

# **MARSONS LIMITED**

## **ANNUAL REPORT 2013-2014**

**Board of Directors****Mr. Gyan Chand Kotia – Chairman****Mr. Akhilesh Kotia – Managing Director****Mr. Sandip Goswami – Director (Independent Director)****Mrs. Trina Sinha - Director (Independent Director)****Auditors****K. K. Jain & Co.***Chartered Accountant***CFO****Mr. Ajay Singh****Registrar & Share Transfer Agent****Maheswari Datamaties Pvt. Ltd.**6 Mangoe Lane, 2<sup>nd</sup> Floor

Kolkata – 700 001

2243-5029/5809, 2248-2248

91 33 2248-4787

mdpl@cal.vsnl.net.in

**Phone:****Fax:****Email:****Bankers****Allahabad Bank**

C. R. Avenue Branch, Kolkata

**Registered Office & Works**

Marsons House

Budge Budge Trunk Road

Maheshtala

Kolkata -700 142

**email id**

info@marsonsonline.com

**Web site**

www.marsonsonline.com

**Phone:**

91 33 2492 7633

**Fax:**

91 33 2492 6152

**Index**

<b>Contents</b>	<b>Pg. No.</b>
Notice	02
Directors' Report	14
Corporate Governance Report	19
Auditors' Report	26
Balance Sheet	30
Statement of Profit & Loss	31
Notes/ Schedules	32
Cash Flow Statement	42

**NOTICE**

**NOTICE** is hereby given that the 37<sup>th</sup> Annual General Meeting of Marsons Limited will be held on Tuesday, the 30<sup>th</sup> day of December, 2014 at 11.00AM at “Bharatiya Bhasha Parishad”, 36A, Shakespeare Sarani, Kolkata – 700 017 to transact the following business:

**Ordinary Business**

1. To receive, consider and adopt the Audited Balance Sheet of the Company as at 31<sup>st</sup> March, 2014 and the Profit & Loss Account for the period ended on that date, together with the Reports of the Directors’ and the Auditors’ thereon.
2. To appoint a Director in place of Mr. Akhilesh Kotia (DIN: 00076777), who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint Auditors and fix their remuneration:-

“**RESOLVED THAT** M/s. K. K. Jain & Co., Chartered Accountants, (Registration No.- 302022E), be and are hereby appointed as Auditors of the Company, to hold office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting of the Company at such remuneration as shall be fixed by the Board of Directors of the Company in consultation with the said Auditor.”.

**Special Business**

4. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 161 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force) , Mrs. Trina Sinha (DIN: 06920950) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing her candidature for the office of Director, be and is hereby appointed as a Director of the Company”.

5. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Clause 49 of the Listing Agreement, Mrs. Trina Sinha (DIN: 06920950), be and is hereby appointed as an Independent Director of the Company with effect from 1<sup>st</sup> January, 2015 to hold office for 5(Five) consecutive years for a term upto 31<sup>st</sup> December, 2019 not liable to retire by rotation.”

6. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 161 and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Qualification of Directors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), Mr. Sandip Goswami (DIN: 06397067) who was appointed as an Additional Director pursuant to the provisions of Section 161(1) of the Companies Act, 2013 and the Articles of Association of the Company and who holds office up to the date of this Annual General Meeting and in respect of whom the Company has received a notice in writing under Section 160 of the Companies Act, 2013 from a member proposing his candidature for the office of Director, be and is hereby appointed as a Director of the Company”.

7. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

“**RESOLVED THAT** pursuant to the provisions of Sections 149, 152 read with Schedule IV and all other applicable provisions of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and Clause 49 of the Listing Agreement, Mr. Sandip Goswami (DIN: 06397067) be and is hereby appointed as an Independent Director of the Company with effect from 1<sup>st</sup> January, 2015 to hold office for 5(Five) consecutive years for a term upto 31<sup>st</sup> December, 2019 not liable to retire by rotation.”

8. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

**“RESOLVED THAT** subject to the provisions of Section 180 (1) (c) of the Companies Act, 2013 including any statutory modifications or re-enactments thereof and in supersession of all the earlier resolutions passed in this regard, the Board of Directors (hereinafter referred to as the Board), including any committee thereof for the time being exercising the powers conferred on them by this resolution, be and are hereby authorized to borrow money, as and when required, from, including without limitation, any Bank and/or Public Financial Institution as defined under Section 2 (72) of the Companies Act, 2013 and/or eligible foreign lender and/or any entity/entities and/or authority/authorities and/ or through suppliers credit, any other securities or instruments, such as floating rate notes, fixed rate notes, syndicated loans, debentures, commercial papers, short term loans or any other instruments etc. and/or through credit from official agencies and/or by way of commercial borrowings from the private sector window of multilateral financial institution, either in rupees or in such other foreign currencies as may be permitted by law from time to time, as may be deemed appropriate by the Board for an aggregate amount not exceeding Rs. 250 Crores (Rupees Two hundred fifty Crores Only), notwithstanding that money so borrowed together with the monies already borrowed by the Company, if any (apart from temporary loans obtained from the Company’s bankers in the ordinary course of business) may exceed the aggregate of the paid-up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specified purpose.’

**RESOLVED FURTHER THAT** the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution.”

9. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 180 (1) (a) of the Companies Act, 2013 and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modifications or re-enactments thereof the members of the Company hereby accord their consent to the Board of Directors, including any committee thereof for the time being exercising the powers conferred on them by this resolution, to create mortgage and/or charge on all or any of the moveable and/or immovable assets of the Company, both present and future and/or whole or any part of the company in favour of the lenders, agents, trustees for securing the borrowings of the Company availed/to be availed by way of loans (in foreign currency and/or in Indian currency) and securities (comprising of fully/partially convertible debentures and/or secured premium notes and/or floating rates notes/ bonds or other debt instruments) issued/to be issued by the Company from time to time, in one or more tranches, upto an aggregate limit of 250 Crores (Rupees Two hundred fifty Crores Only), together with interest as agreed, additional interest in case of default, accumulated interest, liquidated damages and commitment charges, all other costs, charges and expenses and all other monies payable by the Company in terms of respective loan agreement(s) or any other document entered / to be entered into between the Company and the lenders/agents/investors and trustees in respect of enforcement of security as may be stipulated in that behalf and agreed to between the Board of Directors or any committees thereof and the lenders, agents or trustees.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and is hereby authorised to finalise the terms and conditions for creating the aforesaid mortgage and/or charge and to execute the documents and such other agreements and also to agree to any amendments thereto from time to time as it may think fit for the aforesaid purpose and to do all such acts, deeds, matters and things as may be necessary and expedient for giving effect to the above resolution.”

10. To consider and if thought fit, to pass, with or without modification(s), the following resolution as an **Special Resolution**:

**“RESOLVED THAT** pursuant to the provisions of Section 13, 61 and other applicable provisions, if any, of the Companies Act, 2013, the authorized capital of the company be and is hereby increased from ₹ 25,00,00,000 (Rupees Twenty Five Crore Only) divided into 2,50,00,000 (Two Crore Fifty Lacs Only) equity shares of ₹ 10/ (Rupees Ten Only) each to ₹ 45,00,00,000 (Rupees Forty-Five Crores Only) divided into 4,50,00,000 ( Four Crores Fifty Lac Only) equity shares of ₹ 10/- (Rupees Ten Only) each by creation of additional 2,00,00,000 (Two Crores Only) equity shares of ₹ 10/- (Rupees Ten Only) each.

**RESOLVED FURTHER THAT** the Memorandum of Association of the Company be and is hereby altered by substituting the existing Clause V thereof by the following new Clause V:

Clause V:

V. The Authorized Share Capital of the Company is ₹ 45,00,00,000/- (Rupees Forty-Five Crores Only) divided into 4,50,00,000 (Four Crores Fifty Lacs Only) equity shares of ₹ 10/- (Rupees Ten Only) each.

**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 all such steps and actions and give such directions and delegate such authorities, as it may in its absolute discretion, deem appropriate."

**11. Issue of Convertible Equity Warrants on Preferential Basis:**

To consider and if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

**"RESOLVED THAT** pursuant to provisions of Section 23,42,62 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modifications or re- enactment thereof for the time being in force) and in accordance with the existing Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009, as amended (hereinafter referred to as "SEBI (ICDR) Regulations") and other Regulations/Guidelines issued by the Securities and Exchange Board of India (SEBI) and other applicable laws, as may be applicable, and subject to all necessary approvals, consents, permission and/or sanctions of the Government of India, Reserve Bank of India, Foreign Investment Promotion Board, SEBI and/or any other competent authorities and the enabling provisions of the Memorandum of Association and Articles of Association of the Company and the Listing Agreement entered into by the Company with Stock Exchanges where the shares of the Company are listed and subject to such conditions and modifications as may be prescribed or imposed by any of them while granting such approvals, consents, permissions or sanctions and which may be agreed to by the Board of Directors of the Company and subject to such terms and conditions as may be determined by the Board of Directors of the Company (hereinafter referred to as "the Board" which expression shall include any Committee which the Board may constitute to exercise its powers including powers conferred by this Resolution), the consent and approval of the Company be and is hereby accorded to the Board and the Board be and is hereby authorized in its absolute discretion to offer, issue and allot, on preferential basis to Non Promoters up to 2,00,00,000 (Two Crores Only) Convertible Equity Warrants of face value of ₹ 10/- each at a price of ₹ 30/- per Convertible Equity Warrants (including premium of ₹ 20/- per warrants), being not lower than the minimum price calculated in accordance with the Regulations for Preferential Issue contained in Chapter VII of SEBI (ICDR) Regulations.

**RESOLVED FURTHER THAT** the Board be and is hereby authorized to decide and approve the other terms and conditions of the issue and also to vary, alter or modify any of the terms and conditions in the proposal as may be required by the agencies/authorities involved in such issues but subject to such conditions as the Reserve Bank of India (RBI)/Securities and Exchange Board of India (SEBI)/Financial Institutions/Investment Institutions and/or such other appropriate authority may impose at the time of their approval and as agreed to by the Board;

**RESOLVED FURTHER THAT** the Convertible Equity Warrants to be so created, offered, issued and allotted shall be subject to the provisions of the Memorandum and Articles of Association of the Company;

**RESOLVED FURTHER THAT**

1. The Relevant Date, as stipulated in the Regulations 73(4) of Securities and Exchange of India (Issue of Capital and Disclosures Requirements) Regulations, 2009 for the purpose of determining the Issue Price of the Warrants on Preferential basis and conversion thereof into equity shares of Rs. 30/- each (including premium amount of Rs. 20/- each) shall be thirty (30) days prior to the date of this Meeting or in the case where the Relevant Date falls on Weekend/Holiday, the day preceding the Weekend/Holiday will be reckoned to be the Relevant Date and accordingly the warrants so issued shall, on exercise of rights attached thereto shall be converted into equal number of equity shares of ₹ 10/- each at par as may be determined.
2. The equity shares will be issuing and allotting to Non-Promoters of the Company shall be in dematerialized form also.
3. The Equity Shares allotted on conversion of Warrants in terms of this resolution shall be subject to the Memorandum and Article of Association of the Company and shall be listed and traded on all the Stock Exchanges and shall rank pari passu in all respects with the existing equity shares of the Company including Dividend.
4. The aforesaid Warrants allotted in terms of this resolution & the resultant Equity Shares arising on exercise of right attached to such warrants shall be subject to a lock-in period in accordance with regulation 78 of the SEBI (ICDR) Regulations, 2009.

**RESOLVED FURTHER THAT** The Board be and is hereby authorized to decide and approve the other terms and conditions of the issue of Warrants, and also shall be entitled to vary, modify or alter any of the terms and conditions, including the issue price on a higher side than mentioned above, as it may deem expedient, without being required to seek any further consent or approval of the Company in a General Meeting."

**RESOLVED FURTHER THAT** the warrants shall be issued by the Company on the following terms and conditions:

- i. An amount equivalent to 25% of the exercise price of the Equity Shares arising out of the Warrants shall be payable at the time of making the application for Warrants, which will be kept by the Company as a deposit to be adjusted and appropriated against the price of the Equity Shares payable by the Warrant holder at the time of exercising the option.
- ii. In the event of the Warrant holder does not exercise the option of conversion within the warrant exercise period, the Warrants shall lapse and the deposit of 25% as indicated in point (i) above shall be forfeited by the Company.
- iii. The issue of the Warrants as well as the Equity Shares, arising from the exercise of the option under the Warrants in the manner aforesaid shall be governed by the respective provisions of the Companies Act, the Memorandum & Articles of Association of the Company and various Guidelines/Regulations issued by SEBI or any authority or any modifications thereof.

