

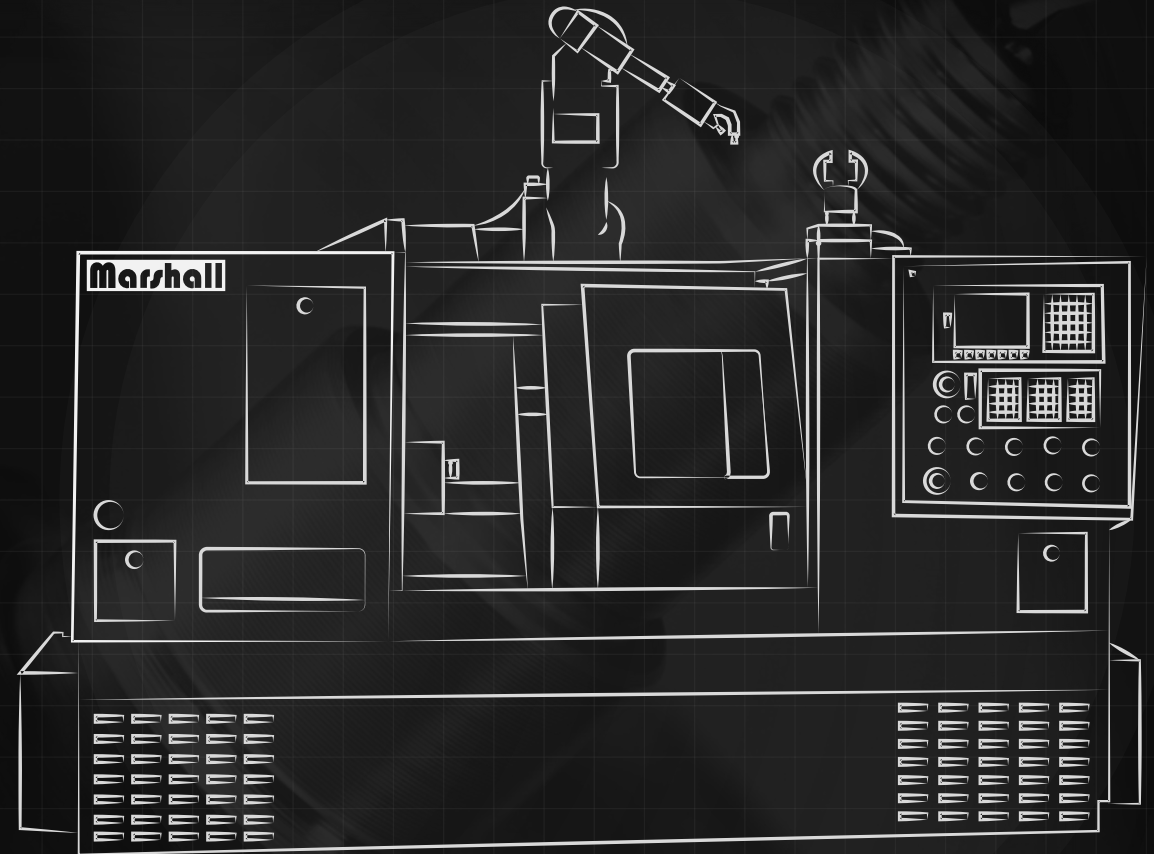


# Q1FY23 Investor Presentation

AUGUST 2022

MARSHALL MACHINES LIMITED

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



# Inside this Presentation

---

01

**ABOUT  
MARSHALL  
MACHINES**

—  
SLIDE 03

02

**BUSINESS  
REVIEW**

—  
SLIDE 20

03

**GROWTH  
DRIVERS &  
OUTLOOK**

—  
SLIDE 26

04

**CONCLUSION**

—  
SLIDE 30

05

**FINANCIAL  
PERFORMANCE**

—  
SLIDE 32

06

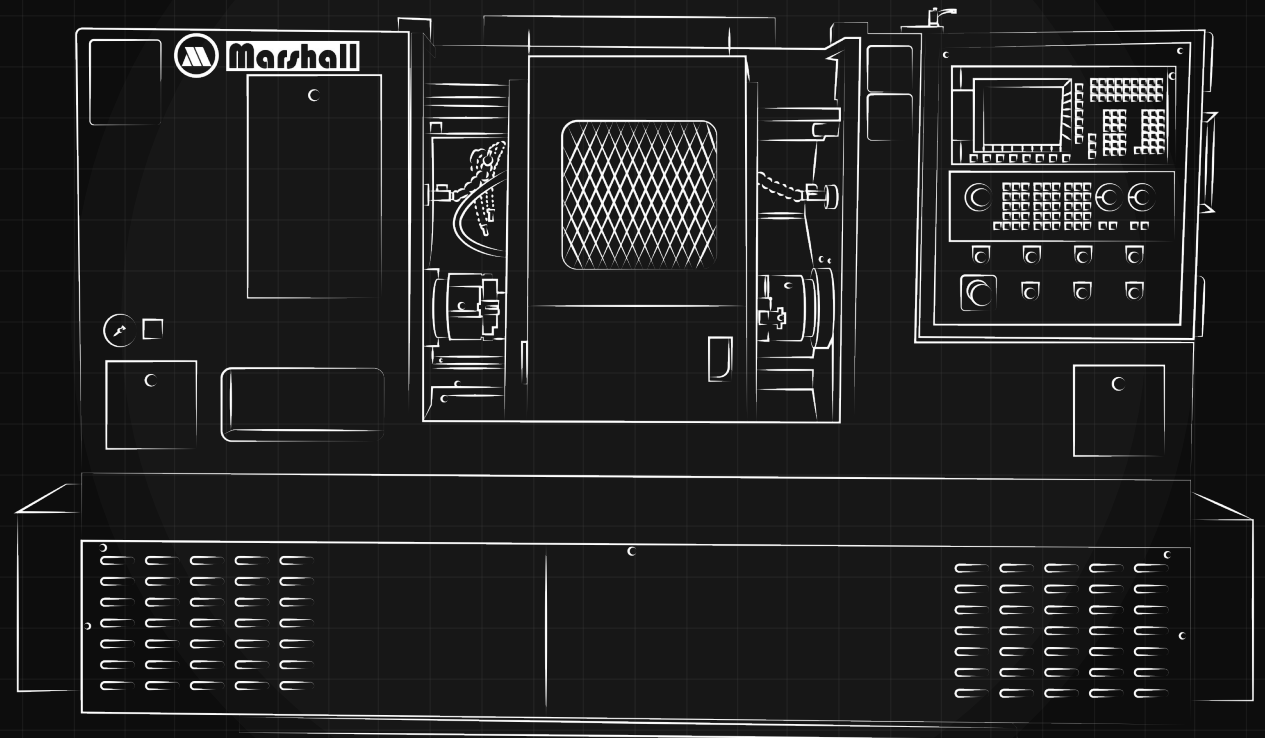
**Q1FY23  
PERFORMANCE  
HIGHLIGHTS**

—  
SLIDE 36

# 01

## About Marshall

- 04 EVOLUTION
- 05 MARSHALL AT A GLANCE
- 06 PRODUCT PHILOSOPHY
- 07 PRODUCT PORTFOLIO
- 09 PARTICIPATION IN IMTS, CHICAGO
- 10 PARTNERSHIP WITH IAMSME
- 11 MARSHALL AND MARUTI CENTER FOR EXCELLENCE
- 12 R&D & IP DRIVEN
- 14 OPERATIONAL UNITS
- 16 ESTABLISHED CLIENTELE
- 18 STRONG NETWORK
- 19 MANAGEMENT TEAM



# Evolution



## HUMBLE BEGINNINGS

1961-2001

### STARTED BUSINESS AS MANUFACTURER OF MANUAL LATHE MACHINES

**1961**

Late Shri Gautam Sarup founded the business

**1986-89**

2<sup>nd</sup> generation joins & drives the business

**1994**

Incorporated V. B. Spinning Mills (P) Limited to design & manufacture high-precision bench lathe & heavy-duty lathe

**1997**

Entered into 1<sup>st</sup> international tie-up with Path Wizard Inc. (USA)

**2001**

Setup state-of-art facility at Ludhiana and launched double-spindle CNC Lathe



## INNOVATION

2002 ONWARDS

### DESIGN & MANUFACTURING OF BREAKTHROUGH TURNING CENTERS

**2002**

Launched patented double spindle turning center

**2009**

Launched patented four spindle CNC Lathe

**2014**

3<sup>rd</sup> generation joins the business

### INTEGRATION WITH AUTOMATION

**2012**

Inaugurated the second state of the art facility for providing Turnkey Automated Solutions

**2013**

- Launched SmartCorrect Gauging Stations
- Launched RoboTurn DS 400 for the first time in India

**2015**

Started executing high profile automation projects

### INTEGRATION WITH INDUSTRY 4.0

**2016**

Introduced IoTQ and launched world's 1<sup>st</sup> plug-and-play SmartCorrect Gauging Station

**2017**

- Established IoTQ & Tech Demonstration Center in Manesar
- In addition, launched TwinTurn UBER CNC Machine

**2018**

- Introduced the concept of Super Optimized Machines

**2019**

- Fine tuned and launched IoTQ – the first dedicated quality management system
- SmartFac Universal launched for factory monitoring
- Opened technical center for export to USA market

**2021**

- Finished CAPEX cycle to augment manufacturing capacity to ₹250 crores

**2022**

- Executed its first high-profile automation project in 4W alloys wheels category for Steel Strips Wheels Limited

# Marshall at a Glance



Incorporated in 1961, Marshall Machines is a renowned brand in the Indian machine tools industry.

