

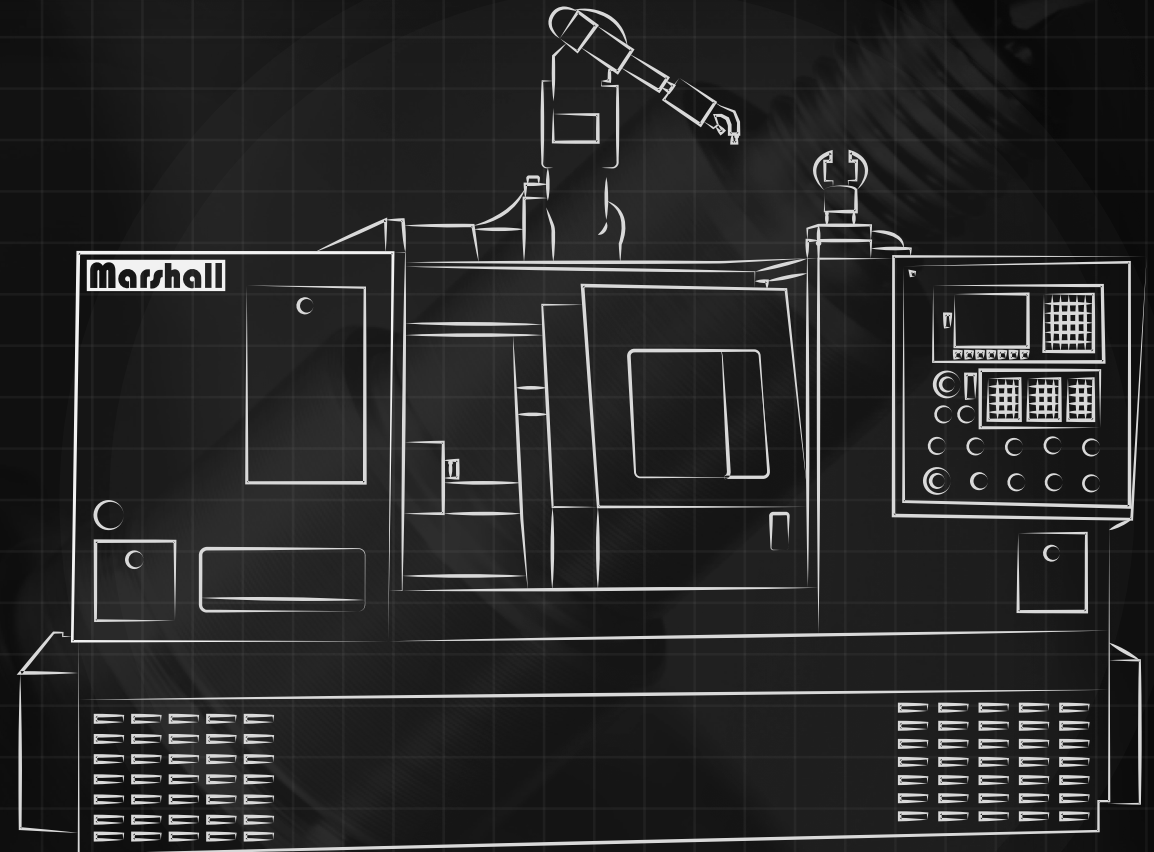


# H1FY22 Investor Presentation

NOVEMBER 2021

MARSHALL MACHINES LIMITED

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



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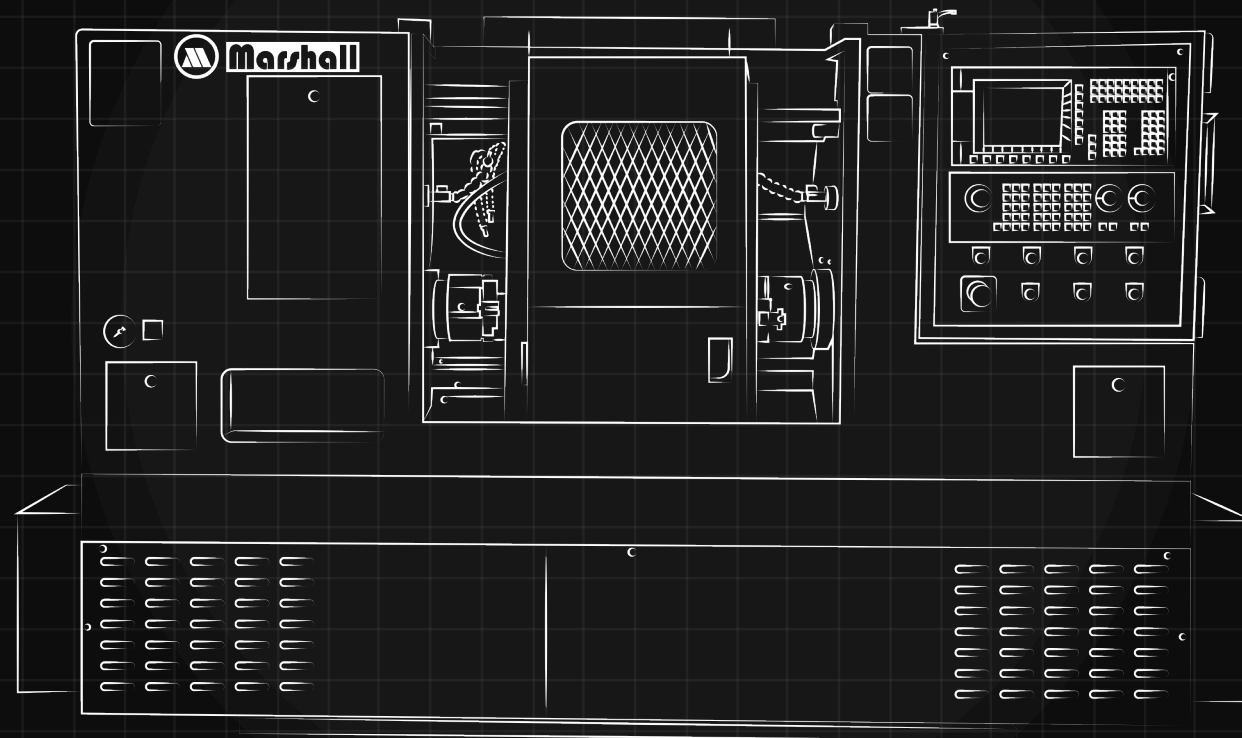
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# 01

## About Marshall

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# 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

# 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  
30+ Automation &  
Innovation Team



**100+**

Executed Successful  
Automation Projects



**Strong  
Brand recall**



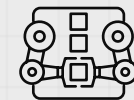
**Superior  
Intellectual  
Property**

6 Patents-held\*  
22 Patents-applied\*



**1,500+**

Active Clientele



**35+**

Machines in  
Portfolio

\*includes Patents files & 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



# Partnership 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

# 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

6\*

Patents Registered Globally

22\*

Patents Pending, many in late-stages of approval

9\*

Patents Filed Globally in FY21

1 Patents Granted in FY21 – “System and a Method to Enable Zero Defect Production”

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

## Integrated value chain



Ideation



Design



Manufacturing



Solution Offering

- Consultation
- Software & Updates
- Customized Machines



AMC & After-Sales Service

# 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 turnmilling 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

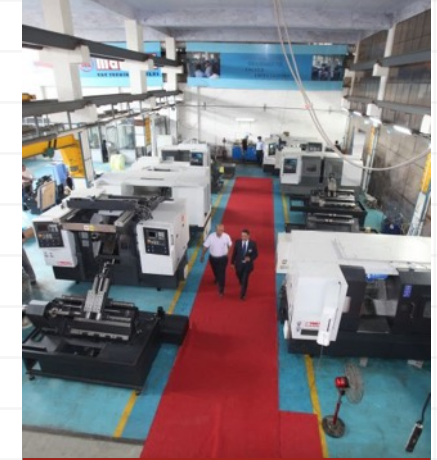
## MANUFACTURING CAPACITY

- **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

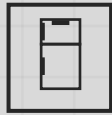
400+

10/15 Year+ Relationships

## MATURE SECTORS



AUTOMOBILE



CONSUMER DURABLES AND DURABLES

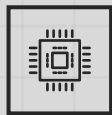


GENERAL ENGINEERING

## 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

**BAJAJ**  
Bajaj Electricals Ltd.  
*Inspiring Trust*

orient  
electric  
*switch to smart*

**POLYCAB**  
*Connection Zindagi Ka*



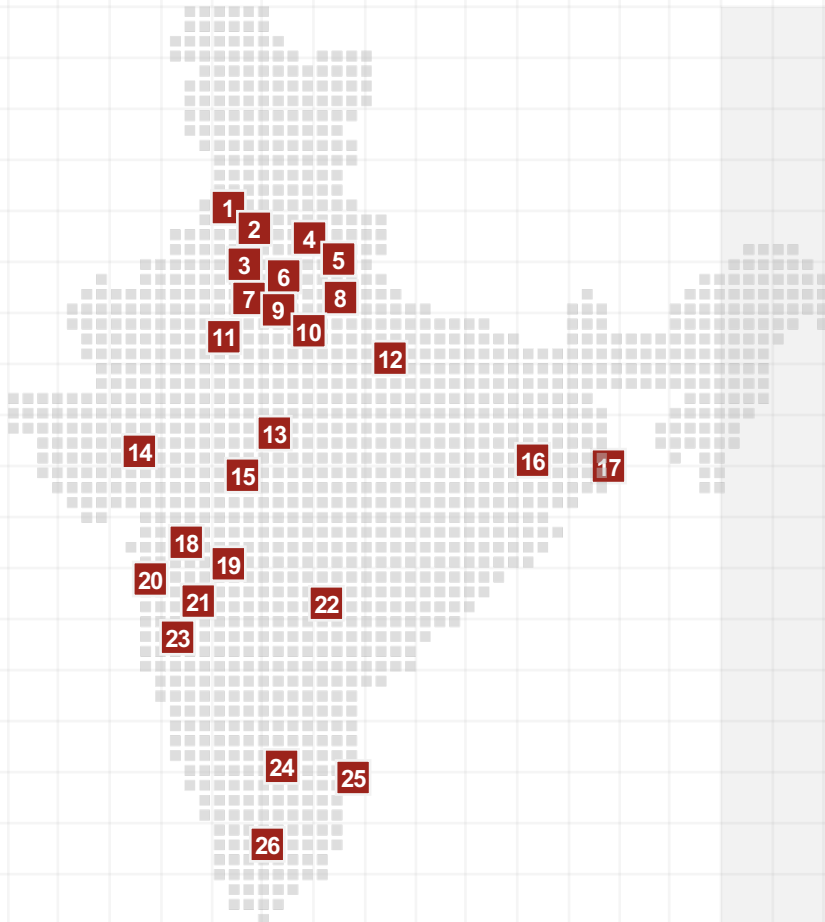
## GENERAL ENGINEERING

Bearings, Consumables, Pumps

GMPfaudler<sup>Pf</sup>  
*Defining the standard*

nbc  
*flexible solutions*

# 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	07
	IOT Engineers	03
	Manufacturing Resources	180

## CUSTOMER SUPPORT RESOURCES

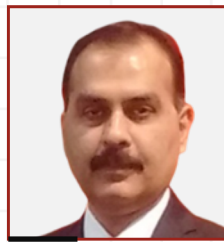
	Sales Engineers	14
	Application Support	06
	Service Support	14
	Automation Support	14

# 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

Engineer by Qualification  
32+ years of Work Experience in designing and electronic integration



**SIDDHANT SARUP**  
WHOLE TIME DIRECTOR

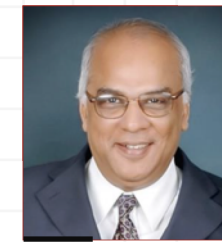
B.Tech in industrial Engineering and holds a Master's Degree in Operations Management (MBA) from Thapar University, Patiala

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)

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

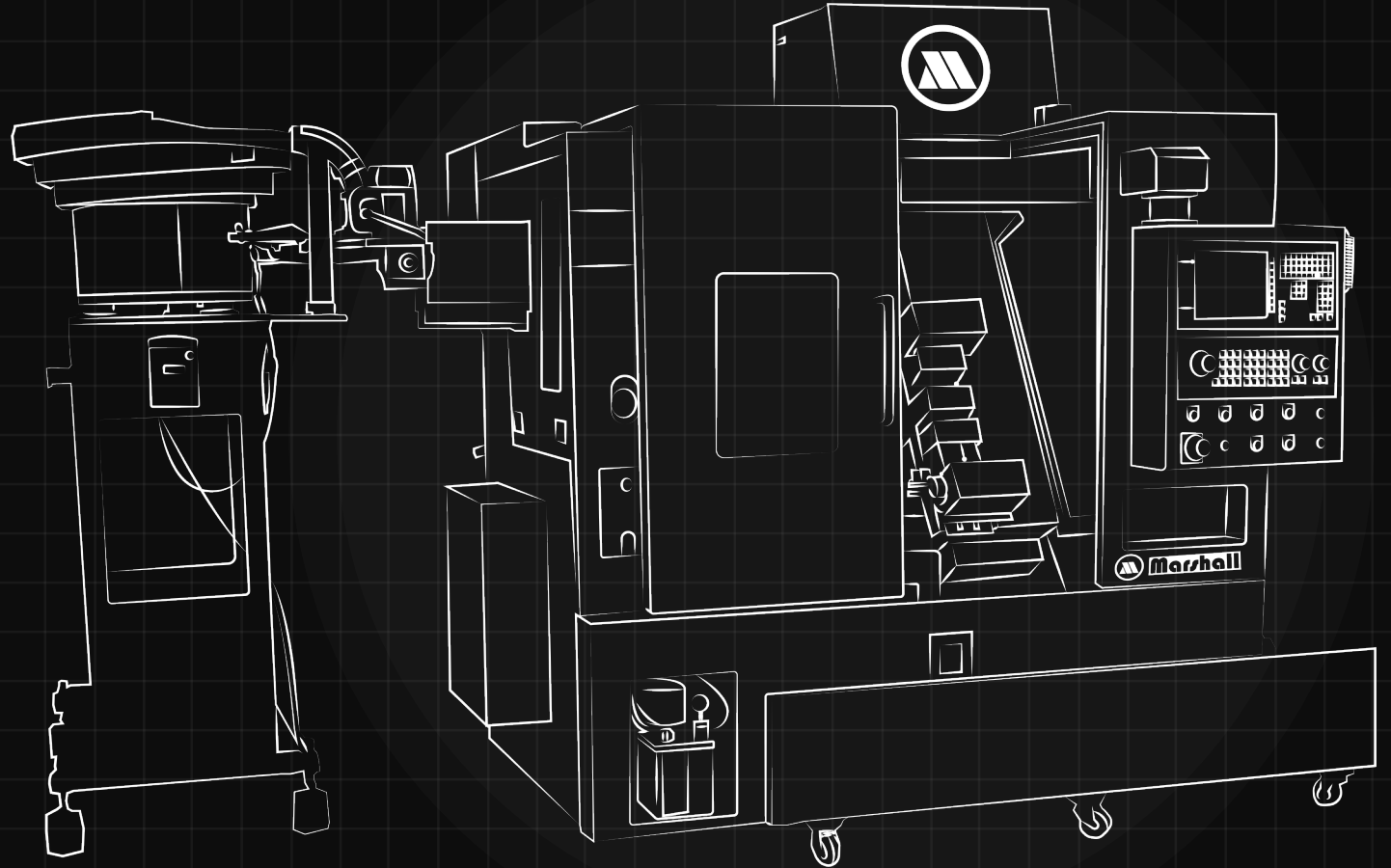
Board of Directors includes 3 Independent Directors



# 02

## Business Review

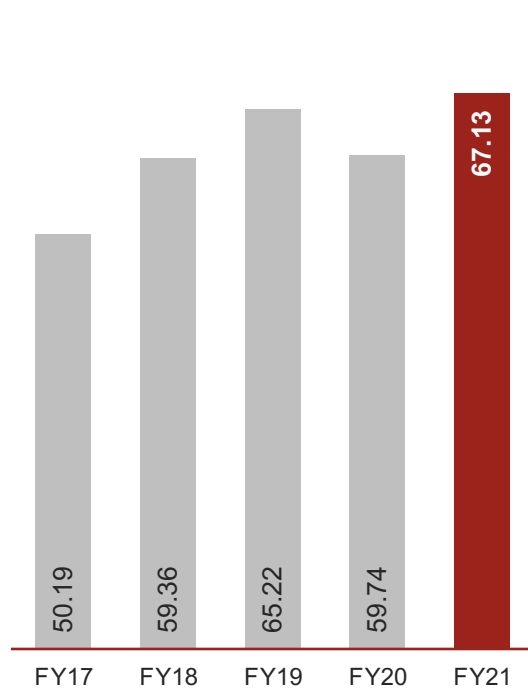
- 18 5 YEARS PERFORMANCE
- 19 REVENUE STREAMS
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- 21 KEY STRENGTHS
- 22 BUSINESS CANVAS



# 5 Years Performance

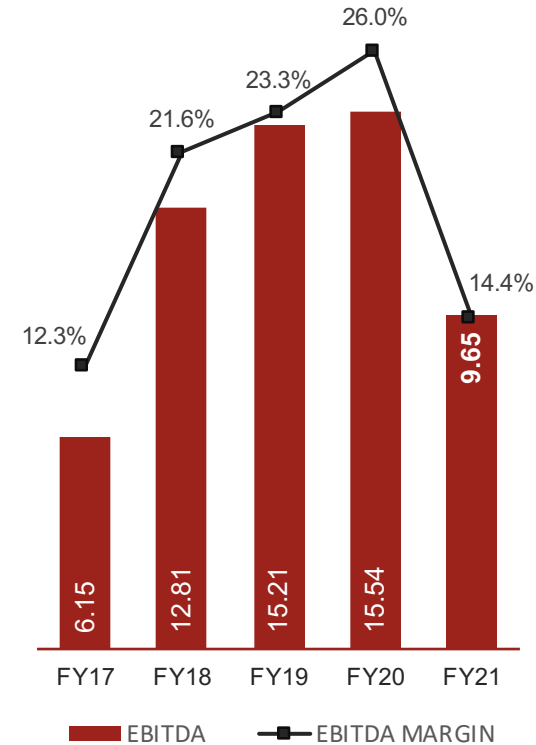
## REVENUE

(₹ IN CRORES)



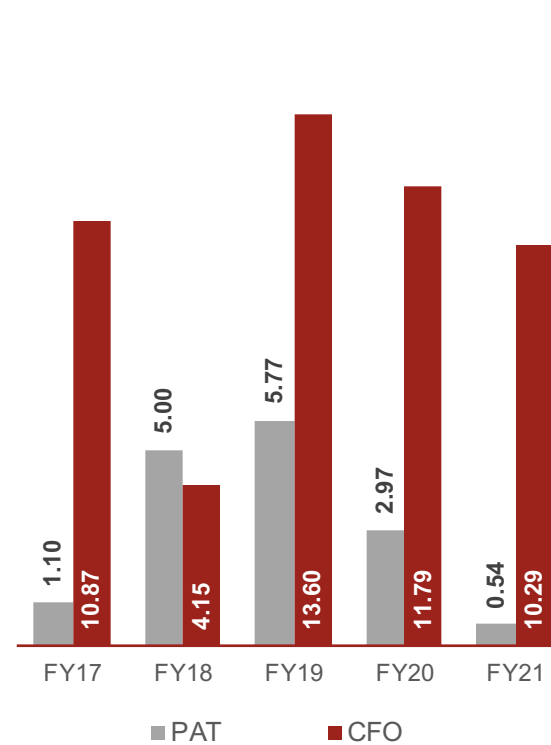
## EBITDA & EBITDA MARGIN

(₹ IN CRORES & %)



