

MARSONS

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MARSONS LIMITED

ANNUAL REPORT 2009-2010

Board of Directors

Gyan Chand Kotia – Chairman
 Akhilesh Kotia - Managing Director
 Charu Kotia - Executive Director
 V M Swami - Director
 Manoj Banka – Director
 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

Plant

Marsons House
 Budge Budge Trunk Road
 Chakmir, Maheshtala
 Kolkata - 700 142

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NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the members of the Company will be held at **MARSONS HOUSE, Budge Budge Trunk Road, Chakmir, Maheshtala, Kolkata-700142** on Thursday the 30th day of September, 2010 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, 2010, 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 declare dividend on equity shares
3. To appoint a Director in place of Sri V. M. Swami who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri Peeyush Jain, who retires by rotation and being eligible offers himself for re-appointment.
5. 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 Marsons Limited

Place: Kolkata
Date : 21.08.2010

Sandeep Koria
Managing Director

NOTES

1. The Register of Members and the Share Transfer books of the Company shall remain closed from 22.08.2010 to 30.09.2010 (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 form 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. Information pursuant to Clause 49 of the Listing Agreement in connection with the Directors seeking appointment/re-appointment:

Name of Director	Mr. V. M. Swami	Mr. Peeyush Jain
Date of Birth	30.06.1940	16.07.1962
Date of Appointment	04.01.2005	14.12.2004
Qualification	M.Com, LL.B, CAIIB	B.Com
Experience	Associated with the Banking Sector for over 36 years and retired as GM. Presently associated with Surana Industries Ltd. and Director Finance.	Possess good working Commercial knowledge.
Directorship in other Companies	1. Surana Industries Ltd.	1. Unicom Technologies Office Automation Ltd.
Chairman/ Member-ship of the Committees of other Companies		

5. 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 : 21.08.2010

Sandeep Koria
Managing Director

DIRECTORS' REPORT

To

The Shareholders,

The Directors of your company hereby submit their 33rd Annual Report together with audited statement of accounts of the company for the year ended 31st March, 2010.

FINANCIAL HIGHLIGHT

	For the Year ended 31.03.2010 Rs. (In Lacs)	For the Year ended 31.03.2009 Rs. (In Lacs)
Total Income	7684.68	4379.55
Surplus/(Deficit) before providing for Depreciation for the year	431.11	203.24
Depreciation for the year	92.97	84.42
Profit/(Loss) before Taxation	338.14	118.82
Provision for Income Tax (Net of Deferred Tax Assets)	(119.68)	55.41
Surplus brought forward	218.46	(73.53)
TOTAL EARNINGS	326.77	110.31
Appropriations:		
Proposed Dividend	100.00	-
Provision for CDT	17	-
Surplus Carried to Balance Sheet	211.77	110.31

DIVIDEND

The Board is pleased to recommend a dividend @5% i.e. Rs. 0.50 against the face value of Rs. 10/- each of an equity share

CURRENT OPERATION & FUTURE PROSPECTS

The company's turnover was increased from Rs. 43.80 Crore to Rs. 76.85 Crore whereas the profit after tax has increased from Rs. (73.54) Lacs to Rs. 218.46 Lacs. The operating profit was Rs. 338.14 Lacs compared to Rs. 118.82 Lacs of the previous year. The EPS of the Company for the year ended was Rs. 1.21 compared to Re. (0.43) of the corresponding previous year.

SETTLEMENT OF RURAL ELECTRIFICATION CORPORATION (REC) DUES

The Board is pleased to inform that the long term dues from Rural Electrification Corporation Limited (REC) is settled during the year and repaid entirely by the company under a proposal of One Time settlement (OTS) as mutually settled by REC and the Company.

INCREASE OF CAPITAL

The Authorised Capital of the Company has been increased from Rs. 18 Crore to Rs. 20 Crore whereas the Paid up Capital of the Company was also increased from Rs. 18 Crores to Rs. 20 Crores by issue and allotment of 20,00,000 Equity Shares of Rs. 10/- each during the year.

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.

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. V. M. Swami and Mr. Peeyush Jain, 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, 2011.

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.

By Order of the Board
For Marsons Limited

Place: Kolkata
Date: 21.08.2010

G. C. Kotia
Chairman

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, 2010.

A. CONSERVATION OF ENERGY

1) Research and Development (R & D) :

a) Specific areas in which R & D carried out by the Company:

- i) Specific area in which R & D is carried out by the company is in EHV Power Transformers, EPC Projects on Boot, Bot, Bolt principles and other variants.
- ii) Continuous improvement of existing products for enhanced durability and performance.
- iii) Design optimization using advanced software packages
- iv) Testing and adaptation of New Materials
- v) New processes and up gradation of existing processes to enhance the productivity vis-à-vis cost reduction etc.
- vi) Efforts to enhance product quality and reliability
- vii) Reduction of rejections and warranty returns
- viii) Improving New Product Development (NPD)
- ix) Environment compliance by products and processes
- x) Testing and validation of new products

b) Benefits derived as result of the above R & D

Customers' satisfaction and new business opportunities because of cost, quality and speed.

c) Future Plan of Action:

- i. Development of low loss energy reduction transformer to save on Electricity bills and reduction of carbon emissions (CO₂) reduction.
- ii. Development of special purpose transformer such as furnace transformers, flame prove mining transformers and nomax paper covered dry type transformers.

d) Expenditure on R & D:

In pursuit of R & D endeavours the company is continuously incurring R & D expenditure both on Capital and Revenue which is clubbed with the regular heads of accounts in fixed assets and in Profit and Loss account respectively.

2) Technology absorption, adoption and 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, incomparable, Construction, Product Development, Import substitution etc. | Since technology has been developed, in house absorption and adoption. 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 | 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
b) Total Foreign Exchanged earned

Rs. 1,45,85,184/-
(Previous Year Rs. 3,96,08,000/-)

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 31.03.2010. 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
G. C. Kotia	7	7	Yes
Akhilesh Kotia	7	7	Yes
Charu Kotia	7	7	No
Peeyush Jain**	7	-	No
V. M. Swami**	7	-	No
Manoj Banka	7	7	Yes

** Leave of absence were granted.

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

Sl. No.	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.

d) Details of Board Meetings held during the year:

The Board met 7 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 2009-2010 are as under:

Date	Board Strength	No. of Directors present
22.06.2009	6	4
29.06.2009	6	4
31.07.2009	6	4
31.08.2009	6	4
31.10.2009	6	4
30.01.2010	6	4
29.03.2010	6	4

♦♦ Brief resumes of the Directors proposed to be appointed/re-appointed:

A. Sri V. M. Swami:

Date of Birth	30.06.1940
Date of Appointment	04.01.2005
Qualification	M.Com, LLB, CAIIB
Experience	Associated with Banking Sector for over 35 years and retired as GM. Presently associated with Surana Industries Ltd., as Director Finance.
Directorship in other Public Limited Companies apart from this Company	1. Surana Industries Ltd.
Chairman/Member of the Committee in which he is a Director apart from this Company	-

Shares of the company held by Sri V. M. Swami, own or for other persons on beneficial basis, as on 31st March, 2010:

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

b) Sri Peeyush Jain:

Date of Birth	18.07.1962
Date of Appointment	14.12.2004
Qualification	B Com
Experience	Possess vast commercial knowledge
Directorship in other Public Limited Companies apart from this Company	1. Unicap Technologies (Office Automation) Ltd.
Chairman/Member of the Committee in which he is a Director apart from this Company	-

Shares of the company held by Sri Peeyush Jain, own or for other persons on beneficial basis, as on 31st March, 2010:

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

♦♦ Code of Conduct:

The Company has formulated and implemented a Code of conduct for all Board Members and Senior Management of the Company in compliance with clause 49 of the Listing Agreement. The same has also been posted at the Company's website at www.marsonsonline.com. All Board Members and Senior Management personnel has affirmed compliance with the code on annual basis. A declaration to this effect duly signed by Managing Director of the Company is annexed with this report.

