

MARSONS

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MARSONS LIMITED

ANNUAL REPORT 2009-2010

Board of Directors

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

Auditors

K. K. Jain & Co.
 Chartered Accountant

Company Law Consultant

A. K. Labh & Co.
 Company Secretaries

Registrar & Share Transfer Agent

Maheswari Datamatics Pvt. Ltd.
 6 Mangoe Lane, 2nd Floor
 Kolkata - 700 001

Bankers

Allahabad Bank
 C. R. Avenue Branch
 Kolkata

Registered Office

4 Chandni Chowk Street
 Kolkata - 700 072

Plant

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

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NOTICE

NOTICE is hereby given that the 33rd Annual General Meeting of the members of the Company will be held at **MARSONS HOUSE, Budge Budge Trunk Road, Chakmir, Maheshtala, Kolkata-700142** on Thursday the 30th day of September, 2010 at 11.30 A.M. to transact the following business:

As Ordinary Business:

1. To consider and adopt the Balance Sheet as at 31st March, 2010, the Profit & Loss Account for the year ended on that date and the Reports of the Board of Directors' and the Auditors' thereon.
2. To declare dividend on equity shares
3. To appoint a Director in place of Sri V. M. Swami who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint a Director in place of Sri Peeyush Jain, who retires by rotation and being eligible offers himself for re-appointment.
5. To re-appoint retiring Auditors of the Company, M/s. K.K.Jain & Co., Chartered Accountants to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board
For Marsons Limited

Place: Kolkata
Date : 21.08.2010

Sandeep Koria
Managing Director

NOTES

1. The Register of Members and the Share Transfer books of the Company shall remain closed from 22.08.2010 to 30.09.2010 (both days inclusive).
2. *A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself/herself and the proxy need not be a member of the Company. However, the proxy form duly filled up must be lodged with the company before 48 hours of the meeting.*
3. Please note that as per the notifications of SEBI, the company's equity shares have been under compulsory demat trading mode for all the investors. You are therefore, requested to demat your shareholding to avoid inconvenience in future.
4. Information pursuant to Clause 49 of the Listing Agreement in connection with the Directors seeking appointment/re-appointment:

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

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

By Order of the Board
For Marsons Limited

Place: Kolkata
Date : 21.08.2010

Sandeep Koria
Managing Director

DIRECTORS' REPORT

To

The Shareholders,

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

FINANCIAL HIGHLIGHT

| | For the Year ended 31.03.2010 Rs. (In Lacs) | For the Year ended 31.03.2009 Rs. (In Lacs) |
|---|--|--|
| Total Income | 7684.68 | 4379.55 |
| Surplus/(Deficit) before providing for Depreciation for the year | 431.11 | 203.24 |
| Depreciation for the year | 92.97 | 84.42 |
| Profit/(Loss) before Taxation | 338.14 | 118.82 |
| Provision for Income Tax (Net of Deferred Tax Assets) | (119.68) | 55.41 |
| Surplus brought forward | 218.46 | (73.53) |
| TOTAL EARNINGS | 328.77 | 110.31 |
| Appropriations: | | |
| Proposed Dividend | 100.00 | - |
| Provision for CDT | 17 | - |
| Surplus Carried to Balance Sheet | 211.77 | 110.31 |

DIVIDEND

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

CURRENT OPERATION & FUTURE PROSPECTS

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

SETTLEMENT OF RURAL ELECTRIFICATION CORPORATION (REC) DUES

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

INCREASE OF CAPITAL

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

PARTICULARS OF EMPLOYEES:

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

DIRECTORS' RESPONSIBILITY STATEMENT:

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

- i) that in the preparation of the Annual Accounts, the applicable accounting standards has been followed except AS 15 as the company follow the policy of pay as you go in respect of gratuity and leave encashment,
- ii) that the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the financial year ended 31st March, 2009 and of the profit of the company for the year,
- iii) that the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the company and for preventing and detecting fraud and other irregularities,
- iv) that the Directors had prepared the annual accounts on a going concern basis.

PARTICULARS OF CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, ETC:

The Particulars required under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules, 1988 are attached forming part of this report.

AUDITORS:

M/s. K. K. Jain & Co., Chartered Accountants, the Statutory Auditors retire at the conclusion of the ensuing Annual General Meeting and they have expressed their willingness to accept reappointment and have further confirmed their eligibility under Section 224(1B) of the Companies Act, 1956

AUDITORS' OBSERVATIONS:

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

DIRECTORS:

Mr. V. M. Swami and Mr. Peeyush Jain, Directors of the company retire by rotation and being eligible offer themselves for re-appointment

LISTING:

The shares of the company are listed at Bombay Stock Exchange and the listing fee is paid upto 31st March, 2011.

CORPORATE GOVERNANCE:

A Report on Corporate Governance along with the Certificate thereon from M/s. A. K. Labh & Co., Company Secretaries is separately attached with the Annual Report.

DEPOSITORY SYSTEM:

The Company's shares are under compulsory demat mode. The Company has entered into agreements with National Securities Depository Limited (NSDL) and Central Depository Services (I) Limited (CDSL). Members are requested to dematerialize their holdings for operational convenience.

ACKNOWLEDGEMENT:

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

By Order of the Board
For Marsons Limited

Place: Kolkata
Date: 21.08.2010

G. C. Kotia
Chairman

INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE YEAR ENDED 31ST MARCH, 2010.

A. CONSERVATION OF ENERGY

1) Research and Development (R & D) :

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

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

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

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

c) Future Plan of Action:

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

d) Expenditure on R & D:

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

2) Technology absorption, adoption and innovation :

- | | |
|--|--|
| a) Efforts in brief made towards technology absorption, adoption and innovation | All technologies adopted by the Company has been developed in house. |
| b) Benefits derived as result of the above efforts e.g. product improvement incomparable. Construction, Product Development Import substitution etc. | Since technology has been developed, in house absorption and adoption Further significant cost reduction has been achieved. |
| c) In case of imported technology (imported during the last 5 years Reckoned from the beginning of the financial year) following | There has been no import of technology hence not applicable. |

B. FOREIGN EXCHANGE EARNING AND OUTGO

- 1) Activities relating to export initiative taken to increase export, development of new export markets for production and services and export plans.

The Company is developing export market for the products and other items.

- 2) a) Total Foreign Exchange used
b) Total Foreign Exchanged earned

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

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

Marsons philosophy on Corporate Governance envisages the attainment of the highest levels of transparency, accountability and equity in all facets of its operation and in all its interactions of its stake holders including shareholders, employees, the Government and Lenders. The Company believes that all its operations and actions must serve the underlying goal of enhancing overall shareholder value over a sustained period of time.