- Marshall has been a manufacturer of high precision bench lathes, heavy-duty lathes and capstan lathes.
- Over the last two decades, Marshall's single-minded focus on R&D, Automation, Industry 4.0 technology has positioned it as a niche player in a commoditized market.
- At present, Marshall is a leading manufacturer of Smart Intelligent Internet Enabled Machine Tool Equipment (including Robotic Automation).



**60+**

Years Old Brand  
in Machine Tool  
Industry



**4,000+**

Cumulative  
Machines  
Deployed



**300+**

Team Strength  
35+ Automation &  
Innovation Team



**120+**

Executed Successful  
Automation Projects



**Strong  
Brand recall**



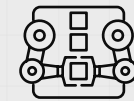
**Superior  
Intellectual  
Property**

7 Patents-held\*  
22 Patents-applied\*



**1,500+**

Active Clientele



**35+**

Machines in  
Portfolio

\*includes Patents filed & held by promoter group as well

# Product Philosophy

- Super-focused product development philosophy differentiating us from the competition.
- Focused on deploying a complete solution offering, and not selling an array of machines with numerous makes & models.
- A 'frugal innovation' and 'Indian *Jugaad*' mindset helps us solve real problems for Indian machine shops, an edge we have over foreign machine manufacturers.

## SUPER-OPTIMIZED MACHINES

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

### Products

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

A THREE-PRONGED PRODUCT DEVELOPMENT PHILOSOPHY



MARSHALL  
TECHNOLOGY  
TRISHOOL

## AFFORDABLE AUTOMATION

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

### Products

- TWIN GRIP
- TWIN RELEASE
- ROBOTURN Cells & Lines

## INDUSTRY 4.0

Focused on accessible, affordable & implementable Industry 4.0 technologies:

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

### Products

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

# Product Portfolio

35+

Machine Offerings

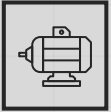
## INDUSTRY



AUTOMOBILE



CONSUMER DURABLES AND DURABLES



GENERAL ENGINEERING



OIL & GAS



AEROSPACE & DEFENCE

## MARSHALL ROBOTURN XL CELL



### INDUSTRY



### COMPONENT/JOB

- 2W alloy wheel

Automated cell for zero defect production

## ROBOTURN FLEXI CELL



### INDUSTRY



### COMPONENT/JOB

- Gear blanks

Flexible cell for small batches

## TWINTURN UBER WITH SMARTLOAD



### INDUSTRY



### COMPONENT/JOB

- Small turned jobs

Lowest cost automation with space saving

# Product Portfolio (Contd.)

## 35+

Machine Offerings

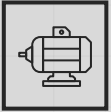
### INDUSTRY



AUTOMOBILE



CONSUMER DURABLES AND DURABLES



GENERAL ENGINEERING



OIL & GAS



AEROSPACE & DEFENCE

### JUNO



#### INDUSTRY



#### COMPONENT/JOB

- Pipe fittings
- Connectors
- AC parts

Complete machining (Turning + Milling) at very low cost

### SMARTER



#### INDUSTRY



#### COMPONENT/JOB

- Shafts and all types of medium sized parts

Lowest footprint machine with very high output

### TM SERIES TURNMILL



#### INDUSTRY



#### COMPONENT/JOB

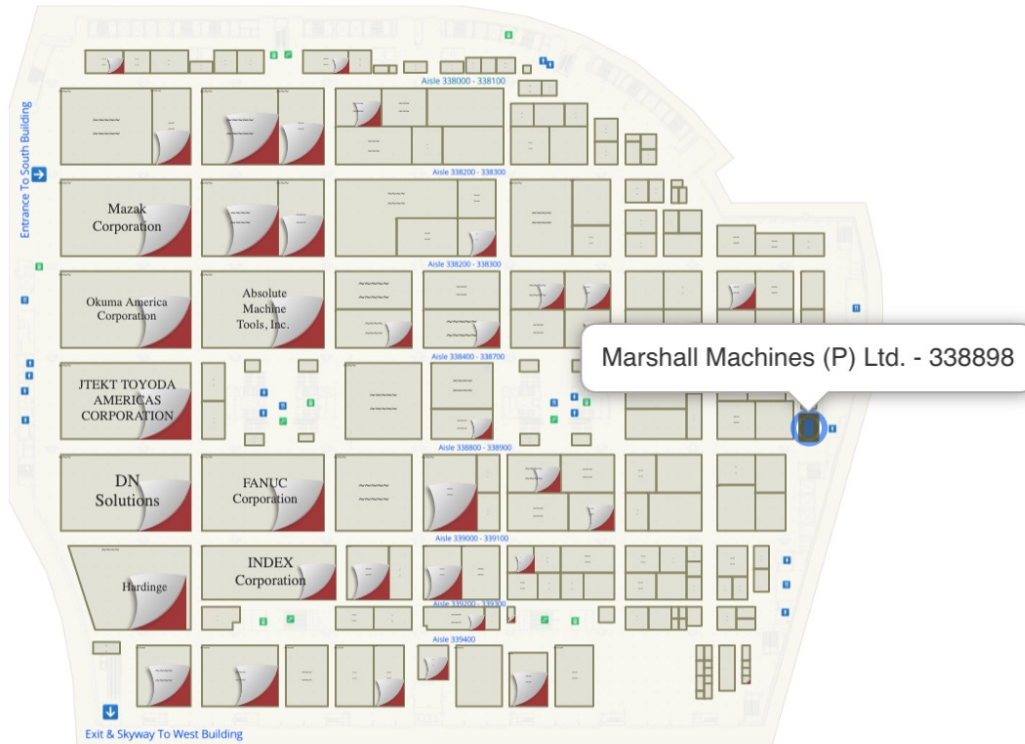
- Valves
- Complex parts

Better solution than Turning + VMC



# Participation in **IMTS 2022, Chicago**

Participation in Trade Shows and Exhibitions



Marshall Machines is participating in one of the best International Manufacturing Technology Show

With initiatives like these, Marshall Machines hopes to create in-roads into the high-potential markets such as the USA

# Partnership with IAMSME of India

Gurukul initiative for skilling India



World bank funded initiative for skilling in India

Marshall among the 3 partners with IAMSME of India

Marshall will provide training on CNC programming and Industry 4.0 Lab will have on demo latest equipment desirable for best production practices

Hundreds of people will be jointly trained through this initiatives

# Marshall and Maruti Center for Excellence

India's 1<sup>st</sup> comprehensive Training Program for Industry 4.0 Technologies



Maruti Center for Excellence (MACE) will impart training for **Industry 4.0 Technologies** to automotive component suppliers of Maruti.

Marshall has installed **proprietary equipment for training** on four types of machines at MACE:

- Vertical Machining Center
- CNC Turning Center
- Injection Moulding Machine
- Hydraulic Press

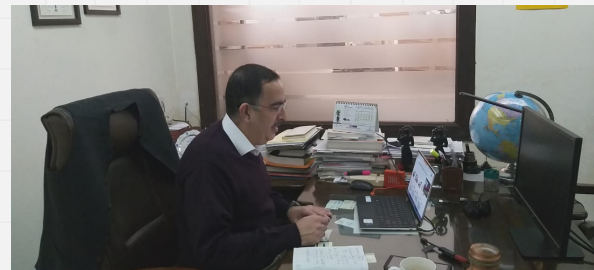
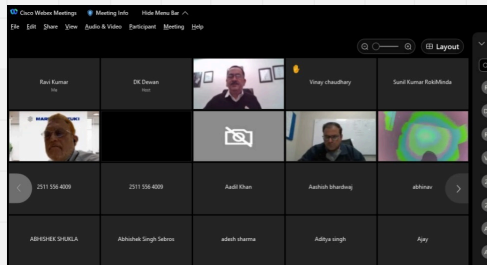
The training will cover three most important areas for machine shops:

- Productivity
- Quality
- Health

The training program will follow the LOPI Model:

- Learn
- Observe
- Practice
- Implement

The trainees will then implement Industry 4.0 Technologies in their factories.



# R&D and IP Driven Company

- 3<sup>rd</sup> Generation of Innovators and Engineers at the helm
- Marshall distinguishes itself as an integrated machine tool solution provider
- Focused on catering emerging needs of Indian machine shops through Affordable Automation and Industry 4.0 offerings
- Completely integrated value chain to design & manufacture machines in-house
- Extensive Research & Development leading to higher IP generation
- Equally focused on IP generation & protection

## BENEFITS DERIVED FROM R&D

Smart CNC Systems

Cost-effective & productive machines

Higher ROI & shorter payback periods of products

Zero-defect manufacturing and unparalleled features

## SUPERIOR INTELLECTUAL PROPERTY

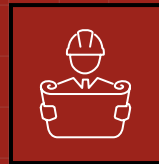
**29**<sup>\*</sup>  
**Patents filed in India and USA**

\*includes Patents filed & held by promoter group as well

## Integrated value chain



Ideation



Design



Manufacturing



Solution Offering

- Consultation
- Software & Updates
- Customized Machines



AMC & After-Sales Service

# R&D and IP Driven Company (Contd.)

## PATENTS FILED IN INDIA AND USA

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

*Marshall has registered a very valuable Patent in USA - **System and a Method to Enable Zero Defect Production***

Note:

1. Many filed patents are in late stages of approval
2. Includes patents filed & held by the promoter group as well

# Operational Units

- Marshall Machines operates two state-of-art manufacturing facilities in Ludhiana.
- The company has recently completed an expansion in Unit 1 and 2 which includes addition of:
  - Zeiss measuring machines
  - Large machining centers
  - Grinding machines
  - Turning and turn-milling machines
- After the conclusion of CAPEX cycle (2018-21), **the Company has a manufacturing capacity to do ₹250 crores in Sales, from erstwhile capacity of ₹75 crores in 2017.**
- Going forward, the company plans to streamline production and strengthen supply-chain by outsourcing certain sub-assemblies and adding reliable suppliers in vicinity to the manufacturing unit.

