



Marshall Machines Limited

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Automated Solutions Division :

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MARSHALL IoTQ CENTRE

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MARSHALL AUTOMATION AMERICA, INC.

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MARSHALL/2022-23

04.03.2023

To
National Stock Exchange of India Ltd.,
Exchange Plaza, C-1, Block G,
Bandra Kurla Complex,
Bandra (E)
Mumbai – 400 051

Ref: Symbol-MARSHALL, ISIN-INE00SZ01018, Series-EQ

Sub: Outcome of Board Meeting held on 04.03.2023

Dear Sir,

We wish to inform you that Board of Directors in its meeting held today the 04th day of March, 2023 the board meeting commenced at 06:00 P.M. and concluded at 10.00 P.M., inter alia, considered and approved the following:

- The Un-Audited Financial Results for the Quarter Ended 31.12.2022.
- The Limited Review Report on Un-Audited Financial Results by issued by M/s S. Sood & Co, Statutory Auditors of the Company.

Pursuant to Regulation 30, 33 and other applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith:

- The Un-Audited Financial Results for the Quarter Ended 31.12.2022.
- The Limited Review Report on Un-Audited Financial Results by issued by M/s S. Sood & Co, Statutory Auditors of the Company.

For MARSHALL MACHINES LIMITED

SIDDHANT SARUP
(Wholetime Director)
(DIN: 07779416)

Marshall Machines limited

Regd. Office: C-86, Phase V, Focal Point, Ludhiana-141010
Website: www.marshallcnc.com CIN: L29299PB1994PLC014605

STATEMENT OF UN-AUDITED FINANCIAL RESULTS FOR THE PERIOD ENDED 31.12.2022

(₹ In Lakh)

Sr. No.	Particulars	Quarter Ended			9 Months ended		Year ended
		31.12.2022	30.09.2022	31.12.2021	31.12.2022	31.12.2021	31.03.2022
		(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Un-Audited)	(Audited)
I	Revenue from operations	713.59	839.66	929.40	2,231.80	3,594.96	6,032.61
II	Other income	128.27	113.27	3.44	249.07	9.34	13.71
III	Total Revenue (I + II)	841.86	952.93	932.84	2,480.87	3,604.30	6,046.32
IV	Expenses:						
	Cost of materials consumed	499.70	369.18	852.22	1,511.92	2,966.83	4,163.34
	Purchases of Stock-in-Trade	-	-	-	-	-	-
	Changes in inventories of finished goods work-in-progress and Stock-in-Trade	10.42	210.26	(242.05)	40.76	(649.82)	(372.40)
	Employee benefits expense	167.15	161.88	266.98	552.98	807.06	1,074.80
	Finance costs	107.01	107.73	130.90	314.39	334.21	446.41
	Depreciation and amortization expense	143.74	143.77	161.68	445.54	484.01	626.63
	Other expenses	55.85	51.44	123.87	188.17	320.86	477.05
	Total expenses (IV)	983.87	1,044.26	1,293.60	3,053.76	4,263.15	6,415.83
V	Profit before exceptional and extraordinary items and tax (III - IV)	(142.01)	(91.33)	(360.76)	(572.89)	(658.85)	(369.51)
VI	Exceptional items	-	-	-	-	-	-
VII	Profit before extraordinary items and tax (V - VI)	(142.01)	(91.33)	(360.76)	(572.89)	(658.85)	(369.51)
VIII	Extraordinary items	-	-	-	-	-	-
IX	Profit before tax (VII- VIII)	(142.01)	(91.33)	(360.76)	(572.89)	(658.85)	(369.51)
X	Tax expense:						
	(1) Current tax	-	-	-	-	-	-
	(2) Deferred tax	(36.23)	(22.79)	(52.42)	(146.47)	(128.80)	(55.94)
	(3) MAT Credit	-	-	-	-	-	-
	Net Tax Expense (X)	(36.23)	(22.79)	(52.42)	(146.47)	(128.80)	(55.94)
XI	Profit (Loss) for the period from continuing operations (IX-X)	(105.78)	(68.54)	(308.34)	(426.42)	(530.05)	(313.57)
XII	Profit/(loss) from discontinuing operations	-	-	-	-	-	-
XIII	Tax expense of discontinuing operations	-	-	-	-	-	-
XIV	Profit/(loss) from Discontinuing operations (after tax) (XII-XIII)	-	-	-	-	-	-
XV	Profit (Loss) for the period (XI + XIV)	(105.78)	(68.54)	(308.34)	(426.42)	(530.05)	(313.57)
XVI	Other Comprehensive Income						
A.	(i) Items that will not be reclassified to profit or loss	2.14	2.13	(0.19)	6.41	(0.59)	8.55
	(ii) Income tax relating to items that will not be reclassified to profit or loss	(0.56)	(0.55)	0.05	(1.67)	0.15	(2.22)
B.	(i) Items that will be reclassified to profit or loss	-	-	-	-	-	-
	(ii) Income tax relating to items that will be reclassified to profit or loss	-	-	-	-	-	-
	Total (XVI)	1.58	1.58	(0.14)	4.74	(0.44)	6.33
XVII	Total Comprehensive Income for the period (XV+XVI)	(104.20)	(66.96)	(308.48)	(421.68)	(530.49)	(307.24)
XVIII	Paid-up equity share capital (in Lakhs)	1,455.00	1,455.00	1,455.00	1,455.00	1,455.00	1,455.00
XIX	Face Value of Equity Share Capital (in Rs./Share)	10.00	10.00	10.00	10.00	10.00	10.00
XX	Reserves excluding revaluation reserve as per balance sheet of previous accounting year	2,721.25	2,825.45	2,892.42	2,721.25	2,919.70	3,142.94
XXI	Earnings per equity share (for continuing operation):						
	(1) Basic	(0.73)	(0.47)	(2.12)	(2.93)	(3.64)	(2.16)
	(2) Diluted	(0.73)	(0.47)	(2.12)	(2.93)	(3.64)	(2.16)
XXII	Earnings per equity share (for discontinued operation):						
	(1) Basic	-	-	-	-	-	-
	(2) Diluted	-	-	-	-	-	-
XXIII	Earnings per equity share (for discontinued & continuing operation):						
	(1) Basic	(0.73)	(0.47)	(2.12)	(2.93)	(3.64)	(2.16)
	(2) Diluted	(0.73)	(0.47)	(2.12)	(2.93)	(3.64)	(2.16)

- The above results have been reviewed by the Audit Committee and approved by the Board of Directors in its meeting held on 04.03.2023
- Figures are in Lakhs Rupees except Face value of Equity Shares and EPS, which are in Rupees.
- Previous year's figures have been regrouped / reclassified wherever necessary to correspond with the current year's classification / disclosure.
- There is only one Segment, namely, "CNC Machines", which is the primary reportable segment
- Company has been migrated to main board of NSE w.e.f. 22.11.2021 & INDAS is adopted considering the transition date of 01.04.2020
- Statement of Impact:** Inventory Value as on 31st December, 2022 is ₹4,742.72 Lakhs and due to implementation of ERP system, Management couldn't perform the physical verification of inventories & in the opinion of Management it doesn't have any impact on Profit & Loss for the period.

For MARSHALL MACHINES LIMITED

(Siddhant Sarup)
Wholetime Director
DIN: 07779416

Place: Ludhiana
Date: 04-Mar-2023



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Limited Review Report to the Board of Directors of
MARSHALL MACHINES LIMITED

1. We have reviewed the accompanying statement of unaudited financial results of **MARSHALL MACHINES LIMITED** for the **Quarter ended 31.12.2022**. This statement is the responsibility of the Company's management and has been approved by the Board of Directors. Our responsibility is to issue a report on these financial statements based on our review.
2. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
3. Based on our review conducted as above, **except for the effects/possible effects of our observations stated in para 4 (Basis of qualified Conclusion) and in para 5 (Emphasis of Matter) below** nothing has come to our attention that causes us to believe that the accompanying statement of unaudited financial results prepared in accordance with applicable accounting standards and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
4. **Basis of qualified Conclusion:**
In respect of Inventories during the review period, the management has not undertaken any physical verification of inventories at periodical intervals and has not obtained any technical/ market evaluation for the inventories. In our opinion, the comparative inventory holding levels, in view of steep decline in the turnover as compared to earlier years, are higher. Hence we are unable to comment on the realizable value of the same. The company has not maintained adequate and proper records of inventory. The impact of above remarks, presently are not ascertainable and therefore, cannot be commented upon.

5. Emphasis of Matter:

Attention is drawn to the following:

- a. During the period under review, the Company has made Sales amounting to Rs.158 Lacs (constitutes >20% of Gross Total Sales) to M/s H & V Metal Craft Private



Limited for the products which are not regularly traded and manufactured by the company.

- b. Purchases amounting to Rs.92.36 Lacs have not been booked in the books of accounts and to that extent the losses of the company are understated.
- c. As per the Quarterly Financial Statements ended 31.12.2022, Creditors disclosed under "Current Liabilities" as "Trade Payables" include MSME creditors amounting to Rs. 135 Lacs which have been identified by the company as due but not paid within stipulated time period under Micro Small and Medium Enterprises Development Act, 2006 (MSMED).

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

- d. There are pending cases against the company in various courts of law. Amount under dispute has already been booked into the books of accounts of the company however, No interest has been provided in the books of accounts since the decision of the cases are pending and in the opinion of the Directors there is every likelihood that the outcome of the cases will be in the favor of the company.
- e. As per the Quarterly Financial Statements ended 31.12.2022, Borrowings include loans outstanding from the banks & various other financial institutions where the installments of loans have been delayed in some cases ranging between 60 -90 days and in few cases the Financial Institutions have classified the company's account as Substandard Asset as on date of audit report due to delay being beyond 90 days. Letter of Credits taken from the bank, in four number of cases have not been paid so far after the due date. Out of these four cases of Letter of credits the delay is more than one year in some of the cases.
- f. The Company has not been regular in depositing its Statutory Dues. However, all the Statutory Dues payable as on 31.03.2022 have been paid except the Income Tax Payable on Self-Assessment u/s 140A of Income Tax Act, 1961 amounting to Rs. 92.55 Lacs for A.Y 2020-21. Other Statutory dues which are payable till 31.12.2022 are GST Payable Rs. 160.91 Lacs, TDS & TCS payable Rs. 39.87 Lacs, Provident Fund payable Rs. 14.14 Lacs, ESI payable Rs. 3.97 Lacs & Labour Welfare Fund payable Rs. 0.48 Lacs. Out of these mentioned statutory dues some are payable for more than six months along with Interest thereon. In our opinion and as per the information and explanation provided to us, the delay in deposit of GST and TDS/ TCS results in that the assessee could not file its monthly/ quarterly returns. In the absence of Filed GST Returns, the Sales of the company could not be verified. Non deduction of TDS includes, Purchases of Rs. 730 Lacs on which no TDS has been deducted. Non deduction of TDS may cause disallowance of such expenses and addition to the taxable Income. The delay in deposit of taxes may result in company having to pay interest and penalty for the same in the future, the amount of which cannot be ascertained as of now.
- g. The Company has not realized its Foreign Debtors amounting to Rs.105.97 Lacs within the time prescribed under the regulations of the FEMA Act. Subject to which penalty under the provisions of FEMA may levy on violation of the provisions of the said act. According to the Directors the delay was due to Covid-19.
- h. Sundry creditors amounting to Rs. 1967 Lacs are due for more than 180 days, which include creditors amounting to Rs.1923 Lacs which are subject to the provisions of section 16(2) of the CGST Act, 2017, input tax credit of GST which



has been taken against such unpaid creditors has to be reversed and further the Interest and penalty may be charged on such amounts. Balances of Sundry creditors are subject to confirmation and reconciliations

- i. The Company has no proper system of internal audit. The plan and documentation of the internal audit records are inadequate. Prima Facie the Internal Auditor of the company has not covered many areas for Audit i.e. Accounting, Financing, Compliances and Stocks & Spares. The Company should re-visit the existing internal controls and strengthens them since there are requirement of improvements commensurate to the size of the company.
- j. Company has taken the Advances from its Customers amounting to Rs. 918 Lacs. This includes the advances of Rs. 421 Lacs which are more than one year old. Balances of Sundry Advances are subject to confirmation and reconciliations.
- k. Out of the total Trade Receivables of the company amounting to Rs. 1639 Lacs. Trade receivables of Rs. 775 Lacs are more than one year old. Balances of Trade Receivables are subject to confirmation and reconciliations.
- l. During the F.Y 2022-23, total 138 employees have left the company. The full and final Settlement including Gratuity payable to such employees have been written off by the company. Such transactions have not been confirmed by those employees and neither the company has any written communication from such employees. In our opinion, there may arise a liability/ litigation in the future in respect of such employees.
- m. On the basis of financial position of the company including the ageing and expected dates of realization of current assets & payment of current liabilities and other information accompanying the financial records, we are of the opinion that Current assets of the company are lesser than its current liabilities to be paid within one year. There has been significant delay in the bank loan repayments, statutory dues, creditor payments for several times during the period under review. This indicates that there may arise material uncertainty as on date of audit report that company is capable of meeting its liabilities existing as on date of the quarterly financials.
- n. Other Incomes Includes net amount of Rs.119 Lacs of the current quarter, on account of some balances of Sundry Creditors, Employees & Other Payables which in the opinion of management are neither payable. However, all such transaction are not confirmed by the respective third parties.

For S. Sood & Co.

Chartered Accountants

FRN: 060801N



(Sanjay Sood)

Partner

M. No. 089457

UDIN: 23089457B6X0AG7864

Date: 04.03.2023

Place: Ludhiana