2. Board of Directors:**a) Composition and category of Directors**

The Board of Directors is headed by Promoter Non-Executive Chairman and is comprises of 4 Non-Executive Directors and 2 Executive Directors as on 31.03.2010. There are 3 Independent Directors on the Board. Composition of the Board is as follows:

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

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

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

| Name of the Directors | No. of Board Meetings held | No. of Board Meetings attended | Attendance at the Last AGM |
|------------------------------|-----------------------------------|---------------------------------------|-----------------------------------|
| G. C. Kotia | 7 | 7 | Yes |
| Akhilesh Kotia | 7 | 7 | Yes |
| Charu Kotia | 7 | 7 | No |
| Peeyush Jain** | 7 | - | No |
| V. M. Swami** | 7 | - | No |
| Manoj Banka | 7 | 7 | Yes |

** Leave of absence were granted.

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

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

*Number of Directorships/Memberships held in other companies excludes Directorships/Memberships in private limited companies, foreign companies, membership of various committees of various chambers/bodies and Companies under Section 25 of the Companies Act, 1956 and Alternate Directorships whereas the Membership or Chairmanship of any committee includes Audit Committee and Shareholders'/Investors' Grievance Committees only.

d) Details of Board Meetings held during the year:

The Board met 7 times during the year and the time gap between two Board Meetings were not more than four months. Details of Board Meetings held during the year 2009-2010 are as under:

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

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

A. Sri V. M. Swami:

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

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

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

b) Sri Peeyush Jain:

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

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

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

♦♦ Code of Conduct:

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

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

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

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

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

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

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

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

* Functions of the Committee1. Review with the management and/or Internal Audit Department and/or Statutory Auditors:

- i) Company's financial statements and reports;
- ii) Disclosure of Company's financial information to ensure the same is correct, sufficient and credible;
- iii) Changes/improvements in Financial/Accounting practices;
- iv) Adequacy of Internal Audit Function and Systems and;
- v) Charter of Audit Committee;

2. Hold discussions with:

- i) Statutory Auditors, before and after audit on the scope and area of Concern;
- ii) Internal Audit Department on its significant findings and also failure of Internal Control Systems, if any, and
- iii) Management before submission of financial statements to the Board.

3. Compliance with Accounting Standards, Legal requirements and Ethical Code.(b) Remuneration Committee:

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

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

* Functions of the Committee:

The Policy dossier prescribes for payment of Compensation to Executive Directors by way of salary and other perquisites.

* **Remuneration Policy:**

The remuneration policy is directed towards rewarding performance based on review of achievements on a periodical basis. The remuneration policy is in consonance with the existing industrial practice.

No Remuneration Committee Meeting held during the year.

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

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

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

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

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

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

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

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

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

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

* **Functions and activities:**

The Committee, inter alia, approves issue of duplicate certificates and oversees and reviews all matters connected with the securities transfer. The Committee also looks into redressal of Shareholders'/Investors' complaints like transfer of shares, non-receipt of Balance Sheet etc. during the year under review the Company has generally processed all the applications within time except for certain cases due to unavoidable reasons.

* **Share Transfer System:**

The Company's shares are traded in the Stock Exchange compulsorily in Demat mode. Shares in physical mode, which are lodged for transfer, are processed and returned to the Shareholders within the stipulated time.

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

| | |
|------|--------|
| NSDL | 310450 |
| CDSL | 32200 |

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

4. General Body Meetings:

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

| Year | Location | Date | Time |
|-----------|--|------------|------------|
| 2006-2007 | Bhartiya Bhasha Parishad 36A, Shakespeare Sarani, Kolkata-700017 | 16.06.2007 | 11.30 A.M. |
| 2007-2008 | - do - | 30.08.2008 | 11.30 A.M. |
| 2008-2009 | Bengal National Chamber of Commerce & Industry 23, R. N. Mukherjee Road, Kolkata - 700001 | 07.08.2009 | 11.30 A.M. |

Note: All the Special Resolutions as proposed were passed on show of hands. Further there were no special resolutions required to be passed through Postal Ballot at any of the above general meetings. None of the resolutions proposed for the ensuing Annual General Meeting need to be passed by Postal Ballot.

Extra Ordinary General Meetings held in last three financial year.

| Date | Venue | Time |
|------------|---|------------|
| 25.08.2007 | 4, Chandni Chowk Street Kolkata – 700 072 | 11.00 a.m. |
| 25.06.2008 | 4, Chandni Chowk Street Kolkata – 700 072 | 11.00 a.m. |
| 09.02.2009 | 4, Chandni Chowk Street Kolkata – 700 072 | 11.30 a.m. |
| 20.08.2009 | 4, Chandni Chowk Street Kolkata – 700 072 | 11.30 a.m. |
| 27.02.2010 | 4, Chandni Chowk Street Kolkata – 700 072 | 11.30 a.m. |

5. Disclosures:

- (i) The financial statements are prepared following the Accounting Standards and there are no deviations from it.
- (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, strictures 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 Ardhiklipi (in Bengali), whereas the printed Annual Report alongwith 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 mars 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 Rs. 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.

8. CEO/CFO Certificate

The CEO, i.e. Managing Director of the company and also the person leading the finance function 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 : Thursday, the 30th day of September, 2010 at 11.30 A.M.

Venue : MARSONS HOUSE, Budge Budge Trunk Road, Chakmir, Kolkata - 700142

(b) Financial Calendar 2009-2010(tentative)

| | |
|--|--|
| Annual General Meeting (next year) | - September, 2011 |
| Results for the quarter ending June 30, 2010 | - 2 nd week of August 2010 |
| Results for the quarter ending Sept.30, 2010 | - 2 nd week of November, 2010 |
| Results for the quarter ending Dec. 31, 2010 | - 2 nd week of February, 2011 |
| Results for the quarter ending Mar. 31, 2011 | - 2 nd week of May, 2011 |

(c) Book Closure date:

23.09.2010 to 30.09.2010 (both days inclusive)

(d) Dividend Payment Date : By 30.10.2010**(e) 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,2010.

Demat : ISIN No. INE 415B01028

(f) Stock Market Rate :

| | | High (Rs) | Low (Rs) | No. of Shares | No. of Shares Traded |
|--------|-----------|--------------|-------------|------------------|-------------------------|
| 2009 : | April | 3.28 | 1.80 | 1379736 | 1272 |
| | May | 3.62 | 2.60 | 1520109 | 1319 |
| | June | 4.34 | 2.82 | 1288346 | 1276 |
| | July | 3.15 | 2.35 | 375751 | 645 |
| | August | 3.34 | 2.76 | 1402928 | 1072 |
| | September | 4.00 | 3.03 | 1711711 | 1793 |
| | October | 3.70 | 2.91 | 521060 | 559 |
| | November | 20.30 | 15.80 | 326187 | 1376 |
| 2010: | December | 19.00 | 16.00 | 1391754 | 2390 |
| | January | 30.00 | 16.20 | 3458557 | 6975 |
| | February | 26.00 | 20.00 | 646020 | 1495 |
| | March | 22.55 | 17.00 | 525826 | 1044 |