## UNIT 1 LUDHIANA

### Setup in 2001

- **4,181 Sq. Mt.** Plot Area
- **5,295 Sq. Mt.** Buildup Area
- Dedicated unit for assembly of traditional machines

### MANUFACTURING CAPACITY

- **600** traditional machines

## UNIT 2 LUDHIANA

### Setup in 2012

- **2,090 Sq. Mt.** Plot Area
- **3,716 Sq. Mt.** Buildup Area
- Dedicated unit & team for Automation and Industry 4.0 machines

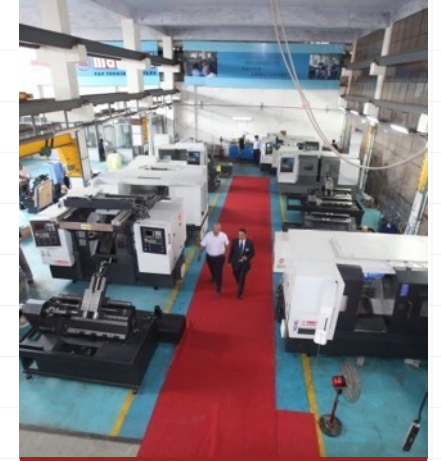
### MANUFACTURING CAPACITY

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

# State-of-art Facilities

World Class  
Manufacturing Facilities

Temperature Controlled,  
Dust Proof Assembly Areas



World's Best STUDER  
CNC Cylindrical Grinder

World Class European  
Mother Machinery

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

Machine Parts Designed  
and Validated Using Solid  
Works



Equipped with Latest  
Carl Zeiss CMM

Equipped to Perform Laser  
Calibration and Testing

# Established Clientele

1,500+

Active Clientele

2

Broad customer segments: Corporate Institutions and SME's

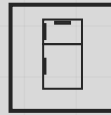
400+

10/15 Year+ Relationships

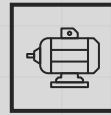
## MATURE SECTORS



AUTOMOBILE



CONSUMER DURABLES AND DURABLES

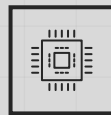


GENERAL ENGINEERING

## EMERGING SECTORS



AERO SPACE



ELECTRONICS



MEDICAL EQUIPMENT'S



## AUTOMOTIVE

Alloy Wheels – 2W & 4W, Gear Blanks, Pistons, Crank Shafts



# Established Clientele (Contd.)



## CONSUMER APPLIANCES AND DURABLES

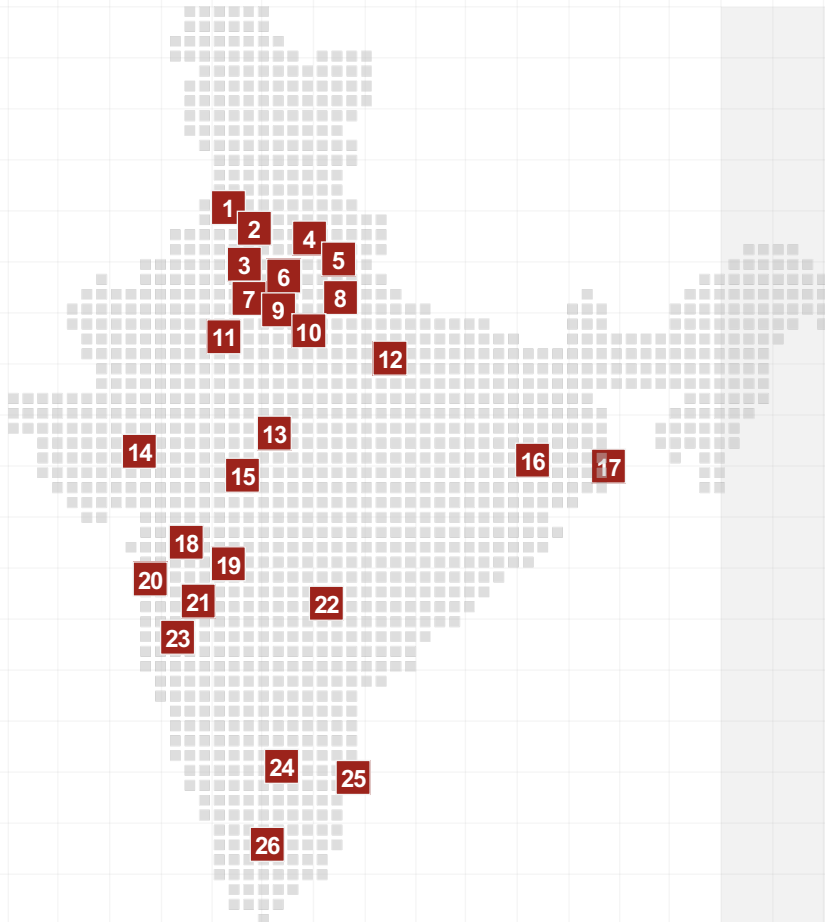
Motor Parts, Fans, Home Electronics



## GENERAL ENGINEERING

Bearings, Consumables, Pumps

# Strong Network






- |               |                |
|---------------|----------------|
| 1. LUDHIANA   | 14. AHMEDABAD  |
| 2. CHANDIGARH | 15. INDORE     |
| 3. ROHTA      | 16. JAMSEDPUR  |
| 4. HARIDWAR   | 17. KOLKATA    |
| 5. RUDRAPUR   | 18. NASIK      |
| 6. DELHI      | 19. AURANGABAD |
| 7. GURGAON    | 20. MUMBAI     |
| 8. GHAZIABAD  | 21. PUNE       |
| 9. MANESAR    | 22. HYDRABAD   |
| 10. AGRA      | 23. KOLHAPUR   |
| 11. JAIPUR    | 24. BANGALORE  |
| 12. KANPUR    | 25. CHENNAI    |
| 13. BHOPAL    | 26. COIMBATORE |

Pan-India network with presence across all key manufacturing hubs in India.

A team of sales & service engineers catering to:

- Lead & sales generation
- Machine deployment & after-sales services

## DESIGN AND MANUFACTURING RESOURCES

	R&D Team	09
	IOT Engineers	05
	Manufacturing Resources	180

## CUSTOMER SUPPORT RESOURCES

	Sales Engineers	14
	Application Support	06
	Service Support	14
	Automation Support	14

# Management Team



**GAURAV SARUP**  
CO-FOUNDER & MD

Degree in Production Engineering from Punjab University  
35+ years of Work Experience in designing innovative machine tools



**PRASHANT SARUP**  
CO-FOUNDER & JT. MD

Degree in Production Engineering from Birla Institute of Technology  
32+ years of Work Experience in designing and electronic integration



**SIDDHANT SARUP**  
WHOLE TIME DIRECTOR

B.Tech in industrial Engineering and holds a Master's Degree in Operations Management (MBA) from Thapar University, Patiala  
7+ years of Work Experience



**ARCHANA SARUP**  
WHOLE TIME DIRECTOR

Master's Degree from Punjab University  
12+ years of Work Experience



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

Mechanical Engineer from NIT, Trichy and PG from IIT, Calcutta

40+ years of Work Experience, former President & CEO of Makino India (Japanese Machine Tools major) and former MD of Starrag India (Swiss based Machine Tools major)



**SANJAY KUMAR SONI**  
CHIEF OPERATING OFFICER

Postgraduate in Mechanical Engineering from IIT, Madras.

