

## Board's Report

To  
The Members,  
**MACHINT SOLUTIONS LIMITED**

Your directors have pleasure in presenting the 06<sup>th</sup> Annual Report of your company along with the Audited Financial Statements for the Financial Year ended on 31st March 2024 ("financial under review"/or "period under review").

### 1. FINANCIAL HIGHLIGHTS

(Amount in INR)

Particulars	FY 2024	FY 2023
Gross Income	86,87,90,358.11	48,48,27,328.00
Expenditure	69,53,10,443.97	36,26,82,714.15
Profit before Tax and Extraordinary Items	17,34,79,914.13	12,21,44,613.85
Extraordinary Items	-	(8,54,86,698.16)
Profit before Tax	17,34,79,914.13	3,66,57,915.69
Current Tax Expense	4,46,95,457.51	1,12,75,368.00
Deferred Tax Expense	(8,21,849.00)	(3,20,189.98)
Tax in respect of previous years	21,04,710.00	
Profit After Tax	12,75,01,595.63	2,57,02,737.47

### 2. ANNUAL RETURN

The Annual Return as provided under sub-section (3) of Section 92 of the Companies Act, 2013 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 has been placed on the website of the Company [www.machint.com](http://www.machint.com).

*S. Ch. Kalyan* 

### **3. STATE OF COMPANY'S AFFAIRS AND FUTURE OUTLOOK**

In FY 2024, the company saw a significant growth in its gross income, which increased to Rs. 86,87,90,358.11/- compared to Rs. 48,48,27,328.00/- in FY 2023. The expenditure also grew to Rs. 69,53,10,443.97/- from Rs. 36,26,82,714.15/-, reflecting the company's expanded operations. Profit before tax and extraordinary items stood at Rs. 17,34,79,914.13/-, an increase from Rs. 1,12,75,368.00/- in the previous year. After adjusting for extraordinary items in FY 2023, the profit before tax for FY 2024 remains strong at Rs. 17,34,79,914.13/-. The company incurred a current tax expense of Rs. 4,46,95,457.51/-, while the deferred tax expense showed a slight reduction of Rs. (8,21,849.00)/-. The tax adjustment for previous years was Rs. 21,04,710.00/-. After tax, the company's profit surged to Rs. 12,75,01,595.63/-, compared to Rs. 2,57,02,737.47/- in the previous year. With the positive financial trend, the company is well-positioned for further growth and profitability in the coming years.

### **4. DIVIDEND**

Considering the financial position of the Company, the Board of Directors did not recommend any dividend for the financial year 2023-24.

### **5. INFORMATION ABOUT SUBSIDIARY/ JV/ ASSOCIATE COMPANY**

The Company does not have any Subsidiary or Joint Venture or Associate Company at the close of financial year under report and even as on date.

### **6. SHARE CAPITAL:**

As of March 31, 2024, the company's authorized share capital comprises 32,50,000 equity shares of ₹10 each, amounting to Rs. 3,25,00,000/-, unchanged from March 31, 2023. The issued, subscribed, and fully paid-up share capital is 21,13,022 equity shares of ₹10 each, amounting to Rs. 2,11,30,220/- as of March 31, 2024. This reflects an increase from Rs. 1,56,25,000/- in the previous year when the company had 15,62,500 fully paid-up equity shares. During the financial year, 5,50,522 additional shares were issued, with no buyback of shares, bringing the total number of shares outstanding at the year-end to 21,13,022.

1. 3,92,322 Equity Shares has been allotted as Loan Conversion on 25.03.2024
2. 1,58,200 Equity Shares has been allotted as Preferential Allotment on 18.03.2024

### **7. MEETINGS OF THE BOARD OF DIRECTORS**

During the Financial Year ended March 31, 2024, 11 (Eleven) Board Meetings were held and the dates on which the Board meetings were held as follows

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Sl. No	Date of Meeting	Total No of Directors on the date of Meeting	No of directors attended	% of attendance
1.	05.04.2023	4	4	100%
2.	15.05.2023	4	4	100%
3.	06.06.2023	4	4	100%
4.	22.06.2023	4	4	100%
5.	31.07.2023	4	4	100%
6.	28.08.2023	4	4	100%
7.	18.09.2023	4	4	100%
8.	27.11.2023	4	4	100%
9.	20.01.2024	4	4	100%
10.	21.02.2024	3	3	100%
11.	01.03.2024	3	3	100%
12.	18.03.2024	3	3	100%
13.	25.03.2024	3	3	100%

The intervening gap between the Meetings was in compliance with the requirements stipulated under the provisions of the Companies Act, 2013 and the Secretarial Standards.