**"RESOLVED FURTHER THAT** for the purpose of giving effect to the above mentioned resolutions, the Board be and is hereby authorized on behalf of the Company to take all actions and do all such deeds, matters and things as it may, in its absolute discretion, deem necessary, desirable or expedient for issue or allotment of the aforesaid Warrants and the resultant Equity Shares to the holders of the Warrants upon exercise of right to subscribe the shares and listing thereof with the Stock Exchange as appropriate and to resolve and settle all queries that may arise in relation to the proposed issue, offer and allotment of any of the said Warrants, utilization of the issue proceeds and to do all acts, deeds and things in connection therewith and incidental thereto as the Board may in its absolute discretion deem fit, without being required to seek any further consent or approval of the Shareholders or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of these resolutions."

**"RESOLVED FURTHER THAT** the Board be and is hereby authorized to delegate all or any of the powers herein conferred by these resolutions to any Director or Directors or to any Committee of Directors or to any Officer or Officers of the Company to give effect to the above mentioned resolutions."

By Order of the Board  
For **Marsons Limited**

Marsons House,  
Budge Budge Trunk Road,  
Vill. – Chakmir, P. O. Maheshtala,  
Kolkata- 700 142  
CIN : L31102WB1976PLC030676  
Phone : 033- 24927244  
Fax : 033- 24926152  
E-mail: info@marsonsonline.com  
Website: www.marsonsonline.com  
Date : 17/11/2014

**Akhilesh Kotia**  
Managing Director

**Notes :**

1. A member entitled to attend and vote at the Annual General Meeting (the "Meeting") is entitled to appoint a proxy to attend and vote on a poll instead of himself and the proxy need not be a member of the Company. The instrument appointing the proxy should, however, be deposited at the registered office of the Company not less than forty-eight hours before the commencement of the Meeting.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

2. Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorising their representative to attend and vote on their behalf at the Meeting.
3. Brief resume of Directors including those proposed to be appointed / re-appointed, nature of their expertise in specific functional areas, names of companies in which they hold directorships and memberships / chairmanships of Board Committees, shareholding and relationships between directors *inter-se* as stipulated under Clause 49 of the Listing Agreement with the Stock Exchanges, are provided in the Corporate Governance Report forming part of the Annual Report.

## A. Mr. 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 Powerinfra Tech Ltd. 2. Marsons Textile Ltd. 3. Marsons Petro Products Ltd.
Chairman/Member of the Committee in which he is a Director apart from this Company	1. Member of Audit Committee- Advance Powerinfra Tech Ltd. 2. Member of Remuneration Committee- Advance Powerinfra Tech Ltd. 3. Member of Shareholders' / Investors Grievances Committee - Advance Powerinfra Tech Ltd

Shares of the company held by Sri Akhilesh Kotia, own or for other persons on beneficial basis, as on the period 31<sup>st</sup> March, 2014.

- i) Own – 2921959
- ii) On beneficial Basis – nil

## B. Mr. Sandip Goswami

<b>Name of Director</b>	Mr. Sandip Goswami
<b>Date of Birth</b>	25.08.1968
<b>Date of Appointment</b>	19.12.2012
<b>Qualification</b>	B.Com
<b>Experience</b>	Possess good working commercial experience
<b>Directorship in other Public Limited Companies</b>	1. Marsons Textiles Limited. 2. Advance Powerinfra Tech Ltd.
<b>Chairman/Member of the Committee in which he is a Director apart from this Company</b>	1. Chairman of the Audit Committee of Advance Powerinfra Tech Limited 2. Chairman of the Remuneration Committee of Advance Powerinfra Tech Limited 3. Chairman of the Stakeholders' Relationship Committee of Advance Powerinfra Tech Limited

Shares of the company held by Mr. Sandip Goswami or for other persons on beneficial basis, as on 31<sup>st</sup> March, 2014:

- i) Own – 437
- ii) On beneficial Basis – NIL

## C. Mrs. Trina Sinha

Date of Birth	03.11.1983
Date of Appointment	31.07.2014
Qualification	B.A. (Hons.)
Experience	Possess good working commercial experience
Directorship in other Public Limited Companies apart from this Company	Nil
Chairman/Member of the Committee in which he is a Director apart from this Company	NIL

Shares of the company held by Smt.Trina Sinha , own or for other persons on beneficial basis, as on the period 31.03.2014.

i) Own – Nil

ii) On beneficial Basis – Nil

4. A Statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the Special Business to be transacted at the Meeting is annexed hereto.
5. Relevant documents referred to in the accompanying Notice and the Statement are open for inspection by the members at the Registered Office of the Company on all working days, except Saturdays, during business hours up to the date of the Meeting.
6. The Company has notified closure of Register of Members and Share Transfer Books from Tuesday, 23<sup>rd</sup> December, 2014 to Tuesday, 30<sup>th</sup> December, 2014 (both days inclusive).
7. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to their Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN to the Company.
8. Members who hold shares in physical form in multiple folios in identical names or joint holding in the same order of names are requested to send the share certificates to the Registrar and Share Transfer Agent of the Company, for consolidation into a single folio.
9. Members who have not registered their e-mail addresses so far are requested to register their e-mail address for receiving all communication including Annual Report, Notices, Circulars, etc. from the Company electronically.

**10. VOTING THROUGH ELECTRONIC MEANS**

I.) Pursuant to provisions of Section 108 of the Companies Act, 2013 and Rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide facility to members to exercise their right to vote by electronic means and the business may be transacted through e-Voting services provided by Central Depository Services Limited (CDSL)

II.) **The instructions for shareholders voting electronically are as under:**

- (i) **The voting period begins on Wednesday, December 24, 2014 at 10.00 A.M. and ends on Friday, December 26, 2014 at 6.00 P.M.** During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, **as on the cut-off date (record date) of November 21, 2014**, may cast their vote electronically. The e-voting module shall be disabled by CDSL for voting thereafter.
- (ii) The shareholders should log on to the e-voting website [www.evotingindia.com](http://www.evotingindia.com) during the voting period
- (iii) Click on "Shareholders" tab.
- (iv) Now Enter your User ID
  - a. For CDSL: 16 digits beneficiary ID,
  - b. For NSDL: 8 Character DP ID followed by 8 Digits Client ID,
  - c. Members holding shares in Physical Form should enter Folio Number registered with the Company, excluding the special characters.
- (v) Next enter the Image Verification as displayed and Click on Login.
- (vi) If you are holding shares in demat form and had logged on to [www.evotingindia.com](http://www.evotingindia.com) and voted on an earlier voting of any company, then your existing password is to be used.



(vii) If you are a first time user follow the steps given below:

	For Members holding shares in Demat Form and Physical Form
DOB	Enter the Date of Birth as recorded in your demat account with the depository or in the company records for your folio in dd/mm/yyyy format.
Dividend Bank Details	Enter the Dividend Bank Details as recorded in your demat account or in the company records for the said demat account or folio. <ul style="list-style-type: none"> <li>Please enter the DOB or Dividend Bank Details in order to login. If the details are not recorded with the depository or company please enter the member id / folio number in the Dividend Bank details field as mentioned in instruction (iv).</li> </ul>

- (viii) After entering these details appropriately, click on "SUBMIT" tab.
- (ix) Members holding shares in physical form will then directly reach the Company selection screen. However, members holding shares in demat form will now reach 'Password Creation' menu wherein they are required to mandatorily enter their login password in the new password field. Kindly note that this password is to be also used by the demat holders for voting for resolutions of any other company on which they are eligible to vote, provided that company opts for e-voting through CDSL platform. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
- (x) For Members holding shares in physical form, the details can be used only for e-voting on the resolutions contained in this Notice.
- (xi) Click on the EVSN for the relevant "**Marsons Limited**" on which you choose to vote.
- (xii) On the voting page, you will see "RESOLUTION DESCRIPTION" and against the same the option "YES/NO" for voting. Select the option YES or NO as desired. The option YES implies that you assent to the Resolution and option NO implies that you dissent to the Resolution.
- (xiii) Click on the "RESOLUTIONS FILE LINK" if you wish to view the entire Resolution details.
- (xiv) After selecting the resolution you have decided to vote on, click on "SUBMIT". A confirmation box will be displayed. If you wish to confirm your vote, click on "OK", else to change your vote, click on "CANCEL" and accordingly modify your vote.
- (xv) Once you "CONFIRM" your vote on the resolution, you will not be allowed to modify your vote.
- (xvi) You can also take out print of the voting done by you by clicking on "Click here to print" option on the Voting page.
- (xvii) If Demat account holder has forgotten the same password then Enter the User ID and the image verification code and click on Forgot Password & enter the details as prompted by the system.
- (xviii) Note for Institutional Shareholders
- Institutional shareholders (i.e. other than Individuals, HUF, NRI etc.) are required to log on to <https://www.evotingindia.com> and register themselves as Corporates.
  - A scanned copy of the Registration Form bearing the stamp and sign of the entity should be emailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com).
  - After receiving the login details they have to create compliance user should be created using the admin login and password. The Compliance user would be able to link the account(s) for which they wish to vote on.
  - The list of accounts should be mailed to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) and on approval of the accounts they would be able to cast their vote.
  - A scanned copy of the Board Resolution and Power of Attorney (POA) which they have issued in favour of the Custodian, if any, should be uploaded in PDF format in the system for the scrutinizer to verify the same.
- (xix) In case you have any queries or issues regarding e-voting, you may refer the Frequently Asked Questions ("FAQs") and e-voting manual available at [www.evotingindia.com](http://www.evotingindia.com) under help section or write an email to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com)
11. Institutional Members / Bodies Corporate (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution / Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote through e-mail at [aklabhcs@gmail.com](mailto:aklabhcs@gmail.com) with a copy marked to [helpdesk.evoting@cdslindia.com](mailto:helpdesk.evoting@cdslindia.com) on or before December 26, 2014, upto 6 pm. without which the vote shall not be treated as valid
12. The voting rights of shareholders shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date (record date) of 21-November-2014.

13. The notice of Annual General Meeting will be sent to the members, whose names appear in the register of members / depositories as at closing hours of business, on 21-November-2014.
14. The shareholders shall have one vote per equity share held by them as on the cut-off date (record date) of 21-November 2014. The facility of e-voting would be provided once for every folio / client id, irrespective of the number of joint holders.
15. Shri Atul Kumar Labh, Practising Company Secretary (FCS-4848) has been appointed as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner. The Scrutinizer shall within a period not exceeding three (3) working days from the conclusion of the e-voting period unblocks the votes in the presence of at least two (2) witness not in the employment and make a Scrutinizer's Report of the votes cast in favour or against, if any, forthwith to the Chairman of the Company.
16. The results shall be declared on or after the AGM of the Company. The results declared alongwith the Scrutinizer's Report shall be placed on the website of CDSL within two (2) days of passing of the resolution at the AGM of the Company and will be communicated to the Stock Exchange where the Company's Shares are Listed, i.e. Bombay Stock Exchange.

#### **EXPLANATORY STATEMENT IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013**

##### **Item No. 4 & 5**

Mrs. Trina Sinha was inducted in the Board as an additional director on 31.07.2014. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mrs. Sinha for the office of Director of the Company.

Mrs. Sinha is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given her consent to act as an Independent Director.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and she shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mrs. Sinha that she meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mrs. Sinha possesses appropriate skills, experience and knowledge, *inter alia*, in the field of accounts.

In the opinion of the Board, Mrs. Sinha fulfills the conditions for her appointment as an Independent Director as specified in the Act and the Listing Agreement. Mrs. Sinha is independent of the management. Her appointment is proposed for a continuous period of 5 years w.e.f. 01.01.2015.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

##### **Item No. 6 & 7**

Mr. Sandip Goswami was inducted in the Board as an additional director on 14.08.2014. The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Goswami for the office of Director of the Company.

Mr. Goswami is not disqualified from being appointed as a Director in terms of Section 164 of the Companies Act, 2013 and has given his consent to act as an Independent Director.

Section 149 of the Act *inter alia* stipulates the criteria of independence should a company propose to appoint an independent director on its Board. As per the said Section 149, an independent director can hold office for a term up to 5 (five) consecutive years on the Board of a company and he shall not be included in the total number of directors for retirement by rotation.

The Company has received a declaration from Mr. Goswami that he meets with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and under Clause 49 of the Listing Agreement. Mr. Goswami has appropriate skills, experience and knowledge, *inter alia*, in the field of accounts.

