

# MARSONS LIMITED



## ANNUAL REPORT 2011-2012

<b>Board of Directors</b>	<b>Gyan Chand Kotia – Chairman</b> <b>Akhilesh Kotia – Managing Director</b> <b>Peeyush Jain – Director</b> <b>Sudhir Kr. Joshi - Director</b>
<b>Company Secretary</b>	<b>Hari Gopal Mondal</b>
<b>Auditors</b>	<b>K. K. Jain &amp; Co.</b> <i>Chartered Accountant</i>
<b>Corporate Consultant</b>	<b>A. K. Labh &amp; Co.</b> <i>Company Secretaries</i>
<b>Registrar &amp; Share Transfer Agent</b>	<b>Maheswari Datamaties Pvt. Ltd.</b> 6 Mangoe Lane, 2 <sup>nd</sup> Floor Kolkata – 700 001
<b>Bankers</b>	<b>Allahabad Bank</b> C. R. Avenue Branch, Kolkata
<b>Registered Office</b>	4, Chandni Chowk Street Kolkata – 700 072
<b>Works</b>	Marsons House Budge Budge Trunk Road Maheshtala Kolkata -700 142
<b>email id</b>	info@marsonsonline.com
<b>Web site</b>	<a href="http://www.marsonsonline.com">www.marsonsonline.com</a>

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**NOTICE**

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

**As Ordinary Business:**

1. To consider and adopt the Balance Sheet for the period ended 30<sup>th</sup> June, 2012, statement of Profit & Loss for the period ended on that date and the Reports of the Board of Directors' and the Auditors' thereon.
2. To declare dividend on equity shares
3. To appoint a Director in place of Sri Peeyush Jain who retires by rotation and being eligible offers himself for re-appointment.
4. To re-appoint retiring Auditors of the Company, M/s. K. K. Jain & Co., Chartered Accountants to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

**As Special Business**

To consider and if thought fit, to pass with or without modification, the following resolution:

**5. As Ordinary Resolution**

"RESOLVED THAT Sri Sudhir Kumar Joshi who was appointed as Casual Director of the Company with effect from 14.11.2011 in place of Mr. V. M. Swami and who ceases to hold office as such in terms of Section 262 of the Companies Act, 1956, and being eligible for appointment, be and is hereby appointed as a director of the company, liable to retire by rotation."

By Order of the Board  
For Marsons Limited

Place: Kolkata  
Date : 29.08.2012

Akhilesh Kotia  
Managing Director

**NOTES**

1. The Register of Members and the Share Transfer books of the Company shall remain closed from 10.12.2012 to 17.12.2012 (both days inclusive).
2. ***A member entitled to attend and vote at the meeting is entitled to appoint a proxy and vote instead of himself/herself and the proxy need not be a member of the Company. However, the proxy forms duly filled up must be lodged with the company before 48 hours of the meeting***
3. Please note that as per the notifications of SEBI, the company's equity shares have been under compulsory demat trading mode for all the investors. You are therefore, requested to demat your shareholding to avoid inconvenience in future.
4. Information pursuant to Clause 49 of the Listing Agreement in connection with the Directors seeking appointment/re-appointment:

Name of Director	Mr. Peeyush Jain	Mr. Sudhir Kumar Joshi
Date of Birth	18.07.1962	07.11.1949
Date of Appointment	14.12.2004	14.11.2011
Qualification	B. Com.	B.Tech
Experience	Possess good working commercial experience	Possess good working commercial experience
Directorship in other Companies	1. Unicop Technologies (Office Automation) Ltd.	1. Advance Powerinfra Tech Ltd.
Chairman/ Membership of the Committees of other Companies	-	1. Chairman of Audit Committee Meeting of Advance Powerinfra Tech Ltd. 2. Chairman of Shareholders'/ Investors' Committee of Advance Powerinfra Tech Ltd.
DIN	00440575	05102823

5. Members are requested to :-

- 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.

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

By Order of the Board  
For Marsons Limited

Place: Kolkata  
Date : 29.08.2012

Akhilesh Kotia  
Managing Director

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

#### **Item No. 5**

Mr. Sudhir Kumar Joshi was inducted in the Board as a Casual Director with effect from 14.11.2011 in place of Mr. V. M. Swami, in accordance with the provisions of Section 262 of the Companies Act, 1956. He holds office as director only upto the date of the ensuing Annual General Meeting, and is eligible for appointment as director liable to retire by rotation. The required notice, pursuant to the provisions of Section 257 of the Companies Act, 1956 has been received from a shareholder proposing his name of the directorship of the company. The Board proposes his appointment for your consideration.

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

By Order of the Board  
For Marsons Limited

Place: Kolkata  
Date : 29.08.2012

Akhilesh Kotia  
Managing Director

**DIRECTORS' REPORT**

To  
The Shareholders,

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

**FINANCIAL HIGHLIGHT:**

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

**DIVIDEND**

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

**CURRENT OPERATION & FUTURE PROSPECTS**

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

**PARTICULARS OF EMPLOYEES:**

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

**DIRECTORS' RESPONSIBILITY STATEMENT:**

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

- 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 period ended 30<sup>th</sup> June, 2012 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 launched Public Deposit Scheme under Section 58A of the Companies Act, 1956. There was 1(one) deposit holder under the scheme as on 30.06.2012. The company has ` 0.11 Lakh deposit collection as on date.

**AUDITORS:**

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

**AUDITORS' OBSERVATIONS:**

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

**DIRECTORS:**

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

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

**LISTING:**

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

**CORPORATE GOVERNANCE:**

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

**DEPOSITORY SYSTEM:**

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

**ACKNOWLEDGEMENT:**

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

On behalf of the Board

Place: Kolkata  
Date : 29.08.2012

Gyan Chand Kotia  
Chairman

INFORMATION AS PER SECTION 217(1) (e) OF THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES, 1988 AND FORMING PART OF THE DIRECTORS' REPORT FOR THE PERIOD ENDED 30<sup>TH</sup> JUNE, 2012.

A. CONSERVATION OF ENERGY

1) **Research and Development (R & D)** :

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

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

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

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

c) **Future Plan of Action:**

- i. Development of low loss energy reduction transformer to save on Electricity bills and reduction of carbon emissions (co<sub>2</sub>) reduction.
- ii. Developments of special purpose transformer such as furnace transformers, flame prove mining transformers and nomax paper covered dry type transformers.

d) **Expenditure on R & D:**

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

In pursuit of Research and Development endeavors the company is continuously incurring R & D expenditure both on Capital and Revenue which is shown as part of regular heads of accounts in fixed assets and in Profit and Loss account respectively. Revenue expenditure on research & development activities accounted for under their natural heads of revenue expenses accounts is ₹ 160.27 Lakh.

2) **Technology absorption, adoption and innovation :**

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

B. **FOREIGN EXCHANGE EARNING AND OUTGO**

- 1) Activities relating to export initiative taken to increase export, development of new export markets for production and services and export plans. : The Company is developing export market for the products and other item.
- 2) a) Total Foreign Exchange used : ₹ . 51.40 Lakh  
(Previous Year ₹ 817.15 Lakh)
- b) Total Foreign Exchanged earned : ₹ 354.32 Lakh  
(Previous ₹ 58.15 Lakh)

**IMPORTANT COMMUNICATION TO MEMBERS**

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

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

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

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

The Board of Directors is headed by Promoter Non-Executive Chairman and is comprises of 4 Non-Executive Directors and 2 Executive Directors as on 31.03.2011. There are 3 Independent Directors on the Board. *Composition of the Board is as follows:*

	<b>Name of Director</b>	<b>Category</b>
1.	Mr. G. C. Kotia	Chairman (Promoter)
2.	Mr. Akhilesh Kotia	Managing Director (Promoter)
3.	Mrs. Charu Kotia*	Executive Director (Promoter)
4.	Mr. V. M. Swami**	Independent Non-Executive Director
5.	Mr. Manoj Banka*	Independent Non-Executive Director
6.	Mr. Peeyush Jain	Independent Non-Executive Director
7.	Mr. Sudhir Kumar Joshi***	Independent Non-Executive Director

\*Resigned w.e.f. 29.08.2012

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

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

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

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

Name of the Directors	No. of Board Meetings held	No. of Board Meetings attended	Attendance at the Last AGM
G. C. Kotia	8	8	Yes
Akhilesh Kotia	8	8	Yes
Charu Kotia	8	8	No
Peeyush Jain <sup>∇</sup>	8	-	No
V. M. Swami**	4	-	No
Manoj Banka	8	8	Yes
Sudhir Kumar Joshi <sup>∇</sup>	4	-	No



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

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

*∇ Leave of absence were granted*

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

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

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

**d) Details of Board Meetings held during the year:**

The Board met 8 times during the year and the time gap between two Board Meetings were not more than four months. Details of Board Meetings held during the period 2011-12 are as under:

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

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

**A. Sri Peeyush Jain**

<b>Date of Birth</b>	18.07.1962
<b>Date of Appointment</b>	14.12.2004
<b>Qualification</b>	B. Com.
<b>Experience</b>	Possess good working commercial experience
<b>Directorship in other Public Limited Companies apart from this Company</b>	Unicop Technologies (Office Automation) Ltd.
<b>Chairman/Member of the Committee in which he is a Director apart from this Company</b>	-

Shares of the company held by Sri Peeyush Jain, own or for other persons on beneficial basis, for the period 30<sup>th</sup> June, 2012:

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

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

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

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

- 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](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 for the period 30.06.2012:

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

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

	14.05.2011	13.08.2011	30.08.2011	14.11.2011	14.02.2012	14.05.2012
Mr. Manoj Banka	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Peeyush Jain	Yes	Yes	Yes	Yes	Yes	Yes
Mr. Sudhir Kumar Joshi <sup>∇</sup>	-	-	-	No	No	No
Mr. V. M. Swami*	No	No	No	-	-	-

<sup>∇</sup>**Inducted w.e.f. 14.11.2011**

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

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

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

**\* 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 for the period 30.06.2012

1. Mr. Manoj Kumar Banka – Chairman
2. Mr. Sudhir Kumar Joshi
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 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 30.06.2012 was ` 28,25,000/- and Mrs. Charu Kotia, Executive Director ` 8,25,000/- 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 for the period 30.06.2012:**

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. Manoj Kumar Banka	187	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 for the period 30.06.2012.

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

The Committee met on 18.04.2011, 29.04.2011, 16.05.2011, 31.05.2011, 15.06.2011, 30.06.2011, 15.07.2011, 29.07.2011, 16.08.2011, 30.08.2011, 22.09.2011, 17.10.2011, 15.11.2011, 30.11.2011, 31.12.2011, 15.02.2012, 29.02.2012, 15.03.2012, 31.03.2012, 16.04.2012, 30.04.2012, 15.05.2012 and 15.06.2012.

**Compliance Officer :**

<b>Name</b>	: Mr. Hari Gopal Mondal, Company Secretary
<b>Address</b>	: 4, Chandni Chowk Street, Kolkata – 700 072
<b>Phone No.</b>	: 22127189
<b>Fax No.</b>	: (033)22126484
<b>Email</b>	: info@marsonsonline.com
<b>Website</b>	: www.marsonsonline.com

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 89 Share transfer deeds comprising of 1264820 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	62652
CDSL	1271525

31 Complaints have been received during the year and all of them were resolved within time and the number of complaints lying pending for the period 30<sup>th</sup> June, 2012 was NIL.

