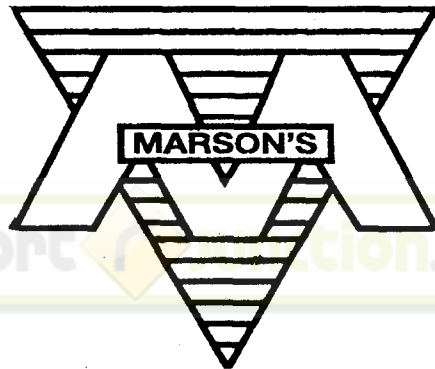


## **ANNUAL REPORT 2002 – 2003**



# **MARSON'S LIMITED**



*Chairman & Managing Director*  
**G. C. Kotla**

*Directors*  
**M. C. Jain**  
**N. Kotla**  
**R. N. Agarwal**  
**Pravin Jain**  
**A. Kotla**  
**S. R. Dutta**  
**R. Kasliwal**

*Auditors*  
**K. K. Jain & Co.**

*Registrar & Transfer Agent*  
**Maheshwari Datamatics Pvt. Ltd.**  
6, Mangoe Lane, 2nd Floor  
Kolkata - 700 001

*Bankers*  
**ALLAHABAD BANK**

*Registered Office*  
**4, CHANDNI CHOWK STREET**  
**KOLKATA - 700 072**

*Corporate Office*  
**18, PALACE COURT**  
**1, KYD STREET**  
**KOLKATA - 700 016**



## **NOTICE**

NOTICE is hereby given that the 26th Annual General Meeting of the members of the Company will be held at Ashutosh Birth Centenary Auditorium (Indian Museum), 27, Jawaharlal Nehru Road, Kolkata - 700 016 on Saturday, the 20th day of September, 2003 at 10.30 A.M. to transact the following business :-

### **AS ORDINARY BUSINESS**

1. To consider and adopt the Balance Sheet as at 31st March, 2003, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors' and the Auditors' thereon.
2. To appoint a Director in place of Sri M. C. Jain, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri Akhilesh Kotia, who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint retiring Auditors of the Company, M/s. K. K. Jain & Co., Chartered Accountants to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

### **AS SPECIAL BUSINESS :**

To consider and if thought fit, to pass with or without modification, the following resolutions :-

#### **5. AS ORDINARY RESOLUTION :**

"RESOLVED THAT Mr. Satya Ranjan Dutta who was appointed as an Additional Director of the Company with effect from 31.03.2003 and who ceases to hold office as such in terms of Section 260 of the Companies Act, 1956, but being eligible for appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

#### **6. AS ORDINARY RESOLUTION :**

"RESOLVED THAT Mr. Rakesh Kashiwal who was appointed as an Additional Director of the Company with effect from 31.03.2003 and who ceases to hold office as such in terms of Section 260 of the Companies Act, 1956, but being eligible for appointment, be and is hereby appointed as a Director of the Company, liable to retire by rotation."

#### **7. AS ORDINARY RESOLUTION :**

"RESOLVED THAT pursuant to Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII to the above referred Act, the Company hereby approves the re-appointment and terms of remuneration of Mr. R.N. Agarwal, Whole Time Director of the Company for a further period of 3 years with effect from 1st June, 2003 upon the terms and conditions set out in the letter dated 30.4.2003 issued to him by the Company, a copy whereof laid on the table and initialled by the Chairman for the purpose of identification, with liberty to the Board of Directors to alter or vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Directors and Mr. R.N. Agarwal."

#### **8. AS SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, including Schedule XIII to the above referred Act, the Company hereby approves the re-appointment and terms of remuneration of Mr. G.C. Kotia as Managing Director of the Company for a further period of 2 years with effect from 1st April, 2003 upon the terms and conditions set out in the letter dated 31st March, 2003 issued to him by the Company, a copy whereof laid on the table and initialled by the Chairman for the purpose of identification, with liberty to the Board of Directors to alter or vary the terms and conditions of the said re-appointment in such manner as may be agreed to between the Directors and Mr. G.C. Kotia."