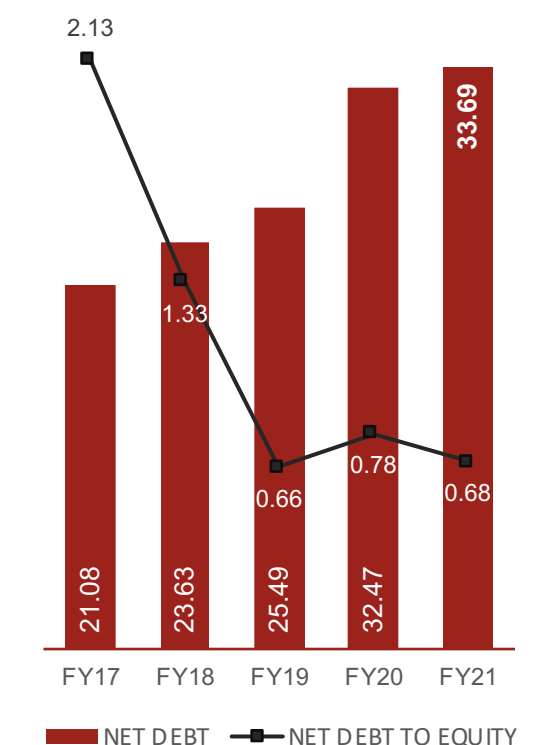
## PROFIT AFTER TAX & CASH FLOW FROM OPERATIONS

(₹ IN CRORES)



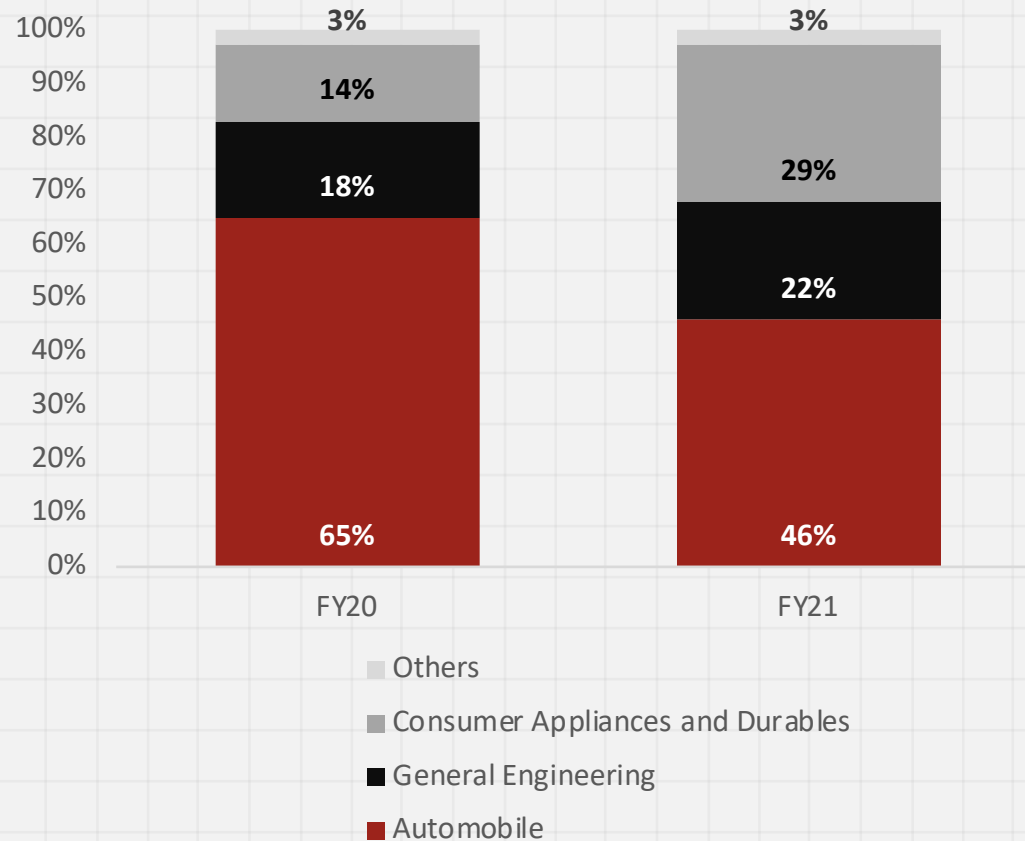
## DEBT & DEBT TO EQUITY

(₹ IN CRORES & TIMES)



# Revenue Stream

## INDUSTRY-WISE REVENUE

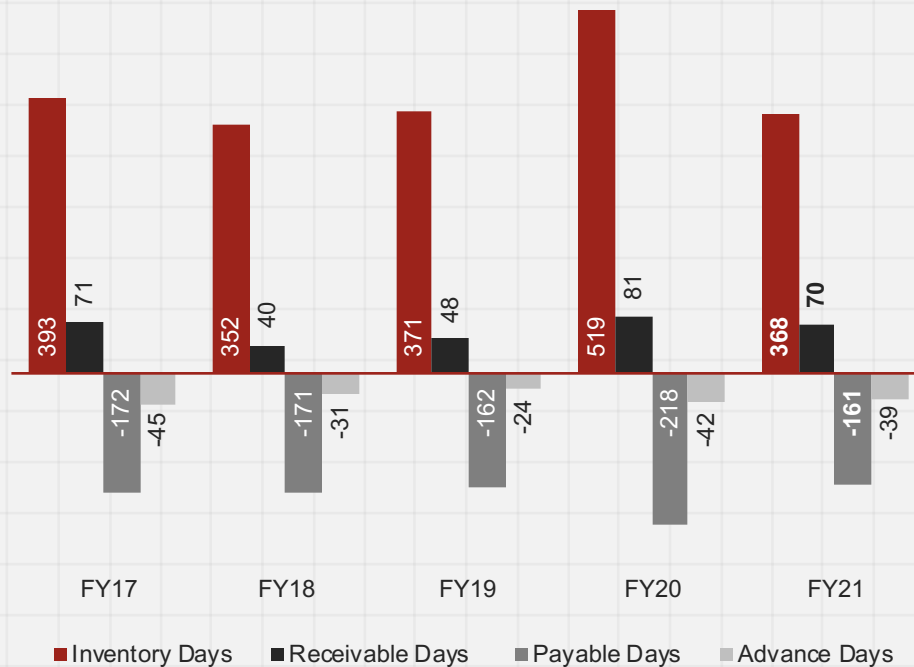


- Reduced business for engineering industry due to maturing markets
- Working on limiting exposure to automotive markets, while just concentrating on certain import-substitution products such as alloy wheels
- Consistently working on growing emerging sectors like Electronics
- Adding new sectors like 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

