



WINNER OF  
FIE FOUNDATION  
AWARD

**Marshall** Machines Limited

**Regd. Office & Works :**

C-86, Phase-V, Focal Point, LUDHIANA-141 010 (India)  
Ph.: +91-161-5012406, 5012407, 5019648, 4600237, 4600238  
Email: headoffice@marshallcnc.com Web: www.marshallcnc.com

**Automated Solutions Division :**

D-116A, Phase-V, Focal Point, LUDHIANA-141 010 (India)

**MARSHALL IoTQ CENTRE**

75-B, Sector-5, IMT Manesar, Gurgaon. Ph.: 0124-4241813/14/15

Helpline No. 1800-102-4288, 1800-103-4288, 1800-103-3288

**MARSHALL AUTOMATION AMERICA, INC.**

Suite #23, 2885 North Berkeley Lake Road, NW,  
Duluth, GEORGIA-30096 (USA)

Email: sales@marshallautomationamerica.com

Web: www.marshallautomationamerica.com

Marshall/CS/2019-20/0038

07<sup>th</sup> September, 2019

**National Stock Exchange of India Limited**

The Listing Department,  
Exchange Plaza, Bandra Kurla Complex,  
Mumbai-400051  
Scrip Code: MARSHALL

**Subject: Notice convening Twenty Fifth Annual General Meeting (AGM) of the Company, along with Annual Report**

**Ref: Disclosure under Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015**

Dear Sirs,

This is in reference to our letter dated 03<sup>rd</sup> September, 2019, wherein we had informed that the Twenty Fifth Annual General Meeting (AGM) of the Company will be held on Monday, 30<sup>th</sup> September, 2019 at 09:30 a.m. at Phase V, Focal Point, Ludhiana – 141010.

In this connection, Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, please find enclosed herewith Notice along with Annual Report for the Twenty Fifth Annual General Meeting of the Company for the Financial year 2018-19.

Pursuant to Regulation 46 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Notice along with Annual Report for the Twenty Fifth Annual General Meeting of the Company is uploaded on the website of the Company viz. [www.marshallcnc.com](http://www.marshallcnc.com). Further, we would like to inform you that the Company has commenced dispatch of Annual Report to the Shareholders.

Kindly take the same on your record.

Thanking you,

Yours truly,

For Marshall Machines Limited

  
Shruti Gupta  
Company Secretary



**SmartFAC**  
Industry 4.0..Reimagined!



# ANNUAL REPORT 2018-19

## VISION

To become a global brand recognized for manufacturing 'Excellence', and to be the first choice of customers requiring 'Super Precision' machines tools.

## MISSION

To engage in a collaborative effort with our Customers, Employees & Suppliers to boost Quality & Productivity of our machines and enhance Customer Satisfaction.



[headoffice@marshallcnc.com](mailto:headoffice@marshallcnc.com)



[www.marshallcnc.com](http://www.marshallcnc.com)



+91-161-5012406 / 407



## LISTING CEREMONY

**Marshall Machines Limited** listed on NSE Emerge Platform of National Stock Exchange on 07th September 2018.



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## Company Overview

Marshall Machines Limited incorporated in 1994, has traditionally been a known brand in the design & manufacture of high precision bench lathes, heavy duty lathes & capstan. It is manufacturing CNC Lathe Machines since 1998 and have been developed patented designs including Double & Four spindle CNC lathes.

Over the last few years, Marshall has focused extensively on R&D and technology development and as a result of the same, has been able to perfect and launch path braking product lines creating a niche for itself in a highly commoditized market, dominated by Indian cheap legacy CNC machine manufacturers and imported MNC manufactured machines.

Recently launched product line includes:

- ✓ Industry 4.0 suite of smart machines which ensures zero defect production, optimization of tool life and machine health monitoring integrated with new machines manufactured by the Company as well as can be used in legacy metal cutting machine tools across industries as a plug/play device.
- ✓ Robot based integrated CNC Machines Cells
- ✓ Highly productive & compact Twinturn UBER CNC Machine with smart material handling capabilities without Robot

R&D team is continuously working to develop affordable Industry 4.0 plug-n-play smart products for many new applications related to Metal Cutting etc.

## CURRENT PRODUCT PORTFOLIO

Marshall offers a wide range of performance multiplying, plug n produce smart device for CNC Turning Machines in addition to a suite of super optimized, multi-axis and automated CNC machines (with a choice of bundled IOTQ features).



**ROBOTURN**

### SmartCorrect Gauging Station

- Patent-pending **IOTQ** technology that acts as plug n produce performance multiplier for CNC Turning machines
- Zero defect quality with Smart Correct
- Longer Machine life & OEE, with tool insert life optimization
- Both domestic sale and exports
- Marshall double / 4-spindle (patented) CNC Turning Centers
- 6-Axis Robot
- Customized Measurement System (with CLAP software / **IOTQ** for measured data analysis and auto-correct
- Both domestic sale and exports

## Super Optimized CNC Tools



**RAPIDTURN**



**SmartSingleSpindleCNC Turning**

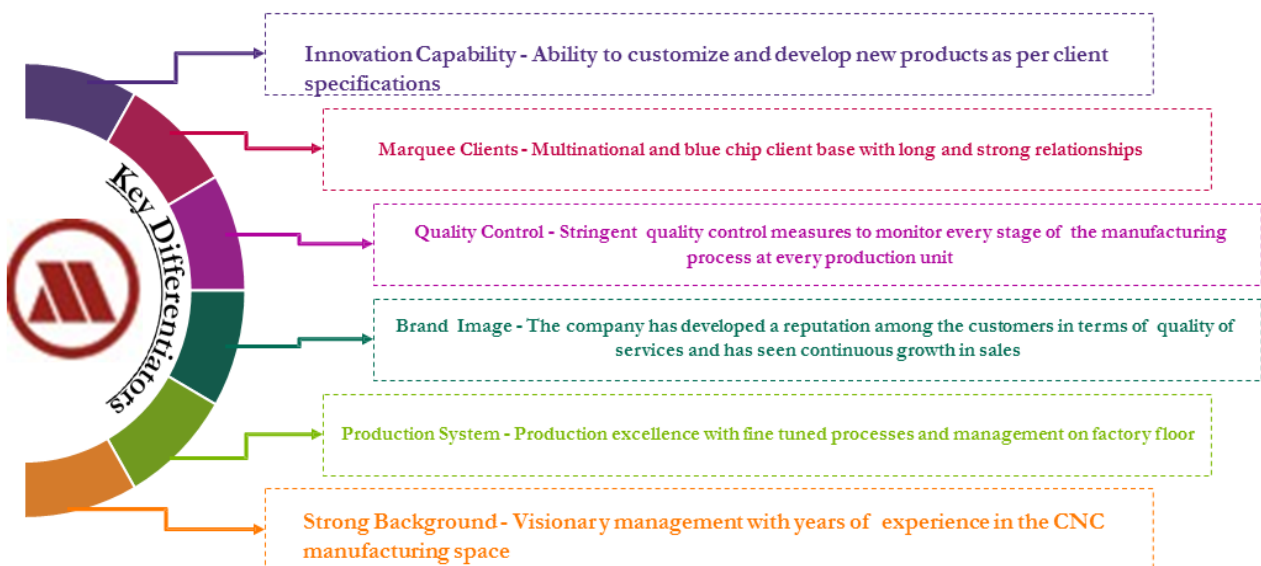


**TWINTURN**

- Most productive & cost effective turning solutions for mass produced chucking jobs
- Single / Double Spindle
- No idle time resulting in higher productivity; one operator required; linear tooling system used to reduce machining time because of faster positioning of tools
- Triad of cutting-edge innovation CNC Lathe: Citius, Fortius & Altius
- Performance multiplier in speed, accuracy, and rigidity
- Single piece structure with 30 degree slant angle and high cast iron for max rigidity
- Marshall double head, double turret CNC Turning Centers
- The 2 in 1 turning center results in savings in space, manpower and shop floor material movement

## USP AND KEY DIFFERENTIATORS

Most innovative machine tool equipment manufacturer in India and pioneer of 'Intelligent Automation'





## HISTORY & PROGRESSION

### 1994

- Company formation to design and manufacture high-precision bench lathe, heavy duty lathe, etc.

### 1997

- entered into its first international tie-up with US-based Path Wizard Inc. to export mechanical and electrical parts of CNC Lathes to US

### 1998

- Launched India's first CNC Controls for CNC lathe machines at IMTEX-98 along with Siemens / Fanuc

### 2001

- Inaugurated its first state-of-the-art factory at Ludhiana;
- Launched double-spindle CNC Lathe

### 2009

- Launched patented four-spindle CNC Lathe

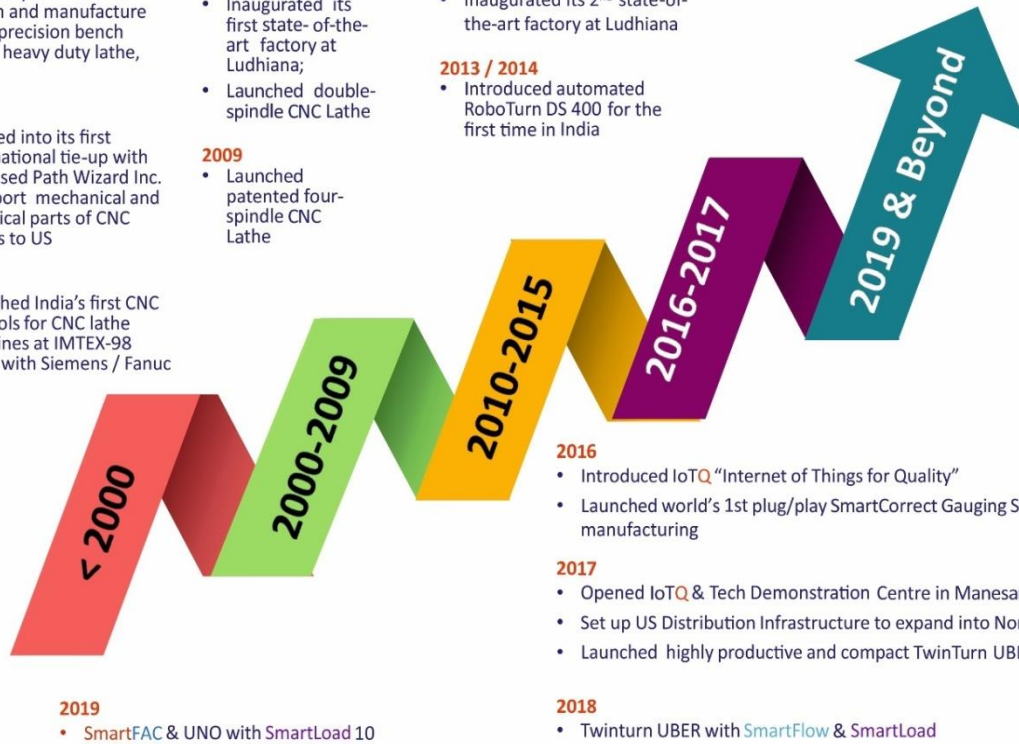
### 2012

- Inaugurated its 2<sup>nd</sup> state-of-the-art factory at Ludhiana

### 2013 / 2014

- Introduced automated RoboTurn DS 400 for the first time in India

Technologies developed & perfected over last few years are set to unleash explosive growth for the Company



### 2019

- SmartFAC & UNO with SmartLoad 10

### 2016

- Introduced IoTQ "Internet of Things for Quality"
- Launched world's 1st plug/play SmartCorrect Gauging Station unleashing zero defect manufacturing

### 2017

- Opened IoTQ & Tech Demonstration Centre in Manesar, India
- Set up US Distribution Infrastructure to expand into North American Markets
- Launched highly productive and compact TwinTurn UBER CNC Machine

### 2018

- Twinturn UBER with SmartFlow & SmartLoad



## OUR NETWORKING







## MESSAGE FROM THE CHAIRMAN

**Dear Shareholders and Friends,**

I, Gaurav Sarup, Managing Director of your Company, heartily welcome you all, having joined **MARSHALL MACHINES LIMITED ("MARSHALL")** family with your participation in our maiden public offer. It is my desire and wish that this association of ours, will strengthen our hands in to reach glorious heights. We are fortunate and humbled by the response received for the Initial Public Offering (IPO) of the equity shares of the Company. The support given to the IPO was very heart warming.



Marshall Machines. Ltd. (Marshall) is a leading manufacturer of Smart Intelligent Internet Enabled Machine Tool Equipment (including Robotic Automation) with manufacturing base in Ludhiana, R&D, Marketing and Display Centre at Gurgaon and newly established Tech Centre in USA. Marshall has focused extensively on technology development and utilizing R&D to develop and offer Smart CNC Machines to Market, which are highly cost efficient, improve productivity significantly over competing CNC offerings and are capable of manufacturing turned components with nearly ZERO defects and offer unparalleled features to the customers like optimization of tool life, prevention of sudden breakdowns, smart material handling etc.

Within CNC Machine segment, while Marshall have upgraded most of its machines by integrating smart technologies developed by them, in particular, Marshall has introduced number of new models of CNC Machines integrating its patented Industry 4.0 Technologies and making very cost efficient solutions for its customers.

Company has made investments on the capacity building work which includes mother machines and Demo and Display machines in the past financial year 2018-19. These Investment efforts have paved the way for building further capacity for future growth of the company.

During the year, Company successfully participated in IMTS USA Exhibition in the month of September 2018 and IMTEX Bangalore in the month of January 2019 with huge response from Visitors and intended Users.

Company is all set to establish its base in US, where it will be mainly targeting sale of its patented Industry 4.0 Technology ready Machines and Gauging Stations which can be plugged into existing CNC installations there. These ready Machines can connect to any brand of other CNC machine on plug and play basis and auto corrects the size variations in the machines. Additional features of this device include continuous monitoring of tool life and CNC machine health. US is potentially a very large market for Industry 4.0 Technology Machines. The Company has formally launched its US operations by opening Technology Centre in USA in February 2019. With Technology Centre in operation, we look forward to bright Prospects in USA from current FY 20. The products offered by the Company to Indian Markets competes products from leading companies and has great potential for expansion to International Markets, particularly US given significant price differential and advance features.

Company has filed many new patents over last 24 months in India and US. These innovations are largely focused on making the machines as smart as possible by deploying IOT/software algorithm based solutions (trademarked as “IoTQ”) and involving automation with or without use of robots.

Marshall worked on Research and development of number of new technologies as part of its Industry 4.0 solution. R&D team is continuously working to develop affordable Industry 4.0 plug-n-play smart products for many new applications related to Metal Cutting etc. Technological innovation in the Company is driven by the MARSHALL team allows the Company to stay ahead of the competition.

Further there were general slowdowns in Auto Industries in India which included two wheelers and Car manufacturing companies. Most Machine tool Users have shifted their capacity enhancement Plans in future considering these slow productions and wait and watch strategy. These slowdowns somewhat also affected our future growth for a temporary period. However, considering our efforts of building new Production capabilities, Continuous development of new Technologies, Strong Management capabilities on Technical Fields and strong in Patented rights, we are geared up for future growth of our company.

I would like to thank all our investors for showing confidence and trust in management capabilities of **MARSHALL** team. I am confident that we will make significant progress in the Company.

With Regards,  
Gaurav Sarup  
Chairman and Managing Director



## 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	-	Director
Dr. Harish Pal Kumar	-	Independent Director
Mr. Satvinder Singh	-	Independent Director

### CHIEF FINANCIAL OFFICER

Mr. Phulljit Singh Grover

### COMPANY SECRETARY

Ms. Shruti Gupta

### STATUTORY AUDITORS

M/s. S. Sood & Co.  
Chartered Accountants  
Office No. 2, 7<sup>th</sup> Floor,  
108-Surya Tower, The Mall,  
Ludhiana (Pb.)-141001

### SECRETARIAL AUDITORS

M/s. Rajeev Bhambri & Associates  
Company Secretaries  
SCO No. 9, 2<sup>nd</sup> Floor,  
Jandu Tower, Miller Ganj,  
Ludhiana(Pb.)-141003

### REGISTRAR & SHARE TRANSFER AGENT

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

### BANKERS

#### HDFC Bank Limited

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

#### Kotak Mahindra Bank

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

### REGISTERED OFFICE

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

### GENERAL INFORMATION

- Company's Corporate Identification Number (CIN): L29299PB1994PLC014605
- Company's Shares Listed at NSE EMERGE SME.
- Company's Shares are mandated for trading in demat mode.
- ISIN allotted to Company's share is INE00SZ01018

### 25TH ANNUAL GENERAL MEETING

30th September, 2019 at 09:30 a.m.

Venue  
C-86, Phase -V, Focal Point,  
Ludhiana (Pb.)-141010

## BOARD OF DIRECTORS



**Mr. Gaurav Sarup** is the Promoter and Managing Director of our Company, has been passionate about designing innovative machine tools ever since he took over rein of Marshall in 1986. He is a Production Engineer by qualification. His passion has been designing innovative machine tools and his career has been filled with many milestones including being awarded with the prestigious FIE Foundation National Awards in 2009, 2013, 2015 & 2017. He is an 'evangelist' about 'Smart' manufacturing and is frequently invited to speak at events organized by CII, TIE & other institutions. He has also conducted awareness sessions about INDUSTRY 4.0 at forums like NIQR (National Institute of Quality & Reliability) and companies like BOSCH. He has also addressed various gatherings in USA including Metro Atlanta Chamber, GAMA (Georgia Automotive Manufacturers Association), EDP (Economic Development Partnership).

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**Mr. Prashant Sarup** is the Promoter and Whole Time Director of our Company. He has applied his passion for designing machines, electronic integration & interfacing of systems to develop various award winning machines. An Engineer by qualification, Prashant started his career in 1989 at Marshall. His passion for design of machines and electronic integration & interfacing of systems, which was a successful project during his engineering studies helped him develop various types of machines, especially after the company shifted focus to manufacture of CNC machines. He is responsible for joint development of INDUSTRY 4.0 Technologies with Global Giants like SIEMENS (Germany) & FANUC (Japan).

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**Mr. Siddhant Sarup** is the Whole Time Director of our Company. He is a B.Tech in Industrial Engineering and holds a Master's Degree in Operations Management (MBA) from Thapar University, Patiala, Punjab. He manages the production and inspection/testing of Automated & Smart machines and also involved in Research & Development of Smart Correct Gauging Stations.

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**Mrs. Archana Sarup** is the Non-Executive Director of our Company. She holds a master's degree from Punjab University and have a wide experience in Human Resource Development (HRD) Department. She manages the HRD department, Administration and also look after the events like exhibitions, Seminars, Road Shows etc.