37+ years of Work Experience. His prior stints include work at HMT, Escorts, Bharat Forge, Uniparts Group, LSR Forge and Hindustan National Glass

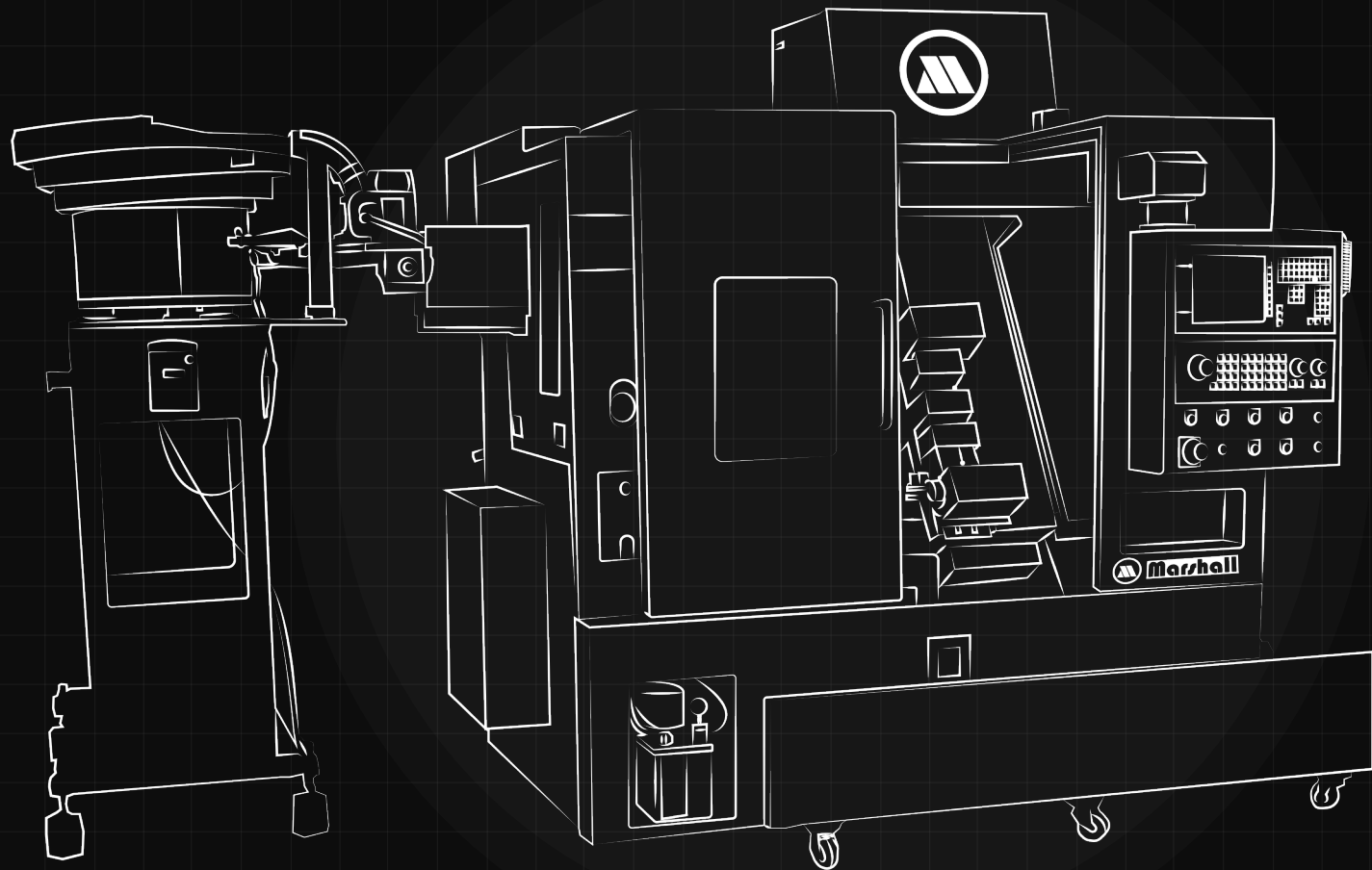
Management Team includes several Qualified and Experienced People in the following Departments; Design, Production, Quality, Sales, Service, New Developments, Finance, etc.

Board of Directors includes 3 Independent Directors

# 02

## Business Review

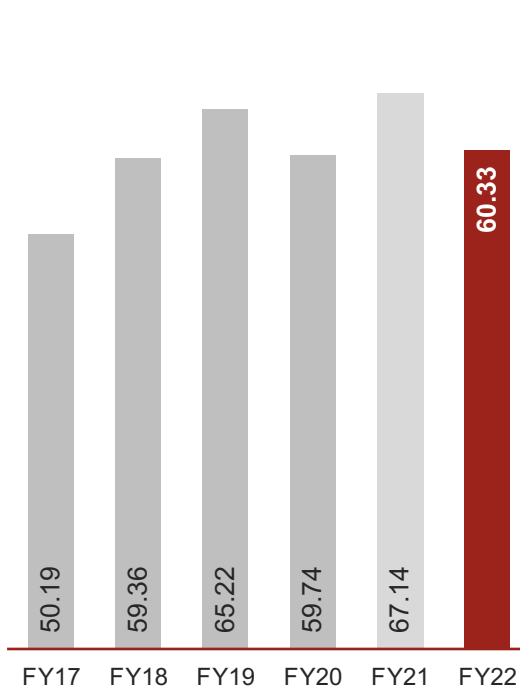
- 21 ANNUAL PERFORMANCE HIGHLIGHTS
- 22 REVENUE STREAMS
- 23 WORKING CAPITAL CYCLE
- 24 KEY STRENGTHS
- 25 BUSINESS CANVAS



# Annual Performance Highlights

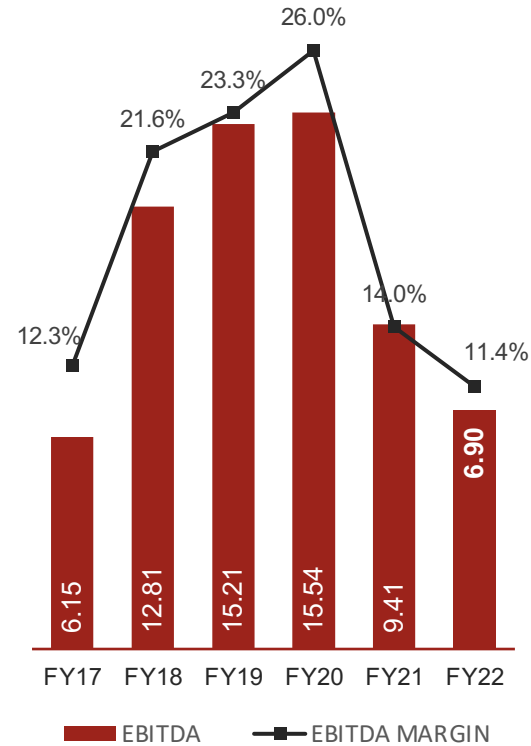
## REVENUE

(₹ IN CRORES)



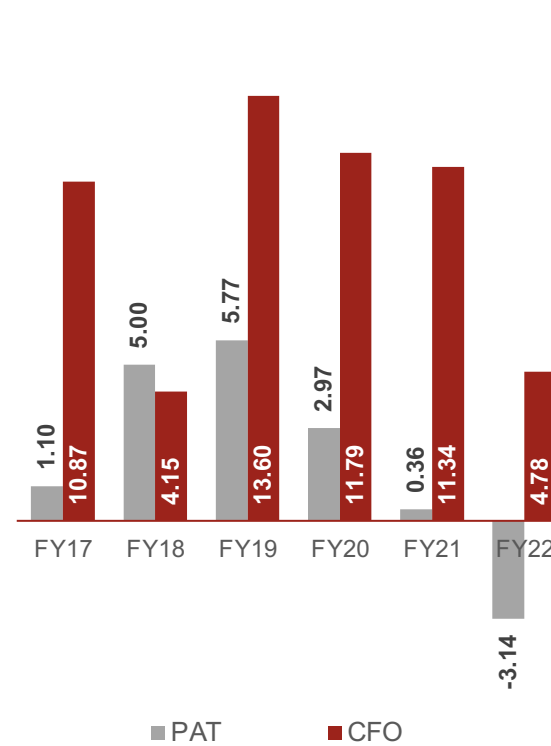
## EBITDA & EBITDA MARGIN

(₹ IN CRORES & %)



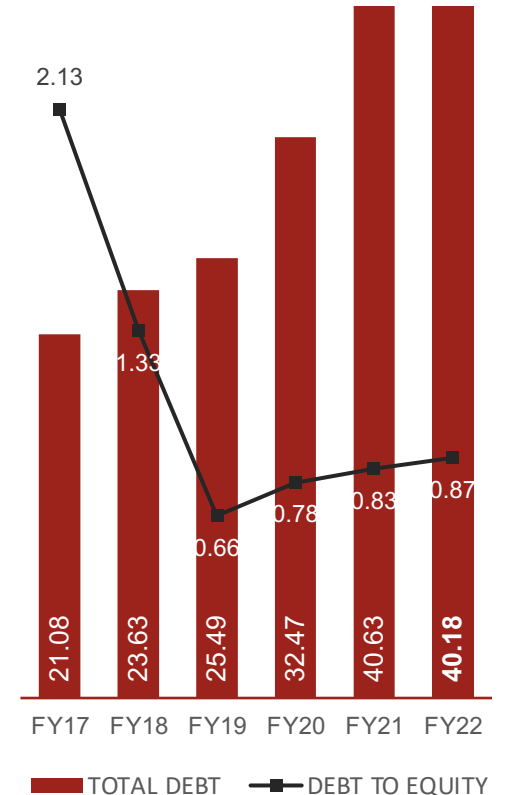
## PROFIT AFTER TAX & CASH FLOW FROM OPERATIONS

(₹ IN CRORES)