**4. General Body Meetings:**

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

Year	Location	Date	Time
2008-2009	Bengal National Chamber of Commerce & Industry 23 R. N. Mukherjee Road, Kolkata - 700001	07.08.2009	11.30 A.M.
2009-2010	MARSONS HOUSE Budge Budge Trunk Road, Chakmir 23 R. N. Mukherjee Road, Kolkata - 700001	30.09.2010	11.30 A.M.
2010-2011	Bhartiya Bhasha Parisad 36A, Shakespeare Sarani Kolkata - 700017	30.09.2011	4.00 P.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:**

<u>Date</u>	<u>Venue</u>	<u>Time</u>
27.02.2010	4, Chandni Chowk Street, Kolkata – 700 072	11.30 a.m.
12.02.2011	MARSONS HOUSE, Budge Budge Trunk Road, Chakmir, Maheshtala, Kolkata – 700142	11.30 a.m.

**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 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.

**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 : Monday, the 17<sup>th</sup> day of December, 2012 at 11.30 A.M.

Venue : **Bhartiya Bhasha Parisad, 36A, Shakespeare Sarani, Kolkata – 700017**

**(b) Financial Calendars 2012-13(tentative)**

Annual General Meeting (next year) - September, 2013  
 Results for the quarter ending Sept.30, 2012 - 2<sup>nd</sup> week of November, 2012  
 Results for the quarter ending Dec. 31, 2012 - 2<sup>nd</sup> week of February, 2013  
 Results for the quarter ending Mar. 31, 2013 - 2<sup>nd</sup> week of May, 2013

**(c) Book Closure date:**

10.12.2012 to 17.12.2012 (both days inclusive)

**(d) Dividend Payment Date: By 17.01.2013****(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, 2013.

Demat : ISIN No. INE 415B01028

**(f) Stock Market Rate:**

		High (`)	Low (`)	No. of Shares	No. of Shares Traded
<b>2011:</b>	April	19.00	14.10	2309138	3448
	May	17.60	12.60	1232472	2366
	June	15.40	12.05	1801528	3300
	July	15.30	13.00	973129	1944
	August	16.00	12.75	1381625	2782
	September	15.75	12.70	885900	2120
	October	15.79	12.50	642897	1680
	November	14.80	10.25	438308	1435
	December	13.00	8.80	485468	983
	<b>2012:</b>	January	12.95	8.60	407823
February		12.20	9.41	1335019	1499
March		11.70	9.00	1812389	2076
April		9.50	6.75	961316	1161
May		7.95	6.33	399150	620
June		9.00	5.51	659603	1191

**(g) Registrar & Share Transfer Agent:** Maheswari Datamaties 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) Distribution of Shareholding (for the period ended 30.06.2012)

<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	10937480	43.7499
b. Foreign Promoters	--	--
2. Persons Acting in Concert	--	--
<b>Sub-Total</b>	<b>10937480</b>	<b>43.7499</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	3416352	13.6654
b. Indian Public	10189135	41.7566
c. NRIs/OCBs	436400	1.7456
d. Any Other	20633	0.0825
<b>Sub-Total</b>	<b>14062520</b>	<b>56.2501</b>
<b>GRAND TOTAL</b>	<b>25000000</b>	<b>100.0000</b>

(ii) Shareholding pattern (for the period ended 30.06.2012)

Share Holding	Share Holder Number	%	No. of Shares	%
1 to 500	14504	80.7078	2646905	10.5876
501 to 1000	1592	8.8587	1162473	4.6499
1001 to 2000	999	5.5590	1403005	5.6120
2001 to 3000	331	1.8419	828404	3.3136
3001 to 4000	123	0.6844	436563	1.7463
4001 to 5000	89	0.4952	424365	1.6975
5001 to 10000	156	0.8681	1114951	4.4598
10001 and above	177	0.9849	16983334	67.9333
Grand Total	<b>17971</b>	<b>100.0000</b>	<b>25000000</b>	<b>100.0000</b>

(iii) Holding Pattern as on for the period ended 30.06.2012

	Shareholders		Share	
	No.	%	No.	%
Physical	4886	27.1883	1304820	5.2193
NSDL	8416	46.8310	18194657	72.7786
CDSL	4669	25.9807	5500523	22.0021
TOTAL	18819	100.0000	25000000	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 :  
Maheswari Datamaties 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 : 29.08.2012

Gyan Chand Kotia  
Chairman



**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 period ended on 30<sup>th</sup> June, 2012, 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 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,  
3<sup>rd</sup> Floor, Kolkata – 700 013  
Dated the 29<sup>th</sup> August, 2012

CS A. K. LABH  
Proprietor  
CP 3238

**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 period ended 30<sup>th</sup> June, 2012 and the same has also been noted by the Board.

By Order of the Board  
For Marsons Limited

Place: Kolkata  
Date : 29.08.2012

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 30<sup>th</sup> June, 2012 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 information 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 Statement of profit & Loss, 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 non-provision of gratuity liability of ` 35.03 lakh (previous year ` 32.14 lakh) as at close of the year per note no. 34 of the Financial statements as well as Note No. 39 of the Financial Statements of breakup balances in trade receivables.*
  - e) 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,
  - f) 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
  - g) 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 30<sup>th</sup> June, 2012.
    - 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  
Reg. No.302022E

Dated the 29<sup>th</sup> day of August, 2012

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

**K.K.JAIN & CO.**  
**Chartered Accountants****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 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 have broadly reviewed the accounts and records maintained by the company pursuant to the rules made by the Central Government for maintenance of Cost Records under section 209 (1) (d) of the Companies Act, 1956, and are of the opinion that prime facie, the prescribed accounts and records have been made and maintained. We have, however, not made the detailed examination of records with a view to determined whether they are accurate or complete.
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, 2012. 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 statue	Amount ( ` ) in Lakh for the year ended 31-06-2012	Amount ( ` ) in Lakh for the year ended 31-03-2011
Income Tax Matters	25.10	25.10
Excise Matters	565.72	565.72
Sales Tax Matters	513.47	Nil

- 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 30<sup>th</sup> June, 2012.
- 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.
- 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 shares on preferential basis during the year.
19. The company has not issued any debentures during the year.
20. The Company has not raised any amount during the year, by way of issue of bonus shares.
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 29<sup>th</sup> day of August, 2012

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

<b>Balance Sheet as at 30th June,2012</b>				(` in lakh)
	<i>Note</i>	<i>As at 30th June,2012</i>		<i>As at 31st March,2011</i>
<b><u>EQUITY AND LIABILITIES</u></b>				
Shareholders' Funds				
Share Capital	2	2,500.00		2,500.00
Reserves and Surplus	3	2,734.79		2,584.70
		5,234.79		5,084.70
Non-Current Liabilities				
Long Term Borrowings	4	499.36		844.72
Other Long Term Liabilities	5	11.36		11.25
Deferred Tax Liabilities	6	190.99		145.66
		702.71		1,001.63
Current Liabilities				
Short Term Borrowings	7	3,000.58		2,772.55
Trade Payables	8	3,355.79		3,801.36
Other Current Liabilities	9	618.23		634.54
Short Term Provisions	10	356.56		390.14
		7,331.94		7,598.59
<b>TOTAL</b>		<b>13,267.44</b>		<b>13,684.92</b>
<b><u>ASSETS</u></b>				
Non-Current Assets				
Fixed Assets				
Tangible Assets	11	2,687.24		2,862.79
Intangible assets	11	3.00		3.00
Capital work-in-progress		130.08		2.21
Non-Current Investments	12	1,034.69		1,025.68
Long Term Loans and Advances	13	351.81		239.61
		4,206.82		4,133.29
Current Assets				
Inventories	14	4,536.51		2,631.43
Trade Receivables	15	3,660.72		6,067.05
Cash and Bank Balances	16	284.05		420.44
Short Term Loans and Advances	17	579.34		432.71
		9,060.62		9,551.63
<b>TOTAL</b>		<b>13,267.44</b>		<b>13,684.93</b>

NOTES TO THE FINANCIAL STATEMENTS

1 to 40

As per our Report of even date Attached

For and on behalf of

K. K. Jain &amp; Co.

Chartered Accountants

Firm Registration No. 302022E

CA P.K. Jain

Partner

Membership No,52018

Kolkata, 29th August ,2012

For and on behalf of the Board

Gyan Chand Kotia  
ChairmanAkhilesh Kotia  
Managing DirectorHari Gopal Mondal  
SecretaryManoj Kumar Banka  
Director

## Statement of Profit &amp; Loss for the year ended 30th June,2012

(₹ in lakh)

	Note	Year Ended 30th June, 2012	Year Ended 31st March, 2011
Revenue from Operations	18	11,552.61	10,570.80
Other Income	19	274.98	34.00
<b>Total Revenue</b>		<b>11,827.59</b>	<b>10,604.80</b>
<b>EXPENSES :</b>			
Cost of Materials Consumed	20	5,370.53	7,830.66
Purchases of Stock-in-Trade		3,960.79	1,537.03
Changes In Inventories-Finished Goods, work-in-progress and Stock-in-Trade Employee	21	124.10	(1,275.29)
Benefit Expenses	22	165.19	138.23
Finance Costs	23	743.23	387.39
Depreciation and Amortisation Expenses	24	161.61	92.95
Other Expenses	25	970.02	1,223.16
<b>Total Expenses</b>		<b>11,495.47</b>	<b>9,934.13</b>
Profit/(Loss) Before Extra Ordinary Items and Tax		332.12	670.67
Prior Period Adjustment		-	113.67
<b>Profit/(Loss) before Tax</b>		<b>331.12</b>	<b>557.00</b>
Tax Expense:			
Current Tax		66.42	111.01
Deferred Tax		45.33	(70.97)
		111.75	40.04
Profit (Loss) for The Year		220.37	516.96
Basic And Diluted (₹)		0.88	2.07

NOTES TO THE FINANCIAL STATEMENTS

1 to 40

As per our Report of even date Attached

For and on behalf of

K. K. Jain &amp; Co.

Chartered Accountants

Firm Registration No. 302022E

CA P.K. Jain

Partner

Membership No,52018

Kolkata, 29th August ,2012

For and on behalf of the Board

Gyan Chand Kotia

Chairman

Akhilesh Kotia

Managing Director

Hari Gopal Mondal

Secretary

Manoj Kumar Banka

Director

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

**1. SIGNIFICANT ACCOUNTING POLICIES****a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements 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**

- 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.
- ii) Cost comprises purchase price, non refundable taxes, duties, freight and incidental expenses related to the acquisition and installation of the assets as well as finance charges wherever applicable relating to borrowed funds attributable to construction/acquisition of fixed assets for the period up to commencement of commercial production/assets put into use.
- iii) In respect of revalued assets, the difference between written down value of the assets as on the date of revaluation and the then replacement value is transferred to revaluation reserve.

**c) Depreciation**

- i) 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.
- ii) On assets individually costing less than ` 5000/- depreciation at the rate of 100% is being provided, subject to aggregate actual cost of individual item of plant and machinery costing ` 5000/- or less being less than 10% of total cost of plant and machinery.

**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) Revenue Recognition**

Sales include excise duties, remission of sales tax on expanded unit and scrap sales. Sales of transformers are recognized on dispatch of goods to the customers.



**g) RETIREMENT BENEFITS****i) 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.

**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.

**h) PROVISIONS FOR CURRENT TAX & DEFERRED TAX**

Provision for current tax is computed after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing difference between book profits and taxable profits is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognised and carried forward if there is a reasonable certainty that the asset will be realised in future.

**i) IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is to be charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss, if recognised in any accounting period, is reversible if there is any change in the estimate of recoverable amount.

**j) GOVERNMENT GRANTS**

Provision for current tax is computed after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing difference between book profits and taxable profits is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognised and carried forward if there is a reasonable certainty that the asset will be realised in future.

**k) 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.

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.