In the opinion of the Board, Mr. Goswami fulfills the conditions for his appointment as an Independent Director as specified in the Act and the Listing Agreement. Mr. Goswami is independent of the management. His appointment is proposed for a continuous period of 5 years w.e.f. 01.01.2015.

Save and except the above, none of the other Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

**Item No. 8**

As per Section 180 (1) (c) of the Companies Act, 2013, borrowings (apart from temporary loans obtained from the Company's bankers in ordinary course of business) by the Company beyond the aggregate of the paid up capital of the company and its free reserve requires approval from the shareholders of the Company.

With a view to meet the funds requirements of the Company for both short term as well as long term, the Company may require to borrow from time to time by way of loans and/or issue of Bonds, Debentures or other securities and the existing approved limit may likely to be exhausted in near future and it is therefore recommended to enhance the borrowing limits of the Company upto ₹ 250 Crores (Rupees Two Hundred Fifty Crores Only).

The Directors recommends the resolution for members' approval as a Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

**Item No. 9**

In furtherance to the Resolution No. 10 of this notice, the said borrowings/ issue of securities may be required to be secured by way of mortgage/ charge over all or any part of the movable and/or immovable assets of the Company and as per provisions of Section 180 (1) (a) of the Companies Act 2013, the mortgage or charge on all or any part of the movable and/or immovable properties of the Company, may be deemed as the disposal of the whole, or substantially the whole, of the undertaking of the Company and hence, requires approval from the shareholders of the Company.

Accordingly, it is proposed to pass an enabling resolution authorizing the Board to create charge on the assets of the Company for a value not exceeding ₹ 250 Crores (Rupees Two Hundred Fifty Crores Only).

The Directors recommends the resolution for members' approval as a Special Resolution.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

**Item No. 10**

The Company, in order to meet its growth objectives and to strengthen its financial position, is required to generate long term resources by issuing securities. It is therefore deemed appropriate to increase the Authorized Share Capital of the Company from ₹ 25 Lacs to ₹ 45 Crores and for that purpose the Memorandum of Association of the Company is proposed to be suitably altered.

The provisions of the Companies Act, 2013 require the Company to seek the approval of the Members for increase in the Authorized Share Capital and for the alteration of capital clause of the Memorandum of Association of the Company.

The Board of Directors accordingly recommends the resolutions for the approval of the Members.

None of the Directors or Key Managerial Person (KMP) of the Company or their relatives is in any way, concerned or interested, financial or otherwise, in the resolution set out at No.10.

**Item No. 11**

The Board of Directors of the Company ("the Board") at their meeting held on 17.11.2014 discussed the future plans of the Company and possible growth options. Based on the above discussions, the Board in order to raise resources to fund the future growth plans and expansion of the Company, to meet long term working capital requirements and for general corporate purposes, thought it prudent to infuse fresh equity capital in the Company by issue and allotment of 2,00,00,000 (Two Crores Only) Convertible Equity Warrants of face value of ₹ 10/- (Rupees Ten Only) each at a premium of ₹ 20/- each, aggregating to ₹ 60,00,00,000/- (Rupees Sixty Crores Only), or at such higher prices as may be determined in compliance with Chapter VII of the SEBI (ICDR) Regulations, 2009 on Preferential Basis to the Strategic Investors, not forming part of the Promoter Group of the Company.

**Disclosure that is required to be made pursuant to clause 73(1) of the Securities and Exchange Board of India (Issue of Capital & Disclosure Requirements) Regulations 2009 and subsequent amendments thereto ["SEBI (ICDR) Regulations, 2009"]:**

**(i) Object of the Issue:**

The main object of the issue of Warrants convertible into Equity Shares pursuant to the Resolution set out in the accompanying Notice shall be to augment resources for meeting its business requirements, invest in other Companies, expansion plans and also to meet long working capital requirements of the Company and other general corporate purpose.

**(ii) Relevant Date:**

The equity shares of the Company are traded on BSE Limited where the shares of the Company are listed during six months or two weeks preceding the relevant dated i.e. 30.11.2014 as arrived at in accordance with the provisions of Regulation 71 of SEBI (Issue of capital and Disclosure Requirements) Regulations, 2009. "Relevant Date" will be 30 days prior to the date of this meeting of the Shareholders of the Company or in the case where the Relevant Date falls on Weekend/Holiday, the day preceeding the Weekend/Holiday will be reckoned to be the Relevant Date, i.e. 30.11.2014.

**(iii) Price of the Issue:**

The preferential allotment of 2,00,00,000 Warrants convertible into equity shares of the face value of ₹ 10/- each at a premium of ₹ 20/- each, or at such other higher prices as may be determined as per Chapter VII of SEBI (ICDR) Regulations, 2009.

**(iv) Payment & Conversion Terms:**

25% of the value of the Warrants (advance payment) shall become payable at the time of application. The balance amount is payable at the time of conversion of Warrants into Equity Shares. In case the conversion option is not exercised within a period of 18 months from the date of allotment, the Company will affect forfeiture of the advance payment. The warrants are converted at the option of the allottees on payment of the balance amount of the issue price. The said advance payment shall be adjusted against the price payable subsequently for acquiring the resultant shares by the warrant holder upon conversion of warrants.

Upon receipt of the requisite payment, as above the Board shall allot one equity share against each warrant by appropriating ₹ 10/- per equity shares towards equity share capital (₹ 10/-).

The warrant by itself, till converted into equity shares, does not give to the holder thereof any rights of the shareholders of the Company.

Any of the Warrants convertible into Equity Shares issued as above, that may remain un-subscribed for any reason whatsoever, may be offered and allotted by the Board in its absolute discretion to any person/entity accompanied in this notice, on the same terms and conditions.

**(v) The Intention of the Promoters/Promoter Group/Directors/Key Management Persons to subscribe to this Offer:**

None of the Promoters/ Promoter Group/ Director/ Persons in Promoter/ Key Management Persons of the Company are subscribing to the offer.

**(vi) Shareholding Pattern before and after the Proposed Preferential Issue:**

Category	Pre-Issue Equity Holdings		Allotment of equity Warrants		Post-Issue Equity Holdings *(Assuming full allotment of 4,50,00,000 equity shares)	
	No. of Shares	% of Share Holding	No. of Warrants	% of Warrants Holding	No. of Shares	% of Share Holding
<u>1) Promoter Holdings</u>						
a. Indian Promoters	10734019	42.94	0	0	10734019	23.85
b. Foreign Promoters	0	0.00	0	0.00	0	0.00
<b>Sub-total</b>	<b>10734019</b>	<b>42.94</b>	<b>0</b>	<b>0</b>	<b>10734019</b>	<b>23.85</b>
<u>2) Non-Promoters Holding</u>						
a. Resident Indians (Individuals, HUF)	10746314	42.99	0	0	10746314	23.88
b. Bodies Corporate	3072548	12.29	20000000	100	23072548	51.28
c. NRI/FI/FII/NRR	337327	1.35	0	0.00	337327	0.75
d. Others(Trust)	109792	0.44	0	0.00	109792	0.24
<b>Sub-Total</b>	<b>14265981</b>	<b>57.06</b>	<b>20000000</b>	<b>100</b>	<b>34265981</b>	<b>76.15</b>
<b>Total</b>	<b>25000000</b>	<b>100.00</b>	<b>20000000</b>	<b>100</b>	<b>45000000</b>	<b>100</b>

\* On assumption that entire 20000000 equity shares may be allotted

(vii) The identity of the natural persons who are the ultimate beneficial owners of the equity shares proposed to be allotted and/ or who ultimately control the proposed allottees and the percentage of Post Preferential Issue Capital that may be held by them:

Sr. No.	Name of the Proposed Allottees	Identity of the ultimate Beneficial Owners*	No. & % of Equity Shares held prior to the Preferential Allotment	No. & % of Equity Shares to be issued and allotted (assuming full conversion)	No. & % of Post Issue Equity and Voting Share Capital* (Assuming full allotment of 4,50,00,000 equity shares)
<i>Non-Promoter Group:</i>					
1.	APRATEEM TRADING PVT. LTD	PRAKASH NARAYAN MALGAONKAR & PRASHANT PRABHAKAR BAGWE	NIL	1500000	3.33
2.	KRYSTALKLEAR PROPERTIES PVT. LTD.	NIRAV KIRTIKUMAR SANGHVI & RONAK DEVENDRA CHHEDA	NIL	1625000	3.61
3.	SAINT INFRASTRUCTURE PVT. LTD.	KAMAL KISHORE TIBREWALA, MURARI MOHAN BANIA & RAJESH PRAKASH MALGAONKAR	NIL	1425000	3.17
4.	AROKYA FIELD DEVELOPERS PVT. LTD	HAFIJ NAYIM KHAN, & SANGEETA BHARAT SINGH	NIL	1700000	3.78
5.	ENAKSHI IMPEX PVT LTD	KHALID S QURESHI, & KISHORI RAICHAND MADAN	NIL	1575000	3.50
6.	OFFERLINK INFRAPROJECTS PVT. LTD.	CHIRAG DINESHKUMAR SHAH & NIRMAL BANSIDHAR KHETAN	NIL	1420000	3.15
7.	SHIVAM MALL MANAGEMENT COMPANY PVT. LTD.	MAHESH DAJI JADHAV & SNEHAL VIJAY DEVLEKAR	NIL	1750000	3.89
8.	KINITA REAL ESTATE PVT. LTD.	KIRAN KAPOOR & RAVINDRA BELEKAR	NIL	1675000	3.72
9.	CONTENT INFRASTRUCTURE PVT. LTD.	SANGEETA BHARAT SINGH, & SRINIVAS VATHI	NIL	1750000	3.89
10.	CAMERON BUILDERS PVT. LTD.	DIPTI D DOSHI & PRAG D DOSHI	NIL	1250000	2.78
11.	ICEBIT REALITY PVT. LTD.	ANIL DATTARAM VICHARE & NIKHIL PRANAY PEDNEKAR	NIL	1500000	3.33
12.	PARKWAY PROPERTIES PVT. LTD.	BHAVIK RASHMI BHIMJYANI & RAVI BAID	NIL	1580000	3.51
13.	WESTLITE INFRAPROJECTS PVT. LTD.	ASHA DINESHKUMAR SHAH & SANJAY PAWAR	NIL	1250000	2.78
<b>Total</b>			<b>NIL</b>	<b>20000000</b>	<b>44.44</b>

(viii) **Proposed time within which allotment shall be completed:**

In accordance with Regulation 74 of the SEBI (ICDR) Regulations, the Company shall complete the allotment of Convertible Equity warrants within a period of 15 (fifteen) days from the date of passing of this Special Resolution by the Shareholders or order/permission by any regulatory authority including SEBI/Stock Exchange or the Central Government, etc, the period of fifteen days shall be counted from the date of order on such application or the date of approval or permission from regulatory authority whichever is later, as the case may be in dematerialized form.

(ix) **Consequential Changes in the Voting Rights:**

Voting rights will change in tandem with the shareholding pattern.

(x) **Lock-in :**

The aforesaid allotment of Equity Shares (after conversion of warrants into equity shares) arising shall be locked in as per the provisions of Chapter VII of the SEBI (ICDR) Regulations, 2009. Further, the entire Pre-Preferential allotment shareholding of all the proposed allottees, if any, shall also be under lock-in from the relevant date up to a period of six months from the date of the trading approval received from the Stock Exchanges. [Here the date of trading approval shall be reckoned as the latest date when trading approval has been obtained from the Stock Exchanges where it is listed].

**(xi) Change in the control or composition of the Board :**

Subsequent to the proposed issue of Warrants convertible into equity shares, (assuming full conversion) on preferential basis, there will neither be a change in control nor a change in the management of the Company. However there will be a corresponding change in the shareholding pattern as well as voting rights consequent to the convertibility of Warrants into equity shares.

**(xii) Undertakings :**

- (i) The Issuer Company undertakes that they shall re-compute the price of the convertible equity warrants issued in terms of the SEBI (ICDR) Regulations, 2009, where it is required to do so.
- (ii) The Issuer Company undertakes that if the amount payable on account of the re-computation of price is not paid within the time stipulated in terms of the provision of SEBI (ICDR) Regulations, 2009, the equity shares shall continue to be locked-in till the time such amount is paid by the allottees.
- (iii) During the period, the Company has not issued any securities on preferential basis or Private Placement basis other than mentioned above.

**(xiii) Auditor's Certificate :**

A copy of the certificate from the Statutory Auditors of the Company, M/s. K.K.Jain & Co., certifying that the issue of the Warrants convertible into Equity Shares is being made in accordance with the requirement of SEBI (ICDR) Regulations, 2009 for Preferential Issue, will be available for inspection at the Registered Office of the Company during 10.00 A.M. to 6.00 P.M. on any working day up to the date of Annual General Meeting and at the meeting.

Further, under section 23,42,62 of the Companies Act, 2013, approval of the Shareholders is required for allotment of securities on Preferential basis. Accordingly, the consent of the Shareholders is being sought, pursuant to the applicable provisions of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for time being in force), wherever applicable, SEBI (ICDR) Regulations, 2009, if any, and in terms of the provisions of the Listing Agreements executed by the Company with BSE Limited. None of the Directors of the Company is, in any way, concerned or interested in the said resolution except to the extent of their respective shareholding in the Company and also to the extent of fresh equity shares being allotted either to them or to the companies in which they are interested as Director or Shareholder. The Board of Directors believes that this Offer will be in the best interest of the Company and its shareholders.

Your Directors recommend the Special Resolution for the approval of Members.

None of the Directors / Key Managerial Personnel of the Company / their relatives are, in any way, concerned or interested, financially or otherwise, in this resolution.

By Order of the Board  
For **Marsons Limited**

Marsons House,  
Budge Budge Trunk Road,  
Vill. – Chakmir, P. O. Maheshtala,  
Kolkata- 700 142  
CIN : L31102WB1976PLC030676  
Phone : 033- 24927244  
Fax : 033- 24926152  
E-mail: info@marsonsonline.com  
Website: www.marsonsonline.com  
Date : 17/11/2014

**Akhilesh Kotia**  
Managing Director

**DIRECTORS' REPORT****To*****The Shareholders,***

The Directors of your company hereby submit their 37<sup>th</sup> Annual Report together with audited statement of accounts of the company for the period (9 months) ended 31<sup>st</sup> March, 2014.

**FINANCIAL HIGHLIGHT:**

	For the period ( 9 months ) ended 31.03.2014 ₹ (In Lacs)	For the 15 months Period ended 30.06.2013 ₹ (In Lacs)
Total Revenue	5524.91	5170.87
Depreciation for the year	95.71	126.34
Profit/(Loss) before Taxation	88.57	35.28
Provision for Income Tax (Net of Deferred Tax Assets)	64.97	(39.04)
<b>Profit After Tax</b>	<b>23.60</b>	74.32
Surplus Carried to Balance Sheet	548.15	524.76
Earning per share (EPS)	0.09	0.30

**DIVIDEND**

To accumulate the resources the Board of Directors are not in a position to recommend any dividend for the period under review.

**CURRENT OPERATION & FUTURE PROSPECTS**

The company's turnover increased from ₹ 51.71 Crore to ₹ 55.25 Crore. The EPS of the Company for the year ended was ₹ 0.09 compared to ₹ 0.30 of the corresponding previous period. In order to align with provisions of the new Companies Act, 2013, the Board has decided to close the financial year on 31.03.2014 and accordingly the result of current period is of 9 months only and hence the said figures are not comparable with 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:

- 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 period on 31<sup>st</sup> March, 2014 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 closed its Public Deposit Scheme running under Section 58A of the Companies Act, 1956. The company has Rs.48.22 Lacs outstanding deposit as on 31.03.2014 which will be repaid at the time of maturity.

**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 of the company retires by rotation and being eligible offers himself for re-appointment.

**LISTING:**

The shares of the company are listed at Bombay Stock Exchange and the listing fee is paid upto 31<sup>st</sup> March, 2015.

**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 : 30.05.2014

**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 (9 MONTHS) ENDED 31<sup>ST</sup> MARCH, 2014.

## 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 (CO<sub>2</sub>) 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:

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 ₹ 236.20 lacs.(Previous year ₹ 212.30 Lacs)

### 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 ncomparable. 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 item. |
| 2) a) | Total Foreign Exchange used  | : | ₹ nil (Previous Year ₹ 13.72.Lacs)                                       |
| b)    | Total Foreign Exchanged earned   | : | ₹ 147.29 Lacs (Previous ₹ 87.83 Lacs)                                    |

**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 3 Non-Executive Directors and 1 Executive Director as on 31.03.2014. There are 2 Independent Directors on the Board. Composition of the Board is as follows:

	<b>Name of Director</b>	<b>Category</b>
1.	Mr. G. C. Kotia	Chairman (Promoter) Non-Executive)
2.	Mr. Akhilesh Kotia	Managing Director (Promoter)
3.	Mr. Peeyush Jain	Independent Non-Executive Director
4.	Mr. Sudhir Kumar Joshi	Independent Non-Executive Director

Mr. G. C. Kotia and Mr. Akhilesh 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	4	4	Yes
Akhilesh Kotia	4	4	Yes
Peeyush Jain*	4	-	No
Sudhir Kumar Joshi	4	4	No

\* Leave of absence was 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	-
3	Peeyush jain	1	-	-
4	Sudhir Kumar Joshi	1	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 4(Four) 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 2013-14 are as under:

Date	Board Strength	No. of Directors present
29.08.2013	4	3
14.11.2013	4	3
26.11.2013	4	3
14.02.2014	4	3

**♦ ♦ 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](http://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 31.03.2014:

1. Mr. Sudhir Kumar Joshi– Chairman
2. Mr. Peeyush Jain
3. Mr. Akhilesh Kotia

Meetings of the Audit Committee and attendance of the members therein in 2013-2014 are as follows:

	29.08.2013	14.11.2013	14.02.2014
Mr. Sudhir Kumar Joshi	Yes	Yes	Yes
Mr. Peeyush Jain*	No	No	No
Mr. Akhilesh Kotia	Yes	Yes	Yes

**\* Leave of absence was granted.**

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 31.03.2014.

1. Mr. Sudhir Kumar Joshi – Chairman
2. Mr. Peeyush Jain
3. Mr. Gyan Chand Kotia

**\* 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 Committee Meeting was held during the period under report

The aggregate value of salary & perquisites paid to Mr. Akhilesh Kotia, Managing Director for the period ended 31.03.2014 was ₹ 6.60 Lacs. 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 30.03.2014:**

Name of the Non-Executive Directors	No. of shares of the company	Convertible Instruments
Mr. G. C. Kotia	815551	N.A
Mr. Sudhir Kumar Joshi	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 Director comprises of the following Directors as on 31.03.2014.

1. Mr. Sudhir Kumar Joshi – Chairman
2. Mr. Peeyush Jain
3. Mr. Akhilesh Kotia

The Committee met on 25.07.2013, 12.09.2013, 05.12.2013, 12.12.2013, 16.01.2014, 06.02.2014, 14.02.2014 and 13.03.2014

<b><u>Compliance Officer</u></b>	:	<b>Mr. Akhilesh Kotia, Managing Director</b>
<b>Address</b>	:	Marsons House, Budge Budge Trunk Road Vill. Chakmir, P.O. Mahestala, Kolkata-700 142
<b>Phone No.</b>	:	<b>(033) 24927244</b>
<b>Fax No.</b>	:	<b>(033) 24926152</b>
<b>Email</b>	:	<b>info@marsonsonline.com</b>
<b>Website</b>	:	<b>www.marsonsonline.com</b>

Pursuant to new clause 47(f) of the listing agreement the company's email ID for grievance redressal purpose is [info@marsonsonline.com](mailto:info@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 period 10 Share transfer deeds comprising of 1340 shares were received for Physical Transfer. Requests received for dematerialization of shares were generally processed promptly. During the period total number of shares dematerialization were as follows:

NSDL: 4183

CDSL: 3422

3 Complaint has been received during the period and the same was resolved within time and the number of complaints lying pending as on 31<sup>st</sup> March, 2014 was nil.

#### 4. General Body Meetings:

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

<u>Year</u>	<u>Location</u>	<u>Date</u>	<u>Time</u>
2010-2011	Bhartiya Bhasha Parisad 36A, Shakespeare Sarani Kolkata – 700017	30.09.2011	4.00 P.M.
2011-2012	Bhartiya Bhasha Parisad 36A, Shakespeare Sarani Kolkata – 700017	17.12.2012	11.30 A.M.
2012-2013	Bhartiya Bhasha Parisad 36A, Shakespeare Sarani Kolkata – 700017	28.12.2013	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.

#### 5. Disclosures:

- (i) The financial statements are prepared following the Accounting Standards and there are no deviations from it in general.
- (ii) Disclosures on materially significant related party transactions, i.e. transactions of the Company of material nature, with its promoters, the Directors or the Management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the company at large:  
There are no significant transactions with related parties which may have a potential conflict with the interests of the Company. The Register of Contracts containing transactions in which directors are interested is placed before the Board regularly.
- (iii) Details of non-compliance by the company, penalties, structures imposed on the Company by the Stock Exchange or SEBI or any statutory authority or any matter related to Capital Markets, during the last three years:  
There were no such significant instances of non-compliances of any matter related to the capital markets during the last year.
- (iv) The Company has complied with all the mandatory and non-mandatory requirements of the revised Clause 49 of the Listing Agreement. The extent of compliance of the following non-mandatory requirements are given below:
  - (a) With regard to training of Board Members, the directors of the Company are continuously trained in the business model of the Company and the risk profile of business parameters through various presentations at Board/Committee Meetings.
  - (b) With regard to Whistle Blower Policy, the Company is examining the formulation and implementation of the same, after which the same would be submitted to the Board.

**6. Means of Communication:**

The Company's Notice, Results etc. have generally been published in Business Standard (in English) and Arthiklipi (in Bengali), whereas the printed Annual Report along with statement of accounts and notices convening the Annual General Meeting are mailed to the shareholders.

**7. Management Discussions and Analysis Report****Industry Trend and Development**

The Company is engaged in manufacturing of transformers in the capacity range of 100MVA 132KV class. The demand for the Company's product in coming years will increase significantly. The expansion of infrastructure industry and real estate business, extensive rural electrification programme of the Government, development of shopping malls, complexes, etc. demands various type of transformers and the Company in this industry with flexibility will survive and have a bright future.

**Opportunities and Threats**

The company has taken steps to upgrade its facility for manufacturing of transformers upto 100 MVA 220 KV Class from the present capacity of 100 MVA 132 KV Class. With this the Board has also decided to diversify into the field of EPC Contracts in Power Sector and the negotiations with major players in this field are at concrete stage. The Company's nature of business is capital intensive and hence any delay in cycle causes huge interest loss and marks the bottom line of the Company.

**Risk and Concern**

The threat is also from unorganized small scale entrepreneurs who sometimes run away with big orders due to their small set up cost. The nature of industry demands blocking of capital for a long period and hence more credit support from the banks are required.

**Outlook**

The current scenario is very encouraging because the major thrust of our Government is on Power and Infrastructure sector. Meanwhile Eastern and North Eastern region is witnessing the maximum development in the power sector. We are in a commanding position for all North Eastern demand of these Large Transformers as we are at the gateway to the entire region. NTPC and NHPC are setting up power project of 25000 MW and 20000 MW at an estimated cost of approximately ₹ 20 Billion in the North East, which will give us a tremendous opportunity.

**Internal Control and System**

The Company maintains an efficient internal control system and the management is constantly reviewing for achieving improved operational efficiency.

**9. CEO/CFO Certificate**

The CEO, i.e. Managing Director of the company and also the person leading the finance friction has certified to the Board the particulars as stipulated vide clause 49V of the Listing Agreement.

**10. General Shareholder Information:****(a) Annual General Meeting:**

Date & Time : Tuesday, the 30<sup>th</sup> day of September, 2014 at 11.00 A.M.  
Venue : "Bharatiya Bhasha Parishad", 36A, Shakespeare Sarani, Kolkata – 700 017

**(b) Financial Calender 2014-15 (tentative)**

Annual General Meeting	September, 2015
Results for the Quarter ending 30 <sup>th</sup> June, 2014	By 14 <sup>th</sup> day of August, 2014
-do- ending 30 <sup>th</sup> Sept. 2014	By 14 <sup>th</sup> day of November, 2014
-do- ending 31 <sup>st</sup> Dec. 2014	By 14 <sup>th</sup> day of February, 2015
-do- ending 31 <sup>st</sup> March, 2015	By 30 <sup>th</sup> day of May, 2015

**(c) Book Closure date:**

23.12.2014 to 30.12.2014(both days inclusive)

**(d) Listing:**

Shares are listed at : i) The Stock Exchange, Mumbai  
(Scrip ID: MARSON/ Scrip Code:517467)  
Phiroze Jeejeebhoy Towers, Dalal Street  
Mumbai – 400001.  
The Listing Fee has been paid upto March, 2015.

(e) Demat : ISIN No. INE 415B01028

## (f) Stock Market Rate :

Month	Open	High	Low	Close	No. of Shares	No. of Trades	Total Turnover
Jul 13	3.42	3.99	2.76	2.80	4,98,445	2,446	17,10,244
Aug 13	2.80	5.14	2.68	4.90	5,83,263	1,262	20,68,083
Sep 13	4.66	5.22	4.21	4.21	1,45,448	381	7,21,325
Oct 13	4.13	4.15	3.56	3.63	35,476	244	1,33,104
Nov 13	3.60	3.94	3.32	3.90	40,206	487	1,44,317
Dec 13	3.99	4.00	3.21	3.58	83,240	635	2,96,142
Jan 14	3.74	3.92	3.20	3.40	1,02,703	799	3,74,155
Feb 14	3.27	4.00	3.06	3.59	4,50,786	1,320	15,79,496
Mar 14	3.61	5.88	3.52	5.45	25,38,194	5,509	1,18,16,913

(g) **Registrar & Share Transfer Agent:** Maheshwari Datamatics Private Limited  
6, Mangoe Lane, 2<sup>nd</sup> Floor  
Kolkata – 700001  
Phone: 2243-5029/5809, 2248-2248  
Fax: (033) 2248-4787  
Email: mdpl@cal.vsnl.net.in

(h) (i) Pattern of Shareholding (as on 31.03.2014)

<u>Category</u>	<u>No. of Shares Held</u>	<u>% of Share Holding</u>
<b>A. Promoter (s) Holding</b>		
1. <u>Promoters</u>		
a. Indian Promoters	10985939	43.94
b. Foreign Promoters	-	-
2. Persons Acting in Concert	-	-
<b>Sub-Total</b>	<b>10985939</b>	<b>43.94</b>
<b>B. Non-Promoters Holding</b>		
3. <u>Institutional Investors</u>		
a. Mutual Funds and UTI	-	-
b. Banks, Financial Institutions, Insurance Companies (Central/ State Govt. Institutions / Non-Government Institutions)	-	-
c. FIIS	-	-
<b>Sub-Total</b>	<b>-</b>	<b>-</b>
4. <u>Others</u>		
a. Private Corporate Bodies	2853522	11.41
b. Indian Public	10642675	42.57
c. Qualified Foreign Investor	338846	1.36
d. Any other		
Trust	3807	0.02
Cliring Member	103417	0.41
Non resident Individual	71794	0.29
<b>Sub-Total</b>	<b>14014061</b>	<b>56.06</b>
<b>GRAND TOTAL</b>	<b>25000000</b>	<b>100.00</b>

**(ii) Distribution of Shareholding on 31.03.2014)**

Share Holding	Share Holder Number	%	No. of Shares	%
1 to 500	13801	80.8447	2491525	9.9661
501 to 1000	1520	8.9040	1119223	4.4769
1001 to 2000	920	5.3893	1308459	5.2338
2001 to 3000	302	1.7691	757108	3.0284
3001 to 4000	113	.6619	406451	1.6258
4001 to 5000	75	.4393	356084	1.4243
5001 to 10000	141	.8260	1009590	4.0384
10001 and above	199	1.1657	17551560	70.2062
Grand Total	<b>17071</b>	<b>100.0000</b>	<b>25000000</b>	<b>100.0000</b>

**(iii) Holding Pattern (as on 31.03.2014)**

	Shareholders		Share	
	No.	%	No.	%
Physical	4815	28.21	1282358	5.13
NSDL	7841	45.93	18231811	72.93
CDSL	4415	25.86	5485831	21.94
TOTAL	17071	100.00	25000000	100.0000

- (i) i) Address for correspondence : "Marsons House' Budge Budge Trunk Road  
Vill. Chakmir, P.O. Mahestala, Kolkata-700 142.
- ii) Any query on Annual Report : "Marsons House' Budge Budge Trunk Road  
Vill. Chakmir, P.O. Mahestala, Kolkata-700 142.
- iii) Investor Correspondence :  
Maheshwari Datamatics Private Limited  
6, Mangoe Lane, 2<sup>nd</sup> Floor, Kolkata – 700001  
Phone No. : (033)2243-5029/5809, 2248-2248  
Fax No. : (033)2248-4787  
email : mdpl@cal.vsnl.net.in

**11. Cautionary Statement:**

Details given here in above relating to various activities and future plans may be 'forward looking statements' within the meaning of applicable laws and regulations. The actual performance may differ from those Expressed or implied.

**12. Certificate:**

The company has obtained the Certificate from the M/s. A. K. LABH & CO. Company Secretaries regarding compliance of Corporate Governance as stipulated in clause 49 of the listing agreement and the same is annexed.

All material requirements with respect to Corporate Governance as stipulated in the Listing Agreement have been complied with.

On behalf of the Board

Place: Kolkata  
Date : 30.05.2014

**Gyan Chand Kotia**  
Chairman



**CERTIFICATE OF COMPLIANCE OF THE CODE OF CONDUCT OF THE COMPANY**

This is to confirm that a code of conduct for the Board Members and Senior Management Personnel of the Company has been adopted by the Board and the same was also circulated and posted on the website of the Company. The Company received declarations affirming Compliance of the Code from the persons concerned for the year ended 31<sup>st</sup> March, 2014 and the same has also been noted by the Board.

By Order of the Board  
For Marsons Limited

Place: Kolkata  
Date : 30.05.2014

Akhilesh Kotia  
Managing Director

**A. K. LABH & CO.**

**Company Secretaries**

**40, Weston Street, 3<sup>rd</sup> Floor, Kolkata – 700 013.**

**Certificate on compliance with the conditions of Corporate  
Governance under Clause 49 of the Listing Agreement**

***To the Members of***

**Marsons Limited**

We have examined the compliance of Conditions of Corporate Governance by Marsons Limited, for the year ended on 31<sup>st</sup> March, 2014, as stipulated in clause 49 of the Listing Agreement of the Company with the Stock Exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination was limited to procedures and implementation thereof adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

We have been explained that no investor grievance is pending for a period exceeding one month against the Company as per the records maintained by the Company as well as by the Share Transfer Agent.

***The Company does not have any Company Secretary in terms of Section 203 of the Companies Act, 2013.***

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For A. K. LABH & CO.  
Company Secretaries

40, Weston Street,  
3<sup>rd</sup> Floor, Kolkata – 700 013  
Dated the 30<sup>th</sup> May, 2014

CS A. K. LABH  
Proprietor  
CP 3238

K.K.JAIN &amp; CO.

Chartered Accountants

**INDEPENDENT AUDITORS' REPORT**  
**TO THE MEMBERS OF MARSONS LTD.**

**Report on the Financial Statements**

We have audited the accompanying financial statements of Marsons Limited which comprise the Balance Sheet as at 31<sup>st</sup> March, 2014, the Statement of Profit & Loss Account and the Cash Flow Statement for the period from 1<sup>st</sup> July, 2013 to 31<sup>st</sup> March, 2014, and a summary of significant accounting policies and others explanatory information.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

**Auditors' Responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on our judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, we considered internal control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, subject to matters as referred to in the report on other legal and regulatory requirements hereinafter:

- a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31<sup>st</sup> March, 2014;
- b) in the case of the Statement of Profit and Loss, of the profit for the period from 1<sup>st</sup> July, 2013 to 31<sup>st</sup> March, 2014; and
- c) in the case of the Cash Flow Statement, of the cash flows for the the period from 1<sup>st</sup> July, 2013 to 31<sup>st</sup> March, 2014;

**Report on Other Legal and Regulatory Requirements**

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order"), as amended issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Act, we give the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that:
  - a) We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit, *subject to i) confirmations not available in respect of balances in sundry debtors, in respect of certain unsecured loan creditors, of major parties and outstanding in trade payables as well as of certain advances given and lying unadjusted; ii) sales tax account with credit balance of ₹. 26.35 lacs yet to be reconciled; iii) inventory stock sheets being not made available and taken as certified by the management and iv) market value of quoted shares held as investments not stated and such the extent of diminution in value of investments not ascertained and not reportable/ accounted though the market value of 4250000 equity shares of Advance Powerinfra Tech Ltd. as per quoted rate of 31.03.2014 being ₹ 2.54 per share on the basis of which market value being ₹ 107.95 lacs only, as against cost of ₹ 976.21 lacs, thereby prima facie the diminution being ₹ 868.26 lacs not considered and on account of ambiguity the overall impact of all these observations on the profits if any could not be reported as not ascertainable;*
  - b) In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books *subject to observations given in para (a) above;*
  - c) The Balance Sheet and the Statement of Profit & Loss dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash flow statement comply with the Accounting Standards notified under the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13<sup>th</sup> September, 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013 *subject to provision for gratuity for the year not made amount unascertainable;*
  - e) On the basis of written representations received from the directors as on 31<sup>st</sup> March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31<sup>st</sup> March, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

P-21/22, Radhabazar Street  
Kolkata – 700 001

**For K. K. Jain & Co.**  
**Chartered Accountants**  
Reg. No.302022E

Dated the 30<sup>th</sup> day of May, 2014

(CA. P.K. Jain)  
Partner – M. No.: 52018

**K.K.JAIN & CO.**  
**Chartered Accountants**

**ANNEXURE**

1. a) The Company is yet to update proper record showing full particulars including quantitative details and location of the Fixed Assets.  
b) We are informed that there is a regular program of physical verification, which in our opinion is reasonable, having regard to the size of the Company and the nature of fixed assets. No material discrepancies have been noticed in respect of the assets physically verified during the year.  
c) The Company has not disposed off substantial part of fixed assets during the year.
2. a) Inventories have been physically verified during the year by the management as per information and explanations available, through such sheets were not made available for our verification.  
b) The procedures of physical verification of stocks followed by the management appear to be adequate in relation to the size of the Company and the nature of its business, subject to observation in para (a)  
c) The Company is maintaining proper records of inventory, subject to as reported above. The discrepancies noticed on verification between the physical stocks and book records are stated to be not material and have been properly dealt with in the books of account.
3. a) The Company has not taken loans from any parties covered in the register maintained u/s 301 of the Companies Act, 1956.  
b) The company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained u/s 301 of the Companies Act, 1956.
4. In our opinion, and according to the information and explanations given to us, there is an adequate internal control system commensurate with the size of the Company and the nature of its business with regard to purchase of inventory and fixed assets and for the sale of goods. During the course of our audit, no major weakness was noticed in the internal control system.
5. a) According to the information and explanations given to us, contracts or arrangements that need to be entered into the register maintained in pursuance of Section 301 of the Companies Act, 1956 have been so entered.  
b) The transactions made in pursuance of such contracts or arrangements have been made at prices which are reasonable having regard to the prevailing market prices at the relevant time
6. In respect of deposits accepted deposit from the public, the provisions of Section 58A and 58AA of the Co's Act and the rules framed there under have been complied with.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. On the basis of record produced, We are of the opinion that, prima facie, the cost records and accounts prescribed by the Central Government under section 209 (1) (d) of the Companies Act, 1956 have been maintained by the Company. However, we are not required to carry out and have not carried out any detailed examination of such accounts and records.
9. a) According to the information and explanations given to us and the records examined by us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, Excise Duty, cess and other statutory dues with the appropriate authorities and there are no undisputed statutory dues outstanding as at 31<sup>st</sup> March, 2014. For a period of more than six months from the date they became payable.

- b) According to the records of the Company, the following dues are not deposited on account of disputes pending under Income Tax Act barring other forums for which no information has been received:

Name of the Status	Nature of dues	Amount (₹ in Lacs)	Year to which amount relates	Forum where dispute is pending
Income Tax Act	Income Tax	394.28	2007-08	Appeal Level
		386.69	2009-10	Appeal Level
		911.04	2010-11	Appeal Level
<b>TOTAL</b>		<b>1692.01</b>		

- 10 The Company has not incurred cash loss in the current year and in the immediately preceding financial year and there are no accumulated losses in the balance sheet as on 31<sup>st</sup> March, 2014.
- 11 Based on the information and explanations given to us, the Company has not defaulted during the year in repayment of dues to any financial institutions or banks except for some dues with the bank.
- 12 Based on our examination of the records and the information and explanations given to us, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
- 13 As the Company is not a chit fund, nidhi, mutual benefit fund or society the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
14. As the Company is not dealing or trading in shares, securities, debentures and other investments, the provisions of clause 4(xiv) of the Companies (Auditor's Report) Order, 2003 are not applicable to the Company.
15. According to the information and explanations received, the Company has not given any guarantees for loans taken by others from bank or financial institutions.
16. According to the information and explanations received, the term loans were applied for the purpose for which the loans were obtained.
17. Based on our examination of the records and according to the information and explanations received, the Company has not applied short term borrowings for long term use.
18. The company has not issued or allotted any preference shares during the year.
19. The company has not issued any debentures during the year.
20. The Company has not raised any money by way of public issue during the year
21. As per the information and explanation given to us, no fraud on or by the Company has been noticed during the year.

