



FORM A

FORMAT OF COVERING LETTER OF THE ANNUAL AUDIT REPORT TO BE FILED
WITH THE STOCK EXCHANGE

1.	Name of the company	Artson Engineering Limited
2.	Annual financial statements for the year ended	31 st March 2015
3.	Type of Audit observation	Matter of Emphasis
		Emphasis of Matter Without qualifying our report we draw attention to Note 36 to the financial statements on going concern which has been relied upon by us. Our opinion is not modified in respect of this matter. Note No. 36 to the Financial Statements The Company is registered with the Board for Industrial and Financial Reconstruction (BIFR) as a sick company and BIFR has vide its order dated 18 December 2007 sanctioned the rehabilitation scheme ("the Sanctioned Scheme"). While most of the provisions of the Sanctioned Scheme have been implemented, the Company was not able to achieve positive net worth as at 31 March 2013; accordingly, the Company has filed application on 17 October 2013 to BIFR seeking an extension and modification of the Sanctioned Scheme. The modification also includes conversion of Loans of Rs.4418 lakhs (including interest up to 31 March 2013 and loan of Rs. 300 lakhs taken during the three months period ended 30 June 2013, but excluding interest of Rs. 94.27 lakhs for the three months period ended 30 June 2013) of the Holding Company as at 31 March 2013 into 4% Optionally Convertible Cumulative Redeemable Preference Shares of Re. 1/-each, which is pending for approval from BIFR. In view of this, and based on written confirmation from the Holding Company, no provision has been made for interest payable to it amounting to Rs. 705.60 lakhs for the period 1 July 2013 to 31 March 2015 (including Rs. 403.04 lakhs for year

Corporate Identity Number : L27290MH1978PLC020644

ARTSON ENGINEERING LIMITED

A subsidiary of

TATA PROJECTS LIMITED

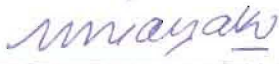
Regd. Office : 11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai 400 076

Tel.: +91 22 6625 5600 • Fax : +91 22 6625 5614

E-mail : artson@artson.net, artson@vsnl.com • Website : www.artson.net





		ended 31 March 2015). The Management is considering various alternatives for achieving profitability and positive cash flow. Based on the current order book position, operating results for the current year and considering the continued support of the Holding Company, barring unforeseen circumstances, the Management is confident about the Company's ability to continue as a going concern and the Auditors of the Company have put an "emphasis of matter" paragraph on the aforesaid matter in the Auditor's Report for the year ended 31 March 2015.
4.	Frequency of observation	The matter of emphasis has appeared for the third time. The matter of emphasis appeared previously for the first time in the Annual Report for Financial Year 2012-13.
5.	To be signed by- • CEO/Managing Director • CFO • Auditor of the company • Audit Committee Chairman	 VINAYAK DESHPANDE Chairman  RAJESH MANDALE Chief Financial Officer  POOJA MEHTA Partner, Chokshi & Chokshi LLP Statutory Auditors  NALIN SHAH Chairman - Audit Committee

* The Company at present does not have a CEO or a Managing Director and hence, this Form is signed by the Chairman.



Corporate Identity Number : L27290MH1978PLC020644

ARTSON ENGINEERING LIMITED

A subsidiary of

TATA PROJECTS LIMITED

Regd. Office : 11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai 400 076

Tel.: +91 22 6625 5600 • Fax : +91 22 6625 5614

E-mail : artson@artson.net, artson@vsnl.com • Website : www.artson.net



36th ANNUAL REPORT 2014-15



ARTSON ENGINEERING LIMITED
(A subsidiary of Tata Projects Limited)



Artson Engineering Limited

(A subsidiary of Tata Projects Limited)

Corporate Identity Number: L27290MH1978PLC020644

Tel No.: + 022 66255600. Fax: + 91 22 66255614 Email: artson@artson.net. Website: www.artson.net

BOARD OF DIRECTORS

Chairman **Vinayak Deshpande**

Directors **Michael Bastian**

Nalin Shah

Pralhad Pawar

Special Director **Shashikant Oak**

Leja Hattiangadi

Registered Office

11th Floor,
Hiranandani Knowledge Park,
Technology Street, Powai,
Mumbai – 400 076

Manufacturing Units

D-5, MIDC
Ambad,
Nashik – 422 010

Plot No. D-1,
Umred Industrial Area,
MIDC Umred,
Dist – Nagpur – 441 203

Share Registrars and Transfer Agents

Sharepro Services (India) Private Limited
(Registered Office)
UNIT: Artson Engineering Limited
13AB, Samhita Warehousing Complex,
2nd Floor, Sakinaka Telephone Exchange Lane,
Off Andheri-Kurla Road, Sakinaka,
Andheri (East), Mumbai – 400 072

Sharepro Services (India) Private Limited
(Investor Relation Centre)
UNIT: Artson Engineering Limited
912, Raheja Centre,
Free Press Journal Road,
Nariman Point,
Mumbai – 400 021

Bankers

Corporation Bank
ICICI Bank Limited

Monitoring Agency

Bank of India

Statutory Auditors

Chokshi & Chokshi LLP, Chartered Accountants

Internal Auditors

Patel & Deodhar, Chartered Accountants

Secretarial Auditor

P. P. Shah & Co., Practising Company Secretaries

Contents

Notice.....	2
Directors' Report.....	12
Independent Auditors' Report.....	37
Balance Sheet.....	42
Profit & Loss Account.....	43
Cashflow Statement	44
Notes to Financial Statements.....	46

ARTSON ENGINEERING LIMITED

(A subsidiary of Tata Projects Limited)

Corporate Identity Number: L27290MH1978PLC020644

Registered Office: 11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai – 400 076

Tel No.: + 91 22 66255600. **Fax:** + 91 22 66255614 **Email:** artson@artson.net. **Website:** www.artson.net

NOTICE

Notice is hereby given that the 36th Annual General Meeting of the Members of the Company will be held on Monday, 10th August 2015 at 3. 00 p. m. at Sunville Banquets, Royal Hall, 3rd Floor, 9, Dr. Annie Besant Road, Opposite Atria Mall, Worli, Mumbai, 400 018 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements as at 31st March 2015, together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Pralhad Pawar (DIN: 06557071), who retires by rotation and being eligible, offers himself for re-election.
3. To appoint Auditors to hold Office until the conclusion of the 37th Annual General Meeting on a remuneration to be fixed by the Board of Directors. M/s. Chokshi & Chokshi LLP, Chartered Accountants, Mumbai, the retiring Auditors are eligible for appointment.

Special Business

4. Appointment of Ms. Leja Hattiangadi as Director

To pass the following Resolution, with or without modification, as an **Ordinary Resolution:**

“RESOLVED THAT Ms. Leja Hattiangadi (DIN: 00198720), who was appointed as an Additional Director of the Company by the Board of Directors with effect from 12th March 2015 and who holds the office upto the date of this Annual General Meeting of the Company under Section 161 of the Companies Act, 2013 (the Act) and is eligible for appointment and in respect of whom the Company has received a Notice in writing under Section 160 of the Act from a Member of the Company proposing her candidature for the office of a Director, be and is hereby appointed as a Director of the Company, not liable to retire by rotation.”

5. Appointment of Ms. Leja Hattiangadi as an Independent Director under the provisions of Section 149 of the Companies Act, 2013.

To pass the following Resolution, with or without modification, as an **Ordinary Resolution:**

“RESOLVED THAT pursuant to the provisions of Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013 (“the Act”) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Ms. Leja Hattiangadi (DIN: 00198720), a non-executive Director of the Company, who has submitted a declaration that she meets the criteria for independence as provided in Section 149(6) of the Act and who is eligible for appointment, be and is hereby appointed as an Independent Director of the Company, not liable to retire by rotation, with effect from 12th March 2015 up to 11th March 2020.”

6. To approve borrowing limits of the Company under Section 180 (1)(c) of the Companies Act, 2013.

To pass the following Resolution, with or without modification, as a **Special Resolution**:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(c) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and subject to the approval of the Board for Industrial and Financial Reconstruction (BIFR), if any or such other competent authority, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) for borrowing from time to time, any sum or sums of monies, which together with the monies already borrowed by the Company (apart from temporary loans obtained or to be obtained from the Company’s bankers in the ordinary course of business), may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total outstanding amount so borrowed shall not at any time exceed the limit of ₹ 75 Crore.

RESOLVED FURTHER THAT the Board be and is hereby authorized and empowered to arrange or settle the terms and conditions on which all such monies are to be borrowed from time to time as to interest, repayment, security or otherwise howsoever as it may think fit and to do all such acts, deeds and things, to execute all such documents, instruments and writings as may be required.”

7. **Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings under Section 180 (1)(a) of the Companies Act, 2013**

To pass the following Resolution, with or without modification, as a **Special Resolution**:

“RESOLVED THAT pursuant to Section 180(1)(a) and other applicable provisions, if any, of the Companies Act, 2013, as amended from time to time, and subject to the approval of the Board for Industrial and Financial Reconstruction (BIFR), if any, or such other competent authority, the consent of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as the “Board” which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to create such mortgages, charges and hypothecations as may be necessary in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, in such manner as the Board / Committee of the Board may direct, in favour of Financial Institutions, Investment Institutions and their subsidiaries, Banks, Non banking Finance Companies, Other Bodies Corporate, other persons (hereinafter referred to as the “Lending Agencies”), to secure the borrowings by the Company, together with interest costs, charges, expenses and all other monies payable by the Company for an amount not exceeding ₹ 75 Crore to the Lending Agencies under their respective Agreements / Loan Agreements / entered / to be entered into by the Company in respect of the said borrowings.

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the Lending Agencies, the documents for creating the aforesaid mortgages, charges and/or hypothecations and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts and things and to execute all such documents as may be necessary for giving effect to this Resolution.”

8. To enter into Related Party transactions under Section 188 of the Companies Act, 2013 read with Companies (Meeting of the Board and its Powers) Rules, 2014.

To pass the following Resolution, with or without modification, as an **Ordinary Resolution**:

“RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 read with Companies (Meeting of the Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force, consent of the Company be and is hereby accorded to the Board of Directors, to enter into contracts / arrangements / transactions with Tata Projects Limited (TPL), the Company’s Holding company and a ‘Related Party’ as defined under Section 2 (76) of the Companies Act, 2013, as indicated in the table below on mutually acceptable terms and conditions between the Company and TPL for the maximum amounts per annum, as mentioned herein below:

Sr. No.	Category	Amount per Annum
1	Sale, purchase or supply of any goods or materials, directly or through appointment of agents	₹ 100 Crore
2	Leasing of property of any kind	₹ 5 Crore
3	Availing or rendering of any services, directly or through appointment of agents	₹ 100 Crore

RESOLVED FURTHER THAT consent of the Company is accorded for ratification of the aforesaid related party transactions already entered into by the Company exceeding the threshold as specified in Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the related party, finalise the terms and conditions as may be considered necessary, expedient or desirable and execute such agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this Resolution in the best interest of the Company.”

Notes:

- 1. A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy and such proxy need not be a Member of the Company. A person can act as Proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A Member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person cannot act as a Proxy for any other person or shareholder. Proxies, in order to be valid, must be received at the Registered Office of the Company not less than 48 hours before the Meeting.**
2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Thursday, 6th August 2015 to Monday, 10th August 2015 (both days inclusive).
4. Members holding shares in electronic form are requested to bring their Client ID and DP ID numbers at the Meeting for easy identification.
5. To facilitate registration an attendance slip is enclosed. Shareholders attending the Annual General Meeting are requested to bring it with them at the venue.