#### **9. AS SPECIAL RESOLUTION:**

"RESOLVED THAT pursuant to Section 31 and other applicable provisions, if any, of the Companies Act, 1956 the Articles of Association of the Company be and are hereby altered in the following manner :-

- a) By replacing the existing Article 9B with the following :-

##### **9B (i) Nomination of Shares.**

a) Notwithstanding anything contained in these Articles, every holder of shares in or holders of Debentures of the Company may, at any time nominate, in the prescribed manner under the provisions of Sections 109A and 109B of the Act, a person to whom his shares in or Debentures of the Company shall vest in the event of death.

b) Where the Shares in or Debentures of the Company are held by more than one person jointly, the joint holders may together nominate, in the prescribed manner under Section 109A of the Act, a person to whom all the rights in the shares in or Debentures of the Company shall vest in the event of death of all the joint holders.

c) Notwithstanding anything contained in any other law for the time being in force or in any disposition, whether testamentary or otherwise, in respect of such shares in or Debentures of the Company, where a nomination made in the prescribed manner under section 109A of the Act, purports to confer on any person the right to vest the shares in or Debentures of the Company, the nominee shall, on the death of the Shareholder or holder of Debentures of the Company, or, as the case may be, on the death of the joint holders, become entitled to all the rights in the



Shares in or Debentures of the Company, or, as the case may be, all the joint holders, in relation to such Shares in or Debentures of the Company to the exclusion of all other persons, unless the nomination is varied or cancelled in the prescribed manner under Section 109A of the Act.

d) Where the nominee is a minor, it shall be lawful for the holder of shares or holder of Debentures, to make the nomination to appoint, in the prescribed manner under Section 109A of the Act, any person to become entitled to shares in or Debentures of the Company, in the event of his death, during the minority.

**9B (ii) Transmission of Shares**

a) Any person who becomes a nominee by virtue of the provisions of Section 109A of the Act, upon the production of such evidence as may be required by the Board and subject to as hereinafter provided, elect either:

i) to be registered himself as holder of the Shares or Debentures as the case may be :

ii) to make such transfer of the Share or Debentures as the case may be as the deceased shareholder or Debentures holders could have made.

b) If the person being a nominee, so becoming entitled elects to be registered as holder of the Shares or Debentures himself, as the case may be, he shall deliver or send to the Company a Notice in writing signed by him stating that he so elects and such notice shall be accompanied with the death certificate of the deceased shareholder or Debenture holder as the case may be.

c) All the limitations, restrictions and provisions of the Act relating to the right to transfer and the registration of transfer of shares or Debentures shall be applicable to any such notice or transfer as aforesaid as if the death of the Shareholder or Debenture holder had not occurred and the notice or transfer were a transfer signed by that shareholder or Debenture holder.

d) A person, being a nominee, becoming entitled to a share or Debenture by reason of the death of the holder shall be entitled to the same dividends and other advantages to which he would be entitled if he were the registered holder of the share or Debenture except that he shall not, before being registered a number in respect of his share or Debenture, be entitled in respect of it to exercise any right conferred by membership in relation to meetings of the Company.

Provided that the Board may, at any time, give notice requiring any such person to elect either to be registered himself or to transfer the share or Debenture, and if the notice is not complied with within 90 days, the Board may thereafter withhold payment of all dividends, bonuses or other monies payable in respect of the Share or Debenture until the requirements of the notice have been complied with.

b) By inserting the following new Article as Article 57A after Article 57.

'57A. "Notwithstanding anything contained in any of the Articles of the Articles of Association of the Company, but subject to and in full compliance of the requirements of Sections 77A, 77AA and 77B of the Companies Act, 1956 or corresponding provisions of any re-enactment thereof and any rules and regulations that may be prescribed by the Central Government, the Securities & Exchange Board of India (SEBI) or any other appropriate authority in this regard, the Company in a general meeting by a special resolution upon the recommendation of the Board of Directors of the Company subject to such limits, if any, may buy-back any part of the share capital of the Company fully paid-up on that date."

c) By inserting the following new Article as Article 74A. after Article 74.

