

MARSONS LIMITED



ANNUAL REPORT 2011-2012

Board of Directors	Gyan Chand Kotia – Chairman Akhilesh Kotia – Managing Director Peeyush Jain – Director Sudhir Kr. Joshi - Director
Company Secretary	Hari Gopal Mondal
Auditors	K. K. Jain & Co. <i>Chartered Accountant</i>
Corporate Consultant	A. K. Labh & Co. <i>Company Secretaries</i>
Registrar & Share Transfer Agent	Maheswari Datamaties Pvt. Ltd. 6 Mangoe Lane, 2 nd 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
email id	info@marsonsonline.com
Web site	www.marsonsonline.com

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NOTICE

NOTICE is hereby given that the 35th Annual General Meeting of the members of the Company will be held at **BHARTIYA BHASHA PARISAD, 36A, SHAKESPEARE SARANI, KOLKATA - 700017** on Monday, the 17th day of December, 2012 at 11.30 A.M. to transact the following business:

As Ordinary Business:

1. To consider and adopt the Balance Sheet for the period ended 30th June, 2012, statement of Profit & Loss for the period 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 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 resolution:

5. As Ordinary Resolution

"RESOLVED THAT Sri Sudhir Kumar Joshi who was appointed as Casual Director of the Company with effect from 14.11.2011 in place of Mr. V. M. Swami and who ceases to hold office as such in terms of Section 262 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."

By Order of the Board
For Marsons Limited

Place: Kolkata
Date : 29.08.2012

Akhilesh Kotia
Managing Director

NOTES

1. The Register of Members and the Share Transfer books of the Company shall remain closed from 10.12.2012 to 17.12.2012 (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. Peeyush Jain	Mr. Sudhir Kumar Joshi
Date of Birth	18.07.1962	07.11.1949
Date of Appointment	14.12.2004	14.11.2011
Qualification	B. Com.	B.Tech
Experience	Possess good working commercial experience	Possess good working commercial experience
Directorship in other Companies	1. Unicap Technologies (Office Automation) Ltd.	1. Advance Powerinfra Tech Ltd.
Chairman/ Membership of the Committees of other Companies	-	1. Chairman of Audit Committee Meeting of Advance Powerinfra Tech Ltd. 2. Chairman of Shareholders'/ Investors' Committee of Advance Powerinfra Tech Ltd.
DIN	00440575	05102823

5. Members are requested to :-

- Notify change of address, if any.
- Send Query (ies), if any, regarding audited accounts atleast 10 days before meeting.
- Bring with them their copy of the Annual Report in the meeting
- Carry their identity proof to produce at the venue for security reasons.

6. Explanatory statement pursuant to section 173(2) of the companies act, 1956 is attached and forms part of the notice.

By Order of the Board
For Marsons Limited

Place: Kolkata
Date : 29.08.2012

Akhilesh Kotia
Managing Director

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

Item No. 5

Mr. Sudhir Kumar Joshi was inducted in the Board as a Casual Director with effect from 14.11.2011 in place of Mr. V. M. Swami, in accordance with the provisions of Section 262 of the Companies Act, 1956. He 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 a shareholder proposing his name of the directorship of the company. The Board proposes his appointment for your consideration.

No other director of the company except Mr. Sudhir Kumar Joshi in his personal capacity is concerned or interested in the proposed resolution.

By Order of the Board
For Marsons Limited

Place: Kolkata
Date : 29.08.2012

Akhilesh Kotia
Managing Director

DIRECTORS' REPORT

To
The Shareholders,

The Directors of your company hereby submit their 35th Annual Report together with audited statement of accounts of the company for the period ended 30th June, 2012.

FINANCIAL HIGHLIGHT:

	<i>For the Period ended 30.06.2012 ` (In Lakh)</i>	<i>For the Year ended 31.03.2011 ` (In Lakh)</i>
Total Income	11827.59	10604.80
Depreciation for the year	161.61	92.96
Profit/(Loss) before Taxation	332.12	670.64
Provision for Income Tax (Net of Deferred Tax Assets)	111.75	40.04
Profit After Tax	220.37	516.96
Appropriations:		
Proposed Dividend	25.00	125.00
Provision for CDT	4.06	20.28
Surplus Carried to Balance Sheet	474.75	383.44

DIVIDEND

The Board is pleased to recommend a dividend @ 1% i.e. ` 0.10 against the face value of ` 10/- each of an equity share.

CURRENT OPERATION & FUTURE PROSPECTS

The company's turnover increased from ` 106.05 Crore to ` 118.28 Crore. The EPS of the Company for the year ended was ` 0.88 compared to ` 2.07 of the corresponding previous year. The management has decided to present the statement of accounts of the company for the period of 15 months i.e. 01.04.2011 to 30.06.2012 in place of usual 12 months i.e. for the year ended 31st March every year. Hence, the figures of the present period is not comparable to that of the previous 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:

- 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 period ended 30th June, 2012 and of the profit of the company for the year;
- 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.

