

Make in India, Make on Marshall



Forward-looking statements

This document contains statements about expected future events, financial and operating results of Marshall Machines Limited, which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. Therefore, there is a significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Accordingly, readers are cautioned not to place undue reliance on forward-looking statements as several factors could cause assumptions, actual future results, and events to differ materially from those expressed in the forward-looking statements. Accordingly, this document is subject to the disclaimer and qualified in its entirety by the assumptions, qualifications, and risk factors referred to in the Management Discussion and Analysis of Marshall Machines Limited's Annual Report, FY2021.

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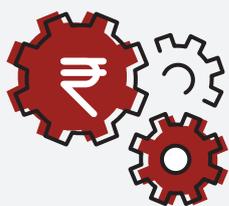
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FY21 Highlights



₹ **67.13** Cr

REVENUE FROM OPERATIONS



₹ **9.65** Cr

EBITDA



₹ **10.29** Cr

CASH FLOW FROM OPERATIONS



For further information visit
www.marshallcnc.com

ABOUT US

Introduction to Marshall Machines

Marshall is a differentiated machine tool manufacturer, and a front-runner in areas of Affordable Automation and Industry 4.0 technology.



Overview

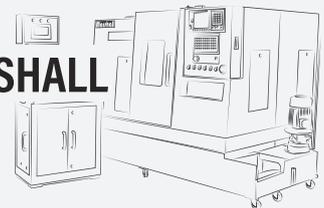
Marshall Machines, founded by Mr. Gautam Sarup in 1961, is a well-known brand in the Indian machine tool industry. Marshall started out with manufacturing high-precision bench lathes, heavy-duty lathes, and capstan lathes. However, in the last two decades with the guidance of Mr. Gaurav Sarup and Mr. Prashant Sarup, the Company's single-minded focus on product innovation, research and development, automation, and Industry 4.0 technologies has positioned it as a niche player in a rather commoditized industry. As a result, Marshall is currently a front-runner in the space of automated, Industry 4.0-enabled, and smart IoT enabled - CNC solution offerings to India's leading manufacturing companies. These companies belong to a wide range of industries including, automobile, consumer durables & appliances, and general engineering, to name a few.



MISSION

To become a global brand recognized for manufacturing excellence and to be the first choice of customers requiring super-precision machines tools.

MAKE ON MARSHALL



VISION

To engage in a collaborative effort with our customers, employees & suppliers to boost the Quality & Productivity of our machines and enhance customer satisfaction.

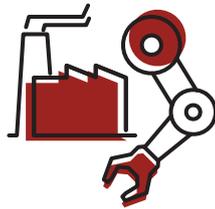


Marshall in a nutshell



60+

YEAR OLD BRAND IN
INDIAN MACHINE TOOL
INDUSTRY



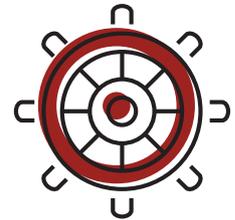
4,000+

CUMULATIVE MACHINES
DEPLOYED



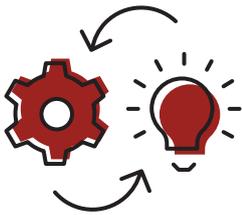
300+

TEAM STRENGTH,
INCLUDING A DEDICATED
AUTOMATION &
INNOVATION TEAM OF 30



3rd

GENERATION
OF INNOVATORS
AT THE HELM



**SUPERIOR
INTELLECTUAL
CAPITAL**

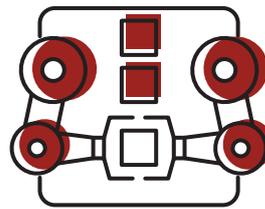
6 PATENTS-HELD*
22 PATENTS-PENDING*

*Includes Patents filed & held by
promoter group as well.



1,500+

CLIENTS



35+

DIFFERENT MACHINES
IN PORTFOLIO



100+

SUCCESSFULLY
EXECUTED AUTOMATION
PROJECTS

JOURNEY AND EVOLUTION

Our progress driven by continuous product innovation

In our journey spanning over six decades, Marshall has evolved with and ahead of its peers and the Indian machine tool industry. The Company shifted its focus from product quality to product innovation in response to the emerging needs of the Indian manufacturing industry. Our approach to delivering solutions, and not simply machine sales, has enabled us to establish competency in emerging areas such as automation and Industry 4.0.



Humble Beginnings

1961-2001

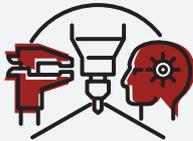


STARTED OUT AS
A MANUFACTURER OF
MANUAL LATHE MACHINES

- 1961**
 - Late Mr. Gautam Sarup founded the business
- 1986-89**
 - 2nd generation of promoters joined the business
- 1994**
 - Incorporation of a company in the name of V. B. Spinning Mills (P) Limited to design and manufacture high-precision bench lathes and heavy-duty lathes
- 1997**
 - Entered into its first-ever international tie-up with Path Wizard Inc. (USA)
- 2001**
 - Established a state-of-the-art facility (Unit 1) at Ludhiana to manufacture double-spindle CNC lathe machines

Product-led Innovation

—
EVER SINCE 2002



DESIGNING AND MANUFACTURING BREAKTHROUGH TURNING CENTRES

- **2002**
 - Launched our patented double spindle turning centre
- **2009**
 - Launched our patented four spindle CNC lathe
- **2014**
 - 3rd generation of promoter joined the business



INTEGRATION WITH AUTOMATION

- **2012**
 - Inaugurated our second state-of-the-art facility (Unit 2) dedicated towards providing turnkey automated solutions
- **2013**
 - Launched our SmartCorrect Gauging Stations
 - Launched RoboTurn DS 400 for the first time ever in India
- **2015**
 - Started executing high-profile automation projects



INTEGRATION WITH INDUSTRY 4.0

- **2016**
 - Introduced IoTQ integrated offerings and launched the world's 1st plug-and-play SmartCorrect Gauging Station
- **2017**
 - Founded IoTQ and tech demonstration centre in Manesar
 - Launched the TwinTurn UBER CNC Machine
- **2018**
 - Introduced the concept of Super Optimized machines
 - Listed on NSE SME
- **2019**
 - Fine-tuned and relaunched IoTQ as the first dedicated quality management system
 - Launched SmartFac Universal for factory monitoring
 - Established a technical centre in Atlanta, USA to support export business opportunities
- **2021**
 - Completed a CAPEX cycle to augment manufacturing capacity to up to ₹250 crores

PRODUCT PHILOSOPHY

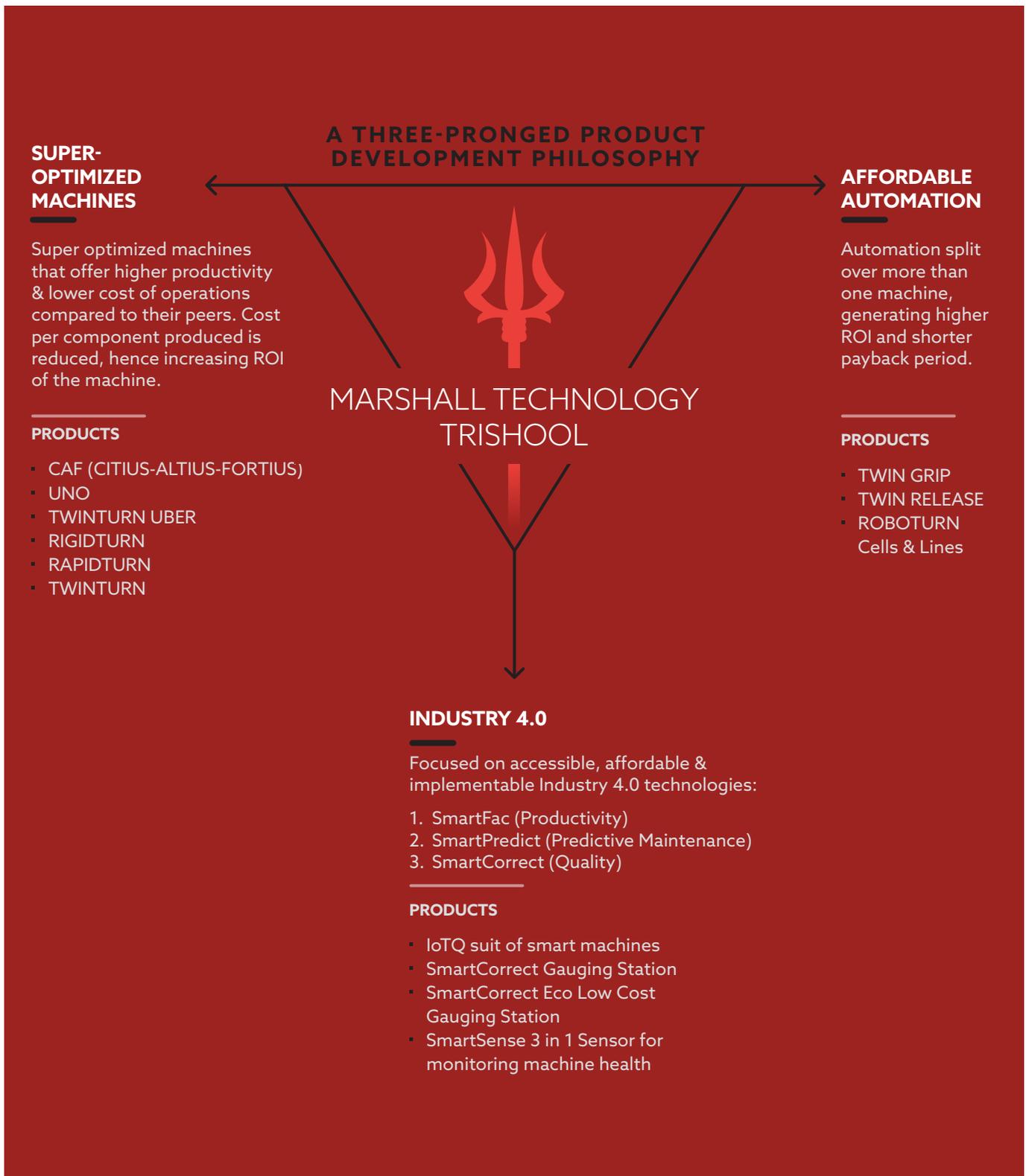
Setting the trend, staying ahead

With engineers and innovators at the helm, we look at the work differently. Ours is a problem-solving approach. Our super-focused product development philosophy - Marshall Technology Trishool - is the cornerstone of our company and what separates us from the lot.

Our product development is in cognizance of the on-ground realities of Indian machines shops and the real-world problems faced by the Indian manufacturing industry at this juncture. In the age of rising labour costs and scarcity of skilled operators, Marshall Machines built with a frugal-innovation, and Indian-jugaad mindset will address the emerging needs of machines shops.

With the Marshall Technology Trishool - a three-pronged product development philosophy, our ultimate objective is to achieve a higher ROI of our machines and lower cost per component for our clients. In addition, our focus on deploying complete integrated solution offerings for our customers makes us the preferred partner of choice for upgrading manufacturing operations.





PRODUCT PORTFOLIO

Driven by innovation, inspired by transformation



MARSHALL ROBOTURN XL CELL

INDUSTRY



COMPONENT/JOB

- 2W alloy wheel

Automated cell for zero defect production



ROBOTURN FLEXI CELL

INDUSTRY



COMPONENT/JOB

- Gear blanks

Flexible cell for small batches



TWINTURN UBER WITH SMARTLOAD

INDUSTRY



COMPONENT/JOB

- Small turned jobs

Lowest cost automation with space saving



AUTOMOBILE



CONSUMER APPLIANCES AND DURABLES



GENERAL ENGINEERING



OIL & GAS



AEROSPACE & DEFENCE

35+
MACHINE OFFERINGS



JUNO

INDUSTRY



COMPONENT/JOB

- Pipe fittings
- Connectors
- AC parts

Complete machining (Turning + Milling) at very low cost



SMARTER

INDUSTRY



COMPONENT/JOB

- Shafts and all types of medium sized parts

Lowest footprint machine with very high output



TM SERIES TURNMILL

INDUSTRY



COMPONENT/JOB

- Valves
- Complex parts

Better solution than Turning + VMC

INTELLECTUAL CAPITAL

Superior intellectual capital

R&D and Innovations have been the key differentiators of Marshall Machines. Although time-consuming, these characteristics of our Company's strategy have stood the test of time and have established a strong foundation for us to excel in the future.

All of the Company's founders and members of the senior management team are actively involved in the product innovation and development function, which is a unique aspect of the organization. Based on the emerging needs of Indian machine shops, the Company has created several unique product solutions, many of which fall in the categories of automation and Industry 4.0. In addition, Marshall is able to maintain tight control over product quality thanks to a fully integrated value chain that spans from product ideation and design to manufacturing and solution implementation and deployment.

Its extensive research and development activities have resulted in excellent intellectual property generation, a unique feature in the Indian machine tool industry. Up to this point, the Company has registered six patents throughout the world, with an additional 22 patents pending approval. As a consequence of the increased pace of IP development, nine of the twenty-two patents have been filed in FY21. In addition, a unique patent has been awarded to the Company in March 2021 in USA with the title "System and a Method to Enable Zero Defect Production." The Company is equally concerned with intellectual property protection in order to prevent patent infringement and realize the full benefits of its research and development activities.



Integrated value chain

IDEATION



DESIGN



MANUFACTURING



SOLUTION OFFERING



AMC & AFTER-SALES SERVICE



Superior intellectual property



6*

PATENTS REGISTERED
GLOBALLY



22*

PATENTS PENDING,
MANY IN LATE-STAGES OF
REGISTRATION PROCESS



9*

PATENTS FILED
GLOBALLY IN FY21

* Includes Patents filed & held by promoter group as well.

MANUFACTURING FACILITIES

Adding capacities, upgrading capabilities

The Company has built state-of-the-art infrastructure in both its units to manufacture superior quality machines that are an unmatched value proposition for the industry.

Our manufacturing units are equipped with the world’s best mother machines imported from Europe. These machines help produce high-precision parts for manufacturing Marshall Machines that are known for their quality standards. In the last three years, the Company has invested extensively in its manufacturing facilities. These investments have been focused on equipping the plant with imported mother machines, Carl Zeiss measuring machines, large machining centres, grinding machines, and turning and turn-milling machines. **This exercise has led to manufacturing capacity augmentation from ₹75 crores in 2017 to ₹250 crores in 2021.**

The Company is making further efforts and improvements to streamline its production and strengthen its supply chain. The Company is working on adding certain reliable suppliers in the vicinity of the manufacturing plant to outsource manufacturing of specific non-critical sub-assemblies. As the Company advances, it intends to create a complete assembly-focused mindset by outsourcing non-critical aspects of its value chain.



THIS EXERCISE HAS LED TO MANUFACTURING CAPACITY AUGMENTATION FROM ₹75 CRORES IN 2017 TO ₹250 CRORES IN 2021.

Salient features	
WORLD-CLASS MANUFACTURING FACILITIES	EQUIPPED TO PERFORM LASER CALIBRATION AND TESTING
EQUIPPED WITH ONLY EUROPEAN MOTHER MACHINES	MACHINE PARTS DESIGNED AND VALIDATED USING SOLID WORKS
EQUIPPED WITH WORLD'S BEST STUDER CNC CYLINDRICAL GRINDER	EQUIPPED WITH THE LATEST CARL ZEISS CMM
TEMPERATURE CONTROLLED AND DUST-PROOF ASSEMBLY AREAS TO ACHIEVE PRECISION MANUFACTURING	EQUIPPED WITH NEW 5 AXIS CNC UNIVERSAL MACHINING CENTRE WITH AUTO INDEXING HEAD WITH "A" & "B" AXIS

Unit 1 - Ludhiana



SETUP IN **2001**

Dedicated unit for assembly of traditional CNC machines



- **4,181 Sq. Mt.** plot area
- **5,295 Sq. Mt.** buildup area



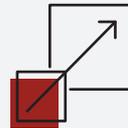
MANUFACTURING CAPACITY
▪ **600** traditional machines

Unit 2 - Ludhiana



SETUP IN **2012**

Dedicated unit, with a dedicated team for automation and Industry 4.0 machine solutions



- **2,090 Sq. Mt.** plot area
- **3,716 Sq. Mt.** buildup area



MANUFACTURING CAPACITY
▪ **100-125** RoboTurn Automated Machines
▪ **150** Compact CNC Lathes
▪ **1,500** SmartCorrect Gauging Stations

CLIENTELE

Addressing the needs of a large customer fraternity

Our consistent focus on product innovation and quality has earned us the business of India's leading manufacturing institutions. These institutions rely on Marshall to provide world-class machine tool solutions that help in optimizing manufacturing operations, increase the productivity of machine shops, and reduce cost per component to achieve better profitability.

1,500+

CUMULATIVE CLIENTS

2

BROAD CUSTOMER SEGMENTS:
CORPORATE INSTITUTIONS
AND SME'S

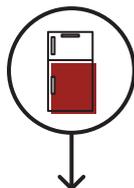
400+

10-15 YEAR RELATIONSHIPS

MATURE SECTORS



AUTOMOBILE



CONSUMER APPLIANCES AND DURABLES

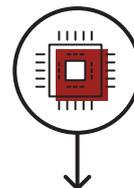


GENERAL ENGINEERING

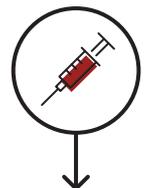
EMERGING SECTORS



AEROSPACE



ELECTRONICS



MEDICAL EQUIPMENT

SOME OF OUR ESTEEMED CLIENTS

<p>Automobile</p>	<p>2W & 4W ALLOY WHEELS</p> 	<p>GEAR BLANKS</p> 	<p>PISTONS</p> 	<p>CRANKSHAFTS</p> 
				
				
				
				
				
				

CLIENTELE

Consumer Appliance and Durables

General Engineering

MOTOR PARTS

FANS

HOME APPLIANCES & ELECTRONICS

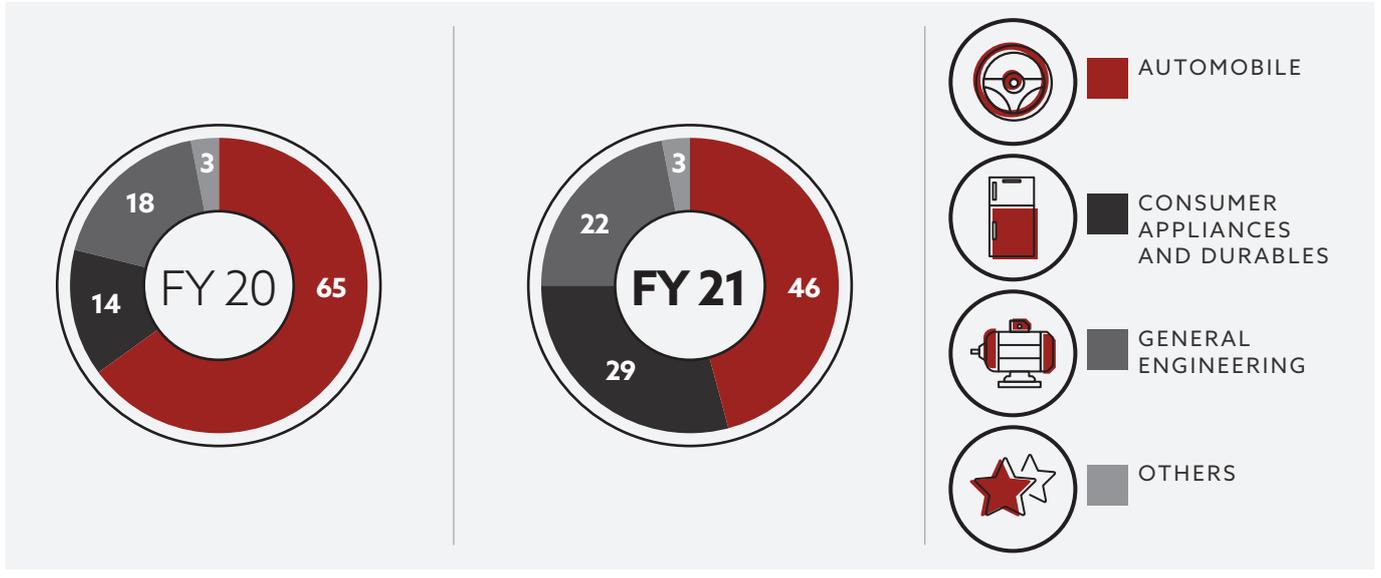
BEARINGS

PUMPS

CONSUMABLES



REVENUE MIX (IN %)



CLIENT TESTIMONIALS

"We are users of Roboturn Cell from Marshall, along with Fortius machines and RAPIDTURN SL-20 machines. These, as well as an SPM, are operated by a Robot mounted on a 6,000 mm track.

We would like to appreciate Marshall for the excellent performance of their machines as well as the rigidity of machines for a high rate of metal removal, chip breaking with 70 Bar Coolant, CLAP, CLAMP.

Marshall team has provided excellent onsite support. They replaced the ball screw drive of the rail track (max rapid 16 m/min) with imported Rack and Pinion and raised rapid to 80 m/min. The cycle time is lower than what was committed in the purchase order."

>> M M FORGINGS

"We have purchased one number Marshall RAPIDTURN SL-12 (D) DOUBLE SPINDLE CNC LATHE, from Marshall Machines. Since this was our first CNC Lathe, our representatives were provided comprehensive training by Marshall Machines for several days, including actual job production for several shifts.

We placed a repeat order for more RAPIDTURN SL-12 (D) "XF" double spindle Lathes. In these machines, Marshall Machines added more features like higher power for a greater metal removal rate. As a result, we are now satisfied users of several Marshall Double Spindle CNC Lathes used on a three-shift basis."

>> ASPEE PRECISION

"Marshall was our first-ever CNC Machine; thus, our engineers were provided extensive training by the team at Marshall Machines, including programming and job setting. In addition, Marshall Machines provided us with very good technical & application support that helped us develop many new jobs.

