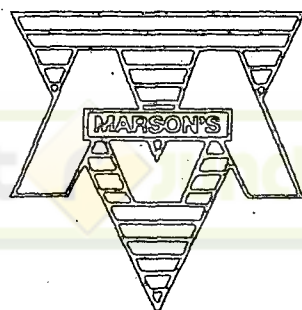


## ANNUAL REPORT 2006-2007



MARSON'S LIMITED



**BOARD OF DIRECTORS**

- : 1. Mr. G. C. Kotia – Chairman
- 2. Mr. Akhilesh Kotia – Managing Director
- 3. Mrs. Charu Kotia – Director
- 4. Mr. V. M. Swami – Director
- 5. Mr. Manoj Banka – Director
- 6. Mr. Peeyush Jain – Director
- 7. Mr. P. R. Dutta – Technical Director

**AUDITORS**

- : K. K. Jain & Co.  
Chartered Accountant

**REGISTRAR &  
SHARE TRANSFER AGENT**

- : Maheswari Datamatics Pvt. Ltd.  
6, Mangoe Lane, 2nd Floor,  
Kolkata - 700 001

**BANKERS**

- : ALLAHABAD BANK  
C. R. Avenue Branch  
Kolkata

**REGISTERED OFFICE**

- : 4, CHANDNI CHOWK STREET  
KOLKATA - 700 072



## NOTICE

NOTICE is hereby given that the 30<sup>th</sup> Annual General Meeting of the members of the Company will be held at Bhartiya Bhasha Parisad, 36A Shakespeare Sarani, Kolkata - 700017 on Saturday, the 16<sup>th</sup> day of June, 2007 at 11.30 A.M. to transact the following business:

### As Ordinary Business:

1. To consider and adopt the Balance Sheet as at 31<sup>st</sup> March, 2007, 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 V. M. Swami, who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri Peeyush Jain, 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 Smt. Charu Kotia who was appointed as an Additional Director of the company with effect from 17.05.2007 and who ceases to hold office as such in terms of Section 260 of the Companies Act, 1956 and 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 pursuant to Sections 198, 269, 309 and other applicable provisions, if any, of the Companies Act, 1956, read with Schedule XIII to the above referred Act, the company hereby approves the revision in terms and conditions of the appointment and terms of remuneration of Mr. Akhilesh Kotia as Managing Director of the company for his balance period of 4 years with effect from 1<sup>st</sup> June, 2007 upon the terms and conditions set out in the letter dated 17<sup>th</sup> May, 2007 issued to him by the Company, a copy of whereof laid on the table and initialed 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 appointment in such manner as may be agreed to between the Directors and Mr. Akhilesh Kotia."

#### 7. As Ordinary Resolution :

"RESOLVED THAT pursuant to Section 94 of the Companies Act, 1956 the authorized capital of the Company be increased from Rs. 14,00,00,000/- comprising of 7,00,00,000 equity shares of Rs. 2/- each to Rs. 15,00,00,000/- comprising of 7,50,00,000 equity shares of Rs. 2/- each by creation of further 50,00,000 equity shares of Rs. 2/- each ranking pari passu in all respects with the existing equity shares and the existing clause V of the Memorandum of Association of the Company be replaced with the following :



- V. The Authorised Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores only) divided into 7,50,00,000 (Seven Crore Fifty Lacs) equity shares of Rs. 2/- (Rupees Two) each with power to sub-divide, consolidate and increase or reduce with power from time-to-time to issue any share of the original capital or any new capital, and to divide the shares for the time being of the Company into several classes or stock or shares and to attach thereto respectively such preferential rights, privileges or conditions as may be determined by or in accordance with the regulations of the Company and to vary, modify or abrogate and any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

8. **As Special Resolution**

"RESOLVED THAT in accordance with the provisions of Section 81 (1A) and other applicable provisions, if any, of the Companies Act, 1956, the Articles of Association of the Company and subject to the guidelines issued by the Securities and Exchange Board of India and such other approvals, permissions and sanctions, as may be required under applicable laws, rules and regulations and changes and variations, if any, that may be stipulated under such approvals, permissions and sanctions, the Board of Directors of the Company be and is hereby authorized to offer, issue and allot, in part or in full 25,00,000 Equity Shares of Rs. 2/- (Two) each for cash at a consideration of Rs. 4.10 (Rupees Four and Paise Ten only) per share on such terms and conditions and to such persons as the Board may deem proper including to the promoters, relatives, associates, existing shareholders, directors and their friends, relatives, employees, Indian Public, non-residents, Companies, body corporate, overseas bodies, financial institutions, mutual funds or to the exclusion of any one or more or such individuals or group of individuals as the Board of Directors of the Company may deem fit, on preferential basis as per guidelines on Preferential Issues dated 4<sup>th</sup> August, 1994 (as amended upto date) and as issued by the Securities and Exchange Board of India (SEBI).