**l) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012 (₹ in Lakh)

Note	Particulars		As at 30.06.2012		As at 31.03.2012
<b>2</b>	<b>SHARE CAPITAL</b>				
	<b>Authorised Capital</b>				
	2,50,00,000 (P.Y. 2,50,00,000) Equity Shares of ₹ 10 each		2,500.00		2,500.00
	<b>ISSUED &amp; SUBSCRIBED</b>				
	2,50,00,000 (P.Y. 2,50,00,000) Equity Shares of ₹ 10 each Fully paid up		2,500.00		2,500.00
	<b>Terms / Rights attached to ordinary shares</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.				
	<i>List of shareholders holding more than 5% shares of total number of shares issued by the company</i>				
		%	No. of Shares	%	No. of Shares
	1. Akhilesh Kotia	11.48%	2870683	10.78%	2693773
	2. Charu Kotia	10.46%	2616123	10.46%	2616123
	3. Advance Power Technologies Ltd.	-	-	5.18%	1294123
<b>3</b>	<b>RESERVES &amp; SURPLUS</b>				
	<b>Capital Reserve</b>				
	As per last Balance Sheet		271.50		271.50
	<b>Capital Subsidy</b>				
	As per last Balance Sheet		12.50		12.50
	<b>Revaluation Reserve</b>				
	As per last Balance Sheet	1,710.61		1,743.59	
	Less : Transferred to statement of Profit and Loss	41.22	1,669.39	32.98	1,710.61
	<b>Share Premium</b>				
	Less: Used for Bonus Shares Issue	-	-	333.19	-
	<b>General Reserve</b>				
	Add: Transfer from Profit & Loss	206.65		173.46	
	Less: Used for Bonus Shares Issue	100.00		200.00	
		-	306.65	166.81	206.65
	<b>Surplus</b>				
	As per last Balance Sheet	383.44		211.77	
	Add: Profit for the year	220.37		516.95	
	Less: Appropriations				
	Proposed final equity dividend	25.00		125.00	
	Tax on proposed equity dividend	4.06		20.28	
	Transferred to General Reserve	100.00	474.75	200.00	383.44
			<b>2,734.79</b>		<b>2,584.70</b>

## NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

(` in Lakh)

Note	Particulars	As at 30.06.2012	As at 31.03.2011
4	<b><u>LONG TERM BORROWINGS</u></b>		
	<b>Secured</b>		
	Term Loans		
	From Banks	211.26	486.34
		<b>211.26</b>	<b>486.34</b>
	Term Loan from Banks represents Vehicle loans secured by way of hypothecation of vehicles and fixed assets.		
	Repayment Schedule: The Term loan for Fixed Assets amounting to ` 205.14 Lakh is repayable in 16 installments and other Vehicle loans amounting to ` 6.12 Lakh in 60 installments.		
	<b>Unsecured</b>		
	Loans	253.97	299.25
	Deposits	34.13	59.13
	<b>288.10</b>	<b>358.38</b>	
<b>TOTAL</b>	<b>499.36</b>	<b>844.72</b>	
5	<b><u>OTHER LONG TERM LIABILITIES</u></b>		
	Statutory Dues	1.00	1.00
	Fixed Deposit*	0.11	-
	Others	10.25	10.25
		<b>11.36</b>	<b>11.25</b>
	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	190.99	145.66
		<b>190.99</b>	<b>145.66</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012		( ₹ in Lakh)	
Note	Particulars	As at 30.06.2012	As at 31.03.2011
7	<b><u>SHORT TERM BORROWINGS</u></b>		
	Secured		
	From Allahabad Bank Loan Repayable on Demand Cash Credit/Overdraft from Banks	2,975.05	2,772.55
	Unsecured	25.53	-
	<b>TOTAL</b>	<b>3,000.58</b>	<b>2,772.55</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>		
	Trade Payables	<b>3,355.79</b>	<b>3,801.36</b>
9	<b><u>OTHER CURRENT LIABILITIES</u></b>		
	Advance from Customers	253.39	300.67
	Statutory Dues	9.78	30.56
	Current Maturities of Term Loan	187.71	192.91
	Other Liabilities	167.13	110.40
		<b>618.01</b>	<b>634.54</b>
10	<b><u>SHORT-TERM PROVISIONS</u></b>		
	Income Tax	331.56	265.14
	Proposed Dividend	25.00	125.00
		<b>356.56</b>	<b>390.14</b>

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,2012									(` in lakh)	
11. FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.3.2011	Additions during the year	Deductions during the year	As on 30.06.2012	As on 31.3.2011	For the period	Adjustment/ Sale during the period	As on 30.06.2012	As on 30.06.2012	As on 31.3.2011
<b>TANGIBLE ASSETS</b>										
LAND	1,077.03	-	-	1,077.03	-	-	-	-	1,077.03	1,077.03
BUILDING	852.06	-	-	852.06	417.43	34.51	-	451.94	400.12	434.63
PLANT AND EQUIPMENTS	2,181.87	51.78	-	2,233.65	956.99	135.79	-	1,092.78	1,140.87	1,224.88
ELECTRICAL INSTALLATION	85.26	4.49	-	89.75	60.21	5.16	-	65.37	24.38	25.05
FACTORY MACHINES EQUIPMENTS	24.88	0.29	-	25.17	15.47	1.49	-	16.96	8.21	9.41
FURNITURE AND FITTINGS	25.73	3.31	-	29.04	16.12	2.11	-	18.23	10.81	9.61
VEHICLES	103.14	-	43.86	59.28	31.96	16.35	5.60	42.71	16.57	71.18
DATA PROCESSING AND MACHINE ASSESSORIES	34.79	5.68	-	40.47	23.77	7.44	-	31.22	9.25	11.01
<b>Sub-Total (A)</b>	<b>4,384.76</b>	<b>65.55</b>	<b>43.86</b>	<b>4,406.46</b>	<b>1,521.95</b>	<b>202.85</b>	<b>5.60</b>	<b>1,719.21</b>	<b>2,687.24</b>	<b>2,862.79</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>3.30</b>	<b>3.00</b>
<b>Grand Total (A + B) Current Year</b>	<b>4,387.76</b>	<b>65.55</b>	<b>43.86</b>	<b>4,409.45</b>	<b>1,521.95</b>	<b>202.85</b>	<b>5.60</b>	<b>1,719.21</b>	<b>2,690.24</b>	<b>2,865.79</b>
<b>Previous Year</b>	<b>4,651.90</b>	<b>197.73</b>	<b>461.86</b>	<b>4,387.76</b>	<b>1,594.75</b>	<b>125.93</b>	<b>198.72</b>	<b>1,521.96</b>	<b>2,868.01</b>	<b>-</b>

Note : (i) Capital expenditure on research & development activities accounted for under their natural heads of fixed assets accounts is Rs. 53.34 lacs. ( Previous Year Rs. 783.17 Lacs )

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,2012				(` in Lakh)	
Note	Particulars	As at 30.06.2012		As at 31.03.2011	
		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 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. (Market value for Current & Previous year not available )	337500	26.21	250000	25.00
	<b>TOTAL (A)</b>		26.89		25.68
	<b><u>B. UNQUOTED:</u></b>				
	<b><u>Investment in Subsidiary Companies - At Cost</u></b>				
	Shares of Marsons Logistics Pvt. Ltd.	39000	3.90	-	-
	<b><u>Others - At Cost</u></b>				
In Fully Paid up Equity Shares of Rs. 10/- each					
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 Advance Power Technologies Ltd.	2000000	950.00	2000000	950.00	
Shares of Marson's Instruments Pvt. Ltd.	10000	1.00	10000	1.00	
Shares of Marsons Petro Products Ltd.	39000	3.90	-	-	
In Fully Paid up Equity Shares of Rs. 10/- each					
Shares of Banmore Electricals Pvt. Ltd.	450	0.45	450.00	0.45	
<b>TOTAL (B)</b>		1,007.80		1,000.00	
<b>TOTAL (A+B)</b>		1,034.69		1,025.68	

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 Power Technologies Ltd.	20,00,000	10	950.00
Marsons Logistics Pvt. Ltd.	390000	10	3.90
Marsons's Textiles Ltd.	476520	10	47.65
Advance Power Infra Tech Ltd.	337500	10	26.21
Marsons Petro Products Ltd.	390000	10	3.90

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,2012			( ₹ in Lakh)	
Note	Particulars	As at 30.06.2012	As at 31.03.2011	
<b>13</b>	<b><u>LONG TERM LOANS AND ADVANCES</u></b> ( Unsecured, Considered Good)			
	Security Deposits	70.39	69.90	
	Unamortised Expenditure	6.73	8.08	
	Advance I. Tax	274.69	161.63	
		<b>351.81</b>	<b>239.61</b>	
<b>14</b>	<b><u>INVENTORIES</u></b>			
	Raw Materials (Including in transit 27.80 (P.Y. 112.12))	2,957.92	932.34	
	Work-in-progress	1,552.19	1,676.29	
	Stores and spares	26.40	22.80	
		<b>4,536.51</b>	<b>2,631.43</b>	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,2012			( ₹ in Lakh)	
Note	Particulars	As at 30.06.2012	As at 31.03.2011	
<b>15</b>	<b><u>TRADE RECEIVABLES</u></b> ( Unsecured, Considered Good)			
	Over Six months	97.33	120.59	
	Others	3,563.39	5,946.46	
		<b>3,660.72</b>	<b>6,067.05</b>	
<b>16</b>	<b><u>CASH AND BANK BALANCES</u></b>			
	Cash on hand	4.97	4.97	
	Balances with banks			
	In Current Account	1.32	8.92	
	In Fixed Deposit Account *	277.76	406.55	
	*Under lien towards Margin money and /or Security against borrowings			
	Fixed deposit with Bank maturity less than 12 months	284.05	420.44	
<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	191.03	77.25	
	Other Loans & Advances	388.31	355.46	
		<b>579.34</b>	<b>432.71</b>	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,2012		( ` in Lakh)	
Note	Particulars	As at 30.06.2012	As at 31.03.2011
<b>18</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale / Trading products	12,317.04	11,450.86
	Less: Excise Duty	764.43	880.06
	<b>TOTAL</b>	<b>11,552.61</b>	<b>10,570.80</b>
<b>19</b>	<b>OTHER INCOME</b>		
	Interest Income	187.67	13.62
	Brokerage & Commission	41.84	-
	Bad Debts Recovered	10.19	-
	Excess provision/liabilities written back	11.02	-
	Others	24.26	20.38
	<b>TOTAL</b>	<b>274.98</b>	<b>34.00</b>
<b>20</b>	<b><u>COST OF MATERIALS CONSUMED</u></b>		
	Opening Stock of Raw Materials	843.02	797.46
	Add: Raw materials Purchased	7,457.63	7,853.42
	Less: Closing Stock of Raw Materials	2,930.12	820.22
	<b>TOTAL</b>	<b>5,370.53</b>	<b>7,830.66</b>
<b>21</b>	<b><u>CHANGES IN INVENTORIES</u></b>		
	<b><u>Opening Stock</u></b>		
	Work-in-progress	1,676.29	401.00
		<b>1,676.29</b>	<b>401.00</b>
	<b><u>Less: Closing Stock</u></b>		
	Work-in-progress	1,552.19	1,676.29
		1,552.19	1,676.29
		<b>124.10</b>	<b>(1,275.29)</b>
<b>22</b>	<b><u>EMPLOYEES BENEFIT EXPENSES</u></b>		
	Salaries and Wages	134.28	117.50
	Contribution to provident and other funds	22.91	14.31
	Staff Welfare Expenses	8.00	6.42
		<b>165.19</b>	<b>138.23</b>
<b>23</b>	<b><u>FINANCE COST</u></b>		
	Interest on Loans	743.23	387.39
		<b>743.23</b>	<b>387.39</b>



