



Enduring tough times

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Forward Looking Statement

This document contains statements about expected future events, financial and operating results of Marshall Machines Limited (hereafter referred to "Marshall" or "Marshall Machines"), which are forward-looking. By their nature, forward-looking statements require the Company to make assumptions and are subject to inherent risks and uncertainties. Accordingly, there is a significant risk that the assumptions, predictions, and other forward-looking statements will not prove to be accurate. Readers are cautioned not to place undue reliance on forward-looking statements as a number of 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 section of Marshall Machines Limited's Annual Report, FY22.

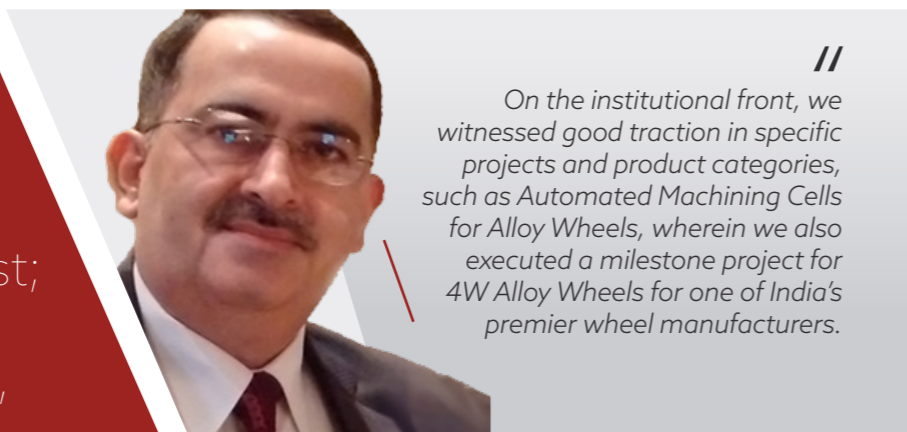


Letter to Shareholders

Enduring tough times

FY22, a year of many learnings

It is said that tough times don't last; tough people do, or perhaps, in this case, tough companies do.



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On the institutional front, we witnessed good traction in specific projects and product categories, such as Automated Machining Cells for Alloy Wheels, wherein we also executed a milestone project for 4W Alloy Wheels for one of India's premier wheel manufacturers.

The year gone by was a challenging one, to say the least, more so for industries and companies like us. But before getting into the details of our performance, let me give you a context of our operating environment for the year. The year began with the fear of the distressing second wave of COVID-19, which posed several challenges for us. As a result of the panic caused due to the second wave of Covid, our SME customer segment postponed and deferred their CAPEX plans, and while situations did get better with the markets opening up and the economy moving towards a revival, we faced some lingering effects in terms of pandemic induced panic all the way up till Q3FY22. During the same time, some of the large corporate customers also pushed their automation projects down the line as many of them couldn't visit our facilities in time and give us the final confirmation on the delivery of these projects.

On the institutional front, we witnessed good traction in specific projects and product categories, such as Automated Machining Cells for Alloy

Wheels, wherein we also executed a milestone project for 4W Alloy Wheels for one of India's premier wheel manufacturers. However, due to the travel restrictions in the earlier quarters of the year, coupled with some spill over of order execution, our progress in this segment was not fully captured in FY22's performance. These factors and concerns in our business segments led us to report a decline of 10% in Revenue from Operations, which stood at ₹ 60.33 Crore in FY22 compared to ₹ 67.14 Crore in FY21. Resultantly, this also impacted our profitability.

Another major issue we faced this year was the rising input costs, which was a cause for concern across all manufacturing industries worldwide, and included raw materials such as sheet metals, electrical components, and CNC control panels, among others. As a result, our EBITDA margin in FY22 stood at 11.4% compared to 14.0% in FY21.

A lower EBITDA combined with higher interest & depreciation led to a Net Loss of ₹ 3.14 crores in FY22, against a PAT of ₹ 0.36 crores in FY21.

At Marshall, we understand the severity of our performance dip, despite it being partly attributable to a challenging external macro environment. To that extent, we have taken certain immediate strategic initiatives to bounce back from our FY22 performance, which includes focusing on high-performing product categories with better profit margins rather than volumes. We also reorganised our manufacturing facilities in Q1FY23:

#1: Manufacturing in Unit 1 & 2 has been re-organized to minimize movement of material and men from start to finish of each machine.

While Unit 1 will carry out machining, sub-assembly & painting, Unit 2 will focus on assembly testing & dispatch.

#2: Centralization of all machining activity in 2 halls in unit 1 will enable more efficient manufacturing & enable increase in working hours of these machines as and when required.

#3: Adopting lean manufacturing to reduce the time from start to finish for all machines.

In addition, we are also careful about booking our new businesses keeping in mind that higher input costs are effectively passed on to the customers. In the medium to long run, we want to focus on scaling up niche, automated and Industry 4.0 offerings to revert to our pre-Covid profitability levels.

While the recent past has been challenging for us at Marshall, we are every bit confident that we will be able to leverage our capabilities to deliver growth in the coming years.

Solutions that are increasingly crucial for the manufacturing industry

Unsurprisingly, the pandemic hurled two very challenging years for Marshall, which immediately reflected in our top line and bottom line performance. Still, it also presented a silver lining in terms of our customers becoming more cognizant of using technology. Until the pandemic, Indian machine shops demonstrated an over-reliance on labour-intensive manual processes. Thus, in the last two years, the Indian machine shops faced severe issues with the availability of skilled operators. Further, what motivated the Indian machine shops to look at meaningful automation was the need to optimise costs and improve efficiencies in a dynamic and challenging environment. Therefore, in today's manufacturing industry, there is an increase in demand for product solutions that address automation, Industry 4.0, and smart IoT-based factories that can be monitored remotely.

These ideas that were in the early stages of development a decade ago have now become essential to the modern world. This context sets the stage for Marshall's carefully designed three-pronged product philosophy i.e., Marshall Technology

Trishool, which focuses on delivering - Super-Optimized Machines, Industry 4.0 offerings such as accessible, affordable, and implementable Industry 4.0 technologies, and Affordable Automation wherein automation is split over more than one machine, thereby generating a higher ROI and shorter payback for the manufacturer.

Marshall is geared to serve these emerging needs and, in many cases, is the only indigenous option in categories dominated by expensive imported CNC machines. Being the sole indigenous solution provider in many categories, we stand to gain significantly from these positive trends in the industry.

Outlook for the years to come

As we prepare for the next leg of our journey, we are excited about a couple of categories that will drive our growth aspirations. These include emerging manufacturing sectors such as aerospace & defence, medical equipment, and electronics, wherein we don't have any presence as of yet. Now defence as a category is a tricky one since it is predominantly a tender-driven business. All this while we intentionally steered away from it, but with our current product offerings we feel that we can potentially unlock some opportunities in this space, and therefore are actively pursuing some of the categories in defence where our products stand to gain from limited competition.

Another key aspect that we are focusing on now is our geographic presence, and two key markets outside India that we want to tap into are the United States & Europe. In this regard, we have successfully tied-up with certain dealers and distributors

in the US, who will help us identify certain niche spots for us to cater to. Furthermore, we are in discussion with a major European Machine Manufacturer for a mutually beneficial relationship.

Now, as many of you may be aware, we have also concluded a significant capacity expansion in 2021. This

"At Marshall, we understand the severity of our performance dip, despite it being partly attributable to a challenging external macro environment. To that extent, we have taken certain immediate strategic initiatives to bounce back from our FY22 performance, which includes focusing on high-performing product categories with better profit margins rather than volumes."

upfront investment and expansion was aimed at catering to our growth aspirations for the coming few years. With this, our present manufacturing units enable us to achieve revenues to the tune of ₹ 250 crores and EBITDA margins of up to 25%. Marshall is preparing to deliver on this revenue goal and is certain that its concerted efforts will fructify into gains in the times ahead.

Before concluding my letter, I would like to thank all my board members, regulatory authorities, senior management, employees, bankers and shareholders for their continuous guidance and unwavering support. Marshall is ready to take its next leap and ride the wave of technology advancement, and your trust in us makes us all the more confident about our abilities to do so. Thank you.

Yours Sincerely,

Gaurav Sarup
Managing Director

About Us

A niche machine tool manufacturer

With a single-minded focus on Affordable Automation and Industry 4.0 technologies, Marshall has established itself as a niche customised solution provider in the Indian machine tool industry.

Overview

Marshall Machines, founded by Mr Gautam Sarup in 1961, is a well-known brand in the Indian machine tool industry. Marshall started out by manufacturing high-precision bench lathes, heavy-duty lathes, and capstan lathes. However, in the last two decades, under the aegis of second-generation promoters 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 somewhat commoditized industry.

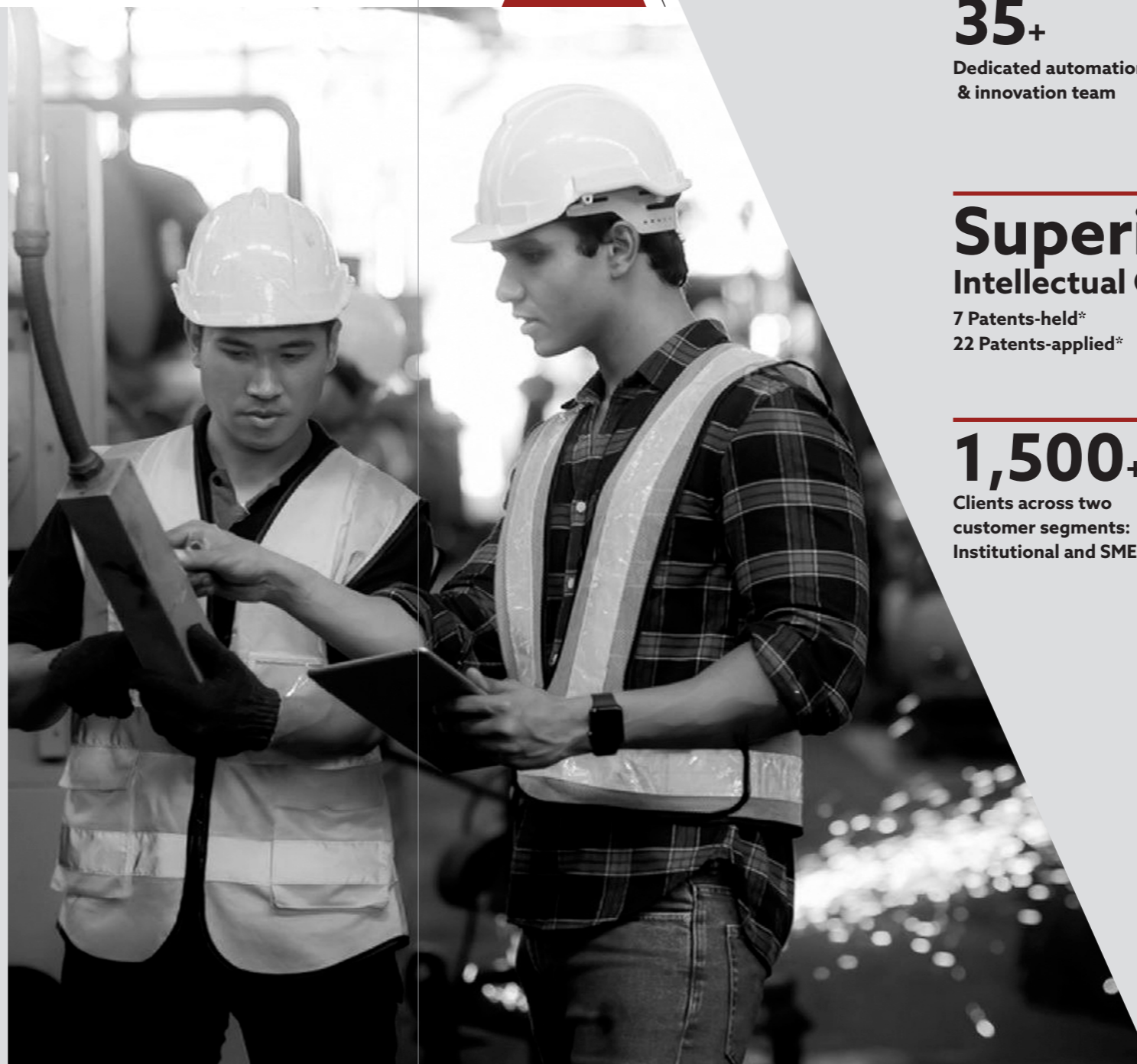
Resultantly, Marshall is currently a front-runner in the space of automated, Industry 4.0-enabled, and smart IoT-enabled CNC solution offerings to India's leading manufacturing companies. Marshall's clientele is spread across numerous industries, including automobile, consumer durables & appliances, 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 machine tools.

**Vission**

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



Marshall Machines at a Glance

60+

Year old brand in the Indian machine tool industry

4,000+

Cumulative machines deployed over decades

300+

Committed team members across various functions

35+

Dedicated automation & innovation team

3 Generations

Three generations of knowledge capital and innovators at the helm

Superior Intellectual Capital

7 Patents-held*
22 Patents-applied***1,500+**

Clients across two customer segments: Institutional and SMEs

35+

CNC machine offerings in the portfolio

120+

Successfully executed automation projects

*includes Patents filed & held by promoter group as well

Journey and Evolution

A journey of constant innovation

Marshall has undergone numerous transformations throughout the course of its 60+ year history to meet the changing demands of India's burgeoning machine tool market and manufacturing industries. In order to meet the evolving needs of the Indian manufacturing sector, the Company has moved its emphasis from a strict concentration on product quality to a broader emphasis on product innovation and technology. In addition, by prioritising the delivery of customised machine tool solutions over standardised machines, the Company has been able to develop competency in cutting-edge fields like 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

- 2001 Established a state-of-the-art facility (Unit 1) at Ludhiana to manufacture double-spindle CNC lathe machines
- 1997 Entered its first-ever international tie-up with Path Wizard Inc. (USA)



Designing and manufacturing breakthrough turning centres

- 2009 Launched our patented four spindle CNC lathe
- 2002 Launched our patented double spindle turning centre

Product Innovation

Ever since 2002



Integration with automation

- 2012 Inaugurated our second state-of-the-art facility (Unit 2) dedicated to providing turnkey automated solutions
- 2013 Launched our SmartCorrect Gauging Stations
- Launched RoboTurn DS 400 for the first time in India
- 2014 3rd generation of promoter joined the business
- 2015 Started executing high-profile automation

Integration with Industry 4.0

- 2016 Introduced IoTQ integrated offerings and launched the world's 1st plug-and-play SmartCorrect Gauging Station
- 2018 Introduced the concept of Super Optimised machines
- Listed on NSE SME



- 2022 Executed its first high-profile automation project in 4W alloys wheels category for Steel Strips Wheels Limited
- 2021 Completed a CAPEX cycle to augment manufacturing capacity to up to ₹ 250 crores
- 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

Product Philosophy

Distinguished product philosophy

With engineers and innovators at the helm, we approach problems in a different way. Ours is a problem-solving approach geared towards offering solutions to the current and emerging issues of Indian machine shops. Marshall's product philosophy is encapsulated in its Technology Trishool - the bedrock of our business and what sets us apart from the competition.

Our product development is conscious of the reality of Indian machine shops and the current practical issues confronting the Indian manufacturing sector.

Marshall Machines, with its frugal innovation and Indian *jugaad* attitude, works to address the emerging needs of machine shops, especially in today's challenging external environment with a scarcity of skilled operators, over-dependence on human resources and rising people costs.

Our ultimate goal with the Marshall Technology Trishool, a three-pronged product development philosophy, is to increase the return on investment for our machines and decrease the cost of manufacturing per component for our customers. We are the go-to partner for modernising manufacturing operations due to our emphasis on implementing comprehensive, integrated solutions for our customers.



A three-pronged product development philosophy

SUPER-OPTIMIZED MACHINES

Super optimized machines that offer higher productivity & lower cost of operations compared to their peers. Cost per component produced is reduced, hence increasing ROI of the machine.

Products

- CAF (CITIUS-ALTIUS-FORTIUS)
- UNO
- TWINTURN UBER
- RIGIDTURN
- RAPIDTURN
- TWINTURN

INDUSTRY 4.0

Focused on accessible, affordable & implementable Industry 4.0 technologies:

1. SmartFac (Productivity)
2. SmartPredict (Predictive Maintenance)
3. SmartCorrect (Quality)

Products

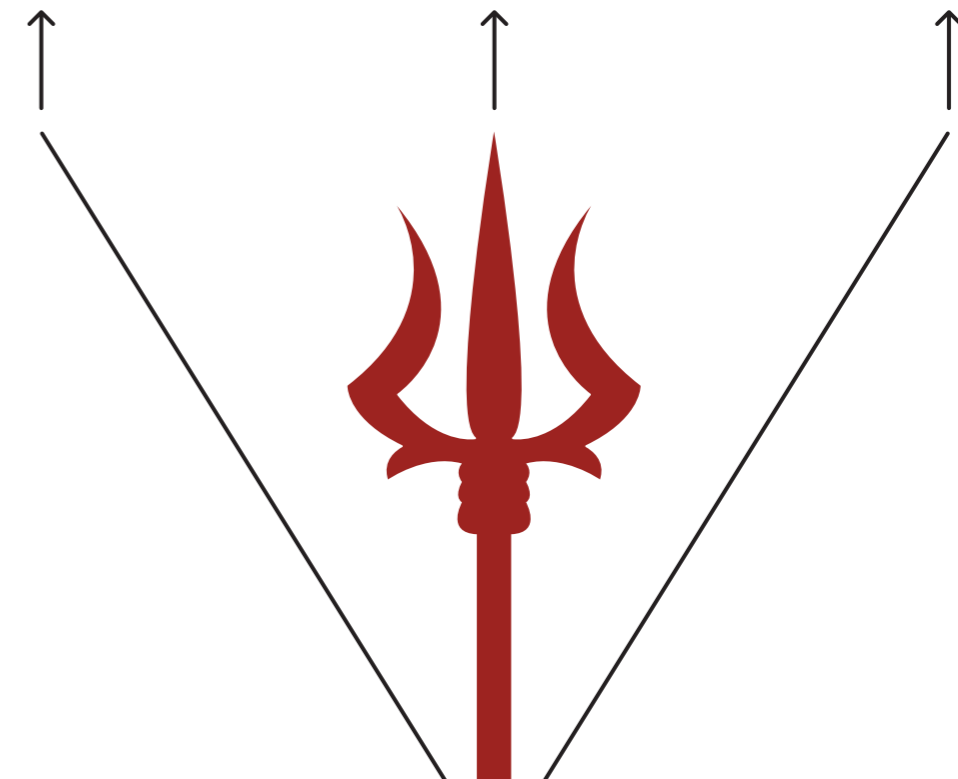
- IoTQ suit of smart machines
- SmartCorrect Gauging Station
- SmartCorrect Eco Low Cost Gauging Station
- SmartSense 3 in 1 Sensor for monitoring machine health

AFFORDABLE AUTOMATION

Automation split over more than one machine, generating higher ROI and shorter payback period.

Products

- TWIN GRIP
- TWIN RELEASE
- ROBOTURN Cells & Lines



MARSHALL TECHNOLOGY TRISHOOL

Product Portfolio

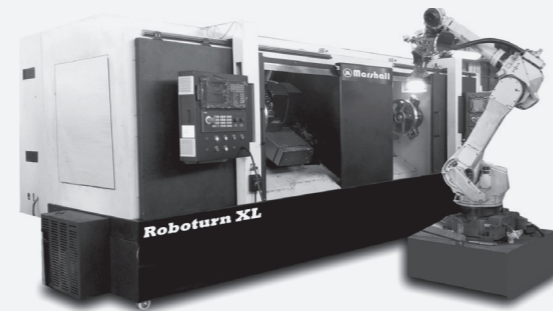
Innovation in
everything we do

MARSHALL ROBOTURN XL CELL

Automated cell for
zero defect production

 Automobile

 2W Alloy Wheels

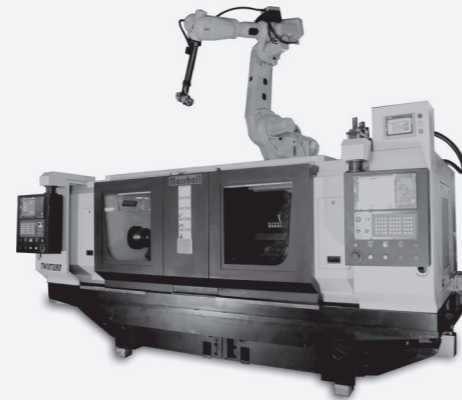


ROBOTURN FLEXI CELL

Flexible cell for production
of small batches

 Automobile

 Gear Blanks



TWINTURN UBER WITH SMARTLOAD

Lowest cost automation
with space saving

 Automobile, Consumer
Appliances and Durables

 Small Turned Jobs



 Industry

 Component

JUNO

Complete machining
(Turning & Milling) at very low cost

 General Engineering

 Pipe fittings, Connectors, AC parts



SMART-ER

Lowest footprint machine
with very high output

 Automobile and General Engineering

 Shafts and all types of medium-sized parts



TM SERIES TURNMILL

Better solution than
Turning + VMC

 Aerospace & Defence and Oil & Gas

 Valves and Complex Parts



Intellectual Capital

Generations of intellectual capital at play

R&D and Innovations have been the key differentiators of Marshall Machines. Despite being time intensive, these features of our Company's approach have endured the test of time and laid a solid basis for our success moving forward.

The Company's senior management team and all of the founders are actively involved in the function of product innovation and development, which is distinctive to Marshall Machines. The Company has developed several innovative solutions, many of which fall under the categories of automation and Industry 4.0, catering to the evolving needs of Indian machine shops. Marshall also benefits from a completely integrated value chain that extends from product conceptualization and design to manufacturing to solution implementation and deployment, allowing for stringent product quality control.

Marshall's extensive research & development and product innovation are distinctive features in the Indian machine tool industry. The Company has so far received 7 patents around the world, while another 22 patent applications are still awaiting approval. Recently last year, the Company received a special patent in the USA with the name "System and a Method to Enable Zero Defect Production." In order to avoid patent infringement and reap the full rewards of its R&D efforts, the Company is equally focused on intellectual property protection.



