification Number (DIN) status at the portal www.mca.gov.in, it is hereby certified that as on 31st March, 2022, none of the directors on the board of the Company as mentioned below have been debarred or disqualified from being appointed or continuing as directors of company by the Board/Ministry of Corporate Affairs or any such statutory authorities:

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

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

Place: Rajkot
Date: 5th August, 2022
UDIN: F005156D000749966

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

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

DECLARATION FOR COMPLINACE WITH CODE OF CONDUCT

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

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

For: Macpower CNC Machines Limited

Nikesh J. Mehta

Chief Executive Officer

Date: 28th May, 2022

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

To,
The Board of Directors
Macpower CNC Machines Limited
Gujarat/Rajkot

28th May, 2022

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

1. We have reviewed financial statements and the cash flow statement for the year ended on 31.03.2022 and that to the best of our knowledge and belief:
 - I. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - II. These statements together present a true and fair view of the listed entity's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the listed entity's code of conduct.
3. We are responsible for establishing and maintaining internal controls for financial reporting in the Company and we have evaluated the effectiveness of the internal control system of the Company pertaining to financial reporting. We have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and steps we have taken or propose to take to rectify these deficiencies.
4. We have indicated to the auditors and the Audit committee
 - I. significant changes in internal control over financial reporting during the year;
 - II. significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - III. That there were no instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Rajnikant Raja
Chief Financial Officer

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

**PRACTICING COMPANY SECRETARY'S CERTIFICATE
ON CORPORATE GOVERNANCE**

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

We have examined the compliance of the conditions of Corporate Governance by MACPOWER CNC MACHINES LIMITED ('the Company') for the year ended on March 31, 2022, as stipulated under Regulations 17 to 27, clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C and D of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations").

The Compliance of the conditions of Corporate Governance is the responsibility of the Management of the Company.

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

We have examined the relevant records and documents maintained by the Company for the purposes of providing reasonable assurance on the compliance with Corporate Governance requirements by the Company.

In our opinion and to the best of our information and according to the explanations given to us and the representations made by the Directors and the Management, we are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI Listing Regulations for the year ended on March 31, 2022.

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

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

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

Place: Rajkot
Date: 5th August, 2022
UDIN: F005156D000749988

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

To The Member of Macpower CNC Machines Limited

Opinion

We have audited the accompanying standalone Ind AS Financial Statements of Macpower CNC Machines Limited ("the Company"), which comprises the Balance Sheet as at 31 March 2022, the statement of Profit & Loss (including statement of Other Comprehensive Income), the Cash Flow Statements and the Statement of Changes in Equity for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information, (herein after referred to as "the standalone Ind AS Financial Statement")

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone Ind AS Financial Statements give the information required by the Companies Act, 2013 ("the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2022, the Profit and other comprehensive Income, changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

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

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2022. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

Key Audit Matter	Response to Key Audit Matter
Revenue recognition. As disclosed in note 2.2 Revenue in respect of sale of goods is recognized when control of the products being sold is transferred to our customer and measured at contracted price, after deduction of any trade discounts, and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognized over a period. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	We assessed the Company's process to identify the impact of adoption of the revenue accounting standard. Our audit approach consisted testing of the design and operating effectiveness of the internal controls and substantive testing as follows: • Evaluated the design of internal controls relating to implementation of the revenue accounting standard. • It is observed that in majority of the cases, transaction price is charged at ex-works price and revenue is booked at the time of dispatch of the goods. • The above method followed by the company is in line the provisions of Ind AS 115 - 'Revenue from contracts with customers' Conclusion: We agree with the management's evaluation.
Contingent liabilities relating to taxation, litigations and claims (also refer Note 29) The contingent liabilities relate to ongoing litigations and claims with various authorities and third parties. These relate to direct tax, indirect tax, transfer pricing arrangements, claims, general legal proceedings, environmental issues and other eventualities arising in the regular course of business. The determination of contingent liability requires significant judgement by the Company because of the inherent complexity in estimating future costs. The contingent liabilities are subject to changes in the outcomes of litigations and claims and the positions taken by the Company. It involves significant judgement and estimation to determine the likelihood and timing of the cash outflows and interpretations of the legal aspects, tax legislations and judgements previously made by authorities.	Our audit procedures included: • Understanding the process followed by the Company for assessment and determination of the amount of contingent liabilities relating to taxation, litigations and claims. • Evaluating the design and implementation and testing operating effectiveness of key internal controls around the recognition and measurement of re-assessment of contingent liabilities. • Involving our tax professionals with specialised skills and knowledge to assist in the assessment of the value of significant contingent liabilities relating to taxation matter, on sample basis, in light of the nature of the exposures, applicable regulations and related correspondence with the authorities. • Inquiring the status in respect of significant contingent liabilities with the Company's internal tax and legal team, including challenging the assumptions and critical judgements made by the Company which impacted the computation of the provisions and inspecting the computation. • Assessing the assumptions used and estimates of outcome and financial effect, including considering judgement of the Company, supplemented by experience of similar decisions previously made by the authorities and, in some cases, relevant opinions given by the Company's advisors. • Testing data used to develop the estimate for completeness and accuracy. • Evaluating judgements made by the Company by comparing the estimates of prior year to the actual outcome. • Evaluating the Company's disclosures in the standalone financial statements in respect of provisions and contingent liabilities Conclusion: We agree with the management's evaluation

Information Other than Financial Statements and Auditor's Report Thereon

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

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

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

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

Management's and Board of Director's Responsibility for the Standalone Ind AS Financial Statement

The Company's Management and Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the state of affairs, profit/loss and other comprehensive income, changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) specified under Section 133 of the Act. 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 standalone financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

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

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

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

Our objectives are to obtain reasonable assurance about whether the standalone financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will

always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these standalone financial statements.

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

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

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

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

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

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A" a statement on the matters specified in the paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, based on our audit we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
 - (b) In our opinion proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Standalone Balance Sheet, the Standalone Statement of Profit and Loss (including Other Comprehensive Income), the Standalone Statement of Cash Flows and the Standalone Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid Standalone Financial Statements comply with the Indian Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended;
 - (e) On the basis of the written representations received from the directors as on 31st March, 2022 and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2022 from being appointed as a director in terms of Section 164(2) of the Act;
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B"; Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Auditor's Report in accordance with 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 has disclosed the impact of pending litigations on its financial position in its financial statements Refer Note 29 to the standalone financial statements;
 - B. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - C. There have been no delays in transferring the amounts, required to be transferred to the Investor Education and Protection Fund by the Company.
 - D. (i) The Management of the Company has represented that, to the best of its knowledge and belief, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

- (ii) The Management of the Company has represented that, that, to the best of its knowledge and belief, no funds have been received by the Company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and
- (iii) Based on such audit procedures that we have considered reasonable and appropriate in the circumstances; nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) above contain any material mis-statement.
- E. The dividend declared or paid during the year by the Company is in compliance with Section 123 of the Act.

3. With respect to the matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197 (16) which are required to be commented upon by us.

For, S.C. Makhecha & Associates

Chartered Accountants
FRN Reg. No.: 120184W

Sanat C Makhecha

Partner
Mem. No.: 107192
Signed at Rajkot on 28/05/2022
UDIN: 22107192AJTZXD5788

ANNEXURE(A) REFERRED TO IN PARAGRAPH 1 OF INDEPENDENT AUDITOR'S REPORT OF EVEN DATE TO THE MEMBERS OF MACPOWER CNC MACHINES LIMITED ON THE FINANCIAL STATEMENTS OF THE COMPANY FOR THE YEAR ENDED 31ST MARCH, 2022.

In terms of Companies (Auditor's Report) Order 2020, issued by the Central Government of India, in terms of section 143(11) of The Companies Act, 2013, we further report, on the matters specified in paragraph 3 and 4 of the said Order, that: -

- (i) (a) A The company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant & Equipments.
- (i) (a) B The company has maintained proper records showing full particulars of intangible assets.
- (i) (b) The Company has a program of verification to cover all the items of Property, Plant & Equipment which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the program, certain property, Plant & Equipment were physically verified by the management during the year on reasonable intervals. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- (i) (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, the title deeds of immovable properties disclosed in the financial statements are held in the name of the company (Other than immovable properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee).
- (i) (d) The company has not revalued its Property, Plant & Equipment or Intangible assets or both during the year. Accordingly clause 3(i)(d) of the order is not applicable.
- (i) (e) According to the information and explanations given to us and on the basis of our examination of the records of the company, No proceedings have been initiated against the company for holding benami property under The Benami Transactions (Prohibition) Act, 1988 and rules made thereunder and the details have been appropriately disclosed in the financial statements.
- (ii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the company, physical verification of inventory has been conducted at reasonable intervals by management. In our opinion, the coverage and procedure by the management is appropriate. During physical verification no material discrepancies noticed.
- (ii) (b) According to the information and explanations given to us and the records produced to us for our verification, the company has been sanctioned working capital limit in excess of five crore rupees, in aggregate from bank or financial institution on the basis of security of current assets and the quarterly return filed by the company with such bank or financial institution are in agreement with books of account of the company, and no **material discrepancies** were noted. Accordingly clause 3(ii)(b) of the order is not applicable.
- (iii) The company has not made investments in, provided any guarantee or security granted any loans or advances in the nature of loans, secured or unsecured to companies, firms, LLPs, or any other parties, therefore reporting to sub clause (iii)(a)/(b)/(c)/(d)/(e)/(f) is not be applicable.