6. Pursuant to the provisions of the Companies Act, 2013, facility for making nomination is available to the shareholders in respect of shares held by them. Nomination forms can be obtained from the Registered Office of the Company or the Share Registrars and Transfer Agents of the Company or can also be downloaded from the Company's website- **www.artson.net**.
7. Shareholders are requested to address all correspondence in relation to shares related matters to the Company's Share Registrars and Transfer Agents at the following addresses:

Sharepro Services (India) Private Limited (Registered Office)	Sharepro Services (India) Private Limited (Investor Relation Centre)
UNIT: Artson Engineering Limited 13AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri – Kurla Road, Sakinaka, Andheri (East), Mumbai- 400 072	UNIT: Artson Engineering Limited 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai - 400 021

8. A Member desirous of getting any information on the accounts or operations of the Company is required to forward his/ her queries to the Company at least seven days prior to the Meeting so that the required information can be made available at the Meeting.
9. Pursuant to the provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Notice convening the 36th Annual General Meeting along with the Financial Statements for the year ended 31st March 2015, is being issued in electronic form, to the email address as per the Company's records and as are made available by the Depositories.

Full text of the Notice and these reports will also be made available in an easily navigable format on the Company's website, **www.artson.net**. The physical copies of the Annual Report will be available at the Registered Office of the Company for inspection during office hours.

The Members who still intend to receive the copies of the Notice and other documents in physical form (hard copy) are requested to write to the Company Secretary at the Company's Registered Office or send an email to **artson@shareproservices.com** and accordingly a printed copy of the Annual Report will be sent to the registered address of the Member.

E- Voting facility (Remote e- voting):

10. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
11. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
12. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

13. The remote e-voting period commences on Thursday, 6th August 2015 from 9:00 a.m. and ends on Sunday, 9th August 2015 at 5:00 p.m. During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 3rd August 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, the Member shall not be allowed to change it subsequently.
14. Members who have registered their email ids with the Depository Participant/Share Registrars and Transfer Agents, shall be emailed the user id and password. The user id and password of the Members who have not registered their email ids, shall be sent to them by permitted mode.
15. The instructions to the Members for e-voting are as under:
 - I. Open your web browser during the voting period and log on to the e-voting website www.evoting.nsdl.com
 - II. Now click on "Shareholder- Login" to cast your votes
 - III. If you are already registered with NSDL for remote e- voting, then you can use your existing User ID and Password for log-in.
 - IV. If you are logging for the first time, please enter the User Id and Password provided in the E- Voting instruction sheet.
 - V. Password Change menu appears. Change the password with new password of your choice with minimum 8 digits/ characters or combinations thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - VI. Home page of "e-voting" opens. Click on "remote e-voting":- **Active Voting cycles.**
 - VII. Select "EVEN" (E Voting Event Number) of **Artson Engineering Limited** (the number is provided in the E-voting instruction Sheet) for casting your vote in favour of or against the resolution. Kindly note that vote once casted cannot be modified. For an EVEN, you can login any number of times on e-Voting platform of NSDL till you have voted on all the resolutions or till the end of voting period, i.e. up to 5 p.m. on Sunday, 9th August 2015 whichever is earlier.
 - VIII. Now you are ready for "remote e-Voting" as "Cast Vote" page opens.
 - IX. Cast your vote by selecting appropriate option and click "Submit" and also "Confirm" when prompted.
 - X. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are also required to send scanned copy (PDF/JPEG format) of relevant Board Resolution/Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through email to vnp.scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in
 - XI. Click on the Resolution File Link if you wish to view the entire Notice of the AGM.
 - XII. In case you have any queries or issues regarding e-voting, you may refer Frequently Asked Questions (FAQs) for shareholders and remote e-voting user manual for Shareholders available at the "downloads" section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
 - XIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).

- XIV. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 3rd August 2015.
- XV. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 3rd August 2015 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or to Share Registrars and Transfer Agents at kumaresan@shareproservices.com.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XVI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XVII. A person, whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting or voting at the AGM through ballot paper.
- XVIII. The Board of Directors of the Company has appointed Mr. Vishram Panchpor, Practising Company Secretary, Mumbai (Membership Number: ACS 20057) as the Scrutinizer to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIX. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of Scrutinizer, by use of “Ballot Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- XX. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated Scrutinizer’s Report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XXI. The results declared along with the Scrutinizer’s Report will be placed on the Company’s website viz., www.artson.net and on the website of NSDL immediately after the results are declared by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to Bombay Stock Exchange Limited.

By Order of the Board,

Registered Office:

11th Floor, Hiranandani Knowledge Park,
Technology Street, Powai,
Mumbai – 400 076

ANUJA BHATE
Company Secretary

Date: 5th June 2015

EXPLANATORY STATEMENT

Pursuant to Section 102 of the Companies Act, 2013 (the Act), the following Explanatory Statement sets out all the material facts relating to the Special Business mentioned in the accompanying Notice and should be taken as forming part of the said Notice.

Item Nos. 4 and 5:

Ms. Leja Hattiangadi, was appointed as an Additional Director (Non-Executive and Independent) of the Company by the Board of Directors with effect from 12th March 2015. Pursuant to the provisions of Section 161 of the Companies Act, 2013 ("**the Act**") and Article 147 of the Articles of Association, Ms. Hattiangadi holds office till the date of ensuing Annual General Meeting, but is eligible for appointment. The Company has received a Notice in writing under Section 160 of the Act from a Member of the Company proposing Ms. Leja Hattiangadi as a candidate for the office of a Director.

Ms. Leja Hattiangadi is a graduate Chemical Engineer from I.I.T. Bombay, and an M.S. in Chemical Engineering from the University of Massachusetts. She has been in the engineering contracting business for nearly four decades. Starting her career in Tata Consulting Engineers as a Process Engineer in 1975, she moved up as a Project Engineer, Project Manager, Head of Process Department, Commercial Manager and Head of Infrastructure projects. She joined Jacobs India as Director – Business Development in 2005, moved up to Vice President - Business Development in 2011 and retired from Jacobs India end 2014. During her tenure in Jacobs India, she was also a Member of the Board. Ms. Leja Hattiangadi is a Senior Member of the American Institute of Chemical Engineer. She has been an active supporter of Consultancy Development Centre both in Delhi and Mumbai and was a member of the Governing Council and a member of the Managing Committee of the Mumbai Chapter. She was also a member of the Protocol Committee of International Performance Measurement and Verification Protocol, USA.

As per the provisions of Section 149 of the Act, an Independent Director shall hold office for a term up to five consecutive years on the Board of a company and is not liable to retire by rotation. Ms. Leja Hattiangadi has given a declaration to the Board that she meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Ms. Leja Hattiangadi as Independent Director was placed before the Nomination & Remuneration Committee, which recommends her appointment as an Independent Director up to 11th March 2020.

In the opinion of the Board, Ms. Leja Hattiangadi fulfills the conditions specified in the Act and the Rules made there under for appointment as Independent Director and she is independent of the management. The Board has formed an opinion that Ms. Leja Hattiangadi possesses the requisite skills and knowledge and it would be in the interest of the Company to appoint Ms. Leja Hattiangadi, Director as an Independent Director of the Company.

In compliance with the provisions of Section 149 read with Schedule IV of the Act, the appointment of Ms. Leja Hattiangadi as an Independent Director is now being placed before the members in the Annual General Meeting for their approval.

The terms and conditions of appointment of Independent Director shall be open for inspection by the members at the Registered Office during normal business hours on any working day of the Company.

Ms. Leja Hattiangadi is interested and concerned in the Resolution mentioned at Item Nos. 4 & 5 of the Notice. Other than Ms. Leja Hattiangadi, no other Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolutions mentioned at Item Nos. 4 & 5 of the Notice.

Item Nos. 6 and 7:

The Company is exploring various options in expanding its business operations. For the said purpose, it is envisaged that the Company may need financial assistance from Financial Institutions, Investment Institutions and their subsidiaries, Banks, Non-Banking Financial Companies, Other Bodies Corporate, other persons to meet the working capital requirements and capital expenditure, etc.

In view of the above, it is proposed to seek the shareholders approval to allow the Company to borrow an amount not exceeding ₹ 75 Crore i.e., in excess of the aggregate of the Company's paid-up capital and free reserves.

In terms of the provisions of Section 180 (1) (c) of the Companies Act, 2013 ('the Act'), the Board of Directors of a company cannot, except with the consent of the Members by a Special Resolution, borrow money, where the money to be borrowed, together with the money already borrowed, will exceed the aggregate of paid-up share capital and free reserves, apart from the temporary loan from the Company's bankers in the ordinary course of business.

Further, the proposed borrowings not exceeding ₹ 75 Crore may also, if necessary, be secured by way of creation of charge/ mortgage/ hypothecation on the assets of the Company, whether movable or immovable, in favour of Financial Institutions, Investment Institutions and their subsidiaries, Banks, Non-Banking Finance Companies, Other Bodies Corporate, other persons.

Pursuant to the provisions of Section 180 (1) (a) of the Act, the Board of Directors of a company cannot, except with the consent of the Members by a Special Resolution, create charge/ mortgage/ hypothecation on the assets of the company in order to secure the borrowings in favour of any bank/ financial institutions/ Non-banking financial companies/ any other persons.

The approval of the Members for the said borrowings and creation of a mortgage or charge or hypothecation as a security for the said borrowing is therefore now being sought, by way of Special Resolutions, pursuant to Section 180(1)(c) and 180(1)(a) of the Act respectively.

The Board recommends the Special Resolutions at Item Nos. 6 and 7 for the approval.

None of the Directors and Key Managerial Personnel of the Company or their respective relatives are concerned or interested in the passing of the Resolutions at Item Nos. 6 and 7.

Item No. 8:

The Company is engaged in the business as EPC contractor in the field of Oil & Gas and Hydrocarbon Processing Industry, specialized in Tankages, Piping, and other Mechanical Packages. The Company, in the ordinary course of business, enters into transactions with Tata Projects Limited (TPL) for sale, purchase or supply of goods or materials, leasing of property and availing or rendering of services.

TPL, the Company's Holding company, is a related party within the meaning of Section 2 (76) of the Companies Act, 2013 ('the Act').

The aforementioned transactions with TPL are likely to exceed the threshold limits provided in Rule 15 (3) of the Companies (Meetings of the Board and its Powers) Rules, 2014 ['Rules'] under the respective category of related party transactions.

Pursuant to the provisions of the said Rules, the Company can enter into transactions with related parties, exceeding the threshold limits, only with the consent of shareholders by an Ordinary Resolution.

In terms of Explanation (3) appended to Rule 15 (3) of the said Rules, the under-noted information is of relevance:

Particulars	Information	
Name of the Related Party	Tata Projects Limited (TPL)	
Name of Director(s) or Key Managerial Personnel who is related, if any	Mr. Vinayak Deshpande and Mr. Pralhad Pawar, Directors are related to TPL and are its nominees on the Company's Board of Directors. However, for the purpose of this transaction, they are not related parties.	
Nature of Relationship	TPL is a Holding company and the Promoter of the Company	
Nature, Material terms of the Contracts / arrangements / transactions	sale, purchase or supply of goods or materials, leasing of property and availing or rendering of services	
Monetary Value (maximum amount each Financial Year)	Sale, purchase or supply of any goods or materials, directly or through appointment of agents	₹ 100 Crore
	Leasing of property of any kind	₹ 5 Crore
	Availing or rendering of any services, directly or through appointment of agents	₹ 100 Crore
Whether the transactions have been approved by the Board of Directors	Yes on 4 th May 2015	
Any other information relevant or important for the Members to make a decision on the proposed transactions	The Company is registered with the Board for Industrial and Financial Reconstruction (BIFR) and TPL is the Promoter of the Company. TPL is committed to revive / rehabilitate the Company.	

The annual value of the transactions proposed is estimated on the basis of the Company's current transactions and future business projections.

The Board is of the opinion that the transactions of sale, purchase or supply of goods or materials, leasing of property and availing or rendering of services with TPL are in the best interest of the Company.

The Board recommends passing of the Ordinary Resolution at Item No. 8 for approval.