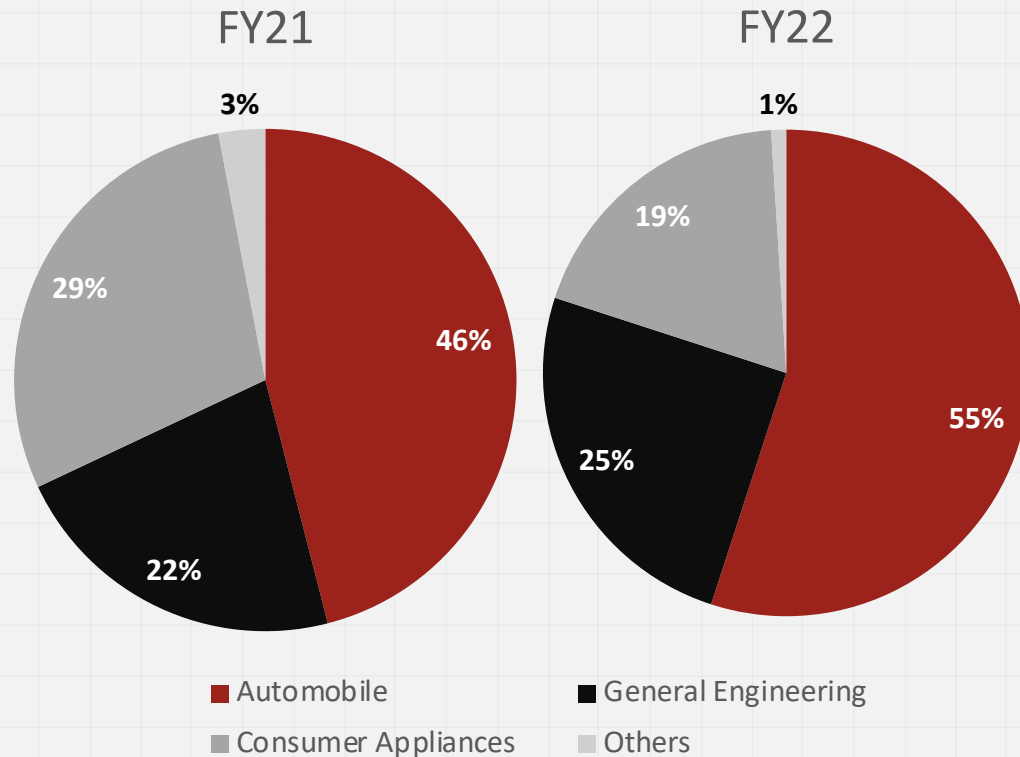
## DEBT & DEBT TO EQUITY

(₹ IN CRORES & TIMES)



# Revenue Stream

## INDUSTRY-WISE REVENUE

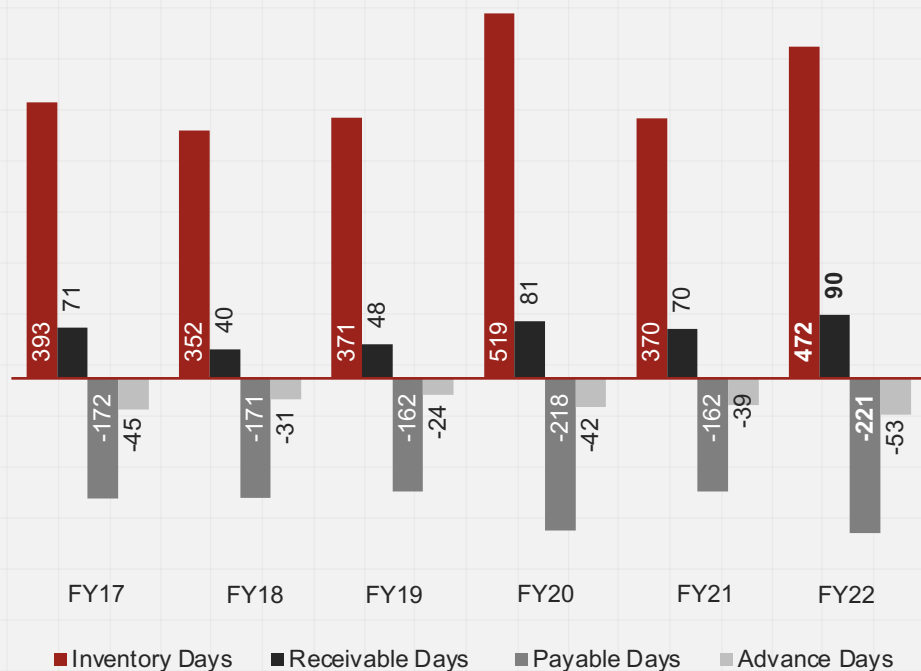


- Reduced business for engineering industry due to maturing markets
- Working on limiting exposure to automotive markets, while concentrating on certain import-substitution products such as alloy wheels
- Consistently working on growing emerging sectors like Electronics
- Adding new sectors like Aerospace and Medical Equipment
- **Ongoing de-risking efforts to not have >25% share from one industry**
- Primarily a product-based revenue stream
- Prominence of AMC and Service & Maintenance to rise in future, as the company moves towards complex and automated offerings

# Working Capital Cycle

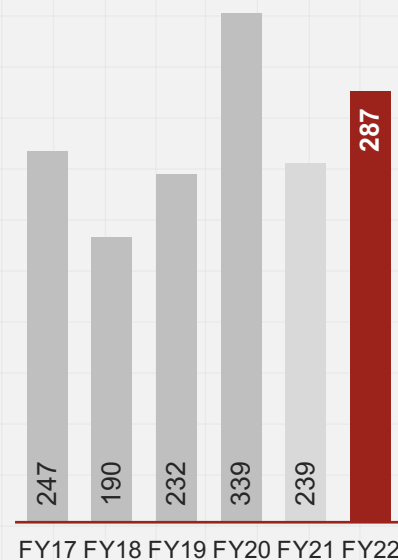
## WORKING CAPITAL DISTRIBUTION

(IN DAYS)



## WORKING CAPITAL DAYS

(IN DAYS)



## REASONS FOR HIGH WORKING CAPITAL

### INVENTORIES

- High lead time of WIP-inventories due to a 6 months sun-baking seasoning procedure of machine structures, for high-performance machines
- Critical imported components of machines kept in sufficient buffer to avoid any production breaks

### DEBTORS

- Seasonality – more sales made in Q3 & Q4 of the financial year, leading to higher debtors at year-end

## EFFORTS TO OPTIMIZE WORKING CAPITAL

### INVENTORIES

- Deploying a technology called 'Vibratory Stress Relieving' & other artificial seasoning methods which will reduce the lead time by eliminating the sun-baking process.
- Adding suppliers in vicinity (including casting suppliers) to the manufacturing unit, reducing the need to carry higher inventories
- Limiting business in Oil & Gas sector, where these high-performance machines are deployed
- Outsourcing manufacturing or certain sub-assemblies

**AIM TO BRING DOWN WORKING CAPITAL CYCLE TO 150-180 DAYS BY FY23.**

# Strengths & Weaknesses

## STRENGTHS



- Unmatched value proposition to the industry
- Innovative, customized solution offerings
- 61-year-old brand, Marshall
- Early mover in Automated & Industry 4.0 offerings
- State-of-art infrastructure & dedicated team for Automation & Industry 4.0
- One-stop solution provider for customers
- Agile and adaptable organization
- Well-established team of implementors of the latest technologies

**S**

## WEAKNESSES












- Commoditized & price-competitive industry for standard machines
- Long working capital cycle
- Scale of operations
- Lack of presence in some industrial belts

**W**



# Business Canvas

	KEY PARTNERSHIPS					
	<ul style="list-style-type: none"> <li>International Machine Tool Manufacturers</li> <li>Dealers in USA – TGH, Morris South</li> <li>Actively looking for business tie-ups &amp; collaborations with European &amp; Japanese machine tool manufacturers</li> </ul>	<ul style="list-style-type: none"> <li>R&amp;D &amp; designing machines</li> <li>Manufacturing superior machines</li> <li>IP – development &amp; protection</li> </ul>	<ul style="list-style-type: none"> <li>Customized solution offerings to machine shops</li> <li>Unique value propositions include:               <ol style="list-style-type: none"> <li>Affordable Automation</li> <li>Industry 4.0 Technologies</li> </ol> </li> </ul>	<ul style="list-style-type: none"> <li>Strong, seasoned customer relationships</li> <li>Many 10/15 years+ relationships</li> <li>~60% of repeat business from existing customers</li> </ul>	<ul style="list-style-type: none"> <li>2 key customer segments i.e. SME vs. Institutional (Corporates)</li> <li>Majority erstwhile customers from Auto industry, now adding clients in new emerging manufacturing opportunities</li> </ul>	
		 <b>KEY RESOURCES</b>		 <b>CHANNELS</b>		
		<ul style="list-style-type: none"> <li>Intellectual capital</li> <li>Established brand 'Marshall'</li> <li>State-of-art manufacturing units</li> <li>Human capital</li> </ul>		<ul style="list-style-type: none"> <li>Directly dealing with all customers in India</li> <li>In USA through distributors (TGH and Morris south)</li> </ul>		
	<b>COST STRUCTURE</b>				<b>REVENUE STREAMS</b>	
	<ul style="list-style-type: none"> <li>Fixed-cost based cost-structure</li> <li>Elevated depreciation &amp; finance cost after recent CAPEX</li> </ul>				<ul style="list-style-type: none"> <li>At present primarily machines sales, with efforts to grow AMC &amp; Service sales</li> <li>Automobile industry primary sales-contributor</li> </ul>	