We are now satisfied users of numerous Marshall Double Spindle CNC Lathes. We feel that Marshall Double Spindle CNC Lathes are most productive for chucking jobs."

>> E.R. AUTO

"We are happy to write this testimonial of appreciation for Marshall for providing us with good products and services. We bought our first set of machines (Rapidturn DS-450) from Marshall in 2016.

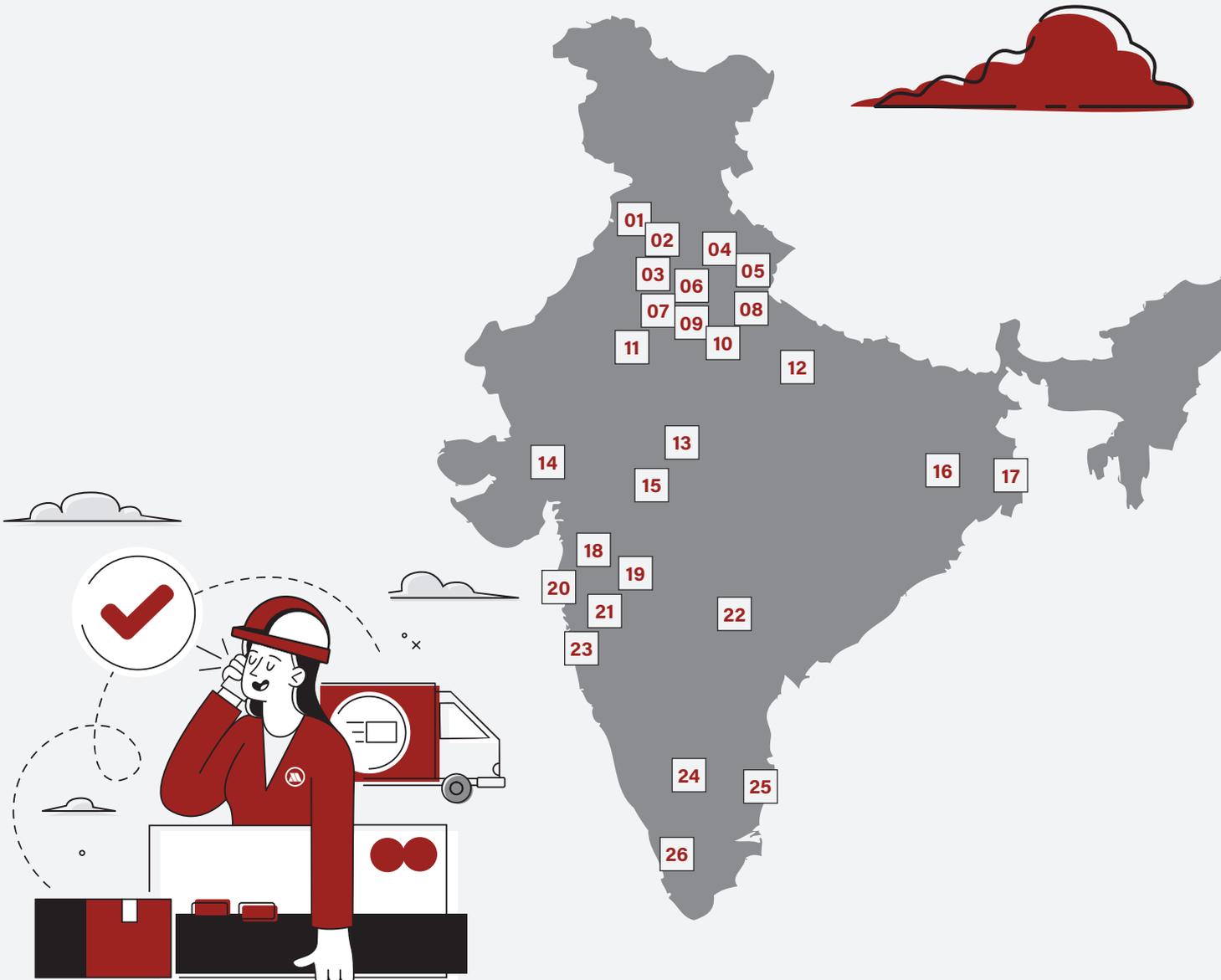
The machines are performing well and the service extended to us is also outstanding. We have added many more machines recently with some more improvements. Because of Double spindle technology, we have been able to improve our output and save valuable shop floor space."

>> SATANI INDUSTRIES

GEOGRAPHICAL PRESENCE

Reaching customers far and wide

Our reach is extensive. We've established a strong presence in manufacturing hubs across the country over the years. Marshall Machines are smoothly integrated and deployed at our clients' facilities due to our on-ground engineering and after-sales teams. They also provide after-sales services throughout the lifecycle of our products and facilitate sales lead generation.



TEAM MEMBERS

01	LUDHIANA
02	CHANDIGARH
03	ROHTA
04	HARIDWAR
05	RUDRAPUR
06	DELHI
07	GURGAON
08	GHAZIABAD
09	MANESAR
10	AGRA
11	JAIPUR
12	KANPUR
13	BHOPAL
14	AHEMADABAD
15	INDORE
16	JAMSEDPUR
17	KOLKATA
18	NASIK
19	AURANGABAD
20	MUMBAI
21	PUNE
22	HYDRABAD
23	KOLHAPUR
24	BANGALORE
25	CHENNAI
26	COIMBATORE

Customer Support

14

SALES ENGINEERS

6

APPLICATION SUPPORT

14

SERVICE SUPPORT

14

AUTOMATION SUPPORT

Design and Manufacturing

7

R&D TEAM

3

IOT ENGINEERS

180

MANUFACTURING TEAM

LEADERSHIP

Agile and responsible leadership

1. GAURAV SARUP CO-FOUNDER AND MANAGING DIRECTOR

Mr. Gaurav Sarup, aged 56 years, is the co-founder and Managing Director of the Company. Mr. Sarup graduated from Punjab Engineering College, Chandigarh in 1986 with a degree in Production Engineering. He has over 35 years of expertise in the machine tool industry, with a specialization in ideation, design, and development of revolutionary machine tools. In addition, as a thought leader in the sector, he leads several awareness workshops. Industry 4.0 forums such as NIQR (National Institute of Quality & Reliability), CII (Confederation of Indian Industry), and TIE are among them. He is currently in charge of the Company's production, sales and marketing, research and development, and overall company growth.

2. PRASHANT SARUP CO-FOUNDER AND JOINT MANAGING DIRECTOR

Mr. Prashant Sarup, aged 53 years, is the co-founder and Whole Time Director of the Company. He graduated from Birla Institute of Technology, Ranchi in 1989 and is a seasoned industry veteran with over 32 years of expertise in design and electronic integration. He has been instrumental in designing machines, electronic integration, and interfacing systems to develop various

machine tools. He is currently in charge of the Company's finance, automation interfacing, product development, and purchase department.

3. ARCHANA SARUP WHOLE TIME DIRECTOR

Mrs. Archana Sarup, aged 49 years, is a Whole Time Director of the Company. She holds a master's degree from Punjab University and has vast experience of more than 12 years in the Human Resource Development (HRD) arena. Mrs. Sarup leads the charge of the Company's HRD department and administration. In addition, she also looks after events, exhibitions, seminars, and roadshows for the Company.

4. SIDDHANT SARUP WHOLE TIME DIRECTOR

Mr. Siddhant Sarup, aged 29 years, is a Whole Time Director of the Company. He holds a B.Tech in Industrial Engineering and a Master's Degree in Operations Management (MBA) from Thapar University, Punjab, with more than seven years of work experience. He is presently in charge of automated and smart machine manufacturing, inspection, and testing. He's also working on the research and development of SmartCorrect Gauging Stations, a promising product line for the company.





5. A.N. CHANDRAMOULI STRATEGIC ADVISOR TO THE BOARD

Mr. A.N. Chandramouli is a Strategic Advisor to the Board of Directors. Mr. Chandramouli is a seasoned industry veteran with a Mechanical Engineering degree from NIT Trichy and a postgraduate degree from IIM Calcutta. He has previously led global machine tool corporations. His notable roles include President and CEO of Makino India (a leading Japanese machine tool company) and Managing Director of Starrag India (a leading Swiss machine tool company). His extensive knowledge and network will aid the Company in achieving operational excellence as well as expanding into new areas.

6. KOMAL BHALLA NON-EXECUTIVE & INDEPENDENT DIRECTOR

Ms. Bhalla is a Non-Executive & Independent Director of our Company. She is a graduate, a Company Secretary and a fellow member of the Institute of Company Secretaries of India. She has more than three years of work experience in secretarial, managerial fields and has been associated with listed companies in the past. She has been instrumental in guiding the Company in her areas of expertise.

7. SATVINDER SINGH NON-EXECUTIVE & INDEPENDENT DIRECTOR

Aged 62 years, is the Additional Non-Executive & Independent Director of our Company. He holds a Diploma in Mechanical Engineering from Guru Nanak Engineering College (Polytechnic), Ludhiana. He has vast experience of more than 38 years in mechanical engineering, and presently he is the Senior Vice President in GNA Group.

8. KAJAL RAI NON-EXECUTIVE & INDEPENDENT DIRECTOR

Ms. Rai is a Non-Executive & Independent Director of our Company. She is a graduate, a Company Secretary and a fellow member of the Institute of Company Secretaries of India. She has vast work experience of more than five years in secretarial and managerial fields. She has been instrumental in guiding the Company in her areas of expertise.



LETTER TO SHAREHOLDERS

From MD's desk



GAURAV SARUP
MANAGING DIRECTOR

Dear Shareholders,

IT GIVES ME IMMENSE PLEASURE TO PRESENT YOU OUR ANNUAL REPORT FOR THE YEAR 2020-21. THIS YEAR, WE HAVE CONSIDERABLY BROADENED THE SCOPE OF THIS DOCUMENT, WITH THE GOAL OF SHARING NOT JUST OUR FINANCIAL PERFORMANCE BUT ALSO OUR STRATEGY, OUTLOOK, AND LONG-TERM VISION FOR YOUR COMPANY AS A WHOLE.

As you all already know, FY21 has not been a particularly good year for manufacturing industries, especially those in the automobile and general engineering sectors, while investments from these industries is what traditionally drove demand for our Company. In the midst of such adversity, we are pleased to inform you that Marshall Machines has come through unscathed and is much better positioned than it was a year ago. When the Covid-19 pandemic first broke out in the first quarter of FY21, economic activity almost immediately came to a grinding halt. Since corporate India had postponed its investments and capital expenditure plans in light of the uncertainties surrounding Covid-19, the Company had also experienced a significant slowdown in incoming orders, deferral of business in the development stage, and requests for delays in deliveries for orders already in hand. However, once markets began to open up, labour-related difficulties started to subside, and manufacturing activities for various sectors started to resume, the Company witnessed a steady resurgence in demand. At the same time, several proactive steps taken by the Company's marketing and business development team assisted in the recovery of the business in the second half of FY21. The fact that more than 3/4th of our annual sales have been recorded in H2FY21 for the year under review indicates that our operations have seen a strong rebound in the second half. On a full-year basis, we are glad to report a Revenue from Operations growth of 12%. On the profitability front, the Company has had some difficulties due to exceptionally high raw material costs; however, these input costs have been passed on to customers in subsequent orders, and margins are expected to return to their historical levels as seen between FY18-20.

Need of the hour

Covid-19 has been a mixed bag for us; although the immediate effects of the pandemic have had a negative impact on our business, our long-term prognosis for Marshall's product offerings has been fortified as a result of the pandemic. For Indian machine shops, issues such as a lack of qualified operators, a disproportionate reliance on human resources, and increasing efficiency in the face of a challenging business climate have emerged as critical considerations. In today's manufacturing industry, product solutions that address automation, Industry 4.0, and smart IoT-based factories that can be monitored remotely





WE ARE CONFIDENT IN OUR ABILITIES TO SCALE IN AUTOMATION & INDUSTRY 4.0 OFFERINGS, ON THE BACK OF OUR SUPERIOR PRODUCT OFFERING, GLOWING ENDORSEMENTS, AND CONCRETE DATA-BACKED CASE STUDIES DEMONSTRATING A HIGHER RETURN ON INVESTMENT ON OUR MACHINES.

are in great demand. While these notions were still in the early stages of development a decade ago, they are now essential to the modern world. Marshall can efficiently serve these emerging needs, and in many cases, is the only indigenous option in categories dominated by expensive imported machinery. Thus, being a sole indigenous solution offering in several of these product categories, we stand to benefit considerably from these trends.

Industry tailwinds

Indian machine tools have traditionally been a heavily import-reliant industry, with imports ranging between 50% to 60% of total consumption over the last decade. The lack of investments in technology, research, and development by the Indian machine tool industry is the fundamental reason for this dependency on imports. Aside from standard machine tool solutions, all high-end, technologically superior machines are imported from nations such as Germany, Korea, Japan, and Italy, amongst other places. In addition to this, there is fierce competition in the market for standardized

machines from China, which is essentially a volume-driven market. In recent years, however, due to the Indian government's emphasis on campaigns such as Make in India and Atma Nirbhar Bharat, as well as Indian manufacturers seeking indigenous machine tool solutions, the external environment has become very conducive for companies like Marshall Machines, which have primarily focused on research and development, as well as intellectual property generation, for the better part of the last decade.

Swift learning curve

I cannot emphasize enough that the last decade, following our entry into automation and Industry 4.0 offerings, has been a swift learning curve for us. In the present day, not only do we comprehend the fundamental problems faced by Indian manufacturers, but we have also refined our product in order to overcome these issues. To add to this, many of our early high-end automation projects have had exceptionally positive results, with our clients reporting significant productivity increases (30% or more), as well as a considerable reduction in the margin for error (80% lower rejections). Moreover, we are confident in our ability to scale in this product category because we have a significantly superior product offering, glowing endorsements, and concrete data-backed case studies demonstrating a higher return on investment on our machines.

As we advance

Following the conclusion of our most recent CAPEX cycle, we have significantly increased our capacity to accommodate our future growth

plans. Moving forward, the Company will place greater emphasis on aspects such as developing newer competencies to serve emerging industries such as aerospace, medical equipment, and electronics; tapping export markets in the United States and fast-growing emerging markets in Asia; positioning itself as the default choice for smart machines; and utilizing import substitution categories, as we have successfully done in the past. In the next few years, the Company will strive to achieve optimum capacity utilization, which will allow us to produce Sales of ₹ 250 crores and EBITDA margin of 25%.

Before I conclude, I would like to inform our shareholders that the Company has already commenced the process of migrating to the main board, and soon enough we will be listed on the main board of NSE. I wish to thank all my Board Members, regulatory authorities, senior management, employees, bankers, and shareholders for their continuous guidance and unwavering support.

Yours sincerely,

GAURAV SARUP
MANAGING DIRECTOR

GROWTH DRIVERS AND STRATEGIC PRIORITIES

A strategic roadmap to deliver value



GROWTH DRIVERS



AUTOMATION & INDUSTRY 4.0 OFFERINGS

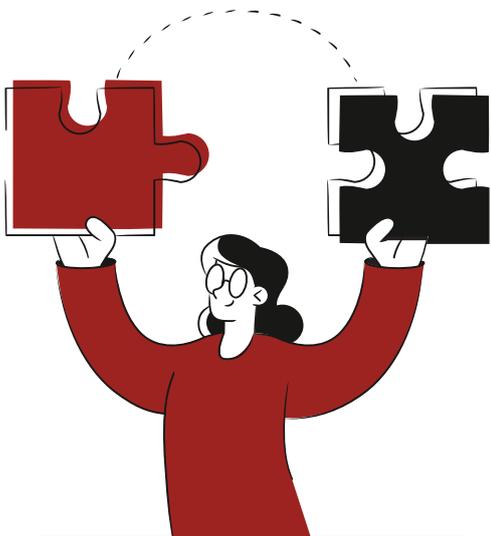
Automation and Industry 4.0 offerings have a very bright future, and given their immense advantages over traditional machines; these machines can effortlessly generate higher ROIs despite a significant upfront investment. In recent times, Indian machine shops have realized the benefits of these product offerings and are increasingly willing to adopt such products. Marshall Machines will be at the forefront of this trend, facilitating the adoption of its affordable automation and Industry 4.0 offerings.



EXPORTS

The Company is exploring export opportunities, primarily in the US. The Company has partnered with established dealers such as TGH and Morris South to drive business in the US market since the USA is principally a distribution-network-driven market. In addition to the US, the Company is also evaluating export opportunities in fast-growing Asian markets such as Bangladesh.

STRATEGIC PRIORITIES



DELEVERAGING

With the conclusion of the CAPEX cycle, the Company has concluded all investments for the foreseeable future. Moving forward, the Company will use its higher internal accruals generated from this capacity to reduce borrowings and deleverage the balance sheet.



REDUCING WORKING CAPITAL CYCLE

The company has deployed specific measures and strategies to curb the working capital cycle in the last year. These efforts include deploying technologies such as 'Vibratory Stress Relieving' against the time-intensive natural seasoning process of steel structures, outsourcing non-critical sub-assemblies, leading to a reduction in lead time for inventories. The Company targets to bring down the working capital cycle between 150-180 days by FY23.



EMERGING SECTORS

India has been witnessing a faster growth in manufacturing opportunities in emerging domains such as Electronics, Aerospace, and Medical Equipment. The Company is working actively to enter these emerging sectors and add newer engines of growth for itself.



IMPORT SUBSTITUTION OPPORTUNITIES

Given the current geopolitical and economic setup, manufacturing for many sectors is shifting to India, and the Company is evaluating such trends and trying to service emerging demands. For instance, in the recent past, the Company has successfully capitalized on the shift in the manufacturing of alloy wheels to India by supplying our RoboTurn XL Cell used for motorcycle wheel turning. We have also received orders for Automated Car Alloy wheel manufacturing Cells.



FOCUS ON DESKILLING OPERATIONS

Given the scarcity of skilled operations, which has become more erratic in the post-pandemic world, the Company has been pitching for deskilling manufacturing operations that reduce dependence on human resources. Apart from automation offerings, the Company is also deploying smart technologies like SmartCorrect Gauging Stations that eliminate the need for skilled operators and ensure system based Zero defect output.



INCREASING SHARE OF AUTOMATION & INDUSTRY 4.0

Automation and Industry 4.0 offerings not only differentiates the Company from its peers in a commoditized industry; it also offers much better profitability prospects. Consequently, the Company will focus on increasing the share of automation and Industry 4.0 offerings to drive its topline, and more prominently, its bottom-line.



STRATEGIC GLOBAL ALLIANCES

The Company is evaluating strategic global alliances with European and Japanese machine tool companies for a symbiotic relationship. With these strategic alliances, the Company is looking to access foreign markets of the partner and jointly offer high-end machine tool offerings of the partner to Indian markets, which will also lead to an expansion in the clientele for the Company. Other optionality's include supplying machine parts in export markets, tapping opportunities in the Government and PSU sector.

KEY PERFORMANCE INDICATORS

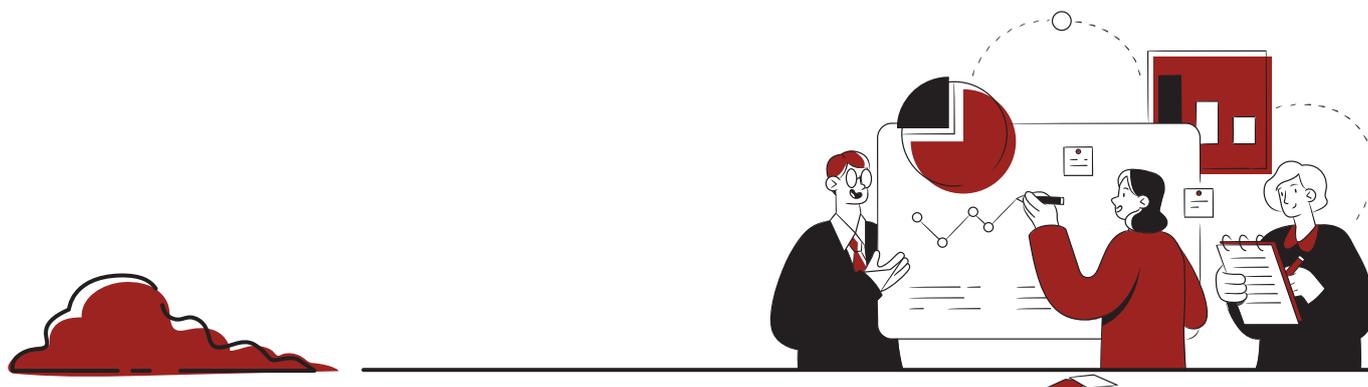
Growing steady, growing strong

BALANCE SHEET

(₹ IN CRORES)

PARTICULARS	FY17	FY18	FY19	FY20	FY21
Equity Capital	1.81	2.14	14.55	14.55	14.55
Reserves & Surplus	8.05	15.73	23.96	26.72	34.50
Shareholders Funds	9.86	17.87	38.51	41.27	49.05
Long Term Borrowings	5.93	7.41	8.38	13.72	12.86
Deferred Tax Liabilities	0.15	1.82	3.43	3.00	5.89
Other Long Term Liabilities	-	-	2.31	1.90	1.68
Long Term Provisions	0.87	0.90	0.58	0.85	0.80
Non Current Liabilities	6.95	10.13	14.70	19.47	21.23
EPS (₹)	0.76	3.44	3.97	2.04	0.37
Short Term Borrowings	15.16	16.22	17.11	18.75	20.83
Trade Payables	18.39	18.39	16.07	19.94	21.10
Other Current Liabilities	14.07	15.43	19.92	20.72	19.73
Short Term Provisions	0.60	1.60	1.44	0.96	1.07
Current Liabilities	48.22	51.64	54.54	60.37	62.73
Total Equity and Liabilities	65.03	79.64	107.75	121.11	133.01
Property, Plant & Equipment	16.00	22.79	46.39	52.91	68.29
Non Current Investment	-	-	-	-	-
Long Term Loans & Advances	0.24	0.24	0.21	0.20	0.20
Non Current Assets	16.24	23.03	46.60	53.11	68.49
Inventories	36.73	38.30	39.91	45.79	48.03
Trade Receivables	8.23	11.42	12.35	14.04	11.67
Cash and Bank Balances	3.63	3.92	4.22	4.51	2.27
Short Term Loans & Advances	-	-	-	-	-
Other Current Assets	0.20	2.97	4.67	3.66	2.55
Current Assets	48.79	56.61	61.15	68.00	64.52
Total Assets	65.03	79.64	107.75	121.11	133.01

(Note - Equity Capital increased in FY19 due to Bonus shares and Initial Public Offer)



PROFIT & LOSS SUMMARY

(₹ IN CRORES)

PARTICULARS	FY17	FY18	FY19	FY20	FY21
Sales	50.19	59.35	65.22	59.74	67.13
Raw Material Cost	33.97	38.05	38.89	30.12	46.25
Employee Expenses	4.24	4.57	5.77	6.83	6.60
Other Expenses	5.83	3.92	5.35	6.98	4.63
Total Expenses	44.04	46.54	50.01	43.93	57.48
EBITDA	6.15	12.81	15.21	15.81	9.65
Other Income	0.35	0.07	0.22	0.80	0.11
Interest	3.11	3.22	3.71	4.39	3.81
Depreciation	1.6	2.20	3.73	8.10	5.12
Tax	0.69	2.45	2.22	1.15	0.29
Profit After Tax	1.10	5.01	5.77	2.97	0.54
EPS (₹)	0.76	3.44	3.97	2.04	0.37
EBITDA Margin (%)	12.3%	21.6%	23.3%	26.5%	14.4%
Profit After Tax Margin (%)	2.2%	8.4%	8.8%	5.0%	0.8%

(Note - EPS for all years has been calculated on the current Equity Capital based of ₹ 14.55 crores, to counter post-IPO change in Equity)

CASH FLOW STATEMENT

(₹ IN CRORES)

PARTICULARS	FY17	FY18	FY19	FY20	FY21
Cash from Operating Activities	10.87	4.15	13.60	11.79	10.30
Cash from Investing Activities	(5.09)	(8.92)	(27.25)	(14.50)	(10.36)
Cash from Financing Activities	(5.18)	5.06	13.95	3.00	(2.18)
Net Change in Cash & Cash Equivalents	0.60	0.29	0.30	0.29	(2.24)
Cash & Cash Equivalents - Opening Balance	3.03	3.63	3.92	4.22	4.51
Cash & Cash Equivalents - Closing Balance	3.63	3.92	4.22	4.51	2.27

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Management Discussion and Analysis

Global Machine Tool Industry

Most of the recent advancements in the worldwide machine tool industry have been overshadowed by the ongoing coronavirus pandemic and its consequences on the global economy and industrial production. Machine tool demand is expected to rebound at a slow pace until H1 2021, with global industrial production remaining below pre-crisis levels until mid-2021. This is in line with the general economic recovery path. According to Oxford Economics, it is predicted that the output of machine tools would decrease by 6.2 percent in 2020 but will increase by 7.9 percent in 2021. Asian markets are projected to have a relatively robust performance, led mostly by China, which accounts for a significant portion of the global share. According to Oxford Economics, global consumption of machine tools is expected to

decline by 18.5 percent in 2020 before rising by 18.2 percent in 2021.

The transition away from traditional cars to electric vehicles (EVs) continues to be a significant concern for the worldwide machine tool industry, as the global automotive sector concentrates on developing and manufacturing EVs. The demand for machine tools in European nations is likely to be the most affected by the implementation of new EU emissions standards, which will result in a greater uptake of electric vehicles. Furthermore, it is predicted that Chinese EV consumption would grow considerably, which will also negatively influence the trends in machine tool demand in the near term.



Broadly, the machine tool sector's trends are more cyclical than the total fixed investment spending, which in itself is one of the most cyclical components of the economy. However, as per-capita income grows in the coming years, medium-term growth trends are still in play, such as increased demand for motor cars and high-tech consumer goods in emerging markets. Aside from that, China, already the world's largest consumer and producer of machine tools, is expected to maintain its leadership position because it is the primary manufacturing hub for exports to the rest of the world; this is true despite China's declining competitiveness as a result of rising wages in the country.

Indian Machine Tool Industry

According to Gardner's "World Machine Tool Survey, 2019," India ranks 7th in the consumption of machine tools and 12th in the production of machine tools. Indian machine tool production for 2019-20 is estimated to be around ₹ 6,150 crores, while consumption is approximately ₹ 15,670 crores - with the gap being filled by imports, which account for a 66 percent share of consumption in the fiscal year 2019-20.

In view of recent events and sectoral trends, the forecast for the Indian machine tool industry varies from one industry to another. As a result of the country's relatively robust comeback in economic activity, basic metals and metal products manufacturing is projected to perform better, particularly as construction activity rebounds. Meanwhile, the recovery in automotive manufacturing is anticipated to take longer than expected since post-COVID companies have gradually resumed production in light of subdued demand. In light of these developments, the machine tool industry must venture into previously uncharted territories and make the most of technological advancements to drive product and process innovation. To put it another way, it would not be enough to master the skill of survival alone; it would also be necessary to sustain and strive to broaden one's perspectives.

While the government is emphasizing on a self-reliant India, the machine tool industry must continue to collaborate with new and emerging sectors, such as healthcare and medical equipment, infrastructure, aerospace, defence, food processing, agricultural machinery, textile machinery, railways, and power generation, as well as other sectors such as electronics and electronics-related equipment.

GLOBAL MACHINE TOOL CONSUMPTION (2019)

Region	In USD Bn
Asia	38.1
China	22.3
India	2.6
Americas	13.6
Europe	22.2
World ex-China	51.7
World	74.0

Highlights

7th

LARGEST CONSUMER OF
MACHINE TOOLS

12th

LARGEST PRODUCER OF
MACHINE TOOLS

HIGHLY FRAGMENTED INDUSTRY
WITH ~500 OEMS AND ~1,000 SUPPLY-CHAIN
UNITS ENGAGED IN INDIA'S MACHINE
TOOL INDUSTRY

KARNATAKA LEADS THE INDIAN MACHINE
TOOL PRODUCTION WITH A 52% SHARE,
FOLLOWED BY GUJARAT AT 16% AND
PUNJAB AT 13%, AS OF 2018-19

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RECENT TRENDS IN INDIAN MACHINE TOOL INDUSTRY

(₹ IN CRORES)

PARTICULARS	2015-16	2016-17	2017-18	2018-19	2019-20 E
Production	4,726	5,803	7,294	9,612	6,152
Imports	5,946	6,173	7,833	12,379	10,288
Import Share	57%	53%	53%	58%	66%
Exports	296	361	355	673	768
Consumption	10,376	11,615	14,773	21,329	15,672

The machine tools industry can be classified into machines used for metal cutting and metal forming. Both types of machines can be further classified into manually operated machines and numerically controlled. As awareness about new technology is increasing, the demand for advanced CNC machines is rising.

Machine Tool Industry

METAL CUTTING

- Forging
- Bending
- Rolling
- Pressing

CNC

NON-CNC

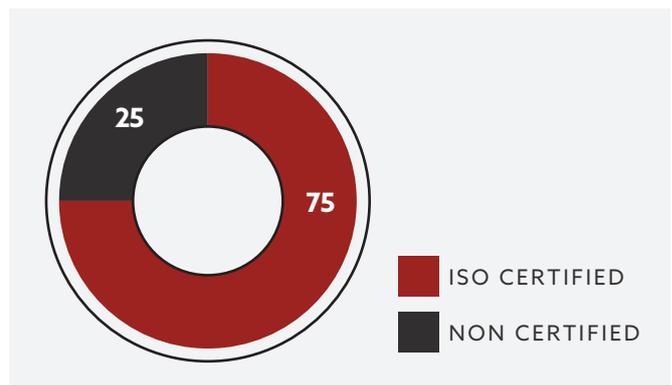
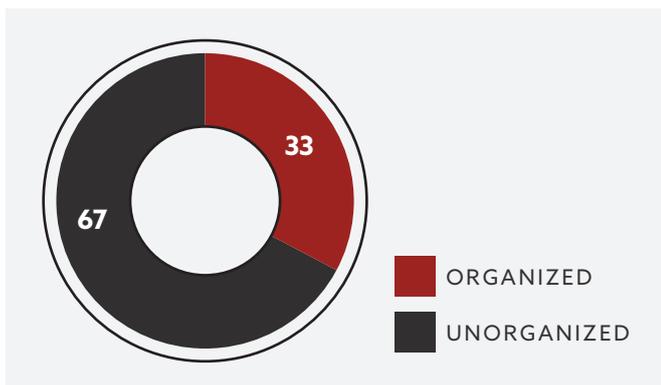
METAL FORMING

- Milling
- Turning
- Threading
- Grinding
- Filing

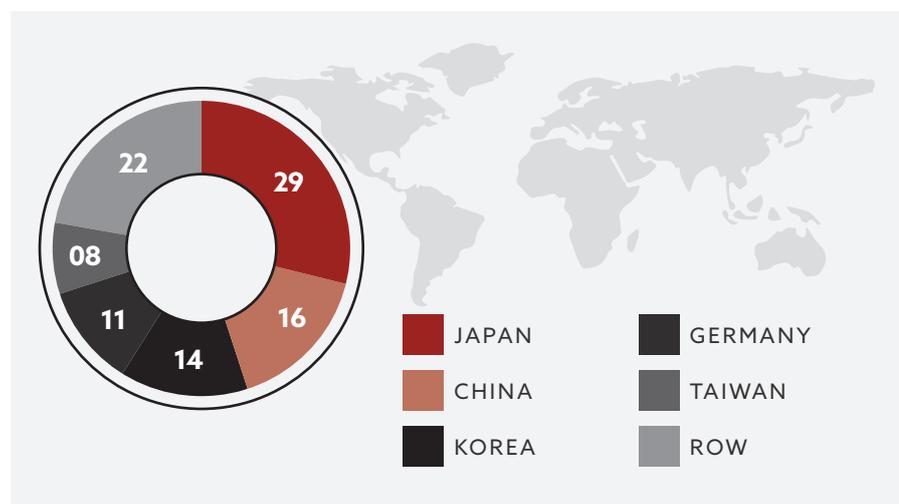
CNC

NON-CNC

MARKET SHARE DIVISION OF INDIAN MACHINE TOOL INDUSTRY



SIGNIFICANT EXPORTER TO INDIAN MACHINE TOOL INDUSTRY (2018-19)



CHINA IS THE TOP EXPORTER OF METAL FORMING MACHINES TOOLS TO INDIA (AS OF 2018-19) AT ₹1,132 CRORES AND FORMS 28% OF THE TOTAL IMPORTS.

CHINA, KOREA, AND JAPAN TOGETHER LEAD THE PACK, AND CONSTITUTE 65% OF THE TOTAL IMPORTS.

(Source: DGCIS, IMTMA)

Outlook and Opportunities of Indian Machine Tool Industry

- Rising demand in emerging sectors such as aerospace, aviation, healthcare and traditional sectors such as railways, power and infrastructure has huge potential, with significant demand for large-sized machine tool requirements.
- Rising automation and use of advanced technology in manufacturing and construction industry to increase demand for machine tools.
- JV and strategic partnerships with foreign players - Indian companies exploring the potential of JVs and strategic partnerships to acquire intellectual capital, technology-upgradation, and evaluate cross-selling opportunities.
- Government support and schemes - schemes and support by Government of India, to enhance technology, support local manufacturing through initiatives like Make in India, Atma Nirbhar Bharat, PLI, and many more.

Key Challenges to Indian Machine Tool Industry

- **Lack of indigenous technology** - limited investments in research and development leading to commoditized offerings.
- **Highly import-dependent industry** - lack of high-end technologies leading to a substantial gap fulfilled by imports.
- **Low brand building activities and lack of credible brands** - limited efforts on brand building, user-interaction and demonstrations to create awareness.

- **Highly price competitive market** - a product-centric market, with little focus on after-sales service.
- **Lack of complete product range** - a product-centric approach, rather than complete a solutions-driven approach.

Company Overview

Marshall Machines, founded by Mr. Gautam Sarup in 1961, is a well-known brand in the Indian machine tool industry. Marshall started out with manufacturing high-precision bench lathes, heavy-duty lathes, and capstan lathes. However, in the last two decades with the guidance of Mr. Gaurav Sarup and Mr. Prashant Sarup, the Company's single-minded focus on product innovation, research and development, automation, and Industry 4.0 technologies has positioned it as a niche player in a rather commoditized industry. As a result, Marshall is currently a front-runner in the space of automated, Industry 4.0-enabled, and smart IoT enabled - CNC solution offerings to India's leading manufacturing companies. These companies belong to a wide range of industries including, automobile, consumer durables & appliances, and general engineering, to name a few.

Business Overview

Marshall Machines is in the business of designing, manufacturing, deploying solution offerings, providing after-sales services for machine tool equipment. Products offered by the Company include single spindle CNC machines, innovative two spindle & four spindle CNC machines, automated robotic CNC machine solutions, and Industry

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4.0 products such as SmartCorrect Gauging Stations. Since then, the Company has grown into a well-regarded player in automated solutions, smart and technologically superior machine tool offerings that enable its clients to enhance productivity, reduce cost per component, and generate a higher return on investment (ROI) from their machines. Constant product innovation, achieved via rigorous research and development, intellectual property generation and protection, has enabled the Company to produce solutions that meet the emerging needs of its clients.

The Company's machines are being used in a number of industries, including the automobile industry, consumer durables and appliances, and general engineering, among others. They are used to manufacture a variety of products such as axles, crankshafts, auto components, fans, and pumps. They are also used to manufacture bearings, gear blanks, bushes, and other similar items. These machines are well-regarded for their quality, dependability, and precision performance. In addition, Marshall provides its clients with the ability to create and implement customized solutions with the desired flexibility. As a result, customers' unique requirements are met with these customized solutions that are designed to maximize the efficiency with which these equipment are used in their operations.

FY21 Performance Discussion

Overview

FY21 has been a challenging year for the Indian manufacturing and machine tool industry and, subsequently, the Company. COVID-19 led lockdowns & restrictions had dampened the consumer & industrial sentiment. However, despite such a challenging year, Revenue from Operations stood at ₹ 67.13 crores compared to ₹ 59.74, registering a 12% growth year on year. The Company will continue to build on this momentum. Challenges were more acute on the profitability front due to the demand-supply disruptions induced by Covid-19, leading to a sharp increase in raw material prices such as sheet metal, mechanical & electronic items, etcetera. In light of elevated raw material prices, the Company undertook some countering measures, including price hikes for new orders to pass (FY22 onwards) on the increase in input costs and optimization of Employee Benefit Expense and administration costs. Subsequently, the Company witnessed a compression in EBITDA margins from 26.5% in FY20 to 14.4% in FY21. As a result, EBITDA (excluding Other Income) stood at ₹ 9.65 crores compared to ₹ 15.81 crores, a 39% decline year on year. The Company also made alterations in its debt profile, including the closure of certain high-cost borrowings and renegotiations in existing loans to help lower Finance Cost. Profit after Tax for the year stood at ₹ 0.37 crores in the year under review, compared to ₹ 2.97 crores in FY20. For the same period, EPS stood at ₹ 0.37 in FY21 against ₹ 2.04 in FY20.

Financial Ratio Analysis

Pursuant to Schedule V (B) to the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended

RATIOS	FY20	FY21	% Change	Remarks
Debtors Turnover Ratio	4.53	5.22	15%	Rationalization of trade receivables leading to better debtor turnover ratio for the year.
Inventory Turnover Ratio	0.70	0.99	41%	Rationalization of inventories after last year's anomaly caused due to Covid-19 disruptions, leading to an improvement in inventory turnover ratio.
Interest Coverage Ratio	1.94	1.22	(37%)	A decline in interest coverage ratio because of lower profitability, mainly due to higher input costs for the year.
Current Ratio	1.13	1.03	(9%)	No significant change in the current ratio.
Debt Equity Ratio	0.78	0.68	-13%	Reduction in debt to equity ratio due to a significant increase in net worth of the Company.
Operating Profit (PBIT) Margin (%)	26.0%	14.4%	(45%)	Significant decrease in operating profitability, primarily on account of lower gross profit margins.
Net Profit Margin (%)	4.9%	0.8%	(84%)	Significant decrease in net profitability, primarily on account of lower gross profit margins.
Return on Net Worth (RoNW)	7.2%	1.1%	(85%)	Significant decrease in return on net worth, primarily on account of PAT for the year under review.

Outlook

On the operational front, the Company is better positioned than ever to deliver a higher growth benchmark for itself. After completing the recent CAPEX cycle, which first began in 2018, the Company has created a cumulative capacity of ₹250 crores in Revenues from erstwhile ₹75 crores in 2017. The Company will rely on the increased deployment of Industry 4.0 and affordable automation solution offerings in order to enhance revenues and capacity utilization. In addition to having a much higher ticket size, these high-end automated product cells also have significantly higher profitability. The disruptions caused by COVID-19 have highlighted a number of structural problems in the way Indian machine shops are currently operating. It has drawn attention to challenges such as a scarcity of skilled operators, an over-reliance on human resources, the need for increased productivity, and a dire need to reduce cost per component to optimize profitability in challenging times. Marshall Machines has a complete gamut of product offerings that address these needs, and we will be at the forefront of addressing these problems with our meticulously developed product portfolio. In addition, the Company is looking into potential global collaborations that might help accelerate our export business, customer penetration in India, and overall growth momentum in the future.

Order Book and Order Bid

The Order Book and Order Bid stands at the highest ever levels for the Company, indicative of a good recovery in demand and a positive outlook for the current year.

Order Book (₹ in crores)			Order Bid (₹ in crores)		
As of 31 st March 2020	As of 31 st March 2021	Y-o-Y %	As of 31 st March 2020	As of 31 st March 2021	Y-o-Y %
43	51	19%	67	135	101%

Human Resources

A company's success relies on the strength of its people, and Marshall Machines is no different. Being in an industry driven by intellectual capital, our people are the greatest and most important asset we have. Therefore, the success of Marshall Machines is dependent upon engaged and motivated individuals. The Company firmly believes that its human resources are the critical enablers for the

Company's growth and are one of its most important assets. Considering this, the Company continues to develop its human capital and establish its brand in the market to attract and retain the best talent. During the period under review, employee relations continued to be healthy, cordial, and harmonious at all levels, and your Company is committed to maintaining good relations with the employees.

Internal Control Systems and their adequacy

The Company has a robust system of internal controls to safeguard and preserve its assets from loss, illegal use, or disposal. All transactions are approved, documented, and reported to Management in a timely manner. The Company complies with all relevant accounting standards for the appropriate maintenance of books of accounts and the presentation of financial statements. The Audit Committee establishes the scope, operation, frequency, and technique for internal auditing. Internal auditors conduct audits, which include monitoring and evaluating the effectiveness and adequacy of the Company's internal control systems and compliance with operating systems, accounting procedures, and policies across all locations. They also submit periodical internal audit reports to the Audit Committee. Process owners take required measures in their respective areas based on the Audit committee's internal audit report and evaluation. Internal auditors have said that the Company's internal control system is strong and effective. Additionally, the Board has established a legal compliance framework to guarantee compliance with all relevant laws and that such procedures are sufficient and effective.

Forward looking statement

Certain statements in this report concerning our future growth prospects are forward looking statements, which involve a number of risks, and uncertainties that could cause actual results to differ materially from those in such forward-looking statements. The Company's results may be affected by factors including, but not limited to, the risks and uncertainties in research and development; competitive developments; regulatory actions; the extent and duration of the effects of the COVID-19 pandemic; litigation and investigations; business development transactions; economic conditions; and changes in laws and regulations. Marshall Machines Limited will not be responsible for any action taken based on such statements and undertakes no obligation to publicly update these forward-looking statements to reflect subsequent events or circumstances.

Corporate Information

BOARD OF DIRECTORS

Mr. Gaurav Sarup

- Managing Director

Mr. Prashant Sarup

- Whole Time Director

Mr. Siddhant Sarup

- Whole Time Director

Mrs. Archana Sarup

- Whole Time Director

Ms. Komal Bhalla

- Independent Director

Mrs. Kajal Rai

- Independent Director

Mr. Satvinder Singh

- Independent Director

CHIEF FINANCIAL OFFICER

Mr. Prashant Sarup

COMPANY SECRETARY

Ms. Gauri Agarwal

STATUTORY AUDITORS

M/s. S. Sood & Co.

Chartered Accountants
Office No. 2, 7th Floor,
108-Surya Tower, The Mall,
Ludhiana (Pb.)-141001

SECRETARIAL AUDITORS

M/s. Bhambri & Associates , Company Secretaries

SCO No. 9, 2nd Floor, Jandu Tower, Miller Ganj,
Ludhiana(Pb.)-141003

REGISTRAR & SHARE TRANSFER AGENT

BIGSHARE SERVICES PVT. LTD.

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road,
Marol, Andheri East, Mumbai- 400059
Email id: investor@bigshareonline.com

REGISTERED OFFICE

C-86, Phase -V,
Focal Point, Ludhiana (Pb.)-141010
Email id: csmarshall@marshallcnc.com

BANKERS

HDFC Bank Limited

Plot B/XIX/65/SE,
The Mall, LGF 1, 1st Mall,
Ludhiana (Pb.)-141001

Kotak Mahindra Bank

SCO - 120, Ground Floor,
Feroze Gandhi Market,
Ferozepur Road,
Ludhiana (Pb.)-141001

GENERAL INFORMATION

Company's Corporate Identification Number
(CIN): L29299PB1994PLC014605
Company's Shares Listed at NSE EMERGE SME.
ISIN INE00SZ01018

27th ANNUAL GENERAL MEETING

28th September, 2021 at 11:00 a.m.

VENUE:

C-86, Phase -V, Focal Point, Ludhiana, Punjab-141010

Notice

NOTICE is hereby given that the 27th Annual General Meeting of the Members of MARSHALL MACHINES LIMITED will be held on Tuesday, 28th day of September, 2021 at Registered Office of the Company at C - 86, Phase V, Focal Point, Ludhiana, Punjab-141010 at 11:00 a.m., to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended 31st March, 2021 along with the Reports of Directors and Auditors thereon.
2. To Re-appoint Mr. Siddhant Sarup (DIN: 07779416), who retires by rotation as a director and being eligible, offers himself for re-appointment.
3. To re-appoint M/s. S. Sood & Co., Chartered Accountants, Firm Registration No. 010801N as Statutory Auditor of the Company for another term for 1 year. (Ordinary Resolution).

"RESOLVED THAT in pursuance of the provisions of Section 139 and other applicable provisions of the Companies Act, 2013, M/s. S. Sood & Co., Chartered Accountants, Firm Registration No. 010801N be and are hereby appointed as Statutory Auditor of the Company for the term commencing from 27th Annual General Meeting to be held in the year 2021 till the conclusion of 28th Annual General Meeting to be held in the year 2022, at a remuneration to be decided by the Managing Director of the company."

SPECIAL BUSINESS:

4. To regularise the appointment of Mrs. Kajal Rai (DIN: 07366983), as Non-Executive & Independent Director. (Ordinary Resolution)

"RESOLVED THAT pursuant to the applicable provisions of Section 149, 150, 152 read with Schedule IV to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, **Mrs. Kajal Rai (DIN: 07366983)**, who was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. 30th March, 2021 in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under section 160 of the Act proposing her candidature for the office of the Director and declaration that she meets the criteria for independence as provided in Section 149(6) of the Act

and who is eligible for appointment, be and hereby appointed as an Non-Executive Independent Director of the Company to hold the office for five (5) consecutive years w.e.f. 30.03.2021.

RESOLVED FURTHER THAT Mr. Gaurav Sarup, Managing Director and Mr. Siddhant Sarup, Wholetime Director of the Company be and are hereby severally authorized on behalf of the Company, to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies."

5. To regularise the appointment of Ms. Komal Bhalla (DIN: 09106916), as Non-Executive & Independent Director. (Ordinary Resolution)

"RESOLVED THAT pursuant to the applicable provisions of Section 149, 150, 152 read with Schedule IV to the Companies Act, 2013 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) and Regulation 17 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, **Ms. Komal Bhalla (DIN: 09106916)**, who was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. 30th March, 2021 in terms of Section 161(1) of the Companies Act, 2013 and who holds office up to the date of this Annual General Meeting, and in respect of whom the Company has received a notice in writing under section 160 of the Act proposing her candidature for the office of the Director and declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and hereby appointed as an Non-Executive Independent Director of the Company to hold the office for five (5) consecutive years w.e.f. 30.03.2021.

RESOLVED FURTHER THAT Mr. Gaurav Sarup, Managing Director and Mr. Siddhant Sarup, Wholetime Director of the Company be and are hereby severally authorized on behalf of the Company, to do all such acts, deeds, matters and things as may be deemed necessary, proper or desirable and to sign and execute all necessary documents, applications and returns for the purpose of giving effect to the aforesaid resolution along with filing of necessary E-form with the Registrar of Companies."

6. To reappoint Mr. Prashant Sarup (DIN: 01257440) as Wholetime Director of the Company. (Special Resolution)

"RESOLVED THAT pursuant to the provisions of Section 196, 197, 203 read with schedule V and any other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), as recommended and approved by Audit Committee and Nomination and Remuneration Committee, Mr. Prashant Sarup (DIN: 01257440), whose term of office is expiring, be and is hereby appointed as Wholetime Director of the Company for a period of three years w.e.f. 28.02.2022 upon terms and conditions set out in the Explanatory Statement annexed to the Notice convening this meeting (including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during the tenure of his appointment).

RESOLVED FURTHER THAT notwithstanding anything to the contrary herein contained, where in any financial

year, the Company incurs a loss or its profits are inadequate, the Company shall pay Sh. Prashant Sarup, Wholetime Director, the remuneration approved in this meeting as minimum remuneration.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to vary/alter, at any time, the remuneration, terms and conditions of the said appointment in such manner as may be approved by the Board of Directors of the Company and acceptable to the Sh. Prashant Sarup, Wholetime Director of the Company as permissible under the Companies Act, 2013.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are hereby authorized to take such steps and to do all such acts, deeds, matters and things as may be necessary or desirable to give effect to this resolution and also to make necessary filings of any statutory forms or other documents and to do all such acts and things as may be necessary in this regard."

By order of the Board of Directors,
Marshall Machines Limited

Sd/-
Gaurav Sarup
(Managing Director)
(DIN: 00777489)

Date: 26.08.2021
Place: Ludhiana

Notes:

- i) A member entitled to attend and vote at the Annual General Meeting (the "meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the company. The instrument appointing the proxy should, however, be deposited at the registered office of the company not less than forty-eight hours before the commencement of the meeting.
- ii) A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.
- iii) Corporate members intending to send their authorized representatives to attend the Meeting are requested to send to the Company a certified true copy of the Board Resolution authorizing their representative to attend and vote on their behalf at the Meeting.
- iv) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company / Bigshare Services Private Limited.
- v) **The Register of Members and the Share Transfer Book of the company will remain closed from 22nd September, 2020 to 28th September, 2020 (both days inclusive).**
- vi) The Notice of the AGM, Annual Report and Attendance Slip are being sent in electronic mode to Members whose email address are registered with the Company or with the Depository Participant(s), unless members have requested for the hard copy of the same, physical copy of the Notice of AGM, Annual Report and Attendance Slip are being sent to the Members who have not registered their email address with the Company Depository Participant(s). Members who have received the Notice of AGM, Annual Report and Attendance Slip in electronic mode are requested to print the Attendance Slip and submit a duly filled in Attendance Slip at the Gate of Venue of the AGM. Members may note that the Notice and Annual Report 2020-21 will also be available on the Company's website: <https://marshallcnc.com/>, website of the Stock Exchange, i.e., NSE Limited at <https://www.nseindia.com/>.
- vii) COVID-19 AND PRECAUTIONS WHILE HOLDING AGM**
All the members who wishes to attend the AGM are requested to wear mask throughout the continuance of the meeting. Temperature of all the attendees shall be checked at the entrance of the venue of the meeting and anyone found having fever / symptoms shall not be allowed to attend. Any shareholder having symptom of infection of COVID-19 are requested not to attend the meeting.
- viii) Any queries regarding the Annual Accounts or otherwise must be sent to Registered Office of the Company at least 10 days before the date of meeting.
- ix) M/s Bhambri & Associates, Company Secretary in practice has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner (including the ballot forms received from members who do not have access to the e voting process). The scrutinizer shall upon the conclusion of General Meeting, unblock the votes in presence of at least two witnesses not in employment of the Company and make a report of the votes cast in favour or against, if any, forthwith to the chairman of the Company.
- x) The Results of the resolutions passed at the AGM of the Company will be declared within 48 working hours of the conclusion of AGM. The Results declared along with the Scrutinizer's report shall be placed on Company's website of CDSL and will be communicated to the stock exchanges.
- xi) **Voting through Electronic Means:** Pursuant to the Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management And Administration) Rules, 2014, as amended from time to time and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide the facility to the Members a facility to exercise their right to vote at the 27th Annual General Meeting (AGM) by electronic means.
- xii) The instructions for shareholders voting electronically are as under:**
- (i) The voting period begins on **25.09.2021 at 09.00 am** and ends on **27.09.2021 at 05.00 pm**. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of **22.09.2021** may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.

(ii) Shareholders who have already voted prior to the meeting date through e-voting would not be entitled to vote at the meeting value.

(iii) Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

(iv) In terms of **SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to 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 in order to access e-Voting facility.

Pursuant to abovesaid SEBI Circular, Login method for e-Voting and joining virtual meetings **for Individual shareholders holding securities in Demat mode CDSL/NSDL** is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1) Users who have opted for CDSL Easi / Easiest facility, can login through their existing 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 visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2) After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of the e-Voting service provider for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. CDSL/NSDL/KARVY/LINKINTIME, so that the user can visit the e-Voting service providers' website directly. 3) If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4) Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a e-Voting link available on www.cdslindia.com home page or click on https://evoting.cdslindia.com/Evoting/EvotingLogin 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 able to see the e-Voting option where the evoting is in progress and also able to directly access the system of all e-Voting Service Providers.

Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> 1) 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 and you will be re-directed to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2) 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 3) 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 and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
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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. After Successful 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 and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
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Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
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 and 22-23058542-43.
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

(v) Login method for e-Voting and joining virtual meetings for **Physical shareholders and shareholders other than individual holding in Demat form.**

- 1) The shareholders should log on to the e-voting website www.evotingindia.com.
- 2) Click on "Shareholders" module.

- 3) Now enter your User ID
 - a. For CDSL: 16 digits beneficiary ID,
 - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
 - c. Shareholders holding shares in Physical Form should enter Folio Number registered with the Company.
- 4) Next enter the Image Verification as displayed and Click on Login.
- 5) If you are holding shares in demat form and had logged on to www.evotingindia.com and voted on an earlier e-voting of any company, then your existing password is to be used.
- 6) If you are a first-time user follow the steps given below:

For Physical shareholders and other than individual shareholders holding shares in Demat.	
PAN	Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders) <ul style="list-style-type: none"> • Shareholders who have not updated their PAN with the Company/Depository Participant are requested to use the sequence number sent by Company/RTA or contact Company/RTA.
Dividend Bank Details OR Date of Birth (DOB)	Enter the Dividend Bank Details or Date of Birth (in dd/mm/yyyy format) as recorded in your demat account or in the company records in order to login. <ul style="list-style-type: none"> • If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (vi) After entering these details appropriately, click on "SUBMIT" tab.
- (vii) Shareholders holding shares in physical form will then directly reach the Company selection screen. However, shareholders holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (viii) For shareholders holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (ix) Click on the <EVSN No.: 210826049> for the relevant <MARSHALL MACHINES LIMITED> on which you choose to vote.
- (x) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xi) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xii) After selecting the resolution, you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xiii) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xiv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.
- (xv) If a demat account holder has forgotten the login password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xvi) **Additional Facility for Non - Individual Shareholders and Custodians -For Remote Voting only.**
 - Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodians are required to log on to www.evotingindia.com and register themselves in the "Corporates" module.
 - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to helpdesk.evoting@cdslindia.com.

- After receiving the login details a Compliance User should be created using the admin login and password. The Compliance User would be able to link the account(s) for which they wish to vote on.
 - The list of accounts linked in the login should be mailed to helpdesk.evoting@cdslindia.com and on approval of the accounts they would be able to cast their vote.
 - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
 - Alternatively Non Individual shareholders are required to send the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory who are authorized to vote, to the Scrutinizer and to the Company at the email address viz; csmarshall@marshallcnc.com (designated email address by company), if they have voted from individual tab & not uploaded same in the CDSL e-voting system for the scrutinizer to verify the same.
- (xvii) **Process for those Shareholders whose Email / Mobile No. are not Registered with the Company No. are Not / Depositories:**

1. For Physical shareholders - please provide necessary details like Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to **Company / RTA email id** (mukesh@bigshareonline.com) and (bssdelhi@bigshareonline.com).

2. For Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP).

3. For Individual Demat shareholders - Please update your email id & mobile no. with your respective Depository Participant (DP) which is mandatory while e-Voting & joining virtual meetings through Depository.

If you have any queries or issues regarding attending AGM & e-Voting from the CDSL e-Voting System, you can write an email to helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 022-23058542/43.

All grievances connected with the facility for voting by electronic means may be addressed to Mr. Rakesh Dalvi, Sr. Manager, (CDSL,) Central Depository Services (India) Limited, A Wing, 25th Floor, Marathon Futurex, Mafatlal Mill Compounds, N M Joshi Marg, Lower Parel (East), Mumbai - 400013 or send an email to helpdesk.evoting@cdslindia.com or call on 022-23058542/43.

Explanatory Statement Under Section 102 of the Companies Act, 2013.

ITEM NO. 3

M/s. S. Sood & Co., Chartered Accountants, Firm Registration No. 010801N were appointed as Statutory Auditor of the Company and their term is expiring at this Annual General Meeting. The Board recommends the re-appointment of the firm M/s. S. Sood & Co., Chartered Accountants, Firm Registration No. 010801N to be re-appointed for a period of One Year, commencing from 27th Annual General Meeting to be held in the year 2021 till the conclusion of 28th Annual General Meeting to be held in the year 2022, at a remuneration to be decided by the Managing Director of the company.

None of the Directors and Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the resolution. The Board recommends the said resolution to be passed as a special resolution.

ITEM NO. 4

Mrs. Kajal Rai (DIN: 07366983) was appointed as an Additional Independent Director (Non-Executive) w.e.f. 30th March, 2021, in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office up to the date of ensuing Annual General Meeting of the Company.

The Board is of the view that the appointment of Mrs. Kajal Rai as Independent Director is desirable and would be beneficial to the Company and hence it recommends the said resolution for approval by the members of the Company.

None of the Directors/Key Managerial Personnel of the Company / their relatives, except Ms. Kajal Rai herself, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as an ordinary resolution.

ITEM NO. 5

Ms. Komal Bhalla (DIN: 09106916) was appointed as an Additional Independent Director (Non-Executive) w.e.f. 30th March, 2021, in accordance with the provisions of Section 161 of the Companies Act, 2013. Pursuant to Section 161 of the Companies Act, 2013, the above director holds office up to the date of ensuing Annual General Meeting of the Company.

The Board is of the view that the appointment of Ms. Komal Bhalla as Independent Director is desirable and would be beneficial to the Company and hence it recommends the said resolution for approval by the members of the Company.

None of the Directors/Key Managerial Personnel of the Company/their relatives, except Ms. Komal Bhalla herself, is in any way concerned or interested, in the said resolution. The Board recommends the said resolution to be passed as an ordinary resolution.

ITEM NO. 6

Mr. Prashant Sarup (DIN: 01257440) has been serving in two capacities one as Wholetime Director and one as CFO of the Company. His term of office as wholetime director is expiring and his reappointment for three years has been recommended by the Board to be effective from 28.02.2022 if approved by the shareholders at the following terms and conditions:

a) A monthly salary: ₹ 2,25,000.

In terms of the provisions of Schedule V of the Companies act, 2013, the approval of the above said remuneration shall be valid for three years w.e.f. 28.02.2022.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Gaurav Sarup, Mr. Prashant Sarup (himself), Mrs. Archana Sarup and Mr. Siddhant Sarup is concerned or interested, financially or otherwise, in the resolution. The Board recommends the said resolution to be passed as a special resolution.

By order of the Board of Directors,
Marshall Machines Limited

Sd/-
Gaurav Sarup
(Managing Director)
(DIN: 00777489)

Date: 26.08.2021
Place: Ludhiana

Board's Report

To
The Members,
Marshall Machines Limited,

Your Directors have great pleasure of presenting the 27th Annual Report on the affairs of the Company for the financial year ended 31st March, 2021.

FINANCIAL SUMMARY OF THE COMPANY

The summary of Company's Financial Results for the financial year ended 31st March, 2021 is as under:

(₹ in lakhs)

Particulars	Current Financial Year Ended	Previous Financial Year Ended
	31.03.2021	31.03.2020
Revenue from Operations	6713.96	5974.34
Other Income	11.19	80.30
Total Revenue	6725.15	6054.64
Total Expenses	6642.19	5642.49
Profit before before tax	82.96	412.15
Tax expenses	28.52	114.66
Profit for the period	54.44	297.49

RESERVES

No amount is being transferred to reserve & surplus during the period under review.

DIVIDEND

Keeping in view the present economic situations, the board recommends retaining the earnings in the Company, hence, the Board has not recommended any dividend on the equity share capital of the Company.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

Since there was no dividend declared and paid last year, the provisions of Section 125 of the Companies Act, 2013 does not apply.

OPERATIONAL REVIEW AND STATE OF AFFAIR

Your Company is engaged in a single segment i.e. developing, manufacturing and marketing of Machines Tool Equipment including wide range of single spindle, patented double and four spindle CNC machines, automated robotic solutions and patent pending IOTQ suit of intelligent equipment. Therefore, disclosure requirements as required under Accounting Standard (AS)-17 issued by Institute of Chartered Accountant of India, New Delhi, are not applicable.

During the period under review, your Company has reported total Income of ₹ 6725.15 lakhs for the financial year ended 31st March, 2021 as compared to ₹ 6054.64 lakhs in the previous year and the net profit for the year under review

amounted to ₹ 54.44 lakhs in the current year as compared to ₹ 297.49 lakhs of previous year.

CHANGE IN THE NATURE OF BUSINESS, IF ANY:

There were no changes in the nature of the business of your Company during the year under review.

MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY

There were No Material changes and commitment affecting the financial position of the Company in the financial year to which these financial statements relate.

CHANGES IN SHARE CAPITAL

There is no change in the Share capital of the company during the Financial Year 2020-21.

DISCLOSURE RELATING TO EQUITY SHARES WITH DIFFERENTIAL RIGHTS

Your Company has not issued any equity shares with differential rights during the year under review and hence no information as per provisions of Rule 4(4) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

DISCLOSURE RELATING TO SWEAT EQUITY SHARES

Your Company has not issued any sweat equity shares during the year under the review and hence no information as per provisions of Rule 8(13) of the Companies (Share Capital and Debenture) Rules, 2014 is furnished.

DISCLOSURE RELATING TO EMPLOYEE STOCK OPTION SCHEME AND EMPLOYEE STOCK PURCHASE SCHEME

Your Company has not issued any Employee Stock Option Scheme and Employee Stock Purchase Scheme. Hence no information as per the provisions of Rule 12(9) of the Companies (Share Capital and Debenture) Rules, 2014 has been furnished.

DIRECTORS AND KEY MANAGERIAL PERSONNEL

The Company's Board comprised Seven Directors as on 31st March, 2021, viz, Mr. Gaurav Sarup-Managing Director, Mr. Prashant Sarup-Whole Time Director cum CFO, Mr. Siddhant Sarup-Whole Time Director, Mrs. Archana Sarup-Whole Time Director, Mrs. Kajal Rai – Non-executive Independent Director, Ms. Komal Bhalla – Non-executive Independent Director and Mr. Satvinder Singh - Independent Directors.

The Board, therefore, presently comprises Seven Directors.

APPOINTMENT / RE-APPOINTMENT / RETIREMENT OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

In order to ensure compliance with Section 152(6) of the Act, the Board has considered Mr. Siddhant Sarup, Wholetime Director who shall retire by rotation at the ensuing AGM and being eligible, offers himself for re-appointment, for ensuring compliance with Section 152(6) of Act.

Mr. Prashant Sarup , Wholetime Director shall be re-appointed in the ensuing AGM for a further period of Five years.

Mrs. Kajal Rai shall be regularised as a director (Non-executive Independent Director) form Additional Director in the ensuing AGM.

Mr. Komal Bhalla shall be regularised as a director (Non-executive Independent Director) form Additional Director in the ensuing AGM.

DECLARATION BY INDEPENDENT DIRECTORS

The Independent Directors of the Company have submitted the declaration of independence, as required pursuant to the provisions of Section 149(7) of the Companies Act, 2013, stating that they meet the criteria of Independence as provided under Section 149(6). They have also confirmed that they meet the requirements of Independent Director as mentioned under Regulation 16(1) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

KEY MANAGERIAL PERSONNEL

Mr. Gaurav Sarup-Managing Director, Mr. Prashant Sarup-Whole Time Director cum CFO, Mr. Siddhant Sarup-Whole Time Director, Mrs. Archana Sarup-Whole Time Director and Ms. Gauri Agarwal-Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and rules made thereunder.

BOARD MEETINGS

The Directors of your Company met at regular intervals with the gap between two meetings not exceeding 120 days to review Company's policies and strategies apart from the Board matters. The notices of the meeting were given in advance. Additional meetings were held on the basis of the requirements of the Company. During the year under review, the Board of Directors met Fifteen (15) times on 27.05.2020, 30.06.2020, 11.07.2020, 23.07.2020, 28.07.2020, 17.08.2020, 27.08.2020, 29.08.2020, 02.09.2020, 20.10.2020, 30.11.2020, 09.12.2020, 23.02.2021, 27.03.2021, 30.03.2021.

MEETING OF MEMBERS

During the year under review, an Annual General Meeting of the Company was held on 28th December, 2020 respectively.

COMMITTEES OF BOARD

In accordance with provisions of Companies Act, 2013 read with rules and regulations made thereunder and further read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company has constituted following Committees:

- » Audit Committee
- » Nomination and Remuneration Committee
- » Stakeholder Relationship Committee
- » Corporate Social Responsibility Committee
- » Finance Committee (w. e. f. Aug 2020)

AUDIT COMMITTEE

The company had constituted Audit Committee of the Company in compliance with provisions of Section 177 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 18 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by consisting following Members/Chairman:

Sr. No.	Name of Directors	Designation
1	Mr. Satvinder Singh	Chairman
2	Mr. Amanpal Singh*	Member
3	Mr. Gaurav Sarup	Member
4	Mrs. Kajal Rai#	Member

* Resigned from the Company w.e.f. 27.03.2021

W.e.f. 30.03.2021

All the Members of Audit Committee are financially literate and have accounting knowledge to interpret and understand the financial statements. During the year under review, the Audit Committee Members, met Four (4) times on 23.07.2020, 20.10.2020, 09.12.2020, 23.02.2021.