The attendance of each Director in Board Meeting held during the Financial Year 2023-24 as follows

Name of the Director	Category	Number of Board meetings held	Number of Board meetings attended	Meetings held during tenure as Director	Whether attended last AGM
Kalyan Chakravarthy Sanakkayala	Managing Director	13	13	13	Yes
Pratap Kumar Sanakkayala	Whole-time director	13	13	13	Yes
Padmavathi Chillara	Director	9	9	9	Yes
Srinivasa Rao Goli	Director	13	13	13	Yes

#### 8. GENERAL MEETINGS

During the Financial Year ended March 31, 2024, 3 (Three) General Meetings were held.

The details and attendance of General Meeting held during the Financial Year 2023-24 is mentioned below,

Type of Meeting	Date of Meeting	Total No. of Members entitled to attend the Meeting	No. of Members Attended
Annual General Meeting	30.09.2023	10	9
Extra Ordinary General Meeting	23.12.2023	17	15
Extra Ordinary General Meeting	06.03.2024	17	15

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## **9. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to Section 134(5) of the Companies Act, 2013 the Board of Directors of the Company confirms that-

- (a) In the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- (b) The directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year 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; and
- (e) Company being unlisted sub clause (e) of section 134(5) is not applicable.
- (f) 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.

## **10. AUDITORS AND REPORT THEREON**

Statutory Auditors (Existing Auditor)

At the 01<sup>st</sup> Annual General Meeting held on September 30, 2019, M/s. N S V R & ASSOCIATES LLP, Chartered Accountants, Hyderabad (Firm Registration No: 008801S/S200060) were appointed as Statutory Auditors of the Company for a period of five consecutive years commencing from the conclusion of 01<sup>st</sup> Annual General Meeting ('AGM') till the conclusion of the 6th Annual general Meeting of the Company to be held for the financial year 2023-24.

Statutory Auditors (Appointment)

Auditors of the Company M/s. N S V R & ASSOCIATES LLP, Chartered Accountants, Hyderabad (Firm Registration No: 008801S/S200060) hold office until the conclusion of the ensuing Annual General Meeting and, being eligible, offer themselves for re-appointment until the conclusion of the 11<sup>th</sup> Annual General Meeting of the company to be held in the year 2029.

As required under the provisions of Section 139(1) of the Companies Act, 2013, the company has received a written consent from M/s. N S V R & ASSOCIATES LLP, Chartered Accountants, Hyderabad (Firm Registration No: 008801S/S200060) to their re-appointment and a certificate to the effect that their re-

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appointment, if made, would be in accordance with the new Act and the Rules framed thereunder and that they satisfy the criteria provided in Section 141 of the Companies Act, 2013.

The observations of the Auditors in their report are self-explanatory and therefore, in the opinion of the Directors, do not call for further comments. There are no qualifications, reservations or adverse remarks, reservation and therefore, do not call for any further explanation or comments from the Board under Section 134 (3) of the Companies Act, 2013 by the Statutory Auditors in their report for the financial year ended March 31, 2023.

#### **COST AUDIT AND COST RECORDS**

Provisions of Section 148(1) of the Act read with the Companies (Cost Records and Audit) Rules, 2014 with reference to the maintenance of cost records is not applicable to the Company.

#### **11. LOANS, GUARANTEES AND INVESTMENTS**

Details of Loans: My Safe Citizen Private Limited - Rs. 1,00,00,000/-  
Soura Agencies LLP - Rs. 2,13,85,055/-  
Details of Investments: Advance for Purchase of Land - Rs. 4,00,00,000/-  
Details of Guarantee / Security Provided: Nil

#### **12. RELATED PARTY TRANSACTIONS**

During the financial year 2023-24, all related party transactions conducted by the Company were on an arm's length basis and in the ordinary course of business. Accordingly, the provisions of Section 188 of the Companies Act, 2013 are not applicable. There were no materially significant related party transactions involving Promoters, Directors, Key Managerial Personnel, or other designated persons during the year. Details of related party transactions under Section 188 of the Companies Act, 2013 are provided in Form AOC-2, annexed as Annexure-A to this report

#### **13. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION**

##### **(A) Conservation of energy**

(i) the steps taken or impact on conservation of energy;	Your company's operations are not energy intensive. However, adequate measures are always taken to ensure optimum utilisation and conservation of energy.
(ii) the steps taken by the company for utilising alternate sources of energy;	

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(iii) the capital investment on energy conservation equipments;	Nil
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**(B) Technology absorption-**

(i) the efforts made towards technology absorption;	The Company strives to implement the latest available technologies in its operations.
(ii) the benefits derived like product improvement, cost reduction, product development or import substitution;	
(iii) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	Nil
(a) the details of technology imported;	
(b) the year of import;	
(c) whether the technology been fully absorbed;	
(d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv) the expenditure incurred on Research and Development.	Nil

**14. FOREIGN EXCHANGE EARNINGS AND OUTGO**

Foreign Exchange earnings : 33,40, 42,397.35  
Foreign Exchange outgoings : 1,05,25,656.00

**15. RISK MANAGEMENT**

The Company has implemented various risk management practices as part of its business process. The Company does not have any Risk Management Policy as the elements of risk threatening the Company's existence are very minimal.