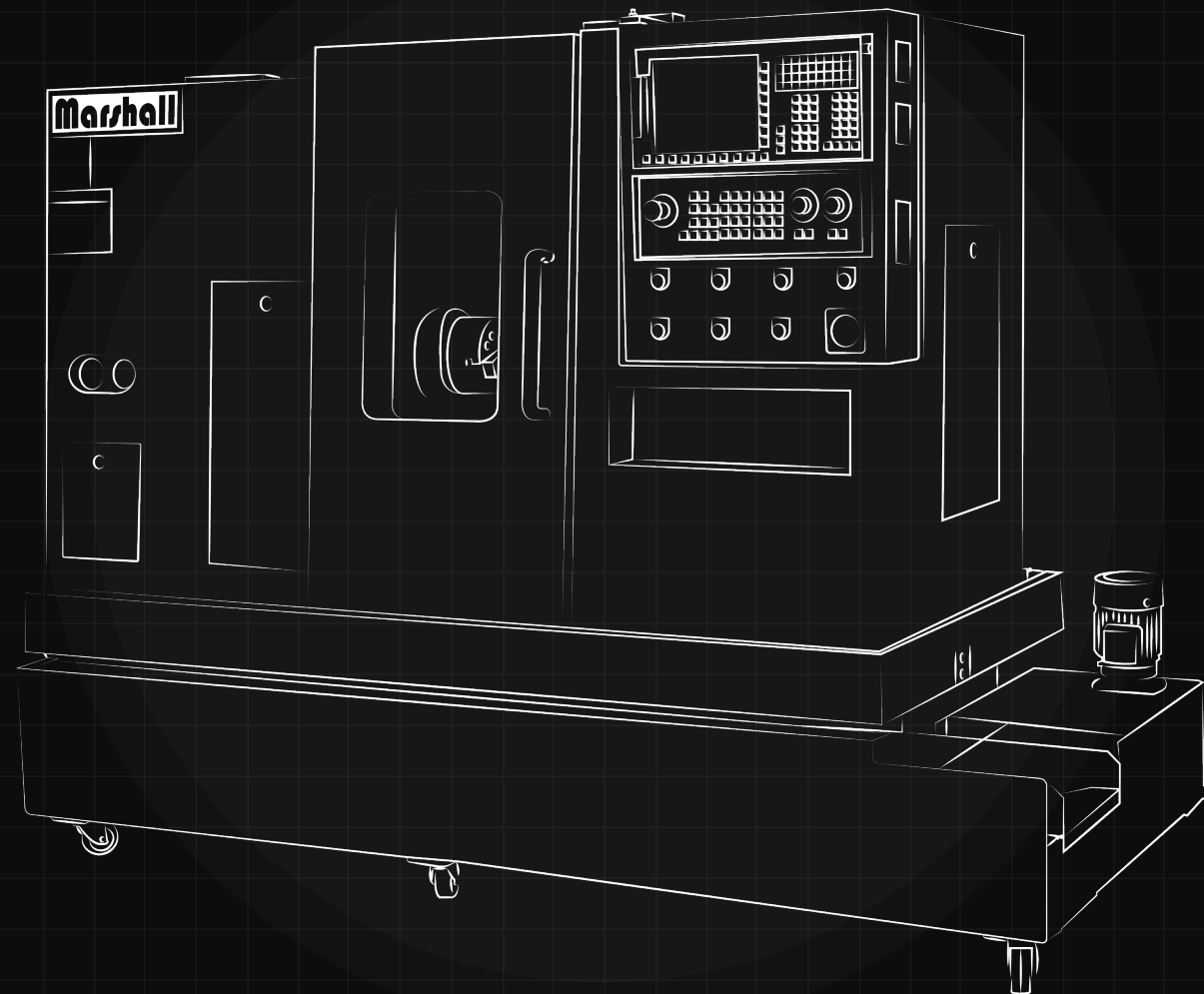
# 03

## Growth Drivers & Outlook

27 STRATEGIC PRIORITIES

28 GROWTH DRIVER

29 DEVELOPING STRATEGIC GLOBAL ALLIANCES



# Strategic Priorities



## INCREASING SHARE OF AUTOMATION & INDUSTRY 4.0

- Increasing the share of differentiated and unique Marshall offerings such as Affordable Automation and Industry 4.0
- Become default choice of customers for Smart machines



## INCREASE SHARE OF EXPORT BUSINESS

- Export to USA market
- Export to Europe through strategic partnership with European Machine Tool Builders
- Export to fast growing Asian countries like Bangladesh.



## REVENUE DIVERSIFICATION

- Limiting exposure to any one under industry, to not more than 25%, to de-risk the business and counter cyclicity in business



## ADDING COMPETENCIES

- Adding competencies in new, emerging manufacturing sectors of India, namely Electronics, Aerospace, Medical Equipment



## DEBT REPAYMENT

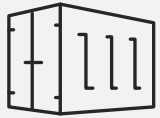
- Using Cash Flow from Operations to bring down debt



## REDUCING WORKING CAPITAL CYCLE

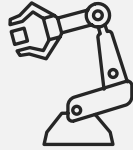
- Limiting working capital cycle to 150-180 days by FY23

# Growth Drivers & Outlook



## IMPORT SUBSTITUTION PRODUCT OFFERING

- Alloy Wheels production moving to India
- Electronics manufacturing moving to India



## INCREASING ADOPTION OF INDUSTRY 4.0 TECHNOLOGIES

- Companies looking to improve efficiencies will look to digitize their shopfloor



## FOCUS ON AUTOMATION

- Customers will look to reduce dependence on manpower going forward in order to de-risk themselves. More and more people will move towards automation



## FOCUS ON DE-SKILLING OPERATION

- Customers who cannot afford automation may look to reduce their dependence by using smart technologies like gauging stations

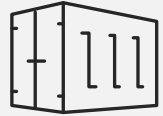


## ADDING COMPETENCIES IN EMERGING MANUFACTURING

- Adding competencies in new, emerging manufacturing sectors of India like Electronics

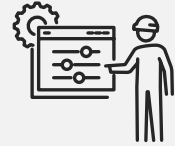
# Developing Strategic Global **Alliances**

With European & Japanese Machine Builders



## MARKET IMPORTED MACHINES IN INDIA

- Import advanced machines from European & Japanese partners and market them in India



## AUTOMATED CELLS

- Machines manufactured by Marshall, including automated cells, to be exported in these developed markets using the strategic alliances



## GOVERNMENT BUSINESS

- Tap opportunities in the Government & Public sector enterprises through these alliances



## EXPANDING CLIENTELE

- Partner machines built-in India (by Marshall) for sales in India



## MACHINE PARTS

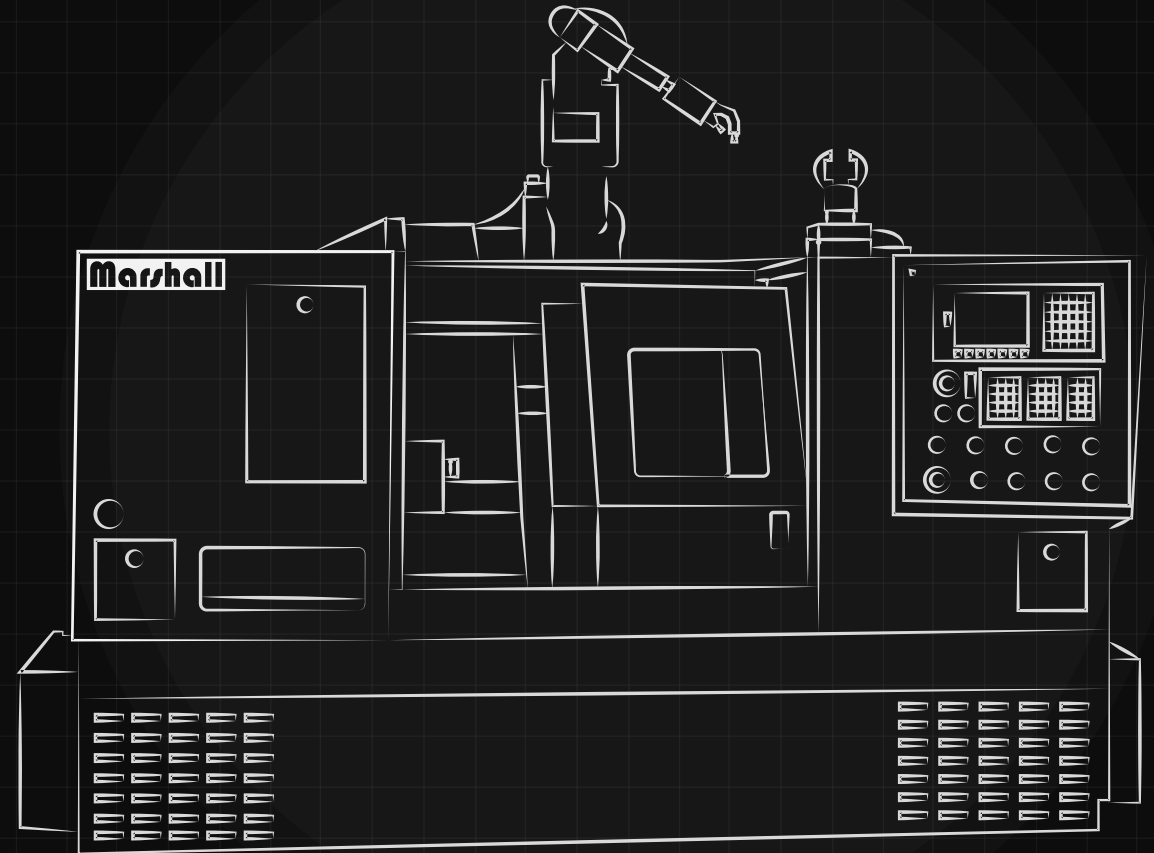
- Machine parts to be exported to Europe or Japan for the partner's machines built in their respective country

# 04

## Conclusion

---

31 INVESTMENT RATIONALE



# Investment Rationale



## CAPEX COMPLETED

- Completed a significant CAPEX between 2018-21, taking manufacturing capacity to ₹250 crores in Sales from erstwhile ₹75 crores in 2017.
- Potential to do 25% EBITDA Margins on the same.