Patents Filed	India	USA	Total
Approved	6	1	7
Filed (Approval Pending)	16	6	22
Total	22	7	29

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

Integrated Value Chain

Ideation



Design



Manufacturing



Fully Customised Solutions



AMC & After-Sales Service



Allowing for stringent quality control and customer satisfaction

Manufacturing Facilities

Future-ready manufacturing facilities

Marshall Machines' state-of-the-art infrastructure at its two manufacturing units delivers superior quality CNC machine solutions, an unmatched value proposition for the industry.

Marshall's manufacturing facilities are equipped with some of the best mother machines in the world, imported from Europe and benchmarked to an international standard. Mother machines deliver high-precision parts for manufacturing Marshall Machines that are well known for their quality standards. The Company has made significant investments in its manufacturing facilities during the past three years. 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. Manufacturing capacity has increased thanks to this exercise, going from ₹ 75 crores in 2017 to ₹ 250 crores in 2021.

To optimise its supply chain and streamline operations, the Company is taking additional steps. First, the Company is attempting to add a few trustworthy suppliers close to the manufacturing facility in order to contract out the production of a few non-critical subassemblies. By outsourcing non-critical components of its supply chain, the Company aims to develop a mindset entirely focused on the design & innovation of new machines and the assembly of said machines.

₹ 250 crores

Manufacturing Capacity (Value terms)



Salient Features of Marshall's Manufacturing Facilities

World Class Manufacturing Facilities

Temperature Controlled, Dust Proof Assembly Areas

World's Best STUDER CNC Cylindrical Grinder

World Class European Mother Machinery

New 5 Axis CNC Universal Machining Centre with Auto Indexing head with "A" & "B" Axis

Machine Parts Designed and Validated Using Solid Works

Equipped with Latest Carl Zeiss CMM

Equipped to Perform Laser Calibration and Testing



Area



Manufacturing Capacity



Unit 1: Setup in 2001

Dedicated unit for assembly of traditional CNC machines



4,181 Sq. Mt. plot area

5,295 Sq. Mt. buildup area



600 traditional machines

01

02

Unit 2: Setup in 2012

Dedicated unit for automation and Industry 4.0 machine solutions



2,090 Sq. Mt. plot area

3,716 Sq. Mt. buildup area



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



Marshall's State of Art Units

Ludhiana →

Clientele

Addressing the needs of a distinguished customer fraternity

The top manufacturing companies in India rely on Marshall Machines because of our relentless focus on product innovation and quality. These organisations rely on Marshall to deliver top-tier machine tool solutions that aid in streamlining manufacturing processes, boosting machine shop efficiency, and lowering cost per component to promote profitability.

1,500+
Cumulative Clients

2 Key Customer Segments
1. Corporate Institutions
2. SME's

400+
10-15 Year Customer Relationships

Mature Sectors

Automobiles



Consumer Appliance and Durables



General Engineering



Emerging Sectors

Aerospace



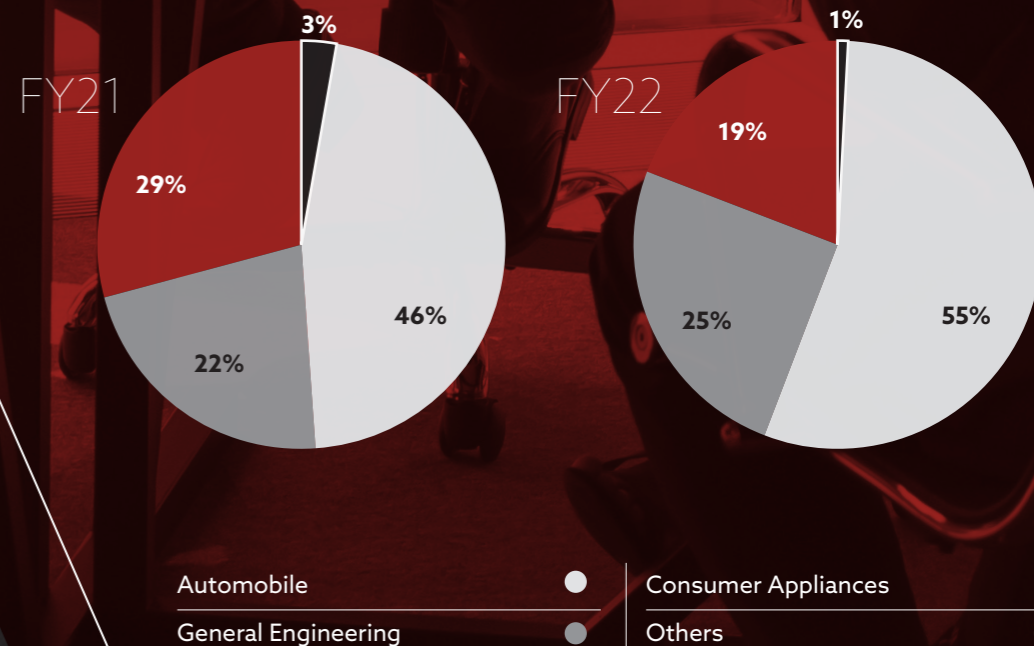
Electronics



Medical Equipment



INDUSTRY-WISE REVENUE SHARE



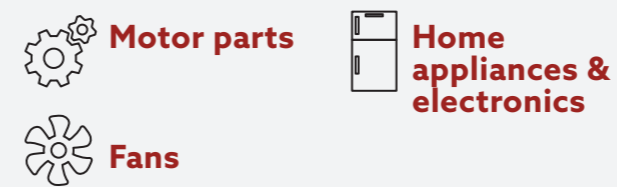
Clientele (Cont.)

Some of our esteemed clients

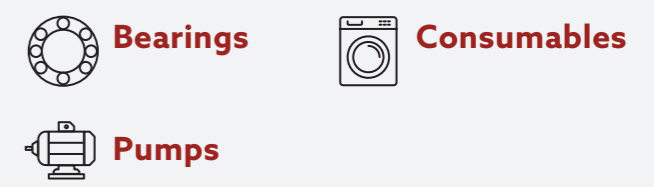
Automobile



Consumer Appliance and Durables



General Engineering



Geographic Presence

Strategically expanding our geographical footprint

Over the years, we have developed a significant presence in key manufacturing centres all over the nation. Our on-site technical and after-sales personnel ensure that Marshall Machines are seamlessly integrated and installed at our clients' facilities. They also help generate sales leads and offer after-sales support throughout the lifecycle of the machines.

More recently, the Company is also pursuing a dealer & distributor model in some of the upcoming manufacturing hubs, such as Jamshedpur, Nagpur and Mehsana, to pursue growth without a lot of upfront sales & marketing overheads.

Design and Manufacturing Team

09

R&D Team

05

IoT Engineers

180

Manufacturing Workforce

Customer Support Team

14

Sales Engineers

06

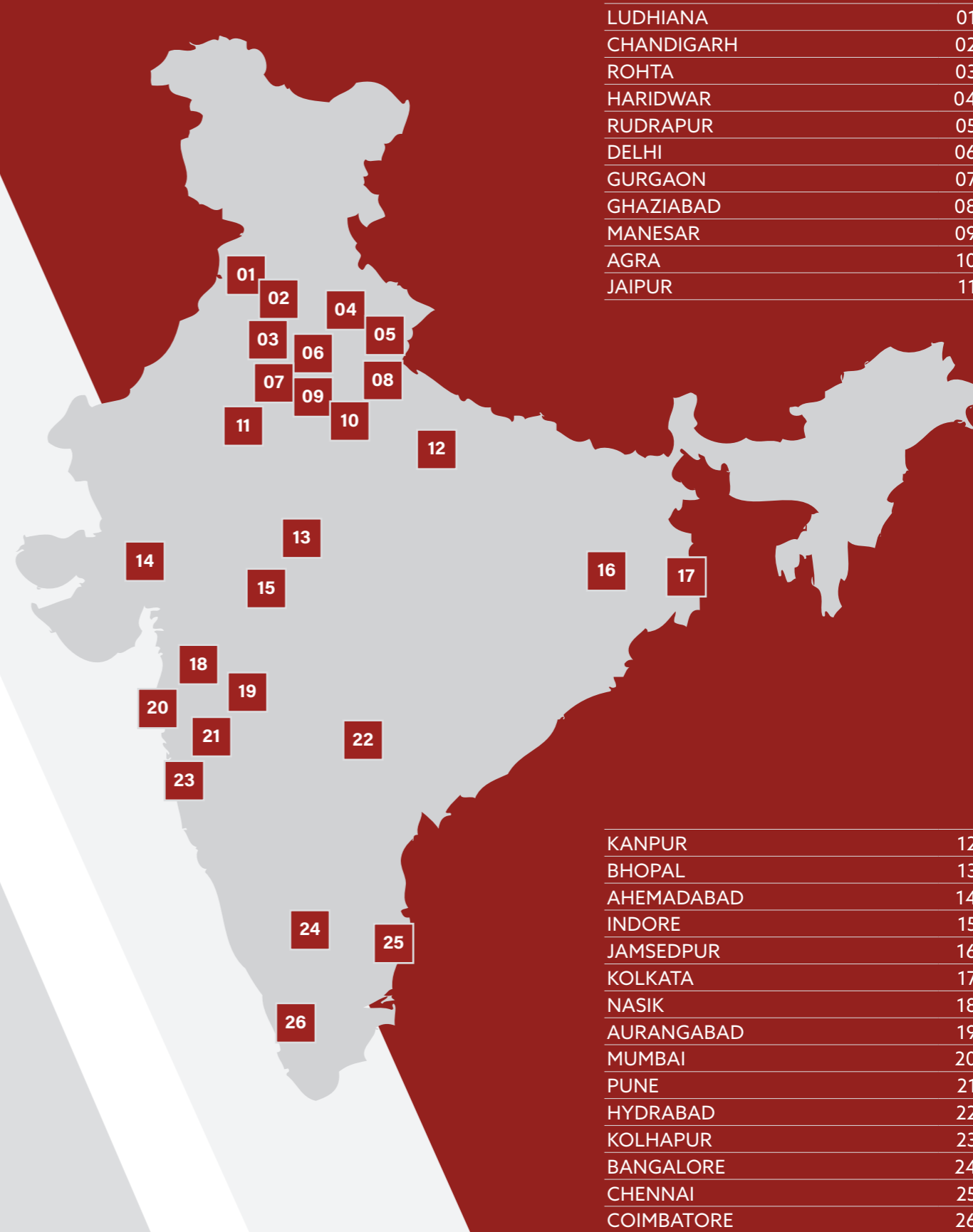
Application Support

14

Service Support

14

Automation Support



Board of Directors

Marshall's astute leadership



Gaurav Sarup
Co-Founder and Managing Director

Mr Gaurav Sarup, aged 57 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 specialisation in the 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.



Prashant Sarup
Co-Founder and
Joint Managing Director

Mr Prashant Sarup, aged 54 years, is the Co-founder and Joint Managing Director of the Company. He graduated from Birla Institute of Technology with a degree in Production Engineering in 1989 and is a seasoned industry veteran with over 33 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.

01



01
Archana Sarup
Whole Time Director

Mrs Archana Sarup, aged 50 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 13 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.

02



02
Siddhant Sarup
Whole Time Director

Mr Siddhant Sarup, aged 30 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.

04



04

04
Anil Singla
Non-Executive & Independent Director

Mr Singla is a Non-Executive & Independent Director of our Company. He is a practising lawyer with over ten years of work experience in various legal matters & proceedings. His insights in the legal domain will be instrumental in guiding the Company in his areas of expertise.

05



05

05
Satvinder Singh
Non-Executive & Independent Director

Mr Singh, aged 63 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 39 years in mechanical engineering, and presently he is the Senior Vice President of GNA Group.

06



03
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.

06

06
Rita Aggarwal
Non-Executive & Independent Director

Ms Aggarwal is a Non-Executive & Independent Director of our Company. She is a Company Secretary with experience in the management domain of over 15 years. Her insights in the secretarial field will be instrumental in guiding the Company in her areas of expertise.

07



07

07
Sharon Arora
Non-Executive & Independent Director

Ms Arora is a Non-Executive & Independent Director of our Company. She is a Company Secretary with experience in the management domain of over 7 years. Her perspicuity in the secretarial & management domains will be instrumental in guiding the Company in her areas of expertise.

Growth Drivers & Strategic Priorities

Roadmap for growth & value creation

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 and outsourcing non-critical sub-assemblies, reducing lead time for inventories. As a result, the Company targets to bring down the working capital cycle between 150-180 days by FY23.



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 optionalities include supplying machine parts in export markets and tapping opportunities in the Government and PSU sectors.



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. Recently, Indian machine shops have realised 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.



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 capitalised on the shift in the manufacturing of alloy wheels to India by supplying our RoboTurn XL Cell used for motorcycle wheel turning. The Company is also executing orders for Automated Car Alloy wheel manufacturing Cells.



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.



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 innovative technologies like SmartCorrect Gauging Stations that eliminate the need for skilled operators and ensure system-based Zero defect output.



Emerging Sectors

India has been witnessing 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.

Key Performance Indicators

A closer look at
our performance

Balance Sheet

(₹ in crores)

Particulars	FY17	FY18	FY19	FY20	FY21	FY22
Equity Capital	1.81	2.14	14.55	14.55	14.55	14.55
Reserves & Surplus	8.05	15.73	23.96	26.72	34.5	31.43
Shareholders Funds	9.86	17.87	38.51	41.27	49.05	45.98
Long Term Borrowings	5.93	7.41	8.38	13.72	14.22	9.50
Deferred Tax Liabilities	0.15	1.82	3.43	3.00	5.66	5.13
Other Long Term Liabilities	-	-	2.31	1.90	-	-
Long Term Provisions	0.87	0.90	0.58	0.85	0.80	0.97
Non Current Liabilities	6.95	10.13	14.7	19.47	20.69	15.6
Short Term Borrowings	15.16	16.22	17.11	18.75	26.41	30.67
Trade Payables	18.39	18.39	16.07	19.94	21.1	24.9
Other Current Liabilities	14.07	15.43	19.92	20.72	14.32	17.01
Short Term Provisions	0.60	1.60	1.44	0.96	0.18	0.13
Current Liabilities	48.22	51.64	54.54	60.37	63.03	73.76
Total Equity and Liabilities	65.03	79.64	107.75	121.11	132.78	135.34
Property, Plant & Equipment	16.00	22.79	46.39	52.91	61.83	57.35
Non Current Investment	-	-	-	-	-	-
Long Term Loans & Advances	0.24	0.24	0.21	0.20	-	-
Non Current Assets	16.24	23.03	46.6	53.11	70.44	64.04
Inventories	36.73	38.3	39.91	45.79	48.03	50.41
Trade Receivables	8.23	11.42	12.35	14.04	11.68	18.00
Cash and Bank Balances	3.63	3.92	4.22	4.51	0.64	0.27
Short Term Loans & Advances	-	-	-	-	-	-
Other Current Assets	0.20	2.97	4.67	3.66	1.57	2.14
Current Assets	48.79	56.61	61.15	68.00	62.33	71.3
Total Assets	65.03	79.64	107.75	121.11	132.78	135.34

Profit & Loss

(₹ in crores)

Particulars	FY17	FY18	FY19	FY20	FY21	FY22
Sales	50.19	59.35	65.22	59.74	67.14	60.33
Raw Material Cost	33.97	38.05	38.89	30.12	46.32	37.91
Employee Expenses	4.24	4.57	5.77	6.83	6.85	10.75
Other Expenses	5.83	3.92	5.35	6.98	4.56	4.77
Total Expenses	44.04	46.54	50.01	43.93	66.67	64.16
EBITDA	6.15	12.81	15.21	15.81	9.41	6.90
Other Income	0.35	0.07	0.22	0.80	0.11	0.14
Interest	3.11	3.22	3.71	4.39	3.81	4.46
Depreciation	1.60	2.20	3.73	8.10	5.12	6.27
Tax	0.69	2.45	2.22	1.15	0.22	-0.56
Profit After Tax	1.10	5.01	5.77	2.97	0.36	-3.14
EPS (₹)	0.76	3.44	3.97	2.04	0.25	-2.16
EBITDA Margin (%)	12.3%	21.6%	23.3%	26.5%	14.0%	11.4%
Profit After Tax Margin (%)	2.2%	8.4%	8.8%	5.0%	0.5%	-5.2%

Cash Flow Statement

(₹ in crores)

Particulars	FY17	FY18	FY19	FY20	FY21	FY22
Cash from Operating Activities	10.87	4.15	13.60	11.79	11.34	4.78
Cash from Investing Activities	(5.09)	(8.92)	(27.25)	(14.50)	-10.36	-0.37
Cash from Financing Activities	(5.18)	5.06	13.95	3.00	-1.76	-4.77
Net Change in Cash & Cash Equivalents	0.60	0.29	0.30	0.29	-0.78	-0.37
Cash & Cash Equivalents - Opening Balance	3.03	3.63	3.92	4.22	1.42	0.64
Cash & Cash Equivalents - Closing Balance	3.63	3.92	4.22	4.51	0.64	0.27

Management Discussion and Analysis

Global Machine Tool Industry

The coronavirus pandemic and its effects on the world economy and industrial productivity have overshadowed most recent global technological developments in the machine tool industry. Global industrial production continued below pre-crisis levels until mid-2021, with a sluggish recovery in machine tool demand occurring until H1 2021. According to Oxford Economics, the output of machine tools is estimated to have fallen by 6.2% in 2020 and expected to increase by 7.9% in 2021. China represents a sizable chunk of the global share, and other Asian markets are expected to perform reasonably well.

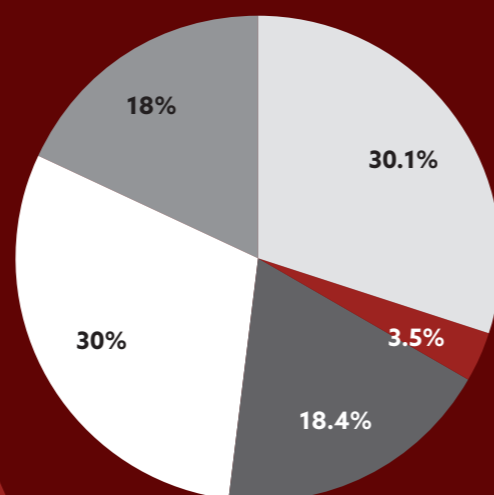
As the global automotive sector focuses on creating and developing EVs, switching from conventional cars to electric vehicles (EVs) continues to be a significant worry for the global machine tool industry. The adoption of new EV emissions rules, which will lead to wider uptake of electric vehicles, is projected to have the most impact on machine tool demand in European countries. Additionally, it is anticipated that Chinese EV use would increase significantly, which will have a negative impact on the short-term trends in machine tool demand.

The machine tool industry's tendencies are generally more cyclical than overall fixed investment spending, which is one of the most cyclical parts of the economy in and of itself.

However, medium-term growth tendencies, such as rising demand for automobiles and high-tech consumer goods in emerging nations, are still in force as per capita income rises in the upcoming years. In addition, China, already the largest consumer and producer of machine tools worldwide, is anticipated to keep holding the top spot because it serves as the central manufacturing hub for exports to the rest of the world, despite China's declining competitiveness as a result of the country's rising wages.



GLOBAL MACHINE TOOL CONSUMPTION



- China ●
- India ○
- Americas ●
- Europe ●
- Others ●

Indian Machine Tool Industry

India ranks 12th in the production of machine tools and 7th in the consumption of machine tools, according to Gardner's "World Machine Tool Survey, 2019". The expected production of machine tools in India for the fiscal year 2019-20 is ₹ 6,150 crores, while the estimated consumption is ₹ 15,670 crores.

7th

Largest Machine Tool Consumer Globally

12th

Largest Machine Tool Producer Globally

Net-Importer of Machine Tools

Highly

Fragmented Industry with ~500 OEMs and ~1,000 Supply-Chain Units

Leading States of Indian Machine Tool Industry:

Karnataka

52%

Gujarat

16%

Punjab

13%

The difference will be covered by imports, which will make up 66% of consumption in the fiscal year 2019-20.

The prediction for the Indian machine tool industry differs from one sector to another in light of current affairs and sectoral trends. Manufacturing of basic metals and metal products is anticipated to perform better due to the nation's relatively strong economic recovery, particularly as construction activity recovers. Meanwhile, as post-COVID enterprises have gradually resumed production in light of the muted demand, it is projected that the recovery in the car manufacturing sector will take longer than expected. In light of these developments, the machine tool industry must explore uncharted waters and take full advantage of technology improvements to spur the creation of new products and procedures.

While the government is emphasising 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.

Industry Outlook

There is substantial demand for large-sized machine tool requirements in emerging manufacturing industries like aerospace, aviation, healthcare, and infrastructure, as well as in more established industries like railroads, power, and the built environment.

Rising automation and the use of advanced technology in the manufacturing and construction industry will lead to an increase in demand for machine tools.

Indian enterprises are exploring the prospects for joint ventures and strategic alliances with overseas players in order to acquire intellectual property, advance technology, and assess cross-selling opportunities.

Government support and initiatives – such as Make in India, Atma Nirbhar Bharat, PLI, and many others, to advance technology and support domestic manufacturing.

Key Challenges

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 competitive market - a product-centric market, with little focus on after-sales service.

Lack of complete product range - a product-centric rather than a comprehensive 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 by manufacturing high-precision bench lathes, heavy-duty lathes, and capstan lathes. However, in the last two decades, under the aegis of second-generation promoters 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 somewhat commoditized industry. Resultantly, 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. Marshall's clientele is spread across numerous industries, including automobile, consumer durables & appliances, and general engineering, to name a few.

Management Discussion and Analysis (Cont.)

Business Overview

Marshall Machines is in the business of designing, manufacturing, and 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 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 customised solutions with the desired flexibility. As a result, customers' unique requirements are met with these customised solutions that are designed to maximise the efficiency with which these equipment are used in their operations.

Marshall and Maruti Center for Excellence

During the year, the Company launched a significant initiative along with Automobiles major Maruti by launching India's 1st comprehensive Training Program for Industry 4.0 Technologies at MACE. In this initiative, Marshall has installed proprietary equipment for training on four types of machines at MACE, i.e., Vertical Machining Center, CNC Turning Center, Injection Moulding Machine, and Hydraulic Press.



The training will cover the three most important areas for machine shops Productivity, Quality and Health. In addition, through the LOPI (Learn, Observe, Practice, Implement) model, trainees will learn to implement Industry 4.0 Technologies in their respective factories.