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

(h) (i) Distribution of Shareholding (as on 31.03.2010)

| Category | No. of Shares Held | % of Share Holding |
|---|--------------------|--------------------|
| A. Promoter (s) Holding | | |
| 1. Promoters | | |
| a. Indian Promoters | 8888276 | 44.4414 |
| b. Foreign Promoters | Nil | Nil |
| 2. Persons Acting in Concert | Nil | Nil |
| Sub-Total | 8888276 | 44.4414 |
| B. Non-Promoters Holding | | |
| 3. Institutional Investors | Nil | Nil |
| a. Mutual Funds and UTI | Nil | Nil |
| b. Banks, Financial Institutions, Insurance Companies(Central/ State Govt. Institutions/Non- Government Institutions) | Nil | Nil |
| c. FIIS | Nil | Nil |
| Sub-Total | Nil | Nil |
| 4. Others | | |
| a. Private Corporate Bodies | 4011203 | 20.0560 |
| b. Indian Public | 6724485 | 33.6224 |
| c. NRIs/OCBs | 376036 | 1.8802 |
| d. Any Other | Nil | Nil |
| Sub-Total | 11111724 | 55.5586 |
| GRAND TOTAL | 20000000 | 100.0000 |

(II) Shareholding pattern(as on 31.03.2010)

| Share Holding | Share Holder Number | % | No. of Shares | % |
|--------------------|---------------------|-----------------|------------------|-----------------|
| 1 to 500 | 15479 | 86.6723 | 2630750 | 13.1538 |
| 501 to 1000 | 1395 | 7.3371 | 1082609 | 5.4130 |
| 1001 to 2000 | 624 | 3.2820 | 955941 | 4.7797 |
| 2001 to 3000 | 165 | 0.8678 | 423480 | 2.1174 |
| 3001 to 4000 | 85 | 0.4471 | 309405 | 1.5470 |
| 4001 to 5000 | 48 | 0.2525 | 224165 | 1.1208 |
| 5001 to 10000 | 97 | 0.5102 | 723143 | 3.6157 |
| 10001 and above | 120 | 0.6311 | 13650507 | 68.2525 |
| Grand Total | 19013 | 100.0000 | 200000000 | 100.0000 |

(III) Holding Pattern as on 31.03.2010

| | Shareholders | | Share | |
|--------------|--------------|-----------------|------------------|-----------------|
| | No. | % | No. | % |
| Physical | 5388 | 28.3385 | 3197855 | 15.9893 |
| NSDL | 9203 | 48.4037 | 14130933 | 70.6547 |
| CDSL | 4422 | 23.2578 | 2671212 | 13.3561 |
| TOTAL | 19013 | 100.0000 | 200000000 | 100.0000 |

- (e)
- i) Address for correspondence : 4, Chandni Chowk Street, Kolkata – 700072
 - ii) Any query on Annual Report : 4, Chandni Chowk Street, Kolkata – 700072
 - iii) Investor Correspondence : Maheshwari Datamatics Private Limited
6, Mangoe Lane, 2nd Floor, Kolkata – 700001
Phone No. : (033)2243-5029/5809, 2248-2248
Fax No. : (033)2248-4767
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.

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

Place: Kolkata
Date : 21.08.2010

G. C. Kotia
Chairman

A. K. LABH & CO.*Company Secretaries*40, Weston Street, 3rd 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 period ended on 31st March, 2010, 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.

The Company has not appointed any Company Secretary in terms of Section 383A of the Companies Act, 1956.

We have been explained that no investor grievances are 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.

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,
3rd Floor, Kolkata – 700 013
Dated the 21st August, 2010

CS A. K. LABH
Proprietor

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 Financial Year Ended 31st March, 2010 and the same has also been noted by the Board.

Place : Kolkata

Dated the 21st August, 2010

Akhilesh Kotia

Managing Director

K.K.JAIN & CO.**Chartered Accountants****AUDITORS' REPORT****TO THE MEMBERS OF MARSONS LTD.**

We have audited the attached Balance Sheet of Marsons Limited as at 31st March, 2010 and the related Profit & Loss Account and the Cash Flow Statement of the company for the year ended on that date, annexed thereto. These financial statements are the responsibility of the company's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in India. Those Standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on test basis evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

1. As required by the Companies (Auditor's Report) Order, 2003, as amended by the Companies (Auditor's Report) (Amendment) Order, 2004, issued by the Central Government of India in terms of sub-section (4A) of Section 227 of the Companies Act, 1956, we enclose in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the said order to the extent applicable.
2. Further to our comments in the Annexure referred to in Paragraph 1 above, we state that:
 - a) We have obtained all the informations and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - 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 such books.
 - c) The Balance Sheet, Profit & Loss Account and Cash Flow Statement referred to in this report are in agreement with the books of account.
 - d) In our opinion, the Profit & Loss Account, Balance Sheet and Cash Flow Statement of the Company comply with the Accounting Standards referred to in sub-section 3C of Section 211 of the Companies Act, 1956 subject to a) depreciation on wind power project not provided amounting to Rs.2154102 (previous year Rs.2353077) for the year as well as certain expenses mentioned in Schedule L of Notes being accounted for on cash basis and b) non-provision of gratuity liability of Rs.3054734 (previous year Rs.2267310) as at close of the year per note no.4 of Schedule L of Notes on Accounts.
 - e) On the basis of representations received from the directors of the company, we report that no director is disqualified from being appointed as a director of the company under clause (g) of sub-section (1) of section 274 of the Companies Act, 1956 and
 - f) In our opinion and to the best of our information and according to the explanations given to us, the said accounts read in conjunction with Schedules A to L and subject to un-provided liability and depreciation as mentioned in para 'd' above, give the information required by the Companies Act, 1956, in the manner so required and give a true and fair view:
 - i. In the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2010,
 - ii. In the case of the Profit & Loss Account, of the profit of the Company for the year ended on that date.
 - iii. In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

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

For K.K.Jain & Co.
Chartered Accountants

Dated the 27th day of May 2010

(P.K.Jain) Partner - M. No. 52018

ANNEXURE

1. a) The Company has maintained proper records showing full particulars including quantitative details and location of the Fixed Assets.
- b) 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. In our opinion, the frequency of verification is reasonable.
- b) The procedures of physical verification of stocks followed by the management are adequate in relation to the size of the Company and the nature of its business.
- c) The Company is maintaining proper records of inventory. The discrepancies noticed on verification between the physical stocks and book records were 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. The Company has not accepted deposit from the public to which the provisions of Section 58A and 58AA of the Co's Act and the rules framed there under apply.
7. In our opinion, the Company has an internal audit system commensurate with the size and nature of its business.
8. We are informed that the Central Government has not prescribed maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956.
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 31st March, 2010, 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 at various forums

| Name of the Statute | Nature of dues | Amount (Rs. in Lacs) | Year to which amount relates | Forum where dispute is pending |
|---------------------|----------------|-------------------------|------------------------------|--------------------------------|
| Income Tax Act | Income Tax | 11.38 | 2002-03 | ITAT [Appeals] |
| Income Tax Act | Income Tax | 14.03 | 2003-04 | U/S.154 Rectification |
| Income Tax Act | Income Tax | 15.59 | 2004-05 | ITAT [Appeals] |
| Total | | 41.00 | | |

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 31st March, 2010.
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 with one institution, matter pending in court.
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 issued and allotted 20,00,000 equity shares of Rs. 10/- each at an exercise price of Rs. 24 each on preferential basis, during the year to meet for working capital requirement of the company and to finance the expansion plans of the company to the following investors are as follows:

| S.No. | Name Of Allottees | No. Of Shares Allotted | Amount Received (Rs) |
|-------|-------------------------------------|------------------------|----------------------|
| 1 | Advance Power Technologies Limited | 10,00,000 | 2,40,00,000 |
| 2 | Sargam Vincom Private Limited | 2,50,000 | 60,00,000 |
| 3 | Muskan Dealers Private Limited | 2,50,000 | 60,00,000 |
| 4 | Snowfall Commercial Private Limited | 2,50,000 | 60,00,000 |
| 5 | Sanmukh Vincom Private Limited | 2,50,000 | 60,00,000 |

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

(P.K.Jain)

Dated the 27th day of May 2010

Partner - M. No. 52018

BALANCE SHEET AS AT 31ST MARCH, 2010

| Schedule | As at 31st March, 2010 | | As at 31st March, 2009 | |
|---|---------------------------|-------------|---------------------------|-------------|
| | Rs. | Rs. | Rs. | Rs. |
| SOURCES OF FUNDS | | | | |
| SHAREHOLDER'S FUNDS | | | | |
| Share Capital | A | 200,000,000 | 180,000,000 | |
| Reserves & Surplus | B | 274,600,971 | 239,752,227 | 419,752,227 |
| LOAN FUNDS | | | | |
| Secured Loan | C | 220,525,612 | 125,293,645 | |
| Unsecured Loan | D | 3,587,950 | 3,436,408 | 128,730,053 |
| Deferred Tax Liability | | 21,662,886 | | 17,712,246 |
| | | 720,377,219 | | 566,194,526 |
| APPLICATION OF FUNDS | | | | |
| Fixed Assets | E | 465,189,546 | 423,211,495 | |
| Less : Depreciation | | 159,474,587 | 146,879,854 | |
| | | 305,714,958 | 276,331,641 | |
| Add : Capital Work In Progress | | 1,175,260 | 5,636,594 | 281,968,235 |
| Investments | F | | 102,703,768 | 102,567,768 |
| Current Assets, Loans & Advances | G | 571,731,132 | 342,894,996 | |
| Less: Current Liabilities & Provisions | H | 261,890,034 | 162,313,198 | 180,561,798 |
| Miscellaneous Expenditure (To the extent not written off) | I | | 942,135 | 1,076,725 |
| | | 720,377,219 | | 566,194,526 |
| Notes Forming Part of the Accounts | L | | | |

Per our Report attached

For K.K. Jain & CO.
Chartered AccountantsP.K. Jain
Partner
P-21/22, Radha Bazar Street
Calcutta - 700 001.
Dated the 27th day of May 2010

For and on behalf of the Board

Gyan Chand Kotia
ChairmanAkhilesh Kotia
Managing DirectorCharu Kotia
Executive DirectorManoj Banka
Director

PROFIT & LOSS ACCOUNT FOR THE YEAR ENDED 31ST MARCH 2010

| | Schedule | As at 31st March, 2010 | As at 31st March, 2009 |
|--|----------|---------------------------|---------------------------|
| | | Rs. | Rs. |
| INCOME | | | |
| Gross Sales | | 782,957,610 | 438,100,372 |
| Less: Excise Duty | | 58,428,977 | 43,994,480 |
| Net Sales | | 724,528,633 | 394,105,892 |
| Closing Stock | | 40,100,000 | 41,481,900 |
| Other Income | J | 3,838,742 | 2,367,367 |
| | | <u>768,467,375</u> | <u>437,955,159</u> |
| EXPENDITURE | | | |
| Stock at Commencement | | 41,481,900 | 13,789,751 |
| Manufacturing & Other Expenses | K | 657,762,400 | 379,671,135 |
| INTEREST | | | |
| On Secured Loan | | 22,762,402 | 20,649,411 |
| On Unsecured Loan | | 1,022,630 | 354,248 |
| Others | | 2,326,940 | 3,186,141 |
| | | <u>26,111,972</u> | <u>24,189,800</u> |
| Depreciation | | 12,594,733 | 11,740,233 |
| Less: Transferred from Revaluation Reserve for the year | | 3,297,778 | 8,442,455 |
| | | <u>9,296,955</u> | <u>426,073,141</u> |
| PROFIT (for the year) | | <u>33,814,348</u> | <u>11,882,018</u> |
| Less: Extra Ordinary Item-settlement of disputed claims | | - | 24,676,295 |
| | | <u>33,814,348</u> | <u>(12,994,277)</u> |
| Less: Provision for Taxation | | 8,017,886 | |
| Less: Provision for FBT (for the year) | | 8,017,886 | 155,000 |
| Add: Provision for Deferred Tax Asset | | (4,416,755) | 4,416,755 |
| Add: Provision for Deferred Tax Assets/Liabilities | | 466,315 | 5,640,502 |
| | | <u>21,846,022</u> | <u>(7,353,775)</u> |
| Add: Surplus Brought Forward From Previous Year | | 11,030,721 | 18,364,496 |
| | | <u>32,876,743</u> | <u>11,030,721</u> |
| APPROPRIATIONS | | | |
| Proposed Dividend | | 10,000,000 | |
| Provision for CDT | | 1,699,500 | |
| Transfer to General Reserve | | - | - |
| Surplus Carried to Schedule 'B' | | <u>21,177,243</u> | <u>11,030,721</u> |
| Basic/diluted earning per share before Extraordinary Item | | 1.21 | 0.53 |
| Basic/diluted earning per share after Extraordinary Item (Face Value of Rs. 10/- each) | | | (0.43) |

Notes forming Part of the Accounts Schedule 'L'
Per our Report attached

For K.K. Jain & CO.
Chartered Accountants

P.K. Jain
Partner
P-21/22, Radha Bazar Street
Calcutta - 700 001
Dated the 27th day of May 2010

For and on behalf of the Board

Gyan Chand Kotia
Chairman

Akhilesh Kotia
Managing Director

Charu Kotia
Executive Director

Manoj Banka
Director

SCHEDULES FORMING PART OF THE BALANCE SHEET

| | As at 31st March 2010 Rs. | As at 31st March 2009 Rs. |
|---|---------------------------------------|---------------------------------------|
| SCHEDULE 'A' | | |
| SHARE CAPITAL | | |
| Authorised | | |
| 2,00,00,000 Equity Shares of Rs. 10/- each (Previous year 9,00,00,000 equity share of Rs 2 each) | 200,000,000 | 180,000,000 |
| Issued, Subscribed & Paid Up | | |
| 2,00,00,000 Equity Shares of Rs 10/- each fully paid up (9,00,00,000 Equity Shares of Rs. 2/- each) | 200,000,000 | 180,000,000 |
| Of the above | | |
| a) 36,00,000 Equity Shares @ Rs. 10/- each have been issued as fully paid up Bonus Share by Capitalisation of Reserve and Share Premium amount | | |
| b) 1,05,660 Equity Shares @ Rs. 10/- each have been issued as fully paid up for consideration other than cash pursuant to a contract | | |
| c) 63,13,560 Equity Shares @ Rs.10/- each have been issued as fully paid up for consideration other than cash pursuant to merger of Marson's Transformer Limited to their shareholders. | | |
| SCHEDULE 'B' | | |
| RESERVES & SURPLUS | | |
| Capital Surplus | | |
| From State Government against capital investment | 1,250,000 | 1,250,000 |
| General Reserve | | |
| Per last Balance Sheet | 18,160,909 | 18,160,909 |
| Share Premium | 33,316,520 | 33,316,520 |
| | 51,499,429 | 51,499,429 |
| Less: Debit Balance of P & L of Marson's Transformers Ltd. | 834,438 | 834,438 |
| (Transferred due to Amalgamation) | 51,914,991 | 51,914,991 |
| Capital Reserve (Due to Amalgamation) | 27,150,000 | 27,150,000 |
| Revaluation Reserve | | |
| Per last Balance Sheet | 177,656,816 | 180,954,293 |
| Less: Transfer to Profit & Loss Account | 329,7778 | 3,297,778 |
| Surplus as shown in the Profit & Loss Account | 21,177,243 | 177,656,816 |
| | 274,600,971 | 274,600,971 |

SCHEDULE FORMING PART OF THE BALANCE SHEET (Contd.)

| | As at 31st March 2010 Rs. | As at 31st March 2009 Rs. |
|--|------------------------------------|------------------------------------|
| SCHEDULE 'C' | | |
| SECURED LOAN | | |
| From Allahabad Bank | | |
| For Fixed Assets | | |
| Term Loan | 50,000,000 | |
| (Against hypothecation of fixed assets purchased out of proposed term loan) | | |
| For Working Capital | | |
| (Against hypothecation of stores movable & immovable Assets, Book Debts & Other receivables both present & future) | | |
| Over Draft A/c | 96,052,425 | 70,432,272 |
| Cash Credit | 72,376,104 | 24,266,060 |
| | 168,428,529 | 94,698,332 |
| The above loans are jointly and severally guaranteed by the Chairman & Managing Director of the Company | | |
| LONG TERM | | |
| From Rural Electrification Corporation Limited | | |
| Against Wind Mill Power Project | | 29,466,235 |
| DEFERRED LIABILITIES | | |
| From HDFC Bank Ltd. | 1,328,841 | |
| (Against Hypothecation of Motor Cars) | | |
| From ICICI Bank Ltd. | 768,242 | 1,129,078 |
| (Against Hypothecation of Motor Cars) | 2,097,083 | 1,129,078 |
| | 220,525,612 | 125,293,645 |
| SCHEDULE 'D' | | |
| UNSECURED LOANS | | |
| Short Term Loans | | |
| From Joint Stock Companies | 2,232,496 | 2,218,003 |
| From Directors | 1,337,106 | 1,218,405 |
| From Others | 18,346 | - |
| | 3,587,950 | 3,436,408 |
| | 3,587,950 | 3,436,408 |

SCHEDULE 'E'

[illegible]

SCHEDULE FORMING PART OF THE BALANCE SHEET (Contd.)

SCHEDULE 'F'INVESTMENTS (At Cost)QUOTED

In Fully Paid up Equity Shares of

Joint Stock Companies of Rs. 10/- each

| | As at 31st March 2010 Rs. | As at 31st March 2009 Rs. |
|---|------------------------------------|------------------------------------|
| 800 Shares of Steel Authority of India Ltd | 17568 | 17568 |
| 200 Shares of Punjab Communication Ltd. | 50000 | 50000 |
| 250000 Shares of Advance Power Infra Tech Ltd | 2,500,000 | 2,500,000 |
| 476520 Shares of Marson's Textiles Ltd. (Market value not available Previous year not available) | 4,765,200 | 4,765,200 |
| | 7,332,768 | 7,332,768 |

UNQUOTED

In Fully Paid up Equity Shares of Companies:

| | | |
|---|-------------|-------------|
| 4000 Shares of Rs. 10/- each of Venus Construction Pvt. Ltd. | 40,000 | 40,000 |
| 450 Shares of Rs. 100/- each of Banmore Electricals Pvt. Ltd. | 45,000 | 45,000 |
| 5000 Shares of Rs. 10/- each Kotson's Pvt. Ltd. | 50,000 | 50,000 |
| 500000 Shares of Rs. 10/- each of Advance Power Technologies Ltd. (Formerly A.P. Electricals Pvt. Ltd.) | 5,000,000 | 5,000,000 |
| 1500000 Shares of Rs. 6/- each of Advance Power Technologies Ltd. (Formerly A.P. Electricals Pvt. Ltd.) | 90,000,000 | 90,000,000 |
| 10000 Shares of Rs. 10/- each of Marson's Instruments Pvt. Ltd. | 100,000 | 100,000 |
| 2720 Shares of Rs. 10/- each of Marson's Boards Pvt. Ltd. | 27,200 | 0 |
| 2720 Shares of Rs. 10/- each of Marson's Logistics Pvt. Ltd. | 27,200 | 0 |
| 2720 Shares of Rs. 10/- each of Marson's Metals Pvt. Ltd. | 27,200 | 0 |
| 2720 Shares of Rs. 10/- each of Marson's Petro Product Pvt. Ltd. | 27,200 | 0 |
| 2720 Shares of Rs. 10/- each of Marson's Power Generation Pvt. Ltd. | 27,200 | 0 |
| | 102,703,768 | 102,567,768 |

SCHEDULE FORMING PART OF THE BALANCE SHEET (Contd.)

| | Rs. | As at 31st March 2010 Rs. | Rs. | As at 31st March 2009 Rs. |
|---|-------------|------------------------------------|-------------|------------------------------------|
| SCHEDULE 'G' | | | | |
| <u>Current Assets, Loans & Advances</u> | | | | |
| <u>Current Assets</u> | | | | |
| <u>Stocks</u> | | | | |
| Stores : | | 950,000 | | 541,000 |
| Raw Materials : | | 79,745,888 | | 38,001,499 |
| Stock in Trade | | | | |
| Work-In-Progress | | | | |
| (per inventories taken | | | | |
| valued & certified by Management) | | 40,100,000 | | 41,481,900 |
| | | 120,795,888 | | 80,024,399 |
| <u>Sundry Debtors</u> | | | | |
| <u>Unsecured, Considered Good</u> | | | | |
| Over Six Months : | 24,640,068 | | 11,470,920 | |
| Others | 274,882,914 | 299,522,982 | 177,923,774 | 189,394,694 |
| Cash-in hand | 183,684 | | 252,730 | |
| Amalgamation Cash | | | 278,945 | |
| (Certified by the Management) | | 183,684 | | 531,675 |
| With Scheduled Banks | | | | |
| In Current Accounts | 73,118,002 | | 123,431 | |
| In Fixed Deposit Account | 20,295,845 | 93,413,847 | 14,810,960 | 14,834,391 |
| <u>Loans & Advances</u> | | | | |
| <u>Unsecured, Considered Good</u> | | | | |
| Advances Recoverable in Cash or in kind | | 12,025,396 | | 9,860,974 |
| Advance Payment of Income Tax | | 12,446,072 | | 10,411,240 |
| Balance With Central Excise Authorities | | 1,136,753 | | 1,919,909 |
| Excise Duty Claim | | 920,281 | | 1,004,741 |
| Deposit | | 7,479,430 | | 6,495,923 |
| Advance Fringe Benefit Tax | | 641,333 | | 568,337 |
| Purchase Tax (Old) | | 300,000 | | 300,000 |
| Work Contract Tax | | 1,449,758 | | 1,420,255 |
| Value Added Tax | | 1,763,344 | | 345,806 |
| Goods in Transit | | 16,136,712 | | 25,684,652 |
| Service Tax Cenvat | | 3,495,652 | | - |
| | | 571,731,132 | | 342,894,996 |

SCHEDULES FORMING PART OF THE BALANCE SHEET (Contd.)

| | As at 31st March 2010 Rs. | As at 31st March 2009 Rs. |
|--|------------------------------------|------------------------------------|
| <u>SCHEDULE 'H'</u> | | |
| <u>Current Liabilities & Provisions</u> | | |
| <u>Current Liabilities</u> | | |
| <u>Sundry Creditors</u> | | |
| Due to Small and Micro Enterprises | | |
| Other Creditors | 212,890,459 | 107,808,322 |
| | 212,890,459 | 107,808,322 |
| <u>Sundry Liabilities</u> | 5,554,487 | 1,241,004 |
| Trade Advance & Deposits | 14,221,083 | 44,222,056 |
| Other Liabilities | 18,021 | 94,774 |
| Outstanding Liabilities | 2,093,860 | 1,552,284 |
| Dividend Payable | 10,000,000 | |
| Provision for IT & FBT & CDT | 17,112,144 | 7,394,758 |
| | 261,890,034 | 162,313,188 |
| <u>SCHEDULE 'I'</u> | | |
| <u>Deferred Revenue Expenditure</u> | 942,135 | 1,076,725 |
| | 942,135 | 1,076,725 |

SCHEDULES FORMING PART OF THE PROFIT & LOSS A/C (Contd.)

| SCHEDULE 'J' | | |
|--|------------------|------------------|
| Other Income | | |
| Interest On Fixed Deposits with Bank (TDS Deducted Rs.130971/- (Prev.year Rs.121433/-)) | 1,289,891 | 1,643,644 |
| Other Interest (TDS Deducted Rs.12759/- (Prev.year Rs.8879/-)) | 88,025 | 84,716 |
| Discount On Purchase | 97,371 | - |
| Profit on Sale of Fixed Assets | - | 142,466 |
| Profit on Sale of Investment | - | 180,200 |
| Exchange Fluctuation Profit | 1,999,811 | - |
| Misc. Balance Written off | 1,707 | - |
| Rental Income | 361,937 | 316,341 |
| | 3,838,742 | 2,367,367 |

SCHEDULE FORMING PART OF THE PROFIT & LOSS ACCOUNT (Contd.)

| | Rs. | As at 31st 2010 Rs. | Rs. | As at 31st 2009 Rs. |
|---|-------------|---------------------------|-------------|---------------------------|
| SCHEDULE 'K' | | | | |
| Purchases | | | | |
| Raw Materials Consumed | | | 67,845,913 | |
| Opening Stock | 38,001,499 | | 291,209,978 | |
| Purchases | 571,780,355 | | 359,055,891 | |
| | 609,781,854 | | 38,001,499 | 321,054,392 |
| Less : Closing Stock | 79,745,888 | 530,035,968 | | 4,126,928 |
| Manufacturing Expenses | | 11,872,481 | | 2,598,156 |
| Consumption of Stores & Spare Parts | | 3,250,506 | | 7,822,274 |
| Salaries, Wages & Bonus | | 7,692,690 | | 636,879 |
| Gratuity | | 879,545 | | 1,586,661 |
| Contribution to Provident & Other Funds | | 985,169 | | 24,856 |
| Workmen & Staff Welfare Expenses : | | 336,726 | | 2,592,225 |
| Power & Fuel | | 4,353,176 | | 318,356 |
| Rent | | 598,327 | | 938,600 |
| Rates & Taxes | | 697,364 | | 541,450 |
| Insurance Expenses | | 1,095,572 | | 14,269,095 |
| Miscellaneous Expenses | | 16,106,703 | | 98,298 |
| Data Processing & Consultancy Charges | | 138,370 | | 623,844 |
| Services after Sales | | 1,325,378 | | 7,867,131 |
| Freight Packing and Delivery Charges | | 17,817,979 | | 80,002 |
| Audit Fees | | 110,002 | | 122,468 |
| Auditor Expenses in Other Capacity | | 136,678 | | 8,330,754 |
| Bank Charges | | 10,064,384 | | 1,539,950 |
| Brokerage & Commission | | 15,316,300 | | |
| Repairs | | | | |
| Machineries | 282,302 | | 891,448 | |
| Buildings | 193,994 | | 180,274 | |
| Others | 190,571 | 665,867 | 590,145 | 1,481,867 |
| Directors Remuneration | | 1,995,000 | | 1,915,000 |
| Bad Debt | | 32,067,095 | | 5,255 |
| Prior Period Exp. | | 204,621 | | 21,102 |
| Charity & Donation | | 15,501 | | 1,094,214 |
| Sales Tax (Earlier Year) | | - | | 1,778 |
| Employment Tax Earlier Year | | - | | |
| | | 657,762,400 | | 379,571,135 |

For K.K. Jain & CO.
Chartered Accountants

P.K. Jain
Partner
P-21/22, Radha Bazar Street
Calcutta - 700 001
Dated the 27th day of May 2010

For and on behalf of the Board

Gyan Chand Kotia
Chairman

Charu Kotia
Executive Director

Akhilesh Kotia
Managing Director

Manoj Banka
Director

Notes forming part of the Accounts

Schedule 'L'Significant Accounting Policies1. Basis of Accounting

- a) The accounts are 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

Fixed assets are stated at original cost less 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 realisable value including excise duty. Raw Materials 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 expanded unit and scrap sales.

g) Revenue Recognition

Sales of transformers is recognised on dispatch of goods to the customers and of power sale on bill raised.

h) Retirement Benefitsi) Defined Contribution Plans

Contribution to provident fund, pension schemes and employees 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 employees 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.

ii) 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.

2. Aggregate amount of guarantees furnished by the banks on behalf of the company to various State Electricity Board are Rs. 15,54,30,517 (Previous year Rs. 6,49,82,558) which are secured by deposits of Fixed Deposit Receipts amounting to Rs. 2,02,95,845 (previous year Rs. 1,48,10,960) with banks.
3. The company has during the year recognized an expense of Rs.6,79,545 (Previous year Rs.1343795) towards defined contribution plans.
4. 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 Rs. 7,50,000 (Previous Year 7,50,000) has been contributed during the year to Marson's Electricals Ltd., Group Gratuity Scheme with Life Insurance Corporation of India. The company is yet to make funding to LIC to the extent of Rs.3054734.

5. Loans & Advances and Sundry Creditors / Sundry Debtors include

Due to a Company under the same management NIL (Previous year Rs.2387605.14) & Due from a Company under the same management Rs.16668738.19 (Previous year Rs. 12261825.90).

6. Research and Development

In pursuit of R & D 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.

7. Based on information made available with the Company, there are no dues to micro and small enterprises as defined in Micro, Small and Medium Enterprises Development Act, 2006. Further no interest during the year has been paid or payable under the terms of this Act.
8. Investment includes shares of the company under the same management as follows:

| Sl. No. | Name of Co. | No. of Shares | Face Value | Investment Amount (Rs.) |
|---------|----------------------------------|---------------|------------|-------------------------|
| 1 | Marson's Instruments Pvt. Ltd. | 10000 | 10 | 100000 |
| 2 | Advance Power Technologies Ltd. | 2000000 | 10 | 95000000 |
| 3 | Marson's Power Generation Pvt. | 2720 | 10 | 27200 |
| 4 | Marson's Boards Pvt. Ltd. | 2720 | 10 | 27200 |
| 5 | Marson's Logistics Pvt. Ltd. | 2720 | 10 | 27200 |
| 6 | Marson's Metals Pvt. Ltd. | 2720 | 10 | 27200 |
| 7 | Marson's Petro Product Pvt. Ltd. | 2720 | 10 | 27200 |

9. All the debtors, creditors & other receivables from/to the parties are subject to confirmation.
10. Out of sanctioned capital subsidy by Govt. of West Bengal on capital investment of Rs. 15 lacs, the company has received and accounted for of a sum of Rs. 12.50 lacs, and pending amount will be accounted on receipt.
11. Miscellaneous Expenses include payment to Auditors as under:

| | 2009-2010 | 2008-2009 |
|----------------------|-----------|-----------|
| | Rs. | Rs. |
| Audit Fees | 60001 | 60001 |
| Tax Audit Fees | 30001 | 20001 |
| For Taxation Matters | 7501 | 7501 |
| For Certification | 129177 | 112967 |
| | 246680 | 200470 |

12. Directors' Remuneration includes payment to Managing Director with commission Rs. 19,95,000 - (Previous year Rs. 19,15,000). Contribution to Provident Fund & Other includes Rs. 18,720 paid for Directors.
13. In accordance with Accounting Standard (AS13) 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.
14. Current Account with the Directors having credit balances of Rs. 22,88,752 as on 31st March, 2010.
15. Previous year's figures have been re-arranged and/or re-grouped, wherever necessary.
16. Additional information pursuant to the provisions of Part II of the Schedule VI of the Companies Act, 1956

| | |
|--------------------------------------|--|
| a) Licensed Capacity | Not applicable |
| b) Installed Capacity (Transformers) | 5000MVA (5000000KVA) |
| Generation of Power | 1.225 MW |
| c) Goods Manufactured | Transformers (Power & distribution) & Generation of Power |

d) Production, Stocks and Sales

| Class of goods | Unit | Opening Stock | Purchase Quantity | Production Quantity | Closing Stock Quantity | Sales | |
|---------------------|------|---------------|-------------------|-----------------------|------------------------|-----------------------|--|
| | | | | | | Quantity | Amount (Rs.) |
| Transformers | MVA | (Nil) | (Nil) | 1224.976 (833.680) | Nil Nil | 1224.976 (833.680) | 780944163.20 (437395893) |
| Generation of Power | Unit | (Nil) | (Nil) | 783096 (283482) | Nil Nil | 783096 (283452) | 2013856.80 (704479) 782957810 (438100372) |

17. i) Including Excise Duty scrap sale of Rs. 693672.50 (Previous year Rs. 295895)

ii) Raw Materials Consumed

| Raw Materials Consumed | Unit | Quantity | Amount Rs |
|--|------|-----------------------------|----------------------------------|
| C.R.G.O Lamination | Kgs. | 838988.690 (381121.000) | 186495393 (106897716) |
| DPC & TPC (Copper Wires & Strips) | Kgs. | 443810.000 (240167.000) | 163825092 (161990127) |
| DPC & Aluminum Wires & Strips | Kgs. | 2709.00 (1879.600) | 470373 (360883) |
| Iron (M.S. Plates, Channels, Angles, Sheet etc.) | Kgs. | 766042.000 (317358.00) | 41866776 (16381478) |
| Radiators | Pcs | 1118.000 (591.000) | 18533631 (10198295) |
| T.O.B.S | Lbs. | 1188503.000 (315722.000) | 49774938 (18171733) |
| Other Materials | | | 69069763 (7054160) |
| Total | | | 530035966 (321054392) |

iii) Value of Raw Materials Consumed

| Value of Raw Materials Consumed | 2009-2010 | | 2008-2009 | |
|---------------------------------|------------------|---------------|------------------|---------------|
| | Rs. | % | Rs. | % |
| Imported (CIF Value) | 39759155 | 7.50 | 21405450 | 6.67 |
| Indigenous | 490276611 | 92.50 | 299648942 | 93.33 |
| Total | 530035966 | 100.00 | 321054392 | 100.00 |

iv) C I F Value of imports

| | |
|-------------------------------------|------------------------------|
| a) Raw Materials | 3,97,59,155 (2,14,05,450) |
| b) Raw Materials (Goods in Transit) | 67,58,493 (2,56,84,652) |

v) F.O.B. Value of Goods Exported

1,48,85,184
(3,96,08,000)

18. Related Party Disclosures

"Related party disclosures as required by AS-18"

"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. Nikhilesh Kotia

b) Enterprises over which the Key Management personnel and/or their relatives have significance influence :