- (iv) In our opinion and according to the information and explanations given to us and on the basis of our examination of the records of the company, The company has not given any loans or guarantees, made any investments within the meaning of sections 185 & 186 of The Companies Act, 2013.
- (v) In our opinion and according to the information and explanations given to us, the company has not accepted any deposits from the public in terms of Section 73 to 76 or any other relevant provisions of the Companies Act, 2013.
- (vi) In our opinion and according to the information & explanations given to us and on the basis of our examination of record, Company has maintained cost records as prescribe under section 148(1) of the Act for the notified products.
- (vii) a According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Employee State Insurance, Income-Tax, Sales Tax/Value added Tax, Goods and Services Tax, Excise Duty, Duty of Customs, cess and other material statutory dues have generally been deposited regularly during the year by the Company with the appropriate authorities.
- (vii) b According to the information and explanation given to us, no undisputed amounts payable in respect of aforesaid dues were outstanding as on 31 March 2022 for a period of more than six months from the date of become payable.
- (vii) c According to the information and explanations given to us, there are no material statutory dues of Provident Fund, Employee State Insurance and wealth Tax which have not been deposited with the appropriate authorities on account of any dispute. However, according to the information and explanation given to us, the following dues of the Gujarat Value Added Tax & Central Sales Tax which have not been deposited by the Company on account of disputes are as follows:

Name of the Statute	Nature of Dues	Amount (Rs)	Period to which the amount relates	Forum where dispute is pending	Amount paid under Protest
Gujarat Value Added Tax Act, 2003	VAT	326,954	2017-18	Deputy State Tax Commissioner of Appeals	36,400
Gujarat Value Added Tax Act, 2003	VAT	121,060	2016-17	Deputy State Tax Commissioner of Appeals	56,443
Central Sales Tax Act, 1956	CST	762,283	2016-17	Deputy State Tax Commissioner of Appeals	294,058

- (viii) According to the information and explanations given to us and based on our examination of the records of the Company, the company has not surrendered or disclosed previously undisclosed transactions as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961). Accordingly, clause 3(viii) of the Order is not applicable to the Company.
- (ix) (a) In our opinion and according to the information and explanations given to us, the company has not defaulted in any repayment of dues to any financial institution or bank or debenture holders.

- (ix) (b) According to the information and explanations given to us and on the basis of our examination of the records of the company, The company has not been declared as a wilful defaulter by any bank or financial institution or other lender.
- (ix) (c) According to the information and explanations given to us and on the basis of our examination of the records of the company, during the year company has not borrowed or is not using any term loans therefore question of its utilisation does not arise.
- (ix) (d) According to the information and explanations given to us and on the basis of our examination of the records of the company, the funds raised on a short term basis have not been utilised for long term purposes.
- (ix) (e) According to the information and explanations given to us and on the basis of our examination of the records of the company, the Company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (ix) (f) The company does not have any Subsidiaries, joint ventures or associate companies.
- (x)(a) The company has not made any initial public offer during the year.
- (x)(b) The company has not made any preferential allotment or private placement of shares/debentures during the year.
- (xi)(a) Based on examination of the books and records of the company and according to the information and explanation given to us, considering the principles of materiality outlined in the standard on auditing, we report that no fraud by the company or on the company has been noticed or reported during the course of the audit.
- (xi)(b) According to the information and explanations given to us and on the basis of our examination of the records of the company, No report under sub-section (12) of Section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules 2014 with the Central Government.
- (xi)(c) According to the information and explanations given to us and on the basis of our examination of the records of the company, No complaints have been received from the whistle-blower during the year by the Company.
- (xii) As company is not Nidhi Company, Reporting to clause (xii) (a)/(b)/(c) is not applicable
- (xiii) According to information and explanation given to us and on the basis of books of accounts and other relevant records of the company, all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to Financial Statements as required by applicable accounting standards.
- (xiv) (a) Based on information and explanations provided to us and our audit procedures, in our opinion, the Company has an internal audit system commensurate with the size and nature of its business.

- (xiv) (b) We have considered the internal audit reports of the Company issued till date for the period under audit.
- (xv) According to information and explanation given to us and on the basis of examination of books of accounts and other relevant records of the company, the company has not entered into any non-cash transactions with directors or persons connected with directors, during the year.
- (xvi) (a) The company is not required to be registered under section 45-IA of The Reserve Bank of India Act, 1934.
- (xvi) (b) The Company has not conducted any Non-Banking Financial or Housing Finance activities without a valid Certificate of Registration (CoR) from the Reserve Bank of India as per the Reserve Bank of India Act 1934.
- (xvi) (c) The Company is not a Core Investment Company (CIC) as defined under the Regulations by the Reserve Bank of India.
- (xvi) (d) Reporting to this clause is not applicable as company is not CIC.
- (xvii) The company has not incurred cash losses during the year or the immediately preceding Financial Year.
- (xviii) There has not been any resignation of the statutory auditors during the year.
- (xix) According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.
- (xx) (a) According to information and explanation given to us and on the basis of examination, we state that there is no unspent amount as per section 135 at end of the year in respect of other than ongoing projects.
- (xx) (b) As per the information and explanation given to us and on the basis of examination, there is no ongoing projects. Therefore reporting to this clause is not applicable.
- (xxi) As the company is not subsidiary or holding company, reporting on qualifications or adverse remarks by the respective auditors in the Companies (Auditor's Report) Order (CARO) reports of the companies included in the consolidated financial statements is not required.

For S. C. Makhecha & Associates

Chartered Accountants
Firm Reg. No. 120184W

Sanat C. Makhecha

Partner
Membership no. 107192
UDIN:22107192AJTZXD5788
Date: 28/05/2022
Place: Rajkot

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

We have audited the internal financial controls over financial reporting of **Macpower CNC Machines Limited** as of 31st March, 2022 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls:

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

Auditors' Responsibility:

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

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

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

Meaning of Internal Financial Controls over Financial Reporting:

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

Inherent Limitations of Internal Financial Controls over Financial Reporting:

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

Opinion:

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31st March, 2022 based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For, S.C. Makhecha & Associates

Chartered Accountants
FRNo: 120184W

Sanat C Makhecha

Partner
Mem. No.: 107192
Signed at Rajkot on 28/05/2022
UDIN: 22107192AJTZXD5788

Macpower CNC Machines Limited CIN: L30009GJ2003PLC043419			
Balance Sheet as at March 31, 2022			
(Rs. in lakhs)			
Particulars	Note no.	As at March 31, 2022	As at March 31, 2021
ASSETS			
Non-current assets			
(a) Property, Plant and Equipment	3	3,965.52	3,717.26
(b) Right to use asset	3	11.98	21.30
(c) Capital work-in-progress	3	15.74	113.73
(d) Other Intangible Assets	3	16.70	9.79
(e) Intangible Assets under Development	3	-	13.00
(f) Financial Assets			
(g) Deferred Tax Assets (Net)	4	-	49.09
(h) Other non-current assets	5	257.65	180.30
Current assets			
(a) Inventories	6	7,557.39	6,092.55
(b) Financial Assets			
(i) Investments	7	470.06	1,966.04
(ii) Trade Receivables	8	597.03	381.52
(iii) Cash and cash equivalents	9	699.22	444.39
(iv) Other Bank Balance	10	157.36	60.50
(iv) Loans & Advances	11	60.06	12.56
(c) Current Tax Assets (Net)	12	-	11.59
(d) Other current assets	5	132.18	363.22
Total Assets		13,940.89	13,436.83
EQUITY AND LIABILITIES			
EQUITY			
(a) Equity Share Capital	13	1,000.42	1,000.42
(b) Other Equity	14	7,469.89	6,245.72
LIABILITIES			
Non-current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	15	3.51	13.11
(b) Provisions	19	114.47	98.28
(c) Deferred Tax Liability (NET)	4	118.33	-

Macpower CNC Machines Limited CIN: L30009GJ2003PLC043419			
Balance Sheet as at March 31, 2022			
(Rs. in lakhs)			
Particulars	Note no.	As at March 31, 2022	As at March 31, 2021
Current liabilities			
(a) Financial Liabilities			
(i) Lease Liabilities	15	9.60	9.11
(ii) Trade Payables	16		
(a) total outstanding dues of micro enterprises and small enterprise		51.48	31.94
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		4,083.80	4,414.31
(b) Other current liabilities	17	893.17	1,454.41
(c) Provisions	18	182.97	169.52
(d) Current Tax Liability (Net)	19	13.25	-
Total Equity and Liabilities		13,940.89	13,436.83
The above financial statements should be read in conjunction with the accompanying notes.			
As per our report of even date			
For S. C. Makhecha & Associates Chartered Accountants Firm Reg. No. 120184W		For and on behalf of Board of Directors of Macpower CNC Machines Ltd. CIN: L30009GJ2003PLC043419	
Sanat C. Makhecha Partner Membership no. 107192		Mr. Rupeshbhai J. Mehta (Managing Director) DIN: 01474523	Mr. Rajnikant M. Raja (Chief Financial Officer)
Date: 28/05/2022 Place: Rajkot		Mr. Nikeshbhai J. Mehta (Whole time Director & Chief Executive Officer) DIN: 01603779 Date: 28/05/2022 Place: Rajkot	Mr. Kishor Kikani (Company Secretary) Mem. No. A58545

STATEMENT OF PROFIT & LOSS

Macpower CNC Machines Limited
CIN: L30009GJ2003PLC043419

Statement of Profit & Loss for the year ended March 31,2022

(Rs. in lakhs)