P-21/22, Radhabazar Street  
Kolkata – 700 001

**For K. K. Jain & Co.**  
**Chartered Accountants**  
Reg. No.302022E

Dated the 30<sup>th</sup> day of May, 2014

(CA. P. K. Jain)  
Partner – M. No.: 52018

**Balance Sheet as at 31<sup>st</sup> March, 2014**

(₹) in lakh)

	Note	As at 31 <sup>st</sup> March, 2014	As at 30 <sup>th</sup> June, 2013
<b><u>EQUITY AND LIABILITIES</u></b>			
Shareholders' Funds			
Share Capital	2	2,500.00	2,500.00
Reserves and Surplus	3	2,750.48	2,751.82
		5,250.48	5,251.82
Non-Current Liabilities			
Long Term Borrowings	4	472.80	442.56
Other Long Term Liabilities	5	9.04	9.04
Deferred Tax Liabilities	6	183.70	145.23
		665.55	596.83
Current Liabilities			
Short Term Borrowings	7	4,253.72	3,262.05
Trade Payables	8	7,558.46	8,630.79
Other Current Liabilities	9	926.60	868.31
Short Term Provisions	10	53.26	47.17
		12,792.04	12,808.32
<b>TOTAL</b>		<b>18,708.06</b>	<b>18,656.97</b>
<b><u>ASSETS</u></b>			
Non-Current Assets		-	-
<b><u>Fixed Assets</u></b>			
Tangible Assets	11	2,514.07	2,624.12
Intangible assets	11	3.00	3.00
Capital work-in-progress		134.79	134.18
Non-Current Investments	12	1,032.69	1,032.69
Long Term Loans and Advances	13	83.26	95.92
		3,767.81	3,889.91
<b><u>Current Assets</u></b>			
Inventories	14	5,826.60	6,006.97
Trade Receivables	15	8,239.60	7,744.27
Cash and Bank Balances	16	337.46	339.35
Short Term Loans and Advances	17	536.59	676.47
		14,940.25	14,767.06
<b>TOTAL</b>		<b>18,708.06</b>	<b>18,656.97</b>

NOTES TO THE FINANCIAL STATEMENTS

1 to 41

As per our Report of even date Attached

For and on behalf of

K. K. Jain &amp; Co.

Chartered Accountants

Firm Registration No. 302022E

For and on behalf of the Board

CA P.K. Jain

Partner

Membership No, 52018

Kolkata, 30<sup>th</sup> May, 2014Gyan Chand Kotia  
ChairmanAkhilesh Kotia  
Managing Director

# ANNUAL REPORT 2013 - 2014

# MARSONS LIMITED

## Statement of Profit & Loss for the period from 1<sup>st</sup> July, 2013 to 31<sup>st</sup> March, 2014 (₹) in lakh)

	Note	Year Ended 31 <sup>st</sup> March, 2014	Year Ended 30 <sup>th</sup> June, 2013
Revenue from Operations	18	5,468.11	5,060.77
Other Income	19	56.80	110.12
<b>Total Revenue</b>		<b>5524.91</b>	<b>5,170.89</b>
<b>EXPENSES :</b>			
Cost of Materials Consumed	20	4,642.19	3,319.35
Purchases of Stock-in-Trade		320.22	-
Changes In Inventories-Finished Goods, work-in-progress and Stock-in-Trade Employee	21	(933.71)	120.85
Benefit Expenses	22	109.65	146.79
Finance Costs	23	583.44	722.18
Depreciation and Amortisation Expenses	24	95.71	126.34
Other Expenses	25	618.84	700.10
<b>Total Expenses</b>		<b>5,436.34</b>	<b>5,135.61</b>
Profit/(Loss) Before Extra Ordinary Items and Tax		88.57	35.28
Prior Period Adjustment		-	-
<b>Profit/(Loss) before Tax</b>		<b>88.57</b>	<b>35.28</b>
Tax Expense:			
Current Tax		26.50	6.72
Deferred Tax		38.47	(45.76)
		64.97	(39.04)
Profit (Loss) for The Year		23.60	74.32
Basic And Diluted (₹)		0.09	0.30

NOTES TO THE FINANCIAL STATEMENTS

1 to 41

As per our Report of even date Attached  
For and on behalf of  
K. K. Jain & Co.  
Chartered Accountants  
Firm Registration No. 302022E

For and on behalf of the Board

CA P.K. Jain  
Partner  
Membership No,52018  
Kolkata, 30<sup>th</sup> May ,2014

Gyan Chand Kotia  
Chairman

Akhilesh Kotia  
Managing Director



**NOTES FORMING PART OF THE ACCOUNTS****Note '1'****SIGNIFICANT ACCOUNTING POLICIES****1. BASIS OF ACCOUNTING**

- a) The accounts prepared in accordance with historical cost convention and modified by revaluation of certain fixed assets. Both income and expenditure are recognized on accrual basis except for insurance, bonus, leave encashment and gratuity accounted as and when paid.

**b) FIXED ASSETS**

- i) Fixed assets are stated at original cost less accumulated depreciation with the exception of Land and Factory Building, which were revalued in 1988-89 & 2006-07, to correspond to the market values as per valuation certificate.

**c) Depreciation**

Depreciation on fixed assets has been calculated on straight-line method in accordance with Schedule XIV of the Companies Act, 1956. Additional charge of depreciation on differential increase in value arising out of revaluation is adjusted against withdrawal from revaluation reserve.

**d) Investments**

Investments held are long term in nature and stated at cost unless there is permanent diminution in value.

**e) Inventories**

Inventories are valued at lower of cost and estimated net realizable value including excise duty. Raw Material and Stores & Spares have been accordingly valued at average cost. Work-in- progress has been valued at cost including conversion costs incurred to bring the same to present location and condition.

**f) Sales**

Sales include excise duties, remission of sales tax on expended unit and scrap sales.

**g) Revenue Recognition**

Sales of transformers are recognized on dispatch of goods to the customers.

**h) RETIREMENT BENEFITS****a) Defined Contribution Plans**

Contribution to provident fund, pension schemes and employee's state insurance scheme are defined contribution schemes and are charged to profit and loss account for the year. The Company makes specified monthly contributions towards employee's provident fund to the Regional Provident Fund Commissioner. Compensated absences are short term and recognized on an undiscounted accrual basis during the period when the employee renders service.

**b) Defined Benefit Plans**

Gratuity liability is a defined benefit obligation and is provided for on the basis of actuarial valuation made at the end of each financial year using project unit credit method.

Contribution is made annually to Gratuity Fund under approved Group Gratuity scheme with Life Insurance Corporation of India and charged to revenue.

**i) RESEARCH AND DEVELOPMENT EXPENSES**

All revenue expenditure pertaining to research are charge to the profit and loss account in the year in which they are incurred and development expenditure of capital nature is capitalised as fixed assets and depreciation as per the company policy.

Notes to the Financial Statement for the period from 1<sup>st</sup> July, 2013 to 31<sup>st</sup> March, 2014 (₹ in Lakh)

Note	Particulars		As at 31.03.2014		As at 30.06.2013
<b>2</b>	<b>SHARE CAPITAL</b>				
	<b><u>Authorised Capital</u></b>				
	2,50,00,000 (P.Y. 2,50,00,000) Equity Shares of ₹ 10 each		<b>2,500.00</b>		2,500.00
	<b><u>ISSUED &amp; SUBSCRIBED</u></b>				
	2,50,00,000 (P.Y. 2,50,00,000) Equity Shares of ₹ 10 each Fully paid up		<b>2,500.00</b>		2,500.00
	<b><u>Terms / Rights attached to ordinary shares</u></b>				
	The Company has only one class of ordinary shares having a par value of ₹ 10 per share. Each holder of Ordinary shares is entitled to one vote per share and is entitled to dividend and to participate in surplus, if any, in the event of winding up.				
	<b><u>List of shareholders holding more than 5% shares of total number of shares issued by the company</u></b>				
		%	No. of Shares	%	No. of Shares
	1. Akhilesh Kotia	<b>11.69%</b>	<b>2921959</b>	11.69%	2921854
	2. Charu Kotia	<b>10.46%</b>	<b>2616123</b>	10.46%	2616123
<b>3</b>	<b>RESERVES &amp; SURPLUS</b>				
	<b><u>Capital Reserve</u></b>				
	As per last Balance Sheet		<b>271.50</b>		271.50
	<b><u>Capital Subsidy</u></b>				
	As per last Balance Sheet		<b>12.50</b>		12.50
	<b><u>Revaluation Reserve</u></b>				
	As per last Balance Sheet	<b>1,636.41</b>		1,669.39	
	Less : Transferred to statement of Profit and Loss	<b>24.73</b>	<b>1,611.68</b>	32.98	1,636.41
	<b><u>Share Premium</u></b>	-		-	
	Less: Used for Bonus Shares Issue	-	-	-	-
	<b><u>General Reserve</u></b>				
	As per last Balance Sheet	<b>306.65</b>		306.65	
	Add: Transfer from Profit & Loss	-		-	
	Less: Used for Bonus Shares Issue	-	<b>306.65</b>	-	306.65
	<b><u>Surplus</u></b>				
	As per last Balance Sheet	<b>524.76</b>		474.75	
	Add: Profit for the year	<b>23.60</b>		74.32	
	Less: Appropriations	<b>0.21</b>			
	Entry Tax included in sales in last year 2011-2012	-	<b>548.15</b>	24.31	524.76
			<b>2,750.48</b>		2,751.82

Notes to the Financial Statement for the period from 1<sup>st</sup> July, 2013 to 31<sup>st</sup> March, 2014

(₹ in Lakh)

Note	Particulars	As at 31.03.2014	As at 30.06.2013
4	<b><u>LONG TERM BORROWINGS</u></b>		
	<b>Secured</b>		
	Term Loans	-	-
	From Banks	16.23	48.23
		16.23	48.23
	Term Loan represents Vehicle loans secured by way of hypothecation of vehicles, machinery loan secured by way of hypothecation of Crane (Machinery), & term loan bank by hypothecation of fixed assets.		
	<b><u>Unsecured</u></b>		
	Loans	408.35	329.70
	Deposits*	48.22	64.63
		456.57	394.33
	<b>TOTAL</b>	<b>472.80</b>	<b>442.56</b>
5	<b><u>OTHER LONG TERM LIABILITIES</u></b>		
	Security Deposits	9.04	9.04
		9.04	9.04
	None of the supplier have reported Micro, Small and Medium Enterprises status as defined in the Micro, Small and Medium Enterprises Development Act, 2006 to whom the company owes dues. *Fixed deposit received from public		
6	<b><u>DEFERRED TAX LIABILITIES</u></b>		
	Related to Fixed Assets	183.70	145.23
		183.70	145.23

Notes to the Financial Statement for the period from 1 <sup>st</sup> July, 2013 to 31 <sup>st</sup> March, 2014			(₹ in Lakh)
Note	Particulars	As at 31.03.2014	As at 30.06.2013
7	<b><u>SHORT TERM BORROWINGS</u></b>		
	Secured		
	From Allahabad Bank		
	Loan Repayable on Demand		
	Cash Credit/Overdraft from Banks	4,253.72	3,262.05
	Unsecured		
	Bank	-	-
	<b>TOTAL</b>	<b>4,253.72</b>	<b>3,262.05</b>
	Cash credit / Overdraft are secured by hypothecation of inventories, book debts and all other current assets, both present and future and are further secured by hypothecation of moveable fixed assets and equitable mortgage of land.		
8	<b><u>TRADE PAYABLES</u></b>		
	Manufacturing Goods	3,164.48	4,236.81
	Trade Payables	4,393.98	4,393.98
		7,558.46	8,630.79
9	<b><u>OTHER CURRENT LIABILITIES</u></b>		
	Advance from Customers	388.76	392.31
	Statutory Dues	32.31	2.59
	Current Maturities of Term Loan	190.62	297.81
	Sundry Creditors for Capital Goods	150.00	150.00
	Other Liabilities	164.91	25.60
		926.60	868.31
10	<b><u>SHORT-TERM PROVISIONS</u></b>		
	Income Tax (Net of TDS & Advance Tax)	53.26	47.17
		53.26	47.17

