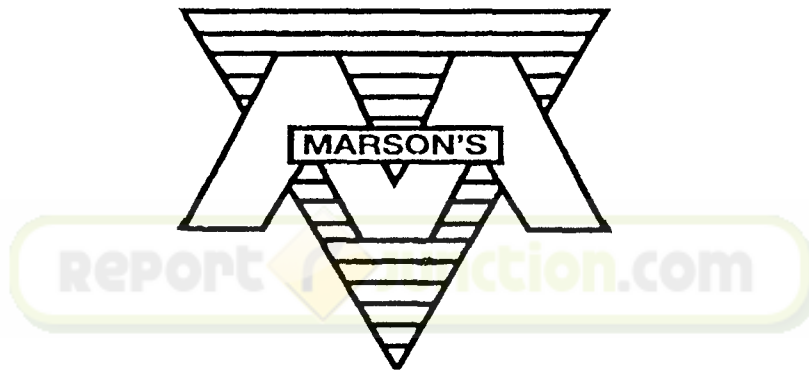


# ANNUAL REPORT 2003 - 2004



## MARSON'S LIMITED

*Pravin Jain*



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

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

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

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

**SA SON'S LIMITED**

*Bankers*  
**ALLAHABAD BANK**  
C. R. Avenue Branch  
Kolkata.

*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 27th 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 25th day of September, 2004 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, 2004, 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 G.C. Kotia, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri R.N. Agarwal, 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.

By Order of the Board  
For MARSON'S LIMITED

Place : Kolkata  
Date : 30.07.2004

G.C. KOTTIA  
MANAGING DIRECTOR

## NOTES

- I. The register of members and the share transfer books of the Company shall remain closed from 20th September, 2004 to 25th September, 2004 (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 mode for all the investors. You are therefore, requested to demat your share-holding to avoid inconvenience in future.
- IV. Members are requested to :-
  - a) Notify change of address, if any.
  - b) Send Query (ies), if any, regarding audited accounts atleast 10 days before the meeting.
  - c) Bring with them their copy of the Annual Report in the meeting.
  - d) Please carry their identity proof to produce at the venue for security reasons.

By Order of the Board  
For MARSON'S LIMITED

Place : Kolkata  
Date : 30.07.2004

G.C. KOTTIA  
MANAGING 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 31<sup>st</sup> March, 2004.

### FINANCIAL RESULTS:

|   | 2003-2004    | (Rs. in Lacs)<br>2002-2003 |
|---|--------------|----------------------------|
| Surplus / (Deficit) before providing for                    |              |                            |
| Depreciation for the year                                   | 89.02        | 87.20                      |
| Less : Depreciation for the year                            | 62.66        | 62.45                      |
| Profit/(Loss) before Taxation                               | 26.36        | 24.75                      |
| Less: Provision for Income Tax (Net of Deferred tax Assets) | (25.62)      | 13.47                      |
| Add: Surplus brought forward                                | 14.02        | 12.75                      |
| <b>TOTAL EARNINGS</b>                                       | <b>66.00</b> | <b>24.02</b>               |

### Appropriation :

|  |              |              |
|--|--------------|--------------|
| Transfer to General Reserve                | 50.00        | 10.00        |
| Surplus/(Deficit) carried to Balance Sheet | 16.00        | 14.02        |
|  | <u>66.00</u> | <u>24.02</u> |

### 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. 27.36 Crores against the previous year's turnover of Rs. 25.75 Crores. The surplus during the year was Rs. 26.36 Lacs compared to surplus of the previous year Rs. 24.75 Lacs. The Management is hopeful to do better in the light of outgoing power reforms.

### 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.

## **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. G.C. Kotia & Sri. R. N. Agarwal, Directors retire by rotation and being eligible offer themselves for reappointment.

## **LISTING**

The Shares of the Company are listed at Calcutta, Jaipur, Delhi, Mumbai and Ahmedabad Stock Exchanges, and the Listing Fees to all the stock exchanges have been paid upto 31.03.2005. The Company has applied for delisting of its shares from Delhi, Jaipur and Ahmedabad stock exchanges and the approval for such is awaited.

## **CORPORATE GOVERNANCE:**

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.

## **ACKNOWLEDGMENT**

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.

On behalf of the Board

**G.C. KOTIA**

CHAIRMAN AND MANAGING DIRECTOR

Place : Kolkata

Date : 30.07.2004



INFORMATION AS PER SECTION 217(1)(e) OF COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2004.