PUBLIC DEPOSIT:

The Company has launched Public Deposit Scheme under Section 58A of the Companies Act, 1956. There was 1(one) deposit holder under the scheme as on 30.06.2012. The company has ` 0.11 Lakh deposit collection as on date.

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. Peeyush Jain, Director of the company retires by rotation and being eligible offers himself for re-appointment. Mr. Sudhir Kumar Joshi was inducted in the Board as Casual Director in place of Mr. V. M. Swami and his appointment is also proposed for your confirmation. The Company has received valid notice under Section 257 of the Companies Act, 1956 proposing his appointment.

Mr. V. M. Swami, Mr. Manoj Banka and Mrs. Charu Kotia have resigned from the Board during the period and the Board place on record its deep sense of appreciation for the services rendered by them during their tenure.

LISTING:

The shares of the company are listed at Bombay Stock Exchange and the listing fee is paid upto 31st March, 2013.

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

Place: Kolkata
Date : 29.08.2012

Gyan Chand 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 PERIOD ENDED 30TH JUNE, 2012.

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. Developments 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:

In pursuit of Research and 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. Revenue expenditure on research & development activities accounted for under their natural heads of revenue expenses accounts is ₹ 160.27 Lakh.

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. : Since technology has been developed, in house absorption and adoption
Construction, Product Development Further significant cost reduction has been achieved.
Import substitution etc.
- 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 item.
- 2) a) Total Foreign Exchange used : ₹ 51.40 Lakh
(Previous Year ₹ 817.15 Lakh)
- b) Total Foreign Exchanged earned : ₹ 354.32 Lakh
(Previous ₹ 58.15 Lakh)

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:*

	<i>Name of Director</i>	<i>Category</i>
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
7.	Mr. Sudhir Kumar Joshi***	Independent Non-Executive Director

****Resigned w.e.f. 29.08.2012***

*****Resigned from the Board w.e.f 14.11.2011***

******Inducted in the Board w.e.f 14.11.2011***

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	No
Peeyush Jain ▽	8	-	No
V. M. Swami**	4	-	No
Manoj Banka	8	8	Yes
Sudhir Kumar Joshi ▽	4	-	No

**Inducted in the Board w.e.f. 14.11.2011*

***Resigned w.e.f. 14.11.2011*

▽ 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	2	-
3	V. M. Swami	-	-	-
4	Manoj Banka	1	-	2
5	Peeyush Jain	-	-	-
6	Charu Kotia	2	-	-
7	Sudhir Kumar Joshi	1	2	-

**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 period 2011-12 are as under:

Date	Board Strength	No. of Directors present
14.05.2011	6	4
16.06.2011	6	4
13.08.2011	6	4
30.08.2011	6	4
14.11.2011	6	4
14.02.2012	6	4
14.05.2012	6	4
18.06.2012	6	4

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

A. Sri Peeyush Jain

Date of Birth	18.07.1962
Date of Appointment	14.12.2004
Qualification	B. Com.
Experience	Possess good working commercial experience
Directorship in other Public Limited Companies apart from this Company	Unicop 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, for the period 30th June, 2012:

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

b) **Mr. Sudhir Kumar Joshi:**

Date of Birth	07.11.1949
Date of Appointment	14.11.2011
Qualification	B.Tech
Experience	Possess good working commercial experience
Directorship in other Public Limited Companies apart from this Company	3. Advance Powerinfra Tech Ltd.
Chairman/Member of the Committee in which he is a Director apart from this Company	Chairman of Audit Committee Meeting of Advance Powerinfra Tech Ltd. Chairman of Shareholders'/Investors' Committee of Advance Powerinfra Tech Ltd.

Shares of the company held by Mr. Sudhir Kumar Joshi, own or for other persons on beneficial basis, for the period 30th June, 2012:

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

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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 for the period 30.06.2012:

- 1. Mr. Manoj Banka – Chairman
- 2. Mr. Sudhir Kumar Joshi
- 3. Mr. Peeyush Jain

Meetings of the Audit Committee and attendance of the members therein in 2011-12 are as follows:

	14.05.2011	13.08.2011	30.08.2011	14.11.2011	14.02.2012	14.05.2012
Mr. Manoj Banka	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Peeyush Jain	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Sudhir Kumar Joshi [▽]	-	-	-	No	No	No
Mr. V. M. Swami*	No	No	No	-	-	-

[▽]**Inducted w.e.f. 14.11.2011**

*** Resigned w.e.f. 14.11.2011**

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: