

**BOARD'S REPORT**

To  
The members,  
**MACHINT SOLUTIONS PRIVATE LIMITED**

Your Director's are pleased to present the 3<sup>rd</sup> ANNUAL REPORT together with audited accounts for the financial year ended 31<sup>st</sup> March 2021.

**FINANCIAL SUMMARY/HIGHLIGHTS, OPERATIONS, STATE OF AFFAIRS:**

	(Amount in Rs.)	
	Current Year (2020-21)	Previous Year (2019-20)
Gross Income	14,12,24,542	5,93,58,063
Total Expenditure	12,62,84,624	5,21,74,711
Profit/(loss) before Tax	1,49,39,918	71,83,352
Tax Expense	37,11,665	19,18,007
Profit/(loss) after Tax	1,12,28,253	52,65,345

**PERFORMANCE REVIEW:**

During the financial year, your Company has recorded a net profit of Rs. 1,12,28,253/- as against the net profit of Rs. 52,65,345/- in the previous year.

**CHANGE IN THE NATURE OF BUSINESS:**

In pursuance to Rule 8(5) of Companies (Accounts) Rules, 2014, there is no change in the nature of business of the Company.

**HOLDING/ SUBSIDIARIES/ JOINT VENTURES/ ASSOCIATE COMPANIES:**

The Company does not have any Subsidiary, Joint venture or Associate Company during the year under the review.

**SHARE CAPITAL:**

The authorized share capital of the company as on 31<sup>st</sup> march, 2021 was Rs. 1,25,00,000/- (Rupees One Crore Twenty Five Lakhs only) divided into 12,50,000 equity shares of Rs. 10/- each and paid up share capital of the company as on 31<sup>st</sup> March, 2021 was Rs. 1,25,00,000/- (Rupees One Crore Twenty Five Lakhs only) divided into 12,50,000 equity shares of Rs. 10/- each.

During the year the authorized share capital of the company was increased from Rs. 1,00,00,000/- (Rupees One Crore only) divided into 10,00,000 (Ten Lakhs) Equity shares of Rs. 10/- each to Rs. 1,25,00,000/- (Rupees One Crore Twenty Five Lakhs only) divided into 12,50,000 equity shares of Rs. 10/- each vide resolution passed at the Extra Ordinary General held on 27<sup>th</sup> July, 2020.

During the year under review, the board at its meeting held on 5<sup>th</sup> November, 2020 has allotted 2,50,000 equity shares of Rs. 10/- each on rights issue basis to its shareholders.

**TRANSFER TO RESERVES:**

The Company has not transferred any amount to the General Reserve for the financial year ended 31<sup>st</sup> March 2021.

**DIVIDEND:**

The Directors of your Company has not recommended any dividend for the financial year ended 31<sup>st</sup> March 2021.

**BOARD MEETINGS:**

Fourteen (15) Board meetings were held during the financial year ended 31<sup>st</sup> March 2021. The dates on which the said meetings were held are

1. 21<sup>st</sup> May, 2020
2. 26<sup>th</sup> June, 2020
3. 27<sup>th</sup> June, 2020
4. 2<sup>nd</sup> July, 2020
5. 30<sup>th</sup> July, 2020
6. 14<sup>th</sup> August, 2020
7. 3<sup>rd</sup> September, 2020
8. 17<sup>th</sup> September, 2020
9. 21<sup>st</sup> September, 2020
10. 5<sup>th</sup> November, 2020
11. 12<sup>th</sup> January, 2021
12. 19<sup>th</sup> January, 2021
13. 1<sup>st</sup> March, 2021
14. 27<sup>th</sup> March, 2021
15. 31<sup>st</sup> March, 2021

Name of the Director	No. of Meetings Attended
Mr. Kalyan Chakravarthy Sanakkayala	15
Mrs. Padmavathi Chillara	15
Mr. Srinivasa Rao Goli	15
Mr. Sri Rama SubbaRao Kopparthi	15
Mr. Rajesh Sanakkayala	3



## DIRECTORS & KMP:

The Board of Directors has been duly constituted with the following Directors:

SI	Name of the Director	Designation
1	Mr. Kalyan Chakravarthy Sanakkayala	Managing Director
2	Mrs. Padmavathi Chillara	Director
3	Mr. Srinivasa Rao Goli	Director
4	Mr. Sri Rama SubbaRao Kopparthi	Whole Time Director

The following were changes in composition of Board of Directors during the year under review:

- Mr. Srinivasa Rao Goli was Appointed as Additional Director w.e.f 21<sup>st</sup> May, 2020 and regularized as Director at the AGM held on 19<sup>th</sup> September, 2020.
- Mr. Rajesh Sanakkayala resigned as Director of the Company w.e.f. 27<sup>th</sup> June, 2020.
- Mr. kalyan Chakravarthy Sanakkayala, was appointed as Managing Director w.e.f. 26<sup>th</sup> June, 2020.
- Mr. Sri Rama Subba Rao Kopparthi was appointed as Additional Director w.e.f 30<sup>th</sup> July, 2020 and regularized as Director at the AGM held on 19<sup>th</sup> September, 2020.
- Mr. Sri Rama Subba Rao Kopparthi appointed as Whole Time Director w.e.f 27<sup>th</sup> March, 2021.

Company is not mandatorily required to appoint any whole time Key Managerial Personnel (KMP).

## PARTICULARS OF EMPLOYEES:

Since the Company is a Private Limited Company, the disclosures under Section 197(12) are not applicable to the Company.

## DIRECTORS' RESPONSIBILITY STATEMENT:

In pursuance of section 134 (5) of the Companies Act, 2013, the Directors hereby confirm that:

- (a) In the preparation of the annual accounts for the financial year ended on 31<sup>st</sup> March 2021, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 31<sup>st</sup> March, 2021 and of the profit and loss of the company for that period;
- (c) The directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- (d) The directors had prepared the annual accounts on a going concern basis;

(e) The directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### STATUTORY AUDITORS & AUDITORS REPORT:

M/s. NSVR & Associates LLP, Chartered Accountants (Reg No: 008801S/S200060) were appointed as statutory auditors of the company for a term of 5 years i.e., from the conclusion of this 1<sup>st</sup> Annual General Meeting till the conclusion of 6<sup>th</sup> Annual General Meeting.

The Notes on financial statements referred to in the Auditor's Report are self-explanatory and do not call for, further comments.

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

The details regarding Energy Conservation, Technology, Absorption, Foreign Exchange Earnings and Outgo as required under Section 134 (3) (m) of the Companies Act, 2013 is given below:

##### (A) Conservation of energy:

- (i) Steps taken or impact on conservation of energy: NIL.
- (ii) Steps taken by the Company for utilizing alternate sources of energy: NIL
- (ii) Capital investment on energy conservation equipment: NIL

##### (B) Technology absorption:

- (i) Efforts, in brief, made towards technology absorption: NIL
- (ii) Benefits derived as a result of the above efforts: NIL
- (iii) Technology imported during the financial year 2020 – 2021: NIL
- (iv) Expenditure incurred on Research and Development: NIL

##### (C) Foreign exchange earnings and outgo:

- (i) Foreign exchange earnings: Rs. 3,70,28,160/-
- (ii) Foreign exchange outgo: Nil

#### EXPLANATION OR COMMENTS ON QUALIFICATIONS, RESERVATIONS OR ADVERSE REMARKS OR DISCLAIMERS MADE BY THE AUDITORS IN THEIR REPORT:

There are no qualifications, reservations or adverse remarks made by the Auditors in their report.



#### PUBLIC DEPOSITS:

The Company has not accepted any public deposits under Sections 73 & 76 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014 during the year under review.

#### PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS:

The company has not made any loans, guarantees or investments as per the Provisions of Section 186 of Companies Act, 2013 during the financial year 2020-2021.

#### SIGNIFICANT & MATERIAL ORDERS PASSED BY THE REGULATORS:

There are no significant and material orders passed by the regulators or Courts or Tribunals impacting the going concern status and the company's operations in future.

#### RELATED PARTY TRANSACTIONS:

All related party transactions that have been entered into by the Company, if any, during the year under review are in the ordinary course of business and on arm's length basis and are in compliance with the applicable provisions of the Companies Act, 2013. There are no materially significant Related Party Transactions entered into by the Company with Promoters, Directors, Key Managerial Personnel, which may have a potential conflict with the interest of the Company at large.

#### CORPORATE SOCIAL RESPONSIBILITY:

As the Company is not falling under the criteria, the provisions of section 135 of the Companies Act, 2013, the Corporate Social Responsibility were not applicable to the Company.

#### MATERIAL CHANGES AND COMMITMENT IF ANY AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THIS FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT:

No material changes and commitments affecting the financial position of the Company occurred between the end of the financial year to which this financial statement relate on the date of this report.

#### RISK MANAGEMENT POLICY:

The Company has in place a mechanism to identify, assess, monitor and mitigate various risks to key business objectives. At present the company has not identified any element of risk which may threaten the existence of the company.