NOMINATION AND REMUNERATION COMMITTEE

The company had constituted Nomination and Remuneration Committee of the Company in compliance with provisions of

Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 19 of SEBI (LODR) Regulations, 2015 by consisting following Members/Chairman:

Sr. No.	Name of Directors	Designation
1	Mr. Satvinder Singh	Chairman
2	Mr. Amanpal Singh*	Member
3	Mr. H. P. Kumar&	Member
4.	Mrs. Kajal Rai#	Member
5	Ms. Komal Bhalla®	Member

* Resigned from the Company w.e.f. 27.03.2021

& Resigned from the company w.e.f. 26.02.2021

W.e.f. 30.03.2021

® W.e.f. 30.03.2021

The Nomination and Remuneration Committee Members met Three (3) times on 23.02.2021, 26.03.2021, 30.03.2021. The Nomination and Remuneration Committee has framed a policy on Remuneration of Directors, Key Managerial Personnel & Senior Employees called as "Nomination and Remuneration Policy" which is available on the website of the company and can be accessed at

<https://marshallcnc.com/wp-content/uploads/2020/11/Nomination-and-Remuneration-Policy.pdf>

STAKEHOLDER RELATIONSHIP COMMITTEE

The company had constituted Stakeholder Relationship Committee (SRC) of the Company in compliance with provisions of Section 178 of the Companies Act, 2013 read with Rule 6 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Regulation 20 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 by consisting following Members/Chairman:

Sr. No.	Name of Directors	Designation
1	Mr. Satvinder Singh	Chairman
2	Mr. Prashant Sarup	Member
3	Mrs. Archana Sarup	Member

The complaints received during the year, if any, were duly resolved. The Company Secretary is the Compliance Officer of the Committee. The Committee meets as and when required, to deal with the investor related matters.

The Stakeholder Relationship Committee Members met two (2) times on 23.07.2020, 09.12.2020.

CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

The Company has attracted criteria for Corporate Social Responsibility (CSR) as its net profit was over 5 crores pursuant to the provisions of Section 135 of the Companies Act, 2013 including Rules framed thereunder.

As per requirement of Section 135 of the Companies Act, 2013 read with Schedule VII of the said Act and further read with Companies (Corporate Social Responsibility) Rules, 2014, the Company had constituted "Corporate Social Responsibility (CSR) Committee" consisting following Members/Chairman:

Sr. No.	Name of Directors	Designation
1	Mr. Gaurav Sarup	Chairman
2	Mr. Siddhant Sarup	Member
3	Mr. Satvinder Singh	Member

During the year under review, CSR Committee Members met once on 20.10.2020 and had identified and recommended to the Board certain projects/activities on which CSR expenditure for the financial year 2020-21 can be made. The Board of Director approved the same in Board Meeting held on 20.10.2020. The Report on CSR Activities is annexed herewith and forms part of this report. The CSR policy is available on company's website and can be accessed at link <https://marshallcnc.com/wp-content/uploads/2020/11/CSR-Policy.pdf>

APPOINTMENT AND REMUNERATION POLICY

The Board on the recommendation of the Nomination and Remuneration Committee has framed a policy for Appointment and Remuneration of Directors, Senior Management and other employees as provided under Section 178(3) of the Companies Act, 2013. The Company's Policy of Appointment and Remuneration includes criteria for determining Qualification, Positive Attributes, Independence of Directors and other matters, as required under Section 178(3) of the Companies Act, 2013. The policy also laid down the criteria for determining the remuneration of directors, key managerial personnel and other employees. The Appointment and Remuneration Policy of the Company is available on the Company's website and can be accessed at link: <https://marshallcnc.com/wp-content/uploads/2020/11/Nomination-and-Remuneration-Policy.pdf>

BOARD EVALUATION

The provisions of the Companies Act, 2013 and Regulation 17 of SEBI (Listing Obligations and Disclosure Requirement) Regulations, 2015, mandate that a formal annual performance evaluation is to be made by the Board of its own performance and that of its Committee and individual Directors and Schedule IV of the Companies Act, 2013 states that performance evaluation of the Independent Director shall be done by Directors excluding the Directors being evaluated.

The Board carried out a formal annual performance evaluation as per criteria/framework laid down by the Nomination and Remuneration Committee and adopted by the Board. The evaluation was carried out through a structured evaluation process to evaluate the performance of individual Directors including the Chairman of the Board.

They were evaluated on parameters such as their education, knowledge, experience, expertise, skills, behaviour, leadership qualities, level of engagement and contribution, independence of judgement, decision making ability for safeguarding the interest of the Company, stakeholders and its shareholders. The performance evaluation of the Independent Directors was carried out by the entire Board. The performance evaluation of the Chairman and the Non-Independent Directors were carried out by the Independent Directors in their meeting held on 23.02.2021. The Board was satisfied with evaluation process and approved the evaluation results thereof.

REMUNERATION TO DIRECTORS/EMPLOYEES AND RELATED ANALYSIS

During the year under review, no employee of the Company received salary in excess of the limits as prescribed under the Act. Accordingly, no particulars of employees are being given pursuant to Section 134 of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. The details pertaining to the ratio of the remuneration of each director to the median employee's remuneration and other prescribed details as required under section 197(12) of the Companies Act, 2013 read with rule 5(1) of the Companies (Appointment And Remuneration of Managerial Personnel) Rules, 2014 are annexed herewith as Annexure - A and forms part of this report.

DIRECTORS' RESPONSIBILITY STATEMENT

To the best of knowledge and belief and according to the information and explanations obtained by them, your Directors make the following statement pursuant to provision of Section 134(3)(c) of the Companies Act, 2013, that:

- (a) in the preparation of the accounts for the financial year ended 31st March, 2021, the applicable accounting standards have been followed along with proper explanation relation 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 a give true and fair view of the state of affairs of the Company at the end of the said financial year and of the profit and loss of the company for the said financial year;
- (c) the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (d) the Directors had prepared the accounts for the year ended 31st March, 2021 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.
- (f) 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

The Company has a proper and adequate system of internal control, to ensure that all assets are safeguarded, properly utilized and protected against loss from un-authorized use or disposition and those transactions are authorized and recorded by the concerned departments properly and reported to the Audit Committee/Board correctly.

The Company has also in place adequate internal financial controls with reference to financial statement. Such controls are tested from time to time and no re-portable material weakness in the design or operation has been observed so far.

DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES

During the year under review, your company did not have any subsidiary, associate and joint venture company.

DEPOSITS

During the year under review, your company neither accepted any deposits nor there any outstanding at the beginning of the year which were classified as deposit in term of Section 73 to 76 of the Companies Act, 2013 read with the Companies (Acceptance of Deposit) Rules, 2014 and hence requirements of furnishing details of deposits which are not in compliance with Chapter V of the Companies Act, 2013, is not applicable.

PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS UNDER SECTION 186 OF THE COMPANIES ACT, 2013

During the year under the review, the Company has not given any loan, guarantee, provided security to any person or other body corporate or acquired by the way of subscription, purchase or otherwise, the securities of anybody corporate, exceeding the limit prescribed under section 186 of the Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGMENTS WITH RELATED PARTIES

All related party transactions entered into during financial year 2020-21 were on an arm's length basis and in the ordinary course of business. Accordingly, the disclosure of related party transactions, as required under Section 134(3)(h) of the Act in Form AOC-2 is not applicable to the Company.

The details of the transactions with related parties are provided in the accompanying financial statements.

CORPORATE SOCIAL RESPONSIBILITY (CSR)

The Corporate Social Responsibility Committee (CSR Committee) had formulated and recommended to the Board, a Corporate Social Responsibility Policy (CSR Policy) indicating the activities to be undertaken by the Company, and the same was duly approved by the Board. The CSR Policy can be accessed on the website of the Company at link <https://marshallcnc.com/wp-content/uploads/2020/11/CSR-Policy.pdf>

During the year under review, the Company had spent an amount of ₹ 13,06,132 (Rupees Thirteen Lakh Six Thousand One Hundred and Thirty Two Rupees) which constitutes to more than 2% of the average net profit made during the three immediate preceding financial years on CSR activities identified by CSR Committee. The disclosure in respect of the existing CSR Activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014, is annexed as Annexure - B herewith and forms part of this Report.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND 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 annexed as Annexure - C herewith and forms part of this Report.

RISK MANAGEMENT

The Company has adopted Risk Management Policy which has been approved by the Board of Directors of the Company. The aim of the Risk Management Policy is to maximize opportunities in all activities and to minimize adversity. The policy includes identifying types of risks and its assessment, risk handling and monitoring and reporting, which in the opinion of the Board may threaten the existence of the Company. The Risk Management policy can be accessed on the Company's website at the link: <https://marshallcnc.com/wp-content/uploads/2020/11/RISK-MANAGEMENT-POLICY.pdf>

ESTABLISHMENT OF VIGIL MECHANISM / WHISTLE BLOWER POLICY

Your Company promotes ethical behaviour in all the business activities and has put in place a mechanism wherein employees are free to report illegal or unethical behaviour, actual or suspected fraud or violation of Company's Code of Conduct or Corporate Governance Policies or any improper activity to the Chairman of the Audit Committee of the Company. The whistle blower policy is duly communicated with your Company. The functioning of the Vigil Mechanism is reviewed by the Audit Committee from time to time. The Vigil Mechanism/Whistle Blower Policy can be accessed on the Company's website at the link: <https://marshallcnc.com/wp-content/uploads/2020/11/WHISTLE-BLOWER-POLICY.pdf>

AUDITORS

STATUTORY AUDITORS

M/s. S. Sood & Co., Chartered Accountants, Firm Registration No. 010801N, were appointed as Statutory Auditor of the Company by the Members of the Company, for the term of five consecutive years starting from the conclusion of the 22nd Annual General Meeting up to conclusion of the 27th Annual General Meeting of the Company to be held in the financial year 2021-22.

As per the provision of Section 139(1) of the Companies Act, 2013, M/s. S. Sood & Co., Chartered Accountants, Firm Registration No. 010801N to be re-appointed for a period of One Year, commencing from 27th Annual General Meeting to be held in the year 2021 till the conclusion of 28th Annual General Meeting to be held in the year 2022, at a remuneration to be decided by the Managing Director of the company.

AUDIT REPORT

The Statutory Auditors have submitted Audit Report on the Financial Statements of the Company for the financial year ended 31st March, 2021. The observations and comments given by the Auditors in their Report read together with the Notes to the Accounts are self-explanatory except the following:

1. The Company has not disclosed the impact of pending litigations on its financial position in its standalone financial.

Explanation / Comment from Board: The Directors are of the opinion that there will not be any financial liability in the said cases in view of the nature of these litigations.

2. Creditors include MSME creditors amounting to ₹ 1.40 Crores which have been identified by the company as due but not paid within stipulated time period under Micro Small and Medium Enterprises Development Act, 2006 (MSMED).

Explanation / Comment from Board: there was some dispute in concerned transactions & out of above amount of 9.82 Lakh has been settled till date.

3. Income Tax payable on self-assessment (u/s 140A of Income Tax Act, 1961) of ₹ 78.89 Lacs for A.Y 2020-21 and Interest thereon is outstanding for more than six months.

Explanation / Comment from Board: Delay in payment was due to circumstances imposed as a result of the 2nd COVID wave.

4. The Company has defaulted in the repayment of loans or borrowings to some banks, financial institutions 31.03.2021.

Explanation / Comment from Board: Moratorium given by Bank/NBFC's & Delay in payment was due to circumstances imposed as a result of the 2nd COVID wave.

SECRETARIAL AUDITOR

The Board of Directors, pursuant to provisions of Section 204 of the Companies Act, 2013 read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, had appointed M/s Bhambri & Associates, Company Secretaries in practice, having Certificate of Practice No. 22626 as Secretarial Auditor of Company for the financial year 2021-22 and onwards.

SECRETARIAL AUDIT REPORT

The Secretarial Audit Report for the financial year ended 31st March, 2021 is annexed as Annexure - D herewith in the prescribed format i.e. MR-3 and forms part of this Report.

Also with the Annexure – D another certificate regarding "Certificate of Non-Disqualification of Directors" as per schedule V of the SEBI LODR Regulations is annexed.

The following were the observations of Secretarial Auditor which are commented and explained by the Board as under:

1. The Company had a delay in appointment of Company Secretary cum Compliance officer for the period from 01.06.2020 till 17.08.2020.

Explanation / Comment from Board: The period involved was under COVID 19 Lockdown and particularly in Punjab, a curfew was imposed which made a delay in the appointment

2. Creditors include MSME creditors amounting to ₹ 1.40 Crores which have been identified by the company as due but not paid within stipulated time period under Micro Small and Medium Enterprises Development Act, 2006 (MSMED).

Explanation / Comment from Board: there was some dispute in concerned transactions & out of above amount of 9.82 Lakh has been settled till date.

3. The Company had not complied to the following LODR Regulations in a timely manner for which fine was levied by the Stock Exchange (NSE) whereby waiver request was also filed by the company for some of them:

- a) Regulation 13(3) for Quarter ended 30.06.2020.
- b) Regulation 33 Financial Results for Half Year ended 30.09.2020.
- c) Regulation 33 Financial Results for Half Year ended 31.03.2021.

Explanation / Comment from Board: Delay in declaration of Result was due to delay in closing of books amid circumstances imposed as a result of the 2nd COVID wave.

4. The company has not disclosed the impact of pending litigation on its financial position in the Financial Statements.

Explanation / Comment from Board: The Directors are of the opinion that there will not be any financial liability in the said cases in view of the nature of these litigations.

5. Income Tax payable on self-assessment (u/s 140A of Income Tax Act, 1961) of ₹ 78.89 Lacs for A.Y 2020-21 and Interest thereon is outstanding for more than six months.

Explanation / Comment from Board: Delay in payment was due to circumstances imposed as a result of the 2nd COVID wave.

6. The Company has defaulted in the repayment of loans or borrowings to some banks, financial institutions 31.03.2021.

Explanation / Comment from Board: Moratorium given by Bank/NBFC's & Delay in payment was due to circumstances imposed as a result of the 2nd COVID wave.

INTERNAL AUDITOR

The Board of Directors, pursuant to provisions of Section 138 of the Companies Act, 2013 read with Rule 13(1) of the Companies (Accounts) Rules, 2014, had appointed Mr. Suresh Kumar, Bachelor of Technology - PAN EHQP7835A, as an Internal Auditor of Company for the financial year 2021-22 and onwards.

BOARD'S RESPONSE ON AUDITOR'S QUALIFICATION, RESERVATION OR ADVERSE REMARKS OR DISCLAIMER MADE

There are no qualification, reservations or adverse remarks made by the statutory auditors in their report for the year ended 31st March, 2021. During the year, there were no instances of frauds reported by auditors under Section 143(12) of the Companies Act, 2013.

COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND GENERAL MEETINGS

Your Company has complied with Secretarial Standards issued by the Institute of Company Secretaries of India on Board Meetings and General Meetings.

ANNUAL RETURN

The Annual Return of the Company, pursuant to the provisions of Companies act 2013 for the financial year 2019-20 (Form MGT-7) is available on Company's website and can be accessed at the link: <https://marshallcnc.com/wp-content/uploads/2020/11/Form-MGT-7-Annual-return-2019-20-Marshall.pdf>

OTHER DISCLOSURES- CORPORATE POLICIES

CORPORATE SOCIAL RESPONSIBILITY POLICY

Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee had formulated the CSR Policy which has been adopted by the Board. The CSR Policy outlines the various programs/projects/activities to be undertaken by the Company as laid down in schedule VII of the Companies Act, 2013. The CSR policy can be accessed on the Company's website at the link: <https://marshallcnc.com/wp-content/uploads/2020/11/CSR-Policy.pdf>

FAMILIARIZATION PROGRAMME FOR INDEPENDENT DIRECTORS

The Board members are provided with necessary documents/brochures, reports and internal policies to enable them to familiarize with the Company's procedures and practices. The details of such familiarization programs for Independent Directors are posted on the Company's website and can be accessed at link: <https://marshallcnc.com/wp-content/uploads/2020/11/Familiarization-Programme-for-Independent-Directors.pdf>

POLICY FOR DETERMINATION OF MATERIALITY

Pursuant to Regulation 30(4) read with schedule III of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had adopted policy and procedure with regard to determination of materiality of event. The policy for determination of materiality is available on Company's website and can be accessed at the link: <https://marshallcnc.com/wp-content/uploads/2020/11/Policy-for-Determination-of-Materiality.pdf>

POLICY FOR PRESERVATION OF DOCUMENTS

The policy segregates the documents to be preserved permanently and documents to be preserved at least for a period of eight years as per requirement of law. The policy for preservation of documents is available on Company's website and can be accessed at link: <https://marshallcnc.com/wp-content/uploads/2020/11/Policy-on-Preservation-of-Documents.pdf>

INSIDER TRADING POLICY

In order to prevent Insider Trading in securities of the company on basis of Unpublished Price Sensitive Information, the Board of Directors had approved and adopted Code of Practice & Procedure for Fair Disclosure in accordance with SEBI (Prohibition of Insider Trading) Regulations, 2015, issued by Securities Exchange Board of India (SEBI) vide its notification dated 15th January, 2015. The SEBI vide its notification dated 31st December, 2018 has amended the same which is now hereby referred as SEBI (Prohibition of Insider Trading)(Amendment) Regulations, 2018 and put in place a framework for prohibition of insider trading in securities. The framework adopted by the Company to prevent insider trading in securities of the

Company is available on Company's website and can be accessed at the link: https://marshallcnc.com/wp-content/uploads/2019/04/Code_of_Conduct_for_Prohibition_of_Insider_Trading_compressed.pdf

RELATED PARTY TRANSACTION POLICY

Pursuant to the requirements of Regulation 23 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board had approved a policy on Materiality of Related Party Transactions and Dealing with Related Party Transactions. The policy regulates the transaction between the Company and its Group/Associates Companies, if any, and related parties. The Related Party Transaction Policy is available on Company's website and can be accessed at the link: <https://marshallcnc.com/wp-content/uploads/2020/11/Related-Party-Transaction-Policy.pdf>

CEO AND CFO CERTIFICATION

Since your Company's securities are listed on NSE EMERGE- SME Platform, by virtue of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the CEO and CFO Certification provisions as specified under Regulation 17(8) is not applicable to the Company. But for good corporate governance, the Company has received a certificate as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 duly signed by Mr. Gaurav Sarup, Managing Director and Mr. Prashant Sarup, Whole Time Director cum CFO which is annexed herewith as Annexure - E and forms the part of this report.

DEMATERIALIZATION OF SECURITIES

As on 31st March, 2021, 99.99% of the total Equity Share Capital has been dematerialized. The shareholder (s) who have not gone in for dematerialization of shares till date, are requested to opt for dematerialization of the shares at the earliest. Your Company has appointed M/s Bigshare Services Pvt. Ltd., as Registrar & Share Transfer Agent of the Company. Accordingly, all the shareholders, Investors, Members of the Stock Exchanges, Depository Participants and all other concerned are requested to send all communication in respect of share transfer, demat/remat, change of address etc. to our registrar at below mentioned address: M/s. Bigshare Services Pvt. Ltd., 302, Kushal Bazar, 32-33, Nehru Place, New Delhi-110019 E-mail Address: mukesh@bigshareonline.com and may also approach their respective depositories.

SEBI vide its Gazetted notification dated 8th June, 2018 amended the Regulation 40(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, whereby it has been provided that except in case of transmission or transposition of securities, requests for effecting transfer of securities shall not be processed unless the securities are held in dematerialized form with the Depository. The said amendment has been come into force with effect from 1st April, 2019. Therefore, all the members are hereby requested to get their shares in dematerialized at earliest.

DISCLOSURE OF ACCOUNTING TREATMENT

In the preparation of the financial statements, the Company has followed the Accounting Standards referred to in Section 133 of the Companies Act, 2013. The significant accounting policies which are consistently applied are set out in the Notes to the Financial Statements.

SEPARATE MEETING OF INDEPENDENT DIRECTORS

The Company's Independent Directors held their meeting on 23.03.2021 without the attendance of Non-Independent Directors and members of the management. All Independent Directors were present at the meeting. They reviewed i. the performance of non-Independent directors and the Board as a whole; ii. the performance of the Chairman of the Company taking into account the views of Executive Directors and Non- Executive Directors; iii. Assessed the quality and timeliness of the flow of information between the company's Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

ENVIRONMENT, HEALTH AND SAFETY

Your Company considers it is essential to protect the Earth and limited natural resources as well as the health and well-being of every person. The Company strives to achieve safety, health and environmental excellence in all aspects of its business activities. Acting responsibly with a focus on safety, health and the environment is a part of the Company's DNA.

HUMAN RESOURCES AND INDUSTRIAL RELATIONS

Your Company lays emphasis on competence and commitment of its human capital recognizing its pivotal role for organization growth. During the year, the Company maintained a record of peaceful employee relations.

Your Directors wish to place on record their appreciation for the commitment shown by the employees throughout the year.

STATEMENT OF DEVIATION(S) OR VARIATION(S)

There is no deviation(s) or variation(s) in utilizing of public issue proceeds. The funds raised under Initial Public Offer (IPO) have been utilized only towards the purposes as stated in objects clause of the offer document.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Management Discussion and Analysis Report for the Company's performance during the year under review as stipulated under the Regulation 34(2)(e) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is annexed herewith as Annexure - F and forms part of this report.

CORPORATE GOVERNANCE

Since, the Company's securities are listed on NSE EMERGE Platform, by virtue of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the Corporate Governance provisions as specified in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V are not applicable to the Company. Hence Corporate Governance Report does not form part of this report.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has zero tolerance for sexual harassment for women at workplace and has adopted a policy against sexual harassment in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has complied with the provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2020-21, the Company has not received any complaints on sexual harassment and hence no complaint remains pending as on 31st March, 2021.

ACKNOWLEDGMENT

Your Directors thanks all the Stakeholders including investors, customers, vendors, bankers, auditors, consultants and advisers for their continued support during the year. We are place on record our appreciation of the contributions of our employees at all the levels.

The Management is deeply grateful for the confidence and faith that all the stakeholders have reposed in them. Your Directors look forward for their continued support in the future for the consistent growth of the Company.