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD FROM 1 <sup>ST</sup> JULY 2013 TO 31 <sup>ST</sup> MARCH, 2014									(₹ in lakh)	
11. FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01.07.2013	Additions during the year	Deductions during the year	As on 31.03.2014	As on 01.07.2013	For the period	Adjustment/ Sale during the period	As on 31.03.2014	As on 31.03.2014	As on 01.07.2014
<b>TANGIBLE ASSETS</b>										
LAND	1,077.03	-	-	1,077.03	-	-	-	-	1,077.03	1,077.03
BUILDING	867.59	-	-	867.59	480.46	21.48	-	501.94	365.65	387.13
PLANT AND EQUIPMENTS	2,234.96	8.41	-	2,243.36	1,198.68	79.33	-	1,278.02	965.34	1,036.28
ELECTRICAL INSTALLATION	102.20	0.18	-	102.38	69.99	4.11	-	74.10	28.27	32.21
FACTORY MACHINES EQUIPMENTS	25.38	-	-	25.38	18.16	0.48	-	18.64	6.74	7.22
FURNITURE AND FITTINGS	47.10	0.56	-	47.66	20.68	2.29	-	22.97	24.68	26.42
VEHICLES	105.81	-	-	105.81	52.65	7.52	-	60.18	45.64	53.16
DATA PROCESSING AND MACHINE ASSESSORIES	42.56	1.28	-	43.85	37.89	5.24	-	43.13	0.72	4.67
<b>Sub-Total (A )</b>	<b>4,502.64</b>	<b>10.44</b>	<b>-</b>	<b>4,513.06</b>	<b>1,878.53</b>	<b>120.44</b>	<b>-</b>	<b>1,998.98</b>	<b>2,514.07</b>	<b>2,624.12</b>
<b>INTANGIBLE ASSETS</b>										
GOODWILL	3.00	-	-	3.00	-	-	-	-	3.00	3.00
<b>Sub -Total (B)</b>	<b>3.00</b>	<b>-</b>	<b>-</b>	<b>3.00</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.00</b>	<b>3.00</b>
<b>Grand Total ( A + B ) Current Year</b>	<b>4,505.64</b>	<b>10.44</b>	<b>-</b>	<b>4,516.06</b>	<b>1,878.53</b>	<b>120.44</b>	<b>-</b>	<b>1,998.98</b>	<b>2,517.07</b>	<b>2,627.12</b>
<b>Previous Year</b>	<b>4,409.46</b>	<b>96.18</b>	<b>-</b>	<b>4,505.64</b>	<b>1,719.21</b>	<b>159.32</b>	<b>-</b>	<b>1,878.53</b>	<b>2,627.12</b>	

Notes to the Financial Statement for the period from 1<sup>st</sup> July, 2013 to 31<sup>st</sup> March, 2014

(₹ in Lakh)

Note	Particulars	As at 31.03.2014		As at 30.06.2013	
		Qty.	Amount	Qty.	Amount
12	<b><u>NON-CURRENT INVESTMENTS- AT COST</u></b>				
	Non-Trade :				
	<b><u>A. QUOTED</u></b>				
	In Fully Paid up Equity Shares of ₹. 10/- each				
	Joint Stock Companies of ₹. 10/- each				
	Shares of Steel Authority of India Ltd.	800	0.18	800	0.18
	Shares of Punjab Communication Ltd.	200	0.50	200	0.50
	Shares of Advance Power Infra Tech Ltd.	4250000	976.21	4250000	976.21
	<b>TOTAL (A)</b>		<b>976.89</b>		<b>976.89</b>
	<b><u>B. UNQUOTED:</u></b>				
	In Fully Paid up Equity Shares of ₹. 10/- each				
	Shares of Marsons Logistics Pvt. Ltd.	19000	1.90	19000	1.90
	Shares of Venus Construction Pvt. Ltd.	4000	0.40	4000	0.40
	Shares of Kotson's Pvt. Ltd.	5000	0.50	5000	0.50
	Shares of Marson's Textiles Ltd.	476520	47.65	476520	47.65
	Shares of Marson's Instruments Pvt. Ltd.	10000	1.00	10000	1.00
	Shares of Marsons Petro Products Ltd.	39000	3.90	39000	3.90
	In Fully Paid up Equity Shares of ₹. 100/- each				
	Shares of Banmore Electricals Pvt. Ltd.	450	0.45	450	0.45
	<b>TOTAL (B)</b>		<b>55.80</b>		<b>55.80</b>
	<b>TOTAL (A+B)</b>		<b>1,032.69</b>		<b>1,032.69</b>

Investment includes shares of the company under the same management as follows:

Name of Company	No. of Shares	Face Value	Investment Amount (₹ in Lakh)
Advance Powerinfra Tech Ltd.	2,337,500	10	976.21
Marsons Logistics Pvt. Ltd.	19,000	10	1.9
Marsons Petro Products Ltd.	390,000	10	3.9

Notes to the Financial Statement for the period from 1<sup>st</sup> July, 2013 to 31<sup>st</sup> March, 2014 (₹ in Lakh)

Note	Particulars	As at 31.03.2014	As at 30.06.2013
<b>13</b>	<b><u>LONG TERM LOANS AND ADVANCES</u></b> (Unsecured, Considered Good)		
	Security Deposits	77.78	90.44
	Unamortised Expenditure	5.48	5.48
		<b>83.26</b>	<b>95.92</b>
<b>14</b>	<b><u>INVENTORIES</u></b>		
	Raw Materials (Including in transit CY-Nil (P.Y. ₹. 27.80))	3424.24	4,544.63
	Work-in-progress	2365.05	1,431.34
	Stores and spares	37.31	31.00
		<b>5,826.60</b>	<b>6,006.97</b>

Notes to the Financial Statement for the period from 1<sup>st</sup> July, 2013 to 31<sup>st</sup> March, 2014 (₹ in Lakh)

Note	Particulars	As at 31.03.2014	As at 30.06.2013
<b>15</b>	<b><u>TRADE RECEIVABLES</u></b> (Unsecured, Considered Good)		
	Over Six months	1,492.83	104.00
	Others	2,311.98	3,205.48
	Traded Goods	4,434.79	4,434.79
		<b>8,239.60</b>	<b>7,744.27</b>
<b>16</b>	<b><u>CASH AND BANK BALANCES</u></b>		
	Cash on hand	3.33	0.79
	Balances with banks		
	In Current Account	30.52	1.99
	In Fixed Deposit Account *	303.61	336.57
	*Under lien towards Margin money and /or Security against borrowings		
	Fixed deposit with Bank maturity less than 12 months	337.46	339.35
<b>17</b>	<b><u>SHORT TERM LOANS AND ADVANCES</u></b> (Unsecured, Considered Good)		
	Loans and Advances to related parties		
	Other Short Term loans and advances :		
	Duties & Taxes Receivable	163.55	216.56
	Advance for Capital Goods	318.59	14.36
	Other Loans & Advances	54.45	445.52
		<b>536.59</b>	<b>676.47</b>

Notes to the Financial Statement for the period from 1<sup>st</sup> July, 2013 to 31<sup>st</sup> March, 2014 (₹ in Lakh)

Note	Particulars	As at 31.03.2014	As at 30.06.2013
<b>18</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale / Trading products	5,899.78	5,615.00
	Less: Excise Duty	431.67	554.23
	<b>TOTAL</b>	<b>5,468.11</b>	<b>5,060.77</b>
<b>19</b>	<b>OTHER INCOME</b>		
	Others Operating Income	-	53.42
	Interest on Fixed deposit	16.15	15.00
	Others	40.65	41.70
	<b>TOTAL</b>	<b>56.80</b>	<b>110.12</b>
<b>20</b>	<b><u>COST OF MATERIALS CONSUMED</u></b>		
	Opening Stock of Raw Materials	4,544.63	2,903.72
	Add: Raw materials Purchased	3,521.80	4,960.26
	Less: Closing Stock of Raw Materials	3,424.24	4,544.63
	<b>TOTAL</b>	<b>4,642.19</b>	<b>3,319.35</b>
<b>21</b>	<b><u>CHANGES IN INVENTORIES</u></b>		
	<b><u>Opening Stock</u></b>		
	Work-in-progress	1,431.23	1,552.19
		1,431.33	1,552.19
	<b><u>Less: Closing Stock</u></b>		
	Work-in-progress	2,365.04	1,431.34
		2,365.04	1,431.34
		(933.71)	120.85
<b>22</b>	<b><u>EMPLOYEES BENEFIT EXPENSES</u></b>		
	Salaries and Wages	93.21	131.48
	Director's Remuneration	4.47	7.70
	Contribution to provident and other Funds	7.26	11.07
	Staff Welfare Expenses	4.70	4.24
		109.65	154.49
<b>23</b>	<b><u>FINANCE COST</u></b>		
	Interest on Loans	583.44	722.18
		583.44	722.18



Notes to the Financial Statement for the period from 1<sup>st</sup> July, 2013 to 31<sup>st</sup> March, 2014

(₹ in Lakh)

Note	Particulars	As at 31.03.2014		As at 30.06.2013	
24	<b>DEPRECIATION AND AMORTISATION EXPENSES</b>				
	Depreciation		120.44		159.32
	Less : Transferred from Revaluation Reserve		24.73		32.98
			95.71		126.34
25	<b>OTHER EXPENSES</b>				
	Consumption of stores and spare parts		13.55		24.61
	Testing Expenses		3.72		16.67
	Manufacturing Expenses		12.36		45.39
	Power and Fuel		59.52		71.73
	Rent		5.70		8.91
	Repairs to buildings	-		1.59	
	Repairs to machinery	2.51		2.29	
	Repair Others	6.50	9.01	4.67	8.55
	Bank Charges		130.51		105.45
	Insurance		4.64		10.78
	Rates and Taxes excluding taxes on Income		2.31		8.38
	Freight		57.96		101.34
	<b>Auditors Remuneration</b>				
	Audit Fees- Statutory Audit	0.80		0.80	
	Audit Fees- Tax Audit	0.30		0.30	
	Certification and others	0.56	1.66	0.58	1.68
	Brokerage & Commission		34.01		78.58
	After Sales Service		8.87		15.03
	Miscellaneous Expenses		275.03		195.28
			618.84		692.40
26	<b>EARNINGS PER SHARE IN ACCORDANCE WITH ACCOUNTING STANDARD 20</b>		C.Y.		P.Y.
	Net Profit after Tax as per Statement of Profit & Loss		23.60		74.32
	Weighted average number of ordinary shares		25,000,000		25,000,000
	Basic and Diluted Earnings per share (₹)		0.09		0.30
	Face value per ordinary share (₹)		0.09		0.30
27	Based on the information available with the company, the principal amount due to Micro, Small & Medium Enterprises, as defined under the Micro, Small, and Medium Enterprises Development Act, 2006 (MSMED Act, 2006) is ₹ Nil (Previous year ₹ Nil). Further, no interest during the year has been paid or payable under the terms of the MSMED Act, 2006.				
28	Total stores and spare parts consumed during the year are ₹ 13.55 Lacs (Previous year ₹ 24.61 Lacs).				
29	<b>VALUE OF IMPORTS ON CIF BASIS</b>		C.Y.		P.Y.
	Raw materials		-		13.72
30	<b>EARNINGS IN FOREIGN EXCHANGE</b>		C.Y.		P.Y.
	F.O.B. value of exports		147.29		87.83
31	<b>VALUE OF RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED</b>				
		Current Year		Previous Year	
		₹ in Lakh	In %	₹ in Lakh	In %
	Raw Materials				
	Imported	-	-	13.72	0.41
	Indigenous	4642.19	100	3305.63	99.59
		4,642.19	100	3319.35	100
32	<b>Nature of Goods</b>			Current Year	Previous Year
				₹ in Lakh	₹ in Lakh
	C.R.G.O. Lamination (kgs)			827.30	921.22
	DPC & TPC (Copper Wires & Strips) (Kgs)			2088.02	1741.52
	DTC & Aluminum Wires & Strips (Kgs)			11.21	0.63
	Iron (M.S. Plates, Channels, Angles, Sheet etc.) (Kgs.)			478.00	397.33
	Radiators (pcs)			355.47	44.49
	T.O.B.S (litr)			494.98	99.37
	Others Materials			387.21	114.79
	Total Consumptions			4642.18	3,319.35
33	<b>ACCOUNTING OF INVESTMENTS AS-13</b>				
	In accordance with Accounting Standard (AS-13) of the Institute of Chartered Accountants of India, the long term investments held by the Company are to be carried at cost. Diminution in the value of some investments if any has not been made as amount is not ascertainable in view of market value is not available. The Company however does not anticipate any decline being permanent in nature.				