#### MAINTENANCE OF COST RECORDS:

The Company does not fall under the criteria as specified by the Central Government under Sub Section (1) of Section 148 of the Companies Act, 2013 for maintenance of cost records and hence is not required to maintain the cost records.

#### DISCLOSURE UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION & REDRESSAL) ACT, 2013:

The Company has adopted the policy for Prevention of Sexual Harassment (POSH) in line with the requirements of the Sexual Harassment of Women at the Workplace (Prevention, Prohibition and Redressal) Act 2013. During the year under the review, the Company has not received any complaint under these provisions.

The Company has complied with the provisions relating to constitution of Internal Complaints Committee under the Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act 2013.

#### DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF THE SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT:

No fraud has been reported by the Auditors under Sub-Section (12) of the Section 143.

#### DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS:

The Company has adequate systems of internal financial controls of safeguard and protect the Company from loss, unauthorised use or disposition of its assets. All the transactions are properly authorised, recorded and reported to the Management. The Company is following all the applicable Accounting Standards for properly maintaining the books of accounts and reporting financial statements.

#### EQUITY SHARES WITH DIFFERENTIAL RIGHTS:

The Company did not issue any equity shares with differential rights during the year which requires disclosure under Rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014.

#### SWEAT EQUITY SHARES:

The Company did not issue any Sweat Equity Shares which requires disclosure under Rule 8 of the Companies (Share Capital and Debentures) Rules, 2014.



#### EMPLOYEE STOCK OPTIONS:

During the year under review, the shareholders of the company at their meeting held on 8<sup>th</sup> March, 2021 has approved the "Employee Stock Option Scheme, 2021." The disclosures required under Rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014 has been annexed as a part of this Annual Report as Annexure I.

#### VIGIL MECHANISM:

The Company has not accepted any deposits. The Company has not borrowed monies in excess of Rs. 50 crores or more from banks and financial institutions; hence the provisions of Section 177(9) relating to Vigil Mechanism are not applicable to the Company.

#### AUDIT COMMITTEE:

The provisions of Section 177 of the Companies Act 2013 with respect to Audit Committee are not applicable to the Company.

#### SECRETARIAL STANDARDS:

The Company has complied with the applicable secretarial standards issued by the Institute of Company Secretaries of India.

#### ACKNOWLEDGEMENT:

Your directors take this opportunity to thank the dedicated employees of the Company and all others who are continuing to help and support the Company. The directors wish to place on record their appreciation of the continued cooperation and assistance of the Central Government, State Government and the Bankers, Customers and the valuable advice and support received from the shareholder.

For and on behalf of the Board  
MACHINT SOLUTIONS PRIVATE LIMITED

*S. Ch. Kalyan Chakravarthy*  
Kalyan Chakravarthy Sanakkayala  
DIN: 08104981  
Managing Director

*ch. Padmavathi*

Padmavathi Chillara  
DIN: 08160329  
Director



Place: Hyderabad  
Date: 29.11.2021



Annexure I

**Employee Stock Option Scheme, 2021**

[As per Rule 12(9) of The Companies (Share Capital and Debentures) Rules, 2014]

SI	Particulars	Particulars
1	Options granted	8345 (Eight Thousand Three Hundred and Forty Five Only) Employee Stock Options were granted.
2	Options vested	--
3	Options exercised	--
4	Total number of shares arising as a result of exercise of option	--
5	Options lapsed	--
6	Exercise price	Exercise price shall be at par value of the shares. (i.e., Rs. 10/- per share)
7	Variation of terms of options	--
8	Money realized by exercise of options	--
9	Total number of options in force	8345 (Eight Thousand Three Hundred and Forty Five Only) Employee Stock Options
10	Employee wise details of options granted to;- (i) key managerial personnel;  (ii) any other employee who receives a grant of options in any one year of option amounting to five percent or more of options granted during that year.  (iii) identified employees who were granted option, during any one year, equal to or exceeding one percent of the issued capital (excluding outstanding warrants and conversions) of the company at the time of grant;	NA  NA  NA

For and on behalf of the Board  
MACHINT SOLUTIONS PRIVATE LIMITED

Place: Hyderabad  
Date: 29.11.2021

S. ch. Kalyan Chakravarthy K7  
Kalyan Chakravarthy Sanakkayala  
DIN: 08104981  
Managing Director

ch. Padmavathi  
Padmavathi Chillara  
DIN: 08160329  
Director