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**Mr. Harish Pal Kumar** is the Non-Executive & Independent Director of our Company. He is a Fellow Member of Institute of Cost Accountants of India and has PhD Degree from University of Lucknow. He had worked with Union Bank of India for a period of 11 Years. He retired as the Chairman-cum-Managing Director of The National Small Industries Corporation Limited. During his vast experience of 38 years, he has been a member of "The National Small Business Advisory Council of South Africa" appointed by the Government of South Africa. He was appointed as an Independent director of the Company with an objective to offer the best of his skills in every domain.

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**Mr. Satvinder Singh** is the Non-Executive & Independent Director of our Company. He holds a Diploma in Mechanical Engineering from Guru Nanak Engineering College (Polytechnic), Ludhiana. He is having vast experience of more than 35 years in the field of mechanical engineering and presently he is the Senior Vice President in GNA Group.

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**Statutory Reports****MARSHALL MACHINES LIMITED**

CIN: L29299PB1994PLC014605

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

Email: headoffice@marshallcnc.com

Website: www.marshallcnc.com

**NOTICE**

NOTICE is hereby given that the 25<sup>th</sup> Annual General Meeting of the Members of MARSHALL MACHINES LIMITED will be held on Monday, 30<sup>th</sup> day of September, 2019 at Registered Office of the Company at C - 86, Phase V, Focal Point, Ludhiana, Punjab at 09:30 a.m., to transact the following business:

**ORDINARY BUSINESS:**

1. To receive, consider and adopt the Audited Financial Statement of the Company for the Financial year ended 31<sup>st</sup> March, 2019 along with the Reports of Directors and Auditors thereon.
2. To appoint Mrs. Archana Sarup (DIN -07780273), who retires by rotation as a director and being eligible, offers herself for re-appointment as a director and in this regard, pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013, Mrs. Archana Sarup (DIN - 07780273), who retires by rotation at this meeting be and is hereby appointed as a Director of the Company, liable to retire by rotation."

**SPECIAL BUSINESS:**

3. **To Regularization of Appointment of Mr. Amanpal Singh (DIN: 08554318) as an Independent Non-Executive Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions if any, of the Companies Act, 2013 and the Rules made thereunder, read with Schedule IV of the said Act, the consent of the members of the Company be and is hereby accorded to appoint Mr. Amanpal Singh (DIN: 08554318) as an Independent Director of the Company, not liable to retire by rotation with effect from 30<sup>th</sup> September, 2019 to hold the office for a term of five (5) consecutive years upto 29<sup>th</sup> September, 2024.

**"RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto".

4. **To Change in Designation of Mrs. Archana Sarup (DIN: 07780273) from Non-Executive Director to Whole Time Director of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as Special Resolution:



**“RESOLVED THAT** in accordance with the provisions of Sections 196, 197 and 203 read with Schedule V and other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), consent and approval of the shareholders of the Company be and is hereby accorded to change the designation of Mrs. Archana Sarup (DIN: 07780273) from Non- Executive Director to Executive Director with effect from 30<sup>th</sup> September, 2019 and that Mrs. Archana Sarup (DIN: 07780273) be appointed as a Whole-time Director of the Company, liable to retire by rotation for a term of five (5) years commencing with effect from 30<sup>th</sup> September, 2019 on the terms and conditions including remuneration as set out in the explanatory statement annexed hereto, including the minimum remuneration to be paid in the event of loss or inadequacy of profits in any financial year, with a liberty to Board of Directors to alter and vary terms and conditions of said appointment in such manner as may be agreed to between the Board and Mrs. Archana Sarup”.

**“RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

#### **5. Amendment of Article of Association (AOA) of the Company**

To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**“RESOLVED THAT** pursuant to Section 5, 14 and 152 of the Companies Act, 2013 and rules made thereunder, the existing Clause 120 of the Articles of Association of the Company be and is hereby substituted as below:

#### **MANAGING DIRECTOR(S) AND WHOLE TIME DIRECTOR(S)**

- 120.** Subject to provisions of Section 196 & 197 of the Act, the Board of Directors may, from time to time, appoint one or more of their body to the office of Managing Director(s) or Whole time Director(s) for a period not exceeding 5 (five) years at a time and upon such terms and conditions as the Board thinks fit, and the Board may by resolution vest in such Managing Director(s) / Whole time Director(s), such of the powers hereby vested in the Board generally as it thinks fit, and such powers may be made exercisable for such period or periods, and upon such conditions and subject to such restrictions as it may determine. The Managing Director(s) / Whole time Director(s) shall be liable to retire by rotation.

**“RESOLVED FURTHER THAT** any Director and/or the Company Secretary of the Company be and is hereby authorized to do all acts, deeds and things including filings and take steps as may be deemed necessary, proper or expedient to give effect to this Resolution and matters incidental thereto.”

By order of the Board of Directors  
Marshall Machines Limited

Sd/-  
Shruti Gupta  
Company Secretary

Date: 03<sup>rd</sup> September, 2019

Place: Ludhiana

**NOTES:**

1. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, in respect of business to be transacted at the Annual General Meeting (AGM), as set out under Item no. 3,4 & 5 above as and required by Regulation 26(4) and 36(3) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and as required under Secretarial Standard - 2 on General Meetings issued by The Institute of Company Secretaries of India, are annexed hereto.
2. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND TO VOTE INSTEAD OF HIMSELF, AND A PROXY NEED NOT BE A MEMBER OF THE COMPANY.**  
The instrument of Proxy in order to be effective shall be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. Proxies submitted on behalf of limited companies, societies, partnership firms, etc. must be supported by appropriate resolution / authority as applicable, issued on behalf of the nominating organization.
3. Pursuant to the provisions of Section 105 of the Companies Act, 2013, a person can act as a proxy on behalf of not more than fifty (50) members and holding in aggregate not more than 10% of the total share capital of the Company carrying voting rights. A member holding more than 10% of the total share capital of the Company carrying voting rights may appoint a single person as proxy, who shall not act as a proxy for any other person or shareholder. The appointment of proxy shall be in the Form No. MGT.11 annexed herewith.
4. Corporate members intending to send their authorized representatives to attend the Meeting are requested to send a certified copy of the Board Resolution to the Company/Registrar & Transfer Agent, authorizing their representative to attend and vote on their behalf at the meeting.
5. Book Closure:  
The Register of Members and Share Transfer Books of the Company will remain close from Monday, 23<sup>rd</sup> September, 2019 to Monday, 30<sup>th</sup> September, 2019 (both days inclusive).
6. Members holding shares in the electronic form are requested to inform any changes in address/bank mandate directly to their respective Depository Participants.
7. Members are requested to hand over the enclosed Attendance Slip, duly signed in accordance with their specimen signature(s) registered with the Company for admission to the meeting hall. Members who hold shares in dematerialized form are requested to bring their Client ID and DP ID Numbers for identification.
8. In respect of shares held in physical mode, all shareholders are requested to intimate changes, if any, in their registered address immediately to the registrar and share transfer agent of the Company i.e. M/s Bigshare Services Pvt. Ltd. and correspond with them directly regarding share transfer/transmission / transposition, Demat/Remat, change of address, issue of duplicate shares certificates, ECS and nomination facility.
9. In case of joint holders attending the Meeting, only such joint holders who are higher in the order of names will be entitled to vote.
10. Section 20 of the Companies Act, 2013, as amended from time to time, permits service of documents on Members by the Company through electronic mode. Hence, in accordance with the Companies Act, 2013 read with the Rules framed thereunder, as amended, the Annual Report 2018-19 is being sent through electronic mode to those Members whose email addresses are registered with the Company/Depository Participant unless any Member has requested for a physical copy of the Report. For Members who have not registered their email addresses, physical copies of the Annual Report 2018-19 are being sent by the permitted modes. Members may note that Annual Report 2018-19 along with Notice of the 25<sup>th</sup> Annual General Meeting is also available on the Company's website [www.marshallcnc.com](http://www.marshallcnc.com).





11. Relevant documents referred to in the Notice and the accompanying Statement are open for inspection by the Members at the Registered Office of the Company during business hours on all working days, up to the date of the AGM and will also be kept open at the venue of the AGM till the conclusion of the AGM.
12. Members are requested to send their queries at least 10 days before the date of meeting so that information can be made available at the meeting.
13. As a measure of austerity, copies of the annual report will not be distributed at the Annual General Meeting. Members are therefore, requested to bring their copies of the Annual Report to the Meeting.
14. During Financial Year 2018-19, the Securities and Exchange Board of India ('SEBI') and the Ministry of Corporate Affairs ('MCA') has mandated that existing Members of the Company who hold securities in physical form and intend to transfer their securities after April 1, 2019, can do so only in dematerialized form. Therefore, Members holding shares in physical form are requested to consider converting their shareholding to dematerialized form to eliminate all risks associated with physical shares for ease of portfolio management as well as for ease of transfer, if required. Shareholders can write to the Company at [csmarshall@marshallcnc.com](mailto:csmarshall@marshallcnc.com) or contact the Registrars and Transfer Agent - **Bigshare Services Pvt. Ltd** at [investor@bigshareonline.com](mailto:investor@bigshareonline.com) for assistance in this regard.
15. Members holding shares in the same name under different ledger folios are requested to apply for Consolidation of such folios and send the relevant share certificates to **Bigshare Services Pvt. Ltd**, Share Transfer Agents of the Company for their doing the needful.
16. In terms of Section 72 of the Companies Act, 2013, a member of the company may nominate a person on whom the shares held by him/her shall vest in the event of his/her death. Members desirous of availing this facility may submit nomination in prescribed Form SH13 to the Company/RTA in case shares are held in physical form, and to their respective depository participant, if held in electronic form.
17. 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 the 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/Registrar and Share Transfer Agents (Bigshare Services Pvt. Ltd).
18. **Voting through electronic means:**  
In compliance with the provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company provides members facility to exercise their right to vote at the 25<sup>th</sup> Annual General Meeting (AGM) by electronic means and the businesses may be transacted through e-Voting Services provided by Central Depository Services (India) Ltd (CDSL). The e-voting details are enclosed along with the Annual Report.

**The instructions for shareholders voting electronically are as under:**

- (i) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period.
- (ii) Click on 'Shareholders' tab.
- (iii) Once you click shareholders tab, you will be directed to login page.
- (iv) 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. Members holding shares in Physical Form should enter Folio Number registered with the Company.
  - d. Next enter the Image Verification as displayed and Click on Login.

- (v) If you are holding shares in Demat Form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.
- (vi) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
Permanent Account Number (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> <p>Members who have not updated their PAN with the Company/Depository Participant are requested to use the first two letters of their name and the 8 digits of the sequence number in the PAN field.</p> <p>In case the sequence number is less than 8 digits enter the applicable number of 0's before the number after the first two characters of the name in CAPITAL letters. Eg. If your name is Ramesh Kumar with sequence number 1 then enter RA00000001 in the PAN field.</p>
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> <p>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 as mentioned in instruction (v).</p>

- (vii) After entering these details appropriately, click on "SUBMIT" tab.
- (viii) Members holding shares in physical form will then directly reach the Company selection screen. However, members 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.
- (ix) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (x) Click on the EVSN for the relevant **MARSHALL MACHINES LIMITED** on which you choose to vote.
- (xi) 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.
- (xii) Click on the "**RESOLUTIONS FILE LINK**" if you wish to view the entire Resolution details.
- (xiii) 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.
- (xiv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xv) You can also take a print of the votes cast by clicking on "Click here to print" option on the Voting page.



- (xvi) 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.
- (xvii) **Shareholders can also cast their vote using CDSL's mobile app m-Voting available for android, Apple and Windows based mobiles. The m-Voting app can be downloaded from Google Play Store, App Store and the Windows Phone Store respectively. Please follow the instructions as prompted by the mobile app while voting on your mobile.**
- (xviii) Note for Non – Individual Shareholders and Custodians
- Non-Individual shareholders (i.e. other than Individuals, HUF, NRI etc.) and Custodian are required to log on to [www.evotingindia.com](http://www.evotingindia.com) and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto: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](mailto: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 favor of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.

**19. Cut-off Date:**

The voting rights of shareholders shall be in proportion to their shares of the paid-up equity share capital of the Company as on the cut-off date (record date) of 13th September, 2019.

- 20.** The e-voting period will commence on Friday 27th September 2019 at 10:00 a.m. and end on Sunday 29th September 2019 at 05:00 p.m. 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 Friday 13th September, 2019 may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- 21.** Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue
- 22.** M/s Rajeev Bhambri and Associates, Company Secretaries has been appointed as the Scrutinizer of the Company to scrutinize the e-voting process in a fair and transparent manner.
- 23.** The Scrutinizer, after scrutinizing the votes cast at the meeting through poll and through evoting will, not later than Forty Eight Hours of conclusion of the Meeting, would make a consolidated scrutinizer's report and submit the same to the Chairperson. The results declared along with the consolidated scrutinizer's report shall be placed on the website of the Company [www.marshallcnc.com](http://www.marshallcnc.com). The results shall simultaneously be communicated to the Stock Exchange.
- 24.** All documents referred to in the accompanying Notice and the Explanatory Statement shall be open for inspection at the Registered Office of the Company during normal business hours 11:00 a.m. to 5:00 p.m. on all working days, up to and including the date of the Annual General Meeting of the Company.

In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com), under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)

## **‘ANNEXURE’ TO THE NOTICE**

### **EXPLANATORY STATEMENT PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013**

The following Statement sets out all material facts relating to the Special Business mentioned in the Notice:

#### **Item No.3**

Based on the recommendation of Nomination and Remuneration Committee of the Company, the Board of Directors of the Company at its meeting held on 03rd September, 2019 recommended to appoint Mr. Amanpal Singh (DIN: 08554318) as an Independent Director of the Company, not liable to retire by rotation for a period of 5(five) years with effect from 30<sup>th</sup> September, 2019.

The Company has also received from Mr. Amanpal Singh (i) Consent in writing to act as Director in Form DIR-2 pursuant to Rule 8 of the Companies (Appointment and Qualifications of Directors) Rules, 2014 (ii) Intimation in Form DIR-8 in terms of the Companies (Appointment and Qualifications of Directors) Rules, 2014, to the effect that he is not disqualified under Section 164(2) of the Act and (iii) Declaration to the effect that he meets the criteria of independence as provided in Section 149(6) of the Act read with Regulation 16 of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015, that he has not been debarred from holding office of a Director by virtue of any Order passed by Securities and Exchange Board of India or any other such authority.

In opinion of the Board, Mr. Amanpal Singh possesses appropriate skills, experience & knowledge and fulfills the conditions for appointment as an Independent Director as specified in the Act and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (Listing Regulations) and that he is independent of the management.

The Company has also received notice in writing, from member under section 160 of the Act, proposing his candidature for appointment as an Independent Director of the Company. Copy of Appointment Letter setting out terms and conditions of his appointment is available for inspection by Members.

The profile and specific areas of expertise of Mr. Amanpal Singh are provided as annexure to this Notice.

Except the proposed appointee, none of the Promoters, Directors and Key Managerial Persons (KMPs) of the Company or any relatives of such Promoters, Directors or KMPs, are in any way concerned or interested, financially or otherwise, in the matter set out at Item No. 3 of this Notice.

#### **Item No.4**

Mrs. Archana Sarup (DIN: 07780273) is serving the Company since 29<sup>th</sup> March, 2017 as Non-Executive Director. In order to Strengthen the Board and considering her contribution in the Company, the Board of Directors of the Company (“the Board”) at this meeting held on 03<sup>rd</sup> September, 2019 had, recommended to change the designation of Mrs. Archana Sarup (DIN: 07780273) from Non-Executive Director to Executive Director and to appoint Mrs. Archana Sarup (DIN: 07780273) as a Whole time Director, for a term of 5 (five) years, liable to retire by rotation, with effect from 30<sup>th</sup> September, 2019, on terms and conditions including remuneration as specified below. It is proposed to seek members’ approval by the way of Special Resolution for the Change in Designation and to appoint Mrs. Archana Sarup as Whole time Director in terms of the applicable provisions of the Act.

**Remuneration proposed:** It is proposed to pay Rs. 18 Lakhs p.a. (Rupees Eighteen Lakhs only) by way of remuneration comprising of salary, performance linked bonus, commission, perquisites and allowances with the approval of shareholders by passing special resolution.





Increment in salary, perquisites and allowances and remuneration based on net profits or by way of incentive / bonus / performance, as may be determined by the Board and / or the Nomination and Remuneration Committee of the Board, shall be in addition to the remuneration under (a) above.

The overall remuneration payable every year to the Managing Director and the Whole-time Directors by way of salary, perquisites and allowances, incentive / bonus / performance linked incentive, remuneration etc., as the case may be, shall not exceed the limit fixed in special resolution, passed by the shareholders of the Company in previous Annual General meeting.

Mrs. Archana Sarup satisfies all the conditions set out in Part-I of Schedule V to the Act as also conditions set out under subsection (3) of Section 196 of the Act for being eligible for her appointment. She is not disqualified from being appointed as Whole time Director in terms of Section 164 of the Act.

The profile and specific areas of expertise of Mrs. Archana Sarup are provided as annexure to this Notice.

Except the proposed appointee, none of the Promoters, Directors and Key Managerial Persons (KMPs) of the Company or any relatives of such Promoters, Directors or KMPs, are in any way concerned or interested, financially or otherwise, in the matter set out at Item No. 4 of this Notice.

#### Item No.5

The Board of Directors of the Company at its meeting held on 03rd September, 2019 recommended that the existing Article of Association be amended with the text as set out in the resolution. Consent of the Members by way of Special Resolution is required for such alteration of Articles of Association in terms of the provisions of Section 14 of the Act.

None of the Promoters, Directors and Key Managerial Persons (KMPs) of the Company or any relatives of such Promoters, Directors or KMPs, are in any way concerned or interested, financially or otherwise, in the matter set out at Item No. 5 of this Notice.

#### ADDITIONAL INFORMATION 'ANNEXURE' TO NOTICE

Details of Directors seeking appointment/Change in designation as required under regulation 36 of the SEBI (listing obligations and disclosure requirements) Regulations 2015 (as amended from time to time), and Secreterial Standard on general Meetings (SS-2) for item no. 3 and 4.

Name of the Director	Mrs. Archana Sarup	Mr. Amanpal Singh
Director Identification No	07780273	08554318
Date of first appointment on the Board	29 <sup>th</sup> March, 2017	Mr. Amanpal Singh has proposed to be appointed as an Independent Director in the forthcoming Annual General Meeting of the Company.
Relationship between directors inter-se	Spouse of Mr. Prashant Sarup, Whole time Director of the Company	-

Nature of expertise in specific functional area	Mrs. Archana Sarup, aged 47 years is a promoter and also the Non-Executive Director of our Company. She has been associated with Company since 29th March, 2017. She holds a master's degree from Punjab University and have a wide experience in Human Resource Development (HRD) Department. She manages the HRD department, Administration and also look after the events like exhibitions, Seminars, Road Shows etc.	Mr. Amanpal Singh, aged 28 years, is an associate member of Institute of Company Secretaries of India and a Law Graduated from Panjab University. He has a rich experience of three years in the field of corporate laws. He has worked as Company Secretary and key managerial personnel with Oswal Wollen Mills Limited. Currently, He is associated with Paul Merchant Group, Chandigarh.
Directorship in other Listed Companies	-	-
Membership of Committees of other Listed Companies	-	-
Shareholding in the Company as on date	3,99,245 Equity Shares	-

By order of the Board of Directors  
Marshall Machines Limited

Sd/-  
Shruti Gupta  
Company Secretary

Date: 03<sup>rd</sup> September, 2019

Place: Ludhiana



## BOARD'S REPORT

To

The Members,

Marshall Machines Limited,

Your Directors have great pleasure of presenting the 25<sup>th</sup> Annual Report on the affairs of the Company for the financial year ended 31<sup>st</sup> March, 2019.