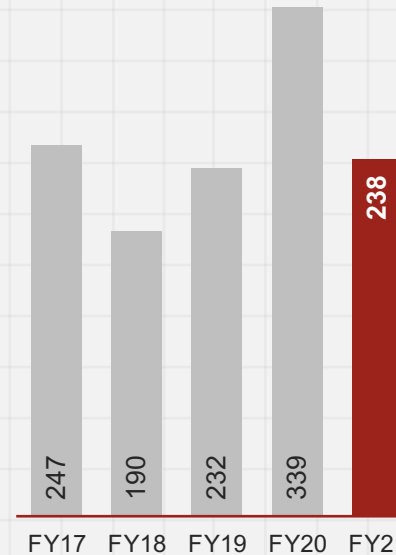
## WORKING CAPITAL DISTRIBUTION

(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
- Limiting business in Oil & Gas sector, where these high-performance machines are deployed
- Adding suppliers in vicinity to the manufacturing unit, reducing the need to carry higher inventories
- 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 for the latest technology

**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>	
						
		<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> <ul style="list-style-type: none"> <li>Fixed-cost based cost-structure</li> <li>Elevated depreciation &amp; finance cost after recent CAPEX</li> </ul>				<b>REVENUE STREAMS</b> <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>	

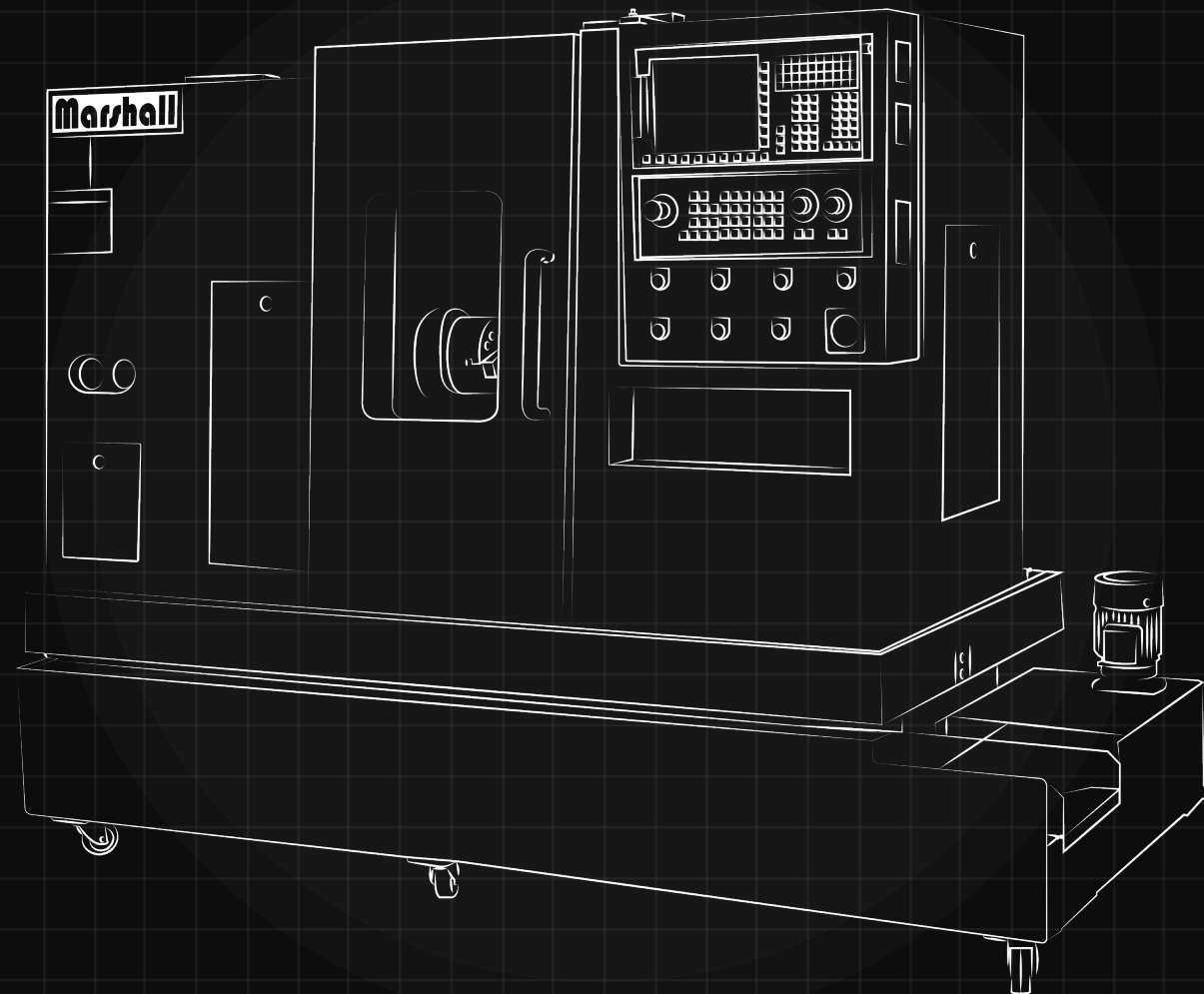
# 03

## Growth Drivers & Outlook

24 STRATEGIC PRIORITIES

25 GROWTH DRIVER

26 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

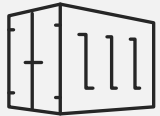


## REDUCING WORKING CAPITAL CYCLE

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

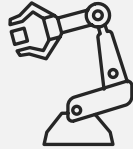


# Growth Drivers & Outlook



## 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

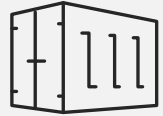


## ADDING COMPETENCIES IN EMERGING MANUFACTURING

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

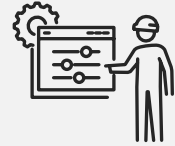
# Developing Strategic Global **Alliances**