**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012** (₹ in Lakh)

Note	Particulars	As at 30.06.2012		As at 31.03.2011		
<b>24</b>	<b><u>DEPRECIATION AND AMORTISATION EXPENSES</u></b>					
	Depreciation		202.83		125.93	
	Less : Transferred from Revaluation Reserve		41.22		32.98	
			161.61		92.95	
<b>25</b>	<b><u>OTHER EXPENSES</u></b>					
	Consumption of stores and spare parts		33.30		20.05	
	Testing Expenses		-		131.46	
	Manufacturing Expenses		75.02		90.02	
	Power and Fuel		72.31		65.87	
	Rent		18.53		8.70	
	Repairs to buildings	0.76		2.54		
	Repairs to machinery	6.16		4.96		
	Repair Others	3.37	10.29	1.95	9.45	
	Bank Charges		164.40		124.01	
	Insurance		3.62		8.68	
	Rates and Taxes excluding taxes on Income		17.05		3.09	
	Freight		202.48		201.43	
	Director's Remuneration		36.50		46.60	
	Auditors Remuneration					
	Audit Fees- Tax Audit	0.80		0.80		
	Audit Fees- Statutory Audit	0.30		0.30		
	Certification and others	0.58	1.68	0.39	1.49	
	Brokerage & Commission		19.84		36.70	
	After Sales Service		18.74		8.98	
	Bad Debts Written Off		-		281.27	
	Loss on Sale of Fixed Assets		7.93		13.87	
	Miscellaneous Expenses		288.33		171.49	
			970.02		1,223.16	
<b>26</b>	<b><u>EARNINGS PER SHARE IN ACCORDANCE WITH ACCOUNTING STANDARD 20</u></b>		C.Y.		P.Y.	
	Net Profit after Tax as per Statement of Profit & Loss		220.37		516.95	
	Weighted average number of ordinary shares		25000000		25000000	
	Basic and Diluted Earnings per share (₹)		0.88		2.07	
	Face value per ordinary share (₹)		0.88		2.07	
<b>27</b>	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.					
<b>28</b>	Total stores and spare parts consumed during the year are ₹ 33.30 Lacs (Previous year Rs. 20.05 Lacs).					
<b>29</b>	<b><u>VALUE OF IMPORTS ON CIF BASIS</u></b>		C.Y.		P.Y.	
	Raw materials		51.4		817.15	
<b>30</b>	<b><u>EARNINGS IN FOREIGN EXCHANGE</u></b>		C.Y.		P.Y.	
	F.O.B. value of exports		354.32		58.15	
<b>31</b>	<b><u>VALUE OF RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED</u></b>		Current Year		Previous Year	
			in Lakh	In %	in Lakh	In %
	Raw Materials		51.40	0.96	817.15	10.44
	Imported		5319.13	99.04	7013.51	89.56
	Indigenous		5370.53	100.00	7830.66	100.00
<b>32</b>	<b><u>Nature of Goods</u></b>		Current Year		Previous Year	
			in Lakh		in Lakh	
	C.R.G.O Lamination		1054.13		2264.66	
	DPC & TPC (Copper Wires & Strips)		1748.80		2765.26	
	DPC & Aluminum Wires & Strips		3.94		--	
	Iron (M.S. Plates, Channels, Angles, Sheet etc.)		25.11		560.35	
	Radiators		321.75		435.66	
	T.O.B.S.		645.29		428.51	
	Other Materials		1571.51		1376.22	
	Total Consumptions		5370.53		7830.66	

<b>33</b>	<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.				
<b>34</b>	<b>As per Accounting Standard 15 'Employee Benefits' the disclosures as defined in the Accounting Standard are given below :</b>				
	<b>Defined Contribution Plans</b>				
	The Company has during the year recognised an expense of ` . 8.80 Lacs (Previous year ` 3.80 Lacs) towards defined contribution plans.				
	<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 ` .7.50 lacs (Previous Year ` . 2.50 lacs) 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.				
<b>35</b>	<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 ` . 1980.81 lacs (Previous year ` .2546.00 lacs) which are secured by deposits of Fixed Deposit Receipts amounting to ` .290.71 lacs (previous year ` . 177.05 lacs) with banks.				
<b>36</b>	<b>COMMISSION TO DIRECTOR</b>				
	Directors' Remuneration includes payment to Managing Director with commission ` . 20.00 lacs (Previous year ` . 40.00 lacs).				
<b>37</b>	<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				
	b) Enterprises over which the Key Management personnel and/or their relatives have significance influence :				
	1) Advance Power Infra Technologies Ltd. (Formerly Marson's Power & Infrastructure Dev. Ltd)				
	2) Advance Power Technologies Ltd. (Formerly A.P. Electrical Pvt. Ltd.)				
	3) Marsons Properties Pvt. Ltd. (formerly Marsons Board Pvt. Ltd.)				
	4) Marsons Logistics Pvt. Ltd.				
	5) M-Secure HR Services Pvt. Ltd. (formerly Marsons Metals Pvt. Ltd.)				
	6) Marsons Petro Products Pvt. Ltd.				
	7) M-Trust Capital Advisory Services 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.
	Remuneration & Commission				
	a) Akhilesh Kotia	28.25	43.30	-	-
	b) Charu Kotia	8.25	3.30	-	-
	Rent (Received)	0.61	0.61	1.39	(0.79)
	Outstanding Payable	86.7	70.06	5.34	-
	Outstanding Receivable	(0.45)	-	26.34	(51.51)
<b>38</b>	<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 ` 160.27 lacs.				
<b>39</b>	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.				
<b>40</b>	In view of the revision to the Schedule VI as per notification issued by the Central Government, the financial statements for the year ended 31st March, 2012 have been prepared as per the requirements of the revised Schedule VI to the Companies Act, 1956. The previous year's figures have been accordingly regrouped/reclassified to conform to the current year's classification.				

<b>Cash Flow Statement for the year ended 30<sup>th</sup> June, 2012</b>	Year ended 30 <sup>th</sup> June, 2012 (` in Lakh)		Year ended 31 <sup>st</sup> March, 2011 (` in Lakh)	
	<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:-</b>			
Net Profit (Loss) before tax and before exceptional item		332.12		670.67
Add: Adjustments for:				
FROM PL Depreciation	161.61			
Deferred Revenue Expenditure to the extent not written off/adjusted	1.35		1.35	
(Profit) / Loss on sale of Fixed Assets	7.93		5.88	
FROM PL Interest Income	(187.67)		-	
FROM PL Interest Expense	743.23	726.45	373.77	473.96
Operating Profit / (Loss) before Working Capital changes		1058.57		1144.63
Adjustments for:				
Trade and other receivables	2259.2		(3241.48)	
Inventories	(1905.08)		(1311.35)	
Trade and other Payable	(445.57)		1927.72	
Long Term Trade Liabilities	(350.56)	(442.01)	-	(2625.11)
Cash generated from Operations		616.56		
Direct Taxes (paid) / Refund		(113.06)		(1511.24)
Cash flow before extraordinary item		503.50		-
Exceptional item				
Net Cash Flow from Operating Activities			503.50	(1511.24)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Net Purchase/Sale of Fixed Assets		(143.96)		(42.38)
Movement of Investments		(9.01)		1.36
Interest Received		0.26		13.61
Net cash used in Investing Activities			(152.71)	(27.41)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:-</b>				
Proceeds from Long Term Borrowings		202.50		-
Proceeds from Short Term Borrowings		25.53		1527.50
Dividend Paid				(117)
Interest Paid		(715.21)		(387.39)
Net Cash used in Financing Activities			(487.18)	1023.11
Net Increase / (Decrease) in Cash Equivalents			(136.39)	(515.54)
Cash and Cash Equivalents as at 01.04.2011			420.44	935.98
Cash and Cash Equivalents as at 31.03.2012			284.05	420.44

**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, 29th August ,2012**

**For and on behalf of the Board**

**Gyan Chand Kotia  
Chairman**

**Akhilesh Kotia  
Managing Director**

**Hari Gopal Mondal  
Secretary**

**Manoj Kumar Banka  
Director**

**STATEMENT PURSUANT TO SECTION 212 OF THE COMPANIES ACT, 1956 RELATED TO ITS SUBSIDIARY COMPANIES**

- |   |  |
|---|--|
| 1. Name of the Subsidiary Company   | <b>Marsons Logistics Ltd.</b>                  |
| 2. Financial Year of the Subsidiary Companies ended on  | 30th June, 2012                                |
| 3. Shares of the Subsidiaries held by Marsons Limited on the above date   |  |
| a) Number and Face Value  | 39,000 Equity Shares of ₹ 10/- each fully paid |
| b) Extent of holding  | 80%  |
| 4. Net aggregate amount of Profits / (Losses) of the subsidiaries so far as they concerned members of the holding company   |  |
| i) For the said financial year of the subsidiaries  |  |
| a) dealt with in the accounts of the holding Company  | NIL  |
| b) not dealt with in the accounts of the holding Company ( ₹ Lakh)  | ₹ ( 0.12 )                                     |
| ii) For the previous financial years of the subsidiary since it become the holding company's subsidiary   |  |
| a) dealt with in the accounts of the holding Company  | NIL  |
| b) not dealt with in the accounts of the holding Company  | NIL  |
| 5. As the financial year of the Subsidiary Companies coincide with the financial year of the holding Company, section 212(5) of the Companies Act, 1956 is not applicable |  |

*For and on behalf of the Board*

*Gyan Chand Kotia  
Chairman*

*Akhilesh Kotia  
Managing Director*

*Place :Kolkata,  
Date : 29th August ,2012*

*Hari Gopal Mondal  
Secretary*

*Manoj Kumar Banka  
Director*

**MARSONS LOGISTICS PRIVATE LIMITED**

Regd. Office: Budge Budge Trunk Road, Vill: CHakmir, Maheshtala, Kolkata - 700142

**DIRECTORS' REPORT**

Your Directors have pleasure in presenting the Company's **3<sup>rd</sup> Annual Report** for the financial year ended **30<sup>th</sup> June, 2012**.

**FINANCIAL RESULTS:**

During the financial year ended 30<sup>th</sup> June, 2012, the Company has reported a loss of ` 12,263/-.

**HOLDING/SUBSIDIARY COMPANY:**

The Company is a subsidiary company of M/s. Marsons Limited which holds 79.60% (approx) shares of our company.

**PARTICULARS OF EMPLOYEES:**

The Company has no employee in the category specified under section 217(2A) of the Companies Act, 1956.

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The Company has no activities relating to Conservation of Energy and Technology Absorption. There has been no Foreign Exchange Earnings and outgo.

**DEPOSIT:**

The company has not accepted any deposit from the public as on date.

**DIRECTORS' RESPONSIBILITY STATEMENT:**

In compliance of Section 217(2AA) of the Companies Act, 1956 as amended by the Companies (Amendment) Act, 2000, the Directors of your Company confirm:

- That the applicable accounting standards have been followed in the preparation of final accounts and that there are no material departures;
- That such accounting policies have been selected and applied consistently and such judgments and estimates made as are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 30<sup>th</sup> June, 2012 and of the profit of the Company for the year ended on that date;
- That proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- That the annual accounts have been prepared on a going concern basis.

**AUDITORS:**

M/s Prakash Joshi & Associates, Chartered Accountants, the Company's auditors retire at the conclusion of the forthcoming Annual General Meeting. However, being eligible they have signified their willingness to accept re-appointment. Your directors have recommended their re-appointment as auditors of the Company for the current year also.