### FINANCIAL SUMMARY OF THE COMPANY

The summary of Company's Financial Results for the financial year ended 31<sup>st</sup> March, 2019 is as under:

(Rs. In Lakhs)

Particulars	Current Financial Year Ended	Previous Financial Year Ended
	31.03.2019	31.03.2018
Revenue from Operations	6522.83	5935.49
Other Income	22.88	6.94
<b>Total Revenue</b>	<b>6545.71</b>	<b>5942.44</b>
Total Expenses	5745.37	5196.07
<b>Profit before before tax</b>	<b>800.34</b>	<b>746.37</b>
Tax expenses	222.88	245.78
<b>Profit for the period</b>	<b>577.46</b>	<b>500.59</b>

### 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.

### OPERATIONAL REVIEW AND STATE OF AFFAIR

Yours 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 Rs. 6545.71 lakhs for the financial year ended 31<sup>st</sup> March, 2019 as compared to Rs. 5942.44 lakhs in the previous year ended 31<sup>st</sup> March, 2018 and the net profit for the year under review amounted to Rs. 577.46 lakhs in the current year as compared to Rs. 500.59 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**

Material changes and commitment affecting the financial position of the Company occurred between the end of the financial year to which these financial statements relate and on the date of this report are as follows:

**CONVERSION OF THE COMPANY**

During the year under review, your company was converted from Private Limited Company to a Public Limited Company and requisite fresh Certificate of Incorporation dated 17<sup>th</sup> May, 2018 was issued by the Registrar of Companies, Chandigarh. Consequent to the conversion of the Company, the name of the Company has been changed from Marshall Machines Private Limited to Marshall Machines Limited.

**INITIAL PUBLIC OFFER (IPO)**

An Initial Public Offer (IPO) of 38,70,000 Equity Shares of Rs. 10/- each at an issue price of Rs. 42/- per equity share (Including share premium of Rs. 32/- per equity share) aggregating Rs. 16,25,40,000/- were issued. Out of 38,70,000 Equity Shares, 1,98,000 Equity Shares were reserved for subscription by market maker to the issue and the balance 36,72,000 Equity Shares were issued to general public. The IPO of the Company was opened from 28<sup>th</sup> August, 2018 to 30<sup>th</sup> August, 2018. The IPO of the Company was oversubscribed by 2.14 times. The equity shares offered under IPO of the Company were allotted to shareholders on 5<sup>th</sup> September, 2018. Thereafter, the Equity Shares of the Company got listed on NSE EMERGE Platform of National Stock Exchange of India on 7<sup>th</sup> September, 2018. Initial and Annual Listing fees has been duly paid by the Company to the Exchange.

**SHARE CAPITAL**

The Authorized share capital of the Company as on 31<sup>st</sup> March, 2019 was Rs. 15,00,00,000/- divided into 1,50,00,000 equity shares of Rs. 10/- each fully paid up.

The Paid-up share capital of the Company as on 31<sup>st</sup> March, 2019 was Rs. 14,55,00,000/- divided into 1,45,50,000/- equity shares of Rs. 10/- each fully paid up.

Further during the year under review,

The Authorized share-capital of yours Company was increased to Rs. 15,00,00,000/- (Rupees Fifteen Crores) divided into 1,50,00,000/- equity shares of Rs. 10/- each in Extra-Ordinary General Meeting held on 24<sup>th</sup> April, 2018.

Your Company after getting approval from shareholders in their Extra-Ordinary General Meeting held on 23<sup>rd</sup> May, 2018 had allotted 85,44,000 equity shares of Rs. 10/- each by way of bonus issue in proportion of 4:1 (i.e. Four Equity Shares for each existing Equity Share) in Board Meeting held on 25<sup>th</sup> May, 2018.

After Issue of Bonus shares, the Paid up Capital of your Company was increased to Rs. 10,68,00,000/- (Rupees Ten Crores Sixty Eight Lakhs only) divided into 1,06,80,000 equity shares of Rs. 10/- each.

Your Company offered 38,70,000 equity shares of Rs. 10/- each at an issue price of Rs. 42/- per equity share (Including share premium of Rs. 32/- per equity share) aggregating Rs. 16,25,40,000/- for subscription to general public under Initial Public Offer (IPO). Out of 38,70,000 equity shares, 1,98,000 equity shares were reserved for subscription by market maker to the issue and the balance 36,72,000 equity shares were issued to general public. The IPO of the Company was oversubscribed by 2.14 times. The equity shares offered under IPO of the Company were allotted to the shareholders on 5<sup>th</sup> September, 2018. After issuing the equity shares under IPO, the Paid-up Capital of the Company was increased to Rs. 14,55,00,000/- (Rupees Fourteen Crores Fifty Five Lakhs only) divided into 1,45,50,000/- equity shares of Rs. 10/- each.





#### **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 six Directors as on 31<sup>st</sup> March, 2019, viz, Mr. Gaurav Sarup, Managing Director, Mr. Prashant Sarup, Mr. Siddhant Sarup, Whole Time Directors, Mrs. Archana Sarup, Non-Executive Director, Dr. (Mr.) Harish Pal Kumar, and Mr. Satvinder Singh, Independent Directors.

The Board, therefore, presently comprises six Directors.

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

Mr. Prashant Sarup (DIN: 01257440), Whole-Time Director of the Company was re-appointed by the Board of Directors to work in such capacity with effect from 1<sup>st</sup> April, 2018 for period of 5 (five) years. His re-appointment was ratified by shareholders at Extra-Ordinary General Meeting held on 23<sup>rd</sup> May, 2018.

Mr. Siddhant Sarup (DIN: 07779416) was working as Non-Executive Director of the Company. The Board of Directors (subject to the approval of the Shareholders) passed a resolution to change the designation of Mr. Siddhant Sarup from Non-Executive Director to Whole-Time Director of the Company. The Change in designation and his appointment as Whole-Time Director was approved by the shareholders by way of Special Resolution passed at Extra-Ordinary General Meeting held on 23<sup>rd</sup> May, 2018.

Dr. (Mr.) Harish Pal Kumar (DIN: 01826010) was appointed as an Independent Director of the Company, not liable to retire by rotation, by the Members in their Extra-Ordinary General Meeting held on 23<sup>rd</sup> May, 2018 for the period of five (5) consecutive years. Mr. Satvinder Singh (DIN: 08148602) was appointed as an Additional (Independent) Director by the Board in their meeting held on 05<sup>th</sup> June, 2018 to hold such position up to forthcoming Annual General Meeting.

In the 24<sup>th</sup> Annual General Meeting held on 27<sup>th</sup> August, 2018, the Members of the Company had appointed Mr. Satvinder Singh (DIN: 08148602) to hold the position of Independent Director of the Company for the period of five (5) consecutive years from the conclusion of this Annual General Meeting up to 4<sup>th</sup> June, 2023, subject to not liable to retire by rotation.

Mr. Sumit Malhotra, Associate Member of Institute of Company Secretaries of India (ICSI), was appointed as Company Secretary & Compliance Officer of the Company with effect from 3<sup>rd</sup> May, 2018. However, Mr. Sumit Malhotra resigned from current post with effect from 1<sup>st</sup> August, 2019.

Mr. Phulljit Singh Grover, Member of Institute of Chartered Accountants of India (ICAI) was appointed as Chief Financial Officer of the Company with effect from 21<sup>st</sup> May, 2018, pursuant to provisions of Companies Act, 2013 read with rule and regulations made thereunder.

Ms. Shruti Gupta, Associate Member of Institute of Company Secretaries of India (ICSI) was appointed as Company Secretary & Compliance Officer with effect from 1<sup>st</sup> August, 2019, pursuant to provisions of Companies Act, 2013 read with rule and regulations made thereunder and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In order to ensure compliance with Section 152(6) of the Act, the Board has considered Mrs. Archana Sarup, Non-Executive 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.

#### 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 and Mr. Siddhant Sarup, Whole Time Directors, Mr. Phulljit Singh Grover, Chief Financial Officer and MS. Shruti Gupta, Company Secretary of the Company are the Key Managerial Personnel as per the provisions of the Companies Act, 2013 and rules made thereunder.

#### BOARD MEETINGS

The Directors of your Company met at regular intervals with the gap between two meetings not exceeding 120 days to review Company's policies and strategies apart from the Board matters. The notices of the meeting were given in advance. Additional meetings were held on the basis of the requirements of the Company. During the year under review, the Board of Directors met fifteen (15) times on 2<sup>nd</sup> April, 2018, 3<sup>rd</sup> May, 2018, 5<sup>th</sup> May, 2018, 18<sup>th</sup> May, 2018, 21<sup>st</sup> May, 2018, 25<sup>th</sup> May, 2018, 5<sup>th</sup> June, 2018, 11<sup>th</sup> June, 2018, 16<sup>th</sup> July, 2018, 23<sup>rd</sup> July, 2018, 3<sup>rd</sup> August, 2018, 18<sup>th</sup> August, 2018, 5<sup>th</sup> September, 2018, 14<sup>th</sup> November, 2018 and 11<sup>th</sup> March, 2019.

The attendance of each Director at all meetings of Board of Directors held during the FY 2018 - 19:

Date of Board Meetings	Name of Directors					
	Mr. Gaurav Sarup	Mr. Prashant Sarup	Mr. Siddhant Sarup	Mrs. Archana Sarup	Dr. Harish Pal Kumar	Mr. Satvinder Singh
02 <sup>nd</sup> April, 2018						
03 <sup>rd</sup> May, 2018						
05 <sup>th</sup> May, 2018						
18 <sup>th</sup> May, 2018						
21 <sup>st</sup> May, 2018						
25 <sup>th</sup> May, 2018						
05 <sup>th</sup> June, 2018						



11 <sup>th</sup> June, 2018						
16 <sup>th</sup> July, 2018						
23 <sup>rd</sup> July, 2018						
03 <sup>rd</sup> August, 2018						
18 <sup>th</sup> August, 2018						
05 <sup>th</sup> September, 2018						
14 <sup>th</sup> November, 2018						
11 <sup>th</sup> March, 2019						

## MEETING OF MEMBERS

During the year under review, an Extra-ordinary General Meeting of the Company was held on 23<sup>rd</sup> May, 2018 and an Annual General Meeting of the Company was held on 27<sup>th</sup> August, 2018 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

## AUDIT COMMITTEE

The Board of Directors in their meeting held on 5<sup>th</sup> June, 2018 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	Dr. (Mr.) Harish Pal Kumar	Chairman
2	Mr. Satvinder Singh	Member
3	Mr. Gaurav Sarup	Member

All the Members of Audit Committee are financially literate and have accounting knowledge to interpret and understand the financial statements. The Audit Committee meetings were held at the Registered Office of the Company and Statutory Auditor, Chief Financial Officer, Internal Auditor and Company Secretary were permanent invitees to the meetings. The Company Secretary of the Company acts as the secretary of the Committee. No separate Committee was

constituted to deal with matters related to Initial Public Offer (IPO) of the Company. All the matters related to IPO were assigned to Audit Committee by the Board of Directors subject to their approval. During the year under review, the Audit Committee Members, met eight (8) times on 9<sup>th</sup> June, 2018, 16<sup>th</sup> July, 2018, 18<sup>th</sup> July, 2018, 1<sup>st</sup> August, 2018, 17<sup>th</sup> August, 2018, 10<sup>th</sup> October, 2018, 14<sup>th</sup> November, 2018 and 9<sup>th</sup> March, 2019 and All members were present in the meetings.

#### **NOMINATION AND REMUNERATION COMMITTEE**

The Board of Directors in their meeting held on 5<sup>th</sup> June, 2018 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 (Listing Obligations and Disclosure Requirements) Regulations, 2015 by consisting following Members/Chairman:

<b>Sr. No.</b>	<b>Name of Directors</b>	<b>Designation</b>
1	Dr. (Mr.) Harish Pal Kumar	Chairman
2	Mr. Satvinder Singh	Member
3	Mrs. Archana Sarup	Member

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/Nomination-Remuneration-Policy.pdf>

The Nomination and Remuneration Committee Members met three (3) times on 9<sup>th</sup> June, 2018, 1<sup>st</sup> August, 2018 and 13<sup>th</sup> November, 2018. All members were present in the meetings.

#### **STAKEHOLDER RELATIONSHIP COMMITTEE**

The Board of Directors in their meeting held on 18<sup>th</sup> August, 2018 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:

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

The SRC monitors redressal of complaints received from shareholders/ investors with respect to transfer of shares, non-receipt of dividend, non-receipt of Annual Reports, interest payment on Bonds, etc. SRC also takes note of number of transfers processed, issue of fresh share certificates, top shareholders, pattern of shareholding, etc. During the FY 2018-19, no complaints were received. There was no complaint outstanding as on 31<sup>st</sup> March, 2019. Also, no instruments of transfer were pending as on 31<sup>st</sup> March, 2019. The Company Secretary is the Compliance Officer of the Committee. The Committee meets as and when required, to deal with the investor related matters etc.

The Stakeholder Relationship Committee Members met two (2) times on 13<sup>th</sup> November, 2018 and 9<sup>th</sup> March, 2019. All members were present in the meetings.



## 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" in the Board Meeting held on 14<sup>th</sup> November, 2018 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 9<sup>th</sup> March, 2019 and had identified and recommended to the Board certain projects/activities on which CSR expenditure for the financial year 2018-19 can be made. The Board of Director approved the same in Board Meeting held on 11<sup>th</sup> March, 2019. The CSR policy is available on company's website and can be accessed at link <https://marshallcnc.com/wp-content/uploads/2019/04/CSR-Policy-compressed.pdf>. The Report on CSR Activities is annexed herewith and forms part of this report.

## 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/Nomination-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. The outcome of the Board Evaluation for the financial year 2018-19 was discussed by the Nomination and Remuneration Committee at the meeting held on 29<sup>th</sup> May, 2019 and the Board at the meeting held on 30<sup>th</sup> May, 2019.

The Board was satisfied with evaluation process and approved the evaluation results thereof.

## **REMUNERATION TO DIRECTORS/EMPLOYEES AND RELATED ANALYSIS**

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

## **DIRECTORS' RESPONSIBILITY STATEMENT**

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

- (a) in the preparation of the accounts for the financial year ended 31<sup>st</sup> March, 2019, 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 give a 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 31<sup>st</sup> March, 2019 on a going concern basis;
- (e) the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.
- (f) the Directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and operating effectively.

## **INTERNAL FINANCIAL CONTROLS**

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

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

## **DISCLOSURES RELATING TO SUBSIDIARIES, ASSOCIATES AND JOINT VENTURE COMPANIES**

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

## **DEPOSITS**

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





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

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

### **PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES**

All related party transactions entered into during financial year 2018-19 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/2019/04/CSR-Policy-compressed.pdf>.

During the year under review, the Company had spent an amount of Rs. 1,31,000 (Rupees One Lakh Thirty-One Thousand) which constitute 2% of the average net profit made during the three immediate preceding financial years on CSR activities identified by CSR Committee. The disclosure in respect of the existing CSR Activities pursuant to Section 134(3) of the Companies Act, 2013 read with Rule 9 of the Companies (Accounts) Rules, 2014 and Companies (Corporate Social Responsibility) Rules, 2014, is annexed as Annexure - B herewith and forms part of this Report.

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information pertaining to conservation of energy, technology absorption, foreign exchange earnings and outgo as required under Section 134(3)(m) of the Companies Act, 2013, read with Rule 8(3) of the Companies (Accounts) Rules, 2015 is annexed as Annexure - C herewith and forms part of this Report.

### **RISK MANAGEMENT**

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

**SIGNIFICANT AND MATERIAL ORDERS PASSED BY THE REGULATORS AND COURTS OR TRIBUNALS IMPACTING THE GOING CONCERN STATUS AND COMPANY'S OPERATIONS IN FUTURE**

Marposs India Private Limited, a company incorporated under the provisions of Companies Act, 1956 having Registered Office at J-30, 1st Floor, Lajpat Nagar-III, New Delhi-110024 in its capacity as operational creditor had filed a petition on 10<sup>th</sup> January, 2018 under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT). The matter is sub-judice as on date.

No other significant and material orders have been passed by any Regulatory or Court or Tribunal which can impact on the going concern status and the Company's operations in futures.

**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 22<sup>nd</sup> Annual General Meeting up to conclusion of the 27<sup>th</sup> Annual General Meeting of the Company to be held in the financial year 2021-22. As per the provision of Section 139(1) of the Companies Act, 2013, the appointment of Statutory Auditors was to be ratified by the Members at every Annual General Meeting of the Company. The Ministry of Corporate Affairs vide its notification dated 7<sup>th</sup> May, 2018, has omitted the first provision of Section 139 of the Companies Act, 2013 in sub section (1). Accordingly, the Board has not proposed any resolution for the ratification of Appointment of Statutory Auditors by the Shareholders of the Company.

**AUDIT REPORT**

The Statutory Auditors have submitted Audit Report on the Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2019. The observations and comments given by the Auditors in their Report read together with the Notes to the Accounts are self-explanatory and require no comments from the Board.

**SECRETARIAL AUDITOR**

As your Company got listed on NSE EMERGE Platform on 7<sup>th</sup> September, 2018, the provisions of Section 204 of the Companies Act, 2013, read with relevant rules, if any, became applicable to the Company. 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. Rajeev Bhambri & Associates, Company Secretaries in practice, having Certificate of Practice No. 9491 as Secretarial Auditor of Company for the financial year 2018-19.

**SECRETARIAL AUDIT REPORT**

The Secretarial Audit Report for the financial year ended 31<sup>st</sup> March, 2019 is annexed as Annexure - D herewith in the prescribed format i.e. MR-3 and forms part of this Report. The observation of Secretarial Auditor is self-explanatory and do not require further explanation.

**INTERNAL AUDITOR**

As your Company got listed on NSE EMERGE Platform on 7<sup>th</sup> September, 2018, the provisions of Section 138 of the Companies Act, 2013 read with relevant rules, if any, became applicable to the Company. The Board of Directors, pursuant to provisions of Section 138 of the Companies Act, 2013 read with Rule 13(1) of the Companies (Accounts)



Rules, 2014, had appointed Mr. Abhimanyu Kumar, Bachelor of Technology, as an Internal Auditor of Company for the financial year 2018-19.