By order of the Board of Directors,
Marshall Machines Limited

Date: 26.08.2021
Place: Ludhiana

Sd/-
(Gaurav Sarup)
(Managing Director)
(DIN: 00777489)

sd/-
(Siddhant Sarup)
(Wholetime Director)
(DIN: 07779416)

Annexure – A

Details pertaining to remuneration as required under section 197(12) of the companies act, 2013 read with rule 5(1) of the companies (appointment and remuneration of managerial personnel) rules, 2014

(a) Ratio of the remuneration of each director to the median remuneration of employee of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary for the financial year 2020-21:

(₹ in lakhs)

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director / KMP for financial year 2020-21	% increase in Remuneration in the financial year 2020-21	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Gaurav Sarup (Managing Director)	27.00	0	16.12:1
2	Mr. Prashant Sarup (Wholetime Director cum CFO)	27.00	0	16.12:1
3	Mrs. Archana Sarup (Wholetime Director)	18.00	0	10.75:1
4	Mr. Siddhant Sarup (Wholetime Director)	12.00	0	7.17:1
5	Dr. (Mr.) H. P. Kumar [^] (Independent Director)	3.00	0	1.79:1
6	Mr. Satvinder Singh (Independent Director)	1.50	0	0.9:1
7	Mr. Amanpal Singh [*] (Independent Director)	0.75	0	0.45:1
8	Ms Komal Bhalla ^{&} (Non-executive Independent Director)	0	N.A.	N.A.
9	Mrs. Kajal Rai [!] (Non-executive Independent Director)	0	N.A.	N.A.
10	Ms. Gauri Agarwal [§] (Company Secretary)	0.97	N.A.	0.58:1
11	Mr. Abhay Sharma [#] (Company Secretary)	0.18	N.A.	0.11:1

[^] Resigned w.e.f 26.02.2021

^{*} Resigned w.e.f. 27.03.2021

[&] Appointed w.e.f. 30.03.2021

[!] Appointed w.e.f. 30.03.2021

[§] Appointed w.e.f. 17.08.2020

[#] Resigned w.e.f. 30.05.2020

(b) Mrs. Kajal Rai and Ms. Komal Bhalla were appointed as Independent Directors and Mr. Amanpal Singh and Mr. H. P. Kumar independent directors resigned during the Financial Year 2020-21. Ms. Gauri Agarwal was appointed as Company Secretary cum Compliance Officer and Mr. Abhay Sharma Company Secretary resigned during the Financial Year 2020-21.

(c) The median remuneration of employees of the Company during the financial year 2020-21 was ₹ 2.09 Lac p.a. (approx).

(d) There were 340 permanent employees on the roll of the Company as on 31st March, 2021.

(e) Average percentage change in the salaries of the employees other than the managerial personnel in the financial year 2020-21 was approx. -18.19% whereas there was no increase in the managerial remuneration for the same financial year.

(f) It is hereby affirmed that the remuneration paid during the year ended 31st March, 2021 is as per the Remuneration Policy of the Company.

Statement pursuant to Rule 5(2) & 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:

List of top ten employees in terms of remuneration drawn:

Sr. No.	Name	Deptt	Salary PM	Qualification	D.O.J	D.O.B	Age (Years) as on 31 st Mar 2021
1	Sunil Dixit	Sales	213300	B.Tech in Mechanical Engg	01 September 2020	10 July 1972	49
2	Anjay Goliya	Sales	191500	Diploma in Mechanical Engg	01 March 2017	14 April 1970	51
3	Popatrao Narayan Shinde	Sales	137700	M.B.A	01 May 2010	01 October 1972	49
4	Shambhu Sidramappa Kalshetti	Sales	110000	B.Tech in Mechanical Engg	26 June 2017	25 March 1982	39
5	Rakesh Kumar	Sales	106000	M.B.A	01 July 2019	05 September 1977	44
6	Maninder Singh	Electrical	91600	B.TECH	01 February 2006	14 September 1983	38
7	Parvinder Singh	Service	79000	Diploma in Mechanical Engg	01 February 2011	02 May 1984	37
8	Vishnu Sharma	Service	79000	B.Tech in Mechanical Engg	01 May 2010	13 August 1987	34
9	Arjun Kumar Ray	Application	74900	10+2(Arts)	17 February 2007	05 May 1990	31
10	Naveen Kumar	Service	70500	B.Tech in Mechanical Engg	13 February 2018	15 February 1986	35

Note:

1. Details of Top Ten Employees in the terms of Remuneration has been given excluding Managing Director and Whole Time Directors of the Company.

By order of the Board of Directors,
Marshall Machines Limited

Date: 26.08.2021
Place: Ludhiana

Sd/-
(Gaurav Sarup)
(Managing Director)
(DIN: 00777489)

sd/-
(Siddhant Sarup)
(Wholetime Director)
(DIN: 07779416)

Annexure – B Corporate Social Responsibility (CSR) activities

1. A brief outline of the Company's CSR Policy, including overview of projects or programs proposed to be undertaken and a reference to the web-link to the CSR policy and projects or programs: Pursuant to the provisions of Section 135 of the Companies Act, 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014, the CSR Committee framed the Corporate Social Responsibility Policy (CSR Policy). The CSR policy is available on the website of the Company and can be accessed at link <https://marshallcnc.com/wp-content/uploads/2020/11/CSR-Policy.pdf>

2. Composition of the CSR Committee: Pursuant to the provisions of Section 135 of the Companies Act, 2013, the Company has also constituted Corporate Social Responsibility Committee comprising of three Directors namely:

Sr. No.	Name of Directors	Designation
1	Mr. Gaurav Sarup	Chairman
2	Mr. Siddhant Sarup	Member
3	Mr. Satvinder Singh	Member

3. Average Net Profit of the Company for last three financial years: ₹ 6,52,95,284

4. Prescribed CSR Expenditure two percent of the amount as in item 3 above: ₹ 13,05,906

5. Details of CSR spend for the financial year:

(a) Total amount spent for the financial year: ₹ 13,06,132

(b) Amount unspent, if any: Nil

(c) Manner in which the amount spent during the financial year:

Sr. No.	CSR Project of activities identified	Sector in which Project is covered	Projects or Programs Local area or other Specify the State & District where project or programs was undertaken	Amount Outlay (Budget) Project or Programs wise	Amount spent on the Project: (1) Direct Expenditure on Projects or Programs overheads	Cumulative expenditure upto the reporting period	Amount Spent direct or through implementing agency
1	Improvement in education which includes special education and employment strengthening vocation skills among children, women, elderly and the differently-abled and livelihood enhancement projects.	Engineering	All over India	13,05,906	13,06,132	13,06,132	Directly
				13,05,906	13,06,132	13,06,132	

6. Reason for failure of the Company to spend the complete two percent of average net profit of the last three financial years or any part thereof: NIL

7. CSR Committee Responsibility Statement: The CSR Committee do hereby undertakes that the implementation and monitoring of CSR Policy, is in compliance with CSR objectives and Policy of the Company

Sd/-

(Gaurav Sarup)

(Managing Director / Chairman of CSR Committee)

(DIN: 00777489)

Annexure – C Statement for Conservation of Energy

(A) CONSERVATION OF ENERGY

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

Total Energy Consumption

(a) Power & Fuel Consumption

Particulars	2020-21	2019-20
a) Electricity Consumed (₹)	37,58,463/-	38,48,098/-
b) Coal	Nil	Nil
c) Furnace Oil	Nil	Nil
Total	37,58,463/-	38,48,098/-

(B) TECHNOLOGY ABSORPTION

1. The efforts made towards technology absorption:	None
2. The benefit derived like product improvement, cost reduction, product development or import substitution:	None
3. Any important technology:	None
4. The expenditure incurred on Research and Development during the year:	None

(C) FOREIGN EXCHANGE EARNING AND OUTGO

1. Total Foreign Exchange Earnings during the year (FOB):	NIL
2. Total Foreign Exchange Outgo (CIF):	1,28,13,019

By order of the Board of Directors,
Marshall Machines Limited

Date: 26.08.2021
Place: Ludhiana

Sd/-
Gaurav Sarup
(Managing Director)
(DIN: 00777489)

Annexure – D Secretarial Audit Report

Secretarial Audit Report for the Financial year ended 31st march, 2021 [pursuant to section 204(1) of the companies act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014]

The Members,
Marshall Machines Limited,
C-86, Phase V, Focal Point,
Ludhiana
CIN: L29299PB1994PLC014605

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

Based on our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the **financial year ended on 31st March, 2021** ('Audit Period') 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 the Company for the financial year ended on 31st March, 2021, to the extent applicable and according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (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;

- (b) SEBI (Prohibition of Insider Trading) Regulations, 1992 and SEBI (Prohibition of Insider Trading) Regulations, 2015;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009 and amendments from time to time

- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;

- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

vi) We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with laws relating to, inter alia:

- All labour laws;
- Environmental Laws.
- Micro, Small and Medium Enterprises Development Act, 2006

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

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India to the extent of its applicability.
- (ii) The Listing Agreement entered into by the Company with the NSE Limited read with SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations,

Guidelines, Standards, etc. mentioned above except as follows:

1. The Company had a delay in appointment of Company Secretary cum Compliance officer for the period from 01.06.2020 till 17.08.2020.
2. Creditors include MSME creditors amounting to ₹ 1.40 Crores which have been identified by the company as due but not paid within stipulated time period under Micro Small and Medium Enterprises Development Act, 2006 (MSMED).
3. The Company had not complied to the following LODR Regulations in a timely manner for which fine was levied by the Stock Exchange (NSE) whereby waiver request was also filed by the company for some of them:
 - a) Regulation 13(3) for Quarter ended 30.06.2020.
 - b) Regulation 33 Financial Results for Half Year ended 30.09.2020.
 - c) Regulation 33 Financial Results for Half Year ended 31.03.2021.

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. No changes in the composition of the Board of Directors took place during the period under review. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes

on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

All decisions at Board Meetings and Committee Meetings are carried out unanimously or by the majority as recorded in the minutes of the meetings of the Board of Directors or Committee of the Board, as the case may be.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

We further report that during the audit period the Company has following specific events/actions having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards etc. as detailed below:

1. The company has not disclosed the impact of pending litigation on its financial position in the Financial Statements.
2. Income Tax payable on self-assessment (u/s 140A of Income Tax Act, 1961) of ₹ 78.89 Lacs for A.Y 2020-21 and Interest thereon is outstanding for more than six months.
3. The Company has defaulted in the repayment of loans or borrowings to some banks, financial institutions 31.03.2021.

Date: 16.08.2021

Place: Ludhiana

Sd/-
(Ansh Bhambri)
Bhambri & Associates
Company Secretary in whole time practice
UDIN: A060218C000790002
C.P. No. 22626

Note: This report is to be read with our letter of even date which is annexed with as "ANNEXURE - A" and forms an integral part of this Report.

"Annexure A"

The Members,
Marshall Machines Limited,
C-86, Phase V, Focal Point,
Ludhiana
CIN: L29299PB1994PLC014605

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

1. We have followed the audit practices and processes 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.
2. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the company as we have relied upon the Audit done by Statutory Auditors as required under Companies Act, 2013.
3. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
4. 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.
5. 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.
6. Maintenance of secretarial record is the responsibility of the management of the company. Our responsibility is to express an opinion on these secretarial records based on our audit.

Date: 16.08.2021
Place: Ludhiana

Sd/-
(Ansh Bhambri)
Bhambri & Associates
Company Secretary in whole time practice
C.P. No. 22626

Certificate of Non-Disqualification of Directors

(pursuant to Regulation 34(3) and Schedule V Para C clause (10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)

The Members of,
MARSHALL MACHINES LIMITED,
 C-86, Phase V Focal Point, Ludhiana 141010

I/We have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **MARSHALL MACHINES LIMITED** having CIN: **L29299PB1994PLC014605** and having registered office at C-86, Phase V Focal Point, Ludhiana 141010 (hereinafter referred to as 'the Company'), produced before me/us by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my/our opinion and to the best of my / our information and according to the verifications (including Directors Identification Number (DIN) status at the portal www.mca.gov.in) as considered necessary and explanations furnished to me / us by the Company & its officers, I/We hereby certify that none of the Directors on the Board of the Company as stated below for the **Financial Year ending on 31st March, 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Directors Details

Sr. No.	DIN/PAN	Name	Date of appointment / Cessation
1	0000777489	Gaurav Sarup	11/03/2002
2	0001257440	Prashant Sarup	28/02/2002
3	0007366983	Kajal Rai	30/03/2021
4	0007779416	Siddhant Sarup	29/03/2017
5	0007780273	Archana Sarup	29/03/2017
6	0008148602	Satvinder Singh	05/06/2018
7	0009106916	Komal Bhalla	30/03/2021
8	08554318	Amanpal Singh	27/03/2021 (cessation)
9	01826010	Harish Pal Kumar	26/02/2021 (cessation)

Ensuring the eligibility of for 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.

For Bhambri & Associates

Date: 14.08.2021
Place: Ludhiana
 UDIN: A060218C000786702

Sd/-
(Ansh Bhambri)
 Proprietor
 Membership No.: A60218
 CP No.: 22626

Annexure – E CEO / CFO Certificate

[Pursuant to Regulation 17(8) read with Part B of Schedule III of SEBI (LODR) Regulations, 2015]

To
The Board of Directors,
MARSHALL MACHINES LIMITED

We, the undersigned, in our respective capacities as Managing Director and Whole Time Director cum Chief Financial Officer of Marshall Machines Limited ("the Company"), to the best of our knowledge and belief certify that:

a. We have reviewed the financial statements and the cash flow statement for the year ended on 31st March, 2021 and based on our knowledge and belief, we state that:

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 Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

b. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year which are fraudulent, illegal or violative of the Company's Code of Conduct.

c. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and 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 the steps we have taken or propose to take to rectify these deficiencies.

d. We have indicated, based on our most recent evaluation, wherever applicable, to the Auditors and the Audit committee:

I. significant changes, if any, in internal control over financial reporting during the year;

II. significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

III. instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or any employee having significant role in the Company's internal control system over financial reporting.

For **Marshall Machines Limited**

Date: 26.08.2021
Place: Ludhiana

Sd/-
(Gaurav Sarup)
(Managing Director)
(DIN: 00777489)

sd/-
(Prashant Sarup)
(Wholetime Director Cum CFO)
(DIN: 01257440)

Annexure – F

Management Discussion and Analysis

Management Discussion and Analysis chapter of this report is enclosed on page number 28 to 33.

Date: 26.08.2021
Place: Ludhiana

Sd/-
(Gaurav Sarup)
(Managing Director)
(DIN: 00777489)

For **Marshall Machines Limited**

sd/-
(Prashant Sarup)
(Wholetime Director Cum CFO)
(DIN: 01257440)

Annexure – G

Certificate of compliance of the code of conduct of the company

This is to state that the Company had duly adopted a Code of Conduct. After adoption of the Code of Conduct, the same was circulated to all the Board Members and Senior Management Personnel for compliance. It is affirmed that all the Board Members and Senior Management Personnel have complied with the Code of Conduct and have given a confirmation in this regard.

For **Marshall Machines Limited**

Date: 26.08.2021

Place: Ludhiana

(Prashant Sarup)
(Wholetime Director)
(DIN: 01257440)

Independent Auditor's Report

To The Members of **Marshall Machines Limited**
Report on the Audit of the Standalone Financial Statements

OPINION

We have audited the accompanying Standalone Financial Statements of Marshall Machines Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2021, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the Standalone Financial Statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone 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 Accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2021, its profit and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit of the Standalone financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (SAs). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone 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 (ICAI) together with the ethical requirements that are relevant to our audit of the Standalone financial statements under the provisions of the Companies Act, 2013 and the Rules made there under, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's 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 Financial Statements.

EMPHASIS OF MATTERS

Attention is drawn to the following matters:

1. The Company has changed its method of providing depreciation for Fixed Assets effective from 1st April 2020 from Written Down Value Method to Straight Line Method. In view of the management of the company the change is aligned with the change in Company's expectation of the pattern of consumption of the economic benefits arising from these assets in future as against the past and technical evaluation. This results on revaluation of the carrying amounts and depreciation costs.

- a. Subject to above and with reference to Note no. 24 of Standalone Financial statements, the Net Block of the Fixed Assets as on 01st April, 2020 has increased (from ₹ 52.91 Crores to ₹ 62.93 Crores) by ₹ 10.02 Crores and correspondingly Deferred Tax Liability has increased (from ₹ 3.00 Crores to ₹ 5.60 Crores) by ₹ 2.60 Crores along with Increase in Reserves & Surplus (from ₹ 15.08 Crores to 22.50 Crores) by ₹ 7.42 Crores.
- b. Subject to the change of method of depreciation and with reference to Note no. 24 of Standalone Financial Statements, depreciation cost for the year is lowered by ₹ 1.76 Crores (from WDV depreciation of ₹ 6.88 Crores to SLM depreciation of ₹ 5.12 Crores) and to that extent the profits of the company are overstated.

2. As per Note no. 9 of the Standalone Financial Statements, Creditors include MSME creditors amounting to ₹ 1.40 Crores which have been identified by the company as due but not paid within stipulated time period under Micro Small and Medium Enterprises Development Act , 2006 (MSMED).

However in our opinion and as per information and records provided to us, the company does not have proper records of MSME creditors so reliable estimates of the amount due but not paid could not be made. Further no provision for Interest on above described delayed payments has been made in the books of accounts. To that extent the profits of the company are overstated.

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 of the current period. 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.

INFORMATION OTHER THAN THE STANDALONE FINANCIAL STATEMENTS AND AUDITOR'S REPORT THEREON

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Business Responsibility Report, Corporate Governance and Shareholder's Information, but does not include the Standalone Financial statements and our auditor's report thereon.

Our opinion on the 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 the Standalone Financial Statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Standalone Financial Statements 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 RESPONSIBILITY FOR THE STANDALONE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Standalone Financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes 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 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, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE STANDALONE 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 controls.
- 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.

Materiality is the magnitude of misstatements in the Standalone Financial Statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced.

We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

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 period 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 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 Balance Sheet, the Statement of Profit and Loss account and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of accounts.
- d) In our opinion, the aforesaid Standalone Financial Statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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 A**". 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 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 year is in accordance with the provisions of section 197 of the Act.

h) 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, as amended in our opinion and to the best of our information and according to the explanations given to us :

- i. The Company has not disclosed the impact of pending litigations on its financial position in its Standalone Financial Statements
- ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts.
- iii. There has been no delay in transferring amounts, required to be transferred, to the Investor Education and Protection Fund by the company.

2. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the order.

For **S. Sood & Co**
Chartered Accountants
Firm Registration No.010801N

Sanjay Sood
Partner
Membership No. 089457
UDIN : 21089457AAAABB5068

Place: Ludhiana
Date: 08th July, 2021

Annexure A to the Independent Auditor's Report

(Referred to in paragraph 1(f) under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Marshall Machines Limited of even date)

Report on the Internal Financial Controls Over Financial Reporting 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 **Marshall Machines LIMITED ("the Company")** as of March 31, 2021 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 Board of Directors of the Company 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 respective 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.

AUDITOR'S RESPONSIBILITY

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

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating

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

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

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.

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, to the best of our information and according to the explanations given to us, 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 March 31, 2021, 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. Sood & Co**
Chartered Accountants
Firm Registration No.010801N

Sanjay Sood
Partner
Membership No. 089457
UDIN : 21089457AAAABB5068

Place: Ludhiana

Date: 08th July, 2021

Annexure B to the Independent Auditor's Report

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

i. In respect of Fixed Assets

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All the fixed assets have been physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification. The company has capitalized an amount of ₹ 23.50 Crores under Plant & Machinery Head. The same has also been Physically & Technically Evaluated by the Company's appointed Valuer M/s Sekhon & Associates vide his report dated 19th June, 2021.
- c) As per the information & explanation given to us and the examination of records of the company, the title deeds of immovable properties are held in the name of the company.

ii. In respect of Inventory

Physical Verification of Inventory has been conducted at reasonable intervals by the management of the company. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of accounts. Except for the Work in Progress Inventory where the quantity & valuation of WIP has been taken & relied on the basis of the Statement Prepared and Certified by the Managing Director of the Company. Since the details are not complete, we are unable to comment on the correctness of the same.

iii. Compliance under section 189 of The Companies Act, 2013

The Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under section 189 of the Act.

iv. Compliance under section 185 and 186 of The Companies Act, 2013

In our opinion and according to the information and explanations given to us, the company has

complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans and investments made.

v. Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed there under while accepting Deposits

In our opinion and as per information available to us, the company has not accepted any Deposits within the meaning of provisions of section 73 to 76 of the Companies Act, 2013 and the rules framed there under.

vi. Maintenance of cost records

We have broadly reviewed the books of accounts relating to materials, labour and other items of cost maintained by the company pursuant to the Rules made by the Central Government for the maintenance of cost records under sub-section (1) of section 148 of the Companies Act, 2013 and we are of the opinion that prima-facie the prescribed accounts and records have been made and maintained. We have not made however a detailed examination of the record with a view to determine whether they are complete or accurate.

vii. Deposit of Statutory Dues

According to the information and explanations given to us, in respect of statutory dues:

- a) The Company is regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Service Tax, Cess and other material statutory dues applicable to it. The Company did not have dues in arrears as at 31st March 2021 for a period of more than six months from the date they became payable except for "Income Tax payable on self assessment (u/s 140A of Income Tax Act, 1961) of ₹ 78.89 Lacs for A.Y 2020-21 and Interest thereon which is outstanding for more than six months.
- b) There are no dues of Income Tax and Service Tax which have not been deposited as on 31st March, 2021 on account of disputes.

viii. Repayment of Loans and Borrowings

In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions or debenture holders except in cases where the installments of bank loans have been delayed as on 31.03.2021. Company has availed the benefit of Moratorium Scheme given by the Govt. of India in respect of repayment of Loans and Interest their on.