Particulars	Note No.	For the year ended March 31,2022	For the year ended March 31,2021
INCOME			
Revenue from Operations (Including other operating revenue)	20	19,047.89	11,287.35
Other Income	21	47.24	35.05
TOTAL INCOME		19,095.12	11,322.40
EXPENSES			
Cost of materials consumed	22	13,404.78	7,546.78
Purchase of Stock in Trade		-	-
Changes in inventories of finished goods, work-in-progress and stock-in-trade	23	-111.12	247.27
Employee benefits expenses	24	1,756.20	1,170.71
Finance Costs	25	15.46	16.96
Depreciation and amortisation expenses	3	279.34	260.48
Other expenses	26	1,911.57	1,404.49
TOTAL EXPENSES		17,256.24	10,646.69
Profit Before tax		1,838.89	675.71
Tax expenses	27	555.10	72.54
Current Tax		388.25	108.31
Deferred tax		166.85	-35.78
Profit for the year		1,283.79	603.17
Other Comprehensive Income/(Loss), Net of Tax		1.69	-1.09
Items that will be reclassified to profit or loss		-	-
Items that will not be reclassified to profit or loss		1.69	-1.09
Total Comprehensive Income for the Period		1,285.47	602.08
Earnings Per Share Basic & Diluted	28	12.83	6.03

The above financial statements should be read in conjunction with the accompanying notes.
As per our report of even date

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

**For and on behalf of Board of Directors of
Macpower CNC Machines Ltd.**
CIN: L30009GJ2003PLC043419

Sanat C. Makhecha
Partner
Membership no. 107192

Date: 28/05/2022
Place: Rajkot

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

Mr. Rajnikant M. Raja
(Chief Financial Officer)

Mr. Nikeshbhai J. Mehta
(Whole time Director & Chief
Executive Officer)
DIN: 01603779
Date: 28/05/2022
Place: Rajkot

Mr. Kishor Kikani
(Company Secretary)
Mem. No. A58545

STATEMENT OF CHANGES IN EQUITY

Macpower CNC Machines Ltd. CIN: L30009GJ2003PLC043419								
Statement of Changes in Equity for the year ended March 31,2022								
(A) EQUITY SHARE CAPITAL			(Rs. In Lakhs)					
Particulars	Note No.	31-Mar-22	31-Mar-21					
Balance at the beginning of the reporting period	13	1,000.42	980.80					
Changes in equity share capital during the year		-	19.62					
At the end of the year		1,000.42	1,000.42					
(B) OTHER EQUITY			(Rs. In Lakhs)					
Particulars	Note No.	Security Premium	General Reserve	Retained earnings	Total Other Equity			
Balance at the beginning of the reporting period i.e. 01/04/2020	14	3,723.92		1,939.34	5,663.26			
Total Comprehensive Income for the year		-	-	-1.09	-1.09			
Transfer to retained earnings				603.17	603.17			
Any other change (to be specified)					-			
Utilised for Bonus Issue		-19.62	-	-	-19.62			
Balance at the end of the reporting period i.e. 31/03/2021		3,704.30	-	2,541.42	6,245.72			
Balance at the beginning of the reporting period i.e. 01/04/2021		3,704.30	-	2,541.42	6,245.72			
Total Comprehensive Income for the year				1.69	1.69			
Dividends				-44.96	-44.96			
Tax on Intrim Dividend				-5.06	-5.06			
Profit during the year				1,283.79	1,283.79			
Prior Period Income Tax				-11.29	-11.29			
Balance at the end of the reporting period i.e. 31/03/2022		3,704.30	-	3,765.59	7,469.89			
As per our report of even date								
For S. C. Makhecha & Associates Chartered Accountants Firm Reg. No. 120184W			For and on behalf of Board of Directors of Macpower CNC Machines Ltd. CIN: L30009GJ2003PLC043419					
			Mr. Rupeshbhai J. Mehta			Mr. Rajnikant M. Raja		
			(Managing Director) DIN: 01474523			(Chief Financial Officer)		
Sanat C. Makhecha Partner Membership no. 107192			Mr. NIKESHBHAI J. MEHTA					
Date: 28/05/2022 Place: Rajkot			Mr. KISHOR KIKANI					
			(Whole time Director & Chief Executive Officer) DIN 01603779 Date: 28/05/2022 Place: Rajkot					
			(Company Secretary) Mem. No. A58545					

STATEMENT OF CASH FLOW

Macpower CNC Machines Ltd. CIN: L30009GJ2003PLC043419			
Statement of Cash Flow for the year ended March 31, 2022			
(Rs. in lakhs)			
Sr. No.	Particulars	For the year ended March 31, 2022	For the year ended March 31, 2021
A.	Cash flow from operating activities		
	Net Profit before tax	1,838.89	675.71
	<u>Adjustment for:</u>		
	Depreciation & Amortization	279.34	260.48
	Finance Cost	15.46	16.96
	(Profit)/Loss on sale of Property, Plant & Equipment	-2.22	-
	Gain on sale of Mutual Fund	-23.27	-16.78
	Operating Profit before working capital changes	2,108.19	936.36
	<u>Movements in working capital:</u>		
	Decrease/(-Increase) in Trade & Other Receivables	-215.51	-55.69
	Decrease/(-Increase) in Inventories	-1,464.84	-1,470.80
	Decrease/(-Increase) in Deferred Tax	49.09	-36.14
	Decrease/(-Increase) in Other Current Assets	117.77	-126.07
	Increase/(-Decrease) in Trade Payables, Liabilities & Provisions	-710.99	3,115.41
	Sub-Total Movement in Working Capital	-2,224.48	1,426.71
	Cashflow generated from/(used in) operations	-116.29	2,363.07
	Income Tax Paid & OCI	-564.70	-73.63
	NET CASH FROM OPERATING ACTIVITIES	-681.00	2,289.44
B.	Cash flow from investing activities		
	Proceeds from sales in Current Investments	1,495.97	-1,841.13
	Purchase of Property, Plant & Equipment	-484.82	-518.57
	Sale proceeds of Property, Plant & Equipment	72.85	50.96
	(Increase)/Decrease in Other Bank Balances	-96.87	308.19
	Short Term Capital Gain (On Mutual Fund)	23.27	16.78
	NET CASH FLOW FROM INVESTING ACTIVITIES	1,010.41	-1,983.77
C.	Cash flow from financing activities		
	Principle element of lease payment	-9.11	-62.27
	Intrim Dividend Paid	-44.96	-
	Tax on Intrim Dividend	-5.06	-
	Finance Cost	-15.46	-16.96
	NET CASH CLOW FROM FINANCING ACTIVITIES	-74.59	-79.23
	NET INCREASE IN CASH AND CASH EQUIVALENTS (A+B+C)	254.83	226.45
	Cash and cash equivalents at the beginning of the year	444.39	217.94
	Cash and cash equivalents at the end of the year	699.22	444.39
	Components of cash and cash equivalents as at the end of the year		
	Cash and cheques on hand	1.05	3.45
	With bank	-	-
	- In current account	698.17	440.94
	TOTAL	699.22	444.39
Notes: 1. Previous years figures have been regrouped wherever necessary. 2. In addition to the above, there are no non cash movement for liabilities arising from financing activities. 3. The cash flow statement has been prepared under the indirect method as set out in the Indian Accounting Standard - 7 on Cash Flow Statement. As per our report of even date For S. C. Makhecha & Associates Chartered Accountants Firm Reg. No. 120184W Sanat C. Makhecha Partner Membership no. 107192 Date: 28/05/2022 Place: Rajkot For and on behalf of Board of Directors of Macpower CNC Machines Ltd. CIN: L30009GJ2003PLC043419 Mr. Rupeshbhai J. Mehta Mr. Rajnikant M. Raja (Managing Director) (Chief Financial Officer) DIN: 01474523 Mr. Nikeshbhai J. Mehta Mr. Kishor Kikani (Whole Time Director & Chief Executive Officer) (Company Secretary) DIN: 01603779 Mem. No. A58545 Date: 28/05/2022 Place: Rajkot			

Macpower CNC Machines Ltd.

CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:

For the year ended on March 31, 2022

Corporate Information :

Macpower CNC Machines Limited was incorporated in 2003. The Company is situated at Plot No. 2234, Near Kranti Gate, GIDC Metoda, Rajkot -360 021 Gujarat. The Company is engaged in the business of manufacturing and sale of CNC and VMC Machines.

1 Basis of Preparation and presentation

The financial statements of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") notified under section 133 of the Companies Act 2013, read together with the Companies (Indian Accounting Standards) Rules, 2015, as amended. and presentation requirements of Division II of schedule III to the Companies Act, 2013 (as amended), on the historical cost basis except for certain financial instruments that are measured at fair values, as explained in the accounting policies below.

The financial statements are presented in INR (Rs.) (Indian Rupees) which is also Company's functional currency and all values are shown upto two decimal in lacs & value are rounded to the nearest thousand, except when otherwise indicated.

The Company has prepared the financial statements on the basis that it will continue to operate as a going concern.

2 Summary of significant accounting policies followed by the Company

2.1 Accounting Charges:

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

Key Estimates

The preparation of standalone financial statements requires management to make judgments, estimates and assumptions in the application of accounting policies that affect the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Continuous evaluation is done on the estimation and judgments based on historical experience and other factors, including expectations of future events that are believed to be reasonable. Revisions to accounting estimates are recognised prospectively.

Macpower CNC Machines Ltd.

CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:

For the year ended on March 31, 2022

Information about critical judgments in applying accounting policies, as well as estimates and assumptions that have the most significant effect to the carrying amounts of assets and liabilities within the next financial year, are included in the following notes:

A. Estimate of Tax

Recognition of provision of current tax and deferred tax refer- Note 2.4

B. Estimation of useful lives and residual value of Property, Plant and equipment and intangible assets

Estimation of useful lives and residual value of PPE and intangible assets refer- Note 2.3

C. Lease

Measurement of Right of Use Asset and Lease liabilities refer-Note-2.11.

2.2 Revenue Recognition:

- a Revenue from sale of goods is recognised when control of the products being sold is transferred to our customer and when there are no longer any unfulfilled obligations. The Performance Obligations in our contracts are fulfilled at the time of dispatch, delivery or upon formal customer acceptance depending on customer terms.
- b Revenue is measured on the basis of contracted price, after deduction of any trade discounts, and any taxes or duties collected on behalf of the Government such as goods and services tax, etc. Revenue is only recognised to the extent that it is highly probable a significant reversal will not occur.
- c Income from services rendered is recognised based on agreements/arrangements with the customers as the service is performed and there are no unfulfilled obligations.
- d Interest income is recognised using the effective interest rate (EIR) method.
- e Revenue in respect of other income is recognised when no significant uncertainty as to its determination or realisation exists.

2.3 Property, plant and equipment and Intangible Assets

Property, plant and equipment

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

Macpower CNC Machines Ltd.

CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:

For the year ended on March 31, 2022

- Property, plant and equipment which are not ready for intended use as on the date of Balance Sheet are disclosed as "Capital work-in-progress"
- b All other expenses on Property, plant and equipment, including repair and maintenance expenditure and replacement expenditure of parts, are charged to Statement of Profit and Loss for the period during the which such expenses are incurred.
- c Gains or losses that arise on disposal or retirement of an asset are measured as the difference between net disposal proceeds and the carrying value of an asset and are recognised in the statement of profit and loss when the asset is derecognised.

d Depreciation methods, estimated useful lives and residual value

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

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

Intangible Assets

- a Intangible assets purchased are initially measured at cost. The cost of an intangible asset comprises its purchase price including duties and taxes and any costs directly attributable to making the asset ready for their intended use.
- b Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in standalone statement of profit or loss as incurred.
- c Subsequently, intangible assets are carried at cost less any accumulated amortisation and accumulated impairment losses, if any.
- d **Amortization methods, estimated useful lives and residual value**
The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortised on a straight-line basis over the period of their estimated useful lives. Estimated useful lives by major class of finite-life intangible assets are as follows:

Sr. No.	Assets Category	Useful Life (Years)
1	Computer software and mobile application	6 Years
2	Other Software	3 Years
3	Designs for Machinery	10 Years

Macpower CNC Machines Ltd.

CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:

For the year ended on March 31, 2022

e Impairment of Assets:

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

2.4 Taxation

Deferred tax is recognised in respect of temporary differences between the carrying amount of assets and liabilities for financial reporting purposes and the corresponding amounts used for taxation purposes. A deferred tax liability is recognised based on the expected manner of realisation or settlement of the carrying amount of assets and liabilities, using tax rates enacted, or substantively enacted, by the end of the reporting period. Deferred tax assets are recognised only to the extent that it is probable that future taxable profits will be available against which the asset can be utilised. Deferred tax assets are reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realised.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

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

Deferred tax assets are reviewed as at each balance sheet date for their reliability.

2.5 Financial Instruments

a) Other investments and financial assets

(i) Classification

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

- * those to be measured subsequently, at fair value (either through other comprehensive income, or through profit or loss), and those already measured, at amortised cost.

Macpower CNC Machines Ltd.

CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:

For the year ended on March 31, 2022

- * The classification is done depending upon the Company's business model for managing the financial assets and the contractual terms of the cash flows. For assets measured at fair value, gains and losses will be recorded in profit or loss.

(ii) Measurement

At initial recognition

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

Subsequent Measurement

Assets that do not meet the criteria for amortised cost, are measured subsequently at fair value through profit or loss e.g. investments in mutual funds.

(iii) Impairment of financial assets

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

(iv) Derecognition of financial assets

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

(v) Income recognition

Interest Income

Interest income from fixed deposits is recognised using the effective interest rate method. When calculating the effective interest rate, the Company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

b) Financial Liability

(i) Classification as debt or Equity

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

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

(ii) Initial recognition and measurement

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

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

Macpower CNC Machines Ltd.

CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:**For the year ended on March 31, 2022****(iii) Subsequent measurement**

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

a. Trade and other payable

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

Derecognition

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

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

Liability is classified as current liabilities unless the Company has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

2.6 Foreign Currency Transactions:

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

a Initial Recognition:

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

Macpower CNC Machines Ltd.

CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:

For the year ended on March 31, 2022

b Conversion:

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

c Exchange Differences:

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

2.7 Inventories:

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

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

2.8 Government Grants:

- a** During the year company is not eligible for any government grant and subsidy. Therefore same is not booked in the accounts .

2.9 Employee Benefits:

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

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

2.10 Borrowing Costs:

During the year, company has not incurred any borrowing cost. However the policy for the same is as under:

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

Macpower CNC Machines Ltd.

CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:

For the year ended on March 31, 2022

2.11 Lease:

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

As a Lessee

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

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

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

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

Macpower CNC Machines Ltd.

CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:

For the year ended on March 31, 2022

2.12 Cash and cash equivalents

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

2.13 Earning Per Share:

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

2.14 Provision, Contingent Liabilities and Contingent Assets:

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

2.15 Amendments to Schedule III of the Companies Act, 2013

Ministry of Corporate Affairs (MCA) issued notifications dated 24th March, 2021 to amend Schedule III of the Companies Act, 2013 to enhance the disclosures required to be made by the Company in its financial statements. These amendments are applicable to the Company for the financial year starting 1st April, 2021 and applied to the standalone financial statements:

- a Lease liabilities separately disclosed under the head 'financial liabilities', duly distinguished as current or non-current.
- b Certain additional disclosures in the standalone Statement of Changes in Equity such as changes in equity share capital due to prior period errors and restated balances at the beginning of the current reporting period.
- c Additional disclosure for shareholding of promoters.
- d Additional disclosure for ageing schedule of trade receivables, trade payables, capital work-in-progress.
- e Specific disclosure such as title deeds of immovable property not held in the name of the Company, loans and advances to promoters, directors, key managerial personnel (KMP) and related parties etc.
- f Additional disclosures relating to Corporate Social Responsibility (CSR) and undisclosed income.

Macpower CNC Machines Ltd.

CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:**For the year ended on March 31, 2022****2.16 Social Security, 2020**

The Code on Social Security, 2020 ('Code') relating to employee benefits during employment and post-employment benefits has received Presidential assent on 28th September 2020. The Code has been published in the Gazette of India. However, the effective date of the Code is yet to be notified and final rules for quantifying the financial impact are also yet to be issued. In view of this, the Company will assess the impact of the Code when relevant provisions are notified and will record related impact, if any, in the period the Code becomes effective.

2.17 Recent Accounting Developments

The amendments to standards that are issued, but not yet effective, up to the date of issuance of the Company's financial statements are disclosed below. The Company intends to adopt these standards, if applicable, as and when they become effective. The Ministry of Corporate Affairs (MCA) has notified certain amendments to Ind AS, through Companies (Indian Accounting Standards) Amendment Rules, 2022 on 23rd March, 2022. These amendments maintain convergence with IFRS by incorporating amendments issued by International Accounting Standards Board (IASB) into Ind AS and has amended the following standards:

- i. Ind AS 101 - First-time adoption of Ind AS
- ii. Ind AS 103 – Business Combinations
- iii. Ind AS 109 – Financial Instruments
- iv. Ind AS 16 – Property, Plant and Equipment
- v. Ind AS 37 – Provisions, Contingent Liabilities and Contingent Assets
- vi. Ind AS 41 – Agriculture

These amendments shall come into force with effect from April 01, 2022.

The Company is assessing the potential effect of the amendments on its financial statements. The Company will adopt these amendments, if applicable, from applicability date

Macpower CNC Machines Ltd. CIN: L30009GJ2003PLC043419									
Notes forming part of Financial Statements for the year ended 31st March 2022									
Note - 3 Property, Plant and Equipment									
Particulars	Gross Block				Depreciation/Impairment				Net Block (Rs. in lakhs)
	As at April 1, 2021	Additions	Deductions/ Adjustments	As at March 31, 2022	As at April 1, 2021	Additions	Deductions/ Adjustments	As at March 31, 2022	As at March 31, 2022
(a) Property, Plant and Equipment:									
1. Land	46.25	-	-	46.25	-	-	-	-	46.25
2. Building	1,048.57	180.72	-	1,229.29	226.08	32.18	-	258.26	971.03
3. Plant & Machinery	3,085.68	364.10	-58.33	3,391.45	378.28	198.37	-3.72	572.93	2,818.52
4. Furniture & Fixtures	73.23	0.97	-	74.20	38.58	4.22	-	42.81	31.40
5. Office Equipment	67.10	8.40	-	75.51	40.33	5.69	-	46.02	29.49
6. Vehicles	202.55	0.94	-10.37	193.12	139.74	12.53	-7.35	144.92	48.20
7. Computers	63.47	14.43	-	77.91	46.58	10.68	-	57.27	20.64
Total	4,586.85	569.57	-68.70	5,087.72	869.59	263.68	-11.07	1,122.20	3,965.52
(b) Intangible Assets:									
Design	12.00	-	-	12.00	9.45	0.59	-	10.04	1.96
Computer Software	29.77	0.25	-	30.02	22.53	1.64	-	24.17	5.86
STERP Software (PTU)	-	13.00	-	13.00	-	4.12	-	4.12	8.88
Total	41.77	13.25	-	55.02	31.98	6.34	-	38.32	16.70
(c) Right to use asset:									
Leasehold Office Premise	87.91	-	-59.95	27.96	66.61	9.32	-59.95	15.98	11.98
Total	87.91	-	-59.95	27.96	66.61	9.32	-59.95	15.98	11.98
(d) Intangible Assets under Development	13.00	-	-13.00	-	-	-	-	-	-
(e) Capital Work in Progress	113.73	82.72	-180.72	15.74	-	-	-	-	15.74
Total	4,843.27	665.54	-322.37	5,186.44	968.19	279.34	-71.02	1,176.50	4,009.94
Note: All the title deeds of land and building are in the name of company.									