Performance Discussion

Performance in FY22 was subdued due to the second and third wave of Covid-19, and their resultant panic in the SME customer segment of the Company. Furthermore, certain large size orders couldn't be delivered, as earlier expected, during the financial year due to some deferment at clients end, coupled with supply chain and logistic issues. As a result, Revenue from Operations for the year stood at ₹ 60.33 Crores, down 10% compared to the ₹ 67.14 Crores in the previous year. EBITDA for the year stood at ₹ 6.90 Crore, down 27% compared to the previous year's ₹9.41 Crores. Subsequently, the Company reported a net loss of ₹ 3.14 Crores compared to a profit of ₹ 0.36 Crores in the previous year.

Outlook

Post completion of the recent CAPEX cycle (2018-2021), the Company has created a cumulative capacity of ₹250 crores in Revenues from erstwhile ₹75 crores. The Company will rely on the increased deployment of Industry 4.0 and affordable automation solution offerings in order to enhance revenues and capacity utilisation. In addition to having a much higher ticket size, these high-end automated product cells also have better profitability margins. The disruptions caused by the first and subsequent waves of Covid-19 have had an impact on the Company's performance in FY21 and FY22. However, on the customer front, they have highlighted several 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 optimise 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.

Order Book and Order Bid

The Order Book and Order Bid stands at the highest ever levels for the Company, indicating good demand visibility for the coming financial year.

Order Book (₹ in Crore)

31 st March 2021	31 st March 2022	YoY Change (%)
51	54	6

Order Bid (₹ in Crore)

31 st March 2021	31 st March 2022	YoY Change (%)
135	260	93

Financial Ratios

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

	FY21	FY22	% Change	Remarks
Debtors Turnover	5.75	3.35	-42%	Due to increase in trade receivables during FY22.
Inventory Turnover	0.96	0.76	-21%	NA
Interest Coverage Ratio	1.15	0.17	-85%	Due to lower profitability during FY22.
Current Ratio	0.99	0.97	-2%	NA
Debt to Equity Ratio	0.83	0.87	5%	NA
Operating Profit Margin (%)	14.0%	11.4%	-19%	NA
Net Profit Margin (%)	0.5%	-5.2%	NA	Due to lower sales and profitability in FY22.

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 depends 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 necessary 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 numerous 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
Mrs. Rita Aggarwal	-	Independent Director
Mr. Anil Singla	-	Independent Director
Mr. Satvinder Singh	-	Independent Director
Ms. Sharon Arora	-	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-141001

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

GENERAL INFORMATION

(CIN): L29299PB1994PLC014605

Company's Shares Listed at NSE

Symbol: MARSHALL ISIN INE00SZ01018

28TH ANNUAL GENERAL MEETING

30th September, 2022 at 04:00 p.m.

Venue:

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

SECRETARIAL AUDITORS

M/s. Bhambri & Associates,

Company Secretaries

SCO No. 9, 2nd Floor, Jandu Tower, Miller Ganj,

Ludhiana-141003

anshbhambrics@yahoo.com, 8968930333, <https://bhambri.co.in/>

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Notice

NOTICE is hereby given that the 28th Annual General Meeting of the Members of **MARSHALL MACHINES LIMITED** will be held on Friday, 30th day of September, 2022 at Registered Office of the Company at C - 86, Phase V, Focal Point, Ludhiana, Punjab-141010 at 04:00 P.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 March 31, 2022 along with the Reports of Directors and Auditors thereon.
2. To Re-appoint Mrs. Archana Sarup (DIN: 07780273), 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 One Year. (Special 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 28th Annual General Meeting to be held in the year 2022 till the conclusion of 29th Annual General Meeting to be held in the year 2023, at a remuneration to be decided by the Managing Director of the company."

SPECIAL BUSINESS:

4. To regularise the appointment of Mrs. Rita Aggarwal (DIN: 09288976), 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. Rita Aggarwal (DIN: 09288976), who was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. 20.10.2021 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. 20.10.2021.

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. Sharon Arora (DIN: 09450764), 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. Sharon Arora (DIN: 09450764), who was appointed as an Additional Director (Non-Executive Independent Director) of the Company w.e.f. 28.12.2021 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. 28.12.2021.

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 regularise the appointment of Mr. Anil Singla (DIN: 07404704), 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, Mr. Anil Singla (DIN: 07404704), 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 his candidature for the office of the Director and declaration that he 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. 26.10.2021.

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."

7. To reappoint Mr. Gaurav Sarup (DIN: 00777489) as Managing Director of the Company. (Special Resolution).

PLACE: LUDHIANA

DATE: 3rd September, 2022

"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. Gaurav Sarup (DIN: 00777489), whose term of office is expiring, be and is hereby appointed as Managing Director of the Company for a period of three years w.e.f. 31.03.2022 upon terms and conditions as may be approved in the ensuing Annual General Meeting.

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. Gaurav Sarup, Managing Director, the remuneration approved in the ensuing Annual General 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. Gaurav Sarup, Managing 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)

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 24th September, 2022 to 30th September, 2022 (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. Members who have not registered their email address with the Company Depository Participant(s) are requested to visit the Company's website to download the Notice of the AGM and Annual Report or can also download the same from NSE as the provision of sending of Annual report for the year 2022 has been relaxed by SEBI. 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 2021-22 is also available on the Company's website at: <https://marshallcnc.com/>, website of the Stock Exchange, i.e., NSE Limited at <https://www.nseindia.com/>.
- vii) 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.
- viii) 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.
- ix) 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.
- x) 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 28th Annual General Meeting (AGM) by electronic means.
- xi) The instructions for shareholders voting electronically are as under:**
- (i) The voting period begins on **27.09.2022 at 09.00 am** and ends on **29.09.2022 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 **23.09.2022** 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	<p>Enter your 10 digit alpha-numeric *PAN issued by Income Tax Department (Applicable for both demat shareholders as well as physical shareholders)</p> <ul style="list-style-type: none"> 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)	<p>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.</p> <ul style="list-style-type: none"> If both the details are not recorded with the depository or company, please enter the member id / folio number in the Dividend Bank details field.

- (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 <220831031> 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 / 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 for one year in AGM held in 2021 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 28th Annual General Meeting to be held in the year 2022 till the conclusion of 29th Annual General Meeting to be held in the year 2023, 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. Rita Aggarwal (DIN: 09288976) was appointed as an Additional Independent Director (Non-Executive) w.e.f. 20.10.2021, 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. Rita Aggarwal 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 Mrs. Rita Aggarwal 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. Sharon Arora (DIN: 09450764) was appointed as an Additional Independent Director (Non-Executive) w.e.f. 28.12.2021, 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. Sharon Arora 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. Sharon Arora 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. Anil Singla (DIN: 07404704) was appointed as an Additional Independent Director (Non-Executive) w.e.f. 26.10.2021, 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 Mr. Anil Singla 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 Mr. Anil Singla himself, 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. 7:

Mr. Gaurav Sarup (DIN: 00777489) has been serving as Managing Director and Chairman of the Company. His term of office as Managing Director is expiring and his reappointment for three years has been recommended by the Board to be effective from 31.03.2022 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. 31.03.2022.

None of the Directors and Key Managerial Personnel of the Company and their relatives except Mr. Gaurav Sarup (himself), Mr. Prashant Sarup, 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)

PLACE: LUDHIANA
DATE: 3rd September, 2022

Board's Report

To
The Members,
Marshall Machines Limited,

Your Directors have great pleasure of presenting the 28th Annual Report on the affairs of the Company for the financial year ended March 31, 2022.

FINANCIAL SUMMARY OF THE COMPANY

The summary of Company's Financial Results for the financial year ended March 31, 2022 is as under:

(₹ in Lakhs)

Particulars	Current Financial Year Ended	Previous Financial Year Ended
	March 31, 2022	March 31, 2021
Revenue from Operations	6032.61	6713.96
Other Income	13.71	11.19
Total Revenue	6046.31	6725.15
Total Expenses	6415.82	6642.19
Profit before before tax	(369.51)	82.96
Tax expenses	55.94	28.52
Profit for the period	(313.57)	54.44

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 ₹ 6046.31 lakhs for the financial year ended March 31, 2022 as compared to ₹ 6725.15 lakhs in the previous year and the net profit / Loss for the year under

review amounted to ₹ -313.57 lakhs in the current year as compared to ₹ 54.44 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 March 31, 2022, 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. Rita Aggarwal – Non-executive Independent Director, Ms. Sharon Arora – Non-executive Independent Director and Mr. Satvinder Singh - Independent Directors, Mr. Anil Singla – Non-Executive Independent Director.

The Board, therefore, presently comprises of Eight 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 Mrs. Archana Sarup, Wholetime Director who shall retire by rotation at the ensuing AGM and being eligible, offers herself for re-appointment, for ensuring compliance with Section 152(6) of Act.

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

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

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

Ms. Sharon Arora 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 Seventeen (17) times on:

Sr. No.	Date
1	09.04.2021
2	15.05.2021
3	10.06.2021
4	23.06.2021
5	08.07.2021
6	03.08.2021
7	26.08.2021
8	12.10.2021
9	20.10.2021
10	26.10.2021
11	13.11.2021
12	14.11.2021
13	20.11.2021
14	27.11.2021
15	29.12.2021
16	14.02.2022
17	12.03.2022

MEETING OF MEMBERS

During the year under review, an Annual General Meeting of the Company was held on 28th September, 2021 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

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 19.03.2022. 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 - B 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 March 31, 2022, 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 March 31, 2022 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.

However, the statutory auditor has reported that there is no proper quarterly internal audit plan and documentation of the quarterly audit available. They also reported that the internal Auditor has not covered many areas for audit ie Accounting, Financing, Compliance and Information Technology (IT systems). The items stated and suggested by the statutory auditor have been taken a note of and the Company shall implement such practices from here onwards.

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 2021-22 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 directly spent an amount of ₹ 8,64,384 (Rupees Eight Lakh Sixty-four Thousand Three Hundred and eighty-four 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 - C 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 - D 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 year 2021. Thereafter they were reappointed for a period of one year in the AGM in the year 2021 till AGM in the year 2022.

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 28th Annual General Meeting to be held in the year 2022 till the conclusion of 29th Annual General Meeting to be held in the year 2023, 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 March 31, 2022. The observations and comments given by the Auditors in their Report read together with the Notes to the Accounts are self-explanatory.

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 2022-23 and onwards.

Secretarial Audit Report

The Secretarial Audit Report for the financial year ended March 31, 2022 is annexed as Annexure - E herewith in the prescribed format i.e. MR-3 and forms part of this Report.

Also with the **Annexure - F** 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. Creditors include MSME creditors amounting to ₹ 1.39 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).
2. The Company had not paid Annual Listing Fee to NSE for FY 2022-23 (regulation 14).
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):
 - a) Regulation 13(3) Statement of investor complaints for the Quarter ended 31.03.2021.
 - b) Regulation 13(3) Statement of investor complaints for the Quarter ended 30.09.2021.
 - c) Regulation 31 Shareholding Pattern for the Quarter ended 30.09.2021.
 - d) Regulation 33 Financial results for the Quarter ended 30.09.2021.
 - e) Regulation 33 Financial Results for the Quarter ended 31.03.2022.
4. The Company has disclosed impact of its pending litigations in the books of accounts except interest on such pending amounts which may arise in future has not been disclosed

5. Income Tax payable on self-assessment (u/s 140A of Income Tax Act,1961) of ₹ 86.68 Lacs for A.Y 2020-21 and Interest thereon is outstanding for more than six months.
6. The Company and its Directors have received a notice from Income Tax Authorities regarding delayed deposit of TDS and TCS in earlier years, the same has been compounded by the authorities on payment of ₹ 7.82 lacs.
7. The Company has not realized foreign debtor amounting to ₹ 96.88 lacs.
8. The company is not regular in repayment of its loans and interest thereon to the financial institutions and banks. The loan installments have been delayed many times during the year.

Comments / Explanations from the Board

1. There was some dispute in concerned transactions & Management is in talks with the parties to resolve the disputes.

2 & 3. Delay in declaration of Result was due to delay in closing of books, The results were delayed due to unavoidable reasons i.e. the inability of the Managing Director to attend the Meeting due to a medical procedure.

4. 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, 6 & 8. There was a temporary delay in payment of Income Tax, TCS, TDS; due to certain order delays and delay in lifting of orders from customers, thus leading to a temporary cash crunch. However, the same has been paid as of March 31, 2022.

7. Company has not realized its Foreign Debtors amounting to ₹ 96.88 Lakhs within the time prescribed under the regulations of the FEMA Act. Subject to which penalty under the provision of FEMA may levy on violation of the provisions of the said Act. According to the Directors the delay was due to Covid 19.

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 re-appointed Mr. Suresh Kumar, Bachelor of Technology - PAN EHQP7835A, as an Internal Auditor of Company for the financial year 2022-23 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 March 31, 2022. 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 2020-21 (Form MGT-7) is available on Company's website and can be accessed at the link: <https://marshallcnc.com/wp-content/uploads/2022/08/Annual-return-2021-Marshall-machines.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

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 done by the Company. 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 - G and forms the part of this report.

DEMATERIALISATION OF SECURITIES

As on March 31, 2022, 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 19.03.2022 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 that were raised during the Initial Public Offer (IPO) had been utilized and only towards the purposes

as were 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 and forms part of this report.

INSOLVENCY PROCEEDINGS

There are two insolvency proceedings pending against the Company in NCLT namely:

Sr. No.	Case	NCLT Bench	Status as on 31.03.2022
1	Marposh India Pvt. Ltd. Vs Marshall Machines Limited	Chandigarh	Pending
2	Rollman Trading Company Vs Marshall Machines Limited	Chandigarh	Pending

CORPORATE GOVERNANCE

The Corporate Governance Report is annexed to the report as **Annexure A**.

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 2021-22, the Company has not received any complaints on sexual harassment and hence no compliant remains pending as on March 31, 2022.

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.

For on behalf of the Board of
MARSHALL MACHINES LIMITED

Sd/-
(GAURAV SARUP)
(MANAGING DIRECTOR)
(DIN: 00777489)

Sd/-
(SIDDHANT SARUP)
(WHOLETIME DIRECTOR)
(DIN: 07779416)

'Annexure – A'

CORPORATE GOVERNANCE REPORT

(1) A brief statement on listed entity's philosophy on code of governance.

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

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.

(2) Board of directors:

(a) Composition and category 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
Mrs. Rita Aggarwal	- Independent Director
Mr. Anil Singla	- Independent Director
Mr. Satvinder Singh	- Independent Director
Ms. Sharon Arora	- Independent Director

(b) Attendance of each director at the meeting of the board of directors and the last annual general meeting. Also number of meetings of the board of directors held and dates on which held;

Board Meeting

Sr. No.	Date	Gaurav Sarup	Prashant Sarup	Archana Sarup	Siddhant Sarup	Satvinder Singh
1	09.04.2021	Attended	Attended	Attended	Attended	Attended
2	15.05.2021	Attended	Attended	Attended	Attended	Attended
3	10.06.2021	Attended	Attended	Attended	Attended	Attended
4	23.06.2021	Attended	Attended	Attended	Attended	Attended
5	08.07.2021	Attended	Attended	Attended	Attended	Attended
6	03.08.2021	Attended	Attended	Attended	Attended	Attended
7	26.08.2021	Attended	Attended	Attended	Attended	Attended
8	12.10.2021	Attended	Attended	Attended	Attended	Attended
9	20.10.2021	Attended	Attended	Attended	Attended	Attended
10	26.10.2021	Attended	Attended	Attended	Attended	Attended
11	13.11.2021	Attended	Attended	Attended	Attended	Attended
12	14.11.2021	Attended	Attended	Attended	Attended	Attended
13	20.11.2021	Attended	Attended	Attended	Attended	Attended
14	27.11.2021	Attended	Attended	Attended	Attended	Attended
15	29.12.2021	Attended	Attended	Attended	Attended	Attended
16	14.02.2022	Attended	Attended	Attended	Attended	Attended

Sr. No.	Date	Anil Singla	Rita Aggarwal	Sharon Arora	Komal Bhalla	Kajal Rai
1	09.04.2021	NA	NA	NA	Attended	Attended
2	15.05.2021	NA	NA	NA	Attended	Attended
3	10.06.2021	NA	NA	NA	Attended	Attended
4	23.06.2021	NA	NA	NA	Attended	Attended
5	08.07.2021	NA	NA	NA	Attended	Attended
6	03.08.2021	NA	NA	NA	Attended	Attended
7	26.08.2021	NA	NA	NA	Attended	Attended
8	12.10.2021	NA	NA	NA	NA	Attended
9	20.10.2021	NA	NA	NA	NA	Attended
10	26.10.2021	NA	Attended	NA	NA	Attended
11	13.11.2021	Attended	Attended	NA	NA	Attended
12	14.11.2021	Attended	Attended	NA	NA	Attended
13	20.11.2021	Attended	Attended	NA	NA	NA
14	27.11.2021	Attended	Attended	NA	NA	NA
15	29.12.2021	Attended	Attended	NA	NA	NA
16	14.02.2022	Attended	Attended	Attended	NA	NA

NA- Not Applicable

Annual General Meeting

Sr. No.	Date	Gaurav Sarup	Prashant Sarup	Archana Sarup	Siddhant Sarup	Satvinder Singh
1	28.09.2021	Attended	Attended	Attended	Attended	Attended

Sr. No.	Date	Anil Singla	Rita Aggarwal	Sharon Arora	Komal Bhalla	Kajal Rai
1	28.09.2021	NA	NA	NA	Attended	Attended

(c) number of other board of directors or committees in which a directors is a member or chairperson, including separately the names of the listed entities where the person is a director and the category of directorship;

Name	Number				Name of Listed entity (if any) (Other than Marshall Machines Limited)
	As a member of BOD (including unlisted companies)	As a chairperson of BOD	As a member of Committee (Including only Audit, Nomination and Stakeholder Committee)	As a chairperson of Committee	
Gaurav Sarup	1	1	1	0	NA
Prashant Sarup	1	0	1	0	NA
Archana Sarup	1	0	1	0	NA
Siddhant Sarup	1	0	0	0	NA
Satvinder Singh	1	0	3	3	NA
Rita Aggarwal	2	0	2	0	NA
Anil Singla	2	0	1	0	NA
Sharon Arora	1	0	1	0	NA

(d) disclosure of relationships between directors inter-se;- The Directors namely Mr. Gaurav Sarup, Mr. Prashant Sarup, Mrs. Archana Sarup and Mr. Siddhant Sarup are related. All other directors are not related inter-se.

(e) number of shares and convertible instruments held by non- executive directors;- NIL

(f) web link where details of familiarisation programmes imparted to independent directors is disclosed. <https://marshallcnc.com/wp-content/uploads/2020/11/Familiarization-Programme-for-Independent-Directors.pdf>

(g) A chart or a matrix setting out the skills/expertise/competence of the board of directors specifying the following:

(i) The list of core skills/expertise/competencies identified by the board of directors as required in the context of its business(es) and sector(s) for it to function effectively and those actually available with the board; and

The core skills/expertise/competencies identified by the board of directors are:

- Skills or experience in Engineering.
- Skills or experience in management of the Company.
- Skills or experience in machine tool industry
- Skills or experience in design and electronic integration.
- Skills or experience in Human Resource Development
- Skills or experience in Company's legal and statutory compliance management.

(ii) The names of directors who have such skills / expertise / competence

Gaurav Sarup	35 years of expertise in the machine tool industry, with a specialization in ideation, design, and development of revolutionary machine tools
Prashant Sarup	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
Archana Sarup	more than 12 years in the Human Resource Development (HRD) arena. Mrs. Sarup leads the charge of the Company's HRD department and administration
Siddhant Sarup	more than seven years of work experience. He is presently in charge of automated and smart machine manufacturing, inspection, and testing
Satvinder Singh	He has vast experience of more than 38 years in mechanical engineering
Rita Aggarwal	She has experience of more than 19 years in management of Company
Anil Singla	He has experience of more than 10 years in law and management of legal requirements of a Company
Sharon Arora	She has experience of more than 7 years in management of Company

(h) confirmation that in the opinion of the board, the independent directors fulfill the conditions specified in these regulations and are independent of the management.

The Board has confirmed that the independent directors fulfil the conditions specified in the LODR Regulations and are independent of the management vide their letter dated 03.09.2022.

(i) detailed reasons for the resignation of an independent director who resigns before the expiry of his/her tenure along with a confirmation by such director that there are no other material reasons other than those provided.

The reasons depicted by the resigning independent directors were of personal nature and the same has been stated in their resignation letter. Also a written confirmation from the resigning independent directors was received that there are no other material reasons other than those provided.

(3) 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. Gaurav Sarup	Member
3	Mrs. Rita Aggarwal*	Member
4	Mrs. Kajal Rai#	Member

* w.e.f. 20.11.2021

Resigned W.e.f. 17.11.2021

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 Seven (7) times on 09.04.2021, 23.06.2021, 08.07.2021, 26.08.2021, 14.11.2021, 14.02.2022 and 12.03.2022.

(4) 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	Mrs. Rita Aggarwal [§]	Member
3	Mr. Anil Singla [*]	Member
4	Ms. Sharon Arora ^{&}	Member
5	Mrs. Kajal Rai [#]	Member
6	Ms. Komal Bhalla [@]	Member

§ w.e.f. 20.10.2021

* w.e.f. 26.10.2021

& w.e.f. 29.12.2021

resigned w.e.f. 17.11.2021

@ resigned w.e.f. 05.10.2021

The Nomination and Remuneration Committee Members met four (4) times on 26.08.2021, 20.10.2021, 26.10.2021, 29.12.2021. 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>

The salient features of the policy are annexed to the report.

(5) 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 one (1) times on 26.08.2021.

(6) 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 26.08.2021 and had identified and recommended to the Board certain projects/activities on which CSR expenditure for the financial year 2021-22 can be made. 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>

(7) Remuneration of directors:

- all pecuniary relationship or transactions of the non-executive directors vis-à-vis the listed entity;

There is no pecuniary relationship of the non-executive directors apart from the sitting fee.
- criteria of making payments to non-executive directors. Alternatively, this may be disseminated on the listed entity's website and reference drawn thereto in the annual report; <https://marshallcnc.com/wp-content/uploads/2020/11/Criteria-of-Making-Payments-to-Non-Executive-Directors.pdf>
- disclosures with respect to remuneration: in addition to disclosures required under the Companies Act, 2013, the following disclosures shall be made:
 - all elements of remuneration package of individual directors summarized under major groups, such as salary, benefits, bonuses, stock options, pension etc;
 - details of fixed component and performance linked incentives, along with the performance criteria;
 - service contracts, notice period, severance fees;
 - stock option details, if any and whether issued at a discount as well as the period over which accrued and over which exercisable.