**On behalf of the Board**

**Place : Kolkata**

**Dated : 29<sup>th</sup> day of August, 2010**

**Akhilesh Kotia  
Director**

**Gyan Chand Kotia  
Director**

**PRAKASH JOSHI & ASSOCIATES**

Chartered Accountants

56E, Hemanta Basu Sarani, Stephen House 4<sup>th</sup> Floor, Room No. 56C & D, Kolkata - 700001**Auditors' Report**

1. We have audited the attached Balance Sheet of **MARSONS LOGISTICS PRIVATE LIMITED**, as at 30<sup>th</sup> June 2012 and the relative Profit & Loss account of the company for the Period from 01.04.2011 to 30.06.2012 on that date annexed there to, both of which we have signed under reference to this report. These financial statements are the responsibility of the management of the Company. Our responsibility is to express an opinion on these financial statements based on our audit.
2. We conducted our audit in standards generally accepted in India. These 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 principals used and significant estimates made by the management, as well as evaluating the overall presentation of the financial statement. We believe that our audit provides a reasonable basis for our opinion.
3. The Companies (Auditors' Report) Order, 2003, issued by the Government of India. in terms of Section 227(4a) of the Companies Act, 1956, is not applicable to the company, therefore no reporting has been done for the matters specified in paragraph 4 and 5 of the said Order.
4. Further to our comments in the Annexure referred to in paragraph 3 above, we report. That
  - a) We have obtained all the information and explanation, which to the best of our knowledge and belief were necessary for the purpose 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 these books and proper returns adequate for the purpose of our audit have been received from Factory;
  - c) The Balance Sheet and Profit & Loss Account referred to in this report are in agreement with the books of account;
  - d) In our opinion, the Profit & Loss Account and Balance Sheet comply with the Accounting Standards referred to in Sub-section (3C) of Section 211 of the Companies Act, 1956;
  - e) On the basis of written representation received from the Directors, and taken on record by the Board of Directors, none of the Directors is disqualified as on 30<sup>th</sup> June 2012 from being appointed as director in terms of clause (g) of Section 274 (1) of Companies Act, 1956;
  - f) In our opinion and to the best of our knowledge and according to the explanations given to us, the said Balance Sheet and Profit & Loss Account read together with notes thereon attached thereto, give the information required by the Companies Act, 1956 in the manner so required and present a true and fair view;
    - I) In the case of Balance Sheet, of the State of Affairs of the Company as at 30<sup>th</sup> June 2012 and
    - II) In the case of the Profit & Loss Account, of the Loss for the period from 01.04.2011 to 30.06.2012 ended on that date.

For **PRAKASH JOSHI & ASSOCIATES**  
*Chartered Accountants*

Place: Kolkata  
Date: 29<sup>th</sup> August 2012

Ashish Modi  
(Partner)  
(Membership No - 062261)  
FRN No.323707E

## Marsons Logistics Private Ltd.

Budge Budge Trunk Road, Village : Chikmir, Maheshtala, Kolkata - 700 142

## Balance Sheet as at 30-June - 2012

In ₹ (Rupees)

Particulars		Note No.	as at 30-Jun-2012		as at 31-Mar-2011	
<b>I.</b>	<b>EQUITY AND LIABILITIES</b>					
<b>1</b>	<b>Shareholders' Funds</b>			<b>42,390.82</b>		<b>64,654.00</b>
	(a) Share Capital	2	490,000.00		100,000.00	
	(b) Reserves and Surplus	3	(47,609.18)		(35,346.00)	
	(c) Money Received Against Share Warrants					
<b>2</b>	<b>Share Application money pending allotment</b>					
<b>3</b>	<b>Non-Current Liabilities</b>					<b>390,000.00</b>
	(a) Long-Term Borrowings	4			390,000.00	
	(b) Deferred Tax Liabilities (Net)					
	(c) Other Long-Term Liabilities					
	(d) Long-Term Provisions					
<b>4</b>	<b>Current Liabilities</b>			<b>11,133.00</b>		<b>11,030.00</b>
	(a) Short-Term Borrowings					
	(b) Trade Payables					
	(c) Other Current Liabilities	5	11,133.00		11,030.00	
	(d) Short-Term Provisions					
	<b>Total</b>			<b>453,523.82</b>		<b>465,684.00</b>
<b>II.</b>	<b>ASSETS</b>					
<b>1</b>	<b>Non-Current Assets</b>			<b>411,288.82</b>		<b>405,805.00</b>
	(a) Fixed Assets					
	(i) Tangible Assets					
	(ii) Intangible Assets					
	(iii) Capital Work-in-Progress					
	(iv) Intangible Assets under Development					
	(b) Non-Current Investments	6	390,000.00		390,000.00	
	(c) Deferred Tax Assets (Net)		21,288.82		15,805.00	
	(d) Long-Term Loans and Advances					
	(e) Other Non-Current Assets					
<b>2</b>	<b>Current Assets</b>			<b>42,235.00</b>		<b>59,879.00</b>
	(a) Current Investments					
	(b) Inventories					
	(c) Trade receivables					
	(d) Cash and Cash Equivalents	7	42,235.00		59,879.00	
	(e) Short-Term Loans and Advances					
	(f) Other Current Assets					
	<b>Total</b>			<b>453,523.82</b>		<b>465,684.00</b>
	<b>Significant Accounting Policies</b>	1				
	<b>Contingent Liabilities and Commitments</b>					
						NIL

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As Per Our report of even date

For **Prakash Joshi & Associates**

Chartered Accountants

FRN : 323707E

**CA ASHISH MODI**

Partner

MRN : 062261

Place: Kolkata

Date:29/08/2012

For and On Behalf of the Board

Akhilesh Kotia

Director

Gyan Chand Kotia

Director

**Marsons Logistics Private Ltd.**

Budge Budge Trunk Road, Village : Chikmir, Maheshtala, Kolkata - 700 142

**Statement of Profit and Loss for the year ended 30-june-2012**

In ` (Rupees)

	Particulars	Note No.	1-Apr-2011 to 30-June-2012	1-Apr-2010 to 31-Mar-2011
I	Revenue from Operations			
II	Other Income			
III	<b>TOTAL REVENUE (I + II)</b>		-	-
IV	<b>EXPENSES</b>			
	Cost of Materials Consumed			
	Purchases of Stock-in-Trade			
	Changes in Inventories			
	Employee Benefit Expenses			
	Finance Costs			
	Depreciation and Amortization Expenses			
	Other Expenses	8	17,747.00	14,189.00
	<b>TOTAL EXPENSES</b>		<b>17,747.00</b>	<b>14,189.00</b>
V	<b>Profit before Exceptional and Extraordinary Items and Tax (III-IV)</b>		<b>(17,747.00)</b>	<b>(14,189.00)</b>
VI	Exceptional Items			
VII	<b>Profit before Extraordinary Items and Tax</b>		<b>(17,747.00)</b>	<b>(14,189.00)</b>
VIII	Extraordinary Items			
IX	<b>Profit Before Tax</b>		<b>(17,747.00)</b>	<b>(14,189.00)</b>
X	<b>Tax Expense</b>		<b>5,483.82</b>	<b>4,384.00</b>
	Current Tax			
	Deferred Tax		5,483.82	4,384.00
XI	<b>Profit/(Loss) for the period from Continuing Operations(IX-X)</b>		<b>(12,263.18)</b>	<b>(9,805.00)</b>
XII	Profit/(Loss) from Discontinuing Operations			
XIII	Tax Expense of Discontinuing Operations			
XIV	<b>Profit/(Loss) from Discontinuing Operations (after tax)(XII-XIII)</b>			
XV	<b>Profit(Loss) for the Period(XI+XIV)</b>		<b>(12,263.18)</b>	<b>(9,805.00)</b>
XVI	<b>Earnings per Equity Share</b>	9		
	-Basic			(0.98)
	-Diluted		(0.33)	(0.98)
	<b>Additional Information</b>		(0.33)	
	<b>Significant Accounting Policies</b>		NIL	NIL
	<b>Contingent Liabilities and Commitments</b>	1		

The schedules referred to above and notes to accounts form an integral part of the Balance Sheet.

As Per Our report of even date

For **Prakash Joshi & Associates**

Chartered Accountants

FRN : 323707E

**CA ASHISH MODI**

Partner

MRN : 062261

Place: Kolkata

Date:29/08/2012

For and On Behalf of the Board

Akhilesh Kotia

Director

Gyan Chand Kotia

Director



**MARSONS LOGISTICS PRIVATE LIMITED****Notes to and forming part of Balance Sheet as at 30-June-2012****NOTE NO : 1****SIGNIFICANT ACCOUNTING POLICIES:****1. Basic Accounting :**

- a) The company prepares its accounts on accrual basis, except otherwise stated, in accordance with the normally accepted accounting principles.
- b) Revenue from sale of goods and services rendered is recognized upon passage of title and rendering of services to the customers.

**2. Fixed Assets :**

There are no fixed assets as on 30<sup>th</sup> June 2012

**3. Depreciation :**

Depreciation was not applicable in the current period.

**4. Inventories :**

Inventories are valued at lower of cost and net of realisable value. There was no inventory at the end of the period.

**5. Amortization of expenses :**

Preliminary Expenses relating to formation of the company has been written off in first year.

**6. Earning per Shares:**

Earning per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders by the number of equity shares outstanding during the period.

**7. Taxation:**

There was loss in the current year so deferred tax asset has been recognized amounting to ` 5483.52/-, and ` 21288.82/- stood as the closing balance as on 30<sup>th</sup> June 2012. Deferred tax resulting from "timing differences" between book and taxable profit is accounted for using the tax rates and laws that have been enacted or substantively enacted as on balance sheet date. The deferred tax assets has been recognized and carried forward only to the extent that there is reasonable certainty that the asset will be realized in future.

**8. Issue of Shares**

During the financial period 01.04.2011 to 30.06.2012, Company issued 39000 shares to Marsons Ltd, due to which the company turns into subsidiary of Marsons Ltd.

MARSONS LOGISTICS PRIVATE LIMITED		In ` (Rupees)		
Particulars	as at 30-June-2012		as at 31-mar-2011	
	Number	Amount	Number	Amount
<b>Note No : 2 - 1</b>				
<b>Share Capital</b>				
<b>Authorised Share Capital</b>				
Equity Shares of ` 10.00 each	100,000.00	1,000,000.00	100,000.00	1,000,000.00
<b>Total</b>	100,000.00	1,000,000.00	100,000.00	1,000,000.00
<b>Issued Share Capital</b>				
Equity Shares of ` 10.00 each	49,000.00	490,000.00	10,000.00	100,000.00
<b>Total</b>	49,000.00	490,000.00	10,000.00	100,000.00
<b>Grand Total</b>	49,000.00	490,000.00	10,000.00	100,000.00

<b>Note No: 2 - 2</b>				
<b>Reconciliation of share capital</b>				
<b>Equity Shares (Face Value Rs 10.00)</b>				
Shares outstanding at the beginning of the year	10,000.00	100,000.00	10,000.00	100,000.00
Shares Issued during the year	39,000.00	390,000.00	-	-
Shares bought back during the year	-	-	-	-
Shares outstanding at the end of the year	49,000.00	90,000.00	10,000.00	1,00,000.00

<b>Note No: 2 - 3</b>				
<b>Shares in the company held by other company</b>				
Marsons limited	39,000.00	390,000.00	-	-

<b>Note No: 2 - 4</b>		as at 30-June-2012		as at 31-mar-2011	
<b>Shareholders holding more than 5% of Share</b>		<b>Number</b>	<b>% of Holding</b>	<b>Number</b>	<b>% of Holding</b>
Marsons limited		39,000.00	79.59%	-	-
Gyan Chand Kotia		4,000.00	8.17%	4,000.00	40%
Charu Kotia		3,000.00	6.12%	3,000.00	30%
Akhilesh Kotia		3,000.00	6.12%	3,000.00	30%

<b>Note No: 2 - 5</b>	
<b>Management Disclosure</b>	
Company issued 39000 Shares @ Rs.10 per share at par to Marsons Ltd, a body corporate under the same management as resulting the company being turns into subsidiary company of Marsons Ltd.	