## OPPORTUNITY SIZE

- Huge potential of Affordable Automation and Industry 4.0 offerings



## EMERGING OPPORTUNITIES IN MANUFACTURING

- Emerging opportunities in sectors such as Electronics, Aero Space and Medical Equipment



## FOCUSED ON DELEVERAGING

- The company is focusing on debt repayment through a) higher internal accruals and b) reducing working capital cycle



## SEASONED MANAGEMENT

- 3<sup>rd</sup> generation of Innovators and Engineers at helm

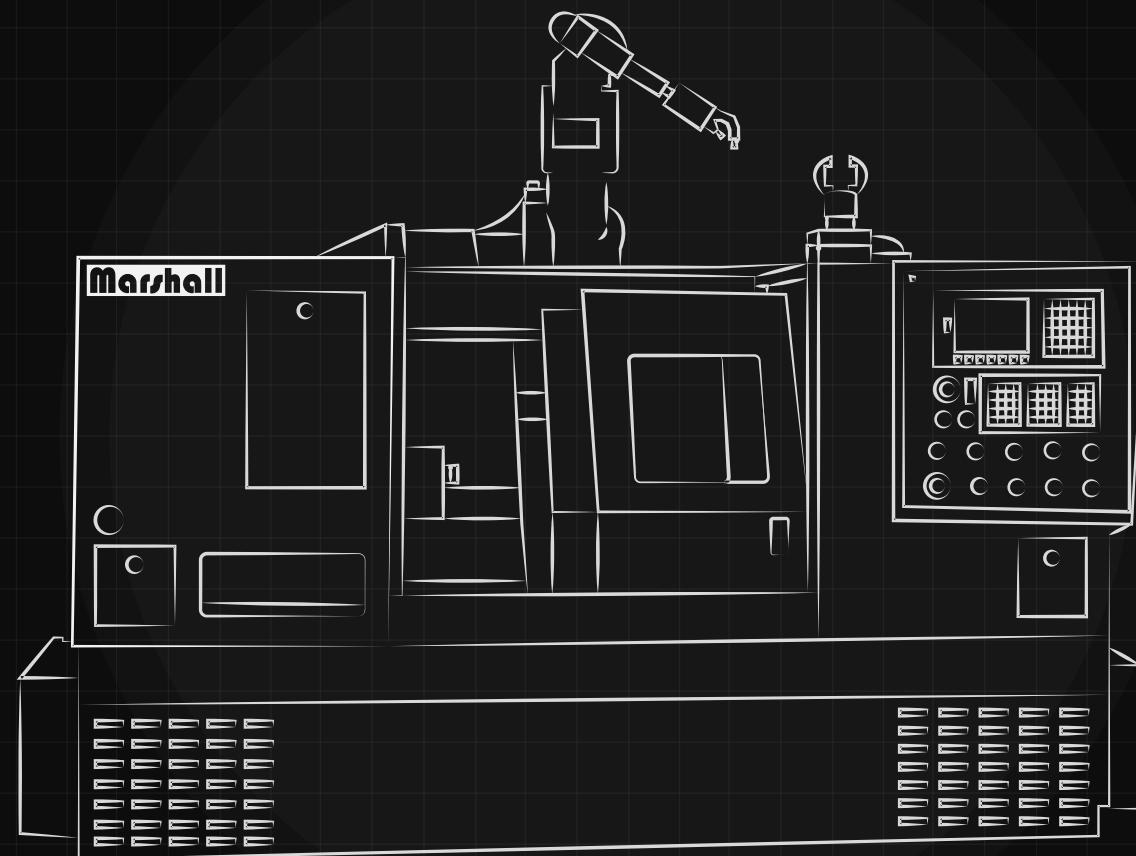
# 05

## Financial Performance

33 PROFIT AND LOSS SUMMARY

34 BALANCE SHEET SUMMARY

35 CASH FLOW STATEMENT SUMMARY





# Profit & Loss Summary

(₹ IN CRORES)

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

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

# Balance Sheet Summary

(₹ IN CRORES)

PARTICULARS	FY17	FY18	FY19	FY20	FY21	FY22
Equity Capital	1.81	2.14	14.55	14.55	14.55	14.55
Reserves & Surplus	8.05	15.73	23.96	26.72	34.50	31.43
<b>Shareholders Funds</b>	<b>9.86</b>	<b>17.87</b>	<b>38.51</b>	<b>41.27</b>	<b>49.05</b>	<b>45.98</b>
Long Term Borrowings	5.93	7.41	8.38	13.72	14.22	9.50
Deferred Tax Liabilities	0.15	1.82	3.43	3.00	5.66	5.13
Other Long Term Liabilities	-	-	2.31	1.90	-	-
Long Term Provisions	0.87	0.90	0.58	0.85	0.80	0.97
<b>Non Current Liabilities</b>	<b>6.95</b>	<b>10.13</b>	<b>14.70</b>	<b>19.47</b>	<b>20.69</b>	<b>15.60</b>
Short Term Borrowings	15.16	16.22	17.11	18.75	26.41	30.67
Trade Payables	18.39	18.39	16.07	19.94	21.10	24.90
Other Current Liabilities	14.07	15.43	19.92	20.72	14.32	17.01
Short Term Provisions	0.60	1.60	1.44	0.96	0.18	0.13
<b>Current Liabilities</b>	<b>48.22</b>	<b>51.64</b>	<b>54.54</b>	<b>60.37</b>	<b>63.03</b>	<b>73.76</b>
<b>Total Equity and Liabilities</b>	<b>65.03</b>	<b>79.64</b>	<b>107.75</b>	<b>121.11</b>	<b>132.78</b>	<b>135.34</b>
Property, Plant & Equipment	16.00	22.79	46.39	52.91	61.83	57.35
Non Current Investment	-	-	-	-	-	-
Long Term Loans & Advances	0.24	0.24	0.21	0.20	-	-
<b>Non Current Assets</b>	<b>16.24</b>	<b>23.03</b>	<b>46.60</b>	<b>53.11</b>	<b>70.44</b>	<b>64.04</b>
Inventories	36.73	38.30	39.91	45.79	48.03	50.41
Trade Receivables	8.23	11.42	12.35	14.04	11.68	18.00
Cash and Bank Balances	3.63	3.92	4.22	4.51	0.64	0.27
Short Term Loans & Advances	-	-	-	-	-	-
Other Current Assets	0.20	2.97	4.67	3.66	1.57	2.14
<b>Current Assets</b>	<b>48.79</b>	<b>56.61</b>	<b>61.15</b>	<b>68.00</b>	<b>62.33</b>	<b>71.30</b>
<b>Total Assets</b>	<b>65.03</b>	<b>79.64</b>	<b>107.75</b>	<b>121.11</b>	<b>132.78</b>	<b>135.34</b>

# Cash Flow Statement Summary

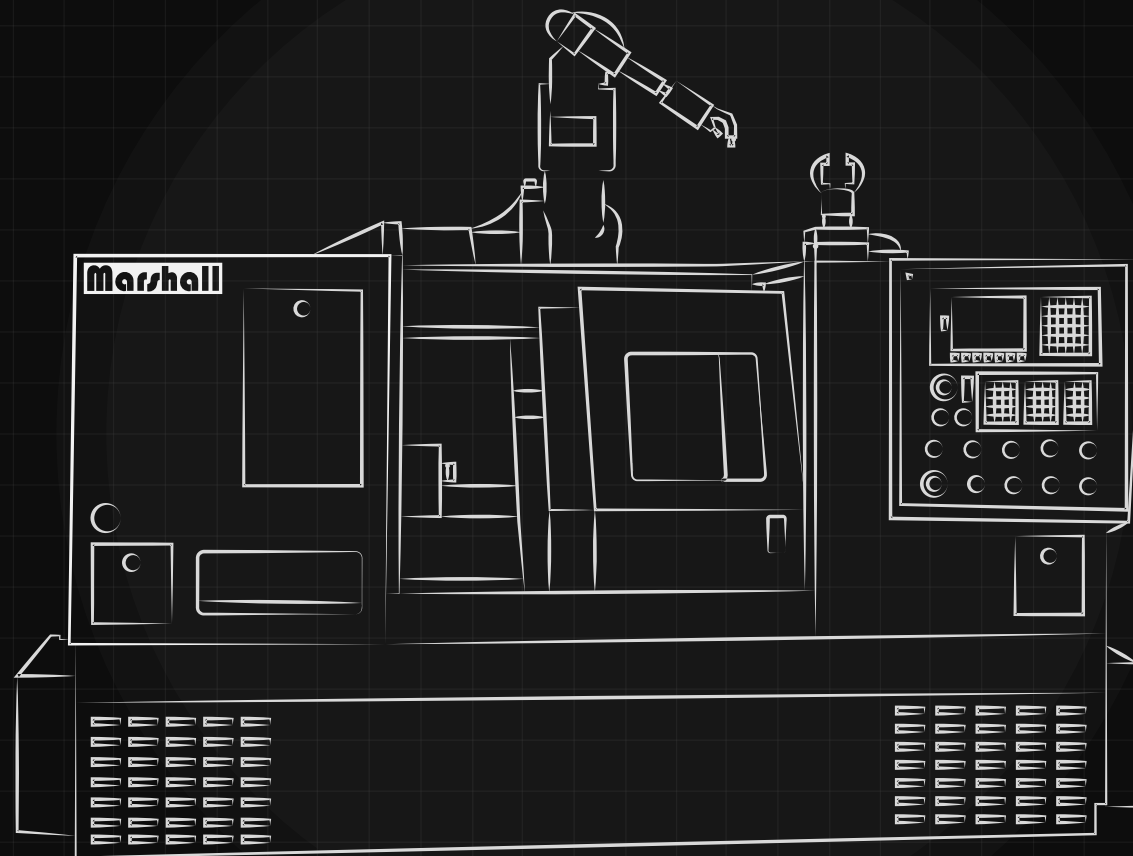
(₹ IN CRORES)