**16. DIRECTORS AND KEY MANAGERIAL PERSONNEL**

Details of directors and Key managerial personnel as on the closure of financial 2023-24 is given below

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Name	DIN / PAN	Designation
Mr. Kalyan Chakravarthy Sanakkayala	08104981	Managing Director
Mr. Srinivasa Rao Goli	08744295	Director
Mr. Pratap Kumar Sanakkayala	09537252	Whole Time Director

During the year under review following changes has been occurred :

- Cessation of Mrs. Padmavathi Chillara as a Director in the Board Director of the company in the Board Meeting held on 21.02.2024

#### 17. DEPOSITS

During the financial year under review your company has not accepted any deposits falling within the meaning of Section 73 of Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Further, there are no amounts outstanding at the beginning of financial year 2022-2023, which can be classified as 'Deposits' in terms of Section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposit) Rules, 2014.

However, the details of loans from directors during the financial year, as mentioned below:

Name of Director/Company	Loan taken during the year	Loan remaining at the end of the year
Mr. Kalyan Chakravarthy Sanakkayala	43,34,745	68,13,483
Mrs. Padmavathi Chillara	NIL	NIL
Mr. Srinivasa Rao Goli	13,52,773	13,52,773
Mr. Pratap Kumar Sanakkayala	NIL	NIL

#### 18. EMPLOYEE STOCK OPTION SCHEME

During the period under review, the Company had not issued any Employee Stock Options.

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**19. CORPORATE SOCIAL RESPONSIBILITY**

Since the company does not fall with any of the parameters specified under the provisions of Section 135 of the Companies Act, 2013 read with rules made there under, reporting pursuant to Section 134 (3) is not applicable

**20. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013:**

Your Company has set up an Internal Complaints Committee to redress complaints received regarding sexual harassment. Your Company has not received any sexual harassment complaints during the financial year.

**21. DETAILS OF ADEQUACY OF INTERNAL FINANCIAL CONTROLS**

The Board has established procedures for ensuring the orderly and efficient conduct of its business including safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records.

**22. VIGIL MECHANISM**

The provisions relating to Vigil Mechanism are not applicable to the Company.

**23. OTHER DISCLOSURE:**

Your Directors confirm that:

- There was no change in the nature of business of the company
- There was no proceeding pending under the Insolvency and Bankruptcy Code, 2016.
- There was no instance of onetime settlement with any Bank or Financial Institution
- The Company has adjusted an amount of Rs. 12,75,01,595.63/- to General Reserve Account during the financial year 2023-24.
- There was no transfer to Investor Education And Protection Fund, since there was no unpaid/unclaimed Dividend
- The Company has duly complied with the applicable Secretarial Standards.
- 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.

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- The information required pursuant to Section 197 read with Rule 5 of The Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are not applicable to this company.
- No frauds were reported under section 143(12) of the Companies Act 2013.
- There are no material changes and commitments affecting the financial position of the Company which have occurred between the end of the financial year to which the financial statements relate and the date of this report
- The Company has not issued any Sweat Equity Shares or bonus shares during the year under review.

#### **24. ACKNOWLEDGEMENT**

Your Directors wish to express their appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their appreciation for the service of the Executives, staff and workers of the Company.

**For and on behalf of the Board of Directors  
MACHINT SOLUTIONS LIMITED**



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

*Pratap Kumar Sanakkayala*  
**Pratap Kumar Sanakkayala  
Whole-time director  
DIN : 09537252**

**Date: 05-09-2024**

**Place: Hyderabad**

**ANNEXURE - A**  
**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 arms length transaction under third proviso thereto.

1. Details of contracts or arrangements or transactions not at Arm's length basis - There are no contracts or arrangements entered by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 which are not at arm's length basis.
2. Details of contracts or arrangements or transactions at Arm's length basis. (Amount in Rs)

(i)

SL. No.	(a) Name(s) of the related party and nature of relationship	(b) Nature of contracts/arrangements/transactions	(c) Duration of the contracts / arrangements / transactions	(d) Salient terms of the contracts or arrangements or transactions including the value, if any	(e) Date(s) of approval by the Board, if any	(f) Amount paid as advances, if any
1	Machint Solutions Ltd., UK	Receipt of Service	Multiple times	Rs. 18,87,149/-		Nil
2	Machint Solutions LLC	Sale of service	Multiple times	Rs. 17,88,63,337/-		Nil
3	Tecknotiq Solutions Pvt Ltd	Receipt of Service	Multiple times	Rs. 39,65,000/-		Nil

By Order of the Board of Directors  
M/s MACHINT SOLUTIONS LIMITED

*S. Chinna Kalyana Chakravarthy*  
Sanakkayala Chinna Kalyana Chakravarthy  
Managing Director  
DIN: 08104981



*Pratap Kumar Sanakkayala*  
Pratap Kumar Sanakkayala  
Whole Time Director  
DIN: 09537252

Place: Hyderabad  
Date: September 05, 2024