Mr. Vinayak Deshpande and Mr. Pralhad Pawar, being nominees of Holding company, may be considered as related to Promoters and therefore may be deemed to be considered as interested or concerned. They do not hold any share in the Company.

No other Directors, Key Managerial Personnel of the Company or their respective relatives are concerned with or interested in the said Resolution.

By Order of the Board,

Registered Office:

11th Floor, Hiranandani Knowledge Park,
Technology Street, Powai,
Mumbai – 400 076

ANUJA BHATE
Company Secretary

Date: 5th June 2015

INFORMATION PERTAINING TO DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT

Name of the Director	Mr. Pralhad Pawar	Ms. Leja Hattiangadi
Director Identification Number (DIN)	06557071	00198720
Date of Birth	19 th February 1959	18 th March 1949
Directorship in other Indian companies	Nil	Nil
Directorship in foreign companies	Nil	Nil
Positions in Committees* of other Indian companies	Nil	Nil
Number of shares held in the Company	Nil	Nil
Relationship, if any, with other Directors	Nil	Nil
Educational qualifications	B. Tech (Chemical), Masters in Financial Management	B. Tech (Chemical), M.S
Areas of expertise	Strategy Planning, Business Development and Project Management	Engineering contracting business

* Only Audit and Stakeholders' Relationship Committees considered.

Mr. Pralhad Pawar and Ms. Leja Hattiangadi are not disqualified from being appointed as Directors of the Company.

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors present their Thirty-Sixth Annual Report along with the Audited Financial Statement for the Financial Year ended 31st March 2015.

1. Performance of the Company

The Company's performance for the year is summarised below:

Financial Highlights

	Financial Year ended 31 st March 2015	Financial Year ended 31 st March 2014
		(₹ Crore)
Sales and Other Income	65.09	79.61
Profit/ (Loss) before Finance Cost, Tax, Depreciation and Exceptional Items	3.41	(1.84)
Profit/ (Loss) before tax	(1.99)	(8.33)
Profit/ (Loss) after tax	(1.99)	(8.33)
Profit/ (Loss) brought forward	(67.40)	(59.07)
Profit/ (Loss) available for appropriation	(69.56)	(67.40)

Operations

The Company's Total Income for the year under review aggregated ₹ 65.09 Crore (Previous year – ₹ 79.61 Crore). The operations of the Company for the year under review resulted in a Loss after Tax of ₹ 1.99 Crore (Previous year – Loss after Tax ₹ 8.33 Crore).

The Company commenced the financial year with an order backlog of about ₹ 56 Crore. During the year under review, the Company received new orders with estimated value of about ₹ 60 Crore and thus, the orders available for execution aggregated approx. ₹ 116 Crore.

During the year under review, the Company successfully restarted its operations in United Arab Emirates (UAE) and commenced the execution of the works entailing fabrication, erection and painting of tanks and pipe rack along with exports of fabricated items and fabrication and storage of chemical tanks at Sharjah, UAE.

In respect of the tankage order being undertaken at Gujarat, the Company has nearly completed civil works and shortly, it will commence the execution of mechanical portion of the order.

In addition to the execution of the order pertaining to manufacture of buffer vessels, Nashik factory was also occupied with the execution of crude tank pre-fabrication and piping spooling and it is presently under final stage of completion.

Majority of the orders which are being executed in Sharjah, UAE, were awarded only in the 3rd quarter of the Financial Year ended 31st March 2015. Although the Company could complete the order pertaining to design, engineering, manufacturing, supply, testing and commissioning of buffer vessels, it could not garner similar such orders due to lack of activity in the market. Demand at Gamharia (Jamshedpur) slowed after KPO related fabrication dispatches. During the year under review, the Company has also completed major portion of the order entailing fabrication and

supply of structurals at the Company's manufacturing facility at Nagpur. The Company intends to undertake Nagpur yard development activity.

Cumulative effect of the above has resulted in the Company's Turnover for the Financial Year 2014-15 falling below expectations.

The Company's Nashik factory has started manufacturing bottling plant and machinery for overseas and domestic markets. With renewal of the existing certifications and new certifications of American Society of Mechanical Engineers (ASME), the Company is hopeful of booking new orders for manufacturing pressure vessels. As a matter of fact, the Company is the first pressure vessel manufacturing unit in the Nashik industrial area. It has obtained ISO 9001-2008 certification for manufacturing & supply of Engineering, Procurement, Construction of Oil & Gas Process & Storage System, structure for power & steel plant, including various types of process industries.

2. Rehabilitation Scheme sanctioned by the Board for Industrial and Financial Reconstruction

The Company's Miscellaneous Application (MA) with the Board for Industrial and Financial Reconstruction (BIFR), containing a proposal for modification of the Sanctioned Scheme, by converting the total outstanding loan, availed from Tata Projects Limited (TPL), the Holding Company, aggregating ₹ 44.18 Crore (including interest upto 31st March 2013) into 44,18,22,878 4 % Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 1/- each to be allotted to TPL on preferential allotment basis and also extension of the rehabilitation period, is still pending with the BIFR.

During the year under review, the Company had also filed one more MA with the BIFR seeking certain reliefs and concessions from the Income Tax Department which are perceived to be in the interest of the Company.

3. Borrowings

As mentioned above, the Miscellaneous Application pertaining to financial restructuring proposal is pending consideration by the BIFR. Accordingly, the Company was not required to repay the balance installments of term-loan as well as the outstanding Inter-Corporate Deposits availed from Tata Projects Limited (TPL). At the hearings granted by the BIFR from time to time, TPL and Bank of India (the Monitoring Agency) have informed the BIFR about their approval for the modifications proposed in the Miscellaneous Applications.

4. Short- term loan from Tata Capital Financial Services Limited

During the Financial Year under review, the Company has borrowed a short term loan aggregating ₹ 21 Crore (Working Capital Demand Loan: ₹ 1 Crore and Short term loan: ₹ 20 Crore) from Tata Capital Financial Services Limited. The Company has also retired the Corporation Bank loan of ₹ 20 Crore.

5. Extract of the Annual Return

An extract of the Annual Return as provided under Section 92 (3) of the Companies Act, 2013 is annexed to this Report and forms part of this Report.

6. Number of meetings of the Board of Directors

6 (six) Board Meetings were held during the year under review. The dates of these Board Meetings are 14th May 2014, 19th July 2014, 17th October 2014, 19th November 2014, 16th January 2015 and 12th March 2015.

7. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory and Secretarial Auditors and the reviews performed by Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the Financial Year 2014-15.

Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, the Board of Directors, to the best of their knowledge and ability, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed and there was no material departures from them;
- b. the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c. the Directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- d. the Directors had prepared the annual accounts on a going concern basis;
- e. the Directors had laid down internal financial controls to be followed by the Company and that such financial controls are adequate and were operating effectively; and
- f. the Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

8. Directors and Key Managerial Personnel

Based on the recommendations of the Nomination and Remuneration Committee, Ms. Leja Hattiangadi was appointed as an Additional Director (Non-Executive and Independent) effective 12th March 2015. The Board has formed an opinion that Ms. Leja Hattiangadi possesses the requisite skills and knowledge and it would be in the interest of the Company to appoint Ms. Leja Hattiangadi as an Independent Director of the Company.

Pursuant to Section 161 of the Companies Act, 2013, Ms. Leja Hattiangadi holds office as Additional Director, upto the ensuing Annual General Meeting, but is eligible for re-appointment. The Company has received notice in writing from a member proposing the candidature of Ms. Leja Hattiangadi for the office of Director. Accordingly, proposal for appointment of Ms. Leja Hattiangadi as Director is being placed before the shareholders for their approval at the ensuing Annual General Meeting.

Pursuant to Section 149 of the Companies Act, 2013, the Board has, subject to the approval of the Members at the ensuing Annual General Meeting, approved the appointment of Ms. Leja Hattiangadi, as an Independent Director on the Board of the Company for a term of 5 consecutive years effective from 12th March 2015.

Ms. Hattiangadi satisfies the criteria for independence laid down in the Companies Act, 2013 and accordingly, the Board recommends the proposal for appointment of Ms. Leja Hattiangadi as an Independent Director for approval by the shareholders at the ensuing Annual General Meeting.

As per the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pralhad Pawar retires by rotation and being eligible, offers himself for re-appointment.

Mr. A. K. Misra, a non-executive Director and nominee of Tata Projects Limited resigned as a Director of the Company effective 5th May 2015. The Board has placed on record its appreciation of the significant role played by Mr. Misra during his tenure as a Director.

There has been no change in the composition of the Board of Directors except the induction of Ms. Leja Hattiangadi as an Additional Director (Non-Executive and Independent) and cessation of Mr. A. K. Misra as a Director on the Company's Board.

During the year under review, Mr. Pratik Agrawal, was appointed as Chief Financial Officer (CFO) effective 21st July 2014 and he ceased to be the CFO of the Company effective 12th December 2014. In his place Mr. Rajesh Mandale has been appointed as the CFO effective 2nd February 2015. No other Key Managerial Personnel has been appointed or has tendered resignation during the Financial Year 2014-15.

The Company has filed a Miscellaneous Application (No. 536/ 2013 dated 14th October 2013) ['MA'] with the Board for Industrial and Financial Reconstruction (BIFR), seeking amongst others, the exemption from the mandatory requirement pursuant to Section 269 of the Companies Act, 1956 or any such provision under the Companies Act, 2013 regarding the appointment of Managing Director/ Whole Time Director / Manager until the period of rehabilitation of the Scheme. The said MA is pending consideration by the BIFR. In view thereof, the Company has not appointed Managing Director/ Whole Time Director / Manager.

9. Declaration given by Independent Directors

As per the requirement of Section 149 (7) of the Companies Act, 2013, Mr. Nalin Shah, Mr. Michael Bastian and Ms. Leja Hattiangadi, Independent Directors have given their respective declarations that they meet the criteria of independence as specified under Section 149 (6) of the Act.

10. Particulars of Loans, guarantees or investments

The Company has neither given any loans or guarantee nor provided any security in connection with loan to any body corporate or person nor has it acquired by subscription, purchase or otherwise, the securities of any body corporate as provided under Section 186 of the Companies Act, 2013.

11. Remuneration Policy

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors has approved and adopted a Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company as required under Section 178 (3) of the Companies Act, 2013. The Company has adopted Governance Guidelines which inter-alia covers composition and role of the Board, Board Appointment, Induction & Development, Director Remuneration, Code of Conduct, Board Effectiveness Review and mandates of the Board Committees. The Remuneration Policy is annexed to this Report and forms part of this Report.

12. Particulars of contracts or arrangements with related parties

Particulars of contracts or arrangements with related parties in form No. AOC- 2 as required pursuant to the provisions of Section 134(3)(h) and Rule 8 of the Companies (Accounts), Rules, 2014 is annexed to this Report and forms part of this Report.

13. Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgoings

Particulars prescribed under Section 134(3)(m) of the Companies Act, 2013 are given in an Annexure to this Report and forms part of this Report.

14. Risk Management Policy

The Company has adopted a Risk Management and Mitigation Policy. A formal Risk reporting system has been devised by the Company. Risk Management Committee has also been constituted comprising of a Director and senior officials of the Company.

15. Annual Evaluation

The performance of Board of Directors and the Committees constituted by the Board and the individual directors has been evaluated during the Financial Year ended 31st March 2015.

16. Particulars of Subsidiary companies or Joint ventures or associate company

The Company does not have any joint venture with any person or an associate company as defined under Section 2 (6) of the Companies Act, 2013 ('the Act') or subsidiary company as defined under Section 2 (87) of the Act.

17. Particulars of Deposits

During the year under review, the Company has neither accepted any deposit covered under Chapter V of the Companies Act, 2013 nor has it accepted deposit which are not in compliance with the requirements of Chapter V.

18. Particulars of Material Orders

During the year under review, neither any Regulator nor any Court or Tribunal has passed any significant and material order impacting the going concern status and the Company's operations in future.