#### **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 31<sup>st</sup> March, 2019. 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.

#### **CORPORATE INSOLVENCY RESOLUTION PROCESS UNDER INSOLVENCY AND BANKRUPTCY CODE, 2016**

Marposh India Private Limited, a company incorporated under the provisions of Companies Act, 1956 having Registered Office at J-30, 1st Floor, Lajpat Nagar-III, New Delhi-110024, in its capacity as operational creditor had filed a petition on 10<sup>th</sup> January, 2018 under "Insolvency and Bankruptcy Code, 2016" (IBC) with Hon'ble National Company Law Tribunal, Chandigarh Bench (NCLT). The matter is sub-judice as on date.

#### **EXTRACT OF ANNUAL RETURN**

The Extract of Annual Return of the Company, pursuant to the provisions of Section 92 read with Rule 12 of the Companies (Management and Administration) Rules, 2014 for the financial year 2018-19 in the Form MGT-9 is annexed herewith as Annexure – E and forms part of this Report. Further, The Annual Return of the Company is available on Company's website and can be accessed at the link: <https://marshallcnc.com/extract-of-annual-return>

#### **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/2019/04/CSR-Policy-compressed.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/Familiarization-Programme-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/Policy-for-Determination-of-Materiality.pdf>

## **POLICY FOR PRESERVATION OF DOCUMENTS**

The Board of Directors in their meeting held on 14<sup>th</sup> November, 2018 had approved and adopted 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/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 15<sup>th</sup> January, 2015. The SEBI vide its notification dated 31<sup>st</sup> 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 and the same has been approved and adopted by the Board of Directors in their meeting held on 11<sup>th</sup> March, 2019. 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/Transaction Policy.pdf>

## **CEO AND CFO CERTIFICATION**

Since your Company's securities are listed on NSE EMERGE- SME Platform, by virtue of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the CEO and CFO Certification provisions as specified under Regulation 17(8) is not applicable to the Company. But for good corporate governance, the Company has received a certificate as required under Regulation 17(8) of SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 duly signed by Mr. Prashant Sarup, Whole Time Director and Mr. Phulljit Singh Grover, Chief Financial Officer of the Company which was placed before the Board in their meeting held on 30<sup>th</sup> May, 2019 which is annexed herewith as Annexure – F and forms the part of this report.

## **DEMATERIALISATION OF SECURITIES**

As on 31<sup>st</sup> March, 2019, 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: [yksinghal@bigshareonline.com](mailto:yksinghal@bigshareonline.com).

SEBI vide its Gazetted notification dated 8<sup>th</sup> 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 1<sup>st</sup> 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 1<sup>st</sup> meeting on 25<sup>th</sup> March, 2019 without the attendance of Non-Independent Directors and members of the management. All Independent Directors were present at the meeting. They reviewed i. the performance of non-Independent directors and the Board as a whole; ii. the performance of the Chairman of the Company taking into account the views of Executive Directors and Non- Executive Directors; iii. Assessed the quality and timeliness of the flow of information between the company's Management and the Board which is necessary for the Board to effectively and reasonably perform their duties.

#### **ENVIRONMENT, HEALTH AND SAFETY**

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

#### **HUMAN RESOURCES AND INDUSTRIAL RELATIONS**

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

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

#### **STATEMENT OF DEVIATION(S) OR VARIATION(S)**

There is no deviation(s) or variation(s) in utilizing of public issue proceeds. The funds raised under Initial Public Offer (IPO) have been utilized only towards the purposes as stated in objects clause of the offer document. A certificate duly certified by Statutory Auditor of the Company regarding utilization of IPO proceeds has been placed before the Stakeholder Relationship Committee in their meeting held on 29<sup>th</sup> May, 2019 and thereafter Audit Committee and Board Meetings held on 30<sup>th</sup> May, 2019.

#### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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

#### **CORPORATE GOVERNANCE**

Since, the Company's securities are listed on NSE EMERGE Platform, by virtue of Regulation 15 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the compliance with the Corporate Governance provisions as specified

in regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and para C, D and E of Schedule V are not applicable to the Company. Hence Corporate Governance Report does not form part of this report.

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

The Company has zero tolerance for sexual harassment for women at workplace and has adopted a policy against sexual harassment in line with Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. The Company has complied with the provisions relating to the constitution of Internal Complaint Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the financial year 2018-19, the Company has not received any complaints on sexual harassment and hence no complaint remains pending as on 31<sup>st</sup> March, 2019.

#### **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.

On the behalf of the Board  
Marshall Machines Limited

Sd/-  
Gaurav Sarup  
Managing Director  
(DIN: 00777486)

Sd/-  
Prashant Sarup  
Whole Time Director  
(DIN: 01257440)

Place: Ludhiana  
Date: 03/09/2019





## 'ANNEXURE-A'

### DETAILS PERTAINING TO REMUNERATION AS REQUIRED UNDER SECTION 197(12) OF THE COMPANIES ACT, 2013 READ WITH RULE 5(1) OF THE COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL) RULES, 2014

(a) Ratio of the remuneration of each director to the median remuneration of employee of the Company and the percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary for the financial year 2018-19:

Sr. No.	Name of Director/KMP and Designation	Remuneration of Director/KMP for financial year 2018-19 (Rs. In lakhs)	% increase in Remuneration in the financial year 2018-19	Ratio of remuneration of each Director/to median remuneration of employees
1	Mr. Gaurav Sarup Managing Director	27.00	50%	11.17:1
2	Mr. Prashant Sarup Whole Time Director	27.00	50%	11.17:1
3	Mrs. Archana Sarup Non Executive Director	18.00	100%	7.44:1
4	Mr. Siddhant Sarup Whole Time Director	12.00	100%	4.96:1
5	Dr. (Mr.) H. P. Kumar Independent Director	3.00	N.A.	N.A.
6	Mr. Satvinder Singh Independent Director	3.00	N.A.	N.A.
7	Mr. Phulljit Singh Grover Chief Financial Officer	8.88	N.A.	N.A.
8	Mr. Sumit Malhotra Company Secretary	2.64	N.A.	N.A.

\*computed on annualized remuneration

- Mr. Phulljit Singh Grover was designated as Chief Financial Officer and Mr. Sumit Malhotra appointed as Company Secretary during the financial year 2018-19, hence there is no change in their remuneration.
- The median remuneration of employees of the Company during the financial year 2018-19 was Rs. 20,150/- (approx).
- There were 264 permanent employees on the roll of the Company as on 31<sup>st</sup> March, 2019.
- Average percentage increase in the salaries of the employees other than the managerial personnel in the financial year 2018-19 was 18% whereas the increase in the managerial remuneration for the same financial year was 64.71%
- It is hereby affirmed that the remuneration paid during the year ended 31<sup>st</sup> March, 2019 is as per the Remuneration Policy of the Company.

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

**LIST OF TOP TEN EMPLOYEES IN TERMS OF REMUNERATION DRAWN:**

Sr. No.	Name & Designation	Remuneration Received during F.Y. 2018-19 (In Rs.)	Qualification and experience	Date of commencement	Age	Last employment held before joining the Company	% of equity shares held in the Company	Whether relative of any Director or Manager of the Company
1	Anjay Golia AVP-Sales	1813800	Diploma (Mechanical)	01.03.2017	48	N.A.	Nil	Nil
2	P.P. Shanker AGM-Sales	1464580	B.Tech (Mechanical)	01.09.2018	49	N.A.	Nil	Nil
3	P.N. Shinde GM-Sales	1386300	MBA (Marketing)	15.09.2015	46	N.A.	Nil	Nil
4	S.S. Kalshetti Sr. Manager-Sales	1100400	B.Tech (Mechanical)	26.06.2017	36	N.A.	Nil	Nil
5	Sajith Surendran VP-Sales	1097886	B.Tech (Mechanical)	16.04.2018	47	N.A.	Nil	Nil
6	Sanjeev Choudhary Sr. Manager-Sales	1007000	B.Tech (Mechanical)	14.07.2017	30	N.A.	Nil	Nil
7	P.S. Grover CFO	976800	B. Com, CA	01.02.2018	38	N.A.	Nil	Nil
8	Maninder Singh AGM-Electrical	924000	B.Tech	10.02.2007	35	N.A.	Nil	Nil
9	Parvinder Singh Manager-Service	860400	B.Tech	02.03.2010	34	N.A.	Nil	Nil
10	Murali S Manager-Service	855600	Diploma (Mechanical)	06.04.2010	42	N.A.	Nil	Nil

**Note:**

- Details of Top Ten Employees in the terms of Remuneration has been given excluding Managing Director and Whole Time Directors of the Company.
- P.P. Shanker and Sajith Surendran have left their jobs with effect from 11.12.2018 and 30.05.2019 respectively.

On the behalf of the Board  
Marshall Machines Limited

Sd/-  
Gaurav Sarup  
Managing Director  
(DIN: 00777486)

Sd/-  
Prashant Sarup  
Whole Time Director  
(DIN: 01257440)

Place: Ludhiana  
Date: 03/09/2019



## 'ANNEXURE-B' CORPORATE SOCIAL RESPONSIBILITY REPORT (CSR)

**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) and the same was adopted by the Board of Directors in their meeting held on 11<sup>th</sup> March, 2019. The CSR policy is available on the website of the Company and can be accessed at link <https://marshallcnc.com/wp-content/uploads/2019/04/CSR-Policy-compressed.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:** Rs. 65,48,178.67

**4. Prescribed CSR Expenditure (two percent of the amount as in item 3 above:** Rs. 1,30,963.57

**5. Details of CSR spend for the financial year:**

**(a) Total amount spent for the financial year:** Rs. 1,31,000.00

**(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 1. Local area or other 2. Specify the State & District where project or programs was undertaken	Amount Outlay (Budget) Project or Programs wise	Amount spent on the Project or programs subheads: (1) Direct Expenditure on Projects or Programs (2) overheads	Cumulative expenditure upto the reporting period	Amount Spent direct or through implementing agency
1	National Defence Fund (NDF)- measures for the benefit of armed forces veterans, war widows and their dependents	Measures for the benefit of armed forces veterans, war widows and their dependents	All over India	56,000	56,000	56,000	National Defence Fund- Established by Central Government
2	Home for Homeless- Promoting gender equality, empowering women, setting up homes and hostels for women and orphans; setting up old age homes, day	Setting up Homes for homeless	Ludhiana, Punjab	50,000	50,000	50,000	The Congregation of the Sisters of the Little Flower of Bethany, Bethany Generalate Community,

	care centre and such other facilities for senior citizens and measures for reducing inequalities faced by socially and economically backward groups.						Bendur, Manglore-575002
3	Promoting education, including special education and employment enhancing vocation skills specially among children, women, elderly and the differently abled and livelihood enhancement projects	Vocational Training of Children	Ludhiana, Punjab	25,000	25,000	25,000	Sacred Heart Convent School established by The Congregation of the Sisters of the Little Flower of Bethany, Bethany Generalate Community, Bendur, Manglore-575002

**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.

For on behalf of the Board of  
**MARSHALL MACHINES LIMITED**

**PLACE: LUDHIANA**  
**DATE: 03/09/2019**

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



## 'ANNEXURE-C' STATEMENT FOR CONSERVATION OF ENERGY

### (A) CONSERVATION OF ENERGY

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

### Total Energy Consumption

#### (A)

(A) Power & Fuel Consumption		
Particulars	2018-19	2017-18
a) Electricity Consumed (Rs.)	21,28,074/-	30,99,494/-
b) Coal	Nil	Nil
c) Furnace Oil	Nil	Nil
<b>Total</b>	<b>2,128,074/-</b>	<b>30,99,494/-</b>

### (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 : Rs. 2,82,98,178/-

### (C) Foreign Exchange Earning and Outgo

1. Total Foreign Exchange Earnings during the year : 88,40,092
2. Total Foreign Exchange Outgo (CIF) : 4,59,94,924

For on behalf of the Board of  
**MARSHALL MACHINES LIMITED**

PLACE: LUDHIANA  
DATE: 03/09/2019

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

## **‘ANNEXURE-D’ SECRETARIAL AUDIT REPORT**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014].

**The Members,**

**Marshall Machines Limited,**

**C-86, Phase V, Focal Point,**

**Ludhiana**

**CIN: L29299PB1994PLC014605**

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

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2019 (‘Audit Period’) complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31<sup>st</sup> March, 2019, 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.

**We further report that**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. No changes in the composition of the Board of Directors took place during the period under review. Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

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

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

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

**Rajeev Bhambri & Associates**

Company Secretary in whole time practice

C.P. No. 9491

Place: Ludhiana

Dated: 03.09.2019

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**Note: This report is to be read with our letter of even date which is annexed as 'ANNEXURE 1' and forms an integral part of this report.**

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**‘ANNEXURE 1’**

**To,**  
**The Members,**  
**Marshall Machines Limited,**  
**C-86, Phase V, Focal Point,**  
**Ludhiana**

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.

**Rajeev Bhambri & Associates**  
Company Secretary in whole time practice  
C.P. No. 9491  
Place: Ludhiana  
Dated: 03.09.2019



## 'ANNEXURE-E' EXTRACT OF ANNUAL RETURN

### FORM MGT-9

#### EXTRACT OF ANNUAL RETURN

As on the financial year ended on 31.03.2019

[Pursuant to Section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### I. REGISTRATION AND OTHER DETAILS

Sr. No.	Particulars	
i	CIN	L29299PB1994PLC014605
ii	Registration Date	23 <sup>rd</sup> May, 1994
iii	Name of the Company	MARSHALL MACHINES LIMITED (Formerly known as MARSHALL MACHINES PRIVATE LIMITED)
iv	Category/Sub-category of the Company	Company Limited By Shares/Indian Non-Government Company
v	Address of the Registered Office and contact details	C-86, PHASE-V, FOCAL POINT, LUDHIANA, PUNJAB-141010 E-mail: headoffice@marshallcnc.com, csmarshall@marshallcnc.com Ph. No. 0161-5012406/07, Fax No. 0161-5012408 Website: www.marshallcnc.com
vi	Whether Listed Company	Listed with NSE EMERGE- SME PLATFORM
vii	Name, Address and Contact Details of Registrar and Transfer Agent, if any	BIGSHARE SERVICES PRIVATE LIMITED H.O. 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai- 400059 Ph. No. 022-62638200/62638299 E-mail: <a href="mailto:marketing@bigshareonline.com">marketing@bigshareonline.com</a> / investor@bigshareonline.com Delhi Office: 302, Kushal Bazar, 32-33, Nehru Palace, New Delhi-110019 Ph. No. 011-42425004/47565852 Email id: <a href="mailto:bssdelhi@bigshareonline.com">bssdelhi@bigshareonline.com</a>

#### II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing 10% or more of the total turnover of the Company shall be stated:

Sr. No.	Name and Description of main products/ services	NIC Code of the product/ service	% to total turnover of the Company
1	Manufacturing of electrical equipment, general purpose and special purpose Machinery & equipment	84581100	100%

#### III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of shares held	Applicable Section
NIL					

**IV. SHAREHOLDING PATTERN**

(Equity Share Capital Breakup as % of total Equity)

**i. Category-wise Share Holding**

Category of Shareholders	No. of shares at the beginning of the year				No. of shares at the end of the year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoters</b>									
<b>(1) Indian</b>									
(a) Individual/HUF	-	2135630	2135630	99.98	10678150	-	10678150	73.39	-26.59
(b) Central Govt.	-	-	-	-	-	-	-	-	-
(c) State Govt(s).	-	-	-	-	-	-	-	-	-
(d) Bodies Corporate	-	-	-	-	-	-	-	-	-
(e) Banks/FI	-	-	-	-	-	-	-	-	-
(f) Any other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(1)</b>	-	<b>2135630</b>	<b>2135630</b>	<b>99.98</b>	<b>10678150</b>	-	<b>10678150</b>	<b>73.39</b>	<b>-26.59</b>
<b>(2) Foreign</b>									
(a) NRIs- Individuals	-	-	-	-	-	-	-	-	-
(b) Other Individuals	-	-	-	-	-	-	-	-	-
(c) Bodies Corporate	-	-	-	-	-	-	-	-	-
(d) Banks/FI	-	-	-	-	-	-	-	-	-
(e) Any Other	-	-	-	-	-	-	-	-	-
<b>Sub-Total (A)(2)</b>	-	-	-	-	-	-	-	-	-
<b>Total Shareholding of Promoters (A)=(A)(1)+(A)(2)</b>	-	<b>2135630</b>	<b>2135630</b>	<b>99.98</b>	<b>10678150</b>	-	<b>10678150</b>	<b>73.39</b>	<b>-26.59</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
(a) Mutual Funds	-	-	-	-	-	-	-	-	-
(b) Banks/FI	-	-	-	-	-	-	-	-	-
(c) Central Govt.	-	-	-	-	-	-	-	-	-
(d) State Govt(s).	-	-	-	-	-	-	-	-	-
(e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
(f) Insurance Companies	-	-	-	-	-	-	-	-	-
(g) FII's	-	-	-	-	-	-	-	-	-
(h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
(i) Others (Specify)									
Alternate Investment Funds	-	-	-	-	81000	-	81000	0.56	0.56
Foreign Portfolio									



Investor									
<b>Sub-Total (B)(1)</b>	-	-	-	-	<b>81000</b>	-	<b>81000</b>	<b>0.56</b>	<b>0.56</b>
<b>2. Non-Institutions</b>									
(a) Bodies Corp.									
(j) Indian	-	10	10	0.00	468500	50	468550	3.22	3.22
(ii) Overseas	-	-	-	-	-	-	-	-	-
(b) Individuals									
(i) Individuals holding nominal share Capital upto Rs. 1.00 Lakhs	-	360	360	0.02	930950	850	931800	6.40	6.39
(ii) Individuals holding nominal share Capital in excess of Rs. 1.00 Lakhs	-	-	-	-	2279500	-	2279500	15.67	15.67
(c) Others (specify)									
Non Resident Indian (Repat)	-	-	-	-	21000	-	21000	0.14	0.14
Non Resident Indian (Non-Repat)	-	-	-	-	9000	-	9000	0.06	0.06
Clearing Members	-	-	-	-	12000	-	12000	0.08	0.08
Trusts	-	-	-	-	-	-	-	-	-
Market Maker	-	-	-	-	69000	-	69000	0.47	0.47
<b>Sub-Total (B)(2)</b>	-	<b>370</b>	<b>370</b>	<b>0.02</b>	<b>3789950</b>	<b>900</b>	<b>3790850</b>	<b>26.04</b>	<b>26.03</b>
<b>Total Public Shareholding (B)=(B)(1)+(B)(2)</b>	-	<b>370</b>	<b>370</b>	<b>0.02</b>	<b>3870950</b>	<b>900</b>	<b>3871850</b>	<b>26.60</b>	<b>26.59</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>2136000</b>	<b>2136000</b>	<b>100</b>	<b>14549100</b>	<b>900</b>	<b>14550000</b>	<b>100</b>	<b>0.00</b>