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

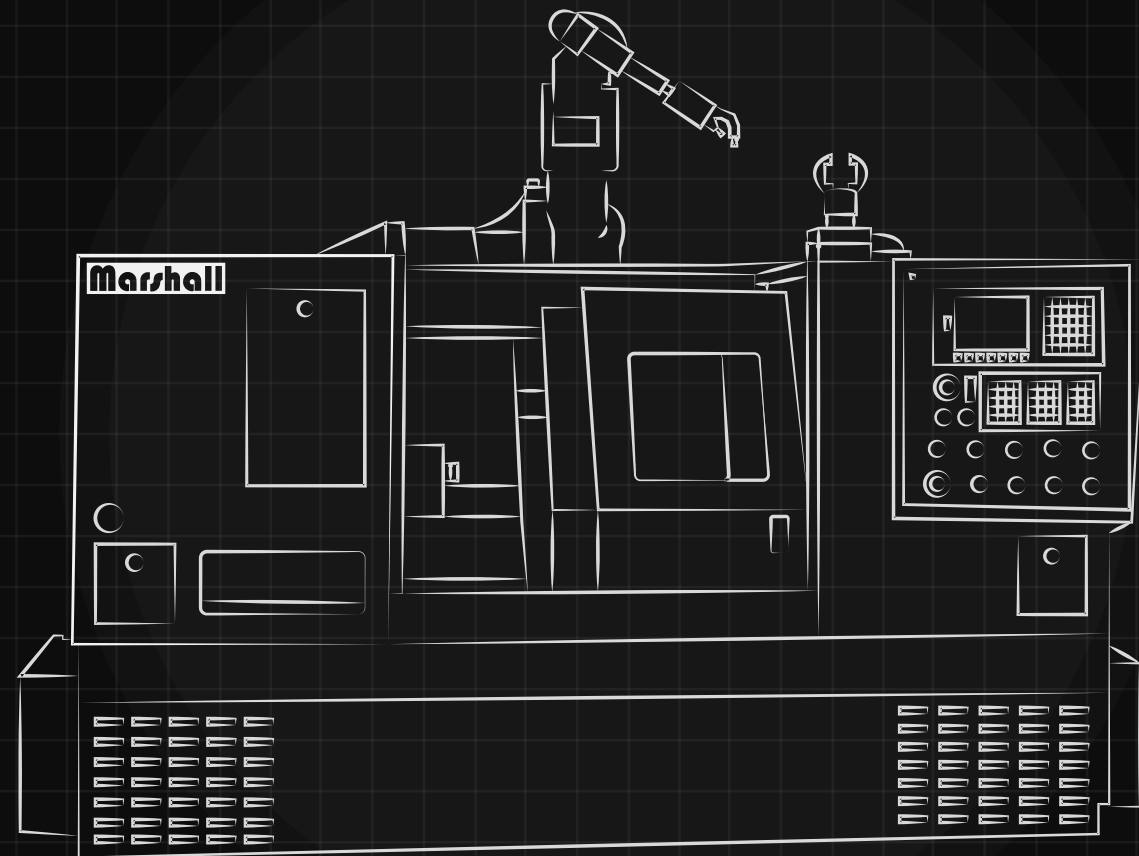
- Machine parts to be exported to Europe or Japan for the partner's machines built in their respective country

04

# Conclusion

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28 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

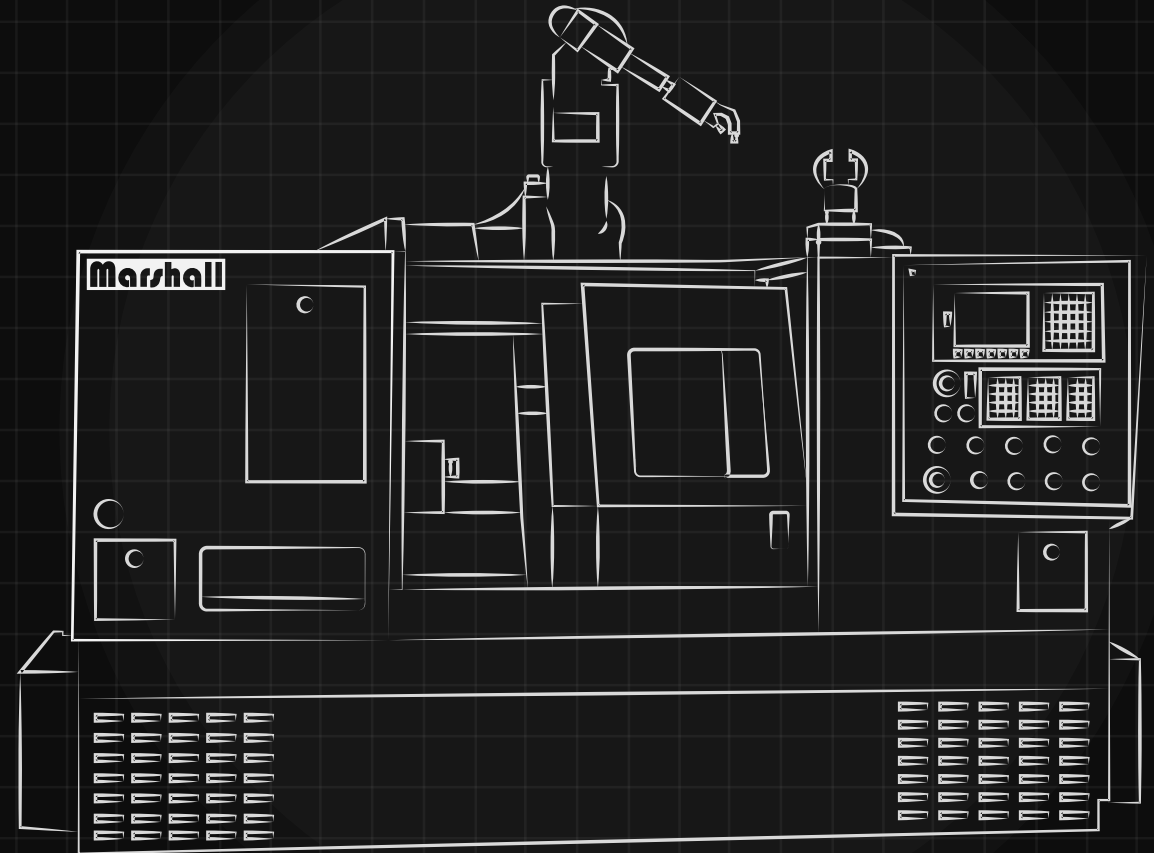
05

# Financial Performance

30 PROFIT AND LOSS SUMMARY

31 BALANCE SHEET SUMMARY

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# Profit & Loss Summary

(₹ IN CRORES)