## A CONSERVATION OF ENERGY

### 1) Research and Development (R & D)

- |   |   |  |
|---|---|--|
| a) Specific areas in which R & D carried out by the Company   | : | Improvement in Transformer Design  |
| b) Benefits derived as result of the above R & D              | : | Development of these Transformers will enable the Company to capture the major portion of the market in future as these are cheaper, easy to handle and results in lower losses. |
| c) Future plan of action                                      | : | It is proposed to convert more areas in new product development, quality improvement and cost reduction.   |
| d) Expenditure of R & D                                       |   |  |
| i) Capital  | : | Nil  |
| ii) Recurring   | : | Nil  |
| iii) Total  | : | Nil  |
| iv) Total R & D Expenditure as a Percentage of total Turnover | : | Nil  |

### 2) Technology absorption, adoption and innovation

- |  |   |   |
|--|---|---|
| a) Efforts in brief made towards technology absorption, adoption and innovation  | : | All technology adopted by the Company has been development in house.  |
| b) Benefits derived as result of the above efforts e.g. product improvement<br>Construction, Product Development, import Substitution etc.                     | : | Since technology has been developed, in house absorption and adoption is efficient. Further significant cost reduction has been achieved. |
| c) In case of imported technology (imported During the last 5 years Reckoned from the Beginning of the financial Year) following information may be furnished. | : | There has been no import of technology hence not applicable.  |

## B. FOREIGN EXCHANGE EARNING AND OUTGO

- |   |   |   |
|---|---|---|
| 1) Activities relating to export initiative taken to increase export, development of new export markets for production and services and export plans. | : | The Company is developing export market for the products and other items. |
| 2) a) Total Foreign Exchange used   | : | Rs. 21,90,710/-   |
| b) Total Foreign Exchange earned  | : | Nil   |



## CORPORATE GOVERNANCE:

### 1. Company's Philosophy on code of Governance:

Marson's philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity in all facets of its operation and in all its interactions of its stake holders including share holders, employees the Government and Lenders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

### 2. BOARD OF DIRECTORS :

#### a) Composition and Category of Directors:

The Board of Directors headed by a Chairman & Managing Director is comprised of 4 non-executive independent directors and 4 Executive directors as on 31.03.2004. Composition of the Board is as follows:

| Name of Director | Category                     |
|------------------|------------------------------|
| 1. G.C. Kotia    | Chairman & Managing Director |
| 2. M.C. Jain*    | Director                     |
| 3. N. Kotia      | Executive Director           |
| 4. R.N. Agarwal  | Executive Director           |
| 5. Pravin Jain   | Executive Director           |
| 6. A. Kotia*     | Director                     |
| 7. S.R. Dutta*   | Director                     |
| 8. R. Kasliwal*  | Director                     |

\* Independent Non-Executive Directors.

#### b) Attendance of each Director at the Board Meeting and the last Annual General Meeting:

| Name of Director | No. of Board Meetings held | No. of Board Meetings Attended | Attendance at the last A.G.M. |
|------------------|----------------------------|--------------------------------|-------------------------------|
| 1. G.C. Kotia    | 9                          | 9                              | Yes                           |
| 2. M.C. Jain     | 9                          | 6                              | Yes                           |
| 3. N. Kotia      | 9                          | 9                              | Yes                           |
| 4. R.N. Agarwal  | 9                          | 8                              | Yes                           |
| 5. Pravin Jain   | 9                          | 9                              | Yes                           |
| 6. A. Kotia      | 9                          | 6                              | Yes                           |
| 7. S.R. Dutta*   | 9                          | —                              | No                            |
| 8. R. Kasliwal*  | 9                          | —                              | No                            |

\* Leave of absence were granted



**c) Number of other Directorship and Chairmanship/Membership of Committee of each Director\* :**

| Name of the Director | No. of Directorship<br>in other Boards | No. of<br>Chairmanship/<br>Membership of<br>other Board<br>Committee |
|----------------------|--|--|
| 1. G.C. Kotia        | —                                      | —  |
| 2. M.C. Jain         | —                                      | —  |
| 3. N. Kotia          | 1                                      | 3  |
| 4. R.N. Agarwal      | —                                      | —  |
| 5. Pravin Jain       | —                                      | —  |
| 6. A. Kotia          | 2                                      | 4  |
| 7. S.R. Dutta        | —                                      | —  |
| 8. R. Kasliwal       | —                                      | —  |

★ Number of Directorships/Memberships held in other companies excludes Directorships/Memberships in private limited companies, foreign companies, membership of various committees of various chambers/bodies and alternate directorships.