74A The Company may pass resolution by postal ballot in the manner prescribed by Section 192A of the Companies Act, 1956 and such other applicable provisions of the Act and any future amendments or re-enactments thereof, notwithstanding anything contained in the provisions of the Act, the Company, being a listed Company, shall in the case of resolution relating to such business, as the Central Government may, by notification, declare to be considered only by postal ballot, such resolution passed by means of a postal ballot instead of transacting the business in a general meeting of the Company.

**10. AS SPECIAL RESOLUTION :-**

"RESOLVED THAT subject to the provisions of the Companies Act, 1956, (including any statutory modification(s) or re-enactments thereof for the time being in force), Securities Contracts (Regulation) Act, 1956 and the Rules framed thereunder, Listing Agreements, SEBI Regulations and all other applicable laws, rules and regulations and guidelines and subject to such approvals, permissions and sanctions, as may be necessary and subject to such conditions and modifications as may be prescribed or imposed by any authority while granting such approvals, permissions and sanctions, which may be agreed to by the Board of Directors of the Company (hereinafter referred to as 'the Board', which term shall be, deemed to include any Committee thereof for the time being exercising the powers conferred on the Board by the Resolution), the consent of the Company be and is hereby accorded to the Board to delist the equity shares of the Company from the Calcutta, Delhi, Jaipur and Ahmedabad Stock Exchanges."

By Order of the Board  
For MARSON'S LIMITED  
**M.C. JAIN**  
DIRECTOR

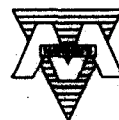
Place: Kolkata  
Date: 30.07.2003



## NOTES

- I. The register of members and the share transfer books of the Company shall remain closed from 15th September, 2003 to 20th September, 2003. (both days inclusive).
- II. A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself/herself and the proxy need not be a member of the Company. However, the proxy forms duly filled up must be lodged with the company before 48 hours of the meeting.
- III. Please note that as per the Notifications of SEBI, the Company's equity shares have been under compulsory demat trading for all the investors. You are therefore, requested to demat your share holding to avoid inconvenience in future.
- IV. Information pursuant to Clause 49 of the Listing Agreement in connection with the Directors liable to retire by rotation at 26th Annual General Meeting.

Name of Director	Mr. M. C. Jain	Mr. Akhilesh Kotia	Mr. S. R. Dutta	Mr. R. Kasliwal	Mr. R. N. Agarwal	Mr. G. C. Kotia
Date of Birth	27.10.1929	30.10.1964	12.09.1941	19.06.1960	01.07.1948	09.10.1931
Date of Appointment	26.08.1976	10.06.1995	31.03.2003	31.03.2003	01.06.1998	26.08.1976
Qualifications	B.Sc.	B. Com.	B. Mat.	B. Com.	B.Sc.	B. Com.
Experience	Associated with the Electrical and Transformer business for over 45 years and have in-depth knowledge in manufacturing and marketing of Power & Distribution of Transformers.	Young Dynamic with expertise in Electric Transformer business and has visited abroad number of times and has good contacts abroad.	Bachelor in material technology and experience in respective line.	Possess good working commercial knowledge.	Chief Executive (Commercial) of the Company was inducted in the Board to act as Director in whole time basis. The tenure has been extended on the basis of his experience and performance.	Associated with the Electrical and Transformer business for over 40 years and have in-depth knowledge in manufacturing and marketing of Power & Distribution of Transformers.
Directorship in other Companies	NIL	1) Marson's Power & Infrastructure Development Ltd. 2) Marson's Textiles Ltd. 3) A.P. Electricals (P) Ltd. 4) Marson's World Com Ltd.	NIL	NIL	NIL	NIL
Chairman/ Membership of the Committees	a) Chairman of Audit Committee of Marson's Ltd. b) Chairman of	1) Member of Shareholders Investors/ Grievance Committee of	1) Member of Audit Committee of Marson's Ltd.	1) Member of Audit Committee of Marson's Ltd. 2) Member of	NIL	NIL



	Remuneration Committee of Marson's Ltd.	Marson's Power & Infrastructure Development Ltd.		Remuneration Committee of Marson's Ltd.		
	c) Chairman of Shareholders' / Investors' Grievance Committee of Marson's Ltd.	2) Member of Remuneration Committee of Marson's Ltd.				
		3) Member of Shareholders' / Investors' Grievance Committee of Marson's Ltd.				
		4) Chairman of Audit Committee of Marson's Textiles Ltd.				
		5) Chairman of Remuneration Committee of Marson's Textiles Ltd.				
		6) Chairman of Shareholders' / Investors' Grievance Committee of Marson's Textiles Ltd.				

**V. Members are requested to :-**

- Notify change of address, if any.
- Send Query (ies), if any, regarding audited accounts atleast 10 days before the meeting.
- Bring with them their copy of the Annual Report in the meeting.
- Please carry their identity proof to produce at the venue for security reasons.

**VI. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is attached herewith and forms part of the Notice.**

Place: Kolkata  
Date: 30.07.2003

By Order of the Board  
For MARSON'S LIMITED  
**M.C. JAIN**  
DIRECTOR





## **EXPLANATORY STATEMENT PURSUANT TO SECTION 173 (2) OF THE COMPANIES ACT, 1956.**

### **Item No. 5 & 6.**

At its meeting held on 31.3.2003, the Board of Directors of the Company appointed Mr. Satya Ranjan Dutta and Mr. Rakesh Kasliwal as additional Directors with effect from the said date. In accordance with the provisions of Section 260 of the Companies Act, 1956, both hold office as Directors only upto the date of the ensuing Annual General Meeting, but, are eligible for appointment as Directors liable to retire by rotation. The required Notice, pursuant to the provisions of Section 257 of the Companies Act, 1956 have been received from the shareholders proposing their name for the Directorship of the Company. The Board propose their appointment for your consideration. None of the Directors except Mr. Satya Ranjan Dutta and Mr. Rakesh Kasliwal in their personal capacity, are interested or deemed to be interested in the proposed resolution.

### **Item No. 7.**

Mr. R.N. Agarwal was appointed as Whole Time Director on 1.6.1998 for a term of 5 years. The Board of Directors of the Company in its meeting held on 30.4.2003 decided to re-appoint him for a further term of 3 years with effect from 1.6.2003.

Mr. R.N. Agarwal, born on 1.7.1948, is a Science Graduate and possess vast experience in commercial line. Mr. Agarwal before being appointed as Director of the Company was working as Chief Executive (Commercial) of the Company. The main terms and conditions of his appointment as contained in the Appointment letter dated 30.4.2003 are as under :-

1. Appointment would be effective from 1st June, 2003 for a period of three years.
2. Mr. R.N. Agarwal will receive a salary of Rs. 13,200/- per month in the Scale of Rs. 13,200/- - Rs. 1,100/- - Rs. 16,500/-.

The perquisites to be offered to him would be as under :-

1. Medical Reimbursement - Reimbursement of Medical Expenses actually incurred for self and family shall be subject to a ceiling of one month's salary in a year.
2. Personal Accident Insurance - Premium not exceeding Rs. 3,000/- per annum.
3. Reimbursement of Cost of Gas & Electricity supply to the extent of 10% of the salary.
4. Contribution to Provident Fund as per rules of the Company. Gratuity payable will not exceed half a month's salary for each completed year of service, subject to such ceiling as per Govt. notification from time to time.
5. Provision of Car for use on Company's business and telephone at residence as per rules of the Company.

The above will be the minimum remuneration payable to Mr. R.N. Agarwal in the event of loss or inadequacy of profit during his tenure.

The above be also treated as notice pursuant to section 303(2) of the Companies Act, 1956.

The Board of Directors recommends the resolution for approval of the members. Save and except Mr. R.N. Agarwal, no other Director of the Company is interested in the proposed resolution.

### **Item No.8.**

Mr. G.C. Kotia, Chairman and Managing Director of the Company was reappointed by the meeting of the Board of Directors of the Company held on 31.3.2003 for a further term of 2 years.

Mr. G.C. Kotia, born on 9.10.1931 is associated with the Electrical and Transformer business for over 40 years and has in-depth knowledge in manufacturing and marketing of power and distribution of Transformers.

The appointment letter issued to him contains the following terms and conditions:-

1. Appointment would be effective from 1st April, 2003 for a period of 2 years.
2. Basic Salary - Rs. 16,800/- per month in the Scale of Rs. 16,800/- - Rs. 1,200/- - Rs. 19,200/- with effect from 1.4.2003.

The perquisites to be offered to him would be as under :-

1. Medical Reimbursement - Reimbursement of Medical Expenses actually incurred for self and family shall be subject to a ceiling of one month's salary in a year.
2. Leave Travel Concession - Once in a year incurred in accordance with Rules specified by the Company.
3. Personal Accident Insurance - Premium not exceeding Rs. 3,000/- per annum.



4. Reimbursement of Cost of Gas & Electricity supply to the extent of 10% of the salary.
5. Club Fees - Fees of Clubs subject to a maximum of two clubs. This would not include admission and life membership fees.
6. Contribution to Provident Fund as per rules of the Company. Gratuity payable will not exceed half a month's salary for each completed year of service, subject to such ceiling as per Govt. notification from time to time.
7. Provision of Car for use on Company's business and telephone at residence as per rules of the Company.

The above will be the minimum remuneration payable to Mr. G.C. Kotia in the event of loss or inadequacy of profit during his tenure as Managing Director.

The above be also treated as notice pursuant to section 303(2) of the Companies Act, 1956.

Since Mr. G.C. Kotia is above 70 years of age, the Board recommends the resolution for approval of members as Special Resolution.

Save and except Mr. G.C. Kotia, in his personal capacity and Mr. Nikhilesh Kotia and Mr. Akhilesh Kotia, being the relatives of Mr. G.C. Kotia, no other Director of the Company is concerned or interested in the proposed resolution.

**Item No. 9.**

- a) In terms of provisions of Section 109A and 109B contained in the Companies (Amendment) Act, 1999 effective from October 31, 1998, a shareholder may now nominate any person in whose name his/her holdings are to be transferred in the event of his/her death.
- b) The proposed change in the Articles is to make a provision to enable the Company to buy its own shares.
- c) As per the provisions of Section 192A of the Companies Act, 1956, the Company is required to pass certain Resolutions only by postal ballot as proposed under the Companies (Passing of Resolutions by postal Ballot) Rules, 2001. However, the present Articles of Association of the Company do not have any provisions authorising postal ballot. In view of this, it is proposed to insert new Article 74A in the Articles of association of the Company to give effect to the said provision.

The Board recommends the above changes for adoption of the members.

None of the Directors of the Company is interested or deemed to be interested in the above resolutions.

**Item No. 10.**

Presently the Company's shares are listed at the following Stock Exchanges :-

- 1) Calcutta
- 2) Delhi
- 3) Mumbai
- 4) Ahmedabad
- 5) Jaipur

and virtually there is no trading at all of the shares of the Company in Calcutta, Delhi, Jaipur and Ahmedabad Stock Exchanges since last few years. Considering the financial position of the Company, listing fee of these Stock Exchanges increases the burden on cash outflow too. Further, since the Company's shares shall remain listed at Mumbai Stock Exchange, the shareholders of the company shall not suffer at all as maximum trading are done only in this Stock Exchange. Again since the Company's shares are in compulsory demat mode, shares of the company are easily tradable. The Board proposes the shares of the company be delisted from Calcutta, Delhi, Jaipur and Ahmedabad Stock Exchanges. Details of application to be filed after approval of members shall be notified in the Newspaper too.

None of the Directors of the Company is interested or deemed to be interested in the proposed resolution.

By Order of the Board  
For MARSON'S LIMITED

Place: Kolkata  
Date: 30.07.2003

M.C. JAIN  
DIRECTOR.





## **DIRECTORS' REPORT**

To  
**THE SHAREHOLDERS,**

The Directors of your company hereby submit their Annual Report together with audited statement of accounts of the Company for the year ended 31st March, 2003.