3. Committee of the Board:(a) Audit Committee:

The audit committee comprises of the following Non-Executive Independent Directors as on 31.03.2010:

1. Mr. Manoj Banka – Chairman
2. Mr. V. M. Swami
3. Mr. Peeyush Jain

Meetings of the Audit Committee and attendance of the members therein in 2009-2010 are as follows:

	30.04.2009	29.08.2009	31.07.2009	31.10.2009	30.01.2010
Mr. Manoj Banka	Yes	Yes	Yes	Yes	Yes
Mr. Peeyush Jain	Yes	Yes	Yes	Yes	Yes
Mr. V. M. Swami	No	No	No	No	No

All the members of the Committee are eminent in their respective fields and financially literate with sufficient accounting or related financial management expertise.

The Committee acts as a link between the management, auditors and the Board of Directors of the company and has full access to the financial information. The terms of reference of the Audit Committee are in lieu with Clause 49 II(C) and (D) of the Stock Exchange Listing Agreement. Coinciding with the provisions under Section 292A of the Companies Act, 1956 and inter alia, includes:

* Functions of the Committee1. 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 as on 31.03.2010

1. Mr. Manoj Kumar Banka – Chairman
2. Mr. V. M. Swami
3. Mr. Peeyush Jain

* Functions of the Committee:

The Policy dossier 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 industrial practice.

No Remuneration Committee Meeting held during the year.

The aggregate value of salary & perquisites paid to Mr. Akhilesh Kotia, Managing Director for the year ended 31.03.2010 was Rs.18,30,000/- and Mrs. Charu Kotia, Executive Director Rs. 1,65,000/-. No sitting fee was paid to any Director for attending any meeting of the Board of Directors of the company or committee thereof.

The company does not have any stock option/convertible instruments.

Shares/Convertible Instruments held by Non-Executive Directors as on 31.03.2010:

Name of the Non-Executive Directors	No. of shares of the company	Convertible Instruments
Mr. G. C. Kotia	700741	N.A.
Mr. V. M. Swami	Nil	N.A.
Mr. Manoj Kumar Banka	Nil	N.A.
Mr. Peeyush Jain	Nil	N.A.

(c) **Shareholders'/Investors' Grievance Committee:**

Shareholders'/Investors' Grievance Committee under the Chairmanship of independent Non-Executive Directors comprises of the following Directors as on 31.03.2010.

1. Mr. Manoj Banka – Chairman
2. Mr. Peeyush Jain
3. Mr. Akhilesh Kotia

The Committee met on 16.04.2009, 30.04.2009, 29.05.2009, 15.07.2009, 31.07.2009, 31.08.2009, 15.10.2009, 30.11.2009, 15.12.2009, 30.12.2009, 15.01.2010, 30.01.2010, 15.02.2010, 26.02.2010, 16.03.2010 and 31.03.2010.

Compliance Officer	:	Mr. Akhilesh Kotia, Managing Director.
Address	:	4, Chandni Chowk Street, Kolkata – 700 072
Phone No.	:	(033)39502620/22127189
Fax No.	:	(033)22126484
Email	:	marsonsltd@vsnl.com
Website	:	marsonsonline.com

Pursuant to new clause 47(f) of the listing agreement the company's email ID for grievance redressal purpose is marsonsltd@vsnl.com where complaints can be lodged by the investors.

* **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 Exchange compulsorily in Demat mode. Shares in physical mode, which are lodged for transfer, are processed and returned to the Shareholders within the stipulated time.

During the year 78 Share transfer deeds comprising of 52500 shares were received for Physical Transfer. Requests received for dematerialization of shares were generally processed promptly. During the year total number of shares dematerialization were as follows:

NSDL	310450
CDSL	32200

11 Complaints have been received during the year and all of them were resolved within time and the number of complaints lying pending as on 31st March, 2010 was NIL.