		In ` (Rupees)	
<b>Particulars</b>	<b>as at 30-June-2012</b>	<b>as at 31-Mar-2011</b>	
<b>Note No - 3</b>			
<b>Surplus</b>	<b>(47,609.18)</b>	<b>(35,346.00)</b>	
Opening Balance	(35,346.00)	(25,541.00)	
(+) Net profit/(Net loss) for the Current Year	(12,263.18)	(9,805.00)	
Closing balance	(47,609.18)	(35,346.00)	
<b>Grand Total</b>	<b>(47,609.18)</b>	<b>(35,346.00)</b>	
<b>Note No - 4</b>			
<b>Long-Term Borrowings</b>			
<b>Unsecured</b>		<b>390000.00</b>	
<b>Loans and Advances from Related Parties</b>		390000.00	
<b>Grand Total</b>	-	<b>390000.00</b>	

MARSONS LOGISTICS PRIVATE LIMITED		In ` (Rupees)					
Particulars	as at 30-June-2012	as at 31-Mar-2011					
<b>Note No - 5</b>							
<b>Other Current Liabilities</b>							
Other Payables	11,133.00	11,030.00					
<b>Grand Total</b>	<b>11,133.00</b>	<b>11,030.00</b>					
<b>Additional Information for:</b>							
<b>Application money received for allotment of securities and due for refund &amp; interest accrued on</b>							
Number of shares proposed to be issued							
Amount of premium (if any)							
Terms and conditions of shares proposed to be issued							
Date by which shares shall be allotted							
Whether the company has sufficient authorized capital to cover the share capital amount resulting from allotment of shares out of such share application money							: NIL
The period overdue from the last date of allotment is							
Reason being							
				In ` (Rupees)			
Particulars	Balance		No. of Shares		Extent of Holding (%)		whether Stated at Cost Yes / No
	as at 30-June-2012	as at 31-Mar-2011	as at 30-June-2012	as at 31-Mar-2011	as at 30-June-2012	as at 31-Mar-2011	
<b>Note No - 6</b>							
<b>Non-Current Investments</b>							
<b>Investments in Equity Instruments</b>	<b>390,000.00</b>	<b>390,000.00</b>					
<i>Investment in Shares -Fully Paid -Up (Unquoted)</i>	390,000.00	390,000.00	390000	390000	9.75	9.75	Yes
ADVANCE POWER TECHNOLOGIES LTD- associates							
Less: Provision for diminution in the value of Investments							
<b>Total</b>	<b>390,000.00</b>	<b>390,000.00</b>	390000	390000			
<b>Note No - 7</b>							
<b>Cash and Cash Equivalents</b>							
Balances with banks	-	-					
Cash on hand	42,235.00	59,879.00					
Others	-	-					
<b>Grand Total</b>	<b>42,235.00</b>	<b>59,879.00</b>					
<b>Note No - 8</b>							
<b>Other Expenses</b>							
<b>Payment to Auditors</b>	5,618.00	5,515.00					
<b>As Auditor</b>	5,618.00	5,515.00					
<b>Miscellaneous expenses</b>	12,129.00	8,674.00					
<b>Grand Total</b>	<b>17,747.00</b>	<b>14,189.00</b>					

Marsons Logistics Private Ltd.		
Particulars	In ` (Rupees)	
	1-Apr-2011 to 30-June-2012	1-Apr-2010 to 31-Mar-2011
<b>Note No - 9</b>		
<b>Basic &amp; Diluted EPS</b>		
Opening Number of Shares	10,000.00	10,000.00
Shares issued during the year	39,000.00	-
Closing Numbers of Shares	49,000.00	10,000.00
Weighted Average Number of Shares	37,314.21	10,000.00
Profit after Tax during the year	(12,263.18)	(9,805.00)
Basic EPS	(0.33)	(0.98)
Diluted EPS	(0.33)	(0.98)
<b>Note No - 10</b>		
<b><u>Related party disclosures:</u></b>		
a) <b><u>Key management personnel</u></b>		
Gyan Chand Kotia		
Akhilesh Kotia		
b) <b><u>Enterprises over which Management Personnel and /or their relatives have significant influence :</u></b>		
MARSON LTD		
<b>Note No - 11</b>		
<b>Previous Year Figures:</b>		
<p>Till the Financial Year ended 31<sup>st</sup> March 2011, the company was using pre-revised Schedule VI of The Companies Act 1956, for the preparation and presentation of its financial statement. Since the Company has become subsidiary of Marsons Ltd whose financial figures have been reported for a 15 month period from 01.04.2011 to 30.06.2012 as such the Financial figures of the company have also been reported for a period of 15 months from 01.04.2011 to 30.06.2012, as per the revised schedule VI notified under the Companies Act 1956, to present the financial statements in line with the presentation of financial statement of Holding company i.e Marsons Ltd.</p> <p>In view of the extended financial year, results are for the period of fifteen months ended 30th June 2012 and hence previous year figures are not comparable.</p> <p>The Company has reclassified previous year figure to confirm to this year 's classification .However, the adoption of revised schedule VI does not impact recognition, measurement principles, presentation and disclosures.</p>		

As Per Our report of even date

For **Prakash Joshi & Associates**  
Chartered Accountants  
FRN : 323707E

For and On Behalf of the Board

**CA ASHISH MODI**  
Partner  
MRN : 062261  
Place: Kolkata  
Date:29/08/2012

Akhilesh Kotia  
Director

Gyan Chand Kotia  
Director

K.K.JAIN & CO.  
Chartered Accountants

**AUDITORS' REPORT**

**TO THE MEMBERS OF MARSONS LTD.**

We have audited the attached Consolidated Balance Sheet of Marsons Limited as at 30<sup>th</sup> June, 2012 and the Consolidated related Profit & Loss Account and the Consolidated 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.

We did not audit the financial statements of subsidiary whose financial statements reflect total assets of ` 4.54 lakh as at 30<sup>th</sup> June, 2012, the total revenue of nil and cash outflows amounting to ` 0.18 lakh for the year then ended. These financial statements and other financial information have been audited by other auditors whose reports have been furnished to us, and our opinion is based solely on the report of the auditors.

We report that the consolidated financial statements have been prepared by the Company in accordance with the requirements of Accounting Standard (AS) 21, "Consolidated Financial Statements" issued by the institute of Chartered Accountants of India.

We report that based on our audit and on consideration of reports of other auditors on separate financial statements and on the other financial information of the components and to the best of our information and according to the explanations given to us, We are of the opinion that the attached consolidated financial statements give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of Consolidated Balance Sheets, of the state of the affairs of the Marsons Limited as at 30<sup>th</sup> June, 2012.
- b) In the case of Consolidated statement of Profit & Loss, for the year ended on that date, and
- c) In the case of the Consolidated Cash Flows for the year on that date.

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

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

Dated the 29<sup>th</sup> day of August, 2012

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

**Consolidated Balance Sheet as at 30th June,2012**

( ` in lakh)

	Note	As at 30th June,2012	As at 31st March,2011
<b><u>EQUITY AND LIABILITIES</u></b>			
Shareholders' Funds			
Share Capital	2	2,500.00	2,500.00
Reserves and Surplus	3	2,734.64	2,584.70
		5,234.64	5,084.70
<b>Non-Current Liabilities</b>			
Minority Interest		0.90	-
Long Term Borrowings	4	499.36	844.72
Other Long Term Liabilities	5	11.36	11.25
Deferred Tax Liabilities	6	190.99	145.66
		702.40	1,001.63
<b>Current Liabilities</b>			
Short Term Borrowings	7	3,000.58	2,772.55
Trade Payables	8	3,355.79	3,801.36
Other Current Liabilities	9	618.23	634.54
Short Term Provisions	10	356.56	390.14
		7,331.16	7,598.59
<b>TOTAL</b>		<b>13,268.20</b>	<b>13,684.92</b>
<b><u>ASSETS</u></b>			
Non-Current Assets			
Fixed Assets			
Tangible Assets	11	2,687.25	2,862.79
Intangible assets	11	3.33	3.00
Capital work-in-progress		130.08	2.21
Non-Current Investments	12	1,034.69	1,025.68
Long Term Loans and Advances	13	351.81	239.61
		4,207.16	4,133.29
<b>Current Assets</b>			
Inventories	14	4,536.51	2,631.43
Trade Receivables	15	3,660.72	6,067.05
Cash and Bank Balances	16	284.47	420.44
Short Term Loans and Advances	17	579.34	432.71
		9,061.04	9,551.63
<b>TOTAL</b>		<b>13,268.20</b>	<b>13,684.93</b>

NOTES TO THE FINANCIAL STATEMENTS

1 to 40

As per our Report of even date Attached

For and on behalf of

K. K. Jain &amp; Co.

Chartered Accountants

Firm Registration No. 302022E

CA P.K. Jain

Partner

Membership No,52018

Kolkata, 29th August ,2012

For and on behalf of the Board

Gyan Chand Kotia  
ChairmanAkhilesh Kotia  
Managing DirectorHari Gopal Mondal  
SecretaryManoj Kumar Banka  
Director

<b>Consolidated Statement of Profit &amp; Loss for the year ended 30th June, 2012</b>				( ₹ in lakh)
	<i>Note</i>	<i>Year Ended 30th June, 2012</i>		<i>Year Ended 31st March, 2011</i>
Revenue from Operations	18	11,552.61		10,570.80
Other Income	19	274.98		34.00
<b>Total Revenue</b>		<b>11,827.59</b>		<b>10,604.80</b>
<b>EXPENSES :</b>				
Cost of Materials Consumed	20	5,370.53		7,830.66
Purchases of Stock-in-Trade		3,960.79		1,537.03
Changes In Inventories-Finished Goods, work-in-progress and Stock-in-Trade Employee	21	124.10		(1,275.29)
Benefit Expenses	22	165.19		138.23
Finance Costs	23	743.23		387.39
Depreciation and Amortisation Expenses	24	161.61		92.95
Other Expenses	25	970.20		1,223.16
<b>Total Expenses</b>		<b>11,495.65</b>		<b>9,934.13</b>
Profit/(Loss) Before Extra Ordinary Items and Tax		331.94		670.67
Prior Period Adjustment		-		113.67
<b>Profit/(Loss) before Tax</b>		<b>331.94</b>		<b>557.00</b>
Tax Expense:				
Current Tax		66.42		111.01
Deferred Tax		45.27		(70.97)
Profit (Loss) for The Year		111.69 (0.03)		40.04 516.96
Basic And Diluted ( ₹ )		0.88		2.07

NOTES TO THE FINANCIAL STATEMENTS

1 to 40

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, 29th August ,2012

For and on behalf of the Board

Gyan Chand Kotia  
Chairman

Akhilesh Kotia  
Managing Director

Hari Gopal Mondal  
Secretary

Manoj Kumar Banka  
Director

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

**2. SIGNIFICANT ACCOUNTING POLICIES****a) BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

The Financial Statements 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**

- 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.
- ii) Cost comprises purchase price, non refundable taxes, duties, freight and incidental expenses related to the acquisition and installation of the assets as well as finance charges wherever applicable relating to borrowed funds attributable to construction/acquisition of fixed assets for the period up to commencement of commercial production/assets put into use.
- iii) In respect of revalued assets, the difference between written down value of the assets as on the date of revaluation and the then replacement value is transferred to revaluation reserve.

**c) Depreciation**

- i) 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.
- ii) On assets individually costing less than ` 5000/- depreciation at the rate of 100% is being provided, subject to aggregate actual cost of individual item of plant and machinery costing ` 5000/- or less being less than 10% of total cost of plant and machinery.

**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) Revenue Recognition**

Sales include excise duties, remission of sales tax on expanded unit and scrap sales. Sales of transformers are recognized on dispatch of goods to the customers.



