



ANNUAL REPORT 2010 - 2011

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 Datamaties 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

Works

Marsons House
Budge Budge Trunk Road
Maheshtala
Kolkata - 700 142

Web site

www.marsonsonline.com

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NOTICE

NOTICE is hereby given that the 34th Annual General Meeting of the members of the Company will be held at **BHARTIYA BHASHA PARISAD, 36A, SHAKESPEARE SARANI, KOLKATA - 700017** on Friday, the 30th day of September, 2011 at 4.00 P.M. to transact the following business:

As Ordinary Business:

To consider and adopt the Balance Sheet as at 31st March, 2011, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors' and the Auditors' thereon.

1. To declare dividend on equity shares
2. To appoint a Director in place of Sri Akhilesh Kotia who retires by rotation and being eligible offers himself for re-appointment.
3. To appoint a Director in place of Sri Manoj Kumar Banka, 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 Marsons Limited**

Place: Kolkata
Date : 30.08.2011

Akhilesh Kotia
Managing Director

NOTES

1. The Register of Members and the Share Transfer books of the Company shall remain closed from 23.09.2011 to 30.09.2011 (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. Information pursuant to Clause 49 of the Listing Agreement in connection with the Directors seeking appointment/re-appointment:

Name of Director	Mr. Akhilesh /kotia	Mr. Manoj Kumar Banka
Date of Birth	30.10.1964	12.09.1965
Date of Appointment	10.06.1995	28.03.2005
Qualification	B. Com	M.Com
Experience	Promoter Director with vast experience in Power Transformer Industry and having good contacts abroad.	Young dynamic possess vast business experience.
Directorship in other Public Limited Companies	1. Advance Power Technologies Ltd. 2. Advance Powerinfra Tech Ltd. 3. Marson's Textiles Limited 4. Swarnarekha Properties & Finance Ltd.	1. Advance Powerinfra Tech Ltd.
Chairman/ Member-ship of the Committees of other Companies	1. Member of Remuneration Committee of Advance Powerinfra Tech Ltd. 2. Member of Shareholders'/ Investors Grievances Committee of Advance Powerinfra Tech Ltd.	1. Chairman of Audit Committee of Advance Powerinfra Tech Ltd. 2. Chairman of Remuneration Committee of Advance Powerinfra Tech Ltd. 3. Chairman of Shareholders'/ Investors Grievances Committee of Advance Powerinfra Tech Ltd.

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 : 30.08.2011

Akhilesh Kotia
Managing Director

DIRECTORS' REPORT

To

The Shareholders,

The Directors of your company hereby submit their 34th Annual Report together with audited statement of accounts of the company for the year ended 31st March, 2011.

FINANCIAL HIGHLIGHT:

	For the Year ended 31.03.2011 ` (In Lacs)	For the Year ended 31.03.2010 ` (In Lacs)
Total Income	12281.09	7684.68
Depreciation for the year	92.96	92.97
Profit/(Loss) before Taxation	670.67	340.19
Provision for Income Tax (Net of Deferred Tax Assets)	(40.04)	(119.68)
Surplus brought forward	211.77	110.31
Balance available for appropriation	728.72	328.77
Appropriations:		
Proposed Dividend	125.00	100.00
Provision for CDT	20.28	17.00
Surplus Carried to Balance Sheet	383.44	211.77

DIVIDEND

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

CURRENT OPERATION & FUTURE PROSPECTS

The company's turnover was increased from ` 76.85 Crore to ` 122.81 Crore whereas the profit after tax has increased from ` 218.46 Lacs to ` 516.95 Lacs. The operating profit was ` 670.67 Lacs compared to ` 340.19 Lacs of the previous year. The EPS of the Company for the year ended was ` 2.07 compared to ` 0.95 of the corresponding previous year.

BONUS ISSUE:

The company has successfully completed the issue of bonus shares in the month of March, 2011 and accordingly 50,00,000 Equity Shares of ` 10/- each were issued in the forms of bonus shares. The bonus shares were issued in the ratio of 1 equity share of ` 10/- each for every 4 equity shares of ` 10/- each. An amount of ` 5,00,00,000/- was capitalized out of share premium and reserves to make provision for issue of such bonus shares.

INCREASE OF CAPITAL

The Authorised Capital of the Company has been increased from ` 20 Crore to ` 25 Crore whereas the Paid up Capital of the Company was also increased from ` 20 Crores to ` 25 Crores by issue and allotment of 50,00,000 Equity Shares of ` 10/- each during the year in the form of Bonus Shares.

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:

- 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;
- 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, 2011 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.

PUBLIC DEPOSIT:

The company has not accepted any public deposit in terms 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 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. Akhilesh Kotia, Managing Director and Mr. Manoj Banka, Director 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, 2012.

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 : 30.08.2011

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, 2011.

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 Research & Development endeavors the company is continuously incurring R & D expenditure both on Capital and Revenue which is shown as part of regular heads of accounts in fixed assets and in Profit and Loss account respectively. The company has started recognizing expenses incurred on R & D both on Capital and Revenue which are below:

- a) Revenue expenditure on Research & Development activities accounted for under their natural heads of revenue expenses account is ` 1,62,52,109/-.
- b) Capital expenditure on Research & Development activities accounted for under their natural heads of fixed assets accounts is ` 7,61,04,818/-.

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 Construction, Product Development Import substitution etc. Since technology has been developed, in house absorption and adoption incomparable. 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, adoption and innovation 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 item
- 2) a) Total Foreign Exchange used : ---
- b) Total Foreign Exchanged earned : ` 58,15,400
(Previous Year ` . 1,48,85,184/-)

IMPORTANT COMMUNICATION TO MEMBERS

The Ministry of Corporate Affairs has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail address, so far, are requested to register their e-mail address, in respect of electronic holdings with the Depository through their concerned Depository Participants.