Macpower CNC Machines Ltd. CIN: L30009GJ2003PLC043419									
Notes forming part of Financial Statements for the year ended 31st March 2022									
Note - 3 Property, Plant and Equipment									
(Rs. in lakhs)									
Previous Year	Particulars	Gross Block				Depreciation/Impairment			Net Block
		As at April 1, 2020	Additions	Deductions/ Adjustments	As at March 31, 2021	As at April 1, 2020	Additions	Deductions/ Adjustments	As at March 31, 2021
(a) Property, Plant and Equipment:									
1. Land		46.25	-	-	46.25	-	-	-	46.25
2. Building		1,048.26	0.31	-	1,048.57	197.66	28.42	-	822.49
3. Plant & Machinery		2,669.95	416.84	-1.11	3,085.68	215.84	162.43	-	2,707.40
4. Furniture & Fixtures		69.14	4.13	-0.04	73.23	34.35	4.24	-	34.65
5. Office Equipment		58.53	8.58	-	67.10	35.39	4.94	-	26.77
6. Vehicles		194.26	8.28	-	202.55	127.63	12.11	-	62.80
7. Computers		52.75	10.72	-	63.47	33.28	13.31	-	16.89
Total		4,139.15	448.86	-1.16	4,586.85	644.15	225.45	-	3,717.26
(b) Intangible Assets:									
Design		12.00	-	-	12.00	8.87	0.59	-	2.55
Computer Software		29.77	-	-	29.77	15.30	7.23	-	7.24
Total		41.77	-	-	41.77	24.17	7.81	-	9.79
(c) Right to use asset:									
Leasehold Office Premise		118.76	18.95	-49.80	87.91	39.39	27.22	-	21.30
Total		118.76	18.95	-49.80	87.91	39.39	27.22	-	21.30
(d) Intangible Assets under Development		9.07	3.93	-	13.00	-	-	-	13.00
(e) Capital Work in Progress		66.91	46.82	-	113.73	-	-	-	113.73
Total		4,375.66	518.57	-50.96	4,843.27	707.71	260.48	-	3,875.08
Note: All the title deeds of land and building are in the name of company.									

Macpower CNC Machines Ltd.
CIN: L30009GJ2003PLC043419

Notes forming part of Financial Statements for the year ended 31st March 2022

Note - 3 Property, Plant and Equipment

Note - Details of Capital work in progress (CWIP)

CWIP aging Schedule as on 31/03/2022

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
1. Factory Building	7.33	-	-	-	7.33
2. Die-Pattern	8.41	-	-	-	8.41
Total	15.74	-	-	-	15.74

CWIP aging Schedule as on 31/03/2021

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
1. Factory Building	46.82	66.91	-	-	113.73
Total	46.82	66.91	-	-	113.73

Intangible assest under development Schedule as on 31/03/2021

CWIP	Amount in CWIP for a period of				Total*
	Less than 1 year	1-2 years	2-3 years	More than 3 years	
Projects in progress					
1. STERP Software	3.93	9.07	-	-	13.00
Total	3.93	9.07	-	-	13.00

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Macpower CNC Machines Limited CIN: L30009GJ2003PLC043419							
Notes forming part of the Financial Statements:							
		(Rs. in lakhs)					
Note No.	Particulars	March 31,2022	March 31,2021				
7	INVESTMENT						
	<u>CURRENT INVESTMENT</u>						
	<u>a. Investment in Mutual Funds</u>						
	Axis Bank Money Market Fund	251.37	-				
	Units:Current Year:21868.118		-				
	Previous Year: 0						
	Axis Floater Fund (Direct Growth)	213.69	-				
	Units:Current Year:21225.377						
	Previous Year: 0						
	Axis Liquid Fund (Direct Growth)	-	963.85				
	Units: Current Year:		-				
	Previous Year:87307.864						
	Axis Banking & PSU (Banking Fund)	-	700.00				
	Units: Current Year:0		-				
	Previous Year: 33467.19						
	SBI Banking & PSU Fund(Direct Growth)	-	300.00				
	Units: Current Year: 0						
	Previous Year:11676.095						
	Total Investment in Mutual Funds (a)	465.06	1,963.85				
	<u>b. Other Investment</u>	5.01	2.19				
	Total Other Investment (b)	5.01	2.19				
	TOTAL INVESTMENTS (a+b)	470.06	1,966.04				
	Aggregate amount of quoted investments	470.06	1,963.85				
	Aggregate Market value of quoted investments	470.06	1,963.85				
	Aggregate amount of unquoted investments	-	-				
	Aggregate amount of impairment in value of investments	-	-				
8	TRADE RECEIVABLES						
	(Unsecured, Considered Good, unless stated otherwise)						
	Good	597.03	381.52				
	Lost Allowanace	-	-				
	TOTAL TRADE RECEIVABLES	597.03	381.52				
	<u>Aging of Trade Receivable As on 31/03/2022</u>						
	Particulars	Outstanding for following periods from due date of payment#				Total As on March 31,2022	
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
	(i) Undisputed Trade receivables – considered good	477.20	33.49	19.95	0.96	-	531.60
	(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
	(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
	(iv) Disputed Trade Receivables–considered good	-	-	5.02	-	60.42	65.43
	(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
	(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	477.20	33.49	24.96	0.96	60.42	597.03

Macpower CNC Machines Limited CIN: L30009GJ2003PLC043419							
Notes forming part of the Financial Statements:							
(Rs. in lakhs)							
Note No.	Particulars	March 31,2022				March 31,2021	
Aging of Trade Receivable As on 31/03/2021							
	Particulars	Outstanding for following periods from due date of payment#					Total As on March 31,2022
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
	(i) Undisputed Trade receivables – considered good	257.88	16.57	2.33	65.04	39.70	381.52
	(ii) Undisputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
	(iii) Undisputed Trade Receivables – credit impaired	-	-	-	-	-	-
	(iv) Disputed Trade Receivables–considered good	-	-	-	-	-	-
	(v) Disputed Trade Receivables – which have significant increase in credit risk	-	-	-	-	-	-
	(vi) Disputed Trade Receivables – credit impaired	-	-	-	-	-	-
	Total	257.88	16.57	2.33	65.04	39.70	381.52
9 CASH & CASH EQUIVALENT							
	Cash on Hand					1.05	3.45
	Balances with Bank					-	-
	In Current Account					0.17	213.00
	In Current Account for Unpaid Dividend					0.26	0.22
	In Cash Credit Account -Debit Balance (Secured)					697.75	227.72
	TOTAL CASH & CASH EQUIVALENT					699.22	444.39
Discloser regarding Cash Credit Limit with Axis Bank Limited							
Axis Bank Ltd. CC A/c. 914030041250678, is primarily secured by hypothecation of current assets both present and future of the company.							
Further mortgage of industrial property situated at plot no. 2234, GIDC lodhika Industrial Estate, Kalawad road, Village Metoda Taluka: Lodhia, Rajkot							
Further mortgage of residential property situated at panchratna park, Street No. 1, Opp. Jalaram Hospital Stree, B/h. Panchvati Hall Rajkot							
The facility is futher guaranteed by the personal gurantee of Mr. Rupeshbhai Mehta and Mrs. Seemaben Mehta.							
Repayment Terms: Repayable on Demand.							
10 OTHER BANK BALANCES							
	Deposits with residual maturity for less than 12 months					157.36	60.50
	TOTAL OTHER BANK BALANCES					157.36	60.50
11 Loans & Advances							
Loans & Advances (Unsecured, considered good unless otherwise stated)							
	Loans to related parties					-	-
	Others including employee loans					60.06	12.56
	TOTAL LOANS & ADVANCES					60.06	12.56
Sub-classification of loans							
	Loans Receivables considered good- Secured					-	-
	Loans Receivables considered good- Unsecured					-	-
	Loans Receivables which have significant increase in Credit Risk					-	-
	Loans Receivables - credit impaired					-	-

Macpower CNC Machines Limited
CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:

(Rs. in lakhs)

Note No.	Particulars	March 31,2022	March 31,2021
	1. In line with Circular No 04/2015 issued by Ministry of Corporate Affairs dated 10th March, 2015, loans given to employees as per the Company's policy are not considered for the purposes of disclosure under Section 186(4) of the Companies Act, 2013.		
	There are no loans or advances in the nature of loans granted to Promoters, Directors, KMPs and their related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are:		
	a. Repayable on demand: or	-	-
	b. Without specifying any terms or period or repayment	-	-

12 Current Tax Assets (NET) **-** **11.59**

13 EQUITY SHARE CAPITAL

(a)	<u>Authorized Share Capital</u>			
	Equity Shares of Rs. 10 each	No. of Equity Shares	100.05	100.05
		Amount	1,000.50	1,000.50
(b)	<u>Issued, Subscribed & Paid up Share Capital</u>	No. of Equity Shares	100.04	100.04
	Equity Shares of Rs. 10 each	Amount	1,000.42	1,000.42
	TOTAL EQUITY SHARE CAPITAL		1,000.42	1,000.42

(c)	<u>Reconciliation of the shares outstanding at the beginning and at the end of the reporting period - Equity Shares</u>				
		2021-22		2020-21	
		No.	Amount (Rs.)	No.	Amount (Rs.)
	At the beginning of the period	100.04	1,000.42	100.04	1,000.42
	Shares issued during the year	-	-	-	-
	Outstanding at the end of the period	100.04	1,000.42	100.04	1,000.42

Terms/Rights attached to Equity Shares

(d) The company has only one class of equity shares having a per share value of Rs. 10/- per share. Each holder of equity shares is

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

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

Name of Shareholder	As at March 31,2022		As at March 31,2021	
	No.	% of total holding	No.	% of total holding
Rupeshbhai J. Mehta	36,28,526	36.27%	32,11,980	32.11%
Riyaben R. Mehta	18,14,982	18.14%	18,14,982	18.14%
Nikeshbhai J. Mehta	13,41,062	13.41%	13,31,862	13.31%
Massachusetts Institute of Technology	6,00,000	6.00%	4,98,270	4.98%

Name of Shareholder	As at March 31,2021		As at March 31,2020	
	No.	% of total holding	No.	% of total holding
Rupeshbhai J. Mehta	32,11,980	32.11%	31,49,000	32.11%
Riyaben R. Mehta	18,14,982	18.14%	17,76,600	18.11%
Nikeshbhai J. Mehta	13,31,862	13.31%	12,05,900	12.30%
Vantage Equity Fund (Old Bridge Capital)	-	0.00%	5,81,000	5.92%

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

Macpower CNC Machines Limited
CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:

(Rs. in lakhs)

Note No.	Particulars	March 31,2022	March 31,2021
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(f) **Details of shares held by the Promoters**

Promoter name	As on 31/03/2022		As on 31/03/2021		Change in holding	
	No. of Shares	%of total shares	No. of Shares	%of total shares	No. of Shares	%of total shares
Mr. Rupesh J. Mehta	36,28,526	36.27%	32,11,980	32.11%	4,16,546	4.16%
Mr. Nikesh J. Mehta	13,41,062	13.41%	13,31,862	13.31%	9,200	0.10%
Mrs. Riyaben R. Mehta	18,14,982	18.14%	18,14,982	18.14%	-	0.00%
Mrs. Nimishaben N. Mehta	3,77,309	3.77%	3,77,309	3.77%	-	0.00%
Ms. Pritiben J. Mehta	1,30,649	1.31%	1,30,649	1.31%	-	0.00%
Mehta Rupeshkumar Jagdishchandra (HUF)	19,364	0.19%	1,020	0.01%	18,344	0.18%
Raxaben J. Mehta	-	0.00%	3,91,256	3.91%	-3,91,256	-3.91%
Total	73,11,892	73.09%	72,59,058	72.56%	52,834	0.54%

Promoter name	As on 31/03/2021		As on 31/03/2020		Change in holding	
	No. of Shares	%of total shares	No. of Shares	%of total shares	No. of Shares	%of total shares
Mr. Rupesh J. Mehta	32,11,980	32.11%	31,49,000	32.11%	62,980	0.00%
Mr. Nikesh J. Mehta	13,31,862	13.31%	12,05,900	12.30%	1,25,962	1.02%
Mrs. Riyaben R. Mehta	18,14,982	18.14%	17,76,600	18.11%	38,382	0.03%
Mrs. Nimishaben N. Mehta	3,77,309	3.77%	2,92,000	2.98%	85,309	0.79%
Ms. Pritiben J. Mehta	1,30,649	1.31%	48,500	0.49%	82,149	0.81%
Mehta Rupeshkumar Jagdishchandra (HUF)	1,020	0.01%	1,000	0.01%	20	0.00%
Raxaben J. Mehta	3,91,256	3.91%	3,75,000	3.82%	16,256	0.09%
Total	72,59,058	72.56%	68,48,000	69.82%	4,11,058	2.74%

(g) Disclosure of Aggregate number and class of shares allotted as fully paid up by way of bonus shares during the period of five years immediately preceding the reporting date:

Year of Allotment	2020-21	2017-18
No of Shares Allotted	1,96,160	60,48,000
Class of Shares	Fully Paid Up Equity	Fully Paid Up Equity

14 OTHER EQUITY

(a) <u>Security Premium</u>		
Opening Balance	3,704.30	3,723.92
Less: Utilised for Bonus	-	-19.62
Sub-Total	3,704.30	3,704.30
(b) <u>Surplus / (Deficit) in Statement of Profit and Loss</u>		
Opening Balance	2,541.42	1,939.34
Add: Profit during the year	1,283.79	603.17
Add: Other Comprehensive Income	1.69	-1.09
Less: Intrin Dividend	-44.96	-
Less: Tax on Intrin Dividend	-5.06	-
Less: Prior Year Income Tax	-11.29	-
Sub-Total	3,765.58	2,541.42
TOTAL OTHER EQUITY (a + b)	7,469.89	6,245.72

15 LEASE LIABILITIES

LEASE LIABILITIES		
A. Non-Current	3.51	13.11
B. Current	9.60	9.11
TOTAL LEASE LIABILITIES	13.11	22.23

Macpower CNC Machines Limited CIN: L30009GJ2003PLC043419							
Notes forming part of the Financial Statements:							
(Rs. in lakhs)							
Note No.	Particulars	March 31,2022	March 31,2021				
16	TRADE PAYABLES						
	Total outstanding dues of micro enterprises and small enterprise	51.48	31.94				
	Total outstanding dues of creditors other than micro enterprises and small enterprises	4,083.80	4,414.31				
	TOTAL TRADE PAYABLES	4,135.28	4,446.25				
Aging of Trade payable as on 31/03/2022							
	Particulars	Outstanding for following periods from due date of payment				Total As on March 31,2022	
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
	(i) MSME	51.48					51.48
	(ii) Others	4,000.97	45.70	37.13	-	-	4,083.80
	(iii) Disputed dues –MSME	-	-	-	-	-	-
	(iv)Disputed dues - Others	-	-	-	-	-	-
	Total	4,052.45	45.70	37.13	-	-	4,135.28
Aging of Trade payable as on 31/03/2021							
	Particulars	Outstanding for following periods from due date of payment					Total As on March 31,2021
		Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	
	(i) MSME	31.82	-	0.12	-	-	31.94
	(ii) Others	4,267.50	14.94	88.42	29.39	14.06	4,414.31
	(iii) Disputed dues –MSME	-	-	-	-	-	-
	(iv)Disputed dues - Others	-	-	-	-	-	-
	Total	4,299.32	14.94	88.55	29.39	14.06	4,446.25
Information as required to be furnished as per section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act) is given below. This information has been determined to the extent such parties have been identified on the basis of information available with the Company and relied upon by auditors.							
Due to micro, small and medium enterprise							
On the basis of the information and records available with management, outstanding dues to the Micro and Small enterprise as defined in the MSMED Act, 2006 are disclosed as below.							
	Particulars	As at March 31,2022	As at March 31, 2021				
	Principal amount remaining unpaid to any supplier as at the year end.	51.48	31.94				
	Interest due thereon	-	-				
	Amount of interest paid by the Company in terms of section 16 of the MSMED, along with the amount of the payment made to the supplier beyond the appointed day during the accounting year	-	-				
	Amount of interest due and payable for the period of delay in making payment (which have been paid but beyond the appointed day during the year) but without adding the interest specified under the MSMED	-	-				
	Amount of interest accrued and remaining unpaid at the end of the accounting year	-	-				
	Amount of further interest remaining due and payable even in succeeding years	-	-				
The disclosure above is based on the information received and available with the Company							
17	OTHER CURRENT LIABILITIES						
	Advances received against supply of machines	740.03	1,436.27				
	Statutory Dues	145.49	17.92				
	Unclaimed Dividend	0.26	0.22				
	Security Deposit	7.39	-				
	TOTAL OTHER CURRENT LIABILITIES	893.17	1,454.41				

Macpower CNC Machines Limited CIN: L30009GJ2003PLC043419			
Notes forming part of the Financial Statements:			
		(Rs. in lakhs)	
Note No.	Particulars	March 31,2022	March 31,2021
18	PROVISIONS		
A	NON-CURRENT PROVISION		
	Provision for employee benefits	114.47	98.28
	Total Non-Current Provisions	114.47	98.28
B	CURRENT PROVISION		
	Provision for employee benefits	161.07	140.03
	Provision for expenses	21.90	29.50
	Total Current Provisions	182.97	169.52
	TOTAL PROVISIONS (A+B)	297.44	267.81
19	CURRENT TAX LIABILITY	13.25	-