19. Audit Committee

The Audit Committee comprises of Mr. Nalin Shah, Mr. Michael Bastian, the Independent Directors and Mr. Shashikant Oak, the BIFR Nominee. Mr. Nalin Shah and Mr. Michael Bastian are Chartered Accountants by profession and Mr. Oak has vast experience in the Ministry of Finance. The composition of the Committee is as per the provisions of Section 177 of the Companies Act, 2013. The Audit Committee continues to provide valuable advice and guidance in the areas of costing, finance and internal controls.

20. Auditors

M/s. Chokshi & Chokshi LLP, Chartered Accountants, the Statutory Auditors of the Company are due to retire at the ensuing Annual General Meeting. The Company has received a written consent and a certificate from the Statutory Auditors, under Section 139 of the Companies Act, 2013, stating that the appointment, if made will be in accordance with Rule 4 (1) of the Companies (Audit and Auditors) Rules, 2014.

21. Cost Auditors

The Company has filed the Cost Compliance Report and the Cost Audit Report for the Financial Year ended 31st March 2014 with the Ministry of Corporate Affairs (MCA) on 14th August 2014 and 18th August 2014 respectively, which is within the prescribed time.

Considering then prevailing provisions, the Company had appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, as the Company's Cost Auditors for the Financial Year 2014-15 pursuant to the Companies (Audit and Auditors) Rules, 2014 ('Rules').

The said Rules were amended by MCA vide its Notification dated 31st December 2014. Consequently, the amended Rules are not applicable to the Company and hence, Cost Audit is not applicable to the Company for the year under review.

22. Particulars of Employees

Information as per Section 197(12) of the Companies Act, 2013 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report and forms part of this Report.

23. Secretarial Audit Report

During the year under review, the Company had appointed M/s. P. P. Shah, Practising Company Secretaries, Mumbai as the Secretarial Auditor for the Financial Year 2014-15. The report in form MR- 3 on the Audit carried out by the said Auditor is annexed to this Report.

24. Purchase of shares of the Company

The Company does not give any loan, guarantee or security, or any financial assistance to the employees of the Company for the purpose of purchase or subscription for any shares of the Company or its Holding company pursuant to Section 67 (2) of the Companies Act, 2013.

25. Corporate Social Responsibility Committee

The provisions of Section 135 of the Companies Act, 2013 are not presently applicable to the Company.

26. Vigil Mechanism

The Company has adopted a Whistle Blower Policy to report to the Management instances of unethical behaviour, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. Under this policy, the employees can approach the Company's Ethics Counsellor/ Chairman of the Audit Committee.

27. Issue of shares with differential voting rights

The Company has not issued any shares with differential voting rights pursuant to the provisions of Rule 4 of the Companies (Share Capital and Debenture) Rules, 2014.

28. Issue of sweat equity shares

During the year under review, the Company has not issued any sweat equity shares to any of its employees, pursuant to the provisions of Rule 8 of the Companies (Share Capital and Debenture) Rules, 2014.

29. Employee Stock Option

The Company does not have any Employee Stock Option Scheme for its employees.

30. Reports on Corporate Governance and Management Discussion and Analysis

SEBI has vide its Circular (Ref No. CIR/CFD/POLICY CELL/7/2014 dated 15th September 2014) amongst others, made the compliance with the provisions of amended Clause 49 of the Listing Agreement, non-mandatory for time being, to those companies having paid-up equity share capital

not exceeding ₹ 10 Crore and Net Worth not exceeding ₹ 25 Crore as on the last day of the previous financial year. Considering that the Company's paid-up equity share capital was ₹ 3.69 Crore and the Net Worth was negative as on 31st March 2014, compliance with the provisions of revised Clause 49 of the Listing Agreement is not mandatory to the Company.

Accordingly, for the year under review, the reports stating compliance with revised Clause 49 of the Listing Agreement dealing with the Code of Corporate Governance and the Management Discussion and Analysis have not been annexed to this Report.

31. Acknowledgements

The Directors wish to place on record their sincere appreciation for the unrelenting support received during the year from the Shareholders, Tata Projects Limited, customers – both in India and abroad, suppliers, vendors and service providers, Banks, the Board for Industrial and Financial Reconstruction (BIFR), the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) and other Government and Regulatory authorities, Financing and lending institutions. The Board wishes to record its deep appreciation to all the employees and workers of the Company for their dedication and commitment.

For and on behalf of the Board of Directors

Mumbai, 4th May 2015

VINAYAK DESHPANDE

Chairman

ANNEXURE TO THE DIRECTORS' REPORT

Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgoings

Information as per Section 134(3)(m) read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the Financial Year ended 31st March 2015:

A. Conservation of Energy

The Company is conscious of the need for energy conservation and striving to explore the possibilities of reducing energy consumption in all the areas of operations including the office premises as well as its manufacturing facilities at Nashik and Nagpur. Environment and energy conservation days were observed to create awareness among employees and business associates on conservation of energy.

B. Technology Absorption

Not applicable

C. Foreign Exchange Earnings and Outgoings

(₹ Crore)

	Financial Year ended 31 st March 2015	Financial Year ended 31 st March 2014
Earnings	2.10	1.72
Outgo	4.07	1.59

For and on behalf of the Board of Directors

VINAYAK DESHPANDE

Chairman

Mumbai, 4th May 2015

ANNEXURE TO DIRECTORS' REPORT – REFER POINT NO. 5 FORM MGT- 09

Extract of Annual Return as on the Financial Year ended on 31st March 2015

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

Corporate Identity Number	L27290MH1978PLC020644
Registration date	18 th September 1978
Name of the Company	Artson Engineering Limited
Category/ Sub-Category of the Company	Company limited by shares, Indian Non-Government company
Address of Registered Office and contact details	11 th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai- 400 076 Tel No.: + 022 66255600. Fax: + 91 22 66255614 Email: artson@artson.net. Website: www.artson.net
Whether listed company (yes/ no)	Yes
Name, Address and contact details of Registrar and Transfer Agent	Sharepro Services (India) Private Limited (Registered Office) Unit: Artson Engineering Limited 13AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072 Contact details: 022 67720300 Email id: sharepro@shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing to 10 % or more of the total turnover of the Company shall be stated:

Sr. No.	Name and description of main products/ services	NIC Code of product/ service	% to total turnover of the Company
1.	Manufacture of Structural Metal Products	2511 [NIC-2008]	71.18%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Sr. No.	Name and Address	CIN/ GLN	Holding/ Subsidiary/ Associate	% Of Shares	Applicable Section
1	Tata Projects Limited Regd. Address: Mithona Towers-1, 1-7- 80 to 87, Prenderghast Road, Secunderabad., Hyderabad, Andhra Pradesh	U45203AP1979PLC057431	Holding	75%	2 (46)

(Note: The Company does not have any Subsidiary company and associate company)

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

i. Category-wise share holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a. Individual/ HUF	0	0	0	0.00%	0	0	0	0.00%	0
b. Central Government	0	0	0	0.00%	0	0	0	0.00%	0
c. State Government	0	0	0	0.00%	0	0	0	0.00%	0
d. Bodies Corporate	27690000	0	27690000	75.00%	27690000	0	27690000	75.00%	0
e. Banks/ Financial Institutions	0	0	0	0.00%	0	0	0	0.00%	0
f. Any Other	0	0	0	0.00%	0	0	0	0.00%	0
Sub-total (A)(1)	27690000	0	27690000	75.00%	27690000	0	27690000	75.00%	0
(2) Foreign									
a. NRIs- Individuals	0	0	0	0.00%	0	0	0	0.00%	0
b. Other- Individuals	0	0	0	0.00%	0	0	0	0.00%	0
c. Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%	0
d. Banks/ Financial Institutions	0	0	0	0.00%	0	0	0	0.00%	0
e. Any Other	0	0	0	0.00%	0	0	0	0.00%	0
Sub-total (A)(2)	0	0	0	0.00%	0	0	0	0.00%	0
Total Shareholding of Promoter (A)=(A) (1)+(A) (2)	27690000	0	27690000	75.00%	27690000	0	27690000	75.00%	0
B. Public Shareholding									
1. Institutions									
a. Mutual Funds/ UTI	0	2875	2875	0.01%	0	2875	2875	0.01%	0
b. Banks/ Financial Institutions	0	1400	1400	0.00%	0	1400	1400	0.00%	0
c. Central Government	0	0	0	0.00%	0	0	0	0.00%	0
d. State Government	0	0	0	0.00%	0	0	0	0.00%	0
e. Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0
f. Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0
g. FIs	0	770	0	0.00%	0	770	0	0.00%	0
h. Foreign Venture Capital Fund	0	0	0	0.00%	0	0	0	0.00%	0
i. Others (specify)	0	0	0	0.00%	0	0	0	0.00%	0
Sub- total (B)(1)	0	5045	5045	0.01%	0	5045	5045	0.01%	0
2. Non-Institutions									
a. Bodies Corporate									
i. Indian	1157519	12645	1170164	3.17%	1029998	12645	1042643	2.82%	(0.35%)
ii. Overseas	0	0	0	0.00%	0	0	0	0.00%	0
b. Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	4992852	1739431	6732283	18.23%	5100485	1578247	6678732	18.09%	(0.14%)
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	1132500	0	1132500	3.07%	1199500	0	1199500	3.25%	0.18%
c. Others specify									
i. Non Resident Individual	117673	72335	190008	0.51%	267345	36735	304080	0.82%	0.31%
Sub- total (B)(2)	7400544	1824411	9224955	24.99%	7597328	1627627	9224955	24.99%	0.00%
Total Public Shareholding (B)=(B)(1) +(B)(2)	7400544	1829456	9230000	25.00%	7597328	1632672	9230000	25.00%	0.00%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0
GRAND TOTAL = (A) + (B) + (C)	35090544	1829456	36920000	100%	35287328	1632672	36920000	100%	0.00%

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			Change in shareholding during the year
		No. of shares	% of Total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of Total shares of the Company	% of shares pledged / encumbered to total shares	
1	Tata Projects Limited	27690000	75%	0.00%	27690000	75%	0.00%	0.00%

iii. Change in Promoter's shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company
1	At the beginning of the year	27690000	75%	27690000	75%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/ Sweat equity etc.)	0	0	0	0
2	At the End of the year	27690000	75%	27690000	75%

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the Year specifying reasons for increase/ decrease			Cumulative Shareholding during the year		At the end of the year (or the date of separation, if separated during the Year)	
		No. of shares	% of Total shares of the Company	Date	No. of shares	Increase/ (Decrease)	No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company
1	Sarnam Trading and Mercantile Pvt. Ltd.	400000	1.08%	Nil	Nil	Nil	400000	1.08%	400000	1.08%
2	Meenaxi Mehta	300000	0.81%	17.10.2014	6083	Increase	306083	0.83%	367000	0.99%
				24.10.2014	27898	Increase	333981	0.90%		
				31.10.2014	33019	Increase	367000	0.99%		
3	Narayan Keshavdas Jagasia	282500	0.77%	Nil	Nil	Nil	282500	0.77%	282500	0.77%
4	Renuka Pranav Shah	200000	0.54%	Nil	Nil	Nil	200000	0.54%	200000	0.54%
5	Pranav M Shah	200000	0.54%	Nil	Nil	Nil	200000	0.54%	200000	0.54%
6	Smita N Navare	150000	0.41%	Nil	Nil	Nil	150000	0.41%	150000	0.41%
7	Emdee Stockbro Private Limited *	115000	0.31%	18.04.2014	5000	(Decrease)	110000	0.30%	1033	0.002%
				11.07.2014	108967	(Decrease)	1033	0.002%		
8	Shama Prakash Chopde	98740	0.27%	Nil	Nil	Nil	98740	0.27%	98740	0.27%
9	Heera Lal Bhasin	95638	0.26%	04.04.2014	1600	(Decrease)	94038	0.25%	95427	0.26%
				30.06.2014	25	Increase	94063	0.25%		
				07.11.2014	2712	(Decrease)	91351	0.25%		
				21.11.2014	3181	(Decrease)	88170	0.24%		
				31.12.2014	3242	Increase	91412	0.25%		
				20.03.2015	500	Increase	91912	0.25%		
				27.03.2015	3515	Increase	95427	0.26%		
10	Shama P Chopde	95200	0.26%	Nil	Nil	Nil	95200	0.26%	95200	0.26%