RESOLVED FURTHER THAT the shares so issued and fully paid-up shall rank pari-passu in all respects after the allotment and shall be entitled for the bonus shares or right shares or dividend if offered or declared by the company.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Directors of the Company be and is hereby authorized to take such steps and to do all such acts, deeds, matters and things and accept any alteration(s) or modification(s) as they may deem fit and proper and give such directions as may be necessary to settle any question of difficulty that may arise in regard to the issue and allotment of the said equity shares, if any, in such manner as may appear to the Board of Directors to be most beneficial to the company."

9. **As Special Resolution:**

"RESOLVED THAT pursuant to Section 94(1)(d) of the Companies Act, 1956 the nominal value of an equity share of the company be increased from Rs. 2/- each to Rs. 10/- each and accordingly the nominal capital of Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) of the Company be comprises of 1,50,00,000/- Equity Shares of Rs. 10/- each instead of 7,50,00,000/- Equity Shares of Rs. 2/- each.



RESOLVED FURTHER THAT Clause V of the Memorandum of Association of the Company be replaced with the following :

V. "The Share Capital of the Company is Rs. 15,00,00,000/- (Rupees Fifteen Crores Only) divided in 1,50,00,000/- (One Crore Fifty Lakh) Equity Shares of Rs. 10/- (Rupees Ten) each with power to sub-divide, consolidate and increase or decrease with power from time to time to issue any share of the original capital or any new capital, and to divide the shares for the time being of the Company into several classes of stock or shares and to attach thereto respectively such preferential rights, privileges or conditions as maybe determined by or in accordance with the regulations of the company and to vary, modify or abrogate and any such rights, privileges or conditions in such manner as may for the time being be provided by the regulations of the Company."

RESOLVED FURTHER THAT all the fractional shares as derived from such increase of face value of an equity share of the company from Rs.2/- to Rs. 10/- each, at a record date as fixed by the Board of Directors of the Company, be aggregated and rounded off to the nearest figure and such consolidated shares shall stand vested with a trustee, to be appointed by the Board of Directors of the company and such trustee shall hold such consolidated shares in good faith and shall dispose the same at the best available price and the net proceeds received from sale of such consolidated shares shall be distributed among the fractional shareholders as on the record date as fixed by the Board of Directors of the Company in proportion to their respective fractional shareholding.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized and empowered to decide the procedure and to give such directions as it may deem fit and proper including directions for settling any doubts, questions or difficulties which may arise in regard to the above and to comply with all the formalities, compliances or abide by any provisions, stipulations or orders etc. of the Companies Act, 1956, SEBI, listing agreement with the Stock Exchanges, NSDL, CDSL or any other authorities as may be and also to do all such acts, deeds, matters and things as it may in its absolute discretion consider necessary, expedient, usual and proper and to accept such amendments, modifications, variations and alterations as the appropriate authorities may stipulate in this regard."

By Order of the Board  
For Marson's Limited.

Akhilesh Kotia  
Managing Director

Place: Kolkata  
Date : 17.05.2007



### NOTES

1. The register of members and the share transfer books of the Company shall remain closed from 11.06.2007 to 16.06.2007 (both days inclusive).
2. *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.*
3. 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 shareholding to avoid inconvenience in future.
4. Members are requested to :-
  - i) Notify change of address, if any.
  - ii) Send Query (ies), if any, regarding audited accounts atleast 10 days before meeting.
  - iii) Bring with them their copy of the Annual Report in the meeting
  - iv) Carry their identity proof to produce at the venue for security reasons.
5. Information pursuant to Clause 49 of the Listing Agreement in connection with the Directors seeking appointment/re-appointment:

Name of Director	Mr. Peeyush Jain	Mr. V. M. Swami	Mrs. Charu Kotia
Date of Birth	18.07.1962	30.06.1940	05.11.1970
Date of Appointment	14.12.2004	04.01.2005	17.05.2007
Qualification	B. Com.	M.Com, LLB, CAIIB	B.A.
Experience	Possess vast Commercial knowledge	Associated with Banking Sector for over 35 yrs and retired as GM. Presently associated with Surana Industries Ltd. as Director Finance.	Possess good working commercial knowledge
Directorship in other Companies	Unicop Technologies (Office Automation) Ltd.	Surana Industries Ltd.	1) Marson's Power & Infrastructure Development Ltd. 2) A.P. Electricals Pvt. Ltd.
Chairman/Member-ship of the Committee	NIL	NIL	1) Member of Audit Committee of Marson's Power & Infrastructure Development Ltd.