Macpower CNC Machines Ltd. CIN: L30009GJ2003PLC043419			
Notes forming part of the Financial Statements:			
(Rs. in lakhs)			
Note No.	Particulars	March 31,2022	March 31,2021
20	REVENUE FROM OPERATIONS		
(a)	SALES		
(i)	Sale of Products	18,931.25	11,232.54
(ii)	Sale of Services	72.97	43.38
(iii)	Other Operating revenues	43.66	11.42
	TOTAL REVENUE FROM OPERATIONS	19,047.89	11,287.35
21	OTHER INCOME		
	<u>Interest Income on</u>		
	Fixed Deposit	-	5.47
	other Deposit	15.42	6.17
	Total Interest Income (Total A)	15.42	11.64
	<u>Other Non Operating Income</u>		
	Notional Interest on Interest Free loan to employee	0.26	-
	Notional Gain on Flactuation of Investment	5.01	-
	Profit on sale of Investments	23.27	16.78
	Profit on sale of Property, Plant & Equipment	2.22	-
	Gain on termination of Lease	-	6.23
	Other Income	1.06	0.39
	Total Other Non Operating Income (Total B)	31.82	23.41
	TOTAL OTHER INCOME (Total A+B)	47.24	35.05
22	COST OF MATERIAL CONSUMED		
	Raw Material Consumed	13,404.78	7,546.78
	Packing Material Consumed	-	-
	TOTAL COST OF MATERIAL CONSUMED	13,404.78	7,546.78
23	CHANGES IN INVENTORIES		
	Opening Stock		
	Semi Finished Goods	106.39	843.36
	Finished Goods	734.87	245.18
	Closing Stocks		
	Semi Finished Goods	195.61	106.39
	Finished Goods	756.77	734.87
	TOTAL CHANGES IN INVENTORIES	-111.12	247.27
24	EMPLOYEE BENEFIT EXPENSES		
	Salaries and wages	1,608.45	1,062.44
	Contribution to provident and other funds	74.13	60.27
	Staff welfare expenses	73.63	48.00
	TOTAL EMPLOYEE BENEFIT EXPENSES	1,756.20	1,170.71

Macpower CNC Machines Ltd. CIN: L30009GJ2003PLC043419			
Notes forming part of the Financial Statements:			
(Rs. in lakhs)			
Note No.	Particulars	March 31,2022	March 31,2021
25	FINANCE COST		
	<u>Interest Expense</u>		
	Bank Interest - C.C. 359	0.15	0.66
	Interest on Finance Lease	1.58	5.77
	<u>Other Borrowing Cost</u>		
	Bank Commission	13.73	10.52
	TOTAL FINANCE COST	15.46	16.96
26	OTHER EXPENSES		
	Consumption of stores and spare parts.	58.18	116.60
	Audit & Legal Fees	5.65	7.33
	Professional Fees	24.72	11.38
	Power and fuel	108.91	88.71
	Donation and CSR Expense	19.25	41.57
	Rent	5.22	-8.57
	Repairs to machinery	87.87	66.27
	Insurance	16.68	23.31
	Rates and taxes, excluding, tax on Income	51.87	24.36
	Brokerage & Commission Exp.	235.87	255.35
	Job Work Exp.	754.31	470.37
	Transportation Exp.	300.46	174.56
	Miscellaneous Expense	242.58	133.24
	TOTAL OTHER EXPENSES	1,911.57	1,404.49
27	TAX EXPENSES		
	<u>Current Tax</u>		
	Provision for current year	388.25	108.31
	Deferred Tax	166.85	-35.78
	TOTAL TAX EXPENSES	555.10	72.54
	Reconciliation of Tax Expense and the Accounting Profit multiplied by India's Tax Rate	1,838.89	675.71
	Tax at the Indian tax of 25.168% (Previous Year 25.168%) Total (A)	462.81	170.06
	Tax effect of amount which are not deductible (taxable) in calculating taxable income :		
	CSR Expense	4.84	10.00
	Rent Expense as per Ind AS 116	0.40	-
	Deferred Tax Liability for the year (Other than OCI)	166.85	-
	Total (B)	172.09	10.00

Macpower CNC Machines Ltd. CIN: L30009GJ2003PLC043419			
Notes forming part of the Financial Statements:			
(Rs. in lakhs)			
Note No.	Particulars	March 31,2022	March 31,2021
	Tax effect of amount which are deductible (non taxable) in calculating taxable income :		
	Other Deduction	-13.20	-
	Difference in tax rate on capital gain	-1.86	-
	Depreciation Difference	-64.74	-
	Total (C)	-79.80	
	Impact of change in tax rates, reversal of (short)/excess provisions and others	-	-107.52
	Total Tax Expenses (A+B-C)	555.10	72.54
28	EARNING PER SHARE		
	Net profit as per statement of Profit & Loss	1,283.79	603.17
	Weighted average number of shares outstanding during the year (Nos)	100.04	100.04
	Earning Per Share (Basic and Diluted)	12.83	6.02
	Face Value Per Share (In Rs.)	10.00	10.00
29	CONTINGENT LIABILITY NOT ACKNOWLEDGED AS DEBT		
		(Rs. In Lacs)	
	Claims against company not acknowledged as debt (incl. disputed statutory dues)	69.38	117.83
	Guarantees\LC issued by bank on behalf of company	266.79	187.09
	Capital Commitment for Capital Work in Process	200.00	-
	TOTAL	536.17	304.92
30	LEASE		
	As a Lessee:		
	The company has entered into various lease agreements. The lease period can be extended beyond the agreed period at mutually acceptable terms and conditions. There are no restrictions placed upon the company by entering into these leases.		
	Future minimum rentals payable under operating lease are as follows:		
		31-Mar-22	31-Mar-21
	Within one year	9.60	12.19
	After one year but not more than five years	3.51	15.24
	More than five years	-	-
	Total	13.11	27.43
31	EXCHANGE DIFFERENCE GAIN/(LOSS) RECOGNISED IN STATEMENT OF PROFIT AND LOSS		
	Particulars	31-Mar-22	31-Mar-21
	Relating to export during the year as a part of sales / other Income	-	-
	Others	35.97	6.54
	Total	35.97	6.54

Macpower CNC Machines Ltd.
CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:

(Rs. in lakhs)

Note No.	Particulars	March 31,2022	March 31,2021
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32 PARTICULARS OF UNHEDGED FOREIGN CURRENCY AT THE REPORTING DATE

		31-Mar-22	31-Mar-21
Export Trade receivable	USD	-	-
	INR	-	-
Import Trade Payable	USD	0.21	0.14
	INR	16.49	10.05
	EURO	0.76	1.56
	INR	64.97	139.56

33 EMPLOYEE BENEFITS

A. Gratuity

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

Particulars	31-Mar-22	31-Mar-21
<u>Amount recognised in Balance Sheet</u>		
Present Value of funded defined benefit obligation	114.47	105.75
Net funded obligation	114.47	105.75
<u>Expense recognised in the statement of Profit & Loss</u>		
Current Service Cost	13.87	11.26
Past Service Cost	-	-
Interest on net defined benefit liability /(assets)	7.18	6.60
Total expense charged to profit & loss	21.05	17.86
<u>Amount recorded as other comprehensive income</u>		
Opening amount recognised in OCI outside profit	-	-
<u>Remeasurements during the period due to</u>		
Actuarial (gain)/losses on obligation for the period	2.25	-1.45
Actual return on plan assets less interest on plan	-	-
Closing amount recognised in OCI outside profit &	2.25	-1.45
<u>Reconciliation of net liability/(assets)</u>		
Opening net defined benefit liability/(assets)	105.75	98.31
Expense charged to profit & loss account	21.05	17.86
Amount recognised outside profit & loss account	-2.25	1.45
Employer contributions	-10.08	-11.88
Closing net defined benefit liability/(assets)	114.47	105.75

Macpower CNC Machines Ltd.
CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:

(Rs. in lakhs)

Note No.	Particulars	March 31,2022	March 31,2021
33	EMPLOYEE BENEFITS (Cont.)		
	<u>Movement in benefit obligation</u>		
	Opening of defined benefit obligation	105.75	98.31
	Current Service Cost	13.87	11.26
	Interest on defined benefit obligation	7.18	6.60
	Past Service cost	-	-
	<u>Remeasurements due to</u>		
	Actuarial Loss /(gain) arising from change in financial assumptions	-5.56	-0.89
	Actuarial Loss /(gain) arising on account of experience changes	3.31	2.35
	Actuarial Loss /(gain) arising from change in demographic assumptions	-	-
	Benefits paid	-10.08	-11.88
	Closing of Defined benefit obligation	114.47	105.75
	Key actuarial assumptions	31-Mar-22	31-Mar-21
	Discount rate (p.a)	7.24%	6.79%
	Rate of increase in Compensation levels	12.00%	12.00%
	Level of Mortality	We have used 100% We have used of industry 100% of industry mortality table mortality table IALM 2012-14 for IALM 2012-14 for this valuation this valuation	

Sensitivity Analysis

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

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

Liabilities are very less sensitive due to change in mortality assumptions. Hence,sensitivities due to change in mortality are ignored.