Sr. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the Year specifying reasons for increase/ decrease			Cumulative Shareholding during the year		At the end of the year (or the date of separation, if separated during the Year)	
		No. of shares	% of Total shares of the Company	Date	No. of shares	Increase/ (Decrease)	No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company
11	Romiyo Thekkinedath Mercily	Nil	Nil	17.10.2014	4531	Increase	4531	0.01%	99759	0.27%
				24.10.2014	1854	Increase	6385	0.02%		
				31.10.2014	12723	Increase	19108	0.05%		
				28.11.2014	17278	Increase	36386	0.10%		
				05.12.2014	12854	Increase	49240	0.13%		
				19.12.2014	8900	Increase	58140	0.16%		
				31.12.2014	1575	Increase	59715	0.16%		
				02.01.2015	616	Increase	60331	0.16%		
				09.01.2015	4204	Increase	64535	0.17%		
				16.01.2015	3524	Increase	68059	0.18%		
				23.01.2015	14297	Increase	82356	0.22%		
				30.01.2015	350	Increase	82706	0.22%		
				06.02.2015	239	Increase	82945	0.22%		
				13.02.2015	121	Increase	83066	0.22%		
				27.02.2015	3243	Increase	86309	0.23%		
				20.03.2015	12950	Increase	99259	0.27%		
				27.03.2015	500	Increase	99759	0.27%		

Note: * Consequent to the sale of shares by Emdee Stockbro Private Limited, it is no longer part of Top 10 shareholders of the Company.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	3930.39	0.00	2100.00	6030.39
ii. Interest due but not paid	473.39	0.00	0.00	473.39
iii. Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	4403.78	0.00	2100.00	6503.78
Change in Indebtedness during the financial year				
* Addition	0.00	2100.00	0.00	2100.00
* Reduction	(2000.00)	0.00	0.00	(2000.00)
Net Change	(2000.00)	2100.00	0.00	100.00
Indebtedness at the end of the financial year				
i. Principal Amount	1930.39	2100.00	2100.00	6130.39
ii. Interest due but not paid	473.39	0.00	0.00	473.39
iii. Interest accrued but not due	0.00	0.00	0.00	0.00
Total (i+ii+iii)	2403.78	2100.00	2100.00	6603.78

Note: The Company's Miscellaneous Application (No.536/2013 dated 14th October 2013) seeking modification is pending with BIFR. The modification proposals include conversion of Secured Loan (₹ 1930.39 Lakh), Deposits (₹ 2100.00 Lakh) and interest upto 31st March 2013 (₹ 387.83 Lakh) into 4% OCCRPS. Please refer Para No. 2 of the Directors' Report.

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NA *

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
1	Gross Salary	Refer Note given below.	
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	a. Value of perquisites u/s 17(2) Income-tax Act, 1961		
	b. Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission · as a % of profit · others, specify		
5	Other, please specify		
	Total (A)		
	Ceiling as per Act		

* The Company has filed a Miscellaneous Application (No. 536/ 2013 dated 14th October 2013) ['MA'] with the Board for Industrial and Financial Reconstruction (BIFR), seeking amongst others, the exemption from the mandatory requirement pursuant to Section 269 of the Companies Act, 1956 or any such provision under the Companies Act, 2013 regarding the appointment of Managing Director/ Whole Time Director / Manager until the period of rehabilitation of the Scheme. The said MA is pending consideration by the BIFR. In view thereof, the Company has not appointed Managing Director/ Whole Time Director / Manager.

B. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors					Total Amount
		Mr. A. K. Misra	Mr. Michael Bastian	Mr. Shashikant Oak	Mr. Nalin Shah	Ms. Leja Hattiangadi	
1	Independent Directors						
	* Fee for attending Board committee meetings and Independent Directors meeting	0	70,000	0	75,000	10,000	1,55,000
	* Commission	0	0	0	0	0	0
	Total (B)(1)	0	70,000	0	75,000	10,000	1,55,000
2	Other Non-Executive Directors						
	* Fee for attending Board committee meetings	40,000	0	70,000	0	0	1,10,000
	* Commission	0	0	0	0	0	0
	Total (B) (2)	40,000	0	70,000	0	0	1,10,000
	Total (B)= (1)+(2)	40,000	70,000	70,000	75,000	10,000	2,65,000
	Total Managerial Remuneration	40,000	70,000	70,000	75,000	10,000	2,65,000
	Overall Ceiling as per the Act	Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 prescribes sitting fees of ₹ 1 Lakh to be paid to each Director per meeting. The above sitting fees paid to Directors are within the prescribed limit.					

a. For the Financial Year 2014-15, the sitting fees of ₹ 5,000/- has been paid to each Non-Executive Director for attending each Board Meeting and the meetings of Audit, Management, Nomination and

Remuneration Committees and Independent Directors.

- b. No sitting fees are paid to Mr. Vinayak Deshpande, Chairman and Mr. Pralhad Pawar, Director, who are nominees of Tata Projects Limited (TPL) and in employment of TPL.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel			
		MD/ WTD/ Manager/ CEO*	Company Secretary	CFO	Total
1	Gross Salary				
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	5,78,166	12,29,825	18,07,991
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0
	c. Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0	0
2	Stock Option	0	0	0	0
3	Sweat Equity	0	0	0	0
4	Commission	0	0	0	0
	- as a % of profit				
	- others, specify				
5	Other, please specify	0	0	0	0
	Total (A)	0	5,78,166	12,29,825	18,07,991

* The Company has filed a Miscellaneous Application (No. 536/ 2013 dated 14th October 2013) ['MA'] with the Board for Industrial and Financial Reconstruction (BIFR), seeking amongst others, the exemption from the mandatory requirement pursuant to Section 269 of the Companies Act, 1956 or any such provision under the Companies Act, 2013 regarding the appointment of Managing Director/ Whole Time Director / Manager until the period of rehabilitation of the Scheme. The said MA is pending consideration by the BIFR. In view thereof, the Company has not appointed Managing Director/ Whole Time Director / Manager.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-
B. Directors					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-
C. Other Officers in Default					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-

For **Artson Engineering Limited**

VINAYAK DESHPANDE
Chairman

Mumbai, 4th May 2015

ANNEXURE TO DIRECTORS' REPORT – REFER POINT NO. 11

Remuneration Policy

Remuneration policy for Directors, Key Managerial Personnel and other employees

The philosophy for remuneration of directors, Key Managerial Personnel ("KMP") and all other employees of Artson Engineering Limited ("company") is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 ("Act") and Clause 49(IV)(B)(1) of the Equity Listing Agreement ("Listing Agreement"). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee ("NRC") has considered the factors laid down under Section 178(4) of the Act, which are as under:

- a. "the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals"

Key principles governing this remuneration policy are as follows:

❑ Remuneration for independent directors and non-independent non-executive directors

- Independent directors ("ID") and non-independent non-executive directors ("NED") may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
- Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company's operations and the company's capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his/ her duties as a director.

❑ **Remuneration for managing director (“MD”) / executive directors (“ED”)/ KMP/ rest of the employees**

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

- Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
- Driven by the role played by the individual,
- Reflective of size of the company, complexity of the sector/ industry/ company’s operations and the company’s capacity to pay,
- Consistent with recognized best practices and
- Aligned to any regulatory requirements.

In terms of remuneration mix or composition,

- The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- Basic/ fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic/ fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- The company provides retirement benefits as applicable.
- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in

Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.

- In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration/ performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
 - Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
 - Industry benchmarks of remuneration,
 - Performance of the individual.

The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

❑ Remuneration payable to Director for services rendered in other capacity

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

❑ Policy implementation

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

ANNEXURE TO DIRECTORS' REPORT - REFER POINT NO. 12**AOC -2**

(Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014)

1. Details of contracts or arrangements or transactions not at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Justification for entering into such contracts or arrangements or transaction	Date(s) of approval by the Board	Amount paid as advances, if any	Date on which the special resolution was passed in general meeting as required under the first proviso to section 188
1	TATA PROJECTS LIMITED (TPL)	Sub-leasing of additional manufacturing facility created by TPL on the land admeasuring about 26,330.20 located at Plot No.D1, Umred Industrial Area, Village: Dhurkheda, Taluk: Umred, District: Nagpur.	9 th August 2014 to 31 st July 2016	INR 50,000 per month	With a view to expand operations, the Company had entered into a Supplemental Sub-let Agreement with TPL. Considering that (a) TPL is the Holding Company of the Company (b) an existing sub-let agreement is already in subsistence and continuing and also considering the financial position of the Company, this transaction is justified.	14 th May 2014	NIL	8 th August 2014

2. Details of contracts or arrangements or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
1	TATA PROJECTS LIMITED	Supply of Fabricated Structures using built -up sections of Grade E-250, as per Project technical spec. & drawings	1 st September 2014 to 31 st January 2015	INR 9,87,91,252	NA	INR 9,879,125
2	TATA PROJECTS LIMITED	Erection of Tanks for Dyke1 & Dyke 2 for Hazel Project	30 th January 2015 to 29 th January 2016	AED 17,800,063	NA	AED 1,780,006

Sr. No.	Name(s) of the related party and nature of relationship	Nature of contracts/ arrangements/ transactions	Duration of the contracts / arrangements/ transactions	Salient terms of the contracts or arrangements or transactions including the value, if any	Date(s) of approval by the Board	Amount paid as advances, if any
3	TATA PROJECTS LIMITED	Fabrication and painting of 31 Nos. of Tanks including painting of Carbon Structural platforms etc. for storage Tank as per project technical specification	15 th December 2014 to 14 th June 2015	AED 6,219,309	NA	AED 621,931
4	TATA PROJECTS LIMITED	Fabricated lifting beam for vessel as per project technical specification and drawings	27 th May 2014 to 5 th June 2014	INR 286,805	NA	NIL
5	TATA PROJECTS LIMITED	Supply of Fabricated Pipe Rack structure - Hazel Projects	27 th January 2015 to 15 th March 2015	INR 390,95,000	NA	INR 39,09,500
6	TATA PROJECTS LIMITED	Rent, Maintenance & Allied Service charges for use of 2737.25 Sq. M at the Company's Registered Office at 11 th Floor, Hiranandani Knowledge Park, Powai	from 1 st April 2014	INR 4,00,000 Per Month	NA	NIL
7	TATA PROJECTS LIMITED	Shared Services/ Reimbursement of Expenses	1 st April 2014 to 31 st March 2015	INR 1,80,76,368.91	NA	NIL
8	TATA PROJECTS LIMITED	Shared Services Income	1 st April 2014 to 31 st March 2015	INR 90,35,903	NA	NIL

Note : Amount of advance has been paid by Tata Projects Limited as per the contractual terms.

For **Artson Engineering Limited**

VINAYAK DESHPANDE

Chairman

Mumbai, 4th May 2015

ANNEXURE TO DIRECTORS' REPORT - REFER POINT NO. 22**Information pursuant to Section 197 of the Companies Act, 2013 and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****1 Ratio of Remuneration of each Director to the median remuneration of employees for the financial year ended 31st March 2015**

(₹ Lakh)

	Designation	Ratio	Remuneration (*)	Median Remuneration
Mr. Vinayak Deshpande	Chairman	0	0.00	2.57
Mr. Nalin M Shah	Director	29%	0.75	2.57
Mr. Michael Bastian	Director	27%	0.70	2.57
Mr. A.K.Misra	Director	16%	0.40	2.57
Mr. Shashikant Oak	Director	27%	0.70	2.57
Mr. Pralhad Pawar	Director	0%	0.00	2.57
Ms. Leja Hattiangadi	Director	4%	0.10	2.57

(*) AEL paid only sitting fees to the non -executive Directors except those nominated by Tata Projects Limited & are presently in the employment with Tata Projects Limited.