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 31.03.2011. 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	8	8	Yes
Akhilesh Kotia	8	8	Yes
Charu Kotia	8	8	Yes
Peeyush Jain**	8	-	No
V. M. Swami**	8	-	No
Manoj Banka	8	8	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	4	1	-
3	V. M. Swam	-	-	-
4	Manoj Banka	1	-	2
5	Peeyush jain	-	-	-
6	Charu Kotia	3	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 8 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 2010-11 are as under:

Date	Board Strength	No. of Directors present
20.04.2010	6	4
27.05.2010	6	4
14.08.2010	6	4
21.08.2010	6	4
13.10.2010	6	4
25.11.2010	6	4
15.01.2011	6	4
09.03.2010	6	4

.. .. Brief resumes of the Directors proposed to be appointed/re-appointed:**A. Sri Akhilesh Kotia:**

Date of Birth	30.10.1964
Date of Appointment	10.06.1995
Qualification	B. Com
Experience	Promoter Director with vast experience in Power Transformer Industry and having good contacts abroad.
Directorship in other Public Limited Companies apart from this Company	1. Advance Power Technologies Ltd. 2. Advance Powerinfra Tech Ltd. 3. Marson's Textiles Limited 4. Swarnarekha Properties & Finance Limited
Chairman/Member of the Committee in which he is a Director apart from this Company	1. Member of Remuneration Committee of Advance Powerinfra Tech Ltd. 2. Member of Shareholders'/ Investors Grievances Committee of Advance Powerinfra Tech Ltd.

Shares of the company held by Sri Akhilesh Kotia, own or for other persons on beneficial basis, as on 31st March, 2011:

- i) Own – 2693773
- ii) On beneficial Basis – Nil

B Sri Manoj Kumar Banka:

Date of Birth	12.09.1965
Date of Appointment	28.03.2005
Qualification	M.Com
Experience	Young dynamic possess vast business experience.
Directorship in other Public Limited Companies apart from this Company	1. Advance Powerinfra Tech Ltd.
Chairman/Member of the Committee in which he is a Director apart from this Company	1. Chairman of Audit Committee of Advance Powerinfra Tech Ltd. 2. Chairman of Remuneration Committee of Advance Powerinfra Tech Ltd. 3. Chairman of Shareholders'/Investors Grievances Committee of Advance Powerinfra Tech Ltd -

Shares of the company held by Sri Manoj Kumar Banka, own or for other persons on beneficial basis, as on 31st March, 2011:

- i) Own – 150
- 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 31.03.2011:

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 2010-11 are as follows:

	20.04.2010	27.05.2010	14.08.2010	13.10.2010	15.01.2011
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 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 as on 31.03.2011

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.

The Committee met once on 08.03.2011 and the meeting was attended by Mr. Manoj Kumar Banka as chairman and Mr. Peeyush Jain.

The aggregate value of salary & perquisites paid to Mr. Akhilesh Kotia, Managing Director for the year ended 31.03.2011 was Rs 43,30,000/- and Mrs. Charu Kotia, Executive Director Rs 3,30,000/- 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 31.03.2011:

Name of the Non-Executive Directors	No. of shares of the company	Convertible Instruments
Mr. G. C. Kotia	815551	N.A.
Mr. V. M. Swami	Nil	N.A.
Mr. Manoj Kumar Banka	150	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 31.03.2011.

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

The Committee met on 16.04.2010, 30.04.2010, 14.05.2010, 31.05.2010, 15.06.2010, 30.06.2010, 15.07.2010, 30.07.2010, 16.08.2010, 31.08.2010, 24.09.2010, 18.10.2010, 29.10.2010, 15.12.2010, 31.12.2010, 17.01.2011, 30.01.2011, 15.02.2011 and 07.03.2011.

Compliance Officer : Mr. Akhilesh Kotia, Managing Director.

Address : 4, Chandni Chowk Street, Kolkata – 700 072
Phone No. : 22127189
Fax No. : (033)22126484
Email : akotia@marsonsonline.com
 akhilesh.kotia@gmail.com
Website : www.marsonsonline.com

Pursuant to new clause 47(f) of the listing agreement the company's email ID for grievance redressal purpose is akotia@marsonsonline.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 83 Share transfer deeds comprising of 17850 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 53600
CDSL 35700

46 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, 2011 was NIL.

4. General Body Meetings:

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

Year	Location	Date	Time
2007-2008	Bhartiya Bhasha Parisad 36A, Shakespeare Sarani, Kolkata-700017	30.08.2008	11.30 A.M.
2008-2009	Bengal National Chamber of Commerce & Industry 23 R. N. Mukherjee Road, Kolkata - 700001	07.08.2009	11.30 A.M.
2009-2010	MARSONS HOUSE Budge Budge Trunk Road, Chakmir, Maheshtala Kolkata – 700 142	30.09.2010	11.30 A.M.

Note: All the Special Resolutions as proposed were passed on show of hands. Further 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.

Extra Ordinary General Meetings held in last three financial year:

Date	Venue	Time
09.02.2009	4, Chandni Chowk Street, Kolkata – 700 072	11.30 a.m.
20.08.2009	4, Chandni Chowk Street, Kolkata – 700 072	11.30 a.m.
27.02.2010	4, Chandni Chowk Street, Kolkata – 700 072	11.30 a.m.
12.02.2011	MARSONS HOUSE, Budge Budge Trunk Road, Chakmir, Maheshtala, Kolkata - 700142	11.30 a.m.