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

By Order of the Board  
For Marson's Limited

Akhilesh Kotia  
Managing Director

Place: Kolkata  
Date: 17.05.2007



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

**Item No. 5**

Mrs. Charu Kotia was inducted in the Board as an Additional Director with effect from 17.05.2007. In accordance with the provisions of Section 260 of the Companies Act, 1956, she holds office as Director only upto the date of the ensuing Annual General Meeting, and is eligible for appointment as director liable to retire by rotation. The required notice, pursuant to the provisions of Section 257 of the Companies Act, 1956 has been received from shareholder proposing her name for the directorship of the company. The Board proposes her appointment for your consideration.

None of the Directors, except Mrs. Charu Kotia in her personal capacity, and Mr. G. C. Kotia and Mr. Akhilesh Kotia, being the relatives of Mrs. Charu Kotia, no other directors of the company is concerned or interested in the proposed resolution.

**Item No. 6**

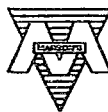
Mr. Akhilesh Kotia born on 30.10.1964 is associated with the Electrical and Transformer business for over 20 years and has in-depth knowledge in manufacturing and marketing of power and distribution of Transformers. Mr. Akhilesh Kotia was appointed as Managing Director of the company w.e.f. 01.04.2006 by the meeting of the Board of Directors of the Company held on 31.03.2003 for a term of 5 years.

On the recommendation of the remuneration committee, the Board of Directors of the company vide their meeting held on 17.05.2007 has decided to revise the remuneration payable to Mr. Akhilesh Kotia as Managing Director of the Company, subject to approval of the members, as follows:

1. Basic Salary – Rs. 25000/- per month w.e.f. 01.06.2007 upto 31.03.2011.
2. The perquisites to be offered to him would be as under:
  - a) Medical Reimbursement – Reimbursement of Medical Expenses actually incurred for self and family but subject to a ceiling of one month's salary in a year.
  - b) Leave Travel Concession – Once in a year incurred in accordance with rules specified by the Company.
  - c) Personal Accident Insurance – Premium not exceeding Rs. 15,000/- per annum.
  - d) Reimbursement of Cost of Gas & Electricity supply to the extent of 10% of the salary.
  - e) Club Fees – Fees of Clubs subject to a maximum of two clubs. This would not include admission and life membership fees.
  - f) 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.
  - g) Provision of Car for use on Company's business and telephone at residence as per rules of the Company.
  - h) 1% Commission on the Net Turnover of the Company.

The above will be the minimum remuneration payable to Mr. Akhilesh Kotia in the event of loss or inadequacy of profit during his tenure as Managing Director. However, in any case it shall not exceed the limits as set out in Schedule XIII to the Companies Act, 1956.





The above information may also be treated as a notice under Section 302 of the Companies Act, 1956.

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

**Item No. 7**

In order to expand the business activities it is necessary to provide for a higher amount of capital. Hence, it is proposed to increase the authorized capital of the Company from its present level of Rs. 14 Crore to Rs. 15 Crore. Accordingly, the resolution for alteration in the Memorandum and Articles of Association of the Company is proposed for your approval.

None of the directors of the Company are interested or deemed to be interested in the proposed resolution.

**Item No.-8**

The special resolution as contained in the resolution proposes to authorize the Board of Directors to raise Rs. 1.025 Crores (Rupees One Crore Two Lac Fifty Thousand only) in the form of equity to meet the working capital requirement of the Company for fulfilling its commitment to deliver the orders-in-hand in time and also to upgrade its facility for manufacturing of transformers upto 100 MVA 220 KV Class from the present capacity of 100 MVA 132 KV Class by issue of 25,00,000 Equity Shares of Rs. 2/- (Two) each of the company at a total consideration of Rs. Rs. 1.025 Crores (Rupees One Crore Two Lac Fifty Thousand only) each at a future date but within the period of 15 days from the issue or as permitted, as per the Guidelines for Preferential Issue of Shares issued by SEBI and/or any other regulatory authorities.

The issue of the shares as mentioned in the resolution requires the consent of the shareholders and the Directors recommend the resolution for your approval.

As required by Regulation 13.1A of the Guidelines for Preferential Issue of Shares as issued by the Securities and Exchange Board of India in terms of Chapter XIII to the SEBI (Disclosure & Investor Protection) Guidelines, 2000 and the provisions of the listing agreement with the Stock Exchanges, the necessary information pertaining to the proposed preferential allotment is set out below:

**1. CLASS OF PROPOSED ALLOTEES:**

It is proposed to issue upto 25,00,000 Equity Shares to Promoters of the Company and its relatives / associates, Directors and its relatives and associates, Companies, private body corporates, financial institutions, overseas corporate bodies, non-resident individuals, shareholders or any such individual or group of individuals as the Board of Directors of the Company may deem fit.