**g) RETIREMENT BENEFITS****i) 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.

**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.

**h) PROVISIONS FOR CURRENT TAX & DEFERRED TAX**

Provision for current tax is computed after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing difference between book profits and taxable profits is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognised and carried forward if there is a reasonable certainty that the asset will be realised in future.

**i) IMPAIRMENT OF ASSETS**

An asset is treated as impaired when the carrying cost of assets exceeds its recoverable value. An impairment loss is to be charged to the Statement of Profit and Loss in the year in which an asset is identified as impaired. The impairment loss, if recognised in any accounting period, is reversible if there is any change in the estimate of recoverable amount.

**j) GOVERNMENT GRANTS**

Provision for current tax is computed after taking into consideration benefits admissible under the provisions of the Income Tax Act, 1961. Deferred tax resulting from timing difference between book profits and taxable profits is accounted for using the tax rates and laws that are enacted or substantively enacted as on the Balance Sheet date. Deferred tax asset is recognised and carried forward if there is a reasonable certainty that the asset will be realised in future.

**k) 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.

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.

**l) PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS**

Provisions involving substantial degree of estimation in measurement are recognised when there is present obligation as a result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognised but are disclosed in the notes. Contingent assets are neither recognised nor disclosed in the financial statements.

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012					(` in Lakh)
Note	Particulars		As at 30.06.2012		As at 31.03.2012
<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		2,500.00		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		2,500.00		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	11.48%	2870683	10.78%	2693773
	2. Charu Kotia	10.46%	2616123	10.46%	2616123
	3. Advance Power Technologies Ltd.	-	-	5.18%	1294123
<b>3</b>	<b><u>RESERVES &amp; SURPLUS</u></b>				
	<b><u>Capital Reserve</u></b>				
	As per last Balance Sheet		271.50		271.50
	<b><u>Capital Subsidy</u></b>				
	As per last Balance Sheet		12.50		12.50
	<b><u>Revaluation Reserve</u></b>				
	As per last Balance Sheet	1,710.61		1,743.59	
	Less : Transferred to statement of Profit and Loss	41.22	1,669.39	32.98	1,710.61
	<b><u>Share Premium</u></b>	-		333.19	
	Less: Used for Bonus Shares Issue	-	-	333.19	-
	<b><u>General Reserve</u></b>	206.65		173.46	
	Add: Transfer from Profit & Loss	100.00		200.00	
	Less: Used for Bonus Shares Issue	-	306.65	166.81	206.65
	<b><u>Surplus</u></b>				
	As per last Balance Sheet	383.44		211.77	
	Add: Profit for the year	220.22		516.95	
	Less: Appropriations				
	Proposed final equity dividend	25.00		125.00	
	Tax on proposed equity dividend	4.06		20.28	
	Transferred to General Reserve	100.00	474.60	200.00	383.44
			<b>2,734.64</b>		<b>2,584.70</b>

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012 (₹ in Lakh)

Note	Particulars	As at 30.06.2012	As at 31.03.2011
4	<b><u>LONG TERM BORROWINGS</u></b>		
	<b>Secured</b>		
	Term Loans		
	From Banks	211.26	486.34
		<b>211.26</b>	<b>486.34</b>
	Term Loan from Banks represents Vehicle loans secured by way of hypothecation of vehicles and fixed assets.		
	Repayment Schedule: The Term loan for Fixed Assets amounting to ₹ 205.14 Lakh is repayable in 16 installments and other Vehicle loans amounting to ₹ 6.12 Lakh in 60 installments.		
	<b>Unsecured</b>		
	Loans	253.97	299.25
	Deposits	34.13	59.13
	<b>288.10</b>	<b>358.38</b>	
	<b>499.36</b>	<b>844.72</b>	
5	<b><u>OTHER LONG TERM LIABILITIES</u></b>		
	Statutory Dues	1.00	1.00
	Fixed Deposit*	0.11	-
	Others	10.25	10.25
		<b>11.36</b>	<b>11.25</b>
	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	190.99	145.66
	Related to Preliminary Expenses – from Subsidiary	(0.21)	-
	<b>190.77</b>	<b>145.66</b>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012		( ` in Lakh)	
Note	Particulars	As at 30.06.2012	As at 31.03.2011
7	<b><u>SHORT TERM BORROWINGS</u></b>		
	Secured		
	From Allahabad Bank Loan Repayable on Demand Cash Credit/Overdraft from Banks	2,975.05	2,772.55
	Unsecured	25.53	-
	<b>TOTAL</b>	<b>3,000.58</b>	<b>2,772.55</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>		
	Trade Payables	<b>3,355.79</b>	<b>3,801.36</b>
9	<b><u>OTHER CURRENT LIABILITIES</u></b>		
	Advance from Customers	253.39	300.67
	Statutory Dues	9.78	30.56
	Current Maturities of Term Loan	187.71	192.91
	Other Liabilities	167.35	110.40
		<b>618.23</b>	<b>634.54</b>
10	<b><u>SHORT-TERM PROVISIONS</u></b>		
	Income Tax	331.56	265.14
	Proposed Dividend	25.00	125.00
		<b>356.56</b>	<b>390.14</b>

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,2012									( ` in lakh)	
11. FIXED ASSETS	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 31.3.2011	Additions during the year	Deductions during the year	As on 30.06.2012	As on 31.3.2011	For the period	Adjustment/ Sale during the period	As on 30.06.2012	As on 30.06.2012	As on 31.3.2011
<b>TANGIBLE ASSETS</b>										
LAND	1,077.03	-	-	1,077.03	-	-	-	-	1,077.03	1,077.03
BUILDING	852.06	-	-	852.06	417.43	34.51	-	451.94	400.12	434.63
PLANT AND EQUIPMENTS	2,181.87	51.78	-	2,233.65	956.99	135.79	-	1,092.78	1,140.87	1,224.88
ELECTRICAL INSTALLATION	85.26	4.49	-	89.75	60.21	5.16	-	65.37	24.38	25.05
FACTORY MACHINES EQUIPMENTS	24.88	0.29	-	25.17	15.47	1.49	-	16.96	8.21	9.41
FURNITURE AND FITTINGS	25.73	3.31	-	29.04	16.12	2.11	-	18.23	10.81	9.61
VEHICLES	103.14	-	43.86	59.28	31.96	16.35	5.60	42.71	16.57	71.18
DATA PROCESSING AND MACHINE ASSESSORIES	34.79	5.68	-	40.47	23.77	7.44	-	31.22	9.25	11.01
<b>Sub-Total (A)</b>	<b>4,384.76</b>	<b>65.55</b>	<b>43.86</b>	<b>4,406.46</b>	<b>1,521.95</b>	<b>202.85</b>	<b>5.60</b>	<b>1,719.21</b>	<b>2,687.24</b>	<b>2,862.79</b>
<b>INTANGIBLE ASSETS</b>										
GOODWILL	3.00	0.33	-	3.33	-	-	-	-	3.33	3.00
<b>Sub -Total (B)</b>	<b>3.00</b>	<b>0.33</b>	<b>-</b>	<b>3.33</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>3.33</b>	<b>3.00</b>
<b>Grand Total ( A + B ) Current Year</b>	<b>4,387.76</b>	<b>65.88</b>	<b>43.86</b>	<b>4,409.78</b>	<b>1,521.95</b>	<b>202.85</b>	<b>5.60</b>	<b>1,719.21</b>	<b>2,690.58</b>	<b>2,865.80</b>
<b>Previous Year</b>	<b>4,651.90</b>	<b>197.73</b>	<b>461.86</b>	<b>4,387.76</b>	<b>1,594.75</b>	<b>125.93</b>	<b>198.72</b>	<b>1,521.96</b>	<b>2,868.01</b>	<b>-</b>
Note : (i) Capital expenditure on research & development activities accounted for under their natural heads of fixed assets accounts is ` 53.34 lacs. ( Previous Year ` . 783.17 Lacs ) ** including goodwill of ` 0.33 Lakh arising on consolidation during the year.										

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,2012				(` in Lakh)	
Note	Particulars	As at 30.06.2012		As at 31.03.2011	
		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 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. (Market value for Current & Previous year not available )	337500	26.21	250000	25.00
	<b>TOTAL (A)</b>		26.89		25.68
	<b><u>Others - At Cost</u></b>	-		-	
	In Fully Paid up Equity Shares of Rs. 10/- each				
	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 Advance Power Technologies Ltd.	2000000	950.00	2000000	950.00	
Shares of Marson's Instruments Pvt. Ltd.	10000	1.00	10000	1.00	
Shares of Marsons Petro Products Ltd.	39000	3.90	-	-	
In Fully Paid up Equity Shares of Rs. 10/- each					
Shares of Banmore Electricals Pvt. Ltd.	450	0.45	450.00	0.45	
<b>TOTAL (B)</b>		1,007.80		1,000.00	
<b>TOTAL (A+B)</b>		1,034.69		1,025.68	

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 Power Technologies Ltd.	20,00,000	10	950.00
Marsons Logistics Pvt. Ltd.	390000	10	3.90
Marsons's Textiles Ltd.	476520	10	47.65
Advance Power Infra Tech Ltd.	337500	10	26.21
Marsons Petro Products Ltd.	390000	10	3.90

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,2012			( ₹ in Lakh)	
Note	Particulars	As at 30.06.2012	As at 31.03.2011	
<b>13</b>	<b><u>LONG TERM LOANS AND ADVANCES</u></b> ( Unsecured, Considered Good)			
	Security Deposits	70.39	69.90	
	Unamortised Expenditure	6.73	8.08	
	Advance I. Tax	274.69	161.63	
		<b>351.81</b>	<b>239.61</b>	
<b>14</b>	<b><u>INVENTORIES</u></b>			
	Raw Materials (Including in transit 27.80 (P.Y. 112.12))	2,957.92	932.34	
	Work-in-progress	1,552.19	1,676.29	
	Stores and spares	26.40	22.80	
		<b>4,536.51</b>	<b>2,631.43</b>	

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,2012			( ₹ in Lakh)	
Note	Particulars	As at 30.06.2012	As at 31.03.2011	
<b>15</b>	<b><u>TRADE RECEIVABLES</u></b> ( Unsecured, Considered Good)			
	Over Six months	97.33	120.59	
	Others	3,563.39	5,946.46	
		<b>3,660.72</b>	<b>6,067.05</b>	
<b>16</b>	<b><u>CASH AND BANK BALANCES</u></b>			
	Cash on hand	5.39	4.97	
	Balances with banks			
	In Current Account	1.32	8.92	
	In Fixed Deposit Account *	277.76	406.55	
	*Under lien towards Margin money and /or Security against borrowings			
	Fixed deposit with Bank maturity less than 12 months	284.47	420.44	
<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	191.03	77.25	
	Other Loans & Advances	388.31	355.46	
		<b>579.34</b>	<b>432.71</b>	

NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE,2012		( ` in Lakh)	
Note	Particulars	As at 30.06.2012	As at 31.03.2011
<b>18</b>	<b>REVENUE FROM OPERATIONS</b>		
	Sale / Trading products	12,317.04	11,450.86
	Less: Excise Duty	764.43	880.06
	<b>TOTAL</b>	<b>11,552.61</b>	<b>10,570.80</b>
<b>19</b>	<b>OTHER INCOME</b>		
	Interest Income	187.67	13.62
	Brokerage & Commission	41.84	-
	Bad Debts Recovered	10.19	-
	Excess provision/liabilities written back	11.02	-
	Others	24.26	20.38
	<b>TOTAL</b>	<b>274.98</b>	<b>34.00</b>
<b>20</b>	<b><u>COST OF MATERIALS CONSUMED</u></b>		
	Opening Stock of Raw Materials	843.02	797.46
	Add: Raw materials Purchased	7,457.63	7,853.42
	Less: Closing Stock of Raw Materials	2,930.12	820.22
	<b>TOTAL</b>	<b>5,370.53</b>	<b>7,830.66</b>
<b>21</b>	<b><u>CHANGES IN INVENTORIES</u></b>		
	<b><u>Opening Stock</u></b>		
	Work-in-progress	1,676.29	401.00
		<b>1,676.29</b>	<b>401.00</b>
	<b><u>Less: Closing Stock</u></b>		
	Work-in-progress	1,552.19	1,676.29
		1,552.19	1,676.29
		<b>124.10</b>	<b>(1,275.29)</b>
<b>22</b>	<b><u>EMPLOYEES BENEFIT EXPENSES</u></b>		
	Salaries and Wages	134.28	117.50
	Contribution to provident and other funds	22.91	14.31
	Staff Welfare Expenses	8.00	6.42
		<b>165.19</b>	<b>138.23</b>
<b>23</b>	<b><u>FINANCE COST</u></b>		
	Interest on Loans	743.23	387.39
		<b>743.23</b>	<b>387.39</b>



## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2012

(₹ in Lakh)

Note	Particulars	As at 30.06.2012		As at 31.03.2011		
<b>24</b>	<b><u>DEPRECIATION AND AMORTISATION EXPENSES</u></b>					
	Depreciation		202.83		125.93	
	Less : Transferred from Revaluation Reserve		41.22		32.98	
			161.61		92.95	
<b>25</b>	<b><u>OTHER EXPENSES</u></b>					
	Consumption of stores and spare parts		33.30		20.05	
	Testing Expenses		38.10		131.46	
	Manufacturing Expenses		75.02		90.02	
	Power and Fuel		72.31		65.87	
	Rent		18.53		8.70	
	Repairs to buildings	0.76		2.54		
	Repairs to machinery	6.16		4.96		
	Repair Others	3.37	10.29	1.95	9.45	
	Bank Charges		164.40		124.01	
	Insurance		3.62		8.68	
	Rates and Taxes excluding taxes on Income		17.05		3.09	
	Freight		202.48		201.43	
	Director's Remuneration		36.50		46.60	
	Auditors Remuneration					
	Audit Fees- Tax Audit	0.80		0.80		
	Audit Fees- Statutory Audit	0.30		0.30		
	Certification and others	0.58	1.74	0.39	1.49	
	Brokerage & Commission		19.84		36.70	
	After Sales Service		18.74		8.98	
	Bad Debts Written Off		-		281.27	
	Loss on Sale of Fixed Assets		7.93		13.87	
	Miscellaneous Expenses		250.35		171.49	
			970.20		1,223.16	
<b>26</b>	<b><u>EARNINGS PER SHARE IN ACCORDANCE WITH ACCOUNTING STANDARD 20</u></b>		C.Y.		P.Y.	
	Net Profit after Tax as per Statement of Profit & Loss		220.22		516.95	
	Weighted average number of ordinary shares		25000000		25000000	
	Basic and Diluted Earnings per share (₹)		0.88		2.07	
	Face value per ordinary share (₹)		0.88		2.07	
<b>27</b>	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.					
<b>28</b>	Total stores and spare parts consumed during the year are ₹ 33.30 Lacs (Previous year Rs. 20.05 Lacs).					
<b>29</b>	<b><u>VALUE OF IMPORTS ON CIF BASIS</u></b>		C.Y.		P.Y.	
	Raw materials		51.4		817.15	
<b>30</b>	<b><u>EARNINGS IN FOREIGN EXCHANGE</u></b>		C.Y.		P.Y.	
	F.O.B. value of exports		354.32		58.15	
<b>31</b>	<b><u>VALUE OF RAW MATERIALS, SPARE PARTS AND COMPONENTS CONSUMED</u></b>		Current Year		Previous Year	
			in Lakh	In %	in Lakh	In %
	Raw Materials		51.40	0.96	817.15	10.44
	Imported		5319.13	99.04	7013.51	89.56
	Indigenous		5370.53	100.00	7830.66	100.00
<b>32</b>	<b><u>Nature of Goods</u></b>		Current Year		Previous Year	
			in Lakh		in Lakh	
	C.R.G.O Lamination		1054.13		2264.66	
	DPC & TPC (Copper Wires & Strips)		1748.80		2765.26	
	DPC & Aluminum Wires & Strips		3.94		--	
	Iron (M.S. Plates, Channels, Angles, Sheet etc.)		25.11		560.35	
	Radiators		321.75		435.66	
	T.O.B.S.		645.29		428.51	
	Other Materials		1571.51		1376.22	
	Total Consumptions		5370.53		7830.66	

<b>33</b>	<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.				
<b>34</b>	<b>As per Accounting Standard 15 'Employee Benefits' the disclosures as defined in the Accounting Standard are given below :</b>				
	<b>Defined Contribution Plans</b>				
	The Company has during the year recognised an expense of ` . 8.80 Lacs (Previous year ` 3.80 Lacs) towards defined contribution plans.				
	<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 ` .7.50 lacs (Previous Year ` . 2.50 lacs) 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.				
<b>35</b>	<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 ` . 1980.81 lacs (Previous year ` .2546.00 lacs) which are secured by deposits of Fixed Deposit Receipts amounting to ` .290.71 lacs (previous year ` . 177.05 lacs) with banks.				
<b>36</b>	<b>COMMISSION TO DIRECTOR</b>				
	Directors' Remuneration includes payment to Managing Director with commission ` . 20.00 lacs (Previous year ` . 40.00 lacs).				
<b>37</b>	<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				
	b) Enterprises over which the Key Management personnel and/or their relatives have significance influence :				
	1) Advance Power Infra Technologies Ltd. (Formerly Marson's Power & Infrastructure Dev. Ltd)				
	2) Advance Power Technologies Ltd. (Formerly A.P. Electrical Pvt. Ltd.)				
	3) Marsons Properties Pvt. Ltd. (formerly Marsons Board Pvt. Ltd.)				
	4) Marsons Logistics Pvt. Ltd.				
	5) M-Secure HR Services Pvt. Ltd. (formerly Marsons Metals Pvt. Ltd.)				
	6) Marsons Petro Products Pvt. Ltd.				
	7) M-Trust Capital Advisory Services 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.
	Remuneration & Commission				
	a) Akhilesh Kotia	28.25	43.30	-	-
	b) Charu Kotia	8.25	3.30	-	-
	Rent (Received)	0.61	0.61	1.39	(0.79)
	Outstanding Payable	86.7	70.06	5.34	-
	Outstanding Receivable	(0.45)	-	26.34	(51.51)
<b>38</b>	<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 ` 160.27 lacs.				
<b>39</b>	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.				
<b>40</b>	In view of the revision to the Schedule VI as per notification issued by the Central Government, the financial statements for the year ended 31st March, 2012 have been prepared as per the requirements of the revised Schedule VI to the Companies Act, 1956. The previous year's figures have been accordingly regrouped/reclassified to conform to the current year's classification.				

<b>Consolidated Cash Flow Statement for the year ended 30<sup>th</sup> June, 2012</b>	Year ended 30 <sup>th</sup> June, 2012 (` in Lakh)		Year ended 31 <sup>st</sup> March, 2011 (` in Lakh)	
<b>(A) CASH FLOW FROM OPERATING ACTIVITIES:-</b>				
Net Profit (Loss) before tax and before exceptional item		331.94		670.67
Add: Adjustments for:				
FROM PL Depreciation	161.61			
Deferred Revenue Expenditure to the extent not written off/adjusted	1.35		1.35	
(Profit) / Loss on sale of Fixed Assets	7.93		5.88	
FROM PL Interest Income	(187.67)		-	
FROM PL Interest Expense	743.23	726.45	373.77	473.96
Operating Profit / (Loss) before Working Capital changes		1058.39		1144.63
Adjustments for:				
Trade and other receivables	2259.2		(3241.48)	
Inventories	(1905.08)		(1311.35)	
Trade and other Payable	(445.57)		1927.72	
Long Term Trade Liabilities	(350.56)	(442.01)	-	(2625.11)
Cash generated from Operations		616.56		
Direct Taxes (paid) / Refund		(113.06)		(1511.24)
Cash flow before extraordinary item		503.50		-
Exceptional item				
Net Cash Flow from Operating Activities			503.32	(1511.24)
<b>(B) CASH FLOW FROM INVESTING ACTIVITIES:</b>				
Net Purchase/Sale of Fixed Assets		(143.96)		(42.38)
Movement of Investments		(9.01)		1.36
Interest Received		0.26		13.61
Net cash used in Investing Activities			(152.71)	(27.41)
<b>(C) CASH FLOW FROM FINANCING ACTIVITIES:-</b>				
Proceeds from Long Term Borrowings		202.50		-
Proceeds from Short Term Borrowings		25.53		1527.50
Dividend Paid				(117)
Interest Paid		(715.21)		(387.39)
Net Cash used in Financing Activities			(487.18)	1023.11
Net Increase / (Decrease) in Cash Equivalents			(136.39)	(515.54)
Cash and Cash Equivalents as at 01.04.2011			421.04	935.98
Cash and Cash Equivalents as at 31.03.2012			284.47	420.44

**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, 29th August ,2012**

**For and on behalf of the Board**

**Gyan Chand Kotia  
Chairman**

**Akhilesh Kotia  
Managing Director**

**Hari Gopal Mondal  
Secretary**

**Manoj Kumar Banka  
Director**

**MARSONS LIMITED**  
**Regd. Office: 4 Chandni Chowk Street Kolkata - 700 072**  
**P R O X Y F O R M**

I / We \_\_\_\_\_ - \_\_\_\_\_  
of \_\_\_\_\_  
being a Member/s of Marsons Ltd. hereby appoint \_\_\_\_\_  
\_\_\_\_\_ Of \_\_\_\_\_ or failing him of \_\_\_\_\_  
\_\_\_\_\_ as my/our proxy to vote for me/us an  
my/our behalf at the 35th Annual General Meeting of the Company will be held **BHARTIYA BHASHA  
PARISAD, 36A, SHAKESPEARE SARANI, KOLKATA - 700017** on Monday, the 17<sup>th</sup> day of December, 2012 at  
11.30 A.M. and at any adjournment thereof.

At witness my /our hand this \_\_\_\_\_ day of \_\_\_\_\_ 2012

Signature by the said \_\_\_\_\_

Folio No. \_\_\_\_\_

Client-ID No. \_\_\_\_\_

DP-ID No. \_\_\_\_\_

No of Shares held \_\_\_\_\_

Note : This proxy must be returned as as to reach the Registered Office of the Company not less than 48  
Hours before the time for holding the aforesaid meeting.

**MARSONS LIMITED**  
**ATTENDANCE SLIP**

I We \_\_\_\_\_  
Of \_\_\_\_\_  
being a Member/s of Marsons Ltd hereby appoint \_\_\_\_\_  
\_\_\_\_\_ of \_\_\_\_\_ or failing him of \_\_\_\_\_  
\_\_\_\_\_ as my/our proxy to vote for me/us an  
my/our behalf at the 35th Annual General Meeting of the Company will be held **BHARTIYA BHASHA  
PARISAD, 36A, SHAKESPEARE SARANI, KOLKATA - 700017** on Monday, the 17<sup>th</sup> day of December, 2012 at  
11.30 A.M.

Full name of the Shareholder in BLOCK Letters \_\_\_\_\_

Folio No. \_\_\_\_\_

Client-ID No. \_\_\_\_\_

DP-ID No. \_\_\_\_\_

No of Shares held \_\_\_\_\_

Signature of Shareholder

*Note : Only Shareholders of the Company or their proxies will be allowed to attend the meeting*

**BOOK POST**

*If undelivered please return to: -*

**Marsons Limited**

**4, Chandni Chowk Street Kolkata – 700 072**