34	As per Accounting Standard 15 'Employee Benefits' the disclosures as defined in the Accounting Standard are given below : <b>Defined Contribution Plans</b> The Company has not recognised an expense of towards defined contribution plans (Previous year NIL).				
	<b>Defined Benefit Plans</b> In respect of gratuity liability, under defined benefit plan, the company has set up a Group Gratuity Scheme by entering into a scheme of insurance with Life Insurance Corporation of India, for providing Gratuity benefits to its employee and a sum of ₹. Nil (Previous Year NIL) has been contributed during the year to Marsons Electrical Ltd., Group Gratuity Scheme with Life Insurance Corporation of India. The company is yet to make funding to LIC to the extent of ₹.35.03 lacs.				
35	<b>CONTINGENT LIABILITIES AND CONTINGENT ASSETS</b> Aggregate amount of guarantees furnished by the banks on behalf of the company to various State Electricity Board are ₹. 2,481.00 lacs (Previous year ₹. 2,608.33 lacs) which are secured by deposits of Fixed Deposit Receipts amounting to ₹.303.61 lacs (previous year ₹. 336.57 lacs) with banks.				
36	<b>COMMISSION TO DIRECTOR</b> Directors' Remuneration includes payment to Managing Director with commission Current Year NIL (Previous year Nil including commission).				
37	<b>RELATED PARTY DISCLOSURES AS REQUIRED BY AS-18</b> "Related party disclosures" are given below: 1) Relationships: a) Key Management Personnel and their relatives : Mr. G.C. Kotia Mr. Akhilesh Kotia Mrs. Charu Kotia Mr. Harshvardhan Kotia b) Enterprises over which the Key Management personnel and/or their relatives have significance influence : 1) Advance Powerinfra Tech Ltd. (Formerly Marson's Power & Infrastructure Dev. Ltd) 2) Marsons Properties Pvt. Ltd. (formerly Marsons Board Pvt. Ltd.) 3) Marsons Logistics Pvt. Ltd. 4) M-Secure HR Services Pvt. Ltd. (formerly Marsons Metals Pvt. Ltd.) 5) Marsons Petro Products Ltd. 6) M-Trust Capital Advisory Pvt. Ltd. (Formerly Marsons Powergen Pvt. Ltd.) 2) The following transactions were carried out with the related parties in the ordinary course of business. Details relating to parties referred to in item 1(a) and 1(b) above:				
	Particulars	In relation to Item 1 (a) ₹ in Lakh		In relation to Item 1 (b) ₹ in Lakh	
		C.Y.	P.Y.	C.Y.	P.Y.
	<u>Remuneration &amp; Commission</u>				
	a) Gyan Chand Kotia	6.00	6.00		
	b) Akhilesh Kotia	6.60	6.60	-	-
	c) Charu Kotia	6.60	6.60	-	-
	d) Harshvardhan Kotia	1.92	1.81	-	-
	<u>Rent (Paid)</u>				
	Akhilesh Kotia	2.31	4.80	-	-
	<u>Rent (Received)</u>				
	Charu Kotia	-	0.61	-	-
	Advance Powerinfra Tech Ltd.	-	-	1.44	0.79
	<u>Maintenance Service</u>				
	Advance Powerinfra Tech Ltd.			3.90	-
	Outstanding Payable	70.02	86.92	34.48	34.59
	Outstanding Receivable	-	-	375.96	361.17
38	<b>RESEARCH AND DEVELOPMENT EXPENSES</b> 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 ₹.236.20 lacs. (previous Year ₹ 212.30 Lacs) Capital expenditure on research & development activities accounted for under their natural heads of Fixed assets accounts is ₹ 6.42 Lacs (Previous year ₹ 23.33 Lacs)				
39	Break up of balance in Trade Receivables of over 6 months and others have been taken as worked out by the concurrent auditors as appointed by the bankers of the company.				
40	The figures for the current financial year are for nine months period.				
41	In view of the revision to the Schedule VI as per notification issued by the Central Government, the financial statements for the year ended 31 <sup>st</sup> March, 2014 have been prepared as per the requirements of the revised Schedule VI to the Companies Act, 1956.				

**Cash Flow Statement**for the year period from 1<sup>st</sup> July, 2013 to 31<sup>st</sup> March, 2014Year ended 31<sup>st</sup> March, 2014  
(₹ in Lakh)Year ended 30<sup>th</sup> June, 2013  
(₹ in Lakh)

<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:-</b>						
Net Profit (Loss) before tax and before exceptional item		88.57			35.28	
Add: Adjustments for:						
FROM PL Depreciation	95.71			126.34		
Deferred Revenue Expenditure to the extent not written off/adjusted	-			1.25		
(Profit) / Loss on sale of Fixed Assets	-			-		
FROM PL Interest Income	(16.15)			(15.00)		
FROM PL Interest Expense	583.44	663.00		722.18	834.77	
Operating Profit / (Loss) before Working Capital changes		751.57			870.05	
Adjustments for:						
Trade and other receivables	(174.45)			(4,190.24)		
Inventories	180.37			(1,470.46)		
Trade and other Payable	(1,072.44)			5,351.70		
Long Term Trade Liabilities	64.38	(1,002.14)		119.03	189.97	
Cash generated from Operations		(250.57)			680.07	
Direct Taxes (paid) / Refund		-			(16.49)	
Cash flow before extraordinary item		(250.57)			663.58	
Exceptional item		13.14			(34.53)	
Net Cash Flow from Operating Activities			(237.43)			629.05
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>						
Net Purchase/Sale of Fixed Assets		(11.05)			(100.28)	
Movement of Investments		12.66			2.00	
Interest Received		16.15			15.00	
Net cash used in Investing Activities			17.76			(83.28)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:-</b>						
Proceeds from Long Term Borrowings		991.67			261.47	
Proceeds from Short Term Borrowings		(190.46)			(35.36)	
Dividend Paid		-			(25.00)	
Interest Paid		(583.44)			(691.59)	
Net Cash used in Financing Activities			217.77			(490.48)
Net Increase / (Decrease) in Cash Equivalents			(1.89)			55.30
Cash and Cash Equivalents as at 01.07.2013			339.35			284.05
Cash and Cash Equivalents as at 31.03.2014			337.46			339.35

As per our Report of even date Attached  
For and on behalf of  
K. K. Jain & Co.  
Chartered Accountants  
Firm Registration No. 302022E

CA P.K. Jain  
Partner  
Membership No,52018  
Kolkata, 30<sup>th</sup> May, 2014

For and on behalf of the Board

Gyan Chand Kotia  
Chairman

Akhilesh Kotia  
Managing Director

**ATTENDANCE SLIP**

Regd. Folio/DP-ID & Client ID	
Name and Address of  the Shareholder	
Joint Holder(s)	
No. of shares held	

1) I hereby record my presence at the 37<sup>th</sup> Annual General Meeting of the Company being held on Tuesday, 30<sup>th</sup> December, 2014, at 11.00AM at “Bharatiya Bhasha Parishad”, 36A, Shakespeare Sarani, Kolkata – 700 017.

2) Signature of the Shareholder / Proxy Present

3) Shareholder / Proxy holder wishing to attend the meeting must bring the Attendance Slip, duly signed, to the meeting and hand it over at the entrance.

4) Shareholder / Proxy holder desiring to attend the meeting may bring his / her copy of the Annual Report for reference at the meeting.

**ELECTRONIC VOTING PARTICULARS**

<b>EVSN (E-voting Sequence Number)</b>	<b>User ID</b>	<b>Password</b>
<b>141129005</b>	<b>Please Refer Note No. 10 – II in the Notice of The AGM</b>	

**PROXY FORM**  
**Form No. MGT-11**

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

CIN L31102WB1976PLC030676

Name of the Company: **MARSONS LIMITED**

Registered Office: Budge Budge Trunk Road, Vill. – Chakmir, P. O. Maheshtala, Kolkata- 700 142

Name of the Member(s):	
Registered Address:	
E-mail ID:	
Folio No./Client ID:	
DP ID:	

I/We, being the member(s), holding.....shares of the above named company, hereby appoint:

- |     |                |                                   |
|-----|----------------|-----------------------------------|
| (1) | Name.....      | Address.....                      |
|     | E-mail ID..... | Signature.....or failing him/her, |
| (2) | Name.....      | Address.....                      |
|     | E-mail ID..... | Signature.....or failing him/her, |
| (3) | Name.....      | Address.....                      |
|     | E-mail ID..... | Signature.....or failing him/her, |

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37<sup>th</sup> Annual General Meeting of the Company being held on Tuesday, 30<sup>th</sup> December, 2014, at 11.00 A.M. at BHARTIYA BHASHA PARISAD, 36A, SHAKESPEARE SARANI, KOLKATA - 700 017 and at any adjournment thereof in respect of such resolution as are indicated below:

Resolution No.	Resolutions
<b>Ordinary Business</b>	
1.	Adoption of Statement of Profit and Loss, Balance Sheet, Report of Directors and Auditors for the period ended 31.03.2014.
2.	Appointment of Director in place of Mr. Akhilesh Kotia who retires by rotation and being eligible, seeks re-appointment.
3.	Re-appointment of Auditors & fixation of their remuneration.
<b>Special Business</b>	
4.	Confirmation of appointment of Mrs. Trina Sinha as Director
5.	Appointment of Mrs. Trina Sinha as an independent Director
6.	Confirmation of appointment of Mr. Sandip Goswami as Director
7.	Appointment of Mr. Sandip Goswami as an independent Director
8.	Increase in the Borrowing Powers of the Company
9.	Creation of Charge on Movable and Immovable properties of the Company, both present and future
10.	To Increase in the Authorized Share Capital and Amendment in Memorandum of Association.
11.	To Issue Convertible Equity Warrants on Preferential Basis.

Signed this.....day of..... 2014

Signature of Shareholder(s).....

Signature of Proxy holder(s).....

**Note:**

- This form of proxy in order to be effective should be duly completed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting.
- For the RESOLUTIONS, Explanatory Statement and Notes please refer to the Notice of the Annual General Meeting.

Affix Revenue  
Stamp

**B O O K P O S T**

*If undelivered please return to: -*

**Marsons Limited**

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

# MARSONS

## FORM B

Format of covering letter of the annual audit report to be filed with the stock exchanges

1.	Name of the Company	MARSONS LIMITED
2.	Annual financial statements for the year ended	31 <sup>st</sup> March, 2014
3.	Type of Audit qualification	<p>QUALIFIED:</p> <ul style="list-style-type: none"> <li>i) Confirmations not available in respect of balances in sundry debtors, in respect of certain unsecured loan creditors, of major parties and outstanding in trade payables as well as of certain advances and lying unadjusted.</li> <li>ii) Sales tax account with credit balance of Rs. 26.35 lacs yet to be reconciled.</li> <li>iii) Inventory stock sheets being not made available and taken as certified by the management.</li> <li>iv) Market value of quoted shares held as investments not stated and as such the extent of diminution in value of investments not ascertained and not reportable/ accounted though the market value of 4250000 equity shares of Advance PowerInfra Tech Ltd as per quoted rate of 31.3.2014 being Rs. 2.54 per share on the basis of which market value being Rs. 107.95 lacs only, as against cost of Rs. 976.21 lacs, thereby prima facie the diminution being Rs. 868.26 lacs not considered and on account of ambiguity the overall impact of all these observations on the profits if any could not be reported as not ascertainable.</li> </ul>
4.	Frequency of qualification	Regular
5.	Draw attention to relevant notes in the annual financial statements and management response to the qualification in the directors report	Already explained in Directors' Report
6.	Additional comments from the board/audit committee chair	Already explained in Directors' Report

Marsons Limited

CIN : - L31102WB1976PLC030676

Regd. Off. & Works: Budge Budge Trunk Road, Maheshtala, Kolkata – 700 142

P: +91 33 6605 6000/ 2492 7633 f: + 91 33 2492 6152

Email : info@marsonsonline.com

www.marsonsonline.com

7.	To be signed by-	
	CEO/Managing Director	<p><b>MARSON'S LIMITED</b></p> <p><i>Akhilesh Kotia</i></p> <p>Managing Director</p>
		(AKHILESH KOTIA)
	CFO	<p><i>Ajay Singh</i></p> <p>(AJAY SINGH)</p>
	Auditor of the company	<p><i>Ranjan</i></p> <p>(M. No 52018)</p> <p>(Read with audit qualifications)</p>
	Audit Committee Chairman	<p><i>Trina Sinha</i></p> <p>(TRINA SINHA)</p>