**2. PRICE AT WHICH ALLOTMENT IS PROPOSED:**

The Securities and Exchange Board of India has issued Guidelines on Preferential Issues (SEBI Guideline on Preferential Issue, 1994 as amended upto date) of Securities. As per the above referred Guidelines, the pricing of the equity shares issued on a preferential basis cannot be less than the higher of:





- a) The average of the weekly high and low of the closing prices of the Equity Shares of the Company quoted on the Stock Exchange during the six months preceding the Relevant Date  
OR  
b) The average of the weekly high and low of the closing prices of the Equity Shares of the Company quoted on the Stock Exchange during the two weeks preceding the Relevant Date.

The pricing of the Shares as Rs. 4.10 (Rupees Four and Paise Ten only) each as derived, is in accordance with aforesaid formula of SEBI Preferential Issue and the Company has obtained a certificate from the auditors of the company in this regard.

**Relevant Date –** 17<sup>th</sup> May, 2007 is the Relevant Date in terms of Explanation (a) to the Regulation 13.1.1.1 of the Guidelines for Preferential Issue as issued by SEBI, on the basis of which price of the resultant shares have been calculated.

**3. IDENTITY OF THE PERSONS TO WHOM THE ALLOTMENT OF SHARES IS PROPOSED :**

S. No.	Name of the Allottee(s)	No. of Shares of Rs. 2/- each proposed to be allotted	% of Post Preferential issue Capital that may be held by the Allottees (including the existing holding)*	Category
	<b>PROMOTERS ::</b>			
1.	Gyan Chand Kotia	25,00,000	8.49	Promoters
	<b>TOTAL</b>	<b>25,00,000</b>		

\* It is presumed that the allottee will exercise his option in full.

**4. PURPOSE OF AND THE REASON FOR SUCH ALLOTMENT:**

It is proposed to raise the fund in the form of equity to meet the working capital requirement of the Company for fulfilling its commitment to deliver the orders-in-hand in time and also to upgrade its facility for manufacturing of transformers upto 100 MVA 220 KV Class from the present capacity of 100 MVA 132 KV Class. It is considered that with this issue of shares the Company will be in a position to meet its funding plans expeditiously.

**5. CONSEQUENTIAL CHANGE IN THE BOARD OF DIRECTORS OF THE COMPANY:**

There will be no change in the composition of Board of Directors as a result of this Preferential Allotment.

**6. CONSEQUENTIAL CHANGES IN THE MANAGEMENT CONTROL OF THE COMPANY:**

There will be no change in the Management Control of the Company.



## 7. CONSEQUENTIAL CHANGES IN THE VOTING RIGHTS :

The consequential changes in voting rights are as follows : (Equity Shares of Rs. 2/- each)

Category of Shareholders	PRE ISSUE				POST ISSUE*	
	As on 31.03.2007		As on Relevant Date i.e. 17.05.2007			
	No. of Shares Held	% of Voting Rights	No. of Shares Held	% of Voting Rights	No. of Shares Held	% of Voting Rights
Promoters ::						
A) Indian Promoters						
i) Others	5942125	11.00	5976525	11.07	5976525	10.58
ii) Gyan Chand Kotia	2286205	4.24	2296205	4.25	4796205	8.49
<b>TOTAL</b>	<b>8228330</b>	<b>15.24</b>	<b>8272730</b>	<b>15.32</b>	<b>10772730</b>	<b>19.07</b>
Non-Promoters ::	45771670	84.75	45727270	84.63	45727270	80.93
<b>GRAND TOTAL</b>	<b>54000000</b>	<b>100.00</b>	<b>54000000</b>	<b>100.00</b>	<b>56500000</b>	<b>100.00</b>

\* It is presumed that the allottees will exercise their option in full.

## 8. LOCK-IN:

The shares to be allotted to the allottee shall be subject to lock-in for 3(three) years from the date of allotment in accordance with the Guidelines of Issue of Shares on Preferential Basis in terms of Chapter XIII as issued by SEBI (Disclosure and Investors Protection) Guidelines, 2000, as amended.

9. The proposed allottee has confirmed in writing that his existing holding shall also remain lock-in in terms of Regulation 13.3.1(g) of the guidelines on Preferential Issue of Shares as issued by SEBI.

10. The proposed allottee has confirmed that he has not sold any share of the company in last six months and is eligible for allotment in terms of Regulation 13.3.1(h) of the Guidelines on Preferential Issue of Shares as issued by SEBI.

11. The proposed allottee has expressed his willingness to subscribe for the shares to be issued to him on Private Placement Basis.

The Board recommends the resolution for approval of the members.

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

By Order of the Board  
For Marson's Limited

Akhilesh Kotia  
Managing Director

Place: Kolkata  
Date : 17.05.2007