## ii. Shareholding of Promoters/Promoter Group

Sr. No.	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% Change in Shareholding during the year
		No. of Shares	% of Total Shares of the Company	% of Shares Pledged/Encumbered to Total Shares	No. of Shares	% of Total Shares of the Company	% of Shares Pledged/Encumbered to Total Shares	

<b>(A) Promoters</b>								
1	Gaurav Sarup	944745	44.23	0.00	4776950	32.83	0.00	-11.40
2	Prashant Sarup	1096665	51.34	0.00	4933325	33.91	0.00	-17.43
<b>(B) Promoter Group (Directors Relatives)</b>								
1	Adarsh Gautam	3726	0.17	0.00	0	0.00	0.00	-0.17
2	Ambika Sarup	10645	0.50	0.00	0	0.00	0.00	-0.50
3	Archana Sarup	79849	3.74	0.00	399245	2.74	0.00	-0.99
4	Siddhant Sarup	0	0	0.00	568630	3.91	0.00	3.91
	<b>Total</b>	<b>2135630</b>	<b>99.98</b>	<b>0.00</b>	<b>10678150</b>	<b>73.39</b>	<b>0.00</b>	<b>-26.59</b>

**iii. Change in Promoters/Promoters Group Shareholding (please specify, if there is no change)**

Sr. No.	Shareholding at the beginning of the year			Date	Increase/D ecrease in Sharehold ing	Reason	Cumulative shareholding during the year	
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No. of Shares	% of total shares of the company				No of shares	% of total shares of the company
1	GAURAV SARUP (PROMOTER)							
	At beginning of the year	944745	44.23	01.04.2018				
	Changes during the year			05.05.2018	120645	Transfer	1065390	7.32
				05.05.2018	-110000	Transfer	955390	6.57
				25.05.2018	3821560	Bonus Shares	4776950	7.32
	At the end of the year			31.03.2019			4776950	32.83
2	PRASHANT SARUP (PROMOTER)							
	At beginning of the year	1096665	51.34	01.04.2018				
	Changes during the year			05.05.2018	-110000	Transfer	986665	6.78
				25.05.2018	3946660	Bonus Shares	4933325	33.91
	At the end of the year			31.03.2019			4933325	33.91
3	ADARSH GAUTAM (PROMOTERS GROUP/PROMOTERS RELATIVES)							
	At beginning of the year	3726	0.17	01.04.2018				
	Changes during the year			05.05.2018	-3726	Transfer	Nil	0.00
	At the end of the year			31.03.2019			Nil	0.00
4	AMBIKA SARUP (PROMOTERS GROUP/PROMOTERS RELATIVES)							
	At beginning of the year	10645	0.50	01.04.2018				
	Changes during the year			05.05.2018	-10645	Transfer	Nil	0.00
	At the end of the year			31.03.2019			Nil	0.00
5	ARCHANA SARUP (PROMOTERS GROUP/PROMOTERS RELATIVES)							
	At beginning of the year	79849	3.74	01.04.2018				
	Changes during the year			25.05.2018	319396	Bonus Shares	399245	2.74
	At the end of the year			31.03.2019			399245	2.74
6	SIDDHANT SARUP (PROMOTERS GROUP/PROMOTERS RELATIVES)							
	At beginning of the year	0	0	01.04.2018				
	Changes during the year			05.05.2018	113726	Transfer	113726	0.78





		25.05.2018	454904	Bonus Shares	568630	3.91
	At the end of the year	31.03.2019			568630	3.91

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs)**

Sr. No.	Shareholding at the beginning of the year			Date	Increase/Decrease in Shareholding	Reason	Cumulative shareholding during the year	
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No. of Shares	% of total shares of the company				No of shares	% of total shares of the company
1	<b>ASHISH KACHOLIA</b>	0	0	01.04.2018				
	Changes during the year			05.09.2018	465000	Allotment	465000	3.20
				14.09.2018	699000	Purchase	1164000	8.00
				28.09.2018	99000	Purchase	1263000	8.68
	At the end of the year			31.03.2019			1263000	8.68
2	<b>JHAVERTI SECURITIES LTD.</b>	0	0	01.04.2018				
	Changes during the year			05.09.2018	45000	Allotment	45000	0.31
				14.09.2018	180000	Purchase	225000	1.55
				21.09.2018	3000	Purchase	228000	1.57
				28.09.2018	-3000	Sale	225000	1.55
				05.10.2018	-3000	Sale	222000	1.53
				12.10.2018	-3000	Sale	219000	1.51
				14.12.2018	-3000	Sale	216000	1.48
				31.12.2018	3000	Purchase	219000	1.51
	At the end of the year			31.03.2019			219000	1.51
3	<b>OMEGA FINHOLD PVT. LTD.</b>	0	0	01.04.2018				
	Changes during the year			05.09.2018	93000	Allotment	93000	0.64
				28.09.2018	27000	Purchase	120000	0.82
	At the end of the year			31.03.2019			120000	0.82
4	<b>MAYUR MUKUNDBHAI DESAI</b>	0	0	01.04.2018				
	Changes during the year			05.09.2018	96000	Allotment	96000	0.66
	At the end of the year			31.03.2019			96000	0.66
5	<b>VINEET SABOO HUF</b>	0	0	01.04.2018				
	Changes during the year			05.09.2018	93000	Allotment	93000	0.64
	At the end of the year			31.03.2019			93000	0.64
6	<b>VIKAS AGARWAL</b>	0	0	01.04.2018				
	Changes during the year			05.09.2018	93000	Allotment	93000	0.64
				14.09.2018	30000	Purchase	123000	0.85
				02.11.2018	12000	Purchase	135000	0.93
	At the end of the year			31.03.2019			135000	0.93

<b>7</b>	<b>EW CLOVER SCHEME</b>	<b>0</b>	<b>0</b>	01.04.2018				
	Changes during the year			05.09.2018	279000	Allotment	279000	1.92
				12.10.2018	-6000	Sale	273000	1.88
				19.10.2018	-18000	Sale	255000	1.75
				26.10.2018	-3000	Sale	252000	1.73
				16.11.2018	-3000	Sale	249000	1.71
				30.11.2018	-3000	Sale	246000	1.69
				14.12.2018	-6000	Sale	240000	1.65
				21.12.2018	-9000	Sale	231000	1.59
				11.01.2019	-21000	Sale	210000	1.44
				18.01.2019	-12000	Sale	198000	1.36
				22.02.2019	-12000	Sale	186000	1.28
				01.03.2019	-9000	Sale	177000	1.22
				08.03.2019	-45000	Sale	132000	0.91
				15.03.2019	-30000	Sale	102000	0.70
				22.03.2019	-18000	Sale	84000	0.58
				29.03.2019	-3000	Sale	81000	0.56
	At the end of the year			31.03.2019			81000	0.56
<b>8</b>	<b>CHOICE EQUITY BROKING PRIVATE LIMITED</b>	<b>0</b>	<b>0</b>	01.04.2018				
	Changes during the year			05.09.2018	198000	Allotment	198000	1.36
				14.09.2018	-141000	Sale	57000	0.39
				21.09.2018	3000	Purchase	60000	0.41
				05.10.2018	-6000	Sale	54000	0.37
				12.10.2018	6000	Purchase	60000	0.41
				19.10.2018	-3000	Sale	57000	0.39
				26.10.2018	6000	Purchase	63000	0.43
				16.11.2018	-3000	Sale	60000	0.41
				23.11.2018	-3000	Sale	57000	0.39
				30.11.2018	6000	Purchase	63000	0.43
				07.12.2018	9000	Purchase	72000	0.49
				14.12.2018	-3000	Sale	69000	0.47
				28.12.2018	3000	Purchase	72000	0.49
				04.01.2019	-6000	Sale	66000	0.45
				11.01.2019	-3000	Sale	63000	0.43
				25.01.2019	9000	Purchase	72000	0.49
				01.02.2019	3000	Purchase	75000	0.52
				22.02.2019	3000	Purchase	78000	0.54
				01.03.2019	3000	Purchase	81000	0.56
				08.03.2019	-6000	Sale	75000	0.52
				15.03.2019	-6000	Sale	69000	0.47
	At the end of the year			31.03.2019			69000	0.47
<b>9</b>	<b>NARENDRA KUMAR KACHOLIA HUF</b>	<b>0</b>	<b>0</b>	01.04.2018				
	Changes during the year			05.09.2018	60000	Allotment	60000	0.41
	At the end of the year			31.03.2019			60000	0.41
<b>10</b>	<b>PUSHPA KABRA</b>	<b>0</b>	<b>0</b>	01.04.2018				
	Changes during the year			05.09.2018	3000	Allotment	3000	0.02
				14.09.2018	3000	Purchase	6000	0.04
				28.09.2018	3000	Purchase	9000	0.06
				01.02.2019	-9000	Sale	0	0.00



		29.03.2019	51000	Purchase	51000	0.35
	At the end of the year	31.03.2019			51000	0.35
<b>11</b>	<b>WEALTH FIRST PORTFOLIO MANAGERS</b>	0	0	01.04.2018		
	Changes during the year	05.09.2018	93000	Allotment	93000	0.64
		21.09.2018	-42000	Sale	51000	0.35
	At the end of the year	31.03.2019			51000	0.35

#### v. Shareholding of Directors and Key Managerial Personnel

Sr. No.	Shareholding at the beginning of the year			Date	Increase/Decrease in Shareholding	Reason	Cumulative shareholding during the year	
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc.)	No. Of Shares	% of total shares of the company				No of shares	% of total shares of the company
<b>1</b>	<b>GAURAV SARUP</b>	944745	44.23	01.04.2018				
	Changes during the year			05.05.2018	120645	Transfer	1065390	7.32
				05.05.2018	-110000	Transfer	955390	6.57
				25.05.2018	3821560	Bonus Shares	4776950	32.83
	At the end of the year			31.03.2019			4776950	32.83
<b>2</b>	<b>PRASHANT SARUP</b>	1096665	51.34	01.04.2018				
	Changes during the year			05.05.2018	-110000	Transfer	986665	6.78
				25.05.2018	3946660	Bonus Shares	4933325	33.91
	At the end of the year			31.03.2019			4933325	33.91
<b>3</b>	<b>ARCHANA SARUP</b>	79849	3.74	01.04.2018				
	Changes during the year			25.05.2018	319396	Bonus Shares	399245	2.74
	At the end of the year			31.03.2019			399245	2.74
<b>4</b>	<b>SIDDHANT SARUP</b>	0	0	01.04.2018				
	Changes during the year			05.05.2018	113726	Transfer	113726	0.78
				25.05.2018	454904	Bonus Shares	568630	3.91
	At the end of the year			31.03.2019			568630	3.91

#### V. INDEBTEDNESS: Indebtedness of the Company including interest outstanding/accrued but not due for payment

(Rs. In Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	25,23,27,048	3,68,42,561	-	28,91,69,609
ii) Interest due but not paid	-	-	-	-

iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>25,23,27,048</b>	<b>3,68,42,561</b>	<b>-</b>	<b>28,91,69,609</b>
<b>Change in Indebtedness during the financial year</b>				
Addition	5,15,71,792	12,60,119	-	5,28,31,911
Reduction	-	-	-	-
<b>Net Change</b>	<b>5,15,71,792</b>	<b>12,60,119</b>	<b>-</b>	<b>5,28,31,911</b>
<b>Indebtedness at the end of the financial year</b>				
i) Principal Amount	30,38,98,840	3,81,02,680	-	34,20,01,520
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>30,38,98,840</b>	<b>3,81,02,680</b>	<b>-</b>	<b>34,20,01,520</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. REMUNERATION TO MANAGING DIRECTOR, WHOLE-TIME DIRECTORS/OR MANAGER:

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager			Total
		Gaurav Sarup (Managing Director)	Prashant Sarup (Whole Time Director)	Siddhant Sarup (Whole Time Director)	
1	Gross Salary				
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961	2700000	2700000	1200000	6600000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961				
2	Stock Option	-	-	-	-
3	Sweat Equity	-	-	-	-
4	Commission -As % of Profit -Others, Specify	-	-	-	-
5	Others, Please Specify	-	-	-	-
	<b>Total (A)</b>	2700000	2700000	1200000	6600000
	Ceiling as per the Act	As per Section 197, 198 and read with Schedule V of the Companies Act, 2013			

### B. REMUNERATION TO OTHER DIRECTORS

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Name of Directors		Total
		Harish Pal Kumar	Satvinder Singh	
1	Independent Directors			
	Fee for attending board committee	300000	300000	600000



	meetings			
	Commission	-	-	-
	Others, please specify	-	-	-
	Total (1)	300000	300000	600000
2	Other Non-Executive Directors	Archana Sarup	-	-
	Fee for attending board meetings	-	-	-
	Commission			
	Others, please specify	1800000	-	1800000
	Remuneration & Conveyance to Directors			
	Total (2)	1800000	-	1800000
	Total (B)=(1)+(2)	2100000	300000	2400000
	Total Managerial Remuneration			
	Overall ceiling limit as the Act	As per Section 197, 198 and read with Schedule V of the Companies Act, 2013		

#### C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/WTD/MANAGER

(Amount in Rs.)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel		
		Sumit Malhotra (Company Secretary)	Phulljit Singh Grover (Chief Financial Officer)	Total
1	Gross Salary			
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax, 1961	264000	888000	1152000
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	-	-	-
	(c) Profits in lieu of salary under section 17(3) of Income Tax Act, 1961	-	-	-
2	Stock Option	-	-	-
3	Sweat Equity	-	-	-
4	Commission -As % of Profit -Others, Specify	-	-	-
5	Others, Please Specify	-	-	-
	Total	264000	888000	1152000

#### VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES: NIL

Type	Section of the Companies Act	Brief Description	Details of Penalty/Punishment/Compounding fees Imposed	Authority (RD/NCLT/COURT)	Appeal made, if any (Give Details)
<b>A. COMPANY</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-

Compounding	-	-	-	-	-
<b>B. DIRECTORS</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-
<b>C. OTHER OFFICERS IN DEFAULT</b>					
Penalty	-	-	-	-	-
Punishment	-	-	-	-	-
Compounding	-	-	-	-	-

On the behalf of the Board  
Marshall Machines Limited

Sd/-  
Gaurav Sarup  
Managing Director  
(DIN: 00777486)

Sd/-  
Prashant Sarup  
Whole Time Director  
(DIN: 01257440)

Place: Ludhiana  
Date: 03/09/2019



## **'ANNEXURE-F' 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 Whole Time Director and 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 31<sup>st</sup> March, 2019 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: 30/05/2019

Sd/-  
Prashant Sarup  
(Whole Time Director)  
(DIN: 01257440)

Sd/-  
Phulljit Singh Grover  
(Chief Financial Officer)



**'ANNEXURE-G' MANAGEMENT DISCUSSION AND ANALYSIS REPORT****COMPANY OVERVIEW**

Our 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. Thereafter the control & management of the Company was completely taken over by Mr. Gaurav Sarup and Mr. Prashant Sarup in February 2002 along with their father Late Shri Gautam Sarup. Our Company is in the business of developing, manufacturing and marketing of Machine Tool Equipment. The business was originally founded by Mr. Gautam Sarup, who set up the business in the name and style of "Marshall Industries" more than 54 year ago to initially manufacture hosiery machines. In coming years, the business moved to design & manufacture of high precision Bench Lathes, Heavy Duty Lathes & Capstan Lathes, thousands of which were sold all over the country. The firm became known brand in the design and manufacture of high precision bench lathes, heavy duty lathes & capstan lathes. It was amongst first Indian CNC Machine manufacturers and launched CNC Machines way back in 1998.

Later, Mr. Gautam Sarup was joined in the business by his sons, Gaurav Sarup & Prashant Sarup ("Promoters") after completing their engineering education. As a team, they grew the product range to include All Geared Lathes, Multi Spindle Drilling/Tapping Machines & Special Purpose Machines.

**BUSINESS OVERVIEW**

Marshall Machines Limited is 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 IoTQ suite of intelligent equipment. Moreover, our company sells machine parts of the manufactured machines as well to existing machinery buyers.

Technology is all around us and it has changed our lives and industries smarter, safer, and more convenient. As technology further leads us, intelligent machines are now becoming a reality. Over the past decade, Marshall has been a driving force behind innovation in Indian machine tool industry, automated solutions & smart technologies to solve the major problems of manufacturers and help improve productivity & profits. Our company has spent the past decade continuously improving its manufacturing operations and enhancing its technology to be able to immediately address its customers' changing needs. In today's competitive 24/7 manufacturing world where demands are high and increased quality, efficiency and productivity are critical for success, manufacturers need a machine manufacturer that can deliver what they need, when they need it. Marshall Machines has become a domestic leader in reliable automated turning solutions because of its passion for innovation and overall commitment to the manufacturing industry gives customers constant access to new, cutting-edge solutions, while further solidifying its position as a leading provider of innovative, productive machine tools and systems.

We are providing our product offering and solutions to wide range of industries including manufacturers of Axles, Crankshafts, Auto Parts, Fans, Pumps, Bearings, Gear Blanks, Bushes, etc. Our machines are known for reliability and quality. Innovative technology, quality manufacturing and complete service and support are part & parcel of the Marshall experience. By utilizing the latest in automation technology, Marshall can respond to specific customer requirements and provides the most efficient machining solutions in the market. By using Marshall automated Turning Centers our customers have cut costs, increased productivity, and, at the end of the day, have more saleable components on the floor, for less cost.



## **SIGNIFICANT DEVELOPMENTS SUBSEQUENT DURING THE PERIOD UNDER REVIEW**

The following developments have been taken place during the period under review:

1. The Company was converted into Public Limited Company vide fresh Certificate of Incorporation dated May 17, 2018 issued by Registrar of Companies, Chandigarh vide shareholder's approval on April 24, 2018.
2. The Authorized Share Capital of Rs. 4,00,00,000 (Rupees Four Crore only) was increased to Rs. 15,00,00,000 (Rupees Fifteen Crores only) pursuant to a resolution of the shareholders dated April 24, 2018.
3. Reappointment of Mr. Prashant Sarup as Whole Time Director on May 23, 2018.
4. Appointment of Mr. Siddhant Sarup as Whole Time Director on May 23, 2018.
5. Appointment of Mr. Harish Pal Kumar and Mr. Satvinder Singh as Non-Executive & Independent Director on May 23, 2018.
6. The Company has allotted 85,44,000 Equity Shares as bonus issue of face value of Rs. 10/- each in the ratio of 4 equity shares for every 1 equity share pursuant to a resolution of the shareholders dated May 23, 2018.
7. The Company has brought Initial Public Offer (IPO) for 38,70,000 Equity Shares of Rs. 10/- each at a price of Rs. 42/- per Equity Share (including Rs. 32/- per share as premium). The Company has received immense support from Public and got listed on NSE EMERGE- SME Platform on 7<sup>th</sup> September, 2018.

## **INDUSTRY STRUCTURE & DEVELOPMENT**

India stands 12th in production and 8th in the consumption of machine tools in the world as per the 2017 Gardner Business Media survey. The country is set to become a key player in the global machine tools industry and is likely to see substantial high-end machine tool manufacturing. With an emphasis on Make in India and manufacturing growth, for which the machine tools sector serves as the mother industry.

The Indian Machine tool Industry has around 1000 units in the production of machine tools, accessories/attachments, subsystems, and parts. Of these, around 25 in the large scale sector account for about 70 percent of the turnover and the rest are in the MSME sector of the industry. Approximately, 75 percent of the Indian machine tool producers are ISO certified. While the large organized players cater to India's heavy and medium industries, the small-scale sector meets the demand of ancillary and other units. Many machine tool manufacturers have also obtained CE Marking certification, in keeping with the requirements of the European markets.

The Indian machine tools sector offers several opportunities for investment. Given the current gap between demand and supply, there is a clear need for adding capacities in this sector. The industry is moving towards increasingly sophisticated CNC machines, driven by demand from key user segments, such as automobiles and consumer durables, Aerospace, etc. Machine tool manufacturers need to develop capabilities to cater to this demand and investments in this area could yield long term benefits.

With recent developments in Roboturn and IoTQ, Marshall has transformed manufacturing to make it smart. IoTQ (Internet of Things for Quality) is one of the most powerful technology in the world today in the field of CNC Turning Machining which acts like a "PERFORMANCE MULTIPLIER" for each IoTQ enabled machine, delivering quantum jump in near Zero defect quality with SmartCorrect, Tool insert life optimization with SmartInsert and machine health monitoring & predictive maintenance with SmartChek leading to longer machine life & OME (Overall Machine Efficiency). Continuous development and expansion of our sales network in all important markets across India reflects the dynamics of our company. We offer our customers top performance and commitment at all levels. A well-thought service concept,

starting with professional consultation, including documentation for the specific needs right up to remote maintenance via data link, ensures that Marshall Machines always operates reliably and efficiently.

During the year, the Company achieved total turnover of Rs. 6545.71 Lakhs as compare to Rs. 5942.44 Lakhs in previous year. The R&D Centre at Manesar, Gurugaon continue to under take new challenges in product development and also continuously working on value engineering.

The Company has got ISO 9001:2015 certification by Intertek (UK) to design, manufacture and supply of CNC Turning Centers, CNC TurnmillCenters& Double Head CNC Chuckers, which is updated version for product quality improvement and customer satisfaction.

#### **OPPORTUNITY AND THREATS**

<b>Strengths</b>		<b>Weaknesses</b>	
1. Intellectual Property & Proprietary Technology 2. Prestigious Client Base 3. Intensive R&D for Smart Tech Development 4. Unique Business Model driving customer relationships 5. Experienced management team and skilled workforce 6. Value creation opportunity		1. Long Manufacturing Cycles 2. Dependence on imports for key components 3. Huge inventory maintenance including for critical components	
<b>Opportunities</b>		<b>Threats</b>	
1. Growth in Capital Goods Industry 2. Fast paced development of Automobile Industry 3. Expanding Geographical Markets 4. High Growth of End User Industries		1. Entry of Global Players 2. Technology disruptions	

#### **OUTLOOK**

Your Company continues to maintain its relatively stable and progressive growth outlook. The initiative taken by your Company for technology up gradation, reducing overheads and finance costs, improving operating parameters and optimizing operating costs will enable the company to face challenges in coming times.

#### **RISK AND CONCERNS**

The risk factors are classified as under for the sake of better clarity and increased understanding:

1. Internal Risk Factors
2. External Risk Factors

#### **INTERNAL RISK FACTORS**

- ✧ Any change in the technology may render our current technologies obsolete or require us to make substantial capital investment to cope with the market.
- ✧ Unauthorized use of our intellectual property rights may adversely affect our business.
- ✧ We are subject to risks associated with expansion into new markets.
- ✧ Increase in the cost of, or a shortfall in the availability of raw materials/components could have an adverse effect on our business, results of operations and financial condition.



- ✧ Demand for our machines depends on capital spending by customers in the industries like Automobile, Electronics, Steel, machine tools etc. Any downturn affecting these sectors may result in a decrease in demand for our machines and adversely affect our business, financial condition and results of operations.
- ✧ Our operations are subject to environmental, health and safety laws and regulations.
- ✧ Our company is highly dependent on third party logistics services for the delivery of our machines and any disruption in their operations or a decrease in the quality of their services could affect our Company's reputation and results of operations.
- ✧ Our business is dependent on the availability/supply of certain materials/components which we source from domestic/international suppliers. Any decrease in the availability of the materials, could adversely affect our results of operations.
- ✧ Orders placed by customers may be delayed, modified, cancelled or not fully paid by our customers, which may have an adverse effect on our business, financial condition and results of operations.
- ✧ Any delays and/or defaults in payments from our customers could result in increase of working capital investment and/or reduction of our profits, thereby affecting our operation and financial condition.
- ✧ A shortage or non-availability of electricity may adversely affect our manufacturing operations and have an adverse effect on our business, results of operations and financial condition.
- ✧ We face foreign exchange risks, primarily in import of our materials/components that could adversely affect our results of operations.
- ✧ We could be harmed by employee misconduct or errors that are difficult to detect and any such incidences could adversely affect our financial condition, results of operations and reputation.
- ✧ Breakdowns of our major plants or machinery or failures to repair or maintain the same may affect our business.
- ✧ The operations of our Company are subject to manufacturing risk and may be disrupted by failure in the facilities causing fatal injury to personnel including death and destruction of property and consequent imposition of civil and criminal penalties.

#### **EXTERNAL RISK FACTORS**

- ✧ A slowdown in economic growth in India could adversely affect our business, results of operations, financial condition and cash flows.
- ✧ Changing laws, rules and regulations and legal uncertainties, including adverse application of tax laws, may adversely affect our business and financial performance.
- ✧ Inflation in India could have an adverse effect on our profitability and if significant, on our financial condition.
- ✧ Any downgrading of India's debt rating by an independent agency may harm our ability to raise financing.
- ✧ Financial difficulty and other problems in certain long-term lending institutions and investment institutions in India could have a negative impact on our business.
- ✧ Natural calamities could have a negative impact on the Indian economy and cause our company's business to suffer.
- ✧ Foreign investors are subject to foreign investment restrictions under Indian law that limits our ability to attract foreign investors, which may adversely impact the market price of the Equity Shares.
- ✧ Political instability or changes in the Government could adversely affect economic conditions in India generally and our business in particular.

- ✧ Terrorist attacks, civil unrest and other acts of violence or war involving India or other countries could adversely affect the financial markets, our business, financial condition and the price of our Equity Shares.

Your Company regularly monitors the various risks associated with its business. The Risk mitigation process reviewed by the Company. The Company continues to take suitable steps to minimize risks and their impact on Company's overall performance.

#### **INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has adequate systems of internal control meant to ensure proper accounting controls, monitoring cost-cutting measures, efficiency of operation and protecting assets from their unauthorized use. The Internal Audit department of the Company reviews control measures in the management of risks and opportunities and ensures adherence to operating guidelines and compliance with regard to regulatory and legal requirements. The Company's budgetary control system aims to ensure adequate control on the expenditure. The management reviews the actual performance with reference to the predetermined norms and standard on monthly basis. The Company has to work hard to maintain its market share without compromising on the quality of its products.

#### **DISCUSSION OF FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE**

The financial highlights with respect to operational performance:

(Rs. In Lakhs)

Particulars	As on 31.03.2019	As on 31.03.2018	% Change
<b>Revenue from Operations</b>			
<b>Sale of Products</b>			
Domestic	7535.47	6828.41	10.35%
Export	86.90	96.85	-10.27%
Less: Taxes	(1159.69)	(1015.52)	14.20%
<b>Net Sale of Product (A)</b>	<b>6462.68</b>	<b>5909.74</b>	9.36
Other Income(B)	83.03	32.69	153.99%
<b>Total Revenue from Operations (C)=(A)+(B)</b>	<b>6545.71</b>	<b>5942.53</b>	<b>10.15%</b>

#### **MATERIAL DEVELOPMENTS IN HUMAN RESOURCES/INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED:**

The Company believes in establishing and building a strong performance and competency driven culture amongst its employees with greater sense of accountability and responsibility. The Company has taken various steps for strengthening organizational competency through the involvement and development of employees as well as installing effective systems for improving their productivity and accountability at functional levels. The Company acknowledges that its principal asset is its employees. Ongoing in-house and external training is provided to the employees at all levels to update their knowledge and upgrade their skills and abilities. As on March 31, 2019, the Company had total 264 full time employees. The industrial relations have remained harmonious throughout the year.

#### **CAUTIONARY STATEMENT**

Statement in this Management Discussion and Analysis report, describing the Company's objectives projections, estimates, expectations or predictions may be "Forward looking Statements" within the meaning of applicable securities laws or regulations. Actual results could differ materially from those expressed or implied. Important factors that could make a difference to the company's operations include global and Indian demand-supply conditions, cyclical demand and



pricing in the Company's principal markets raw material cost and availability, changes in the Government regulations tax regimes, economic development within India and the countries within which the Company conducts business and other factors such as litigation and industrial relations.

For and on behalf of the Board of  
**MARSHALL MACHINES LIMITED**

Place: Ludhiana  
Date: 03/09/2019

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

#### **'ANNEXURE-H'**

##### **CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY**

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

**For Marshall Machines Limited**

Place: Ludhiana  
Date: 30.05.2019

Prashant Sarup  
(Whole Time Director)  
(DIN: 01257440)

## Financial Statements

## INDEPENDENT AUDITORS' REPORT

To,  
The Members,  
Marshall Machines Limited,  
Ludhiana

1. We have audited the accompanying financial statements of M/s **Marshall Machines Limited** ("The Company"), which comprise the Balance Sheet as at **31<sup>st</sup> March 2019**, the Statement of Profit and Loss, the cash flow statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.
2. **Management's Responsibility 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, read with Rule 7 of the Companies (Accounts) Rules, 2014. 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.**

### 3. Auditor's Responsibility

**Our responsibility is to** express an opinion on these financial statements based on our audit.

In conducting our audit, We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. 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. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.





## Opinion

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 Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- i. In case of the **Balance Sheet of State of Affairs** of the Company as at **31<sup>st</sup> March 2019**,
- ii. In the case of the **Profit and Loss Statement**, of the **Profit** of the Company for the year ended on that date
- iii. In the case of the **Cash Flow Statement**, of the **Cash Flows** for the year ended on that date.

## 4. Report on Other Legal and Regulatory Requirements

As required by the Companies (Auditor's Report) order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of Section 143 of the Companies Act, 2013, we give in **Annexure-A**, a statement on the matters specified in paragraph 3 and 4 of the order to the extent applicable.

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, and the cash flow statement dealt with by this Report are in agreement 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 31/03/2019 taken on record by the Board of Directors, none of the directors is disqualified as 31/03/2019 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, clause (i) of section 143(3) of Companies Act 2013, **refer Annexure –B** of our report.
- (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 the impact of pending litigations on its financial position in its financial statements.
  - ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts.

### FOR S. SOOD & CO.

Chartered Accountants  
Firm Regn. No. : 010801N

SANJAY SOOD

Partner

M.No.: 089457

Date: 30<sup>th</sup> May 2019

Place: Ludhiana

**ANNEXURE A TO THE INDEPENDENT AUDITOR'S REPORT**

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

**i. In respect of Fixed Assets**

- a) The Company has maintained proper records showing full particulars including quantitative details and situation of fixed assets.
- b) All the fixed assets have been physically verified during the year by the Management. According to the information and explanation given to us, no material discrepancies were noticed on such verification.
- c) As per the information & explanation given to us and the examination of records of the company, the title deeds of immovable properties are held in the name of the company.

**ii. In respect of Inventory**

Physical Verification of Inventory has been conducted at reasonable intervals by the management of the company. The discrepancies noticed on verification between the physical stocks and book records were not material and have been properly dealt with in the books of accounts.

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

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

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

In our opinion and according to the information and explanations given to us, the company has complied with the provisions of section 185 and 186 of the Companies Act, 2013 with respect to loans and investments made.

**iv. Compliance under section 73 to 76 of The Companies Act, 2013 and Rules framed thereunder while accepting Deposits**

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

**v. 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.

**vi. Deposit of Statutory Dues**

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

- a) The Company is by and large regular in depositing with appropriate authorities undisputed statutory dues including Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and other material statutory dues applicable to it. The Company did not have dues in arrears as at 31<sup>st</sup> March 2019 for a period of more than six months from the date they became payable except for Excise duty of Rs. 1,10,95,619 /- which is outstanding for more than six months.



- b) There were no undisputed amounts payable in respect of Provident Fund, Employees' State Insurance, Income-tax, Service Tax, Cess and other material statutory dues in arrears as at 31<sup>st</sup> March, 2019 for a period of more than six months from the date they became payable.
- c) There are no dues of Income Tax and Service Tax which have not been deposited as on 31<sup>st</sup> March, 2019 on account of disputes.

**vii. Repayment of Loans and Borrowings**

In our opinion and according to the information and explanations given to us, the Company has not defaulted in the repayment of loans or borrowings to banks, financial institutions or debenture holders.

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

During the year ended 31.03.2019, the Company has raised moneys by way of initial public offer (IPO) and has taken term loans from the financial Institutions during the year. In our opinion and according to the information and explanations given to us, the company has applied the amounts for their business for which they have been raised.

For the details of money raised through IPO and its utilization **refer Part A (General Information) of Note 1: Significant Accounting Policies**

**ix. Reporting of Fraud During the Year**

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

**x. Managerial Remuneration**

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

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

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

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

Based on the explanations provided to us all transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc., as required by the applicable accounting standards.

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

During the year the Company has made the preferential allotment and private placement of shares. In our Opinion & as per explanation given to us, the company has complied with the requirements of Section 42 of the Companies Act, 2013.

**xiv. Compliance under section 192 of Companies Act - 2013**

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

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

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

**For S. Sood & Co.**  
**Chartered Accountants**  
**(Firm Regn No. 010801N)**

**Sanjay Sood**  
**Partner**  
**(Membership No. 089457)**

Place: Ludhiana  
Date: 30<sup>th</sup> May, 2019

**ANNEXURE "B" TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' of our report 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")**

1. We have audited the internal financial controls over financial reporting of M/s Marshall Machines Limited ("the Company") as of 31st March, 2019 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

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

**Auditor's Responsibility**

3. Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Act, 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.
4. Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness



of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

#### **Meaning of Internal Financial Controls over Financial Reporting**

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

#### **Inherent Limitations of Internal Financial Controls Over Financial Reporting**

7. 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**

8. 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, 2019, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

**For S. Sood & Co.**  
**Chartered Accountants**  
**(Firm's Registration No.010801N)**

**Sanjay Sood**  
**Partner**  
**(Membership No. 089457)**

Place: Ludhiana  
Date: 30<sup>th</sup> May, 2019

**MARSHALL MACHINES LIMITED**  
**Regd. Office: C-86, PHASE V, FOCAL POINT, LUDHIANA-141010**  
**BALANCE SHEET AS AT 31ST MARCH, 2019**

PARTICULARS	NOTE NO.-	AS AT 31.03.2019	AS AT 31.03.2018
		In Rupees	In Rupees
<b>I. EQUITY AND LIABILITIES</b>			
<b>1. Shareholders' Funds</b>			
(a) Share Capital	<b>2</b>	145,500,000	21,360,000
(b) Reserve & Surplus	<b>3</b>	239,636,394	156,876,299
<b>2. Share Application Money Pending Allotment</b>		-	-
<b>3. Non Current Liabilities</b>			
(a) Long Term Borrowings	<b>4</b>	83,796,192	74,087,248
(b) Deferred Tax Liabilities (Net)	<b>5</b>	34,345,816	18,653,053
(c) Other Long Term Liabilities	<b>6</b>	23,165,279	-
(d) Long Term Provisions	<b>7</b>	5,832,061	9,046,142
<b>4. Current Liabilities</b>			
(a) Short Term Borrowings	<b>8</b>	171,125,421	162,233,513
(b) Trade Payables	<b>9</b>	160,798,210	183,862,209
(c) Other Current Liabilities	<b>10</b>	199,230,804	154,340,660
(d) Short Term Provisions	<b>11</b>	14,283,177	15,954,235
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>1,077,713,353</b>	<b>796,413,359</b>
<b>II. ASSETS</b>			
<b>1. Non Current Assets</b>			
(a) Property, Plant and Equipment			
(i) Tangible Assets	<b>24</b>	382,819,609	164,453,895
(ii) Intangible Assets	<b>24</b>	81,106,024	63,425,713
(iii) Capital Work in Progress	<b>24</b>	-	-
(b) Non Current Investments		-	-
(c) Long Term Loans & Advances	<b>12</b>	2,143,987	2,385,827
<b>2. Current Assets</b>			
(a) Inventories	<b>13</b>	399,126,457	382,978,130
(b) Trade Receivables	<b>14</b>	123,537,780	114,175,091
(c) Cash & Bank Balances	<b>15</b>	42,224,501	39,276,291
(d) Short Term Loans & Advances		-	-
(e) Other Current Assets	<b>16</b>	46,754,996	29,718,412
<b>TOTAL ASSETS</b>		<b>1,077,713,353</b>	<b>796,413,359</b>
<b>Summary of Significant Accounting policies</b>	<b>1</b>		
Notes referred to above and notes attached thereto form an integral part of the Balance Sheet			