2 % Increase of remuneration of each Director, CFO, CEO, CS in the Financial Year

Directors	% increase
Mr. Vinayak Deshpande	0%
Mr. Nalin M Shah	67%
Mr. Michael Bastian	75%
Mr. A.K.Misra	60%
Mr. Shashikant Oak	8%
Mr. Pralhad Pawar	0%
Ms. Leja Hattiangadi	N.A.
CFO & Company Secretary	
Mr. Pratik Agrawal/ Mr.Rajesh Mandale (*), CFO	N.A.
Ms. Anuja Bhate, Company Secretary	25%

(*) CFO for the year 2013-14 was deputed by the Holding company - Tata Projects Limited. % increase in remuneration of Directors is only due to increase in number of meetings held during the Year pursuant to the provisions of the Companies Act, 2013. There was no revision in the amount of sitting fees during the Year.

3 % Increase in median remuneration of employees in the Financial Year – 17%**4 Number of permanent Employees on the roll of the company – 86****5 The explanation on the relationship between average increase in remuneration against the performance of the Company**

(₹ Lakh)

	2014-15	2013-14
Total Income (₹ Lakh)	6509.20	7961.31
EBIDTA (₹ Lakh)	341.61	(196.82)
EBIDTA as % of total Income	5%	-2%
PAT (₹ Lakh)	(199.50)	(833.34)
PAT as % of total Income	-3%	-10%

Average increase in the remuneration of employees is in line with market scenario and as a measure to motivate employees for better future performance.

6 Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

Average increase in the remuneration of Key Managerial Personnel is in line with market scenario and as a measure to motivate them for better future performance.

(₹ Lakh)

		Ratio	2014-15	2013-14
7	Variations in the market capitalisation of the Company	12%	10337.60	9211.54
8	Price earnings ratio	76%	(0.54)	(2.26)

9 Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer – 12%

(Note: Pursuant to the provisions contained in the rehabilitation scheme sanctioned by the BIFR at its hearing held on 27th November 2007 ('Sanctioned Scheme'), the face value of the Company's equity shares has been reduced from ₹ 10/- per share to ₹ 1/- per share fully paid-up)

10 average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration.

average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year – 38%

percentile increase in the managerial remuneration – 17%

Average increase in the remuneration of employee is in line with market scenario and as a measure to motivate employees for better future performance.

11 Comparison of each remuneration of Key Managerial Personnel against the performance of the Company

(₹ Lakh)

	2014-15	2013-14
Total Income (₹ Lakh)	6509.20	7961.31
EBIDTA (₹ Lakh)	341.61	(196.82)
EBIDTA as % of total Income	5%	-2%
PAT (₹ Lakh)	(199.50)	(833.34)
PAT as % of total Income	-3%	-10%
Increase in remuneration of Ms. Anuja Bhate, Company Secretary is 25%		

12 The key parameter for any variable components of the remuneration of the Director – NIL

13	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	2%
	Highest Remuneration paid to Director (₹ in Lakh)	0.75
	Highest Remuneration paid to employees other than Director (₹ in Lakh)	32.32

14 It is affirmed that the remuneration paid to Directors, Key Managerial Personnel and employees during the year is as per the Remuneration Policy of the Company.

For ARTSON ENGINEERING LIMITED

VINAYAK DESHPANDE
Chairman

4th May 2015, Mumbai

ANNEXURE TO THE DIRECTORS' REPORT - REFER POINT NO. 22

Statement pursuant to Section 197 of the Companies Act, 2013 and Rule 5 (2) of the Companies
(Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sr. No.	Name of the Employee	Age (Years)	Designation	Remuneration		Nature of employment whether contractual or otherwise	Qualification	Total Experience (Years)	Date of commencement of Employment in the Company	Previous Employment [Employer and Designation]	% of equity shares held	whether employee related to any director
				Gross (₹)	Net (₹)							
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Employed throughout the year and were in receipt of remuneration not less than ₹ 60,00,000 per annum												
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil
Employed for the part of the year and were in receipt of remuneration not less than ₹ 5,00,000 per month												
Sr. No.	Name of the Employee	Age (Years)	Designation	Remuneration		Nature of employment whether contractual or otherwise	Qualification	Total Experience (Years)	Date of commencement of Employment in the Company	Previous Employment [Employer and Designation]	% of equity shares held	whether employee related to any director
				Gross (₹)	Net (₹)							
1	Mr. Gurnam Singh	51	COO	690000	385865	Permanent	BE- Mechanical Engineering	28	01.07.2013	ISGEC Heavy Engineering	0	No
2	Mr. T. Senthilnathan	40	Senior General Manager- Business Development & Projects	1739347	1588481	Permanent	BSc -Mechanical, Diploma in Production Mgmt, DME, PMP	22	02.06.1997	Balmer Lawrie Freight Containers Ltd	0	No
3	Mr. Mukeshwar Tiwary	60	Senior Manager- Projects	597545	597545	Permanent	Bsc	35	14.11.1994	Vijay Tanks & Vessels	0	No
Employed throughout the Financial Year or for the part of the year and were in receipt of remuneration in excess of that drawn by Managing Director or Whole Time Director or Manager and holds either himself or along with spouse and dependant children, not less than 2 % of equity shares												
Sr. No.	Name of the Employee	Age (Years)	Designation	Remuneration		Nature of employment whether contractual or otherwise	Qualification	Total Experience (Years)	Date of commencement of Employment in the Company	Previous Employment [Employer and Designation]	% of equity shares held	whether employee related to any director
				Gross (₹)	Net (₹)							
	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil	Nil

Note: Net Remuneration is after Tax Deduction at Source and other statutory deductions. It also includes an amount paid towards Gratuity, Leave Encashment and Leave Travel Allowance.

For **ARTSON ENGINEERING LIMITED**

VINAYAK DESHPANDE

Chairman

Mumbai, 4th May 2015

ANNEXURE TO DIRECTORS' REPORT - REFER POINT NO. 23**FORM NO. MR-3
SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

[Pursuant to section 204 (1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

**SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2015**

**To The Members,
Artson Engineering Limited**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Artson Engineering Limited**. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the **Artson Engineering Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Artson Engineering Limited** ("the Company") for the financial year ended on March 31, 2015 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

- (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999; **(Not applicable to the Company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India. **(Not Notified, hence not applicable to the Company during the Audit Period)**
- (ii) The Listing Agreement entered into by the Company with Bombay Stock Exchange Limited; **(except for revised Clause 49 of the Listing Agreement*)**

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

***As per SEBI circular bearing reference CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the provisions of clause 49 of the Listing Agreement are not mandatorily required to be complied by a Company whose paid up share capital does not exceed ₹ 10 crores and net worth does not exceed ₹ 25 crores as on March 31, 2014.**

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

As per the provisions of section 203 (1) of the Companies Act, 2013, the Company is required to appoint the following Key Managerial Personnel:

- a. Managing Director or Chief Executive Officer or manager and in their absence, a Whole-Time Director.
- b. Company Secretary
- c. Chief Financial Officer

The Company has appointed Company Secretary and Chief Financial Officer. *The Company has not appointed any personnel from category a above.* In this regard the management of the Company has provided the following reply:

“The Company has filed a Miscellaneous Application (No. 536/ 2013 dated 14th October 2013) [‘MA’] with the Board for Industrial and Financial Reconstruction (BIFR), seeking amongst others, the

exemption from the mandatory requirement pursuant to Section 269 of the Companies Act, 1956 or any such provision under the Companies Act, 2013 regarding the appointment of Managing Director/ Whole Time Director / Manager until the period of rehabilitation of the Scheme. The said MA is pending consideration by the BIFR. In view thereof, the Company has not appointed Managing Director/ Whole Time Director / Manager.”

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Mumbai
Date : May 4, 2015

For P. P. Shah & Co.,
Practicing Company Secretaries
Pradip Shah
FCS No. 1483
C P No.: 436

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF ARTSON ENGINEERING LIMITED

1. Report on the Financial Statements

We have audited the accompanying financial statements of Artson Engineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2015, the Statement of Profit and Loss and Cash Flow Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

2. Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

3. Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there-under.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143 (10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March 2015, and its loss and its cash flows for the year ended on that date.

5. Emphasis of matter

Without qualifying our report we draw attention to Note 36 to the financial statements on going concern which has been relied upon by us.

Our opinion is not modified in respect of this matter.

6. Report on Other Legal and Regulatory Requirements

6.1 As required by the Companies (Auditor's Report) Order, 2015 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

6.2 As required by section 143(3) of the Act, we report that:

- a. We have sought and 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 it appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on 31st March 2015 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March 2015 from being appointed as a director in terms of Section 164 (2) of the Act;
- f. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - a. The Company has disclosed the impact of pending litigations on its financial position in Note 30 to its financial statements.
 - b. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses on long term contracts, if any, and the company does not have any derivative contracts;
 - c. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

For **CHOKSHI & CHOKSHI LLP**

Chartered Accountants

(Firm Registration No. 101872W/W100045)

Pooja Mehta

Partner

Membership No. 133578

Place of Signature : Mumbai

Date: 04.05.2015

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

Referred to in Paragraph 6 under the heading of "Report on Other Legal and Regulatory Requirements" of our report of even date

- i. In respect of its fixed assets:
 - (a) The Company is maintaining records showing full particulars, including quantitative details and situations of all the fixed assets.
 - (b) According to the information and explanations given to us, the fixed assets are being physically verified by the Management at all its offices in a phased manner at reasonable intervals which in our opinion is reasonable having regard to the size of the Company and nature of assets, except that no verification is done for the fixed assets where the job sites are closed/under dispute. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- ii.
 - (a) According to the information and explanation given to us, physical verification has been conducted by the management as at the year end in respect of the finished goods in process, stores, spare parts and raw materials, except that no verification is done for the inventory where the job sites are closed/under dispute
 - (b) In our opinion and according to the information and explanations given by the management, the procedure of physical verification of inventory followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business and in respect of sites where no verification is done internal documentations are done and relied upon.
 - (c) No material discrepancies have been noticed on verification of inventory between the physical stock and the book records in respect of sites where physical verification is carried out. The discrepancies noticed have been properly dealt with in the books of account.
- iii. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 189 of the Companies Act, 2013. As the Company has not granted any loans, secured or unsecured, to parties listed in the Registers maintained under Section 189 of the Companies Act, 2013, consequently, clause 3(iii) (a) & (b) of the order are not applicable.
- iv. In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business, for the purchase of fixed assets and the sale of goods and services. Further, during the course of our audit, we have neither come across nor have been informed of any continuing failure to correct any major weakness in such internal controls.
- v. In our opinion, and according to the information and explanations given to us, the Company has not accepted any public deposits and hence directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Companies Act, 2013 and the rules framed there under are not applicable. As per the information and explanations given to us, no order has been passed by Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal in this respect.
- vi. We have broadly reviewed the books of account maintained by the company pursuant to sub section (1) of section 148 of the Companies Act, 2013 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have, however not undertaken a detailed examination of the records with a view to determine whether they are accurate or complete.