PARTICULARS	FY17	FY18	FY19	FY20	FY21
<b>Sales</b>	<b>50.19</b>	<b>59.35</b>	<b>65.22</b>	<b>59.74</b>	<b>67.13</b>
Raw Material Cost	33.97	38.05	38.89	30.12	46.25
Employee Expenses	4.24	4.57	5.77	6.83	6.60
Other Expenses	5.83	3.92	5.35	6.98	4.63
<b>Total Expenses</b>	<b>44.04</b>	<b>46.54</b>	<b>50.01</b>	<b>43.93</b>	<b>57.48</b>
<b>EBITDA</b>	<b>6.15</b>	<b>12.81</b>	<b>15.21</b>	<b>15.81</b>	<b>9.65</b>
Other Income	0.35	0.07	0.22	0.80	0.11
Interest	3.11	3.22	3.71	4.39	3.81
Depreciation	1.60	2.20	3.73	8.10	5.12
Tax	0.69	2.45	2.22	1.15	0.29
<b>Profit After Tax</b>	<b>1.10</b>	<b>5.01</b>	<b>5.77</b>	<b>2.97</b>	<b>0.54</b>
<b>EPS (₹)</b>	<b>0.76</b>	<b>3.44</b>	<b>3.97</b>	<b>2.04</b>	<b>0.37</b>
EBITDA Margin (%)	12.3%	21.6%	23.3%	26.5%	14.4%
Profit After Tax Margin (%)	2.2%	8.4%	8.8%	5.0%	0.8%

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

# Balance Sheet Summary

(₹ IN CRORES)

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

# Cash Flow Statement Summary

(₹ IN CRORES)

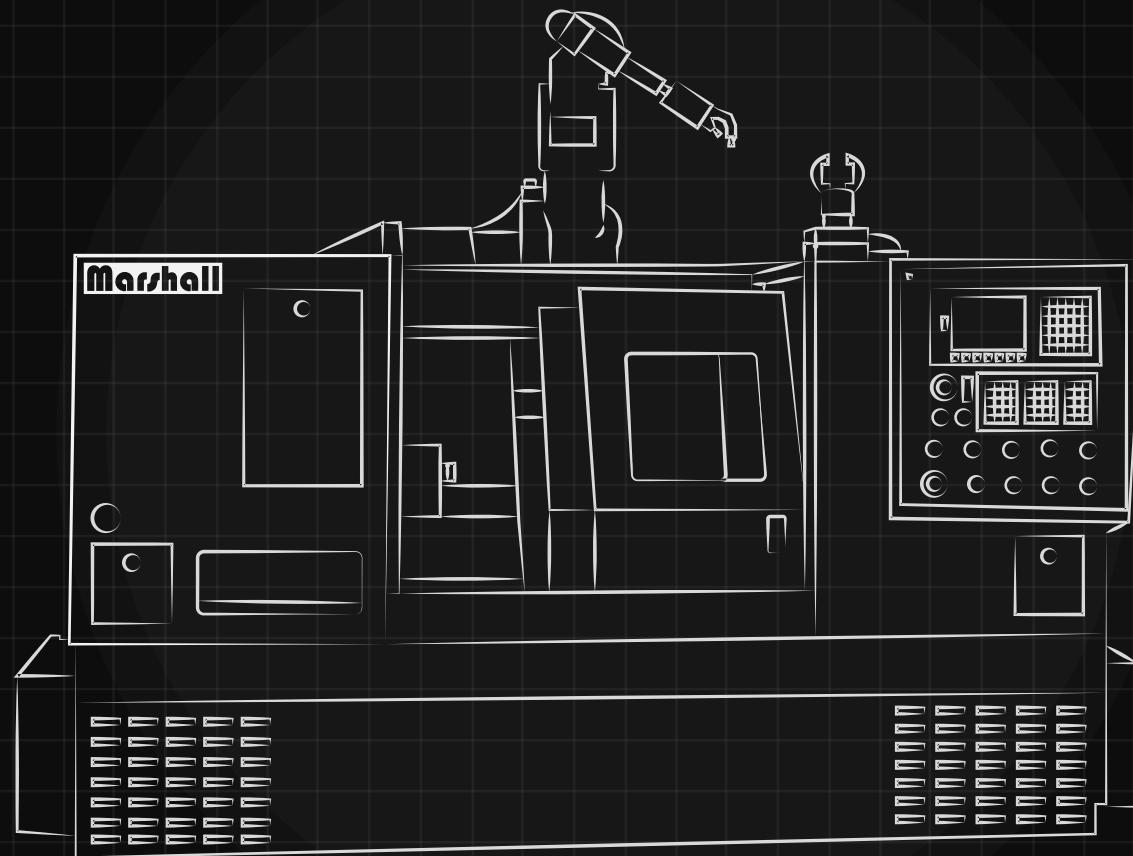
PARTICULARS	FY17	FY18	FY19	FY20	FY21
Cash from Operating Activities	10.87	4.15	13.60	11.79	10.30
Cash from Investing Activities	(5.09)	(8.92)	(27.25)	(14.50)	(10.36)
Cash from Financing Activities	(5.18)	5.06	13.95	3.00	(2.18)
Net Change in Cash & Cash Equivalents	0.60	0.29	0.30	0.29	(2.24)
Cash & Cash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



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## H1FY22 Review

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# Profit & Loss Summary

(₹ IN CRORES)

PARTICULARS	H1FY21	H2FY21	H1FY22	% Change (H1FY22 vs H1FY21)	Comments
<b>Sales</b>	<b>14.98</b>	<b>52.16</b>	<b>26.66</b>	<b>78%</b>	Sales de-growth YoY primarily due disruptions & order delays caused by the 2 <sup>nd</sup> wave of Covid-19. In addition some supply related issues also led to order-execution delays.
Raw Material Cost	9.16	37.09	17.07	86%	Gross margins impacted due to raw material cost inflation, primarily sheet metal, electrical components and electronic parts.
Employee Expenses	2.54	4.06	5.40	112%	Employee cost optimisation is ongoing at the Company, the YoY increase is due to lower base of H1FY21 on account of salary cuts post-Covid; and sequential increase in cost is due to certain employee benefit expense capitalizations in the previous year on account of product prototyping and R&D for newer technologies.
Other Expenses	1.06	3.57	1.97	87%	
<b>Total Expenses</b>	<b>12.76</b>	<b>44.72</b>	<b>24.44</b>	<b>92%</b>	
<b>EBITDA</b>	<b>2.22</b>	<b>7.44</b>	<b>2.21</b>	<b>0%</b>	
Other Income	0.04	0.07	0.06	42%	
Interest	2.35	1.46	2.03	-14%	Borrowing costs down YoY due to certain high-cost loans being closed.
Depreciation	2.17	2.96	3.22	49%	Depreciation cost increase YoY due to change in depreciation policy in H2FY21.
Tax	-0.48	0.76	-0.76	61%	
<b>Profit After Tax</b>	<b>-1.79</b>	<b>2.33</b>	<b>-2.22</b>	<b>24%</b>	
<b>EPS (₹)</b>	<b>1.23</b>	<b>1.60</b>	<b>-1.53</b>	<b>-224%</b>	
EBITDA Margin (%)	14.8%	14.3%	8.3%	-651 BPS	Decrease in EBITDA margins primarily due to lower Gross margins.
Profit After Tax Margin (%)	-11.9%	4.5%	-8.3%	359 BPS	

