

MARSONS

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**MARSONS
LIMITED**

**ANNUAL
REPORT
2008-2009**

MARSONS

BOARD OF DIRECTORS :

1. Mr. Gyan Chand Kotia - Chairman
2. Mr. Akhilesh Kotia - Managing Director
3. Mrs. Charu Kotia - Executive Director
4. Mr. V. M. Swami - Director
5. Mr. Manoj Banka - Director
6. Mr. Peeyush Jain - Director

AUDITORS :

K. K. JAIN & CO.
Chartered Accountant

COMPANY LAW CONSULTANT :

A. K. LABH & CO.
Company Secretaries

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

MARSONS**NOTICE**

NOTICE is hereby given that the 32nd Annual General Meeting of the members of the Company will be held at Bengal National Chamber of Commerce & Industry, 23 R. N. Mukherjee Road, Kolkata - 700001 on Friday, the 7th day of August, 2009 at 11.30 A.M. to transact the following business:

As Ordinary Business:

1. To consider and adopt the Balance Sheet as at 31st March, 2009, 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 Gyan Chand Kotia, who retires by rotation and being eligible offers himself for re-appointment
3. To appoint a Director in place of Smt. Charu Kotia, who retires by rotation and being eligible offers herself 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 resolution:

5. 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. 18,00,00,000/- (Rupees Eighteen Crores Only) of the company be comprises of 1,80,00,000 Equity Shares of Rs. 10/- each instead of 9,00,00,000 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. 18,00,00,000/- (Rupees Eighteen Crores Only) divided in 1,80,00,000 (One Crore Eighty 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 shares 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 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.

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 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 authorised and empowered to decide the procedure and to give such directors as it may deem fit and proper including directions for setting any doubts, questions or difficulties which may arise in regard to the above and to comply with all the formalities, compliances of 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 any 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 amendment, modification, variations and alterations as the appropriate authorities may stipulate in this regard."

By Order of the Board
For Marsons Limited

Place : Kolkata
Date : 29.06.2009

Akhilesh Kotia
Managing Director

MARSONS**NOTES**

1. The register of members and the share transfer books of the Company shall remain closed from 03.08.2009 to 07.08.2009 (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. Explanatory Statement pursuant to the provisions of Section 173(2) of the Companies Act, 1956 is attached herewith and forms part of the Notice.
5. Information pursuant to Clause 49 of the Listing Agreement in connection with the Directors seeking appointment/re-appointment:

Name of Director	Mr. Gyan Chand Kotia	Mrs. Charu Kotia
Date of Birth	09.10.1931	05.11.1970
Date of Appointment	26.08.1976	17.05.2007
Qualification	B.Com.	B.A.
Experience	Associated with the Electrical and Transformer business for over 40 years and is pioneer in developing the company as promoter director since inception of the company.	Possess good working commercial experience
Directorship in other Companies	1. Advance Power Technologies Ltd. 2. Marsons Metals Pvt. Ltd. 3. Marsons Powergen Pvt. Ltd. 4. Marsons Logistics Pvt. Ltd. 5. Marsons Board Pvt. Ltd. 6. Marsons Petro Products Pvt. Ltd.	1. Advance Powerinfra Tech Ltd. 2. Advance Power Technologies Ltd. 3. Marsons Metals Pvt. Ltd. 4. Marsons Powergen Pvt. Ltd. 5. Marsons Logistics Pvt. Ltd. 6. Marsons Board Pvt. Ltd. 7. Marsons Petro Products Pvt. Ltd.
Chairman/ Membership of the Committees of ther Companies	---	1. Member of Audit Committee of Advance Powerinfra Tech Ltd.

6. 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.

By Order of the Board
For Marsons Limited

Place: Kolkata
Date: 29.06.2009

Akhilesh Kotia
Managing Director

MARSONS**EXPLANATORY STATEMENT PURSUANT TO SECTION 173(2) OF THE COMPANIES ACT, 1956****Item No. 5**

The Company's Nominal Capital is Rs. 18,00,00,000/- whereas the paid up capital as on date is Rs. 18,00,00,000/- comprises of 9,00,00,000 Equity Share of Rs. 2/- each and all the shares are fully paid up. The Company's shares are listed at Bombay Stock Exchange. The Company has 20,000 (approx) shareholders spread all over the Country as on date. The Company wants to standardize the face value of the shares of the Company to match with the majority of the comprise is the Capital Market. The Company is one of the pioneer in power sector and has a consistent track record of profitability reflected in depthness of its reserves. Considering all the factors, the management has proposed to increase the face value of the share of the Company from Rs. 2/- each to 10/- each. The management is hopeful that the fraternity of shareholders with the above proposal will be consolidated all these things in nutshell shall be beneficial for the company and its shareholders.

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 Marsons Limited

Place: Kolkata
Date : 29.06.2009

Akhilesh Kotia
Managing Director

MARSON'S**DIRECTORS' REPORT**

To
The Shareholders,
The Directors of your company hereby submit their 32nd Annual Report together with audited statement of accounts of the company for the year ended 31st March, 2009.

FINANCIAL HIGHLIGHT

	For the Year ended 31.03.2009	For the Year ended 31.03.2008
	<u>Rs.(In Lacs)</u>	<u>Rs.(In Lacs)</u>
Surplus/(Deficit) before providing for Depreciation for the year	203.24	203.59
Less: Depreciation for the year	84.42	82.84
Profit/(Loss) before Taxation	118.82	120.75
Less: Provision for Income Tax (Net of Deferred Tax Assets)	(56.41)	(44.05)
Add: Surplus brought forward	73.53	76.70
TOTAL EARNINGS	<u>110.31</u>	<u>183.84</u>
Appropriation :		
Transfer to General Reserve	—	—
Surplus/(Deficit) carried to Balance Sheet	<u>110.31</u>	<u>183.84</u>
	<u>110.31</u>	<u>183.84</u>

DIVIDEND

Considering the loss reported during the year, the directors do not recommend any dividend for the year under Report.

CURRENT OPERATION & FUTURE PROSPECTS

The company's turnover was decreased from Rs. 54.78 Crore to Rs. 43.80 Crore whereas the profit after tax has decreased from Rs. 76.70 Lacs to Rs. (73.54) Lacs. The operating profit was Rs. 118.82 Lacs compared to Rs. 120.75 Lacs of the previous year. The Company has accumulated reserves of Rs. 23.97 Crore. The EPS of the Company for the year ended was Re. (0.08) compared to Re. 0.14 of the corresponding previous year.

SCHEME OF AMALGAMATION

Scheme of amalgamation of M/s. Marson's Transformers Ltd. with the company was completed during the year. The statement of accounts of that company has been merged with our company accordingly. Further 3,15,67,900 equity share of Rs. 2/- each have been allotted to the shareholders of erstwhile M/s. Marson's Transformers Limited consequence to such amalgamation.

INCREASE OF CAPITAL

The company has issued and allotted 44,32,100 equity shares of Rs. 2/- each at an exercise price of Rs. 3.20 each on preferential basis to Mrs. Charu Kotia during the year to meet for working capital requirement of the company and to finance the expansion plans of the company.

SETTLEMENT OF RURAL ELECTRIFICATION CORPORATION (REC) DUES

During the year company has made an out of court settlement with Rural Electrification Corporation (REC) against the case which was pending in DRT since long and settled the liability for Rs. 4,77,36,388/-. As such company has incurred and interest liability of Rs. 2,87,80,449 out of which Rs. 2,48,76,295/- relates to the period from 01.04.2001 to 31.03.2008 and this is accounted for as an Extra Ordinary Item.

PARTICULARS OF EMPLOYEES:

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

MARSONS**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- i) that in the preparation of the Annual Accounts, the applicable accounting standards has been followed except AS 15 as the company follow the policy of pay as you go in respect of gratuity and leave encashment;
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments 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 ended 31st March, 2009 and of the profit of the company for the year;
- iii) 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;
- iv) 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 and they have expressed their willingness to accept reappointment and have further confirmed their eligibility under Section 224(1B) of the Companies Act, 1956.

AUDITORS' OBSERVATIONS:

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

DIRECTORS:

Mr. Gyan Chand Kotia and Mrs Charu Kotia, Directors of the company retire by rotation and being eligible offer themselves for re-appointment.

LISTING:

The shares of the company are listed at Bombay Stock Exchange and the listing fee is paid upto 31st March, 2010.

CORPORATE GOVERNANCE:

A Report on Corporate Governance along with the Certificate thereon from M/s. A. K. Labh & Co., Company Secretaries is separately attached with 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). Members are requested to dematerialize their holdings for operational convenience.

ACKNOWLEDGEMENT:

Your Directors take the opportunity of placing their sincere appreciation to the Central Government, State Government, Banks, Financial Institutions, consultants, clients, employees and contractors for their valuable guidance and support and also to all those who are associated with the company in any way.

On behalf of the Board
For Marsons Limited

Place : Kolkata
Date : 29.06.2009

G. C. Kotia
Chairman

MARSONS

INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES(DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2009.

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 & innovation :
 - a) Efforts in brief made towards technology absorption, adoption and innovation : All technologies adopted by the Company has been developed in house.
 - b) Benefits derived as result of the above efforts e.g. product improvement Construction, Product Development Import substitution etc. : Since technology has been developed, in house absorption and adoption in comparable. 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 & services and export plans. : The Company is developing export market for the products and other item.
- 2) a) Total Foreign Exchange used : Nil.
- b) Total Foreign Exchanged earned : 3,96,08,000/-
(Previous Year Rs. NIL)

MARSONS**CORPORATE GOVERNANCE REPORT:****1. Company's philosophy on code of Governance:**

Marsons 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 shareholders, 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 is headed by Promoter Non-Executive Chairman and is comprises of 4 Non-Executive Directors and 2 Executive Directors as on 31.03.2009. There are 3 Independent Directors on the Board. *Composition of the Board is as follows :*

	Name of Director	Category
1.	Mr. G. C. Kotia	Chairman (Promoter)
2.	Mr. Akhilesh Kotia	Managing Director (Promoter)
3.	Mrs. Charu Kotia	Executive Director (Promoter)
4.	Mr. V. M. Swami	Independent Non-Executive Director
5.	Mr. Manoj Banka	Independent Non-Executive Director
6.	Mr. Peeyush Jain	Independent Non-Executive Director

Mr. G. C. Kotia, Mr. Akhilesh Kotia and Mrs. Charu Kotia being relatives are related with each other and are belonging to the same family. All the directors are above 21 years of age.

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

	Name of the Directors	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the Last AGM
1.	G. C. Kotia	12	12	Yes
2.	Akhilesh Kotia	12	12	Yes
3.	Charu Kotia	12	12	Yes
4.	Peeyush Jain**	12	-	No
5.	V. M. Swami**	12	-	No
6.	Manoj Banka	12	12	Yes

** Leave of absence were granted.

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

	Name of the Directors	No. of Directorship in other Public Limited Companies	No. of membership of other Board Committee(s)	No. of Chairmanship of other Board Committee(s)
1	G. C. Kotia	1	-	-
2	Akhilesh Kotia	3	3	1
3	V. M. Swami	-	-	-
4	Manoj Banka	1	-	2
5	Peeyush jain	-	-	-
6	Charu Kotia	2	1	-

*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 Companies under Section 25 of the Companies Act, 1956 and Alternate Directorships whereas the Membership or Chairmanship of any committee includes Audit Committee and Shareholders'/Investors' Grievance Committees only.

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

The Board met 12 times during the year and the time gap between two Board Meetings were not more than four months. Details of Board Meetings held during the year 2008-2009 are as under:

Date	Board Strength	No. of Directors present
30.04.2008	6	4
30.05.2008	6	4
11.07.2008	6	4
31.07.2008	6	4
01.08.2008	6	4
31.10.2008	6	4
19.11.2008	6	4
12.01.2009	6	4
30.01.2009	6	4
19.02.2009	6	4
23.02.2009	6	4
31.03.2009	6	4

♦ ♦ Brief resumes of the Directors proposed to be appointed/re-appointed:**a). Sri Gyan Chand Kotia**

Date of Birth	09.10.1931
Date of Appointment	26.08.1976
Qualification	B. Com.
Experience	Associated with the Electrical and Transformer business for over 40 years and is pioneer in developing the company as promoter director since inception of the company.
Directorship in other Public Limited Companies apart from this Company	1. Advance Power Technologies Limited
Chairman/Member of the Committee in which he is a Director apart from this Company	

Shares of the company held by Sri Gyan Chand Kotia, own or for other persons on beneficial basis, as on 31st March, 2009:

- i) Own - 3262205 Equity Shares
- ii) On beneficial Basis - Nil

b). Smt Charu Kotia:

Date of Birth	05.11.1970
Date of Appointment	17.05.2007
Qualification	B.A.
Experience	Young dynamic possess vast business experience
Directorship in other Public Limited Companies apart from this Company	1. Advance Powerinfra Tech Ltd. 2. Advance Power Technologies Ltd.
Chairman/Member of the Committee in which he is a Director apart from this Company	1. Member Audit Committee of Advance Powerinfra Tech Ltd.

Shares of the company held by Smt Charu Kotia, own or for other persons on beneficial basis, as on 31st March, 2009:

- i) Own - 11314495
- ii) On beneficial Basis - Nil