### **FINANCIAL RESULTS:**

	2002-2003	(Rs. in Lacs) 2001-2002
Surplus / (Deficit) before providing for		
Depreciation for the year	87.20	81.53
Less: Depreciation for the year	62.45	61.04
Profit/(Loss) before Taxation	24.75	20.49
Less: Provision for Income Tax	13.47	8.10
Add: Surplus brought forward	12.75	9.36
Transfer to General Reserve		9.00
Surplus/(Deficit) carried to Balance Sheet	24.03	12.75

### **DIVIDEND**

To augment the Working Capital & to strengthen the reserves, the Directors do not recommend any dividend for the period under Report.

### **CURRENT OPERATION & FUTURE PROSPECTS**

The Company achieved a turnover of Rs. 30 Crores against the previous year's turnover of Rs. 23.70 Crores. The surplus during the year was Rs. 24.75 Lacs compared to surplus of the previous year Rs. 20.49 Lacs. The Management is hopeful in achieving new targets in the current year.

### **AUDITORS' REPORT**

The Notes on Accounts referred to in the Auditors' Report are self-explanatory and therefore, do not call for any further comments.

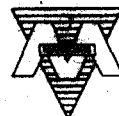
### **PARTICULARS OF EMPLOYEES**

There has been no employee in the category as specified in Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

### **DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 217(2AA) of the Companies Act, 1956, the Directors confirm -

- that in the preparation of Annual Accounts, the applicable accounting standards had been followed along with the proper explanation relating to material departure;
- that the Directors had selected such accounting policies and applied them consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year and of the profit or loss of the company for that period;
- that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities;
- that the Directors had prepared the annual accounts on a going concern basis.



### **PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC.**

The particulars required under Section 217 (1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are attached, forming part of this report.

### **FIXED DEPOSIT**

The Company has complied with the provisions of Section 58A of the Companies Act, 1956.

### **AUDITORS**

M/s. K.K. Jain & Co., Chartered Accountants, the Statutory Auditors retire at the conclusion of the ensuing Annual General Meeting & they have expressed their willingness to accept reappointment and have further confirmed their eligibility under Section 224 (1B) of the Companies Act, 1956.

### **DIRECTORS**

In accordance with the provisions of the Companies Act, 1956 and the Company's Articles of Association, Sri. M.C. Jain & Sri. Akhilesh Kotia, Directors retire by rotation and being eligible offer themselves for reappointment.

Mr. Satya Ranjan Dutta and Mr. Rakesh Kasliwal were appointed as Additional Directors during the year and their appointment as Ordinary Directors liable to retire by rotation for the confirmation of the Members is proposed. Mr. G.C. Kotia, Chairman & Managing Director of the Company and Mr. R.N. Agarwal, Whole-time Director were re-appointed with effect from 01.04.2003 and 01.06.2003 for a tenure of 2 and 3 years respectively. Their appointment is proposed for confirmation of the members.

### **LISTING**

The Shares of the Company are listed at Calcutta, Jaipur, Delhi, Mumbai and Ahmedabad Stock Exchanges. The Board has proposed to delist the shares of the Company from Calcutta, Delhi, Jaipur & Ahmedabad Stock Exchanges and the resolution in this connection has been proposed for the approval of the members.

### **CORPORATE GOVERNANCE:**

Corporate Governance has been implemented by the Board. A report on Corporate Governance along with the Auditors' Certificate thereon is separately attached elsewhere in the Annual Report.

### **DEPOSITORY SYSTEM**

The Company's shares are under compulsory demat mode. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL) and the Company's Shares are tradable in demat mode. Members are requested to dematerialise their holdings for operational convenience.

### **ACKNOWLEDGEMENT**

Your Directors wish to express their gratitude to the banks, financial institutions and all the concerned for their continuous assistance and co-operation. The relations with employees at all levels have remained satisfactory. The Directors place on record their appreciation for the devoted services rendered by the workers, staff and executives of the company.

Place: Kolkata  
Date: 30.07.2003

On behalf of the Board  
**G.C. KOTIA**  
CHAIRMAN & MG. DIRECTOR