Name of Financial Institution	Amount of Emi	Due date of Payment	Actual Date of Payment
Hero Fincorp Ltd.	1,90,660.00	03.03.2021	30.04.2021
Hero Fincorp Ltd.	3,41,581.00	03.03.2021	30.04.2021
Siemens Factoring P Ltd.	88,500.00	03.03.2021	03.04.2021
Edelweiss (ECL) Financial Ltd.	1,10,145.00	05.03.2021	30.04.2021

ix. Utilization of Money Raised by Public Offers and Term Loan For which they Raised

During the year ended 31.03.2021, The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) but the company has taken term loans from the Financial Institutions during the year. The company has applied the loans for their business for which they have been raised.

x. Reporting of Fraud During the Year

To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no material fraud on the Company by its officers or employees has been noticed or reported during the year.

xi. Managerial Remuneration

In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

xii. Compliance by Nidhi Company Regarding Net Owned Fund to Deposits Ratio

The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable to the Company.

xiii. Related party compliance with Section 177 and 188 of companies Act - 2013

Based on the explanations provided to us 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 Financial Statements etc., as required by the applicable accounting standards.

xiv. Compliance under section 42 of Companies Act - 2013 regarding Private placement of Shares or Debentures

During the year the Company has not made the preferential allotment and private placement of shares. In our Opinion & as per explanation given to us, the company has complied with the requirements of Section 42 of the Companies Act, 2013.

xv. Compliance under section 192 of Companies Act - 2013

In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its directors or persons connected with them and hence provisions of section 192 of the Act are not applicable.

xvi. Requirement of Registration under 45-IA of Reserve Bank of India Act, 1934

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **S. Sood & Co**
Chartered Accountants
Firm Registration No.010801N

Sanjay Sood
Partner
Membership No. 089457
UDIN : 21089457AAAABB5068

Place: Ludhiana
Date: 08th July, 2021

Balance Sheet

As at 31st March, 2021

(Amount in ₹)

Particulars	Notes No.	As at 31.03.2021	As at 31.03.2020
I. EQUITY AND LIABILITIES			
1. Shareholders' Funds			
(a) Share Capital	2	14,55,00,000	14,55,00,000
(b) Reserve & Surplus	3	34,50,18,417	26,71,94,959
2. Non Current Liabilities			
(a) Long Term Borrowings	4	12,85,66,824	13,72,42,635
(b) Deferred Tax Liabilities (Net)	5	5,89,29,152	3,00,09,134
(c) Other Long Term Liabilities	6	1,67,77,721	1,90,00,943
(d) Long Term Provisions	7	80,39,691	84,71,658
3. Current Liabilities			
(a) Short Term Borrowings	8	20,83,37,024	18,74,90,130
(b) Trade Payables	9	21,09,79,202	19,94,32,163
(c) Other Current Liabilities	10	19,72,51,473	20,72,18,420
(d) Short Term Provisions	11	1,06,50,926	95,80,156
TOTAL EQUITY AND LIABILITIES		1,33,00,50,430	1,21,11,40,199
II. ASSETS			
1. Non Current Assets			
(a) Property, Plant and Equipment			
(i) Tangible Assets	24	61,82,82,352	31,92,93,699
(ii) Intangible Assets	24	6,45,77,884	6,86,69,795
(iii) Capital Work in Progress	24	-	14,11,31,796
(b) Non Current Investments	-	-	-
(c) Long Term Loans & Advances	12	19,81,487	19,81,487
2. Current Assets			
(a) Inventories	13	48,02,51,165	45,79,03,226
(b) Trade Receivables	14	11,67,71,866	14,04,12,132
(c) Cash & Bank Balances	15	2,26,51,370	4,51,00,324
(d) Short Term Loans & Advances	-	-	-
(e) Other Current Assets	16	2,55,34,306	3,66,47,740
TOTAL ASSETS		1,33,00,50,430	1,21,11,40,199
Summary of Significant Accounting policies	1		

Notes referred to above and notes attached thereto form an integral part of the Balance Sheet

As per our report of even date attached
For **S. Sood & Co.**
Chartered Accountants
FRN: 010801N

(**Sanjay Sood**)
Partner
M.No.: 089457

Place: Ludhiana
Date: 8th July, 2021

(**Ms. Gauri Agarwal**)
Company Secretary
PAN: BVHPA7319B

(**Mr. Gaurav Sarup**)
Managing Director
DIN: 00777489

(**Mr. Siddhant Sarup**)
Whole Time Director
DIN: 07779416

For and on behalf of Board of
Marshall Machines Limited

(**Mr. Prashant Sarup**)
Whole Time Director & CFO
DIN: 01257440

(**Mr. Suneel Kumar Yadav**)
Head (F & A)

Statement of Profit and Loss

For the Period Ended 31st March, 2021

(Amount in ₹)

Particulars	Notes No.	Year Ending 31.03.2021	Year Ending 31.03.2020
I. Revenue From Operations	17	79,35,67,058	70,18,60,081
II. Other Income	18	11,19,418	80,30,072
Gross Total Income (I+II)		79,46,86,476	70,98,90,154
Less: GST		12,21,71,021	10,44,26,391
III. Total Income		67,25,15,455	60,54,63,763
IV. Expenses			
Cost of Material Consumed	19	47,80,58,566	35,38,49,180
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work in Progress	20	(1,55,69,303)	(5,26,84,997)
Employee Benefits Expenses	21	6,60,53,927	6,82,91,657
Finance Costs	22	3,81,44,008	4,39,59,798
Depreciation and amortisation expense	24	5,12,31,637	8,10,18,888
Other Expenses	23	4,63,00,694	6,98,14,012
Total Expenses		66,42,19,529	56,42,48,538
V. Profit Before Exceptional and Extraordinary Items And Tax (III-IV)		82,95,926	4,12,15,225
VI. Exceptional Items		-	-
VII. Profit Before Extraordinary Items And Tax (V-VI)		82,95,926	4,12,15,225
VIII. Extraordinary Items		-	-
IX. Profit Before Tax		82,95,926	4,12,15,225
X. Tax Expense:			
(1) Current Tax		12,94,160	82,46,240
(2) Deferred Tax		28,51,501	(43,36,682)
(3) MAT Credit Entitlement		(12,94,160)	75,56,520
		28,51,501	1,14,66,078
XI. Profit/(Loss) for the period from Continuing Operations (IX-X)		54,44,425	2,97,49,147
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax Expense of Discontinuing Operations		-	-
XIV. Profit/(Loss) from Discontinuing Operations after Tax (XII-XIII)		-	-
XV. Profit/(Loss) for the period (XI+XIV)		54,44,425	2,97,49,147
XVI. Earning per Equity Share for discontinuing & continuing Operations :			
(1) Basic		0.37	2.04
(2) Diluted		0.37	2.04

Notes referred to above and notes attached thereto form an integral part of the Statement of Profit and Loss

As per our report of even date attached
For **S. Sood & Co.**
Chartered Accountants
FRN: 010801N

(**Sanjay Sood**)
Partner
M.No.: 089457

Place: Ludhiana
Date: 8th July, 2021

(**Ms. Gauri Agarwal**)
Company Secretary
PAN: BVHPA7319B

(**Mr. Gaurav Sarup**)
Managing Director
DIN: 00777489

(**Mr. Siddhant Sarup**)
Whole Time Director
DIN: 07779416

For and on behalf of Board of
Marshall Machines Limited

(**Mr. Prashant Sarup**)
Whole Time Director & CFO
DIN: 01257440

(**Mr. Suneel Kumar Yadav**)
Head (F & A)

Cash Flow Statement

For the Period Ended 31st March, 2021

(Amount in ₹)

Particulars	Current Period 31.03.2021	Previous Period 31.03.2020
A. Cash Flow from Operating Activities		
Net Profit before Taxes & Extraordinary Items	82,95,926	4,12,15,225
Adjustments for Non Cash Items:		
Depreciation	5,12,31,637	8,10,18,888
Investment Income	(10,22,981)	(11,11,808)
Interest Expense	3,39,82,165	3,97,97,617
Income Tax Expense	-	(82,46,240)
Profit on Sale of Fixed Assets	(96,438)	
Previous Year Adjustments	(18,15,974)	(21,90,582)
Adjustments for Changes in Working Capital:		
(Increase)/ Decrease in Trade Receivables	2,36,40,265	(1,68,74,352)
(Increase)/ Decrease in Other Current Assets	(1,12,34,505)	(5,62,26,032)
Increase/ (Decrease) in Trade Payables	1,15,47,039	3,86,33,953
Increase/ (Decrease) in Short Term and Long Term Provisions	3,03,595	(1,74,88,714)
Increase/ (Decrease) in Other Long Term Liabilities	(22,23,222)	(41,64,335)
Increase/ (Decrease) in Other Current Liabilities	(99,66,947)	79,87,616
(Increase)/ Decrease in Loans & Advances	-	1,62,500
Cash Generation from Operations	10,26,40,560	10,25,13,736
Taxes Paid	(3,35,209)	(1,54,25,290)
Net Cash from Operating Activities	10,29,75,769	11,79,39,025
B. Cash Flows from Investing Activities		
Purchase of Fixed Assets/ CWIP	(10,48,51,622)	(14,61,88,546)
Sale of Fixed Assets	2,15,000	-
Investment Income	10,22,981	11,11,808
Net Cash Flows from Investing Activities	(10,36,13,641)	(14,50,76,738)
C. Cash Flows from Financing Activities		
Proceeds from Issue of Capital	-	-
Proceeds/(Repayment) of Long term Borrowings	(2,98,63,909)	2,77,69,855
Proceeds/(Repayment) of Short term Borrowings	80,52,827	22,43,681
Net Cash Flows from Financing Activities	(2,18,11,082)	3,00,13,536
Net Increase/(Decrease) in Cash & Cash Equivalent	(2,24,48,954)	28,75,823
Cash & Cash Equivalents - Opening Balance	4,51,00,324	4,22,24,501
Cash & Cash Equivalents - Closing Balance	2,26,51,370	4,51,00,324

Notes:

- Cash and Cash Equivalents represents Cash & Bank Balances and deposit with Banks as per Note No. 14.
- The cash and cash flow statement have been prepared in accordance with AS-3 using the "indirect method"
- Figures in brackets indicate cash outflow.

As per our report of even date attached
For **S. Sood & Co.**
Chartered Accountants
FRN: 010801N

(**Sanjay Sood**)
Partner
M.No.: 089457

Place: Ludhiana
Date: 8th July, 2021

(**Ms. Gauri Agarwal**)
Company Secretary
PAN: BVHPA7319B

(**Mr. Gaurav Sarup**)
Managing Director
DIN: 00777489

(**Mr. Siddhant Sarup**)
Whole Time Director
DIN: 07779416

For and on behalf of Board of
Marshall Machines Limited

(**Mr. Prashant Sarup**)
Whole Time Director & CFO
DIN: 01257440

(**Mr. Suneel Kumar Yadav**)
Head (F & A)

Notes to the Financial Statements

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

A. General Information

Marshall Machines Limited (the "Company") was incorporated on May 23, 1994 as a private limited company under the provisions of Companies Act, 1956 with Registrar of Companies, Punjab, H.P. & Chandigarh in the name and style of V. B. Spinning Mills Private Limited. The Company's name was changed to Marshall Machines Private Limited on January 02, 2002. The Company is engaged in the business of developing, manufacturing and marketing of Machine Tool Equipment including wide range of single spindle, patented double and four spindle CNC machines, automated robotic solutions and patent pending IoT suite of intelligent equipment. The Company has its manufacturing base in Ludhiana and also have a R&D, Marketing and Technology Display Centre at IMT Manesar, Gurugram.

The name of the company has been changed to "Marshall Machines Limited" from "Marshall Machines Private Limited" pursuant its conversion into a public company vide shareholders' approval dated April 24, 2018 and a fresh Certificate of Incorporation dated May 17, 2018 was issued by Registrar of Companies, Chandigarh.

B. Significant Account Policies

a) Basis of Preparation

The financial statements are prepared as per the going concern basis assumption in accordance with the Generally Accepted Accounting Principles in India and applicable accounting standards as prescribed by the Indian Companies Act under the historical cost convention on accrual basis.

b) Use of Estimates

The preparation of financial statements of the company in conformity with Generally Accepted Accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities, reported amounts of revenue and expenses, disclosure of contingent assets and liabilities on the date of the financial statements and the results of operations during the reporting period. Although these estimates are based on management's best knowledge of current events and actions, actual results may ultimately differ from these estimates, which are recognized in the period in which the results materialize.

c) Property, Plant and Equipment

Property, Plant and Equipment are stated at cost net of duty credit availed less depreciation. Cost includes duties, freight and other incidental expenses related to acquisition, improvements and installation of the assets. Expenses incurred on capital assets are carried on as capital work in progress till the same are ready for use.

Machinery spares which are specific to particular items of Property, Plant and Equipment and whose use is irregular are capitalized as part of the cost of machinery.

d) Depreciation

Effective 1 April 2020, method of providing depreciation for Property, Plant and Equipment by the Company has been changed to Straight Line Method from Written Down Value Method. This change is aligned with the change in Company's expectation of the pattern of consumption of the economic benefits arising from these assets in future as against the past and technical evaluation.

e) Cash flow statement

Cash flows are reported using indirect method, whereby net profit before extraordinary items and tax is adjusted for the effects of non-cash nature, any deferrals or accruals of past or future cash receipt or payments. The cash flows from operating, investing and financial activities of the Company are segregated based on the available information.

f) Investments

The company does not have any investments.

g) Inventories

Inventories are valued as follows:

- Ø Raw Materials at cost or net realizable value whichever is lower.
- Ø Materials lying under Process are valued at cost of raw Materials plus Conversion cost incurred upto the time of process.
- Ø Finished Goods have been valued at Cost or net realizable value whichever is lower.
- Ø Scrap is valued at Net Realizable value.

h) Revenue Recognition

Sale of Goods: Sales are recognized when significant risks and rewards of ownership in the goods have been transferred to the customers as per the terms of contracts and are recognized net of trade discounts, excise discounts and sales taxes.

Sale of Services: In contracts involving the rendering of services, revenue is measured using the proportion completion method and are recognized net of taxes.

i) Other Income

Interest Income is accounted for on accrual basis.

j) Employee Benefits

Employee benefits include provident fund, employee state insurance scheme, gratuity and performance incentives.

Provident Fund

Contributions to Provident Fund are made in accordance with the provisions of the Provident Fund Act, 1952 through funds administered by the Regional Provident Fund Commissioner.

Gratuity

The Company has Defined Benefit plan, namely for gratuity for employees, the liability for which is determined on the basis of an actuarial valuation (using the Projected Unit Credit Method) at the end of the year. Gains and losses arising out of actuarial valuations are recognized immediately in the Statement of Profit and Loss as income or expense.

k) Borrowing Cost

Borrowing cost that are directly attributable to acquisition or construction of qualifying assets are treated as part of cost of capital assets. Other borrowing cost are treated as expenses for the period in which they are incurred.

l) Leases

Lease of assets under which, all the risks and benefits of ownership are effectively transferred by the lessor are classified as financial Lease. Leased assets are recognized in the balance sheet and accordingly the lease amount payable. In respect of assets taken on financial lease interest expense on debt & depreciation has been charged to the Statement of Profit and Loss.

m) Foreign Currency Transactions

Transactions in foreign currencies are accounted for at equivalent rupee value incurred /earned in foreign Currency. Currents Assets & Liabilities at the year-end are re-aligned at the applicable exchange rates and variations are charged to Statement of Profit & loss.

n) Treatment of Prior Period and Extra Ordinary Items

- (i) Any material (other than those arising out of over/under estimation in earlier years) arising as a result of error or omission in preparation of earlier years financial statements are separately disclosed.
- (ii) Any material gains/ losses which arise from the events or transaction which are distinct from ordinary activities of the company are separately disclosed.

o) Taxes on Income

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of net profit

and loss for the period. Current tax is determined as the amount of tax payable in respect of taxable income for the year.

Minimum Alternate Tax (MAT) paid in accordance with the tax laws of India, which gives rise to future economic benefits in the form of adjustment of future income tax liability, is considered as an asset if there is convincing evidence that the Company will pay normal income tax in future years. Accordingly, MAT is recognized as an asset in the balance sheet when the asset is can be measured reliably and it is probable that future economic benefit associated with the asset will fructify.

Deferred Tax is recognized to that extent only, subject to consideration of prudence in respect of deferred tax assets, or timing differences, being the differences between the taxable income and accounting income that originate in one year and are capable of reversal in one or more subsequent years, having tax consequences. Deferred tax assets and liabilities are measured using the tax rates and tax laws as enacted or substantively enacted by the balance sheet date. Deferred tax assets and liabilities are offset if such items relate to taxes on income levied by the same governing tax laws and the Company has a legally enforceable right for such set off. Deferred tax assets are reviewed at each balance sheet date for their realizability.

p) Related Party Transactions

Disclosure is being made separately for all the transactions with related parties as specified under AS-18 issued by ICAI.

q) Impairment Assets

At each balance sheet date the Company assesses whether there is any indication that an asset may be impaired. If any such indications exist, the Company estimates the recoverable amount and if the carrying amount exceeds the recoverable amount, an impairment loss is recognized in the Statement of Profit and Loss to the extent the carrying amount exceeds the recoverable amount.

r) Provisions, Contingent liabilities and Contingent Assets

Provisions are recognized when there is a present obligation as a result of a past event and it is probable that an outflow or resources embodying economic benefits will be required to settle the obligation and there is a reliable estimate of the amount of obligation. Provisions are measured at the best estimate of the expenditure required to settle the present obligation at the balance sheet date and are not discounted to its present value.

Contingent Liability: A disclosure of contingent liability is made when there is a present obligation that may require an outflow of resources or where a reliable estimate of such obligation cannot be made.

NOTE 2: SHARE CAPITAL

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Authorised		
150,00,000 Equity Shares (Previous years 150,00,000) Equity Shares of ₹ 10 /- each	15,00,00,000	15,00,00,000
(b) Issued,Subscribed & Paid Up		
1,45,50,000 (Previous Year 1,45,50,000) Equity Shares of ₹ 10/- each fully paid up in cash	14,55,00,000	14,55,00,000
(c) Par Value per Share is ₹ 10/-		

(d) Reconciliation of the number of equity shares outstanding

Particulars	As at 31.03.2021		As at 31.03.2020	
	Shares	Amount	Shares	Amount
Shares outstanding at the beginning of the year	1,45,50,000	14,55,00,000	1,45,50,000	14,55,00,000
Add: Addition/(Deduction) during the year	-	-	-	-
Shares outstanding at the end of the year	1,45,50,000	14,55,00,000	1,45,50,000	14,55,00,000

(e) Shares in the company held by each shareholder holding more than 5% shares

Particulars	As at 31.03.2021		As at 31.03.2020	
	Shares	%	Shares	%
Mr. Prashant Sarup	49,33,325	33.91%	49,33,325	33.91%
Mr. Gaurav Sarup	47,76,950	32.83%	47,76,950	32.83%
Mr. Ashish Kacholia	NA	NA	12,63,000	8.68%

(f) Terms/rights attached to equity Shares

The company has only one class of equity shares having par value of ₹ 10 per share. Each holder of equity share is entitled to one vote per share. In the event of liquidation of the company, the holder of equity shares will be entitled to receive the realised value of the assets of the company, remaining after payment of all preferential dues. The distribution will be in proportion to the number of equity shares held by the shareholders.