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

Macpower CNC Machines Ltd.
CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements:

(Rs. in lakhs)

Note No.	Particulars	March 31,2022	March 31,2021
33	EMPLOYEE BENEFITS (Cont.)		
	Particulars	Current Period	Previous Period
	Projected Benefit Obligation on Current Assumptions	114.47	105.75
	Delta Effect of +0.5% Change in Rate of Discounting	-5.71	-5.33
	Delta Effect of -0.5% Change in Rate of Discounting	6.20	5.79
	Delta Effect of +1% Change in Rate of Salary Increase	11.30	10.12
	Delta Effect of -1% Change in Rate of Salary Decrease	-10.21	-9.32
	Delta Effect of +5% Change in Rate of Employee Turnover	-15.21	-14.56
	Delta Effect of -5% Change in Rate of Employee Turnover	30.56	29.36

B. Provident Fund

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

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

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

a List of related parties and relationship

The Management has identified the following entities and individuals as related parties of the Group for the year ended 31st March, 2022 and 31st March, 2021 for the purpose of reporting as per Ind AS 24 - Related Party Disclosure which are as under:-

Enterprise under common control

- i. Modern Machine Tools
- ii. Macpower Industries
- iii. Macpower Life Science

Key Managerial Persons

- i. Rupesh J. Mehta Managing Director
- ii. Nikesh J. Mehta Whole -time Director & Chief Executive Officer
- iii. Rajnikant Raja CFO
- iv. Kishor Kikani CS
- v. Maulik Mokariya Independent Director
- vi. Rajubhai Bhandari Independent Director
- vii. Deven Doshi Independent Director

(Rs. In lakhs)

Name of related party and nature of relationship	Nature of transaction	Transaction Value	2021-2022		Dr./Cr.	2020-2021		Dr./Cr.
			Outstanding amount in Balance Sheet			Outstanding amount in Balance Sheet		
Mr. Rupesh J. Mehta	Managing Director's Remuneration	52	3	Cr.	43	5	Cr.	
		52	3		43	5		
Mr. Nikesh J. Mehta	Director's Remuneration	44	-0	Cr.	25	3	Cr.	
		44	-0		25	3		
Modern Machine Tools (Prop. Raxaben Mehta)	Relative of Director's Purchase of Machine Parts & Tools	35	0	Cr.	16	1	Cr.	
	Sales	-			9			
		35	0		25	1		
Macpower Industries (Prop. Mr. Rupesh J. Mehta)	Managing Director's Purchase of Machine Parts & Tools	14	-	Cr.	-	-	Cr.	
		14	-		-	-		

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

34 DISCLOSURE OF TRANSACTION WITH RELATED PARTIES AS REQUIRED BY THE INDIAN ACCOUNTING STANDARD-24 (Cont.)

All Related Party Transactions entered during the year were in ordinary course of the business and on arm's length basis. Outstanding balances at the year-end are unsecured and settlement occurs in cash.

There have been no guarantees provided or received for any related party receivables or payables. For the year ended 31st March, 2022, the Group has not recorded any impairment of receivables relating to amounts owed by related parties (2020-21: Nil). This assessment is undertaken each financial year through examining the financial position of the related party and the market in which the related party operates.

35 FINANCIAL RISK MANAGEMENT

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

(Rs. in lakhs)

Particulars	Financial Assets & Liabilities					
	31-Mar-22			31-Mar-21		
	FVOCI	FVTPL	Amortised Cost	FVOCI	FVTPL	Amortised Cost
Financial Assets						
Investment in Mutual Fund		465	-		1,964	-
Trade Receivable		-	597		-	382
Cash & Cash Equivalents		-	699		-	444
Loans to Staff		-	17		-	13
Investment in Fixed Deposits		-	157		-	60
Other Investment		-	5		-	2
Other Income Receivable		-	-		-	-
Total Financial Assets		465	1,476		1,964	901
Financial Liabilities						
Trade Payable		-	4,135		-	4,446
Lease Liability		-	13		-	22
Total Financial Liabilities		-	4,148		-	4,468

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

35 FINANCIAL RISK MANAGEMENT (Cont.)

Fair Value Hierarchy: -

The table below analysis financial instruments at fair value, by valuation method. The different levels have been identified as follows:

Level 1: - Quoted prices in active markets for identified assets or liabilities.

Level 2: - Inputs other than quoted prices included with level 1 that are observable for the assets or liability, other directly (i.e.as prices) or indirectly (i.e. derived from prices.)

Level 3: - Inputs for the assets or liabilities that are not based on observable market data (underrated inputs)

Financials	Level - 1	Level - 2	Level - 3
Investment in Mutual Fund (2022)	-	465	-
Investment in Mutual Fund (2021)	-	1,964	-

(Rs. in lakhs)

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

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

1 Market Risk

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

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

2 Credit Risk

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

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

35 FINANCIAL RISK MANAGEMENT (Cont.)

a) Trade Receivables

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

During the year company has identified disputed trade receivable. However company is considering it good and expecting full recovery of amount considering past transactions experience of customer with the company.

b) Loans and investment in debt securities

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

c) Cash and cash equivalents

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

3 Liquidity Risk

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

Capital management

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

The Company monitors its capital using gearing ratio. The funding requirements are met largely through internal accruals, income generated from its investments.

No changes were made in the objectives, policies or processes for managing capital during the years ended 31 March 2022 and 31 March 2021.

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Notes forming part of the Financial Statements

35 FINANCIAL RISK MANAGEMENT (Cont.)

Fair value measurement of financial instruments

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

4 Maturities of financial liabilities

(Rs. In lakhs)

Particulars	Less than & equal to 1 Year	More than to 1 Year & Less than 5 year	More than 5 Years	Total
As on 31 March 2021				
Borrowings	-	-	-	-
Trade Payable	4,135	-	-	4,135
Other Financial Liabilities	-	-	-	-
As on 31 March 2021				
Borrowings	-	-	-	-
Trade Payable	4,446	-	-	4,446
Other Financial Liabilities	-	-	-	-

5 Foreign Exchange

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

USD in Lakhs.

Particulars	31-Mar-22		31-Mar-21	
	Foreign Currency	INR	Foreign Currency	INR
Receivables		-		-
Trade Payables USD	0.21	16.49	0.14	10.05
Euro	0.76	64.97	1.56	139.56

Sensitivity Analysis

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

Macpower CNC Machines Ltd.
CIN: L30009GJ2003PLC043419

Notes forming part of the Financial Statements

35 FINANCIAL RISK MANAGEMENT (Cont.)

Particulars	Currency	Change in Rate	Effect on PBT	Effect on Pre-Tax Equity
Year Ended 31st March 2022	USDs	(+/-)10%	1.65	1.65
Year Ended 31st March 2022	Euros	(+/-)10%	6.50	6.50
Year Ended 31st March 2021	USDs	(+/-)10%	1.01	1.01
Year Ended 31st March 2021	Euros	(+/-)10%	13.96	13.96

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

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

36 Others

(i) Previous year figures are regrouped, re arranged & re casted wherever necessary.

(ii) Auditors Remuneration

Auditors remuneration consist of following

(Rs. In lakhs)

Particulars	Year Ended March 31,2022	Year Ended March 31,2021
Statutory Audit Fees	3	2

(iii) Break up of CSR Expenditure

(Rs. In lakhs)

	Year Ended March 31,2022	Year Ended March 31,2021
a. Amount required to be spent by the company during the year	19.03	21.41
b. Amount of expenditure incurred on:		
(i). Construction/acquisition of any asset - -	-	-
(ii) On purposes other than (i) above	19.03	21.41
c. Shortfall at the end of the year	-0.00	-
d. Total of previous years shortfall	-	-
e. Reason for shortfall	N.A	N.A
f. Nature of CSR activities	i. Development of Skill and knowledger of general public	i. Small Children and Girls Education and Health care. ii. Support Programmes for COVID-19 Relief
g. Details of related party transactions in relation to CSR expenditure as per relevant Accounting Standard :	No such transaction with related party	No such transaction with related party

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Notes forming part of the Financial Statements

36 Others (Cont.)

- (iv) No funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries") with the understanding, whether recorded in writing or otherwise, that the Intermediary shall lend or invest in party identified by or on behalf of the Company (Ultimate Beneficiaries). The Company has not received any fund from any party(s) (Funding Party) with the understanding that the Company shall whether, directly or indirectly lend or invest in other persons or entities identified by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- (v) There were no material changes and commitments affecting the financial position of the Company which occurred between the end of the financial year to which this financial statement relates on the date of this Integrated Annual Report.

Macpower CNC Machines Ltd. CIN: L30009GJ2003PLC043419								
Notes forming part of the Financial Statements								
36 (v)	Others Ratios							
Ratio	Numerator	/	Denominator	Units	2021- 22	2020- 21	Change	Reasons in case of change is more than 25%
Current Ratio	Current Assets	/	Current Liability	Times	1.85	1.54	20%	-
Debt-Equity Ratio	Debt	/	Equity	is to	0	0	0%	-
Debt Service Coverage Ratio	Net Operational Income	/	Total Debt Service	Times	0	0	0%	-
Return on Equity Ratio	Earning After Tax	/	Shareholders' Fund	%	15.18%	8.31%	83%	During the current year turnover of the company grew by 68.54% which resulted into increase in profit and improvement in the ratio.
Inventory turnover ratio	Cost of Goods Sold	/	Average Stock	Times	1.95	1.45	34%	With the effective inventory management company abled to increase in efficiency.
Trade Receivables turnover ratio	Credit Sales	/	Average Trade Receivable	Times	3.64	2.04	78%	Higher efficiency on Working capital improvement has resulted in improvement in the ratio.
Trade payables turnover ratio	Credit Purchase	/	Average Trade Payable	Times	3.94	2.71	45%	Higher efficiency on Working capital improvement has resulted in improvement in the ratio.
Net capital turnover ratio	Total Sales	/	Shareholders' Fund	Times	2.25	1.56	44%	Increased Turnover and optimum utilisation of resources has resulted in improvement in the ratio.
Net profit ratio	Net Profit	/	Sales	%	9.65%	5.99%	61%	With the increase in turnover & control over the cost, profitability of the company improved heavily.
Return on Capital employed	Earning before Interest and Tax	/	(Total Assets - Total Current Liability)	%	21.30%	9.41%	126%	With the increase in turnover & control over the cost, earning of the company increased
Return on investment	Earning After Tax	/	Average Total Assets	%	32.61%	15.96%	104%	With the increase in turnover & control over the cost, earning of the company increased



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