**d) Details of Board Meetings held during the year :**

| Date       | Board Strength | No. of Directors present |
|------------|----------------|--------------------------|
| 12.04.2003 | 8              | 6                        |
| 30.04.2003 | 8              | 5                        |
| 14.06.2003 | 8              | 6                        |
| 30.07.2003 | 8              | 5                        |
| 30.10.2003 | 8              | 4                        |
| 24.01.2004 | 8              | 6                        |
| 30.01.2004 | 8              | 4                        |
| 06.02.2004 | 8              | 6                        |
| 31.03.2004 | 8              | 5                        |





### 3. COMMITTEES OF THE BOARD:

#### (a) Audit Committee:

The audit committee comprises of the following non-executive independent directors :

1. Mr. M.C. Jain - Chairman
2. Mr. S.R. Dutta
3. Mr. R. Kasliwal

Meetings of the Audit Committee and attendance of the members therein in 2003-2004.

|                 | 14.06.03 | 30.07.03 | 30.10.03 | 30.01.04 |
|-----------------|----------|----------|----------|----------|
| Mr. M.C. Jain   | Yes      | Yes      | Yes      | Yes      |
| Mr. S.R. Dutta  | Yes      | Yes      | Yes      | Yes      |
| Mr. R. Kasliwal | Yes      | Yes      | Yes      | Yes      |

#### ★ Functions of the Committee

1. Review with the management and/or Internal Audit Department and/or Statutory Auditors :
  - i) Company's financial statements and reports.
  - ii) Disclosure of Company's financial information to ensure the same is correct, sufficient and credible.
  - iii) Changes/improvements in Financial/Accounting practices ;
  - iv) Adequacy of Internal Audit Function and Systems ; and
  - v) Charter of Audit Committee.

#### 2. Hold discussions with:

- i) Statutory Auditors, before and after audit on the scope and area of Concern;
- ii) Internal Audit Department on its significant findings and also failure of Internal Control Systems, if any; and
- iii) Management before submission of financial statements to the Board

#### 3. Compliance with Accounting Standards, Legal requirements and Ethical Code.

#### b) Remuneration Committee :

The remuneration committee comprises of the following non-executive Independent Directors.

1. Mr. M.C. Jain - Chairman
2. Mr. A. Kotia
3. Mr. R. Kasliwal

#### ★ Functions of the Committee

The Policy decision prescribes for payment of Compensation to Executive Directors by way of salary and other perquisites.

#### ★ Remuneration Policy

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industry practice. The Committee met once on 23.04.2003 and all the members were present therein.



The aggregate value of salary & perquisites paid to Mr. G.C. Kotia for the year ended 31.3.2004 was Rs. 2,21,760/-, Mr. N. Kotia Rs. 1,98,000/-, Mr. Pravin Jain Rs. 1,47,840/- and Mr. R.N. Agarwal Rs. 1,74,240/-. No sitting fee was paid to any Director for attending any meeting of the Board of Directors or Committee thereof.

**c) Share holders'/Investors' Grievance Committee :**

The Share holders' /Investors' Grievance Committee under the Chairmanship of independent non-executive director comprises of the following directors:

1. Mr. M.C. Jain – Chairman
2. Mr. N. Kotia
3. Mr. A. Kotia

The committee met on 16.04.2003, 30.04.2003, 15.05.2003, 31.05.2003, 16.06.2003, 30.06.2003, 15.07.2003, 31.07.2003, 16.08.2003, 15.09.2003, 30.09.2003, 31.10.2003, 15.11.2003, 29.11.2003, 15.12.2003, 31.12.2003, 15.01.2004, 31.01.2004, 16.02.2004, 28.02.2004, 15.03.2004 and 31.03.2004 during the year.

**Compliance Officer : Mr. G.C. Kotia, Chairman & Managing Director.**

Telephone : (033) 2240-0765

★ **Functions and activities:**

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfer. The Committee also looks into redressal of Shareholders' /Investors' complaints like transfer of shares, non-receipt of Balance Sheet, etc. During the year under review the Company has generally processed all the applications within time except for certain cases due to unavoidable reasons.

★ **Share Transfer System :**

The Company's shares are traded in the Stock Exchanges compulsorily in Demat mode. Shares in physical mode which are lodged for transfer are processed and returned to the shareholders within the stipulated time.

**4. General Body Meetings:**

The last three Annual General Meetings of the Company were held as under:

| Year      | Location  | Date       | Time       |
|-----------|---|------------|------------|
| 2000-2001 | Ashutosh Birth<br>Centenary Auditorium<br>(Indian Museum)<br>27, J.L. Nehru Road<br>Calcutta - 700 016. | 29.09.2001 | 10.00 A.M. |
| 2001-2002 | -do-  | 28.09.2002 | 10.30 A.M. |
| 2002-2003 | -do-  | 20.09.2003 | 10.30 A.M. |

Note : There were no special resolutions required to be passed through Postal Ballot at any of the above General meetings. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal ballot.