Advance Power Infra Technologies Ltd. (Formerly Marson's Power & Infrastructure Dev. Ltd)
Advance Power Technologies Ltd. (Formerly A.P. Electrical 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) (Rs.) | In relation to Item 1(b) (Rs.) |
|---------------------------|-----------------------------------|-----------------------------------|
| Remuneration & Commission | 1955000 (1915000) | - - |
| Rent (Paid) | 120000 (24000) | - - |
| Rent (Received) | 61248 (54764) | 139200 (124467) |
| Finance (Taken) | - (118452) | - - |
| Outstanding Payable | 1512206 (1499063) | - - |
| Outstanding Receivable | 61248 (200000) | 16666738 (20151905) |

19. Deferred Tax Liability consists of:

| | | |
|--------------------------------------|-----|----------|
| Opening Deferred Tax Liability | Rs. | 17712246 |
| Less : During the year | Rs. | 466315 |
| Add: Deferred tax asset due to loss | | |
| Accounted for last year now reversed | Rs. | 4416755 |
| Closing Deferred Tax Liabilities | Rs. | 21662686 |

20. Earnings Per Share (EPS)

Basis for calculation of basic and diluted earning per share as per Accounting Standard 20 of ICAI as under :

| | 2009-2010 | 2008-2009 |
|---|-----------|-----------|
| Profit attributed to equity shareholder before extraordinary item | 21846022 | 9067067 |
| Profit attributed to equity shareholder after extraordinary item | 21846022 | (7353775) |
| No. of equity shares (of Rs.10/- each) | 20000000 | 18000000 |
| Weighted Average No. of equity shares (of Rs.10/- each) | 18016438 | 17203436 |
| Earnings per share before extraordinary item | 1.21 | 0.53 |
| Earnings per share after extraordinary item | 1.21 | (0.43) |

21. As the Company's business activities primarily falls within single segment viz. Transformers, the disclosure requirement of Accounting Standard "17 segment Reporting" issued by Institute of Chartered Accountants of India is not applicable.

Cash Flow Statement for the year ended 31st March 2010

| | For the year ended 31st March 2010 | | For the year ended 31st March 2009 | |
|---|---------------------------------------|--------------|---------------------------------------|--------------|
| | Rs. | Rs. | Rs. | Rs. |
| A. Cash Flow from operating Activities | | | | |
| Net profit before tax & extraordinary item | | 33,814,348 | | 11,882,021 |
| Adjustment for | | | | |
| Depreciation | 9,296,955 | | 8,442,455 | |
| Miscellaneous Expenditure written off | 134,590 | | 134,590 | |
| Dividend Received | - | | - | |
| Interest (net) | 24,734,058 | | 22,461,440 | |
| Profit on Sale of Fixed Asset | - | | (270,246) | |
| Loss on sale of fixed assets | - | | 127,780 | |
| Profit on sale of Shares | - | | (180,200) | |
| Extra ordinary Item | | | | |
| | | 34,165,801 | | 30,715,819 |
| | | 67,979,949 | | 42,597,840 |
| Operating Profit before working Capital Charges | | | | |
| Adjustment For | | | | |
| Trade & other receivables | (107,941,800) | | 37,952,599 | |
| Inventories | (40,771,489) | | 2,248,913 | |
| Trade Payable | 79,977,900 | | 580,237 | |
| | | (68,735,389) | | 40,781,749 |
| Cash Generated from operation | | (755,440) | | 83,379,589 |
| Direct taxes paid | | (2,109,829) | | (2,815,054) |
| Interest Paid | | (2,326,940) | | (3,186,141) |
| | | (5,192,209) | | 77,378,394 |
| Cash flow before Extra ordinary item | | | | |
| Extraordinary items | | | | (24,876,295) |
| Net Cash from operating Activities | | (5,192,209) | | 52,502,099 |
| B. Cash Flow from Investing Activities | | | | |
| Purchase of Fixed Assets | | (41,416,718) | | (8,032,580) |
| Sale of fixed assets | | 3,900,000 | | 643,231 |
| Purchase of Shares | | (136,000) | | (5,000,000) |
| Interest received | | 1,377,916 | | 1,728,360 |
| Dividend received | | | | - |
| | | (36,274,802) | | (10,660,989) |
| C. Net Cash used in financing Activities | | | | |
| Cash Flow from Financing Activities | | | | |
| Proceeds from Borrowings | | 95,383,509 | | (34,828,924) |
| Increase in Share Capital | | 48,000,000 | | 13,818,245 |
| Interest Paid | | (23,785,032) | (26,111,972) | (21,003,659) |
| | | 119,598,477 | | (42,014,338) |
| Net Cash from Financing Activities | | | | |
| Net Increase in cash and cash equivalent (A+B+C) | | 78,131,466 | | (173,228) |
| Cash and Cash equivalent as on 01.04.2009 | | 15,466,065 | | 15,639,293 |
| Cash and cash equivalent as on 31.03.2010 | | 93,597,531 | | 15,466,065 |
| | | (78,131,466) | | 173,228 |
| | | (78,131,466) | | |
| Dated the 27th day of May, 2010 | | 0 | | |

**Balance Sheet Abstract and Company's General Business Profile as per Part-IV of
Schedule VI of Companies Act, 1956 :**

| | | |
|-------------|---|---------------------------------|
| I. | Registration Details | |
| | Registration No. | 30676 |
| | State Code | 21 |
| | Balance Sheet Date | 31.3.2010 |
| II. | Capital Raised during the year (Amount in Rs. '000) | |
| | Public Issue | Nil |
| | Right Issue | Nil |
| | Bonus Issue | Nil |
| | Private Placement | 20000 |
| III. | Position of Deployment of Funds (Amount in Rs. '000) | |
| | Total Liabilities | 982267 |
| | Total Assets | 982267 |
| | Sources of Funds | |
| | Paid up Capital | 200000 |
| | Reserve & Surplus | 274601 |
| | Secured Loan | 220526 |
| | Unsecured Loan | 3588 |
| | Deferred Tax Liabilities | 21663 |
| | Application of Funds | |
| | Net Fixed Assets | 306890 |
| | Net Current Assets | 309841 |
| | Accumulated Losses | Nil |
| | Investments | 102704 |
| | Miscellaneous Expenditure | 942 |
| IV. | Performance of Company (Amount in Rs. '000) | |
| | Turnover | 768468 |
| | Total Expenditure | 734653 |
| | Profit before tax | 33814 |
| | Profit after Tax | (8018) |
| | Earning per Shares | 1.21 |
| | Dividend rate (%) | 5% |
| V. | Generic Name of three Principal Products/Services of Company | |
| | Item Code | 850481 |
| | Product Description | Transformers and its Components |
| | Item Code | 841280 |
| | Product Description | Wind Power Generation |
| | Schedule Forming Part 'A to L' | |

As per our Report attached
For K.K. Jain & Co.
Chartered Accountants

For and on behalf of the Board

G.C. Kotia
Chairman

A. Kotia
Managing Director

(P.K. Jain)
Partner

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

Charu Kotia

Manoj Banik

BOOK POST

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