(8) General body meetings:

(a) Details last three annual general meetings held and SR passed

Year	AGM	Venue	Date	Time	Special Resolution Passed
2020-21	27 th	C-86, Phase - V, Focal Point, Ludhiana - 141010	28.09.2021	11.00 am	To reappoint Mr. Prashant Sarup (DIN: 01257440) as Wholetime Director of the Company.
2019-20	26 th	C-86, Phase - V, Focal Point, Ludhiana - 141010	28.12.2020	11.00 am	NA
2018-19	25 th	C-86, Phase - V, Focal Point, Ludhiana - 141010	30.09.2019	09.30 am	Amendment of Article of Association (AOA) of the Company

(b) whether any special resolution passed last year through postal ballot - details of voting pattern;

Resolution: Migration of the Company from NSE Emerge (SME Platform) to Main Board of NSE.

Resolution required: (Ordinary/ Special)

Special

Whether promoter/ promoter group are interested in the agenda/resolution?

NO

Category	Mode of Voting	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes - in favour	No. of Votes - against	% of Votes in favour on votes polled	% of Votes against on votes polled
		1	2	$3 = \frac{(2)}{(1)} * 100$	4	5	$6 = \frac{(4)}{(2)} * 100$	$7 = \frac{(5)}{(2)} * 100$
Promoter and Promoter Group	E-Voting	10678150	0	0.00	0	0	0.00	0.00
	Poll		0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)		0	0	0	0	0	0
	Total		0	0.00	0	0	0.00	0.00
Public- Institutions	E-Voting	0	0	0	0	0	0.00	0.00
	Poll		0	0	0	0	0	
	Postal Ballot (if applicable)		0	0	0	0	0	
	Total		0	0	0	0	0	
Public- Non Institutions	E-Voting	3871850	0	0.00	0	0	0.00	0.00
	Poll		0	0.00	0	0	0.00	0.00
	Postal Ballot (if applicable)		117000	3.02	117000	0	100	0
	Total		117000	3.02	117000	0	100	0
Total		14550000	117000	0.80	117000	0	100.00	0.00

(c) person who conducted the postal ballot exercise; - Company Secretary cum Compliance Officer

(d) whether any special resolution is proposed to be conducted through postal ballot; - Not Applicable.

(9) Means of communication:**(a) Quarterly results;**

Available on both nseindia.com and marshallcnc.com.

(b) Newspapers wherein results normally published;

Financial Express (English) and Desh Sewak (Punjabi)

(c) Any website, where displayed;

nseindia.com and marshallcnc.com

(d) Whether it also displays official news releases;

Press release also available on both nseindia.com and marshallcnc.com.

(e) Presentations made to institutional investors or to the analysts.

Available on both nseindia.com and marshallcnc.com.

(10) General shareholder information:

AGM 2022 details

Date & Time	30.09.2022 at 04.00 P.M.
Venue	C-86, Phase - V, Focal Point, Ludhiana - 141010
Financial Year	1 st April 2021 to March 31, 2022

(a) Dividend payment date;

Not Applicable.

(b) The name and address of each stock exchange(s) at which the listed entity's securities are listed and a confirmation about payment of annual listing fee to each of such stock exchange(s); - NSE (Main Board).

(c) Stock code: - MARSHALL (NSE Symbol).

(d) Market price data and performance in comparison to broad-based indices;

Month	NSE				
	Share Prices		No. of Trades	Nifty	
	High	Low		High	Low
April, 2021	13.35	11.00	72.00K	15,044.35	14,151.40
May, 2021	16.95	11.00	297.00K	15,606.35	14,416.25
June, 2021	22.10	14.25	369.00K	15,915.65	15,450.90
July, 2021	32.45	23.15	1.64M	15,962.25	15,513.45
August, 2021	43.15	29.60	726.00K	17,153.50	15,834.65
September, 2021	35.20	29.00	258.00K	17,947.65	17,055.05
October, 2021	47.00	28.55	558.00K	18,604.45	17,452.90
November, 2021	63.05	28.40	1.98M	18,210.15	16,782.40
December, 2021	69.50	36.40	2.97M	17,639.50	16,410.20
January, 2022	55.95	36.50	2.14M	18,350.95	16,836.80
February, 2022	55.75	38.00	589.87K	17,794.60	16,203.25
March, 2022	41.00	32.85	368.77K	17,559.80	15,671.45

(e) Registrar to an issue and share transfer agents;

Company has no ongoing or proposed plans for an issue.

The Company has M/s Bigshare Services Pvt. Ltd., Registrar & Share Transfer Agent of the Company, 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.

(f) Share transfer system;

The transfer of shares is done compulsorily in demat form, physical transfer of shares is not allowed. Any shareholder, in possession of physical shares desirable to transfer his / her shares will have to get them dematerialised prior to such transfer.

(a) Distribution of shareholding;

Sr. No.	Category of shareholders	No. of Shares	%
1.	Promoters/Promoters Group	9746721	66.99
Public			
1.	Mutual Funds/ Financial Institutions/Banks/NBFCs	0	0
2.	Body Corporates	472688	3.25
3.	NRIs	301329	2.07
4.	Others (incl Individuals etc.)	4029262	27.69
TOTAL		14550000	100.00

Share or Debenture holding Nominal Value (₹)		Number of Shareholders	% to Total Numbers	Shares	% to Total shares
From	To				
1	500	3055	75.75	337145	2.32
501	1000	322	7.98	256725	1.76
1001	2000	191	4.74	300575	2.07
2001	3000	226	5.60	646193	4.44
3001	4000	58	1.43	205355	1.41
4001	5000	42	1.04	197084	1.35
5001	10000	77	1.91	551812	3.79
10001	Onwards	62	1.54	12055111	82.53
Total		4033	100.00	14550000	100.00

(b) Dematerialization of shares and liquidity;

As on March 31, 2022, 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.

(i) Outstanding global depository receipts or american depository receipts or warrants or any convertible instruments, conversion date and likely impact on equity; **Not Applicable.**

(j) Commodity price risk or foreign exchange risk and hedging activities; **Not Applicable.**

(k) Plant locations;

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

(l) Address for correspondence.

Suneel Yadav (Head Accounts and Finance)
Gauri Agarwal (Company Secretary)
C-86, Phase -V, Focal Point, Ludhiana (Pb.)-141010.
Email id: csmarshall@marshallcnc.com

(m) List of all credit ratings obtained by the entity along with any revisions thereto during the relevant financial year, for all debt instruments of such entity or any fixed deposit programme or any scheme or proposal of the listed entity involving mobilization of funds, whether in India or abroad. **Not Applicable.**

(11) Other Disclosures:

(a) disclosures on materially significant related party transactions that may have potential conflict with the interests of listed entity at large; **Not Applicable**

(b) details of non-compliance by the listed entity, penalties, strictures imposed on the listed entity by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years;

The Company has incurred late fee from NSE on account of:

- Regulation 13(3) Statement of investor complaints for the Quarter ended 31.03.2021.
- Regulation 13(3) Statement of investor complaints for the Quarter ended 30.09.2021.
- Regulation 31 Shareholding Pattern for the Quarter ended 30.09.2021.
- Regulation 33 Financial results for the Quarter ended 30.09.2021.
- Regulation 33 Financial Results for the Quarter ended 31.03.2022.

But no penalties, strictures are imposed on the Company by stock exchange(s) or the board or any statutory authority, on any matter related to capital markets, during the last three years.

(c) details of establishment of vigil mechanism / whistle blower policy, and affirmation that no personnel has been denied access to the audit committee

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>

The Board hereby affirms that no personnel has been denied access to the audit committee.

(d) details of compliance with mandatory requirements and adoption of the non-mandatory requirements; All the mandatory requirements are met with by the Company and duly adopted.

(e) web link where policy for determining 'material' subsidiaries is disclosed; **Not Applicable**.

(f) web link where policy on dealing with related party transactions; <https://marshallcnc.com/wp-content/uploads/2020/11/Policy-for-Determination-of-Materiality.pdf>

(g) disclosure of commodity price risks and commodity hedging activities. **Not Applicable**.

(h) Details of utilization of funds raised through preferential allotment or qualified institutions placement as specified under Regulation 32 (7A). **Not Applicable**.

(i) a certificate from a company secretary in practice that none of the directors on the board of the company have been debarred or disqualified from being appointed or continuing as directors of companies by the Board/ Ministry of Corporate Affairs or any such statutory authority. **Attached as Annexure-E**.

(j) where the board had not accepted any recommendation of any committee of the board which is mandatorily required, in the relevant financial year, the same to be disclosed along with reasons thereof: **Not Applicable**.

(k) total fees for all services paid by the listed entity and its subsidiaries, on a consolidated basis, to the statutory auditor and all entities in the network firm/network entity of which the statutory auditor is a part. **Not Applicable**.

(l) disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial year. **0**
- b. number of complaints disposed of during the financial year. **N.A.**
- c. number of complaints pending as on end of the financial year. **0**

(m) disclosure by listed entity and its subsidiaries of 'Loans and advances in the nature of loans to firms/companies in which directors are interested by name and amount': **Not Applicable**.

(12) Non-compliance of any requirement of corporate governance:

There was not any instance of non-compliance relating to the provisions of corporate governance. The provisions of the Corporate Governance became fully applicable to the Company w.e.f. 22.11.2021 on account of Migration of the Company from SME board to the Main Board of NSE.

(13) Certificate of Compliance of Code of Conduct:

The affirmation to the compliance of Code of Conduct was received from the Directors and KMPs. The Certificate of Compliance of Code of Conduct by the Board has been annexed to the report as **Annexure H**.

(14) Certificate of Compliance of Corporate Governance:

The Certificate of Compliance of Corporate Governance provisions by Company Secretary in Practice has been annexed to the report as Annexure I. The provisions of the Corporate Governance became fully applicable to the Company w.e.f. 22.11.2021 on account of Migration of the Company from SME board to the Main Board of NSE.

'Annexure – B'

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 2021-22:

(₹ in Lakhs)

S r. No.	Name of Director/KMP and Designation	Remuneration of Director / KMP for financial year 2021-22	% Increase in Remuneration in the financial year 2021-22	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Gaurav Sarup (Managing Director)	27.00	0	8.11 : 1
2	Mr. Prashant Sarup (Wholetime Director cum CFO)	27.00	0	8.11 : 1
3	Mrs. Archana Sarup (Wholetime Director)	18.00	0	5.41 : 1
4	Mr. Siddhant Sarup (Wholetime Director)	12.00	0	3.60 : 1
5	Mr. Satvinder Singh (Independent Director)	0.75	0	0.23 : 1
6	Ms. Kajal Rai* (Non-executive Independent Director)	0.38	0	0.11 : 1
7	Ms. Komal Bhalla\$ (Non-executive Independent Director)	0.47	0	0.14 : 1
8	Ms. Rita Agarwal% (Non-executive Independent Director)	0.34	NA	0.10 : 1
9	Mr. Anil Singla^ (Non-executive Independent Director)	0.32	NA	0.10 : 1
10	Ms. Sharon Arora# (Non-executive Independent Director)	0.19	NA	0.06 : 1
11	Ms. Gauri Agarwal (Company Secretary)	1.80	0	0.54 : 1
*	Resigned w.e.f. 17-Nov-2021			
\$	Resigned w.e.f. 05-Oct-2021			
%	Appointed w.e.f. 20-Oct-2021			
^	Appointed w.e.f. 26-Oct-2021			
#	Appointed w.e.f. 29-Dec-2021			

(b) Mrs. Kajal Rai and Ms. Komal Bhalla resigned during the year and Mrs. Rita Aggarwal, Mr. Anil Singla and Ms Sharon Arora were appointed as Independent Directors during the Financial Year 2021-22.

(c) The median remuneration of employees of the Company during the financial year 2021-22 was ₹ 3.33 Lac p.a. (approx).

(d) There were 249 permanent employees on the roll of the Company as on March 31, 2022.

(e) Average percentage change in the salaries of the employees other than the managerial personnel in the financial year 2021-22 was approx. 135.08 % (after taking in account a period 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 March 31, 2022 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:

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:

S r. No.	Name	Deptt	Salary PM	Qualification	D.O.J.	D.O.B.	Age (Years) as on 31 st Mar 2022
1	Sunil Dixit	Sales	2,13,300	B.Tech in Mechanical Engg	01-Sep-2020	10-Jul-1972	50
2	Anjay Goliya	Service	1,91,500	Diploma in Mechanical Engg	01-Mar-2017	14-Apr-1970	52
3	Popatrao Narayan Shinde	Sales	1,37,700	M.B.A	01-May-2010	01-Oct-1972	50
4	Shambhu Sidramappa Kalshetti	Sales	1,10,000	B.Tech in Mechanical Engg	26-Jun-2017	25-Mar-1982	40
5	Suneel Kumar Yadav	F & A	1,04,250	M. Com, CA	15-Mar-2021	15-Aug-1985	37
6	Maninder Singh	Automation	91,600	B.Tech	10-Feb-2007	14-Sep-1983	39
7	Vishnu Sharma	Automation	79,000	B.Tech in Mechanical Engg	01-May-2010	13-Aug-1987	35
8	Parvinder Singh	Service	79,000	Diploma in Mechanical Engg	01-Feb-2011	02-May-1984	38
9	Arjun Kumar Ray	Sales	74,900	10+2 (Arts)	17-Feb-2007	05-May-1990	32
10	Amit Kumar Paul	PPC	70,300	Diploma in Mechanical Engg	01-Apr-2008	29-May-1984	38

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.

For on behalf of the Board of
MARSHALL MACHINES LIMITED

PLACE: LUDHIANA
DATE: September 3, 2022

Sd/-
(GAURAV SARUP)
(MANAGING DIRECTOR)
(DIN: 00777489)

Sd/-
(SIDDHANT SARUP)
(WHOLETIME DIRECTOR)
(DIN: 07779416)

'Annexure – C'

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: ₹ 4,31,81,702

4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above): ₹ 8,63,634

5. Details of CSR spend for the financial year:

(a) Total amount spent for the financial year: ₹ 8,64,384

(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.	Education (Improvement in educational infrastructure of a local school namely Bhartiya Shishu Niketan School)	Ludhiana, Punjab	₹ 8,64,384	₹ 8,64,384	₹ 8,64,384	Directly
				₹ 8,64,384	₹ 8,64,384	₹ 8,64,384	

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.

PLACE: LUDHIANA

DATE: September 3, 2022

Sd/-
(GAURAV SARUP)
(MANAGING DIRECTOR)
(DIN: 00777489)

'Annexure – D'

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 (₹)	49,80,446/-	37,58,463/-
b) Coal	Nil	Nil
c) Furnace Oil	Nil	Nil
Total	49,80,446/-	37,58,463/-

(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) : ₹1,97,41,462

For on behalf of the Board of
MARSHALL MACHINES LIMITED

PLACE: LUDHIANA
DATE: September 3, 2022

Sd/-
(GAURAV SARUP)
(MANAGING DIRECTOR)
(DIN: 00777489)

'Annexure – E'

SECRETARIAL AUDIT REPORT

For The Financial Year Ended 31st MARCH, 2022

[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, on test basis, 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 March 31, 2022** ('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, on test basis, the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2022, 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.

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. Creditors include MSME creditors amounting to ₹ 1.39 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).
2. The Company had not paid Annual Listing Fee to NSE for FY 2022-23 (regulation 14).
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):
 - a) Regulation 13(3) Statement of investor complaints for the Quarter ended 31.03.2021.
 - b) Regulation 13(3) Statement of investor complaints for the Quarter ended 30.09.2021.
 - c) Regulation 31 Shareholding Pattern for the Quarter ended 30.09.2021.
 - d) Regulation 33 Financial results for the Quarter ended 30.09.2021.
 - e) Regulation 33 Financial Results for the Quarter ended 31.03.2022.

We further report that

The Board of Directors of the Company is duly constituted. The changes, if any, in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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 the Company has migrated from EMERGE (SME Board) of NSE to the Main Board of NSE w.e.f. 22.11.2021.

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 disclosed impact of its pending litigations in the books of accounts except interest on such pending amounts which may arise in future has not been disclosed
2. Income Tax payable on self-assessment (u/s 140A of Income Tax Act,1961) of ₹ 86.68 Lacs for A.Y 2020-21 and Interest thereon is outstanding for more than six months.
3. The Company and its Directors have received a notice from Income Tax Authorities regarding delayed deposit of TDS and TCS in earlier years, the same has been compounded by the authorities on payment of ₹ 7.82 lacs.
4. The Company has not realized foreign debtor amounting to ₹ 96.88 lacs.
5. The company is not regular in repayment of its loans and interest thereon to the financial institutions and banks. The loan installments have been delayed many times during the year

PLACE: LUDHIANA
DATE: August 19, 2022

Sd/-
(Ansh Bhambri)
Bhambri & Associates
Company Secretary in whole time practice
C.P. No. 22626
UDIN: A060218D000816545
Peer review number: 1203/2021

Note: This report is to be read with our letter of even date which is annexed 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.

PLACE: LUDHIANA
DATE: August 19, 2022

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

'Annexure – F'

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 March 31, 2022** 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	00777489	GAURAV SARUP	11/03/2002
2	01257440	PRASHANT SARUP	28/02/2002
3	07404704	ANIL SINGLA	26/10/2021
4	07779416	SIDDHANT SARUP	29/03/2017
5	07780273	ARCHANA SARUP	29/03/2017
6	08148602	SATVINDER SINGH	05/06/2018
7	09288976	RITA AGGARWAL	20/10/2021
8	09450764	SHARON ARORA	29/12/2021

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

PLACE: LUDHIANA
DATE: August 19, 2022
UDIN: A060218D000816490
Peer review number: 1203/2021

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

'Annexure – G'

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 **March 31, 2022** 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**

PLACE: LUDHIANA
DATE: September 3, 2022

Sd/-	Sd/-
(GAURAV SARUP)	(PRASHANT SARUP)
(MANAGING DIRECTOR)	(WHOLETIME DIRECTOR CUM CFO)
(DIN: 00777489)	(DIN: 01257440)

'Annexure – H'

CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT BY 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.

PLACE: LUDHIANA

DATE: September 3, 2022

For **MARSHALL MACHINES LIMITED**

Sd/-

(PRASHANT SARUP)

(WHOLETIME DIRECTOR CUM CFO)

(DIN: 01257440)

'Annexure – I'

COMPLIANCE CERTIFICATE FOR CORPORATE GOVERNANCE

Practicing Company Secretary's Certificate on compliance with the conditions of Corporate Governance under Schedule V of the SEBI (LODR) regulations, 2015.

The Members,

MARSHALL MACHINES LIMITED,

C-86, Phase V, Focal Point,

Ludhiana

CIN: L29299PB1994PLC014605

I have examined the compliance of conditions of Corporate Governance by **MARSHALL MACHINES LIMITED** ('the Company'), for the year ended on **March 31, 2022**, as stipulated 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 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (collectively referred to as "SEBI Listing Regulations, 2015" as amended from time to time).

During the year, all the provisions of the corporate governance became applicable to the company only after 22.11.2021 due to migration of the Company from EMERGE (SME Board) of NSE to the Main Board of NSE w.e.f. 22.11.2021.

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

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the management and considering the relaxations granted by the Ministry of Corporate Affairs and Securities and Exchange Board of India, I certify that the Company has complied with the conditions of Corporate Governance as stipulated in the SEBI (LODR) regulations, 2015 for the year ended on **March 31, 2022**.

I further state that this certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

PLACE: LUDHIANA

DATE: August 19, 2022

Sd/-

(Ansh Bhabri)

Bhabri & Associates

Company Secretary in whole time practice

C.P. No. 22626

UDIN: A060218D000816534

Independent Auditors' Report

To the Members of **MARSHALL MACHINES LIMITED**
Report on the Audit of Financial Statements

OPINION

We have audited the Financial Statements of **MARSHALL MACHINES LIMITED** ("the Company"), which comprise the balance sheet as at March 31, 2022, and the statement of Profit and Loss, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us the aforesaid financial statements give the information required by the Companies Act, 2013 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, 2022, and its financial performance, and its cash flows for the year ended on that date.

BASIS FOR OPINION

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the financial statements.

EMPHASIS ON MATTER

Attention is drawn to the following matters:

1. The Company has migrated to main board of NSE with effect from 22.11.2021. Therefore, IND AS is adopted considering the transition date of 01.04.2020. Accordingly, the financial statements have been stated as per IND AS.
2. As per Note no. 14 of the Standalone Financial Statements, Creditors include MSME creditors amounting to ₹ 1.39 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 loss of the company is understated.

3. There are pending cases against the Company in various court of law. The Company has mentioned the cases in the respective Note of the Financial statements. Amount under dispute has already been booked in the books of accounts of the company however No interest has been provided in the books of accounts since the decision of the cases are pending and in the opinion of the Directors the cases will be in the favour of the company.
4. With reference to the comments in our Independent Audit Report (part B) CARO-2020 under the clause IX (a) (i) and (ii), In our opinion the company is not regular in repayment of its loans and interest thereon to the financial institutions and banks. The loan installments have been delayed many times during the year {for individual instances refer clause IX a (i) of Annexure B of this report (The CARO-2020 report order)}. However, in the absence of proper records we are unable to comment on their Loan account status.

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.

1. Company has spent an amount of ₹ 8.64 lacs towards corporate social responsibility expenses (CSR Activities) to "Bhartiya Shishu Niketan School". However, in our opinion and as per information and explanation provided to us the abovementioned School does not have CSR certificate issued by Government Authorities and is not eligible for CSR Donation.
2. The Company has not deposited its Statutory dues on regular basis. However, all the Statutory dues payable as on 31.03.2022 have been paid as on date of report except the Income Tax Payable on Self Assessment u/s 140A of Income Tax Act,1961 amounting to ₹ 86.68 Lacs for A.Y 2020-21 along with Interest thereon which is outstanding for more than six months. The company and its directors had received a notice from the Income

Tax authorities regarding delayed deposit of TDS & TCS in earlier years and same has been Compounded by the authorities on payment of ₹ 7.82 lacs. during the year. In our opinion and as per the information and explanation provided to us the delay in deposit of Taxes may cause result in company having to pay penalty for the same in the future, the amount of which cannot be ascertained as of now.

3. Company has not realized its Foreign Debtor amounting to ₹ 96.88 Lacs within the time prescribed under the regulations of the FEMA Act. Subject to which penalty under the provisions of FEMA may levy on violation of the provisions of the said Act. According to the Directors the delay was due to Covid 19.
4. As per Note No. 14 of the Financial statements, out of the Total Trade Payables of ₹ 24.89 Crores, sundry creditors amounting to ₹ 16.27 crores are due for more than 180 days, which include creditors amounting to ₹ 13.27 Crores which are subject to the provisions of section 16(2) of the CGST Act, 2017, Input Tax Credit of GST which has been taken against such unpaid creditors has to be reversed and further the Interest and penalty may be charged on such amounts.
5. As per Note No. 5 of the Financial Statements, out of Total Trade Receivables of ₹ 18.00 Crores, the trade receivables amounting to ₹ 4.04 Crores are pending for realization for more than 3 years. However, the management of the company confirms that all the trade receivables are good and fully realizable.

Information other than the Financial Statements and Auditors' Report thereon The Company's management and Board of Directors are responsible for the other information. The other information comprises the information included in the Company's annual report, but does not include the financial statements and our auditors' report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information obtained prior to the date of this auditor's report, 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.

RESPONSIBILITIES OF MANAGEMENT AND THOSE CHARGED WITH GOVERNANCE FOR THE FINANCIAL STATEMENTS

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Board of Directors 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the 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 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 financial statements, whether due to fraud or error,

design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances.
- 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 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 financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

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

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

From the matters communicated to those charged with governance, we determine those matters that were of most significance in the audit of 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 preclude 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, 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, statement of changes in equity and the Cash Flow Statement dealt with by this report are in agree with the books of account.
- d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
- e) On the basis of the written representations received from the directors as on March 31,, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31,, 2022 from being appointed as a director in terms of Section 164(2) of the Act.
- f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure 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 Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - (I) The Company has disclosed impact of its pending litigations in the books of accounts except interest on such pending amounts which may arise in future has not been disclosed in the Note no 29 of the Financial Statements, which would impact its financial position.
 - (II) The Company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - (III) There were no amounts which were required

to be transferred to the Investor Education and Protection Fund by the Company.

- (IV) (a) The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entity(ies), including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;
- (b) The management has represented, that, to the best of its knowledge and belief, other than as disclosed in the notes to the accounts, no funds have been received by the company from any person(s) or entity(ies), including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding

Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries; and

- (c) Based on audit procedures which we considered reasonable and appropriate in the circumstances, nothing has come to their notice that has caused them to believe that the representations under sub-clause (a) and (b) contain any material mis-statement.
- (V) The company has not declared or paid any dividend during the year in contravention of the provisions of section 123 of the Companies Act, 2013.
- (h) 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.
2. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of Section 143(11) of the Companies Act 2013, we give in "Annexure B" a statement on the matters specified in paragraphs 3 and 4 of the order.

PLACE: Ludhiana
DATE: July 4, 2022

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

Sanjay Sood
Partner
Membership No. 089457
UDIN: 22089457AOPHRO5565

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, 2022 in conjunction with our audit of the Standalone Financial statements of the Company for the year ended on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the 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, 2022, based on the internal control over Financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

PLACE: Ludhiana
DATE: July 4, 2022

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

Sanjay Sood
Partner
Membership No. 089457
UDIN: 22089457AOPHRO5565

Annexure "B" to the Independent Auditors' Report

Report as required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013

(Refer to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

With reference to the Annexure B referred to in the Independent Auditors' Report to the members of the Company on the financial statements for the year ended March 31, 2022, we report the following:

I) IN RESPECT OF FIXED ASSETS

(a) (A) The Company has proper records related to full particulars including quantitative details and situation of Property, Plant and Equipment.

(B) The Company has proper records related to full particulars of Intangible Assets.

(b) In our opinion Property, Plant and Equipment have been physically verified by the management at reasonable intervals. No material discrepancies were noticed on such verification during the year.

(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.

(d) The company has not revalued its Property, Plant and Equipment during the year. Therefore, the provisions of Clause (i)(d) of paragraph 3 of the order are not applicable to the company.

(e) No proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder. Therefore, the provisions of Clause (i)(e) of paragraph 3 of the order are not applicable to the company.

II) IN RESPECT OF INVENTORY & WORKING CAPITAL

(a) In our opinion, physical verification of inventory has been conducted at reasonable intervals by the management and the coverage and procedure of such verification by the management is appropriate. No material discrepancies were noticed on such verification. 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.

(b) The company has been enjoying the working capital limits in excess of ₹ Five crores from banks or financial institutions on the basis of security of current assets. The stock statements submitted by the company to the bank at the end of every quarter is compared with the books of accounts as follows:

(₹ in Crores)

Quarter ending	*Value as per books of account	Value as per statement filed with lender	Difference	Reason for differences
June 30, 2021	26.45	27.87	-1.42	As explained by the management, the differences are because the statements filed with the lenders are based on financial statements which are prepared on provisional basis and also on account of exclusion of certain other current liabilities in the statements filed with the lenders.
September 30, 2021	22.20	28.90	-6.69	
December 31, 2021	26.28	32.27	-5.98	
March 31, 2022	26.13	30.79**	-4.65	

*Value means: Net working capital (without reducing cash credit limit and current maturities of term loans) minus (25% margin)

**Value as per statement filed with the lender is based on provisional figures as per books as on 24th March, 2022

(III) COMPLIANCE UNDER SECTION 189 OF THE COMPANIES ACT, 2013

During the year, the company has not made any investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Therefore, the provisions of clause 3(iii) of the said Order are not applicable to the company.

(IV) COMPLIANCE UNDER SECTION 185 AND 186 OF THE COMPANIES ACT, 2013

The company has not made any loans, investments, guarantees and security on which provisions of section 185 and 186 of the Companies Act 2013 are applicable. Therefore, the provisions of clause 3(iv) of the said Order are not applicable to the company.

(V) COMPLIANCE UNDER SECTION 73 TO 76 OF THE COMPANIES ACT, 2013 AND RULES FRAMED THERE UNDER WHILE ACCEPTING DEPOSITS

In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from public. Therefore, the provisions of Clause (v) of paragraph 3 of the order are not applicable to the Company.

(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

a) The Company is not regular in depositing with the appropriate authorities its undisputed statutory dues

including Provident Fund, Employees' State Insurance, TDS, TCS, GST and other material statutory dues applicable to it. However, the Company did not have dues in arrears as at March 31, 2022 for a period of more than six months from the date they became payable except

A) "Income Tax payable on self-assessment (u/s 140A of Income Tax Act, 1961) of ₹ 86.68 Lacs for A.Y 2020-21 along with Interest thereon which is outstanding for more than six months.

b) There are no dues of Income Tax etc. on account of any disputes which are pending for payments.

(VIII) UNRECORDED INCOME

In our opinion and according to the information and explanations given to us, there is no any transaction which is not recorded in the books of accounts and there has not been any such surrendered or undisclosed income which is required to show as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

(IX) REPAYMENT OF LOANS AND BORROWINGS

a) 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 during the year.

i) Following cases are for the delayed payment of bank loans during the year:

(Amount in ₹)					
Nature of Borrowing	Name of Lender	Amount not paid on due date	Whether Principal or Interest	No. of days delay or unpaid	Related Month
Finance Lease	Siemens Financial Services Private Limited	4,19,592	Both	60 Days	Apr-21
Secured Loan	IDFC First Bank Limited	9,338	Interest	5 Days	Apr-21
Unsecured Loan	IDFC First Bank Limited	1,19,765	Both	10 Days	Apr-21
Finance Lease	Siemens Financial Services Private Limited	2,28,533	Both	59 Days	Apr-21
Secured Loan	Hero Fincorp Limited	1,90,660	Both	27 Days	Apr-21
Secured Loan	Hero Fincorp Limited	3,41,581	Both	27 Days	Apr-21
Unsecured Loan	Deutsche Bank	3,75,911	Both	53 Days	Apr-21
Unsecured Loan	Tata Capital Financial Services Limited	1,83,114	Both	11 Days	Apr-21
Secured Loan	HDFC Bank Limited	4,40,795	Both	4 Days	Apr-21
Secured Loan	HDFC Bank Limited	3,29,285	Both	4 Days	Apr-21
Unsecured Loan	Ashv Finance Limited	5,78,381	Both	51 Days	Apr-21
Secured Loan	Electronica Finance Limited	4,19,685	Both	51 Days	Apr-21
Secured Loan	Small Industries Development Bank of India	41,263	Interest	35 Days	Apr-21
Secured Loan	Small Industries Development Bank of India	7,34,780	Both	48 Days	Apr-21
Secured Loan	Tata Capital Financial Services Limited	9,557	Interest	4 Days	Apr-21
Secured Loan	Tata Capital Financial Services Limited	8,103	Interest	4 Days	Apr-21
Secured Loan	Tata Capital Financial Services Limited	4,60,358	Both	6 Days	Apr-21

Secured Loan	Siemens Financial Services Private Limited	1,25,697	Both	33 Days	Apr-21
Finance Lease	Siemens Financial Services Private Limited	4,19,592	Both	30 Days	May-21
Unsecured Loan	Clix Capital Services Private Limited	90,930	Both	13 Days	May-21
Secured Loan	IDFC First Bank Limited	9,338	Interest	5 Days	May-21
Unsecured Loan	IDFC First Bank Limited	1,19,765	Both	13 Days	May-21
Finance Lease	Siemens Financial Services Private Limited	2,26,765	Both	29 Days	May-21
Secured Loan	Hero Fincorp Limited	1,90,660	Both	23 Days	May-21
Secured Loan	Hero Fincorp Limited	3,41,581	Both	23 Days	May-21
Unsecured Loan	Deutsche Bank	3,75,911	Both	56 Days	May-21
Unsecured Loan	Tata Capital Financial Services Limited	1,83,114	Both	26 Days	May-21
Secured Loan	HDFC Bank Limited	4,40,795	Both	8 Days	May-21
Secured Loan	HDFC Bank Limited	18,796	Both	8 Days	May-21
Secured Loan	HDFC Bank Limited	2,75,000	Interest	8 Days	May-21
Secured Loan	HDFC Bank Limited	3,29,285	Both	8 Days	May-21
Unsecured Loan	Ashv Finance Limited	5,78,381	Both	51 Days	May-21
Secured Loan	Electronica Finance Limited	4,19,685	Both	59 Days	May-21
Secured Loan	Small Industries Development Bank of India	39,932	Interest	5 Days	May-21
Secured Loan	Small Industries Development Bank of India	7,24,965	Both	56 Days	May-21
Secured Loan	Tata Capital Financial Services Limited	7,842	Interest	7 Days	May-21
Secured Loan	Tata Capital Financial Services Limited	4,52,842	Both	16 Days	May-21
Secured Loan	Tata Capital Financial Services Limited	9,248	Interest	17 Days	May-21
Secured Loan	Siemens Financial Services Private Limited	1,25,697	Both	3 Days	May-21
Finance Lease	Siemens Financial Services Private Limited	4,19,592	Both	11 Days	Jun-21
Unsecured Loan	Clix Capital Services Private Limited	90,930	Both	13 Days	Jun-21
Secured Loan	IDFC First Bank Limited	9,338	Interest	3 Days	Jun-21
Finance Lease	Siemens Financial Services Private Limited	2,24,996	Both	15 Days	Jun-21
Secured Loan	Hero Fincorp Limited	1,90,660	Both	15 Days	Jun-21
Unsecured Loan	Deutsche Bank	3,75,911	Both		Jun-21
Unsecured Loan	Tata Capital Financial Services Limited	1,83,114	Both	25 Days	Jun-21
Unsecured Loan	Ashv Finance Limited	5,78,381	Both	72 Days	Jun-21
Secured Loan	Electronica Finance Limited	4,19,685	Both	72 Days	Jun-21
Secured Loan	Small Industries Development Bank of India	41,263	Interest	25 Days	Jun-21
Secured Loan	Small Industries Development Bank of India	7,28,996	Both	72 Days	Jun-21
Secured Loan	Tata Capital Financial Services Limited	4,52,183	Both	20 Days	Jun-21
Unsecured Loan	NeoGrowth Credit Private Limited	29,517	Both	9 Days	Jun-21
Finance Lease	Siemens Financial Services Private Limited	4,19,592	Both	15 Days	Jul-21
Unsecured Loan	Clix Capital Services Private Limited	90,930	Both	14 Days	Jul-21
Secured Loan	IDFC First Bank Limited	9,338	Interest	3 Days	Jul-21
Finance Lease	Siemens Financial Services Private Limited	2,23,228	Both	14 Days	Jul-21
Secured Loan	Hero Fincorp Limited	1,16,450	Interest	18 Days	Jul-21
Unsecured Loan	Deutsche Bank	2,90,104	Both		Jul-21
Secured Loan	HDFC Bank Limited	18,341	Both	12 Days	Jul-21
Secured Loan	Tata Capital Financial Services Limited	56,712	Interest	24 Days	Jul-21
Secured Loan	HDFC Bank Limited	4,40,795	Both	10 Days	Jul-21
Secured Loan	HDFC Bank Limited	3,29,285	Both	10 Days	Jul-21
Unsecured Loan	Ashv Finance Limited	5,78,381	Both	73 Days	Jul-21

Secured Loan	Electronica Finance Limited	4,19,685	Both	84 Days	Jul-21
Secured Loan	Small Industries Development Bank of India	39,932	Interest	42 Days	Jul-21
Secured Loan	Small Industries Development Bank of India	1,65,564	Interest	83 Days	Jul-21
Secured Loan	Tata Capital Financial Services Limited	9,248	Interest	9 Days	Jul-21
Secured Loan	Tata Capital Financial Services Limited	7,842	Interest	9 Days	Jul-21
Secured Loan	Tata Capital Financial Services Limited	4,44,931	Both	19 Days	Jul-21
Unsecured Loan	NeoGrowth Credit Private Limited	29,517	Both	6 Days	Jul-21
Finance Lease	Siemens Financial Services Private Limited	4,19,592	Both	48 Days	Aug-21
Unsecured Loan	Clix Capital Services Private Limited	90,930	Both	14 Days	Aug-21
Unsecured Loan	IDFC First Bank Limited	1,19,765	Both	15 Days	Aug-21
Secured Loan	IDFC First Bank Limited	38,662	Both	30 Days	Aug-21
Finance Lease	Siemens Financial Services Private Limited	2,21,460	Both	65 Days	Aug-21
Secured Loan	Hero Fincorp Limited	1,16,450	Interest	13 Days	Aug-21
Secured Loan	Hero Fincorp Limited	53,309	Interest	13 Days	Aug-21
Unsecured Loan	Magma Fincorp Limited	20,383	Interest	6 Days	Aug-21
Unsecured Loan	Moneywise Financial Services Private Limited	70,000	Both	17 Days	Aug-21
Unsecured Loan	Aditya Birla Finance Limited	69,916	Interest	11 Days	Aug-21
Secured Loan	Aditya Birla Finance Limited	10,858	Interest	11 Days	Aug-21
Secured Loan	Ashv Finance Limited	41,506	Interest	16 Days	Aug-21
Secured Loan	HDFC Bank Limited	18,341	Both	7 Days	Aug-21
Unsecured Loan	NeoGrowth Credit Private Limited	29,517	Both	14 Days	Aug-21
Unsecured Loan	Tata Capital Financial Services Limited	91,558	Both	21 Days	Aug-21
Secured Loan	Tata Capital Financial Services Limited	58,603	Interest	26 Days	Aug-21
Secured Loan	HDFC Bank Limited	4,40,795	Both	5 Days	Aug-21
Secured Loan	HDFC Bank Limited	2,75,000	Interest	5 Days	Aug-21
Secured Loan	HDFC Bank Limited	3,29,285	Both	5 Days	Aug-21
Unsecured Loan	Ashv Finance Limited	5,78,381	Both	81 Days	Aug-21
Secured Loan	Electronica Finance Limited	4,19,685	Both	64 Days	Aug-21
Secured Loan	Small Industries Development Bank of India	1,67,835	Interest	52 Days	Aug-21
Secured Loan	Small Industries Development Bank of India	41,263	Interest	52 Days	Aug-21
Secured Loan	Tata Capital Financial Services Limited	4,44,008	Both	21 Days	Aug-21
Secured Loan	Tata Capital Financial Services Limited	9,557	Interest	21 Days	Aug-21
Secured Loan	Tata Capital Financial Services Limited	8,103	Interest	21 Days	Aug-21
Secured Loan	Siemens Financial Services Private Limited	1,25,697	Both	39 Days	Aug-21
Finance Lease	Siemens Financial Services Private Limited	4,19,592	Both	17 Days	Sep-21
Unsecured Loan	Clix Capital Services Private Limited	90,930	Both	19 Days	Sep-21
Unsecured Loan	IDFC First Bank Limited	1,19,765	Both	19 Days	Sep-21
Finance Lease	Siemens Financial Services Private Limited	2,19,692	Both	34 Days	Sep-21
Secured Loan	Hero Fincorp Limited	1,16,450	Interest	18 Days	Sep-21
Secured Loan	Hero Fincorp Limited	53,309	Interest	18 Days	Sep-21
Unsecured Loan	Magma Fincorp Limited	20,383	Interest	4 Days	Sep-21
Unsecured Loan	Moneywise Financial Services Private Limited	70,000	Both	17 Days	Sep-21
Secured Loan	Aditya Birla Finance Limited	31,807	Both	16 Days	Sep-21
Unsecured Loan	Aditya Birla Finance Limited	69,916	Interest	25 Days	Sep-21

Secured Loan	Ashv Finance Limited	1,19,304	Both	16 Days	Sep-21
Secured Loan	HDFC Bank Limited	18,341	Both	11 Days	Sep-21
Secured Loan	Tata Capital Financial Services Limited	58,603	Interest	25 Days	Sep-21
Unsecured Loan	Tata Capital Financial Services Limited	91,558	Both	43 Days	Sep-21
Secured Loan	HDFC Bank Limited	4,40,795	Both	9 Days	Sep-21
Secured Loan	HDFC Bank Limited	3,29,285	Both	9 Days	Sep-21
Secured Loan	HDFC Bank Limited	2,75,000	Interest	17 Days	Sep-21
Unsecured Loan	Ashv Finance Limited	5,78,381	Both	81 Days	Sep-21
Secured Loan	Electronica Finance Limited	4,19,685	Both	33 Days	Sep-21
Secured Loan	Small Industries Development Bank of India	1,65,319	Interest	21 Days	Sep-21
Secured Loan	Small Industries Development Bank of India	2,05,263	Both	88 Days	Sep-21
Secured Loan	Tata Capital Financial Services Limited	4,39,921	Both	20 Days	Sep-21
Secured Loan	Tata Capital Financial Services Limited	9,249	Interest	20 Days	Sep-21
Secured Loan	Tata Capital Financial Services Limited	8,103	Interest	20 Days	Sep-21
Unsecured Loan	NeoGrowth Credit Private Limited	29,517	Both	6 Days	Sep-21
Secured Loan	Siemens Financial Services Private Limited	1,25,697	Both	8 Days	Sep-21
Finance Lease	Siemens Financial Services Private Limited	1,20,046	Both	3 Days	Oct-21
Unsecured Loan	Clix Capital Services Private Limited	90,930	Both	16 Days	Oct-21
Secured Loan	IDFC First Bank Limited	38,662	Both	3 Days	Oct-21
Unsecured Loan	IDFC First Bank Limited	1,19,765	Both	16 Days	Oct-21
Finance Lease	Siemens Financial Services Private Limited	2,17,924	Both	4 Days	Oct-21
Secured Loan	Hero Fincorp Limited	1,16,450	Interest	15 Days	Oct-21
Secured Loan	Hero Fincorp Limited	53,309	Interest	15 Days	Oct-21
Unsecured Loan	Magma Fincorp Limited	20,383	Interest	9 Days	Oct-21
Secured Loan	Ashv Finance Limited	1,19,304	Both	13 Days	Oct-21
Secured Loan	HDFC Bank Limited	18,341	Both	4 Days	Oct-21
Secured Loan	Tata Capital Financial Services Limited	56,712	Interest	16 Days	Oct-21
Unsecured Loan	Tata Capital Financial Services Limited	91,558	Both	53 Days	Oct-21
Unsecured Loan	Ashv Finance Limited	5,78,381	Both	80 Days	Oct-21
Secured Loan	Electronica Finance Limited	4,19,685	Both	3 Days	Oct-21
Secured Loan	Small Industries Development Bank of India	1,58,648	Interest	60 Days	Oct-21
Secured Loan	Small Industries Development Bank of India	2,03,674	Both	82 Days	Oct-21
Secured Loan	Tata Capital Financial Services Limited	9,248	Interest	8 Days	Oct-21
Secured Loan	Tata Capital Financial Services Limited	7,842	Interest	8 Days	Oct-21
Secured Loan	Tata Capital Financial Services Limited	4,33,065	Both	20 Days	Oct-21
Unsecured Loan	NeoGrowth Credit Private Limited	29,517	Both	9 Days	Oct-21
Finance Lease	Siemens Financial Services Private Limited	1,20,046	Both	10 Days	Nov-21
Unsecured Loan	Clix Capital Services Private Limited	90,930	Both	28 Days	Nov-21
Unsecured Loan	IDFC First Bank Limited	1,19,765	Both	28 Days	Nov-21
Secured Loan	IDFC First Bank Limited	38,662	Both	28 Days	Nov-21
Secured Loan	Hero Fincorp Limited	1,16,450	Interest	27 Days	Nov-21
Secured Loan	Hero Fincorp Limited	53,309	Interest	27 Days	Nov-21
Unsecured Loan	Magma Fincorp Limited	20,383	Interest	5 Days	Nov-21
Unsecured Loan	Moneywise Financial Services Private Limited	70,000	Both	26 Days	Nov-21