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

(Sanjay Sood)  
Partner  
M.N.:089457  
Place : Ludhiana  
Date: 30.05.2019

For and on behalf of Board of  
Marshall Machines Limited

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

(Mr. P.S. Grover)  
Chief Financial Officer

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

(Mr. Sumit Malhotra)  
Company Secretary



**MARSHALL MACHINES LIMITED**

Regd. Office: C-86, PHASE V, FOCAL POINT, LUDHIANA-141010

**STATEMENT OF PROFIT AND LOSS FOR THE PERIOD ENDED 31ST MARCH, 2019**

PARTICULARS	NOTE NO.-	YEARS ENDING 31.03.2019	YEAR ENDING 31.03.2018
		In Rupees	In Rupees
<b>I. Revenue From Operations</b>	<b>17</b>	768,252,035	695,101,434
<b>II. Other Income</b>	<b>18</b>	2,288,152	694,141
<b>Gross Total Income (I+II)</b>		<b>770,540,187</b>	<b>695,795,575</b>
<b>Less: Excise Duty</b>		-	10,115,491
<b>Less: GST</b>		115,969,211	91,436,505
<b>III. Total Income</b>		<b>654,570,977</b>	<b>594,243,579</b>
<b>IV. Expenses</b>			
Cost of Material Consumed	<b>19</b>	486,762,023	446,763,032
Purchases of Stock-in-Trade		-	-
Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	<b>20</b>	(97,782,410)	(66,265,869)
Employee Benefits Expenses	<b>21</b>	57,658,680	45,746,362
Finance Costs	<b>22</b>	37,108,507	32,156,523
Depreciation and amortisation expense	<b>24</b>	37,268,626	21,977,281
Other Expenses	<b>23</b>	53,521,595	39,229,581
<b>Total Expenses</b>		<b>574,537,021</b>	<b>519,606,909</b>
<b>V. Profit Before Exceptional and Extraordinary Items And Tax (III-IV)</b>		<b>80,033,956</b>	<b>74,636,670</b>
VI. Exceptional Items		-	-
<b>VII. Profit Before Extraordinary Items And Tax (V-VI)</b>		<b>80,033,956</b>	<b>74,636,670</b>
<b>VIII. Extraordinary Items</b>		-	-
<b>IX. Profit Before Tax</b>		<b>80,033,956</b>	<b>74,636,670</b>
<b>X. Tax Expense:</b>			
(1) Current Tax		16,012,990	14,933,120
(2) Deferred Tax		15,692,763	16,653,053
(3) MAT Credit Entitlement		-9,417,810	(7,008,050)
		<b>22,287,943</b>	<b>24,578,123</b>
<b>XI. Profit/(Loss) for the period from Continuing Operations (IX-X)</b>		<b>57,746,012</b>	<b>50,058,547</b>
XII. Profit/(Loss) from Discontinuing Operations		-	-
XIII. Tax Expense of Discontinuing Operations		-	-
XIV. Profit/(Loss) from Discontinuing Operations after Tax (XII-XIII)		-	-
<b>XV. Profit/(Loss) for the period (XI+XIV)</b>		<b>57,746,012</b>	<b>50,058,547</b>
<b>XVI. Earning per Equity Share for discontinuing &amp; continuing Operations :</b>			
(1) Basic		4.97	27.38
(2) Diluted		4.97	27.38

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

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

(Sanjay Sood)  
Partner  
M.N.:089457  
Place : Ludhiana  
Date: 30.05.2019

For and on behalf of Board of  
Marshall Machines Limited

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

(Mr. P.S. Grover)  
Chief Financial Officer

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

(Mr. Sumit Malhotra)  
Company Secretary



**MARSHALL MACHINES LIMITED**  
**Regd. Office: C-86, PHASE V, FOCAL POINT, LUDHIANA-141010**  
**CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST MARCH, 2019**

PARTICULARS	Current Year 31.03.2019 (Rs.)	Previous Year 31.03.2018 (Rs.)
<b>A. Cash Flow from Operating Activities</b>		
<b>Net Profit before Taxes &amp; Extraordinary Items</b>	<b>80,033,956</b>	<b>74,636,670</b>
<b>Adjustments for Non Cash Items:</b>		
Depreciation	37,268,626	21,977,281
Investment Income	(718,937)	(583,479)
Interest Expense	34,147,768	30,196,987
Income Tax Expense	(16,012,990)	(14,933,120)
Previous Year Adjustments	(5,887,866)	(10,295,676)
<b>Adjustments for Changes in Working Capital:</b>		
(Increase)/ Decrease in Trade Receivables	(9,362,688)	(31,832,792)
(Increase)/ Decrease in Other Current Assets	(23,767,101)	(26,139,634)
Increase/ (Decrease) in Trade Payables	(23,064,000)	(59,381)
Increase/ (Decrease) in Short Term and Long Term Provisions	(24,818,590)	4,981,565
Increase/ (Decrease) in Other Long Term Liabilities	23,165,279	-
Increase/ (Decrease) in Other Current Liabilities	44,890,144	(632,347)
(Increase)/ Decrease in Loans & Advances	241,840	22,173
<b>Cash Generation from Operations</b>	<b>116,115,441</b>	<b>47,338,247</b>
Taxes Paid	(19,933,451)	(4,566,931)
<b>Net Cash from Operating Activities</b>	<b>136,048,892</b>	<b>51,905,178</b>
<b>B. Cash Flows from Investing Activities</b>		
Purchase of Fixed Assets/ CWIP	(274,144,651)	(89,831,318)
Sale of Fixed Assets	830,000	-
Investment Income	718,937	583,479
<b>Net Cash Flows from Investing Activities</b>	<b>(272,595,714)</b>	<b>(89,247,839)</b>
<b>C. Cash Flows from Financing Activities</b>		
Proceeds from Issue of Capital	155,041,949	30,092,000
Proceeds/(Repayment) of Long term Borrowings	(4,973,722)	29,811,924
Proceeds/(Repayment) of Short term Borrowings	(10,573,195)	(9,333,317)
<b>Net Cash Flows from Financing Activities</b>	<b>139,495,032</b>	<b>50,570,607</b>
<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalent</b>	<b>2,948,209</b>	<b>13,227,945</b>
Cash & Cash Equivalents - Opening Balance	<b>39,276,291</b>	<b>26,048,345</b>
Cash & Cash Equivalents - Closing Balance	<b>42,224,501</b>	<b>39,276,291</b>

Notes: 1. Cash and Cash Equivalents represents Cash & Bank Balances and deposit with Banks as per Note No. 14.  
2. The cash and cash flow statement have been prepared in accordance with AS-3 using the "indirect method"  
3. Figures in brackets indicate cash outflow.

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

(Sanjay Sood)  
Partner  
M.N.:089457  
Place : Ludhiana  
Date: 30.05.2019

For and on behalf of Board of  
Marshall Machines Limited

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

(Mr. P.S. Grover)  
Chief Financial Officer

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

(Mr. Sumit Malhotra)  
Company Secretary



## MARSHALL MACHINES LIMITED

### Notes to the Financial Statements

#### Note 1: Significant Accounting Policies

##### A. General Information

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

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

The Authorized share capital of Rs. 4,00,00,000 (Rupees Four Crores only) consisting of 40,00,000 Equity Shares of face value of Rs. 10/- each was increased to Rs. 15,00,00,000 (Rupees Fifteen Crores only) consisting of 1,50,00,000 Equity Shares of face value of Rs.10/- each pursuant to a resolution of the shareholders dated April 24, 2018.

The Company has allotted 85,44,000 Shares as Bonus Shares in the ratio of 4:1 i.e. 4 Equity shares of face value of Rs. 10/- each was allotted as bonus shares for each equity shares held by the shareholders on May 25, 2018 as approved by the members during Extra-ordinary General Meeting held on May 23, 2018.

Further, the Company has raised its Equity Share Capital with an amount of Rs. 1625.40 Lacs (including Share Premium) through Initial Public Offer (IPO) & the securities of the company got listed on NSE EMERGE- SME Platform on September 7, 2018.

Details of the IPO are as follows:

The Company has raised a sum of Rs. 1625.40 Lacs by offering 38,70,000 equity shares of the face value of Rs. 10/- each fully paid for a cash price of Rs. 42/- per equity share (including a premium of Rs. 32/- per equity share) under Initial Public Offer (IPO) during the year and the IPO proceeds were fully utilized toward purposes for which these were raised.

#### **Statement of the utilization of the IPO proceeds as on March 31, 2019**

Sr. No.	Particulars	(Rs. In lacs)
		Amount
1	Capacity Augmentation	623.00
2	Upgradation of existing R&D Unit and IoT Center	417.00
3	Establishment of new IoT Centers	110.00
4	Working Capital Requirements	250.00
5	General Corporate Purpose	25.40
6	Issue Expenses	200.00
	<b>Total</b>	<b>1625.40</b>

**B. Significant Account Policies****a) Basis of Preparation:**

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

**b) Use of Estimates**

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

**c) Fixed Assets**

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

Machinery spares which are specific to particular items of fixed assets and whose use is irregular are capitalized as part of the cost of machinery.

**d) Depreciation**

Depreciation is provided on "Written Down Value Method", as per the useful life prescribed in Schedule II of the Companies Act, 2013.

**e) Cash flow statement**

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

**f) Investments**

The company does not have any investments.

**g) Inventories**

Inventories are valued as follows:

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



#### **h) Revenue Recognition**

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

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

#### **i) Other Income**

Interest Income is accounted for on accrual basis.

#### **j) Employee Benefits**

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

##### **Provident Fund:**

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

##### **Gratuity:**

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

#### **k) Borrowing Cost**

As per AS-16, borrowing costs attributable to the acquisition of fixed assets is capitalized as part of the cost of the cost of fixed assets till the date it is put to use. Other Borrowing costs are recognized as expenses in the period in which they are incurred.

#### **l) Leases**

Lease of assets under which, all the risks and benefits of ownership are effectively retained by the lessor are classified as Operating Lease. Lease rental in respect of assets taken on operating lease are charged to the Statement of Profit and Loss on a straight line basis over the lease term.

#### **m) Foreign Currency Transactions**

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

#### **n) Treatment of Prior Period and Extra Ordinary Items**

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

**o) Taxes on Income**

Tax expense for the period, comprising current tax and deferred tax, are included in the determination of net profit and loss for the period. Current tax is determined as the amount of tax payable in respect of taxable income for the year.

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

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

**p) Related Party Transactions**

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

**q) Impairment Assets**

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

**r) Provisions, Contingent liabilities and Contingent Assets**

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

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

**SHARE CAPITAL**

NOTE NO.- 2

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
<b>(a) Authorised</b>		
150,00,000 Equity Shares (Previous years 40,00,000) Equity Shares of Rs. 10 /- each	150,000,000.00	40,000,000
<b>(b) Issued, Subscribed &amp; Paid Up</b>		
1,45,50,000 (Previous Year 21,36,000) Equity Shares of Rs. 10/- each fully paid up in cash	145,500,000.00	21,360,000
<b>(c) Par Value per Share is Rs. 10/-</b>		



**(d) Reconciliation of the number of equity shares outstanding**

Particulars	AS AT 31.03.2019		AS AT 31.03.2018	
	Shares	Amount	Shares	Amount
Shares outstanding at the beginning of the year	2,136,000	21,360,000	1,810,080.00	18,100,800
Add: Addition/(Deduction) during the year	12,414,000	124,140,000	325,920.00	3,259,200
Shares outstanding at the end of the year	14,550,000	145,500,000	2,136,000.00	21,360,000

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

Mr. Prashant Sarup	4,933,325	33.91%	1,096,665.00	51.34%
Mr. Gaurav Sarup	4,776,950	32.83%	944,745.00	44.23%
Mr. Ashish Kacholia	1,263,000	8.68%	-	-

**(f) Terms/rights attached to equity Shares**

The company has only one class of equity shares having par value of Rs. 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.

**RESERVES & SURPLUS**

NOTE NO.- 3

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
	In Rupees	In Rupees
<b>(a) Surplus</b>		
Opening Balance	124,743,499	84,980,628
Add: Addition/(Deduction) during the year	57,746,012	50,058,547
	182,489,511	135,039,175
Less: Tax Adjustments relating to Previous Year	8,284,914	624,827
Less: Bonus Shares issued	53,307,200	-
(Add)/Less: Gratuity Provision adjustments relating to Previous Year	-	-
	2,397,048	9,670,849
	123,294,445	124,743,499
<b>(b) Securities Premium Reserve</b>		
Opening Balance	32,132,800	5,300,000
Add: Addition during the year	123,840,000	26,832,800
Less: Deduction during the year	39,630,851	-
	116,341,949	32,132,800
<b>TOTAL</b>	239,636,394	156,876,299

**BORROWINGS**

NOTE NO.- 4

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
	In Rupees	In Rupees
<b>(a) Secured Loans</b>		
i) Term Loans	59,994,565	53,072,438
ii) Vehicle Loans	2,686,032	-
<b>(b) Unsecured Loans</b>		
i) Term Loans	13,465,594	4,114,811
ii) Loans from Shareholders	7,650,000	16,900,000
<b>TOTAL</b>	<b>83,796,192</b>	<b>74,087,248</b>

**DEFERRED TAX (ASSETS)/LIABILITY (Net)**

NOTE NO.- 5

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
	In Rupees	In Rupees
<b>Deferred Tax Liability</b>		
Fixed Assets: Impact of difference between tax depreciation/ Amortisation and depreciation/ Amortisation charged for the financial reporting	34,345,816	18,794,939
Tax effect of items constituting deferred tax liability	34,345,816	18,794,939
<b>Deferred Tax Asset</b>		
Impact of expenditure charged to Profit & Loss Statement in the current year but allowed for tax purpose on payment basis	-	141,886
Tax effect of items constituting deferred tax Asset	-	141,886
<b>Net Deferred Tax (Assets)/Liability</b>	<b>34,345,816</b>	<b>18,653,053</b>

**OTHER LONG TERM LIABILITIES**

NOTE NO.- 6

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
	In Rupees	In Rupees
(a) Liabilities against Finance Lease of Plant and Machinery	23,165,279	-
<b>TOTAL</b>	<b>23,165,279</b>	<b>-</b>

**LONG TERM PROVISION**

NOTE NO.- 7

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
	In Rupees	In Rupees
(a) Provision for Employee Benefits	5,832,061	9,046,142
<b>TOTAL</b>	<b>5,832,061</b>	<b>9,046,142</b>





#### SHORT TERM BORROWINGS

NOTE NO.- 8

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
	In Rupees	In Rupees
(a) Secured Loans		
i) Loans Repayable on Demand from Banks	171,125,421	162,233,513
<b>TOTAL</b>	<b>171,125,421</b>	<b>162,233,513</b>

#### TRADE PAYABLES

NOTE NO.- 9

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
	In Rupees	In Rupees
Sundry Creditors	160,798,210	183,862,209
<b>TOTAL</b>	<b>160,798,210</b>	<b>183,862,209</b>

#### OTHER CURRENT LIABILITIES

NOTE NO.- 10

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
	In Rupees	In Rupees
(a) Current Maturities of Long Term Debts	87,079,909	52,848,848
(b) Other Payables		
i) Statutory Duties & Taxes	15,268,534	28,858,247
ii) Employee Benefits	8,649,049	5,396,431
iii) Advances from Customers	34,441,109	32,110,482
iv) Others	53,792,204	35,126,653
<b>TOTAL</b>	<b>199,230,804</b>	<b>154,340,660</b>

#### SHORT TERM PROVISIONS

NOTE NO.- 11

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
	In Rupees	In Rupees
(a) Provision for Employee Benefits	1,397,028	1,053,846
(b) Others		
- Income Tax	12,886,149	14,900,389
<b>TOTAL</b>	<b>14,283,177</b>	<b>15,954,235</b>

#### LONG TERM LOAN AND ADVANCES

NOTE NO.- 12

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
	In Rupees	In Rupees
i) Security Deposits	2,143,987	2,234,487
ii) Others	-	151,340
<b>TOTAL</b>	<b>2,143,987</b>	<b>2,385,827</b>

**INVENTORIES**

NOTE NO.- 13

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
	In Rupees	In Rupees
(Taken as, valued & certified by the Management)		
(a) Raw Materials	60,439,067	142,073,150
(b) Work in Progress	266,598,700	162,069,170
(C) Finished Goods		
-Finished Material	71,808,690	78,610,310
-Scrap	280,000	225,500
<b>TOTAL</b>	<b>399,126,457</b>	<b>382,978,130</b>

**TRADE RECEIVABLES**

NOTE NO.- 14

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
	In Rupees	In Rupees
Trade Receivables (Unsecured, considered good)		
a) Outstanding for a period exceeding six months from the date they are due for payment	37,915,899	39,702,523
b) Other Receivables	85,621,881	74,472,568
<b>TOTAL</b>	<b>123,537,780</b>	<b>114,175,091</b>

**CASH & BANK BALANCES**

NOTE NO.- 15

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
	In Rupees	In Rupees
I) Cash in Hand	15,799,072	16,278,311
ii) Balances With Scheduled Banks		
a) In Current Accounts	8,791,689	3,262,336
b) In Deposit Accounts	17,633,740	19,735,644
<b>TOTAL</b>	<b>42,224,501</b>	<b>39,276,291</b>

**OTHER CURRENT ASSETS**

NOTE NO.- 16

PARTICULARS	AS AT 31.03.2019	AS AT 31.03.2018
	In Rupees	In Rupees
Unsecured, considered good		
(a) Advances to Suppliers	3,492,137	6,560,594
(b) Others	43,262,859	23,157,818
<b>TOTAL</b>	<b>46,754,996</b>	<b>29,718,412</b>



## REVENUE FROM OPERATIONS

NOTE NO.- 17

PARTICULARS	YEARS ENDING 31.03.2019	YEAR ENDING 31.03.2018
	In Rupees	In Rupees
Finished Goods		
-Domestic Sale	753,547,201	682,841,274
-Export Sale	8,690,400	9,684,910
Other Operating Income		
-Service Charges Received	6,014,434	2,575,250
<b>TOTAL</b>	<b>768,252,035</b>	<b>695,101,434</b>

## OTHER INCOME

NOTE NO.- 18

PARTICULARS	YEARS ENDING 31.03.2019	YEAR ENDING 31.03.2018
	In Rupees	In Rupees
Export Incentives	119,088	110,662
Interest (Gross)	718,937	583,479
Profit on Sale of Fixed Assets	710,356	-
Foreign Exchange Fluctuation	670,016	-
Sundry Balance Written Off	69,757	-
<b>TOTAL</b>	<b>2,288,152</b>	<b>694,141</b>

## Cost of Material Consumed

NOTE NO.- 19

PARTICULARS	YEARS ENDING 31.03.2019	YEAR ENDING 31.03.2018
	In Rupees	In Rupees
Raw Material		
Opening Stock	142,073,150	181,743,100
Add: Purchases (net)	405,127,940	407,093,082
	547,201,090	588,836,182
Less: Closing Stock	60,439,067	142,073,150
<b>Cost of raw material consumed during the year (A)</b>	<b>486,762,023</b>	<b>446,763,032</b>

## CHANGES IN INVENTORIES OF FINISHED GOODS, WORK IN PROGRESS AND STOCK IN TRADE

NOTE NO.- 20

PARTICULARS	YEARS ENDING 31.03.2019	YEAR ENDING 31.03.2018
	In Rupees	In Rupees
<b>Opening Stocks</b>		
Work in Process	162,069,170	106,045,150
Finished Goods		
-Finished Material	78,610,310	79,195,142
-Scrap	225,500	350,700
<b>(A)</b>	<b>240,904,980</b>	<b>185,590,992</b>

<b>Closing Stocks</b>		
Work in Process	266,598,700	162,069,170
Finished Goods		
-Finished Material	71,808,690	78,610,310
-Scrap	280,000	225,500
(B)	338,687,390	240,904,980
Reversal of Provision of Excise duty Payable on Opening Stock of Finished Goods	(C )	-
		10,951,881
<b>DECREASE/(INCREASE) IN INVENTORIES</b>	(A-B-C)	(97,782,410)
		(66,265,869)

**EMPLOYEE BENEFITS EXPENSE**

NOTE NO.- 21

PARTICULARS	YEARS ENDING 31.03.2019	YEAR ENDING 31.03.2018
	In Rupees	In Rupees
Wages,Salaries & Other Allowances	53,338,241	43,734,919
Contribution to PF, ESI & Other Funds	2,046,275	1,144,668
Staff & Labour Welfare	2,274,164	866,775
<b>TOTAL</b>	57,658,680	45,746,362

**FINANCIAL COSTS**

NOTE NO.- 22

PARTICULARS	YEARS ENDING 31.03.2019	YEAR ENDING 31.03.2018
	In Rupees	In Rupees
a) Bank Charges	2,960,739	1,959,535
b) Interest on		
i) Working Capital Limits	19,465,103	19,943,361
ii) Term Loans	12,662,701	8,893,847
iii) Others	2,019,965	1,359,780
<b>TOTAL</b>	37,108,507	32,156,523

**OTHER EXPENSES**

NOTE NO.- 23

PARTICULARS	YEARS ENDING 31.03.2019	YEAR ENDING 31.03.2018
	In Rupees	In Rupees
<b>MANUFACTURING EXPENSES</b>		
Custom Duty Expenses	3,247,982	2,924,563
Job Work Expenses	4,536,538	1,663,184
Power and Fuels	2,128,074	3,099,494
Packing Charges	38,544	253,174
<b>ADMINISTRATIVE EXPENSES</b>		
Annual Maintenance Charges	677,754	458,742
Audit Fee	375,000	151,000
Car Running Repairs & Maintenance Charges	1,365,803	1,640,361
Foreign exchange fluctuations	-	2,583,578



Entertainment Expenses	367,228	323,287
Festival Expenses	583,689	250,548
Fees, Rates and Taxes	403,262	398,062
Generator Rent	228,000	228,000
Insurance Expenses	1,609,411	1,451,791
Legal and Professional Charges	6,239,607	5,059,926
Misc. Expenses	968,183	833,870
Postage and Courier Expenses	1,039,396	779,162
Printing and Stationery Charges	740,236	289,375
Rebate and Discounts	-	801,134
Repairs and Maintenance	1,834,351	1,976,833
Rent	3,214,596	769,125
Machinery Rent	664,095	-
Security Guard Expenses	655,000	1,053,120
Service Tax	-	31,324
Telephone Expenses	939,540	1,279,195
Travelling Expenses	9,163,189	6,751,431
Corporate Social Responsibility Expenses	131,000	-
<b>SELLING &amp; DISTRIBUTION EXPENSES</b>		
Advertisement & Business Promotion Expenses	9,675,880	1,889,647
Freight & Cartage Outward	2,443,152	1,724,530
Loading & Unloading Charges	252,087	521,985
Vat on Stock Transfer	-	43,140
<b>TOTAL</b>	<b>53,521,595</b>	<b>39,229,581</b>

## Property, Plant and Equipments as on 31.03.2019

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				N E T B L O C K	
	BALANCEAS ON01.04.2018	ADDITIONSDURIN GTHEYEAR	SALES/ ADJUST- MENT THE YEAR	BALANCEAS ON31.03.2019	BALANCEAS ON01.04.2018	PROVIDEDDURI NGTHEYEAR	SALES/ ADJUST- MENT THE YEAR	BALANCE AS ON 31.03.2019	ASON31.03.2 019	ASON31.03.201 8
	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.	Rs.
<b>TANGIBLE ASSETS</b>										
LAND	17,269,783	-	-	17,269,783	-	-	-	-	17,269,783	17,269,783
BUILDING	61,133,072	-	-	61,133,072	25,135,366	3,412,583	-	28,547,949	32,585,123	35,997,706
COMPUTER ELECTRIC INSTALLATION	3,638,183	929,891	-	4,568,074	3,067,525	663,096	-	3,730,621	837,453	570,658
FURNITURE & FIXTURES	4,919,877	-	-	4,919,877	4,037,014	229,283	-	4,266,297	653,580	882,863
VEHICLES	2,549,345	375,687	-	2,925,032	1,987,416	194,501	-	2,181,917	743,115	561,929
MOTOR CYCLE	12,412,493	6,036,626	2,933,536	15,515,583	11,679,197	1,481,295	2,813,892	10,346,600	5,168,983	733,296
OFFICE EQUIPMENTS	601,761	72,544	-	674,305	521,626	38,088	-	559,714	114,591	80,135
LEASEHOLD PLANT & MACHINERY	6,073,102	402,021	-	6,475,123	5,593,034	340,322	-	5,933,356	541,767	480,068
PLANT & MACHINERY	-	25,041,249	-	25,041,249	-	62,089	-	62,089	24,979,160	-
	182,711,263	211,679,392	-	394,390,655	74,833,807	19,630,792	-	94,464,599	299,926,056	107,877,456
<b>TOTAL</b>	<b>291,308,879</b>	<b>244,537,409</b>	<b>2,933,536</b>	<b>532,912,752</b>	<b>126,854,985</b>	<b>26,052,049</b>	<b>2,813,892</b>	<b>150,093,143</b>	<b>382,819,610</b>	<b>164,453,894</b>
<b>INTANGIBLES ASSETS</b>										
RESEARCH-NEW PRODUCTS	44,197,234	28,298,178	-	72,495,412	299,436	10,766,376	-	11,065,812	61,429,600	43,897,798
PATENT, PATTERN AND SOFTWARES	4,298,678	598,709	-	4,897,387	2,713,494	450,201	-	3,163,695	1,733,692	1,585,184
RESEARCH-NEW PRODUCTS UNDER DEVELOPMENT	17,942,731	-	-	17,942,731	-	-	-	-	17,942,731	17,942,731
<b>TOTAL</b>	<b>66,438,643</b>	<b>28,896,887</b>	<b>-</b>	<b>95,335,531</b>	<b>3,012,930</b>	<b>11,216,577</b>	<b>-</b>	<b>14,229,507</b>	<b>81,106,024</b>	<b>63,425,713</b>
CWIP	-	-	-	-	-	-	-	-	-	-
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>TOTAL</b>	<b>357,747,522</b>	<b>273,434,297</b>	<b>2,933,536</b>	<b>628,248,283</b>	<b>129,867,915</b>	<b>37,268,626</b>	<b>2,813,892</b>	<b>164,322,650</b>	<b>463,925,633</b>	<b>227,879,607</b>

**Note 25: Research and Development Activities**

The company is into the business of manufacturing of advanced machinery and machinery products wherein it has developed various machines through its in-house research activities. During the year the company has developed new products which include Gauging Station and Smart Check under IoTQ.

Based on the confirmations and representations provided by the management costs incurred on research activities undertaken for development of above products as follows:

(Rs. In Lacs)

Particulars	2018-19	2017-18
Amount spent towards research and development	282.98	441.97

**Note 26: Employee Benefit Obligations****a) Defined Contribution Plans**

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

**b) Defined Benefit Plans**

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

**Changes in present value of obligation**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Present value of obligation as at beginning of the period	1,00,99,988	96,70,849
Acquisition adjustment	0	0
Interest Cost	7,76,689	6,75,025
Past Service Cost	0	12,29,817
Current Service Cost	13,69,192	15,05,704
Curtailment Cost/ (Credit)	0	0
Settlement Cost/ (Credit)	0	0
Benefits Paid	(44,712)	0
Actuarial (gain)/ loss on obligation	(49,72,068)	(29,81,407)
<b>Present Value of obligations at the end of the year</b>	<b>72,29,089</b>	<b>1,00,99,988</b>

**Amount recognized in Balance Sheet**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Present value of obligation at the end of the year	72,29,089	1,00,99,988
Fair Value of Plan Assets at the end of the year	0	0
Funded Status	(72,29,089)	(1,00,99,988)
Unrecognised Actuarial (gain)/ loss	0	0
<b>Net Asset/ (Liability) recognized in the Balance Sheet</b>	<b>(72,29,089)</b>	<b>(1,00,99,988)</b>

**Expense recognized in Statement of Profit and Loss**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Current Service Cost	13,69,192	15,05,704
Past Service Cost	0	12,29,817

Interest Cost	7,69,689	6,75,025
Expected Return on Plan Assets	0	0
Curtailment Cost/ (Credit)	0	0
Settlement Cost/ (Credit)	0	0
Net actuarial (gain)/ loss recognized in the year	(49,72,068)	(29,81,407)
Expenses recognized in the statement of Profit and Loss	(28,26,187)	4,29,139

**Assumptions**

Particulars	Year ended 31.03.2019	Year ended 31.03.2018
Discount Rate	7.69%	7.69%
Fair Value of Plan Assets at the end of the year	5.00%	5.00%
Rate of Return on Planned Assets	Not Applicable	Not Applicable
Expected Future Service	22.41 Years	22.83 Years

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

**Note 27: Contingent Liabilities (to the extent not provided for)**

(Rs. In Lacs)

Particulars	31.03.2019	31.03.2018
(a) Claim not acknowledged as debts	-	-
i) Sales Tax under appeal	-	-
ii) Income Tax under appeal	-	-
(b) Bank Guarantees/ Letter of Credit	62.95	94.70
(c) Capital commitments.	-	-

**Note 28: Deferred Taxation**

The major components of deferred taxation arising out of timing differences determined in accordance with the provisions of AS-22 are as follows:

(Rs. in Lacs)

Particulars	31.03.2019	31.03.2018
<b>Deferred Tax Liabilities</b>	187.94	20.00
Addition during the year due to timing difference on account of depreciation/ amortization	155.51	167.94
Total (A)	343.45	187.94
<b>Deferred Tax Assets</b>	1.41	-
On account of expenditure claimed in books but allowable under Income Tax only on payment basis	(1.41)	1.41
Total (B)	-	1.41
<b>Net Deferred Tax Liabilities [A-B]</b>	<b>343.45</b>	<b>186.53</b>

**Note 29: Micro, Small and Medium Enterprises**

The Company had circulated letters to all suppliers for the identification of their status as Micro, Small and Medium Enterprises. On receiving information from them, the Company has identified Micro, Small and Medium Enterprises pursuant to provisions of Micro, Small and Medium Enterprises Development Act, 2006. In compliance with MCA





Notification dated 22<sup>nd</sup> January, 2019, the Company has filed MSME FORM-I One Time Return showing an amount of Rs. 41.83 Lacs as outstanding dues to MSME suppliers as on date of Notification. The Company has also filed MSME FORM-1 Half Yearly Return for the period from October, 2018 to March, 2019 showing an amount of Rs. 59.33 Lacs as outstanding dues to MSME suppliers of the Company, along with explaining the reason for such outstanding exceeding 45 days from the date of acceptance or deemed acceptance of the goods or services. However, there are no specific claims raised for interest or damages by any of the MSME Suppliers.

**Note 30: Transfer of unpaid dividend claim to IEPF**

Pursuant to the provisions of section 205A and 205C of the Companies Act, as amended, read with Investor Education and Protection fund (awareness and Protection of Investors) rules, 2001, dividend which remains unpaid or unclaimed for a period of 7 years will be transferred to the Investor Education and Protection Fund of the Central Government. As the company has not declared any dividend as of 31 March 2019, no such amounts were due to be transferred to the IEPF by the Company.

**Note 31: Director's Remuneration:**

(Rs. in Lacs)

Particulars	2018-19	2017-18
i) Salary	84.00	51.00
ii) Contribution of Provident Fund	-	-
iii) Monetary value of perquisites	-	-
Total	84.00	51.00

**Note 32: Auditor's Remuneration**

(Rs. in Lacs)

Particulars	2018-19	2017-18
(a) Amount paid/payable to auditors		
i) Statutory Audit	2.00	1.00
ii) Tax Audit	1.75	0.51
iii) Reimbursement of Expenses	-	-

**Note 33: Segmental Information**

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

**Note 34: Related Parties Disclosure**

**Names of related parties and related party relationships**

- Key Management Personnel and Relatives of Key Managerial Personnel
  - Mr. Gaurav Sarup (Managing Director)**
  - Mr. Prashant Sarup (Joint Managing Director)**
  - Mr. Siddhant Sarup (Director)**
  - Mrs. Archana Sarup (Director)**
- Enterprises in which key management personnel have significant influence
  - Marshall Industries**

**Details of transaction with related parties are as follows:**

(Rs. In Lacs)

		2018-19	2017-18
1)	Rent paid to related parties		
	Enterprises in which key management personnel have significant influence	2.40	2.40
2)	Managerial Remuneration paid		
	Key Managerial Persons and their relatives	96.40	51.00
3)	Loan Received/ (Repaid)		
	Key Managerial Persons and their relatives	-	(190.34)
4)	Interest Paid		
	Key Managerial Persons and their relatives	-	18.81
5)	Closing Balances of Related Parties at 31.03.2019	20.15 (Credit)	-

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

**Note 35:Earnings Per share (EPS)**

Particulars	2018-19	2017-18
Profit after tax attributable Equity shareholders (Numerator used for calculating basic EPS)	Rs.5,77,46,102	Rs.5,00,58,547
Weighted average number of equity share outstanding (Denominator used for calculating basic (EPS)	1,16,10,723 shares	18,28,378 shares
Earnings / share (EPS)	Rs. 4.97	Rs 27.38

**Note 36:**

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

**For S. Sood & Co.**  
Chartered Accountants  
FRN 010801N

**For Marshall Machines Limited**

(Sanjay Sood)  
Partner  
M.No. 089457

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

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

(P.S. Grover)  
(Chief Financial Officer)

(Sumit Malhotra)  
(Company Secretary)

Place: Ludhiana  
Date: 30<sup>th</sup> May, 2019

## NOTES

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.

**MARSHALL MACHINES LIMITED**

CIN: L29299PB1994PLC014605

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

Email: headoffice@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**

Monday, 30<sup>th</sup> September, 2019 at 09:30 a.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 25<sup>th</sup> Annual General Meeting of the MARSHALL MACHINES LIMITED (the Company) held on Monday, 30<sup>th</sup> September, 2019 at 09:30 a.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: headoffice@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

1. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_
2. Name: \_\_\_\_\_  
Address: \_\_\_\_\_  
E-mail Id: \_\_\_\_\_
3. 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 25<sup>th</sup> Annual General Meeting of members of the Company, to be held on Monday, 30<sup>th</sup> September, 2019 at 09:30 A.M. at 269, Industrial Area – A, Ludhiana, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Brief details of the Resolution
<b>ORDINARY BUSINESS:</b>	
1.	Adoption of Audited Financial Statement of the Company for the Financial Year ended 31 <sup>st</sup> March, 2019 along with the Reports of Directors and Auditors thereon
2.	Re-appointment of Mrs. Archana Sarup (DIN -07780273), who retires by rotation as a director and being eligible, offers herself for re-appointment as a director.
<b>SPECIAL BUSINESS:</b>	
3.	Approval for Appointment of Mr. Amanpal Singh (DIN: 08554318) as an Independent Non-Executive Director of the Company.
4.	Approval for Change in Designation of Mrs. Archana Sarup (DIN: 07780273) from Non-Executive Director to Whole Time Director of the Company.
5.	Approval for Amend the Article of Association of the Company

Signed this \_\_\_\_\_ day of \_\_\_\_\_ 2019

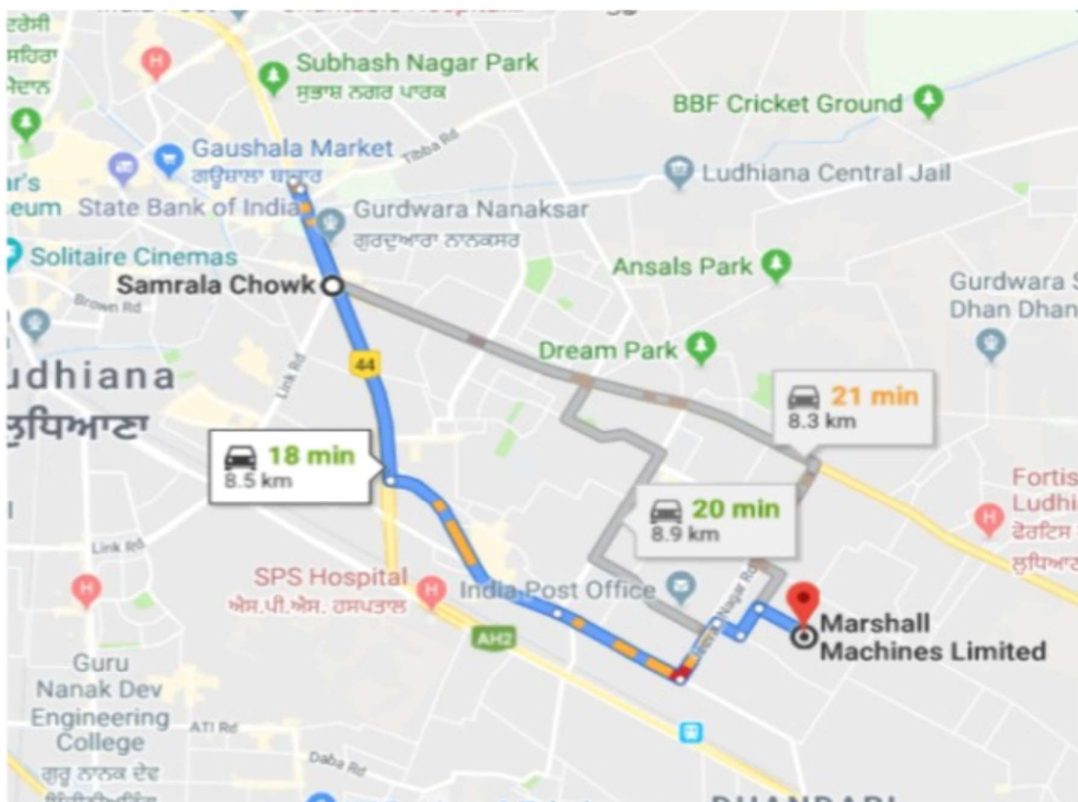
Signature of shareholder \_\_\_\_\_

Signature of Proxy holder(s) \_\_\_\_\_

Affix Revenue  
Stamp of Rs.  
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: 25<sup>th</sup> Annual General Meeting (AGM)**  
**MARSHALL MACHINES LIMITED**  
C-86, Phase – V, Focal Point,  
Ludhiana – 141010





**Marshall**

**Marshall Machines limited**

C-86, Phase -V, Focal Point, Ludhiana (Pb.)-141010

Ph.: +91-161-5012406, 5012407, 5019648.

Email id: headoffice@marshallcnc.com, csmarshall@marshallcnc.com

Website: [www.marshallcnc.com](http://www.marshallcnc.com)