



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
	Total	1625.40

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
(a) Authorised		
150,00,000 Equity Shares (Previous years 40,00,000) Equity Shares of Rs. 10 /- each	150,000,000.00	40,000,000
(b) Issued, Subscribed & Paid Up		
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
(c) Par Value per Share is Rs. 10/-		



(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
(a) Surplus		
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) Securities Premium Reserve		
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
TOTAL	239,636,394	156,876,299

BORROWINGS

NOTE NO.- 4

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

DEFERRED TAX (ASSETS)/LIABILITY (Net)

NOTE NO.- 5

PARTICULARS	AS AT	AS AT
	31.03.2019	31.03.2018
	In Rupees	In Rupees
Deferred Tax Liability		
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
Deferred Tax Asset		
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
Net Deferred Tax (Assets)/Liability	34,345,816	18,653,053

OTHER LONG TERM LIABILITIES

NOTE NO.- 6

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

LONG TERM PROVISION

NOTE NO.- 7

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


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
TOTAL	171,125,421	162,233,513

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
TOTAL	160,798,210	183,862,209

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
TOTAL	199,230,804	154,340,660

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
TOTAL	14,283,177	15,954,235

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
TOTAL	2,143,987	2,385,827

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
TOTAL	399,126,457	382,978,130

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
TOTAL	123,537,780	114,175,091

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
TOTAL	42,224,501	39,276,291

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
TOTAL	46,754,996	29,718,412


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
TOTAL	768,252,035	695,101,434

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	-
TOTAL	2,288,152	694,141

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
Cost of raw material consumed during the year (A)	486,762,023	446,763,032

**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
Opening Stocks		
Work in Process	162,069,170	106,045,150
Finished Goods		
-Finished Material	78,610,310	79,195,142
-Scrap	225,500	350,700
(A)	240,904,980	185,590,992

Closing Stocks		
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
Reversal of Provision of Excise duty Payable on Opening Stock of Finished Goods	(C)	-
		10,951,881
DECREASE/(INCREASE) IN INVENTORIES	(A-B-C)	(97,782,410)

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
TOTAL	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
TOTAL	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
MANUFACTURING EXPENSES		
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
ADMINISTRATIVE EXPENSES		
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	-
SELLING & DISTRIBUTION EXPENSES		
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
TOTAL	53,521,595	39,229,581

Property, Plant and Equipments as on 31.03.2019

PARTICULARS	GROSS BLOCK				DEPRECIATION/AMORTISATION				NET 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.	
TANGIBLE ASSETS										
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	-
TOTAL	291,308,879	244,537,409	2,933,536	532,912,752	126,854,985	26,052,049	2,813,892	150,093,143	382,819,610	164,453,894
INTANGIBLES ASSETS										
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
TOTAL	66,438,643	28,896,887	-	95,335,531	3,012,930	11,216,577	-	14,229,507	81,106,024	63,425,713
CWIP	-	-	-	-	-	-	-	-	-	-
TOTAL	-	-	-	-	-	-	-	-	-	-
TOTAL	357,747,522	273,434,297	2,933,536	628,248,283	129,867,915	37,268,626	2,813,892	164,322,650	463,925,633	227,879,607

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)
Present Value of obligations at the end of the year	72,29,089	1,00,99,988

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
Net Asset/ (Liability) recognized in the Balance Sheet	(72,29,089)	(1,00,99,988)

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
Deferred Tax Liabilities	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
Deferred Tax Assets	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
Net Deferred Tax Liabilities [A-B]	343.45	186.53

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 22nd 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

- a) 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)**
- b) 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: 30th May, 2019