- vii. (a) According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Employee State Insurance, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Duty of Customs, Duty of Excise, Value added Tax, Cess and other statutory dues, as applicable, with the appropriate authorities and no such undisputed statutory dues were in arrears as at March 31, 2015 for a period of more than six months from the date those become payable.
- (b) According to the records of the Company and the information and explanations given to us, disputed dues payable by the Company as on 31st March 2015 on account of Income Tax/ Sales Tax/ Wealth Tax/ Service Tax/ Duty of Custom / Duty of Excise or Value Added Tax are as under:

Sr. No	Name of Statute	Nature of Dues	Amount (₹ in Lakh)	Period to which the amount relates	Forum where dispute is pending
1	Commercial Tax Officer (Andhra Pradesh)	Works Contract differences in value of property passing and sale in transit.	12.21	1998-99	Commissioner (Appeals)
2	Commercial Tax (West Bengal)	Works Contract value	2.08	1998-99 1999-00 2000-01	Commissioner (Appeals)
3	Commercial Tax (Punjab)	Penalty levied on account of documents missing in transport of material	8.03	2010-11	Joint Director cum Deputy Excise & Taxation Commissioner (Appeals)
4	Sales Tax (Maharashtra)	Demand of VAT	101.52	2007-08	Commissioner (Appeals)
5	Income Tax	Demand of tax in respect of certain claims not admitted.	136.72	AY 2010-11	Commissioner (Appeals)
6	Income Tax	Demand of tax in respect of certain claims not admitted.	535.35	A.Y 2012-13	Commissioner (Appeals)

- (c) According to the information and explanations given to us, there were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
- viii. The accumulated losses of the Company are more than it's paid up capital and free reserves. The Company has not incurred cash loss during the current financial year (Previous year ₹ 457.42 Lakh).
- ix. According to the information and explanations given to us and on the basis of our examination of the books of account, in our opinion, the Company has not defaulted in repayment of dues to any financial institution or banks or debenture holders.
- x. According to the information and explanations given to us and the representations made by the management, the Company has not given any Guarantee for loans taken by others from any bank or financial institutions.

- xi. In our opinion and according to the information and explanations given to us, term loans availed by the Company were *prima-facie* applied by the Company during the year for the purpose for which they were obtained.
- xii. During the course of our examination of the books of accounts carried out in accordance with the generally accepted auditing standards in India and according to the information and explanations given to us, we have not come across any instances of fraud, either noticed or reported during the year, on or by the Company.

For **CHOKSHI & CHOKSHI LLP**

Chartered Accountants

(Firm Registration No. 101872W/W100045)

Pooja Mehta

Partner

Membership No. 133578

Place of Signature : Mumbai

Date: 04.05.2015

Balance Sheet as at 31st March 2015

Particulars	Notes	31 st March 2015 ₹ Lakh	31 st March 2014 ₹ Lakh
A. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	369.20	369.20
Reserves and Surplus	4	(6,956.42)	(6,740.59)
		<u>(6,587.22)</u>	<u>(6,371.39)</u>
Non-current Liabilities			
Long-term Borrowings	5	4,030.39	4,030.39
Deferred Tax Liability (net)	32 (a)	–	–
Other long-term Liabilities	6	148.16	177.32
Long-term Provisions	7	26.84	26.64
		<u>4,205.39</u>	<u>4,234.35</u>
Current Liabilities			
Short-term Borrowings	8	2,089.46	2,021.45
Trade Payables	9	2,628.01	2,869.21
Other Current Liabilities	10	4,071.09	4,196.65
Short-term Provisions	11	21.58	23.59
		<u>8,810.14</u>	<u>9,110.90</u>
Total		<u>6,428.31</u>	<u>6,973.86</u>
B. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	674.36	914.35
Intangible Assets	13	2.64	1.18
		<u>677.00</u>	<u>915.53</u>
Deferred Tax Asset (net)	32 (a)	–	–
Long-term Loans and Advances	14	1,343.16	1,445.36
Other Non-current Assets	15	296.25	147.01
		<u>2,316.41</u>	<u>2,507.90</u>
Current Assets			
Inventories	16	1,942.59	1,809.13
Trade Receivables	17	1,599.87	1,006.39
Cash and Bank Balances	18	116.28	224.95
Short-term Loans and Advances	19	388.73	506.93
Other Current Assets	20	64.43	918.56
		<u>4,111.90</u>	<u>4,465.96</u>
Total		<u>6,428.31</u>	<u>6,973.86</u>
Notes to the Financial Statements	1-50		

As per our report of even date

for Chokshi & Chokshi LLP
Chartered Accountants
FRN : 101872W/W100045

Pooja Mehta
Partner
Membership No. 133578

Rajesh Mandale
Chief Financial Officer

Anuja Bhate
Company Secretary

Place : Mumbai
Date : 4th May 2015

Place : Mumbai
Date : 4th May 2015

For and on behalf of the Board

Vinayak Deshpande
Chairman

Nalin M. Shah
Director

Pralhad Pawar
Director

Statement of Profit and Loss for the year ended 31st March 2015

Particulars	Notes	31 st March 2015 ₹ Lakh	31 st March 2014 ₹ Lakh
Income			
Revenue from operations (gross)	21	7,045.97	8,198.10
Less: Excise Duty		(573.72)	(294.29)
Revenue from operations (net)		6,472.25	7,903.81
Other Income	22	36.95	57.50
Total Revenue (I)		6,509.20	7,961.31
Expenses			
Cost of raw materials and components consumed	23	3,250.34	2,484.45
Project execution expenses	24	1,949.38	4,547.95
(Increase)/Decrease in work-in-progress and contracts-in-progress	25	(319.27)	(149.26)
Employee benefits expenses	26	575.91	769.98
Other expenses	27	711.23	491.87
Finance costs	28	303.50	485.10
Depreciation and amortisation expense	12 & 13	237.61	151.42
Total Expenses (II)		6,708.70	8,781.51
Profit/(Loss) before exceptional Items and tax		(199.50)	(820.20)
Exceptional Items	29	–	13.14
Profit/(Loss) before tax		(199.50)	(833.34)
Tax expenses			
Current tax		–	–
Taxation of earlier years		–	–
Deferred tax	32 (a)	–	–
Total Tax expense		–	–
Profit/(Loss) after tax for the year		(199.50)	(833.34)
Earnings per equity share (nominal value of share ₹ 1/-)			
Before Extraordinary Items			
Basic and Diluted		(0.54)	(2.26)
After Extraordinary Items			
Basic and Diluted		(0.54)	(2.26)
Notes to the Financial Statements	1-50		

As per our report of even date

for Chokshi & Chokshi LLP
Chartered Accountants
FRN : 101872W/W100045

Pooja Mehta
Partner
Membership No. 133578

Place : Mumbai
Date : 4th May 2015

Rajesh Mandale
Chief Financial Officer

Anuja Bhate
Company Secretary

Place : Mumbai
Date : 4th May 2015

For and on behalf of the Board

Vinayak Deshpande
Chairman

Nalin M. Shah
Director

Pralhad Pawar
Director

Cash Flow Statement for the year ended 31st March 2015

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
A. Cash Flow from Operating Activities		
Profit/(Loss) Before Tax	(199.50)	(833.34)
Adjustments for:		
Depreciation and amortisation expense	237.61	151.42
Finance costs	303.50	485.10
Interest income	(9.00)	(11.03)
Profit on Sales of Assets	(3.08)	13.14
	<u>529.03</u>	<u>638.63</u>
Operating profit before working capital changes	329.53	(194.71)
Adjustments for:		
Trade receivables	(593.48)	659.17
Long-term loans and advances	102.20	(4.79)
Short-term loans and advances	118.20	(336.26)
Other current assets	854.13	(349.77)
Other non-current assets	(149.24)	224.87
Inventories	(133.47)	(793.15)
Trade payables	(241.20)	1,017.43
Other current liabilities	(125.56)	890.28
Other long-term liabilities	(29.16)	(35.90)
Long-term provisions	0.20	(4.27)
Short-term provisions	(2.01)	11.49
	<u>(199.39)</u>	<u>1,279.10</u>
Cash generated from operations	130.14	1,084.39
Taxes Paid (net)	—	—
Net cash from operating activities	A	1,084.39
	<u>130.14</u>	<u>1,084.39</u>
B. Cash flow from investing activities		
Purchase of current investments		
Purchase of fixed assets and CWIP	(20.62)	(68.72)
Investment in Deposits (With maturity more than three months)	73.31	24.45
Sale of fixed assets	8.30	13.12
Interest received	9.00	11.03
Net Cash used in Investing Activities	B	(20.12)
	<u>69.99</u>	<u>(20.12)</u>

Cash Flow Statement (Contd.)

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
C. Cash Flow from financing activities		
Proceeds from long-term borrowings	-	300.00
Proceeds from long-term borrowings - current	-	(806.40)
Proceeds from short-term borrowings	68.01	-
Interest paid	(303.50)	(485.10)
Net cash from financing activities	(235.49)	(991.50)
Net (decrease) / increase in cash and cash equivalents (A+B+C)	(35.36)	72.77
Cash and cash equivalent at the beginning of the year	151.64	78.88
Cash and cash equivalent at the end of the year	116.28	151.64

Notes:

- The Cash Flow Statement has been prepared following the indirect method except in case of Purchase and Sale of investments and Taxes paid which have been considered on the basis of actual movement of cash with necessary adjustments in corresponding Assets and Liabilities.
- Cash and Cash Equivalents represent Cash and Bank Balances only.

As per our report of even date

for Chokshi & Chokshi LLP
Chartered Accountants
FRN : 101872W/W100045

Pooja Mehta
Partner
Membership No. 133578

Place : Mumbai
Date : 4th May 2015

Rajesh Mandale
Chief Financial Officer

Anuja Bhate
Company Secretary

Place : Mumbai
Date : 4th May 2015

For and on behalf of the Board

Vinayak Deshpande
Chairman

Nalin M. Shah
Director

Pralhad Pawar
Director

Notes to Financial Statements

1. Corporate Information

Artson Engineering Limited ("the Company") is a company limited by shares incorporated under the Companies Act, 2013. The Company's Registered Office is situated at Mumbai. The Company's shares are listed on the Bombay Stock Exchange (BSE) and the Scrip Code is 522134.

The Company was incorporated in the year 1978 and since inception, the Company has commissioned, on turn-key basis, several fuel storage and handling facility systems. The Company is in the business of Engineering, Procurement & Construction contract in Oil, Gas & Hydrocarbon (OG&H) Sector and ancillary services, including manufacturing activity.

The Company was referred to the BIFR as a sick company under the provisions of Section 3 (1) (O) of the Sick Industrial Companies (Special Provisions) Act, 1985. The Company's reference as a sick company was registered under Case No. 152/ 2004 with the BIFR. At the hearing held on 27th November 2007, the BIFR sanctioned the Rehabilitation Scheme of the Company and the Order sanctioning the scheme of rehabilitation was received by the Company on 18th December 2007 (Sanctioned Scheme). The Company has made an application on 17th October 2013 for extension of the Rehabilitation Scheme as referred above and pending the final hearing, the Sanctioned Scheme is under implementation.

2. Significant Accounting Policies:

The Significant Accounting Policies have been predominantly prescribed below in order of the Accounting Standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

i) Method of Accounting and preparation of the Financial Statements:

These financial statements have been prepared in accordance with the generally accepted accounting principles (GAAP) in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply with all material aspects of the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the company.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services offered, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

ii) Revenue Recognition

a. Manufacturing activities:

Sales of Goods is recognised when significant risks and rewards of ownership are transferred to buyer. Sales exclude amount recovered towards Excise Duty and Sales Tax.

b. **Erection / Construction activities:** Revenues from execution of contract is recognized on the Percentage Completion method. The stage of completion is determined on the basis of actual work executed during the year. Running bills are accounted as sales on monthly basis. No profit is recognised till a minimum of 10% progress is achieved on the contract except in case of contracts executed on cost-plus basis. Costs incurred and invoices raised in respect of such contracts are carried in the Balance Sheet as contracts-in-progress and advance billing respectively. When it is probable at any stage of the contract that the total cost will exceed the total contract revenue, the expected loss is recognised immediately. In case of arbitration awards which are granted in favour of the Company, any amount to be received is treated as income in the year of receipt of such award. Liquidated damages/Penalties are accounted for as cost when such delays and causes are attributable to the Company or when deducted by the client.

c. **Work done but not billed:** Value of work executed, billed subsequent to the Balance Sheet date, is valued at the contract price.

d. i Income and Expenses are accounted on accrual basis except capital incentive from Government authorities and liquidated damages to the extent under negotiation.

ii VAT set-off is based on returns filed with appropriate authorities.

e. Bank Guarantee commission is accounted in the year of execution/renewal of guarantee.

iii) Use of Estimates:

The preparation of the financial statements in conformity with Indian GAAP requires the Management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent liabilities as at the date of the financial statements and the reported amounts of revenues and expenses during the year. The Management believes that the estimates used in the preparation of the financial statements are prudent and reasonable. Future results could differ from those estimates and the difference between the actual results and the estimates are recognised in the periods in which the results are known / materialise.