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

# 06

## Q1FY23 Review

- 37 PROFIT & LOSS SUMMARY
- 38 ORDER BOOK AND BID
- 39 MANAGEMENT COMMENTARY
- 40 MARKET STATISTICS
- 41 GET IN TOUCH



# Profit & Loss Summary

(₹ IN CRORES)

PARTICULARS	Q1FY22	Q4FY22	Q1FY23	% Change (Q1FY23 vs Q1FY22)	Comments
<b>Sales</b>	<b>14.16</b>	<b>24.38</b>	<b>6.79</b>	<b>-52%</b>	Due to plant reorganisation exercise lasting 45 days of Q1FY23, thus leading to no significant dispatches during the quarter.
Raw Material Cost	9.05	14.74	4.63	-49%	
Employee Expenses	2.72	2.68	2.24	-18%	Some optimisations of workforce.
Other Expenses	0.85	1.56	0.81	-5%	
<b>Total Expenses</b>	<b>15.18</b>	<b>21.53</b>	<b>10.26</b>	<b>-32%</b>	
<b>EBITDA</b>	<b>1.73</b>	<b>5.40</b>	<b>-0.02</b>		- Primarily on account of significantly lower sales during the quarter.
Other Income	0.03	0.04	0.08	169%	
Interest	0.95	1.12	1.00	5%	
Depreciation	1.60	1.43	1.58	-1%	
Tax	-0.20	0.73	-0.87	-	
<b>Profit After Tax</b>	<b>-0.80</b>	<b>2.16</b>	<b>-2.52</b>		- Primarily on account of significantly lower sales during the quarter.
<b>EPS (₹)</b>	<b>-0.55</b>	<b>1.49</b>	<b>-1.73</b>		
EBITDA Margin (%)	12.2%	22.1%	-0.3%	-1,252 BPS	
Profit After Tax Margin (%)	-5.6%	8.9%	-37.2%	-3,152 BPS	

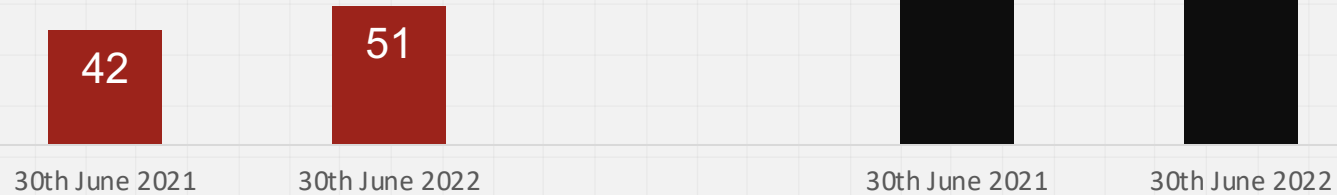
# Order Book and Bid

## Order Book and Bid

(₹ IN CRORES)

ORDER BOOK

ORDER BID



**21%**

Healthy Order Book  
(Y-o-Y)



**47%**

Strong Order Bids  
(Y-o-Y)

# Management Commentary



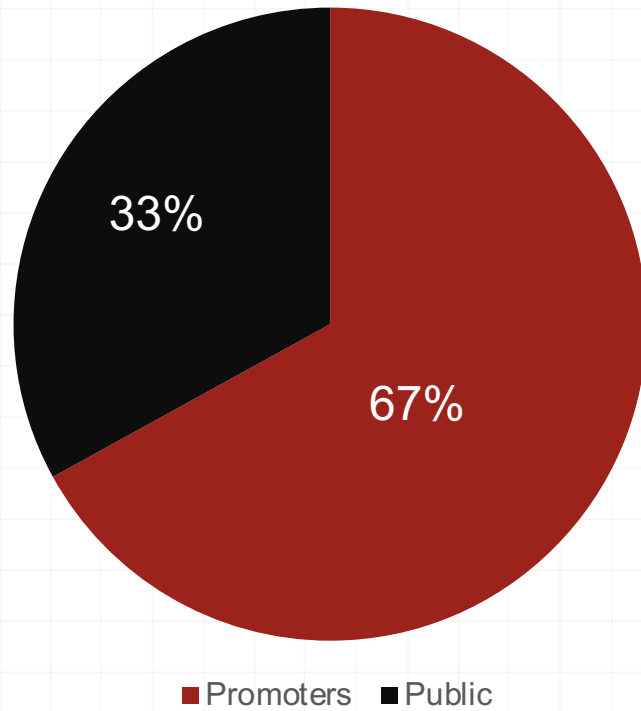
**GAURAV SARUP**

CO-FOUNDER & MD

- Marshall's Q1FY23 performance was severely impacted due to a reorganisation exercise of its two manufacturing units, adjacent to each other. The Company reorganised its manufacturing operations to adopt a lean manufacturing model, improve operational efficiencies by eliminating unnecessary movement of goods between the plant and optimise costs. After the reorganisation, Unit 1 focuses on Machining, Pre-assembly Work and Painting, and Unit 2 focuses on Assembly Testing and Dispatch. This exercise lasted about 45 days, and most of the plant's workforce was engaged in moving the machinery and other manufacturing equipment between the two plants.
- Because of this, there were no significant dispatches during the quarter, and hence Revenue from Operations was lower. Further, Q1 usually is a soft quarter for the Company, and a considerable part of the business is typically executed in the second half of the financial year.
- The Company has a good outlook for automation projects, as clients are increasingly scouting and opting for automated machine cells to improve their production efficiency. As a result, the Company expects an increase in the share of automated business within the revenue mix.
- Coming quarters should see an improvement on both the top line and bottom line front, supported by a healthy order book.

# Market Statistics

## Shareholding Pattern



IPO Date	28 <sup>th</sup> August 2018
Issue Price	₹ 42
NSE Symbol	MARSHALL
IPO Subscription	2.2X
Shares Outstanding	1.46 Cr
Face Value	₹ 10
Promoter Pledge	NIL



# Get in Touch

## SIDDHANT SARUP

Whole-Time Director  
investors@marshallcnc.com



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

## SAYAM POKHARNA

Investor Relations Advisor  
sayam@theinvestmentlab.in



## SAFE HARBOR

This document which has been prepared by Marshall Machines Limited (the “Company”, “Marshall”, “Marshall Machines”), have been prepared solely for information purposes and do not constitute any offer, recommendation or invitation to purchase or subscribe for any securities, and shall not form the basis or be relied on in connection with any contract or binding commitment whatsoever. No offering of securities of the Company will be made except by means of a statutory offering document containing detailed information about the Company.

This document has been prepared by the Company based on information and data which the Company considers reliable, but the Company makes no representation or warranty, express or implied, whatsoever, and no reliance shall be placed on, the truth, accuracy, completeness, fairness and reasonableness of the contents of this Document. This Document may not be all inclusive and may not contain all of the information that you may consider material. Any liability in respect of the contents of, or any omission from, this Document is expressly excluded.

Certain matters discussed in this Document may contain statements regarding the Company’s market opportunity and business prospects that are individually and collectively forward-looking statements. Such forward-looking statements are not guarantees of future performance and are subject to known and unknown risks, uncertainties and assumptions that are difficult to predict. These risks and uncertainties include, but are not limited to, the performance of the Indian economy and of the economies of various international markets, the performance of the industry in India and world-wide, competition, the company’s ability to successfully implement its strategy, the Company’s future levels of growth and expansion, technological implementation, changes and advancements, changes in revenue, income or cash flows, the Company’s market preferences and its exposure to market risks, as well as other risks. The Company’s actual results, levels of activity, performance or achievements could differ materially and adversely from results expressed in or implied by this Document. The Company assumes no obligation to update any forward-looking information contained in this Document. Any forward-looking statements and projections made by third parties included in this Document are not adopted by the Company and the Company is not responsible for such third-party statements and projections.