NOTE 3: RESERVES & SURPLUS

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Surplus		
Opening Balance	15,08,53,010	12,32,94,445
Add: Addition/(Deduction) during the year	54,44,425	2,97,49,147
Add: Effect on Accumulated Depreciation due to Change in Method of WDV to SLM (Net of Deferred Tax)	7,41,95,007	-
Less: Tax Adjustments relating to Previous Year	18,15,974	21,90,582
	22,86,76,468	15,08,53,010
(b) Securities Premium Reserve		
Opening Balance	11,63,41,949	11,63,41,949
Add: Addition during the year	-	-
Less: Deduction during the year	-	-
	11,63,41,949	11,63,41,949
Total	34,50,18,417	26,71,94,959

NOTE 4: BORROWINGS

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Secured Loans		
i) Term Loans	9,65,35,209	8,74,61,563
ii) Vehicle Loans	9,15,057	18,40,616
(b) Unsecured Loans		
i) Term Loans	3,11,16,558	3,77,98,922
ii) Loans from Shareholders	-	1,01,41,535
Total	12,85,66,824	13,72,42,635

NOTE 5: DEFERRED TAX (ASSETS)/LIABILITY (NET)

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
Deferred Tax Liability		
Property, Plant and Equipment: Impact of difference between tax depreciation/ Amortisation and depreciation/ Amortisation charged for the financial reporting	3,87,93,997	3,08,25,087
Effect on Accumulated Depreciation due to Change in Method of WDV to SLM	2,60,68,517	-
Tax effect of items constituting deferred tax liability	6,48,62,513	3,08,25,087
Deferred Tax Asset		
Impact of expenditure charged to Profit & Loss Statement in the current year but allowed for tax purpose on payment basis	59,33,361	8,15,953
Tax effect of items constituting deferred tax Asset	59,33,361	8,15,953
Net Deferred Tax (Assets)/Liability	5,89,29,152	3,00,09,134

NOTE 6: OTHER LONG TERM LIABILITIES

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Liabilities against Finance Lease of Plant and Machinery	1,67,77,721	1,90,00,943
Total	1,67,77,721	1,90,00,943

NOTE 7: LONG TERM PROVISION

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Provision for Employee Benefits	80,39,691	84,71,658
Total	80,39,691	84,71,658

NOTE 8: SHORT TERM BORROWINGS

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Secured Loans		
i) Loans Repayable on Demand from Banks	20,83,37,024	18,74,90,130
Total	20,83,37,024	18,74,90,130

NOTE 9: TRADE PAYABLES

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
Sundry Creditors	21,09,79,202	19,94,32,163
Total	21,09,79,202	19,94,32,163

NOTE 10: OTHER CURRENT LIABILITIES

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Current Maturities of Long Term Debts	5,26,00,165	4,17,97,477
(b) Other Payables		
i) Statutory Duties & Taxes	1,56,15,219	95,15,352
ii) Employee Benefits	98,80,683	67,26,680
iii) Advances from Customers	5,41,86,688	6,78,35,943
iv) Others	6,49,68,718	8,13,42,968
Total	19,72,51,473	20,72,18,420

NOTE 11: SHORT TERM PROVISIONS

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Provision for Employee Benefits	18,05,615	16,90,405
(b) Others		
- Income Tax	88,45,311	78,89,751
Total	1,06,50,926	95,80,156

NOTE 12: LONG TERM LOAN AND ADVANCES

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
i) Security Deposits	19,81,487	19,81,487
Total	19,81,487	19,81,487

NOTE 13: INVENTORIES

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
(a) Raw Materials	7,33,09,475	6,65,30,839
(b) Work in Progress	37,85,21,668	29,20,80,000
(C) Finished Goods		
- Finished Material	2,77,79,532	9,90,36,187
- Scrap	6,40,490	2,56,200
(Taken as Valued & Certified by the Management of the Company)		
Total	48,02,51,165	45,79,03,226

NOTE 14: TRADE RECEIVABLES

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
Trade Receivables (Unsecured, considered good)		
a) Outstanding for a period exceeding six months from the date they are due for payment	5,73,98,569	3,69,08,420
b) Other Receivables	5,93,73,297	10,35,03,712
Total	11,67,71,866	14,04,12,132

NOTE 15: CASH & BANK BALANCES

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
i) Cash in Hand	35,93,910	1,06,66,419
ii) Balances With Scheduled Banks		
a) In Current Accounts	28,11,589	35,47,402
b) In Deposit Accounts	1,62,45,871	3,08,86,504
Total	2,26,51,370	4,51,00,324

NOTE 16: OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at 31.03.2021	As at 31.03.2020
Unsecured, considered good		
(a) Advances to Suppliers	80,90,474	25,81,974
(b) Others	1,74,43,833	3,40,65,766
Total	2,55,34,306	3,66,47,740

NOTE 17: REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	Year Ending 31.03.2021	Year Ending 31.03.2020
Finished Goods		
- Domestic Sale (Gross)		
CNC Machines	56,77,86,681	64,12,80,641
Machinery Parts	21,87,56,160	3,57,67,550
- Export Sale	-	1,71,98,797
Other Operating Income		
- Service Charges Received	70,24,217	76,13,093
Total	79,35,67,058	70,18,60,081

NOTE 18: OTHER INCOME

(Amount in ₹)

Particulars	Year Ending 31.03.2021	Year Ending 31.03.2020
Export Incentives	-	2,71,307
Interest (Gross)	10,22,981	11,11,808
Profit on Sale of Fixed Assets	96,438	-
Foreign Exchange Fluctuation	-	65,338
Excise Rebate under Legacy Scheme	-	65,81,619
Total	11,19,418	80,30,072

NOTE 19: COST OF MATERIAL CONSUMED

(Amount in ₹)

Particulars	Year Ending 31.03.2021	Year Ending 31.03.2020
Raw Material		
Opening Stock	6,65,30,839	6,04,39,067
Add: Purchases (net)	48,48,37,202	35,99,40,952
	55,13,68,041	42,03,80,019
Less: Closing Stock	7,33,09,475	6,65,30,839
Cost of raw material consumed during the year (A)	47,80,58,566	35,38,49,180

NOTE 20: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

(Amount in ₹)

Particulars	Year Ending 31.03.2021	Year Ending 31.03.2020
Opening Stocks		
- Work in Process	29,20,80,000	26,65,98,700
- Finished Material	9,90,36,187	7,18,08,690
- Scrap	2,56,200	2,80,000
(A)	39,13,72,387	33,86,87,390
Closing Stocks		
- Work in Process	37,85,21,668	29,20,80,000
- Finished Goods	2,77,79,532	9,90,36,187
- Scrap	6,40,490	2,56,200
(B)	40,69,41,690	39,13,72,387
Decrease/(Increase) in Inventories (A-B)	(1,55,69,303)	(5,26,84,997)

NOTE 21: EMPLOYEE BENEFITS EXPENSE

(Amount in ₹)

Particulars	Year Ending 31.03.2021	Year Ending 31.03.2020
Wages, Salaries & Other Allowances	6,35,35,000	6,49,38,938
Contribution to PF, ESI & Other Funds	18,05,688	22,21,176
Staff & Labour Welfare	7,13,239	11,31,543
Total	6,60,53,927	6,82,91,657

NOTE 22: FINANCIAL COSTS

(Amount in ₹)

Particulars	Year Ending 31.03.2021	Year Ending 31.03.2020
a) Bank Charges	41,61,844	41,62,181
b) Interest on		
i) Working Capital Limits	1,27,94,067	1,41,21,029
ii) Term Loans	1,69,63,243	2,22,36,881
iii) Others	42,24,854	34,39,708
Total	3,81,44,008	4,39,59,798

NOTE 23: OTHER EXPENSES

(Amount in ₹)

Particulars	Year Ending 31.03.2021	Year Ending 31.03.2020
MANUFACTURING EXPENSES		
Custom Duty Expenses	7,06,481	11,11,004
Job Work Expenses	6,43,612	18,82,674
Power and Fuels	23,56,732	38,48,098
Packing Charges	3,15,154	3,79,422
ADMINISTRATIVE EXPENSES		
Annual Maintenance Charges	53,685	1,89,193
Audit Fee	3,50,000	3,50,000
Car Running Repairs & Maintenance Charges	4,78,496	12,52,943
Director Sitting Fees	2,25,000	2,25,000
Entertainment Expenses	-	2,15,340
Festival Expenses	5,02,433	8,34,671
Fees, Rates and Taxes	10,71,020	5,47,158
Generator Rent	62,284	2,28,000
Insurance Expenses	19,37,783	18,88,706
Legal and Professional Charges	42,85,508	50,57,861
Misc. Expenses	3,88,456	12,40,924
Postage and Courier Expenses	4,22,464	6,73,814
Printing and Stationery Charges	4,09,606	9,61,413
Prior Period Expenses	2,25,000	-
Rebate and Discounts	31,34,381	16,96,675
Repairs and Maintenance	72,67,292	21,93,387
Rent	18,57,292	32,72,819
Security Guard Expenses	-	1,16,000
Telephone Expenses	7,12,056	8,53,776
Travelling Expenses	1,03,46,170	1,72,00,645
Corporate Social Responsibility Expenses	13,06,132	8,03,560
SELLING & DISTRIBUTION EXPENSES		
Advertisement & Business Promotion Expenses	41,77,984	1,96,44,973
Foreign Exchange Fluctuation	5,53,089	-
Freight & Cartage Outward	17,15,232	25,14,779
Brokerage & Commission	6,26,255	1,78,976
Loading & Unloading Charges	1,71,095	4,52,200
Total	4,63,00,694	6,98,14,012

NOTE 24: PROPERTY, PLANT AND EQUIPMENT AS ON 31.03.2021

(Amount in ₹)

Particulars	Gross Block			Depreciation/Amortisation			Net Block	
	Balance as on 01.04.2020	Additions During the year	Sales/ Adjust- Ment the year	Balance as on 31.03.2021	Provided During the year	Adjust- Ment the year	Balance as on 31.03.2021	Balance as on 31.03.2020
Tangible Assets								
Land	1,72,69,782	-	-	1,72,69,782	-	-	-	1,72,69,782
Building	6,11,46,772	-	-	6,11,46,772	19,45,427	-	1,55,48,040	4,55,98,732
Computer	46,86,998	1,60,017	-	48,47,015	4,52,836	-	42,65,649	5,81,366
Electric Installation	49,46,077	5,998	-	49,52,075	4,73,003	-	41,63,046	7,89,030
Furniture & Fixtures	33,93,918	3,945	-	33,97,863	3,21,454	-	23,47,476	10,50,387
Vehicles	1,55,15,583	8,87,834	23,71,249	1,40,32,168	7,88,296	22,52,687	86,35,067	53,97,101
Motor Cycle	6,74,305	-	-	6,74,305	60,065	-	5,42,397	1,31,908
Office Equipments	67,28,300	57,291	-	67,85,591	2,36,525	-	59,04,827	8,80,764
Leasehold Plant & Machinery	2,50,41,249	-	-	2,50,41,249	15,85,946	-	31,80,582	2,18,60,667
Plant & Machinery	39,51,83,655	23,50,50,734	-	63,02,34,389	2,62,88,764	-	10,55,11,774	52,47,22,615
Total	53,45,86,638	23,61,65,820	23,71,249	76,83,81,209	3,21,52,316	22,52,687	15,00,98,857	41,43,87,410
Intangibles Assets								
Research-New Products	7,32,31,553	-	-	7,32,31,553	1,83,07,888	-	3,98,49,215	3,33,82,338
Patent, Pattern And Softwares	62,16,109	-	-	62,16,109	7,71,433	-	41,08,892	21,07,217
Research-New Products Under Development	1,79,42,732	77,21,390	-	2,56,64,122	-	-	-	2,56,64,122
Softwares (Under Development)	13,28,000	20,96,208	-	34,24,208	-	-	-	34,24,208
Total	9,87,18,394	98,17,598	-	10,85,35,992	1,90,79,322	-	4,39,58,108	7,38,39,607
Cwip	14,11,31,796	9,39,18,938	23,50,50,734	-	-	-	-	14,11,31,796
Total	14,11,31,796	9,39,18,938	23,50,50,734	-	-	-	-	14,11,31,796
Total	77,44,36,828	33,99,02,356	23,74,21,983	87,69,17,201	5,12,31,637	22,52,687	19,40,56,965	62,93,58,814

NOTE 25: DETAILS OF SECURITY FOR SECURED BORROWINGS (SHORT TERM & TERM LOANS)

Term loans from Banks & Financial Institutions are secured by first parri-passu charge on the underlying Property, Plant and Equipment of the company. Short Term borrowings taken as Cash credit are secured by equitable mortgage created on all the immovable assets of the company and further secured by first Parri-passu charge on the entire current assets of the company. Details of securities provided by the company against the debts of banks & financial Institutions are as follows:

Nature of debt	Financial Institution	Security Offered
Cash Credit Limit & Machinery Term Loan	HDFC Bank Limited	1. Equitable mortgage of properties situated at: C-86, Phase-V, Focal Point, Ludhiana, & D-116A, Phase-V, Focal Point, Ludhiana. 2. First Charge in favor of bank by way of hypothecation of entire stocks of Raw Materials, WIP, Semi Finished Goods, and finished goods, consumable stores & spares including book debts both present & future of the company. 3. Unconditional & irrevocable personal guarantees of all the directors and property holders.
Machinery Term loans	Other Banks & Financial Institutions	Hypothecation of plant & machinery financed and FDRs given as margins to respective financial institutions.
Emergency Credit Line Guarantee Scheme (ECGLS)	Other Banks & Financial Institutions	Emergency Credit Line Guarantee Scheme having 100% guarantee coverage by National Credit Guarantee Trustee Company (NCGTC)

NOTE 26: RESEARCH AND DEVELOPMENT ACTIVITIES

The company is into the business of manufacturing of advanced machinery and machinery products wherein it has developed various machines through its in-house research activities.

NOTE 27: EMPLOYEE BENEFIT OBLIGATIONS**a) Defined Contribution Plans**

The Company makes Provident Fund and Employee State Insurance Scheme contributions which are defined contribution plans for qualifying employees. Under the schemes, the Company is required to contribute a specified percentage of the payroll costs to fund the benefits. The contributions to these plans payable by the Company are at rates specified in the rules of the schemes.

b) Defined Benefit Plans

Gratuity: Every employee who departs the company after completion of 5 years of service or more is eligible for gratuity calculated at fifteen days salary (last drawn salary) for each completed year of service, in accordance with the Payment of Gratuity Act, 1972. The same is payable at the time of separation or retirement, whichever is earlier. The benefits vest after 5 years of continuous service.

Changes in present value of obligation

(Amount in ₹)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Present value of obligation as at beginning of the period	1,01,62,063	72,29,089
Acquisition adjustment	-	-
Interest Cost	6,75,777	5,50,857
Past Service Cost	-	-
Current Service Cost	14,49,895	17,53,749
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Benefits Paid	-	-
Actuarial (gain)/ loss on obligation	(24,42,429)	6,28,368
Present Value of obligations at the end of the year	98,45,306	1,01,62,063

Amount recognized in Balance Sheet

(Amount in ₹)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Present value of obligation at the end of the year	98,45,306	1,01,62,063
Fair Value of Plan Assets at the end of the year	-	-
Funded Status	(98,45,306)	(1,01,62,063)
Unrecognised Actuarial (gain)/ loss	-	-
Net Asset/ (Liability) recognized in the Balance Sheet	(98,45,306)	(1,01,62,063)

Expense recognized in Statement of Profit and Loss

(Amount in ₹)

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Current Service Cost	14,49,895	17,53,749
Past Service Cost	-	-
Interest Cost	6,75,777	5,50,857
Expected Return on Plan Assets	-	-
Curtailment Cost/ (Credit)	-	-
Settlement Cost/ (Credit)	-	-
Net actuarial (gain)/ loss recognized in the year	(24,42,429)	6,28,368
Expenses recognized in the statement of Profit and Loss	(3,16,757)	29,32,974

Assumptions

Particulars	Year Ended 31.03.2021	Year Ended 31.03.2020
Discount Rate	6.65%	6.65%
Rate of increase in Compensation levels	5.00%	5.00%
Rate of Return on Planned Assets	Not Applicable	Not Applicable
Expected Future Service	22.65 Years	21.84 Years

Leave Encashment: The employees of the Company are entitled to leave encashment for each year of service and part thereof and subject to the limits specified the unavailed portion of such leaves can be accumulated or encashed during/ at the end of the service period. The plan is not funded. Leave Encashment liabilities are being accounted for by the company on due basis.

NOTE 28: CONTINGENT LIABILITIES (TO THE EXTENT NOT PROVIDED FOR)

i) The company has not paid its creditors amounting to ₹ 6.84 Crores which are due but not paid for more than 180 days. Subject to the provisions of section 16 (2) of CGST Act, 2017, input Tax Credit of GST taken has to be reversed and could be availed when the principle amount is paid. In view of above, there may arise interest and penalty subject to the provisions of the CGST Act, 2017. In the absence of proper records we are unable to reliably calculate the amount of interest and penalty which may arise.

(₹ In lakhs)

Particulars	31.03.2021	31.03.2020
(a) Claim not acknowledged as debts		
i) Sales Tax under appeal	-	-
ii) Income Tax under appeal	-	-
(b) Bank Guarantees/ Letter of Credit	-	249.93
(c) Capital commitments	-	-

NOTE 29: DEFERRED TAXATION

(₹ In lakhs)

Particulars	31.03.2021	31.03.2020
Deferred Tax Liabilities	343.46	343.46
Addition during the year due to timing difference on account of depreciation/ amortization	348.54	0.00
Total (A)	692.00	343.46
Deferred Tax Assets	43.37	35.21
On account of expenditure claimed in books but allowable under Income Tax only on payment basis	59.33	8.16
Total (B)	102.70	43.37
Net Deferred Tax Liabilities [A-B]	589.30	300.09

NOTE 30: MICRO, SMALL AND MEDIUM ENTERPRISES

With the promulgation of the Micro, Small and Medium Enterprises Development Act, 2006, the Company is required to identify Micro, Small and Medium Enterprise (MSME) suppliers and pay them interest on overdue beyond the specified period irrespective of the terms with the suppliers. The Company has circulated letter to all suppliers seeking their status. Response from some of the suppliers is still awaited. In the absence such responses, we are unable to reliably estimate the liability of interest nor the required disclosures could be made. However as per the information & explanation provided to us, there are 17 parties which have been disclosed as due but not paid under MSME category of the creditors and the amount due is ₹ 1,40,74,280.00.

NOTE 31: TRANSFER OF UNPAID DIVIDEND CLAIM TO IEPF

Pursuant to the provisions of section 205A and 205C of the Companies Act, as amended, read with Investor Education and Protection fund (awareness and Protection of Investors) rules, 2001, dividend which remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. As the company has not declared any dividend as of 31 March 2020, no such amounts were due to be transferred to the IEPF by the Company.

NOTE 32: DIRECTOR'S REMUNERATION:**i.) The Company has not paid its creditors**

(₹ In lakhs)

Particulars	2020-21	2019-20
i) Salary	84.00	84.00
ii) Contribution of Provident Fund	-	-
iii) Monetary value of perquisites	-	-
Total	84.00	84.00

NOTE 33: AUDITOR'S REMUNERATION

(₹ In lakhs)

Particulars	2020-21	2019-20
i) Statutory Audit	1.75	1.75
ii) Tax Audit	1.75	1.75
iii) Reimbursement of Expenses	-	-
Total	3.50	3.50

NOTE 34: SEGMENTAL INFORMATION

The Company is engaged in the business of developing, manufacturing and marketing of Machine Tool Equipment including wide range of single spindle, patented double and four spindle CNC machines, automated robotic solutions i.e same type/class of services and has no other operations and as such there is no reportable segment as per Accounting Standard (AS-17) dealing with the Segment Reporting.

NOTE 35: DEPRECIATION AND AMORTIZATION

Effective from 1st April 2020, method of providing depreciation for Fixed Assets by the Company has been changed to Straight Line Method from Written Down Value Method. This change is aligned with the change in Company's expectation of the pattern of consumption of the economic benefits arising from these assets in future as against the past and technical evaluation.

Till FY20, The Company was following Written Down Value (WDV) depreciation method. Based on evaluation during the year, Company considered to change the depreciation method from WDV to Straight Line Method (SLM) and has given effect from April 01, 2020. Consequently, depreciation and amortisation expense for the year ended on 31st March, 2021 is lower by ₹ 1.76 Crores and to that extent the profits of the company are overstated. Hence, depreciation and amortisation expense is not comparable with previous year.

NOTE 36: RELATED PARTIES DISCLOSURE**Names of related parties and related party relationships**

a) Key Management Personnel and Relatives of Key Managerial Personnel

Mr. Gaurav Sarup	(Managing Director)
Mr. Prashant Sarup	(Joint Managing Director)
Mr. Siddhant Sarup	(Director)
Mrs. Archana Sarup	(Director)

b) Enterprises in which key management personnel have significant influence.

Marshall Industries

Details of transaction with related parties are as follows

Particulars	₹ In lakhs	
	2020-21	2019-20
1) Rent paid to related parties	2.40	2.40
- Enterprises in which key management personnel have significant influence		
2) Managerial Remuneration paid	85.18	96.40
- Key Managerial Persons and their relatives		
3) Loan Received/ (Repaid)	0.00	0.00
- Key Managerial Persons and their relatives		
4) Interest Paid	0.00	0.00
- Key Managerial Persons and their relatives		
5) Closing Balances of Related Parties at 31.03.2020	5.55 (Credit)	4.34 (Credit)

Based on the information provided to us, no other related party transactions have taken place for the above mentioned years.

NOTE 37: EARNINGS PER SHARE (EPS)

Particulars	2020-21	2019-20
Profit after tax attributable Equity shareholders (Numerator used for calculating basic EPS)	₹ 54,44,425	₹ 2,97,49,147
Weighted average number of equity share outstanding (Denominator used for calculating basic (EPS))	1,45,50,000 Shares	1,45,50,000 Shares
Earnings / share (EPS)	₹ 0.37	₹ 2.04

NOTE 38: VALUE OF IMPORTS CALCULATED ON C.I.F BASIS BY THE COMPANY DURING THE FINANCIAL YEAR IN RESPECT OF:-

(Amount in ₹)

Particulars	2020-21	2019-20
Raw materials	Nil	Nil
Components and spare parts	78,51,162	1,31,67,654
Capital goods	Nil	Nil
Total	78,51,162	1,31,67,654

NOTE 39: IMPACT OF COVID-19

In March 2020, World Health Organization (WHO) has declared the outbreak of Novel Corona virus "Covid-19" as a pandemic. This pandemic has severely impacted businesses around the globe. In many countries, including India, there has been severe disruption to regular business operations. Complying with the directives of Government, Entire factories units and offices of the Company have been under lock-down impacting its operations. The Company is monitoring the situation closely and the overall impact on the business of the Company will depend on future development which cannot be reliable predicted.

The Company has made intensive efforts to surpass the Covid challenge through an enhanced hygiene and adherence to the social distancing norms, use of masks and sanitizers etc. The Company is committed to ensure the safety and wellbeing of its employees.

In compliance with the relaxations given by the Ministry of Home Affairs (MHA) and after seeking approval from the concerned State Govt. authorities, wherever required, the Company started limited operation at its manufacturing facilities. With the easing of lockdown norms and opening up of markets, the capacity utilization of all of our manufacturing plants is gradually increasing over a period of time.

The Company has availed Covid-19 emergencies working capital loans and deferment of interest and installments from bankers to meet temporary liquidity mismatch and maintain its day to day operations.

The Company is continuously monitoring the impact on the operations and financials of the company and taking necessary steps in the best interest of its people, customers and communities and is confident that the demand situation will resume to its normalcy gradually.

NOTE 40:

Balances under the heads of Loans and Advances, Sundry Debtors, Sundry Creditors, Unsecured Loans are relied upon and subject to confirmations & reconciliations. Further, Sundry Debtors do not include any debts due from directors.

As per our report of even date attached
For **S. Sood & Co.**
Chartered Accountants
FRN: 010801N

(**Sanjay Sood**)
Partner
M.No.: 089457

Place: Ludhiana
Date: 8th July, 2021

(**Ms. Gauri Agarwal**)
Company Secretary
PAN: BVHPA7319B

(**Mr. Gaurav Sarup**)
Managing Director
DIN: 00777489

(**Mr. Siddhant Sarup**)
Whole Time Director
DIN: 07779416

For and on behalf of Board of
Marshall Machines Limited

(**Mr. Prashant Sarup**)
Whole Time Director & CFO
DIN: 01257440

(**Mr. Suneel Kumar Yadav**)
Head (F & A)



MARSHALL MACHINES LIMITED

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