Secured Loan	Aditya Birla Finance Limited	31,807	Both	53 Days	Nov-21
Secured Loan	Ashv Finance Limited	1,19,304	Both	25 Days	Nov-21
Secured Loan	HDFC Bank Limited	18,341	Both	4 Days	Nov-21
Unsecured Loan	NeoGrowth Credit Private Limited	29,517	Both	25 Days	Nov-21
Secured Loan	Tata Capital Financial Services Limited	58,603	Interest	22 Days	Nov-21
Unsecured Loan	Tata Capital Financial Services Limited	91,558	Both	54 Days	Nov-21
Unsecured Loan	Ashv Finance Limited	5,78,381	Both	80 Days	Nov-21
Secured Loan	Electronica Finance Limited	4,19,685	Both	41 Days	Nov-21
Secured Loan	Small Industries Development Bank of India	1,63,936	Interest	51 Days	Nov-21
Secured Loan	Small Industries Development Bank of India	2,04,372	Both	51 Days	Nov-21
Secured Loan	Tata Capital Financial Services Limited	9,557	Interest	17 Days	Nov-21
Secured Loan	Tata Capital Financial Services Limited	8,103	Interest	17 Days	Nov-21
Secured Loan	Tata Capital Financial Services Limited	4,31,747	Both	20 Days	Nov-21
Unsecured Loan	NeoGrowth Credit Private Limited	29,517	Both	10 Days	Nov-21
Finance Lease	Siemens Financial Services Private Limited	1,20,046	Both	28 Days	Dec-21
Unsecured Loan	Clix Capital Services Private Limited	90,930	Both	27 Days	Dec-21
Secured Loan	IDFC First Bank Limited	38,662	Both	26 Days	Dec-21
Unsecured Loan	IDFC First Bank Limited	1,19,765	Both	27 Days	Dec-21
Secured Loan	Hero Fincorp Limited	53,309	Interest	7 Days	Dec-21
Secured Loan	Hero Fincorp Limited	1,16,450	Interest	26 Days	Dec-21
Unsecured Loan	Magma Fincorp Limited	20,383	Interest	6 Days	Dec-21
Unsecured Loan	Moneywise Financial Services Private Limited	70,000	Both	23 Days	Dec-21
Secured Loan	Aditya Birla Finance Limited	31,807	Both	23 Days	Dec-21
Unsecured Loan	Aditya Birla Finance Limited	1,87,237	Both	25 Days	Dec-21
Secured Loan	Ashv Finance Limited	1,19,304	Both	25 Days	Dec-21
Secured Loan	HDFC Bank Limited	18,341	Both	5 Days	Dec-21
Unsecured Loan	NeoGrowth Credit Private Limited	29,517	Both	5 Days	Dec-21
Secured Loan	Tata Capital Financial Services Limited	1,66,700	Both	30 Days	Dec-21
Unsecured Loan	Tata Capital Financial Services Limited	91,558	Both	31 Days	Dec-21
Secured Loan	HDFC Bank Limited	4,40,795	Both	3 Days	Dec-21
Secured Loan	HDFC Bank Limited	18,796	Both	3 Days	Dec-21
Secured Loan	HDFC Bank Limited	12,58,073	Both	3 Days	Dec-21
Secured Loan	HDFC Bank Limited	3,29,285	Both	3 Days	Dec-21
Unsecured Loan	Ashv Finance Limited	5,78,381	Both	63 Days	Dec-21
Secured Loan	Electronica Finance Limited	4,19,685	Both	11 Days	Dec-21
Secured Loan	Small Industries Development Bank of India	1,58,648	Interest	21 Days	Dec-21
Secured Loan	Small Industries Development Bank of India	2,03,045	Both	21 Days	Dec-21
Secured Loan	Tata Capital Financial Services Limited	9,248	Interest	18 Days	Dec-21
Secured Loan	Tata Capital Financial Services Limited	7,842	Interest	18 Days	Dec-21
Secured Loan	Tata Capital Financial Services Limited	4,25,154	Both	25 Days	Dec-21
Unsecured Loan	NeoGrowth Credit Private Limited	29,517	Both	8 Days	Dec-21
Finance Lease	Siemens Financial Services Private Limited	1,20,046	Both	60 Days	Jan-22
Unsecured Loan	Clix Capital Services Private Limited	90,930	Both	27 Days	Jan-22
Unsecured Loan	IDFC First Bank Limited	1,19,765	Both	18 Days	Jan-22
Secured Loan	Hero Fincorp Limited	1,16,450	Interest	17 Days	Jan-22

Unsecured Loan	Moneywise Financial Services Private Limited	70,000	Both	25 Days	Jan-22
Unsecured Loan	Aditya Birla Finance Limited	1,87,237	Both	24 Days	Jan-22
Secured Loan	Ashv Finance Limited	1,19,304	Both	24 Days	Jan-22
Secured Loan	Tata Capital Financial Services Limited	1,66,700	Both	26 Days	Jan-22
Unsecured Loan	Tata Capital Financial Services Limited	91,558	Both	31 Days	Jan-22
Unsecured Loan	Ashv Finance Limited	5,78,381	Both	77 Days	Jan-22
Secured Loan	Electronica Finance Limited	4,19,685	Both	9 Days	Jan-22
Secured Loan	Small Industries Development Bank of India	1,63,936	Interest	21 Days	Jan-22
Secured Loan	Small Industries Development Bank of India	2,02,997	Both	21 Days	Jan-22
Secured Loan	Tata Capital Financial Services Limited	8,103	Interest	19 Days	Jan-22
Secured Loan	Tata Capital Financial Services Limited	4,23,572	Both	21 Days	Jan-22
Secured Loan	Tata Capital Financial Services Limited	9,557	Interest	21 Days	Jan-22
Secured Loan	Siemens Financial Services Private Limited	1,25,697	Both	27 Days	Jan-22
Finance Lease	Siemens Financial Services Private Limited	1,20,046	Both	58 Days	Feb-22
Secured Loan	Tata Capital Financial Services Limited	1,66,700	Both	19 Days	Feb-22
Unsecured Loan	Tata Capital Financial Services Limited	91,558	Both	28 Days	Feb-22
Unsecured Loan	Ashv Finance Limited	5,78,381	Both	78 Days	Feb-22
Secured Loan	Electronica Finance Limited	4,19,685	Both	78 Days	Feb-22
Secured Loan	Small Industries Development Bank of India	1,63,936	Interest	48 Days	Feb-22
Secured Loan	Small Industries Development Bank of India	2,00,296	Both	48 Days	Feb-22
Secured Loan	Tata Capital Financial Services Limited	9,557	Interest	14 Days	Feb-22
Secured Loan	Tata Capital Financial Services Limited	8,103	Interest	14 Days	Feb-22
Secured Loan	Tata Capital Financial Services Limited	4,19,485	Both	18 Days	Feb-22
Unsecured Loan	NeoGrowth Credit Private Limited	29,517	Both	4 Days	Feb-22
Secured Loan	Siemens Financial Services Private Limited	1,25,697	Both	28 Days	Feb-22
Finance Lease	Siemens Financial Services Private Limited	1,20,046	Both	85 Days	Mar-22
Unsecured Loan	Clix Capital Services Private Limited	90,930	Both	29 Days	Mar-22
Secured Loan	Hero Fincorp Limited	1,16,450	Interest	28 Days	Mar-22
Unsecured Loan	Aditya Birla Finance Limited	1,87,237	Both	26 Days	Mar-22
Secured Loan	Ashv Finance Limited	1,19,304	Both	26 Days	Mar-22
Secured Loan	HDFC Bank Limited	18,341	Both	21 Days	Mar-22
Secured Loan	Tata Capital Financial Services Limited	1,66,700	Both	11 Days	Mar-22
Unsecured Loan	Tata Capital Financial Services Limited	91,558	Both	54 Days	Mar-22
Secured Loan	HDFC Bank Limited	18,796	Both	3 Days	Mar-22
Secured Loan	HDFC Bank Limited	4,40,795	Both	19 Days	Mar-22
Secured Loan	HDFC Bank Limited	3,29,285	Both	19 Days	Mar-22
Secured Loan	HDFC Bank Limited	12,58,073	Both	24 Days	Mar-22
Unsecured Loan	Ashv Finance Limited	5,78,381	Both	82 Days	Mar-22
Secured Loan	Electronica Finance Limited	4,19,685	Both	82 Days	Mar-22
Secured Loan	Small Industries Development Bank of India	1,48,072	Interest	20 Days	Mar-22
Secured Loan	Small Industries Development Bank of India	1,96,081	Both	20 Days	Mar-22
Secured Loan	Tata Capital Financial Services Limited	4,09,069	Both	6 Days	Mar-22
Secured Loan	Tata Capital Financial Services Limited	8,632	Interest	6 Days	Mar-22
Secured Loan	Tata Capital Financial Services Limited	7,319	Interest	6 Days	Mar-22
Secured Loan	Siemens Financial Services Private Limited	1,25,697	Both	3 Days	Mar-22

ii) Following Loan Accounts have been restructured during the year:

S. No	Name of Financial Institution	Nature of Loan Restructured	Original Sanctioned Amount of Loan
1.	*Hero Fincorp	Term Loan	1.25 Crores
2.	*Hero Fincorp	Term Loan	0.55 Crores
3.	Magma Fincorp Ltd.	Term Loan	0.17 Crores
4.	SIDBI	Term Loan	3.00 Crores
5.	Tata Capital Financial Services Limited	Business Loan	0.50 Crores
6.	Siemens Financial Services Private Limited	Lease Four star	1.83 Crores

*Restructuring had been done under the covid-19 stress resolution scheme.

- (b) In our opinion and according to the information and explanations given to us, the company has not been a declared wilful defaulter by any bank or financial institution or other lender.
- (c) In our opinion and according to the information and explanations given to us, the loans were applied for the purpose for which the loans were obtained.
- (d) In our opinion and according to the information and explanations given to us, there are no funds raised on short term basis which have been utilized for long term purposes.
- (e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures.
- (f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies.

(X) UTILIZATION OF MONEY RAISED BY PUBLIC OFFERS AND TERM LOAN FOR WHICH THEY RAISED

- (a) The Company has not raised money by way of initial public offer or further public offer (including debt instruments). Therefore, the provisions of Clause (x)(a) of paragraph 3 of the order are not applicable to the Company.
- (b) In our opinion and according to the information and explanations given to us, the company has not made preferential allotment or private placement of shares during the year. In our opinion & as per explanation given to us, the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purposes for which the funds were raised.

(XI) REPORTING OF FRAUD DURING THE YEAR & WHISTLE BLOWER COMPLAINTS

- a) To the best of our knowledge and according to the information and explanations given to us, no fraud by the company or any fraud on the Company by its

officers or employees during the year has been noticed or reported. The management has also not reported any case of fraud during the year.

- (b) During the year no report under sub-section (12) of section 143 of the Companies Act has been filed by the auditors in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- (c) As auditor, we did not receive any whistle-blower complaint during the year.

(XII) COMPLIANCE BY NIDHI COMPANY REGARDING NET OWNED FUND TO DEPOSITS RATIO

The company is not a Nidhi Company. Therefore, the provisions of Clause (xii) of paragraph 3 of the order are not applicable to the Company.

(XIII) RELATED PARTY COMPLIANCE WITH SECTION 177 AND 188 OF COMPANIES ACT - 2013

As per the information and explanations received to us all transactions with the related parties are in compliance with the provisions of sections 177 and 188 of Companies Act where applicable, and the details have been disclosed in the financial statements, etc., as required by the applicable accounting standards. Identification of related parties were made and provided by the management of the company.

(XIV) APPOINTMENT OF INTERNAL AUDITOR:

- a.) The company is covered by section 138 of the Companies Act, 2013, related to appointment of internal auditor of the company. The company has an internal audit system commensurate with the size and nature of its business. As per information and explanation provided to us, the company has appointed an Internal Auditor for the year under audit.
- b.) However, there was no proper quarterly internal audit plan and documentation of the quarterly audit available. Prima facie the internal Auditor has not covered many areas for audit ie Accounting, Financing, Compliance and Information Technology (IT systems).

(XV) COMPLIANCE UNDER SECTION 192 OF COMPANIES ACT - 2013

The Company has not entered into any non-cash transactions with directors or persons connected with him for the year under review. Therefore, the provisions of Clause (xv) of paragraph 3 of the order are not applicable to the Company.

(XVI) REQUIREMENT OF REGISTRATION UNDER 45-IA OF RESERVE BANK OF INDIA ACT, 1934

- (a) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.
- (b) The company has not conducted any Non-Banking Financial or Housing Finance activities during the year.
- (c) The company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India
- (d) As per the information and explanations received, the group does not have any CIC as part of the group.

(XVII) The company has not incurred cash loss in current financial year as well in immediately preceding financial year.

(XVIII) There has been no resignation of the previous statutory auditors during the year.

(XIX) On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans, we are of the opinion that Current assets of the company are lesser than its current liabilities to be paid within one year. There has been delays

in the repayment of bank loan, statutory dues, creditor payments for several times during the year. This indicates that there may arise material uncertainty as on the date of the audit report that company is capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. However, in the opinion of the management the company will have the sufficient internal cash accruals in the next financial year to meet its current liabilities.

(XX) CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

- a.) Company has spent an amount of ₹ 8.64 lacs towards corporate social responsibility expenses (CSR Activities) to "Bhartiya Shishu Niketan School". However, in our opinion and as per information and explanation provided to us the abovementioned School does not have CSR certificate issued by Government Authorities and is not eligible for CSR Donation.

In the opinion of directors of the Company there is no unspent amount which is required to be deposited in a fund specified in the schedule VII to the Companies Act with in specified time period.

- b. There is no remaining unspent amount under sub section 5 of section 135 of the Companies Act, pursuant to any ongoing project. Therefore, no amount was required to be transferred to special account as per the provisions of sub section (6) of section 135 of the said Act.

(XXI) The company has not made investments in any subsidiary company. Therefore, the company does not require to prepare consolidated financial statement.

PLACE: Ludhiana
DATE: July 4, 2022

For S. Sood & Co
Chartered Accountants
Firm Registration No. **010801N**
Sanjay Sood
Partner
Membership No. 089457
UDIN: 22089457AOPHRO5565

Balance Sheet

As at March 31, 2022

(₹ in Hundreds)

Particulars	Notes	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
ASSETS				
Non-Current Assets				
a) Property, Plant and Equipment	2	57,34,985.25	61,82,823.52	31,92,936.99
b) Capital Work in Progress	2	-	-	14,11,317.96
c) Intangible Assets	2	5,12,707.59	6,45,778.85	6,86,697.95
d) Other Financial assets	3	1,56,355.13	2,15,835.69	3,86,151.67
Current Assets				
a) Inventories	4	50,40,915.44	48,02,511.65	45,79,032.26
b) Financial Assets				
i) Trade Receivables	5	18,00,283.69	11,67,718.66	14,04,121.32
ii) Cash and Cash equivalents	6	27,146.47	64,054.98	1,42,138.21
iii) Other Financial assets	7	47,726.68	41,840.14	29,199.80
c) Other Current Assets	8	2,13,649.69	1,57,168.69	2,68,028.21
TOTAL ASSETS		1,35,33,769.94	1,32,77,732.18	1,20,99,624.37
EQUITY AND LIABILITIES				
Equity				
a) Equity Share Capital	9	14,55,000.00	14,55,000.00	14,55,000.00
b) Other Equity	10	31,42,937.88	34,50,184.17	26,71,949.59
Non-Current Liabilities				
a) Financial Liabilities				
i) Borrowings	11	9,50,289.34	14,22,271.74	15,26,878.61
b) Provisions	12	97,269.56	80,396.91	84,716.58
c) Deferred Tax Liabilities (Net)	13	5,12,772.54	5,66,492.16	2,90,233.58
Current Liabilities				
a) Financial Liabilities				
i) Borrowings	11	30,67,323.72	26,40,545.61	23,28,433.24
ii) Trade Payables	14	24,89,780.06	21,09,792.02	20,92,780.28
iii) Other Financial Liabilities	15	21,074.18	14,576.15	16,665.18
b) Other Current Liabilities	16	17,01,075.12	14,31,964.16	15,37,165.74
c) Provisions	12	12,927.02	18,056.15	16,904.06
d) Current tax liabilities (net)	17	83,320.52	88,453.11	78,897.51
TOTAL EQUITY AND LIABILITIES		1,35,33,769.94	1,32,77,732.18	1,20,99,624.37
Corporate information and significant accounting policies	1			

See accompanying notes forming part of the financial statements

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: July 4, 2022

(Ms. Gauri Agarwal)

Company Secretary

PAN: BVHPA7319B

(Mr. Gaurav Sarup)

Managing Director

DIN: 00777489

(Mr. Siddhant Sarup)

Whole Time Director

DIN: 07779416

(Mr. Prashant Sarup)

Whole Time Director & CFO

DIN: 01257440

(Mr. Suneel Kumar Yadav)

Head (F & A)

For and on behalf of Board of

Marshall Machines Limited

Statement of Profit and Loss

For the Year ended March 31, 2022

(₹ in Hundreds)

Particulars	Notes	Year Ended 31.03.2022	Year Ended 31.03.2021
I Revenue from Operations	18	60,32,607.12	67,13,960.37
II Other Income	19	13,706.45	11,194.18
III Total Income (I+II)		60,46,313.57	67,25,154.55
IV Expenses			
Cost of Materials Consumed	20	41,63,343.11	47,87,650.46
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work-in-Progress	21	(3,72,403.55)	(1,55,693.03)
Employee Benefits Expense	22	10,74,801.08	6,84,963.56
Finance Costs	23	4,46,406.30	3,81,440.07
Depreciation and amortisation expense	2	6,26,634.72	5,12,316.37
Other Expenses	24	4,77,042.90	4,55,942.15
Total Expenses		64,15,824.56	66,66,619.58
V Profit before tax (III-IV)		(3,69,510.99)	58,534.97
VI Tax Expense:	25		
Current Tax		-	12,941.60
Deferred Tax		(55,941.34)	9,223.09
Total tax expense (VI)		(55,941.34)	22,164.69
VII Profit/(Loss) for the Year (V-VI)		(3,13,569.65)	36,370.28
VIII Other Comprehensive Income			
Items that will not be reclassified to profit or loss:			
Remeasurements of the defined benefit plans		8,545.08	24,424.29
Income tax relating to items that will not be reclassified to profit or loss		(2,221.72)	(6,350.32)
Total other comprehensive income (VIII)		6,323.36	18,073.97
IX Total Comprehensive Income for the Year (VII+VIII)		(3,07,246.29)	54,444.25
X Earnings per equity share (face value of ₹ 10/- each):	37		
1) Basic		(2.16)	0.25
2) Diluted		(2.16)	0.25

See accompanying notes forming part of the financial statements

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: July 4, 2022

(Ms. Gauri Agarwal)

Company Secretary

PAN: BVHPA7319B

(Mr. Gaurav Sarup)

Managing Director

DIN: 00777489

(Mr. Siddhant Sarup)

Whole Time Director

DIN: 07779416

(Mr. Prashant Sarup)

Whole Time Director & CFO

DIN: 01257440

(Mr. Suneel Kumar Yadav)

Head (F & A)

For and on behalf of Board of

Marshall Machines Limited

Cash Flow Statement

For the Year ended March 31, 2022

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
A. Cash Flow from Operating Activities			
Profit/(Loss) for the Year	(3,13,569.65)	36,370.28	2,97,491.44
Adjustments for:			
Depreciation and amortisation expense	6,26,634.72	5,12,316.37	8,10,188.88
Interest Income	(8,460.14)	(10,229.81)	(11,118.08)
Finance costs	4,46,406.30	3,81,440.07	4,39,597.98
Income Tax Expense	(55,941.34)	22,164.69	1,14,660.78
Profit on Sale of PPE	-	(964.37)	-
Previous Year Adjustments	-	18,159.74	-
Changes in working capital:			
Adjustments for (increase) / decrease in operating assets:			
Inventories	(2,38,403.79)	(2,23,479.39)	(5,87,767.69)
Trade Receivables	(6,32,565.03)	2,36,402.66	(1,68,743.52)
Other Non-Current Financial assets	59,480.56	1,70,315.98	(2,17,574.20)
Other Current Financial assets	(5,886.54)	(12,640.35)	-
Other Current assets	(56,481.00)	82,808.11	1,99,521.75
Adjustments for increase / (decrease) in operating liabilities:			
Trade Payables	3,79,988.04	17,011.74	4,84,798.18
Provisions	20,288.60	12,954.73	29,329.75
Other Current Liabilities	2,69,110.96	(1,05,201.58)	3,45,742.35
Cash generated from operations	4,90,601.69	11,37,428.87	17,36,127.62
Net income tax (paid)	(12,950.47)	(3,352.09)	(1,54,252.90)
Net cash flow from operating activities (A)	4,77,651.22	11,34,076.78	15,81,874.72
B. Cash Flow from investing activities			
Capital expenditure on Property, Plant and Equipment	(45,725.19)	(10,48,516.22)	(14,61,885.45)
Proceeds from disposal of Property, Plant and Equipment	-	2,150.00	-
Interest received	8,460.14	10,229.81	11,118.08
Net cash used in investing activities (B)	(37,265.05)	(10,36,136.41)	(14,50,767.37)
C. Cash Flow from financing activities			
Proceeds/(Repayment) of Current Borrowings	3,82,418.45	3,12,112.37	(2,53,620.05)
Proceeds/(Repayment) of Non-Current Borrowings	(4,27,622.74)	(1,04,606.87)	4,57,263.90
Interest Paid	(4,32,090.39)	(3,83,529.10)	(4,38,520.60)
Net cash used in financing activities (C)	(4,77,294.68)	(1,76,023.60)	(2,34,876.75)
Net increase/(decrease) in cash and cash equivalents (A+B+C)	(36,908.51)	(78,083.23)	(1,03,769.40)
Cash & Cash Equivalents - Opening Balance (refer Note - 6)	64,054.98	1,42,138.21	2,45,907.61
Cash & Cash Equivalents - Closing Balance (refer Note - 6)	27,146.47	64,054.98	1,42,138.21

Notes: The Cash Flow Statement has been prepared under the "Indirect Method" as set out in Ind AS 7 on Cash Flow Statement.

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

For and on behalf of Board of
Marshall Machines Limited

(Sanjay Sood)
Partner
M.No.: 089457

Place: Ludhiana
Date: July 4, 2022

(Ms. Gauri Agarwal)
Company Secretary
PAN: BVHPA7319B

(Mr. Gaurav Sarup)
Managing Director
DIN: 00777489

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

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

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

Statement of Changes in Equity

For the Year ended March 31, 2022

A. EQUITY SHARE CAPITAL

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021
Share Capital at the beginning of the Year	14,55,000.00	14,55,000.00
Addition/(Deduction) during the Year	-	-
Share Capital at the end of the Year	14,55,000.00	14,55,000.00

B. OTHER EQUITY

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021
Securities Premium		
Balance at the beginning of the Year	11,63,419.49	11,63,419.49
Add: Addition during the Year	-	-
Less: Deduction during the Year	-	-
Balance at the end of the Year	11,63,419.49	11,63,419.49
Retained earnings		
Balance at the beginning of the Year	22,86,764.68	15,08,530.10
Add: Profit/(Loss) for the Year	(3,13,569.65)	36,370.28
Add: Effect on Accumulated Depreciation due to Change in Method of WDV to SLM (Net of Deferred Tax)	-	7,41,950.07
Add: Other comprehensive income for the Year (net of income tax)	6,323.36	18,073.97
Less: Tax Adjustments relating to Previous Year	-	18,159.74
Balance at the end of the Year	19,79,518.39	22,86,764.68
Total Other Equity	31,42,937.88	34,50,184.17

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: July 4, 2022

(Ms. Gauri Agarwal)

Company Secretary

PAN: BVHPA7319B

(Mr. Gaurav Sarup)

Managing Director

DIN: 00777489

(Mr. Siddhant Sarup)

Whole Time Director

DIN: 07779416

(Mr. Prashant Sarup)

Whole Time Director & CFO

DIN: 01257440

(Mr. Suneel Kumar Yadav)

Head (F & A)

For and on behalf of Board of

Marshall Machines Limited

Notes to the Financial Statements

NOTE 1: SIGNIFICANT ACCOUNTING POLICIES

1.1 Corporate 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.

Company has been migrated to main board of NSE w.e.f. November 22, 2021 & INDAS is adopted considering the transition date of April 1, 2020

1.2 Summary of Significant Accounting Policies

a) Statement of Compliance

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013, Companies (Indian Accounting Standards) Amendment Rules, 2020 and other relevant provisions of the Act.

b) Basis of Preparation

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below.

Historical cost is generally based on the fair value of the consideration given in exchange for goods and services.

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique.

c) Use of Estimates and Judgments

The preparation of these financial statements in conformity with the recognition and measurement principles of Ind AS requires the management of the Company to make estimates and assumptions that affect the reported balances of assets and liabilities (including contingent liabilities) as at the date of the financial statements and the reported amounts of income and expense for the periods presented.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimates are revised and future periods are affected.

d) Revenue Recognition

Revenue is measured at the fair value of the consideration received or receivable. Amount disclosed as revenue are net of returns, rebates, goods & services tax and value added taxes. The Company recognises revenue when the amount of revenue can be reliably measured, it is probable that future economic benefits will flow to the entity and specific criteria have been met for each of the Company's activities, as described below. The Company bases its estimate of return on historical results, taking into consideration the type of customer, the type of transaction and the specifics of each arrangement. Revenue from sale of goods is recognised as and when the Company satisfies performance obligations by transferring control of the promised goods to its customers. Revenue from services is recognized by reference to the stage of completion of the contract and related costs are incurred.

e) Operating Lease

Lease arrangements, where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating lease. Rental expenses from operating lease payments are recognised on a straight line basis over the lease term, unless the lease agreement explicitly states that increase is on account of inflation in the Statement of Profit and Loss.

f) Borrowing Costs

Borrowing costs are directly attributed to the acquisition, construction or production of qualifying assets, which are assets that necessarily take a substantial period of time to get ready for their intended use or sale, are added to the cost of those assets, until such time at the assets are substantially ready for their intended use or sale.

g) Income Taxes

Income tax expense comprises current tax expense and the net change in the deferred tax asset or liability during the year. Current and deferred tax are recognised in Statement of Profit and Loss, except when they relate to items that are recognised in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognised in other comprehensive income or directly in equity, respectively.

- Current income taxes

The amount of tax payable on the taxable income for the year as determined in accordance with the applicable tax rates and the provisions of the Income-tax Act, 1961 and

other applicable tax laws.

Advance taxes and provisions for current income taxes are presented in the Balance Sheet after off-setting advance tax paid and income tax provision arising in the same tax jurisdiction and where the relevant tax paying units intends to settle the asset and liability on a net basis.

- Deferred income taxes

Deferred income tax is recognised using the Balance Sheet approach. Deferred income tax assets and liabilities are recognised for deductible and taxable temporary differences arising between the tax base of assets and liabilities and their carrying amount.

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

Deferred tax assets and liabilities are measured using substantively enacted tax rates expected to apply to taxable income in the year in which the temporary differences are expected to be received or settled.

- MAT credit entitlement

The Company recognizes MAT credit available as an asset only to the extent that there is convincing evidence that the Company will pay normal income tax during the specified period, i.e., the period for which MAT credit is allowed to be carried forward.

h) Provisions And Contingencies

A provision is recognized when Company has a present obligation as a result of past event and it is probable that an outflow of resources embodying economic benefit will be required to settle the obligation and in respect of which a reliable estimate can be made. Provisions are determined based on best estimate of the expenditure required to settle the obligation at the Balance Sheet date. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimates. Contingent liabilities are disclosed in the Notes, forming part of the financial statements.

i) Property, Plant And Equipment (PPE)

Property, plant and equipment are stated at cost, less accumulated depreciation and impairment loss, if any.

Capital work-in-progress is considered at cost comprising direct cost incurred and related incidental expenses. Depreciation is provided for property, plant and equipment so as to expense the cost less residual values over their estimated useful lives.

Depreciation on tangible fixed assets has been provided on the straight-line method as per the useful life prescribed in Schedule II to the Companies Act, 2013.

j) Intangible assets

Intangible assets with finite useful lives that are self-developed are carried at cost comprising direct cost incurred and related incidental expenses less accumulated amortisation and accumulated impairment losses. Amortisation is recognised on a straight-line basis over their estimated useful lives.

k) Impairment

- Financial assets (other than at fair value)

The Company assesses at each date of Balance Sheet as per Ind AS 109 whether a financial asset or a group of financial assets is impaired and an impairment loss (if any) is recognised in the Statement of Profit and Loss.

- Non-financial assets (other than at fair value)

Property, plant and equipment and intangible assets with finite life are evaluated for recoverability whenever there is any indication that their carrying amounts may not be recoverable. If any such indication exists, the recoverable amount (i.e. higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the cash generating unit (CGU) to which the asset belongs.

If the recoverable amount of an asset (or CGU) is estimated to be less than its carrying amount, the carrying amount of the asset (or CGU) is reduced to its recoverable amount. An impairment loss is recognised in the Statement of Profit and Loss.

l) Employee Benefits

- Defined benefit plans

The cost of the defined benefit plan and other post-employment benefits and the present value of such obligation are determined using actuarial valuations. An actuarial valuation involves making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, mortality rates and future pension increases. Due to the complexities involved in the valuation and its long-term nature, a defined benefit obligation is highly sensitive to changes in these assumptions. All assumptions are reviewed at each reporting date.

The retirement benefit obligations recognised in the statement of financial position represents the present value of the defined benefit obligations reduced by the fair value

of scheme assets. Any asset resulting from this calculation is limited to the present value of available refunds and reductions in future contributions to the scheme.

- Defined contribution plans

Contributions to defined contribution plans are recognised as expense when employees have rendered services entitling them to such benefits.

- Compensated absences

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.

m) Foreign exchange gains and losses

The fair value of financial assets denominated in a foreign currency is determined in that foreign currency and translated at the spot rate at the end of each reporting period.

n) Inventories

Inventories are valued at the lower of cost (on weighted average basis) and the net realizable value after providing for obsolescence and other losses, where considered necessary. Cost includes all charges in bringing the goods to the point of sale, including taxes and other levies and handling charges wherever applicable. Work-in-progress and finished goods include appropriate proportion of overheads.

o) Earning per Share

Basic earnings per share are computed by dividing profit or loss attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. The Company did not have any potentially dilutive securities in any of the periods presented.

1.3 Transition to Ind-AS

The effect of the Company's transition to Ind AS is summarized as follows:

- (i) Transition election
- (ii) Reconciliation of equity as previously reported under Indian GAAP (IGAAP) to Ind-AS
- (iii) Reconciliation of profit or loss as previously reported under Indian GAAP to Ind-AS

(i) Transition election

The Company has prepared the opening Balance Sheet as per Ind AS as of April 01, 2020, (the transition date) by recognising all assets and liabilities whose recognition is required by Ind AS, not recognising items of assets or liabilities which are not permitted by Ind AS, by reclassifying items from previous GAAP to Ind AS as required under Ind AS, and applying Ind AS in measurement of recognised assets and liabilities. For transition to Ind AS, the Company has elected to continue with the carrying value of all of its Property, Plant and Equipment & Intangible Assets recognised as at April 1, 2020 (transition date) measured as per the previous GAAP and use that carrying value of its deemed cost as of the transition date.

(ii) Reconciliation of equity as previously reported under IGAAP to Ind-AS

(₹ in Hundreds)

Particulars	As at 31 March 2021	As at 1 April 2020
Equity as reported under IGAAP	49,05,184.17	41,26,949.59
Ind-AS adjustments that lead to increase/(decrease) in equity	-	-
Equity as reported under Ind-AS	49,05,184.17	41,26,949.59

(iii) Reconciliation of profit as previously reported under IGAAP to Ind-AS

(₹ in Hundreds)

Particulars	For year ended March 2021
Profit as reported under IGAAP	54,444.25
Increase (decrease) in net income for:	
Remeasurements of the defined benefit plans	(24,424.29)
Income tax relating to items that will not be reclassified to profit or loss	6,350.32
Profit as reported under Ind AS	36,370.28

NOTE 2: PROPERTY, PLANT AND EQUIPMENT AS AT 31.03.2022

Tangible Assets	Land #	Building *	Computer	Electric Installation	Furniture & Fixtures	Motor Vehicles	Office Equipments	Leasehold Plant & Machinery	Plant & Machinery	Total Tangible Assets
Cost or deemed cost										
Balances as at April 1, 2020	1,72,697.82	6,11,467.72	46,869.98	49,460.77	33,939.18	1,61,898.88	67,283.00	2,50,412.49	39,51,836.56	53,45,866.40
Additions	-	-	1,600.17	59.98	39.45	8,878.34	572.91	-	23,50,507.34	23,61,658.19
Disposals	-	-	-	-	-	23,712.49	-	-	-	23,712.49
Balances as at March 31, 2021	1,72,697.82	6,11,467.72	48,470.15	49,520.75	33,978.63	1,47,064.73	67,855.91	2,50,412.49	63,02,343.90	76,83,812.10
Additions	-	-	3,196.27	-	-	-	1,021.01	-	-	4,217.28
Disposals	-	-	-	-	-	-	-	-	-	-
Balances as at March 31, 2022	1,72,697.82	6,11,467.72	51,666.42	49,520.75	33,978.63	1,47,064.73	68,876.92	2,50,412.49	63,02,343.90	76,88,029.38
Accumulated depreciation										
Balances as at April 1, 2020	-	1,36,026.13	38,128.13	36,900.43	20,260.22	1,05,817.90	56,683.02	15,946.36	7,92,230.10	12,01,992.29
Depreciation for the year	-	19,454.27	4,528.36	4,730.03	3,214.54	8,483.61	2,365.25	15,859.46	2,62,887.64	3,21,523.16
On disposals	-	-	-	-	-	22,526.87	-	-	-	22,526.87
Balances as at March 31, 2021	-	1,55,480.40	42,656.49	41,630.46	23,474.76	91,774.64	59,048.27	31,805.82	10,55,117.74	15,00,988.58
Depreciation for the Year	-	19,454.27	2,819.74	1,919.24	1,787.96	8,439.18	2,258.12	15,859.46	3,99,517.58	4,52,055.55
On disposals	-	-	-	-	-	-	-	-	-	-
Balances as at March 31, 2022	-	1,74,934.67	45,476.23	43,549.70	25,262.72	1,00,213.82	61,306.39	47,665.28	14,54,635.32	19,53,044.13
Carrying amount as at March 31, 2021	1,72,697.82	4,55,987.32	5,813.66	7,890.29	10,503.87	55,290.09	8,807.64	2,18,606.67	52,47,226.16	61,82,823.52
Carrying amount as at March 31, 2022	1,72,697.82	4,36,533.05	6,190.19	5,971.05	8,715.91	46,850.91	7,570.53	2,02,747.21	48,47,708.58	57,34,985.25

Notes: # Land Situated at D-116A, Focal Point Phase V, Ludhiana, whereas the *Building situated at C-86, Focal Point Phase V, Ludhiana is constructed on Leasehold Land.

(₹ in Hundreds)

Intangible Assets	Research - New Products	Patent, Pattern & Softwares	Total Intangible Assets	Research - New Products (CWIP)	Patent, Pattern & Softwares (CWIP)	Intangible assets incl. CWIP
Cost or deemed cost						
Balances as at April 1, 2020	7,32,315.53	62,161.09	7,94,476.62	1,79,427.32	13,280.00	9,87,183.94
Additions	-	-	-	77,213.90	20,962.08	98,175.98
Disposals	-	-	-	-	-	-
Balances as at March 31, 2021	7,32,315.53	62,161.09	7,94,476.62	2,56,641.22	34,242.08	10,85,359.92
Additions	-	-	-	23,097.70	18,410.21	41,507.91
Disposals	-	-	-	-	-	-
Balances as at March 31, 2022	7,32,315.53	62,161.09	7,94,476.62	2,79,738.92	52,652.29	11,26,867.83
Accumulated depreciation						
Balances as at April 1, 2020	2,15,413.27	33,374.59	2,48,787.86	-	-	2,48,787.86
Amortisation for the year	1,83,078.88	7,714.33	1,90,793.21	-	-	1,90,793.21
On disposals	-	-	-	-	-	-
Balances as at March 31, 2021	3,98,492.15	41,088.92	4,39,581.07	-	-	4,39,581.07
Amortisation for the Year	1,67,589.15	6,990.02	1,74,579.17	-	-	1,74,579.17
On disposals	-	-	-	-	-	-
Balances as at March 31, 2022	5,66,081.30	48,078.94	6,14,160.24	-	-	6,14,160.24
Carrying amount as at March 31, 2021	3,33,823.38	21,072.17	3,54,895.55	2,56,641.22	34,242.08	6,45,778.85
Carrying amount as at March 31, 2022	1,66,234.23	14,082.15	1,80,316.38	2,79,738.92	52,652.29	5,12,707.59

NOTE 3: OTHER FINANCIAL ASSETS (NON-CURRENT)

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
a) Security Deposits	14,322.26	19,814.87	19,814.87
b) Margin Money against Borrowings	38,150.22	87,266.84	1,32,266.84
c) Security Deposits against Borrowings	98,102.14	1,01,118.57	2,15,165.24
d) Balance with government authorities	5,780.51	7,635.41	18,904.72
Total	1,56,355.13	2,15,835.69	3,86,151.67

NOTE 4: INVENTORIES

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
(at cost or net realisable value, whichever is lower)			
a) Raw Materials	5,99,094.99	7,33,094.75	6,65,308.39
b) Work in Progress	42,47,696.58	37,85,216.68	29,20,800.00
c) Finished goods	1,62,878.77	2,77,795.32	9,90,361.87
d) Scrap	31,245.10	6,404.90	2,562.00
Total	50,40,915.44	48,02,511.65	45,79,032.26

Notes: 1. Taken as Valued & Certified by the Management of the Company.

2. The method of valuation of inventories has been stated in note 1.2(n).

NOTE 5: TRADE RECEIVABLES

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
a) Considered good - Secured	-	-	-
b) Considered good - Unsecured	18,00,283.69	11,67,718.66	14,04,121.32
Total	18,00,283.69	11,67,718.66	14,04,121.32

Ageing of Trade Receivables:

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021
Undisputed Trade receivables - considered good		
Less than 6 Months	8,52,052.12	5,93,732.97
6 Months - 1 Year	1,72,305.41	35,810.66
1-2 Years	2,86,915.66	1,93,008.66
2-3 Years	84,284.27	1,63,753.48
More than 3 Years	4,04,726.23	1,81,412.89
Total	18,00,283.69	11,67,718.66

The credit period on sale of goods generally vary, on case to case basis, business to business, based on market conditions etc., No interest is payable by the Customer for the delay in payments of the amounts outstanding.

NOTE 6: CASH AND CASH EQUIVALENTS

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
a) Cash on Hand	12,616.01	35,939.10	1,06,664.19
b) Balances with Banks			
i) In Current Accounts	14,530.46	28,115.88	35,474.02
Total	27,146.47	64,054.98	1,42,138.21

NOTE 7: OTHER FINANCIAL ASSETS (CURRENT)

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
a) Margin Money against Borrowings*	47,726.68	41,840.14	29,199.80
Total	47,726.68	41,840.14	29,199.80

*Having original maturity of 12 months or less.

NOTE 8: OTHER CURRENT ASSETS

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
a) Advances to Suppliers	1,39,314.38	80,904.74	1,35,774.30
b) Other advances, deposits and prepayment	74,335.31	76,263.95	1,32,253.91
Total	2,13,649.69	1,57,168.69	2,68,028.21

NOTE 9: EQUITY SHARE CAPITAL

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
a) Authorised Share Capital :			
1,50,00,000 Equity Shares of ₹ 10 each (March 31, 2021: 1,50,00,000 Equity Shares of ₹ 10 each)	15,00,000.00	15,00,000.00	15,00,000.00
b) Issued, Subscribed and fully paid :			
1,45,50,000 Equity Shares of ₹ 10 each (March 31, 2021: 1,45,50,000 Equity Shares of ₹ 10 each)	14,55,000.00	14,55,000.00	14,55,000.00

c) Reconciliation of the number of equity shares outstanding

(₹ in Hundreds)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Nos. of Shares	Amount	Nos. of Shares	Amount
Shares outstanding at the beginning of the Year	1,45,50,000	14,55,000.00	1,45,50,000	14,55,000.00
Add: Addition/(Deduction) during the Year	-	-	-	-
Shares outstanding at the end of the Year	1,45,50,000	14,55,000.00	1,45,50,000	14,55,000.00

d) Details of shares held by each shareholder holding more than 5% shares

(₹ in Hundreds)

Particulars	As at 31.03.2022		As at 31.03.2021	
	Nos. of Shares	Amount	Nos. of Shares	Amount
Mr. Prashant Sarup*	44,33,429	30.47%	49,33,325	33.91%
Mr. Gaurav Sarup*	45,48,520	31.26%	47,76,950	32.83%

*Promotors of Company.

e) Rights, preference and restriction 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 10: OTHER EQUITY

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
a) Securities Premium	11,63,419.49	11,63,419.49	11,63,419.49
b) Retained earnings	19,79,518.39	22,86,764.68	15,08,530.10
Total	31,42,937.88	34,50,184.17	26,71,949.59

10.a - Securities Premium

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
Balance at the beginning of the current reporting period	11,63,419.49	11,63,419.49	11,63,419.49
Add: Addition during the Year	-	-	-
Less: Deduction during the Year	-	-	-
Balance at the end of the current reporting period	11,63,419.49	11,63,419.49	11,63,419.49

10.b - Retained earnings

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
Balance at the beginning of the current reporting period	22,86,764.68	15,08,530.10	15,08,530.10
Add: Profit/(Loss) for the Year	(3,13,569.65)	36,370.28	-
Add: Effect on Accumulated Depreciation due to Change in Method of WDV to SLM (Net of Deferred Tax)	-	7,41,950.07	-
Add: Other comprehensive income for the Year (net of income tax)	6,323.36	18,073.97	-
Less: Tax Adjustments relating to Previous Year	-	18,159.74	-
Balance at the end of the current reporting period	19,79,518.39	22,86,764.68	15,08,530.10

NOTE 11: BORROWINGS

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
Non-Current			
a) from Banks			
i) Term Loans - Secured	4,67,973.43	6,77,067.74	4,13,764.88
ii) Term Loans - Unsecured	22,209.56	31,528.23	47,198.28
iii) Vehicle Loans - Secured	5,282.57	9,150.57	18,406.16
b) from NBFC's/Others			
i) Term Loans - Secured	1,87,730.90	3,02,469.96	4,60,850.74
ii) Term Loans - Unsecured	1,21,281.29	2,15,451.75	2,66,590.94
c) Others Loans			
i) Term Loans - Unsecured	43,975.00	50,000.00	1,15,615.35
ii) Loans from Shareholders - Unsecured	-	-	50,000.00
d) Lease Liabilities	1,01,836.59	1,36,603.49	1,54,452.26
Total Non-Current Borrowings (A)	9,50,289.34	14,22,271.74	15,26,878.61
Current			
a) from Banks			
i) Repayable on Demand - Secured	20,42,878.96	20,02,570.24	18,24,901.30
ii) Working Capital Demand Loan	49,789.07	80,800.00	50,000.00
b) from Others			
i) Loans from Directors - Unsecured	3,85,240.00	-	-
c) Current maturities of Long-term Debts	5,70,361.31	5,26,001.65	4,17,974.77
d) Lease Liabilities	19,054.38	31,173.72	35,557.17
Total Current Borrowings (B)	30,67,323.72	26,40,545.61	23,28,433.24
Total (A+B)	40,17,613.06	40,62,817.35	38,55,311.85

Refer to Note 26 for information on Details of Security for Secured Borrowings & Maturity Profile.

NOTE 12: PROVISIONS

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
Non-Current			
a) Provision for Employee Benefits*	97,269.56	80,396.91	84,716.58
Total Non-Current Provisions (A)	97,269.56	80,396.91	84,716.58
Current			
a) Provision for Employee Benefits*	12,927.02	18,056.15	16,904.06
Total Current Provisions (B)	12,927.02	18,056.15	16,904.06
Total (A+B)	1,10,196.58	98,453.06	1,01,620.64

*Please refer note 28

NOTE 13: DEFERRED TAX LIABILITIES (NET)

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
a) Deferred Tax Liability	7,61,103.95	6,56,784.66	3,08,250.87
b) Deferred Tax Asset	2,48,331.41	90,292.50	18,017.29
Total	5,12,772.54	5,66,492.16	2,90,233.58

2021-22

(₹ in Hundreds)

Particulars	April 1, 2021	Recognised in Profit/(Loss)	Recognised in Retained earnings	Recognised in OCI	March 31, 2022
Deferred tax liabilities					
Property, Plant and Equipment	6,56,784.66	1,04,319.29	-	-	7,61,103.95
Deferred tax assets					
Deductible Temporary differences	7,335.96	23,536.87	-	(2,221.72)	28,651.11
Carry forward of Unused Tax Losses	60,157.18	1,36,723.76	-	-	1,96,880.94
Carry forward of Unused Tax Credits	22,799.36	-	-	-	22,799.36
Net deferred tax liabilities	5,66,492.16	(55,941.34)	-	2,221.72	5,12,772.54

2020-21

(₹ in Hundreds)

Particulars	April 1, 2020	Recognised in Profit/(Loss)	Recognised in Retained earnings	Recognised in OCI	March 31, 2021
Deferred tax liabilities					
Property, Plant and Equipment	3,08,250.87	87,848.62	2,60,685.17*	-	6,56,784.66
Deferred tax assets					
Deductible Temporary differences	8,159.53	5,526.75	-	(6,350.32)	7,335.96
Carry forward of Unused Tax Losses	-	60,157.18	-	-	60,157.18
Carry forward of Unused Tax Credits	9,857.76	12,941.60	-	-	22,799.36
Net deferred tax liabilities	2,90,233.58	9,223.09	2,60,685.17	6,350.32	5,66,492.16

*Effect on Accumulated Depreciation due to Change in Method of WDV to SLM.

NOTE 14: TRADE PAYABLES

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
Trade Payables			
a) Total Outstanding Dues of MSME*	1,39,781.79	1,40,742.81	-
b) Total Outstanding Dues of other than MSME*	23,49,998.27	19,69,049.21	20,92,780.28
Total	24,89,780.06	21,09,792.02	20,92,780.28

*MSME - 'Micro Enterprises and Small Enterprises' as defined in 'The Micro, Small and Medium Enterprises Development Act, 2006'.

Ageing of Trade Payables:

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021
MSME		
Less than 1 Year	1,07,890.68	1,24,406.98
1-2 Years	23,255.00	13,422.77
2-3 Years	6,053.42	2,079.18
More than 3 Years	2,582.69	833.88
Others		
Less than 1 Year	16,02,825.96	15,39,644.88
1-2 Years	3,96,363.73	1,65,482.18
2-3 Years	97,912.34	1,30,350.34
More than 3 Years	2,52,896.24	1,33,571.81
Total	24,89,780.06	21,09,792.02

NOTE 15: OTHER FINANCIAL LIABILITIES

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
a) Interest accrued	21,074.18	14,576.15	16,665.18
Total	21,074.18	14,576.15	16,665.18

NOTE 16: OTHER CURRENT LIABILITIES

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
a) Advance received from Customers	10,20,379.25	5,41,866.88	6,78,359.43
b) Statutory Remittances	2,70,766.07	1,56,159.42	91,387.45
c) Employee Benefits	97,636.13	95,939.20	52,164.74
d) Other Liabilities	3,12,293.67	6,37,998.66	7,15,254.12
Total	17,01,075.12	14,31,964.16	15,37,165.74

NOTE 17: CURRENT TAX LIABILITIES

(₹ in Hundreds)

Particulars	As at 31.03.2022	As at 31.03.2021	As at 01.04.2020
a) Income Tax Payable	83,320.52	88,453.11	78,897.51
Total	83,320.52	88,453.11	78,897.51

NOTE 18: REVENUE FROM OPERATIONS

(₹ in Hundreds)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Sale of products		
Domestic Sale (Gross)		
-CNC Machines	57,64,023.56	45,23,502.55
-Machinery Parts	2,10,638.05	21,18,888.50
Export Sale	-	-
Sale of services		
Service Charges Received	57,945.51	71,569.32
Total	60,32,607.12	67,13,960.37

NOTE 19: OTHER INCOME

(₹ in Hundreds)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Interest income from bank on deposits	8,460.14	10,229.81
Profit on Sale of Property, Plant & Equipment	-	964.37
Foreign Exchange Fluctuation	5,246.31	-
Total	13,706.45	11,194.18

NOTE 20: COST OF MATERIALS CONSUMED

(₹ in Hundreds)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Raw Material		
Opening Stock	7,33,094.75	6,65,308.39
Add: Purchases (net)	40,29,343.35	48,55,436.82
Less: Closing Stock	5,99,094.99	7,33,094.75
Cost of raw material consumed during the year	41,63,343.11	47,87,650.46

NOTE 21: CHANGES IN INVENTORIES OF FINISHED GOODS, WORK-IN-PROGRESS

(₹ in Hundreds)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening Stocks		
-Work in Process	37,85,216.68	29,20,800.00
-Finished Goods	2,77,795.32	9,90,361.87
-Scrap	6,404.90	2,562.00
(A)	40,69,416.90	39,13,723.87
Closing Stocks		
-Work in Process	42,47,696.58	37,85,216.68
-Finished Goods	1,62,878.77	2,77,795.32
-Scrap	31,245.10	6,404.90
(B)	44,41,820.45	40,69,416.90
Decrease/(Increase) in Inventories	(A+B)	(1,55,693.03)

NOTE 22: EMPLOYEE BENEFITS EXPENSE

(₹ in Hundreds)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Salaries and Wages	10,42,905.60	6,59,774.29
Contribution to Provident and other Funds	21,403.16	18,056.88
Staff Welfare Expenses	10,492.32	7,132.39
Total	10,74,801.08	6,84,963.56

NOTE 23: FINANCE COSTS

(₹ in Hundreds)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Interest on Working Capital Limits	1,65,008.03	1,27,940.67
Interest on Term Loans	1,77,538.81	1,69,632.43
Finance Charges on Finance Leases	30,440.05	25,732.08
Other borrowing costs	73,419.41	58,134.89
Total	4,46,406.30	3,81,440.07

NOTE 24: OTHER EXPENSES

(₹ in Hundreds)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Job Work Expenses	11,745.48	6,436.12
Power and Fuels	49,804.46	23,567.32
Packing Charges	1,864.86	3,151.54
Annual Maintenance Charges	-	536.85
Audit Fee	3,500.00	3,500.00
Car Running & Maintenance Charges	12,846.05	4,794.96
Director Sitting Fees	1,696.72	2,250.00
Festival Expenses	4,058.59	5,024.33
Fees, Rates and Taxes	9,356.75	10,710.20
Fine & Penalty Charges	8,812.77	-
Generator Rent	1,525.11	622.84
Insurance Expenses	7,551.25	19,377.83
Legal and Professional Charges	95,478.00	42,855.08
Misc. Expenses	6,176.06	3,332.20
Postage and Courier Expenses	9,345.73	4,224.64
Printing and Stationery Charges	3,413.31	4,096.06
Prior Period Expenses	2,656.51	2,250.00
Rebate and Discounts	-	31,343.81
Repairs and Maintenance	18,927.86	72,672.92
Rent	7,770.50	18,572.92
Telephone Expenses	6,291.51	7,662.96
Travelling Expenses	1,20,962.10	1,03,461.70
CSR expenditure	8,643.84	13,061.32

Advertisement & Business Promotion Expenses	41,666.93	41,779.84
Foreign Exchange Fluctuation	-	5,530.89
Freight & Cartage Outward	31,554.70	17,152.32
Brokerage & Commission	8,532.98	6,262.55
Loading & Unloading Charges	2,860.83	1,710.95
Total	4,77,042.90	4,55,942.15

NOTE 25: TAX EXPENSE

(₹ in Hundreds)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Current Tax		
In respect of the current year	-	12,941.60
Deferred tax		
In respect of the current year	(55,941.34)	9,223.09
Total	(55,941.34)	22,164.69

NOTE 26: TERMS OF REPAYMENT OF LOANS

(₹ in Hundreds)

Loan Category	Frequency of repayments	Interest rate	Repayments during				Total
			2022-23	2023-24	2024-25	2025-26	
Term Loans - Secured	Monthly	8.27% to 15.00%	248.72	161.41	110.97	75.94	597.04
Term Loans - Unsecured	Monthly	14.00% to 24.50%	132.58	108.43	30.54	0.59	272.14
ECGLS Loans	Monthly	8.25% to 14.00%	185.19	198.46	103.89	0.00	487.54
Other Loans	Monthly	7.40% to 10.00%	3.88	3.00	2.10	0.18	9.16

Details of Security for Secured Borrowings (Short Term & Term Loans)

Term loans from Banks & Financial Institutions are secured by first Pari-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 Pari-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	<ol style="list-style-type: none"> Equitable mortgage of properties situated at: C-86, Phase-V, Focal Point, Ludhiana, & D-116A, Phase-V, Focal Point, Ludhiana. 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. 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 27: DETAILS OF INTANGIBLE ASSETS UNDER DEVELOPMENT

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. The Aging & Completion Schedule of Intangible assets under development are as below:

(₹ in Hundreds)		
Aging Schedule (Projects in-progress)	31.03.2022	31.03.2021
Less than 1 year	41,507.91	98,175.98
1-2 years	98,175.98	13,280.00
2-3 years	13,280.00	-
More than 3 years	1,79,427.32	1,79,427.32
Total	3,32,391.21	2,90,883.30
(₹ in Hundreds)		
Completion Schedule (To be completed in)	31.03.2022	31.03.2021
Less than 1 year	-	-
1-2 years	3,32,391.21	-
2-3 years	-	2,90,883.30
More than 3 years	-	-
Total	3,32,391.21	2,90,883.30

NOTE 28: 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.

Reconciliation of opening and closing balances of obligation

(₹ in Hundreds)		
Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening defined benefit obligation	98,453.06	1,01,620.63
Current Service Cost	18,085.21	14,498.95
Past Service Cost	-	-
Interest Cost	6,428.98	6,757.77
Actuarial (gains) / losses arising from changes in financial assumptions	(2,760.01)	706.68
Actuarial (gains) / losses arising from changes in demographic assumptions	-	-
Actuarial (gains) / losses arising from experience variance	(5,785.06)	(25,130.97)
Benefits Paid	(4,225.60)	-
Closing defined benefit obligation	1,10,196.58	98,453.06

Amount recognized in Balance Sheet

(₹ in Hundreds)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Opening defined benefit obligation	1,10,196.58	98,453.06
Fair Value of Plan Assets at the end of the year	-	-
Funded Status	(1,10,196.58)	(98,453.06)
Unrecognised Actuarial (gain)/ loss	-	-
Net Asset/ (Liability) recognized in the Balance Sheet	(1,10,196.58)	(98,453.06)
Current	(12,927.02)	(18,056.15)
Non-Current	(97,269.56)	(80,396.91)

Expense recognized in the Year

(₹ in Hundreds)

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Current Service Cost	18,085.21	14,498.95
Past Service Cost	-	-
Interest Cost	6,428.98	6,757.77
Expected Return on Plan Assets	-	-
Expenses recognised in Statement of Profit and Loss	24,514.19	21,256.72

Assumptions

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Discount Rate	6.92%	6.53%
Rate of increase in Compensation levels	5.00%	5.00%
Rate of Return on Planned Assets	Not Applicable	Not Applicable
Expected Future Service	21.10 Years	22.65 Years
Mortality Rate	100% of IALM 2012-14	100% of IALM 2012-14

Sensitivity analysis - defined benefit obligation

Particulars	Year Ended 31.03.2022	Year Ended 31.03.2021
Discount rate + 50 basis points	-3.04%	-2.92%
Discount rate - 50 basis points	3.23%	3.11%
Salary increase rate + 100 basis points	6.74%	6.46%
Salary increase rate - 100 basis points	-6.06%	-5.80%

Compensated absences: 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 29: CONTINGENT LIABILITIES AND COMMITMENTS

The company has not paid its creditors amounting to ₹ 13.27 Crores against GST purchases, 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 Hundreds)

Particulars	31.03.2022	31.03.2021
(a) Claims against the company not acknowledged as debt*		
i) Sales Tax under appeal	-	-
ii) Income Tax under appeal	-	-
(b) Guarantees excluding financial guarantees	-	-
(C) Commitments for the acquisition of property plant and equipment	-	-

* The Company has received the legal notices from below parties for payment of their dues. the amount has already been acknowledged in the financial statements, however no interest has been provided in the books of accounts since the decision of the cases are pending and in the opinion of Directors the cases will be in favour of the Company.

#	Parties	Amount (₹ in Hundreds)	Nature of Dues	Current Status
1.	Marposs India Pvt. Ltd.	77,492.21		
2.	Rollmann Trading Company	32,585.48	Payment of Creditors	Party had supplied faulty material, which caused us some production loss, Company has asked supplier to accept the Debit Note for damage.
3.	Techtronics Automation	11,639.48		
4.	Wave Technologies Inc.	3,699.32		
5.	Rapid Punching Solutions Pvt. Ltd.	120.25		
6.	Infinite Uptime India Pvt. Ltd.	4,092.00		
7.	Ringfeder Power Transmission India Pvt. Ltd	6,085.22	Payment of Creditors	In discussion with the vendor to solve issue at customer site and claim the payment.
8.	SN Automation	2,079.18		
9.	Shri Laxmi Enterprises	3,702.00	Payment of Creditors	This is a small customer, who filed case for return of advance money, when our policy is advance is non refundable.
10.	Protection Engineering	56,394.40	Payment of Creditors	Company has asked Supplier to replace the faulty material & claim the payment.
11.	Nexco Automation Technologies Pvt. Ltd.	30,959.75	Payment of Creditors	There is a serious product service issue, party is ready for settlement. We have set some service conditions as a pre-requisite.

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 under MSME. 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 based on the confirmation received, there are 14 parties which have been disclosed as due but not paid under MSME category of the creditors and the amount due is ₹ 1.39 Crores.

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 March 31, 2022, no such amounts were due to be transferred to the IEPF by the Company.

NOTE 32: DIRECTOR'S REMUNERATION

(₹ in Hundreds)

Particulars	2021-22	2020-21
i) Salary to Whole-Time Directors	84,000.00	84,000.00
ii) Sitting Fee to Independent Directors	1,696.72	2,250.00
iii) Monetary value of perquisites	-	-
Total	85,696.72	86,250.00

NOTE 33: AUDITOR'S REMUNERATION

(₹ in Hundreds)

Particulars	2021-22	2020-21
i) As a Auditor	1,750.00	1,750.00
ii) for Taxation matters	1,750.00	1,750.00
iii) for Company Law matters	-	-
iv) for Other Services	-	-
v) Reimbursement of Expenses	-	-
Total	3,500.00	3,500.00

NOTE 34: SEGMENTAL INFORMATION

The Company's operations fall within a single business segment i.e. "Manufacturing CNC Machines", 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 Ind-AS 108.

NOTE 35: DEPRECIATION AND AMORTIZATION

Effective from April 01, 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.

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

(in respect of which transactions have taken place)

- Key Management Personnel and Relatives of Key Managerial Personnel

Mr. Gaurav Sarup	(Managing Director)
Mr. Prashant Sarup	(Whole Time Director & CFO)
Mrs. Archana Sarup	(Wholetime Director)
Mr. Siddhant Sarup	(Wholetime Director)
Mr. Satvinder Singh	(Independent Director)
Ms. Kajal Rai	(Independent Director)

Up to-Novmber 27, 2021

Ms. Komal Bhalla	(Independent Director)	Up to October 5, 2021
Ms. Rita Agarwal	(Independent Director)	w.e.f. October 20, 2021
Mr. Anil Singla	(Independent Director)	w.e.f. October 26, 2021
Ms. Sharon Arora	(Independent Director)	w.e.f. December 29, 2021
Ms. Gauri Agarwal	(Company Secretary)	

- Enterprises in which key management personnel have significant influence.

Marshall Industries Partnership Firm - having Directors of Company as Partner

b) Details of transaction with related parties are as follows

Particulars	(₹ in Hundreds)	
	2021-22	2020-21
1) Rent payable to related parties -Enterprises in which key management personnel have significant influence	2,400.00	2,400.00
2) Managerial Remunerations / Sitting fees to key managerial personnel -Key Managerial Persons and their relatives	87,496.72	87,372.58
3) Loan Received/ (Repaid) -Key Managerial Persons and their relatives	3,85,240.00	-
4) Interest Paid -Key Managerial Persons and their relatives	-	-

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

c) Balances Payable/(Receivable) at the end of the year

Particulars	(₹ in Hundreds)	
	2021-22	2020-21
-Enterprises in which key management personnel have significant influence	7,372.00	5,536.00
-Key Managerial Persons and their relatives	4,12,126.03	2,867.63

NOTE 37: EARNINGS PER SHARE (EPS)

Particulars	(₹ in Hundreds)	
	2021-22	2020-21
Profit for the Year (Numerator used for calculating basic EPS)	(3,13,569.65)	36,370.28
Weighted average number of equity share outstanding (Denominator used for calculating basic (EPS) Shares	1,45,50,000	1,45,50,000
Earnings / share (EPS) - (Face value ₹ 10 per share)	(2.16)	0.25

NOTE 38: VALUE OF IMPORTS

Calculated on C.I.F Basis by the Company during the Financial Year in respect of:-

Particulars	(₹ in Hundreds)	
	2021-22	2020-21
Raw materials	-	-
Components and spare parts	1,81,568.72	78,511.62
Capital goods	-	-
Total	1,81,568.72	78,511.62

NOTE 39: CORPORATE SOCIAL RESPONSIBILITY (CSR)

Expenses incurred on Corporate Social Responsibility (CSR) program under Section 135 of the Companies Act, 2013 are charged to the Statement of Profit and Loss under 'Other Expenses' (Note 24).

(₹ in Hundreds)

Particulars	2021-22	2020-21
Amount required to be spent by the company during the year	8,636.34	13,059.06
Amount of expenditure incurred during the year on:		
a) Construction/acquisition of asset	-	-
b) On purposes other than (a) above	8,643.84	13,061.32
Shortfall at the end of the year	-	-
Total of previous years shortfall	-	-
Reason for shortfall	-	-

The Company has undertaken a CSR Project for promotion of education for children by means of renovation / improvement of School building of "Bhartiya Shishu Niketan School" situated in Ludhiana.

NOTE 40: LEASE ARRANGEMENTS**a) Operating Lease**

The Company has entered into an operating lease arrangement of Land situated at C-86, Focal Point Ludhiana. (₹ in Hundreds)

Particulars	2021-22	2020-21
Payment recognised as expense		
Minimum lease payments	2,400.00	2,400.00
Future minimum rentals payable under lease is as follows:		
Not later than one year	2,400.00	2,400.00
Later than one year and not later than five years	9,600.00	9,600.00
Later than five years	36,000.00	38,400.00

b) Finance Lease

The Company has entered into an Finance lease arrangement of Machines used in production process. (₹ in Hundreds)

Particulars	2021-22	2020-21
Details of contractual maturities of lease liabilities as at March 31, 2022		
Not later than one year	19,054.38	40,888.32
Later than one year and not later than five years	99,217.28	78,657.11
Later than five years	-	-

NOTE 41: 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 instalments 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 42: KEY FINANCIAL RATIOS

Particulars	(₹ in Hundreds)	
	2021-22	2020-21
Current Ratio	0.97	0.99
Debt-Equity Ratio	0.87	0.83
Debt Service Coverage Ratio	0.82	1.95
Return on Equity Ratio	(6.60) %	0.81 %
Inventory turnover Ratio	1.23	1.43
Trade Receivables turnover Ratio	4.07	5.22
Trade Payables turnover Ratio	1.75	2.31
Net capital turnover Ratio	2.14	2.61
Net profit Ratio	(5.20) %	0.54 %
Return on Capital employed	0.04 %	4.00 %
Return on investment	180.28 %	46.42 %

NOTE 43:

Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.

NOTE 44: APPROVAL OF FINANCIAL STATEMENTS

The financial statements were approved for issue by the Board of Directors on July 04, 2022.

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: July 4, 2022

(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

CIN: L29299PB1994PLC014605

Registered Office: C-86, Phase -V, Focal Point, Ludhiana - 141010

Email: csmarshall@marshallcnc.com Website: www.marshallcnc.com

Attendance Slip

Venue of the Meeting

Marshall Machines Limited

Registered Office: C-86, Phase - V,

Focal Point, Ludhiana - 141010

Day, Date and Time

Friday, 30th September, 2022 at 04:00 p.m.

Full Name of the Member Attending: _____

Ledger Folio No. / Client ID No: _____

Number of Shares Held: _____

Number of Proxy: _____

(To be filled in, if the proxy attends instead of the member)

I certify that I am a registered shareholder/proxy for the registered Shareholder of the Company and hereby record my presence at the 28th Annual General Meeting of the MARSHALL MACHINES LIMITED (the Company) held on Friday, 30th September, 2022 at 04:00 p.m. at Registered Office at C-86, Phase - V, Focal Point, Ludhiana - 141010.

Member's/Proxy's Signature

Note:

Please fill this attendance slip and hand it over at the entrance of the meeting venue.

MARSHALL MACHINES LIMITED

CIN: L29299PB1994PLC014605

Registered Office: C-86, Phase -V, Focal Point, Ludhiana - 141010

Email: csmarshall@marshallcnc.com Website: www.marshallcnc.com

FORM MGT – 11

PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of Member(s) ; _____

Registered Address: _____

Email ID : _____

Folio No. : _____

I/We, being the member(s) of _____ Equity Shares of the above-named Company, hereby appoint

Name: _____

Address: _____

E-mail Id: _____

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at 28th Annual General Meeting of members of the Company, to be held on Friday, 30th September, 2022 at 04:00 p.m. at C-86, Phase – V, Focal Point, Ludhiana – 141010 and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution no. Brief details of the Resolution

ORDINARY BUSINESS:

- 1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial Year ended March 31, 2022 along with the Reports of Directors and Auditors thereon.
- 2. To Re-appoint Mrs. Archana Sarup (DIN: 07780273), 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 One Year. (Special Resolution).

SPECIAL BUSINESS:

- 4. To regularise the appointment of Mrs. Rita Aggarwal (DIN: 09288976), as Non-Executive & Independent Director. (Ordinary Resolution).
- 5. To regularise the appointment of Ms. Sharon Arora (DIN: 09450764), as Non-Executive & Independent Director. (Ordinary Resolution).
- 6. To regularise the appointment of Mr. Anil Singla (DIN: 07404704), as Non-Executive & Independent Director. (Ordinary Resolution).
- 7. To reappoint Mr. Gaurav Sarup (DIN: 00777489) as Managing Director of the Company. (Special Resolution).

Signed this _____ day of _____ 2022

Signature of shareholder _____

Signature of Proxy holder(s) _____

Affix Revenue Stamp of ₹ 1/-

Note: This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company, before the commencement of the Meeting

ROUTE MAP: 28th Annual General Meeting (AGM)

MARSHALL MACHINES LIMITED

C-86, Phase - V, Focal Point,

Ludhiana - 141010





Marshall Machines Limited

Registered Office:

C-86, Phase-V, Focal Point,
Ludhiana - 141 010 (India)
PH. : +91-161-5012 406, 5012 407, 5019 648
EM. : headoffice@marshallcnc.com