# Balance Sheet Summary

(₹ IN CRORES)

PARTICULARS	H1FY21	H2FY21	H1FY22
Equity Capital	14.55	14.55	14.55
Reserves & Surplus	24.93	34.50	32.28
<b>Shareholders Funds</b>	<b>39.48</b>	<b>49.05</b>	<b>46.83</b>
Long Term Borrowings	15.66	12.86	11.89
Deferred Tax Liabilities	2.53	5.89	5.13
Other Long Term Liabilities	1.86	1.68	1.33
Long Term Provisions	0.97	0.80	0.87
<b>Non Current Liabilities</b>	<b>21.02</b>	<b>21.23</b>	<b>19.22</b>
Short Term Borrowings	18.20	20.83	21.01
Trade Payables	22.70	21.08	27.64
Other Current Liabilities	16.10	19.74	21.76
Short Term Provisions	0.97	1.07	1.06
<b>Current Liabilities</b>	<b>57.98</b>	<b>62.72</b>	<b>71.46</b>
<b>Total Equity and Liabilities</b>	<b>118.49</b>	<b>133.01</b>	<b>137.51</b>
Property, Plant & Equipment	50.76	68.29	65.33
Non Current Investment	0.00	0.00	0.00
Long Term Loans & Advances	0.20	0.20	0.20
<b>Non Current Assets</b>	<b>50.96</b>	<b>68.48</b>	<b>65.53</b>
Inventories	46.11	48.03	49.88
Trade Receivables	15.33	11.68	16.86
Cash and Bank Balances	4.18	2.27	2.21
Short Term Loans & Advances	0.00	0.00	0.00
Other Current Assets	1.91	2.55	3.03
<b>Current Assets</b>	<b>67.53</b>	<b>64.52</b>	<b>71.98</b>
<b>Total Assets</b>	<b>118.49</b>	<b>133.01</b>	<b>137.51</b>

# Cash Flow Statement Summary

(₹ IN CRORES)

## PARTICULARS

H1FY21

H1FY22

Cash from Operating Activities	0.46	2.81
Cash from Investing Activities	0.03	-0.23
Cash from Financing Activities	-0.81	-2.63
Net Change in Cash & Cash Equivalents	-0.33	-0.05
Cash & Cash Equivalents - Opening Balance	4.51	2.27
Cash & Cash Equivalents - Closing Balance	4.18	2.21

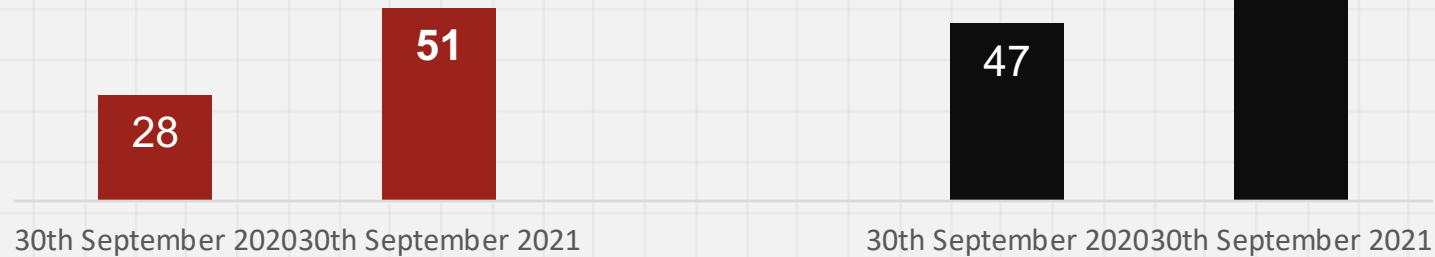
# Order Book and Bid

## Order Book and Bid

(₹ IN CRORES)

ORDER BOOK

ORDER BID



**82%**

Healthy Order Book  
(Y-o-Y)



**251%**

Strong Order Bids  
(Y-o-Y)

# Management Commentary



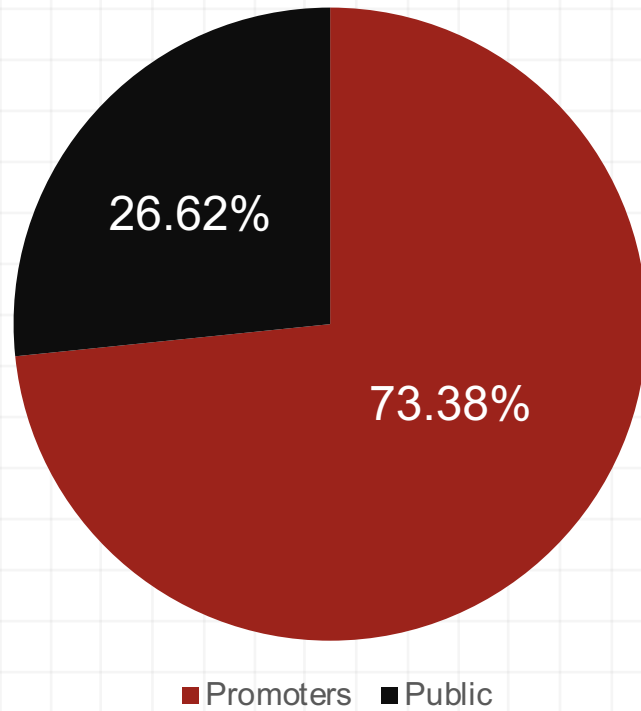
**GAURAV SARUP**

CO-FOUNDER & MD

- The Sales momentum was affected in H1FY22 due to the 2<sup>nd</sup> wave of Covid-19 around April & May. In addition certain supply side issues such as semiconductor shortage & key electronics component shortage also led to certain delays in order execution.
- The Company is confident of gaining back its sales and profit momentum in the second-half, on account of record order book and order bids.
- The Company is witnessing a strong order inflow on its automated machine portfolio. In addition, we've also witnessed restart of many projects that were stalled earlier in wake of the 2<sup>nd</sup> wave.
- The EBITDA margins for H1FY22 were affected due to higher than anticipated raw material inflation in sheet metal, electricals and electronics. Newer orders are being taken with revised prices, further there are plans to hike prices portfolio-wide towards the end of Q3FY22.
- The Company has executed a significant CAPEX, between FY18 to FY21, to augment manufacturing capacity from ₹75 crores to ₹250 crores.
- Considering our strengths and market potential, the Company is aiming towards achieving sales of ₹250 crores with EBITDA margins of 25% in the next few years.

# Market Statistics

## Shareholding Pattern



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

**The Company has applied for migration from NSE Emerge (SME) to Mainboard**

# Get in Touch

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## SAFE HARBOR

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