Notes to Financial Statements (Contd.)

iv) Fixed Assets:

Tangible

All tangible fixed assets are stated at historical cost (as reduced by CENVAT credit) less accumulated depreciation. The cost of fixed assets comprises its purchase price and other attributable expenditure incurred in making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Intangible

Intangible Assets are initially recognised at cost and are stated at cost less depreciation and impairment (if any). The cost of an internally generated intangible asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use. These Intangible Assets comprise of Computer Softwares.

v) Depreciation /Amortization on Fixed Assets:

- Depreciation has been provided for on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- Leasehold Land, for 99 years and Leasehold Improvements are amortised over the period of the lease.

vi) Impairment of Assets:

As at each Balance Sheet date, the Company assesses the realisable value of all the assets. If there is any indication of fall in the realisable value over the carrying cost of the assets, impairment in value of the assets is recognised.

vii) Valuation of Inventories:

- Stage of completion and cost of completion in respect of engineering and construction contracts-in-progress, being technical matters, are estimated and certified by the Company's technical personnel.
- Stock of all the raw materials, construction materials, stores and spares lying at store, sites/ factory have been valued at the lower of cost (FIFO) and the net realisable value.
- Work-in Progress are valued at the lower of cost and the net realisable value.

viii) Investments:

- Investments intended to be held for more than one year are classified as long term investments and are carried at cost of acquisition inclusive of other attributable expenses. Diminution in the value of investment is provided for, if such diminution is of other than temporary nature in the value of such investments.
- Current Investments is carried at the lower of cost and the fair value.

ix) Foreign Currency Transactions:

- Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transaction.
- Monetary assets and liabilities denominated in foreign currencies at the year-end are translated at the year-end exchange rates.
- The exchange difference on conversion are credited or charged to the Statement of Profit and Loss.
- Financial statement of foreign operations, which are integral operations are translated using the same principles as stated above except following items which are translated as below:

Sr. No.	Nature of the account	Policy
1.	Opening and Closing Work-in-progress	Exchange Rate at the commencement and close of the year respectively.
2.	Fixed Assets and Depreciation	Exchange Rate used for the translation of the respective date of purchase of fixed assets.

x) Employee benefits:

- The Company's contribution to Provident Fund is charged to the Statement of Profit and Loss.
- Other long-term employee benefits comprise compensated absences which is provided based on an actuarial valuation carried out in accordance with AS 15 as at the Balance Sheet date.
- The gratuity liability, which is a defined benefit plan, is provided on the basis of actuarial valuation as at the Balance Sheet date on the projected unit credit method and the same is funded with Life Insurance Corporation of India.

Notes to Financial Statements (Contd.)

xi) Segment Reporting:

The Company is in the business of Engineering, Procurement & Construction contract in Oil, Gas & Hydrocarbon (OG&H) Sector and ancillary services, including manufacturing activity. More than 90% of the income is only from Engineering & Construction contracts in OG&H Sector and ancillary services. The projects are executed both in India and abroad. Considering the core activity of the Company as above, the primary segment is geographical segment. Accordingly, the reportable segments of the Company are:

1. Domestic
2. Overseas

xii) Earnings Per Share:

The Company reports basic earnings per share in accordance with the Accounting Standard 20 'Earnings per share'. Basic earnings per share, is computed by dividing the net profit or loss for the year, by the weighted average number of equity shares outstanding during the year.

xiii) Taxation (including Deferred Tax):

Provision for Income Tax is made for both current and deferred taxes. Current tax is provided on the basis of the taxable income in accordance with and at the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognised using the tax rates, and tax laws that have been enacted or substantively enacted, subject to prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognised unless there is a virtual certainty that there will be sufficient future taxable income available to realise such assets.

xiv) Borrowing Costs:

Borrowing costs which are directly attributable to acquisition, construction and production of qualifying assets, are capitalised.

xv) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognised for liabilities that can be measured only by using substantial degree of estimation, if:

- a. The Company has a present obligation as a result of past events.
- b. A probable outflow of resources is expected to settle the obligation.
- c. The amount of the obligation is best estimate required to settle the obligation at the Balance Sheet date.
- d. These are reviewed at each Balance Sheet date and adjusted to reflect the current best estimate.

Reimbursement expected in respect of the expenditure required to settle a provision is recognized only when it is virtually certain that reimbursement will be received.

Contingent Liability is disclosed in the case of :

- a. A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- b. A present obligation when no reliable estimate is possible, and
- c. A possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognised, nor disclosed. Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

xvi) Extraordinary Items:

The Extraordinary items are Income or Expenses that arise from events of transactions that are clearly distinct from the ordinary activities and therefore, are not expected to recur frequently or regularly.

The nature and amount of each extra ordinary item is identified and disclosed in the Statement of Profit and Loss in a manner that its impact on current profit or loss can be perceived.

xvii) Operating Leases:

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rents under operating leases are recognised in the profit and loss account on a straight line.

Notes to Financial Statements (Contd.)

Note 3 Share Capital

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
Authorized capital		
(i) 150,000,000 Equity Shares of ₹ 1/- each	1,500.00	1,500.00
(ii) 200,000 Preference Shares of ₹ 100/- each	200.00	200.00
Issued, Subscribed and Paid-up		
36,920,000 Equity Shares of ₹ 1/- each	369.20	369.20
Total issued, subscribed and fully paid-up share capital	369.20	369.20

a. Reconciliation of the shares outstanding at the beginning and at the end of the year

	31 st March 2015		31 st March 2014	
Equity shares	No.	₹ Lakh	No.	₹ Lakh
At the beginning of the year	36,920,000	369.20	36,920,000	369.20
Issued during the year	—	—	—	—
Outstanding at the end of the year	36,920,000	369.20	36,920,000	369.20

b. Terms/rights attached to equity shares

The Company's issued, subscribed and paid-up capital comprises of equity shares only and no preference share have been issued. The Company's paid-up capital comprises only one class, i.e. equity shares having par value of ₹ 1 per share. Each holder of equity share is entitled to one vote per share.

The liability of the members is limited.

The Company's shares are listed on the Bombay Stock Exchange Limited (BSE).

Restriction on distribution of Dividend

Pursuant to the Provisions of the Sanctioned Scheme, the Company is not permitted to declare any dividend to the equity shareholders without the prior approval of the BIFR/Monitoring Agency (MA) during the period of rehabilitation.

c. No bonus shares have been issued, no shares have been issued for consideration other than cash and no shares have been bought back during the last five years

d. Details of shareholders holding more than 5% shares in the Company

	Nature	31 st March 2015		31 st March 2014	
		No.	% holding	No.	% holding
Equity shares of ₹ 1/- each fully paid					
Tata Projects Limited	Holding Company	27,690,000	75	27,690,000	75

e. Reduction in paid-up value of equity shares

Pursuant to the provisions of the Sanctioned Scheme, effective 26th December 2007 the paid-up value of the equity shares has been reduced from ₹ 10 per share to ₹ 1 per share fully paid-up. On reduction, the paid-up capital of the Company was reduced to ₹ 92,30,000 comprising of 92,30,000 equity shares of ₹ 1 each. On 4th January 2008, the Company allotted 2,76,90,000 equity shares of ₹ 1 each to Tata Projects Limited. Consequent to the allotment of these shares, the Company has become a subsidiary of Tata Projects Limited (shareholding of 75% in the Company's paid-up capital). The Company's paid-up capital has thus been increased to ₹ 3,69,20,000 comprising of 3,69,20,000 equity shares of ₹ 1 each.

Note 4 Reserves and Surplus

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
Balance as per last Balance Sheet	(6,740.59)	(5,907.25)
Depreciation adjustment (Ref Note No 12c)	(16.33)	—
Loss for the year	(199.50)	(833.34)
Net surplus / (deficit) in the Statement of Profit and Loss	(6,956.42)	(6,740.59)
Total Reserves and Surplus	(6,956.42)	(6,740.59)

Notes to Financial Statements (Contd.)

Note 5 Long-term Borrowings

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
Loans and advances from related parties		
Secured*	1,930.39	1,930.39
Unsecured	2,100.00	2,100.00
	4,030.39	4,030.39

Foot Note :

- * Term Loan from the Holding Company in terms of the Sanctioned Scheme of BIFR dated 18th December 2007 secured against the immovable property and all title deeds of the property.

Maturity Profile of Long-term borrowings

	31 st March 2015		31 st March 2014	
	₹ Lakh			
Maturity Profile	Loans & Advances from Related Parties (secured)	Loans & Advances from Related Parties (unsecured)	Loans & Advances from Related Parties (secured)	Loans & Advances from Related Parties (unsecured)
1-2 Years	370.00	—	—	2,100.00
2-3 Years	520.00	2,100.00	—	—
3-4 Years	520.00	—	370.00	—
Beyond 4 Years	520.39	—	1,560.39	—
Total	1,930.39	2,100.00	1,930.39	2,100.00

Foot Note :

Based on an in-principle approval granted by the Holding Company for extension of dates for moratorium as proposed by the Company, the maturity profile of the loans and their classification into Current and Non-current has been done for the current year.

The rate of interest is 10% p.a. For further details refer note 36.

The above Maturity Profile may change subject to approval of modification application made to BIFR as referred in Note 36.

Note 6 Other Long-term Liabilities

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
Trade Payables		
To MSMED [See Note 35]	—	—
Others	134.36	166.03
Others		
Security deposits received	13.80	11.29
	148.16	177.32

Note 7 Long-term Provisions

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
Provision for employee benefits		
Compensated absences	26.84	26.64
	26.84	26.64

Notes to Financial Statements (Contd.)

Note 8 Short-term Borrowings

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
Loans repayable on demand		
From banks		
Secured *	(10.54)	2,021.45
Unsecured**	2,100.00	—
	2,089.46	2,021.45

Foot Note :

* 1. Working Capital loan from Corporation Bank of ₹ (10.54) Lakh (Previous year ₹ 2021.45 Lakh) is secured by first charge by way of hypothecation of inventories, books debts and other current assets.

** 2. Term Loan from Tata Capital Financial Services Limited ₹ 20 Crore and Working Capital Demand Loan ₹ 1 Crore guaranteed Unconditionally and irrevocable corporate guarantee from Holding Company.

Note 9 Trade Payables

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
To MSMED [See Note 35]	19.07	86.98
Others	2,608.94	2,782.23
	2,628.01	2,869.21

Note 10 Other Current Liabilities

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
Current maturities of long term Debt	8.04	8.04
Interest accrued and due on borrowings	473.39	472.64
Income received in advance	151.15	—
Other payables		
Advances from customers	1,625.33	1,186.54
Liability for contract expenses	623.45	456.77
Liability for other expenses	426.18	1,301.48
Statutory dues	144.89	123.74
Other payable (includes reimbursement and withheld amount)	618.66	647.44
	4,071.09	4,196.65

Note 11 Short-Term Provisions

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
Provision for employee benefits		
Gratuity	18.01	17.90
Compensated absences	3.57	5.69
	21.58	23.59

Notes to Financial Statements (Contd.)

Note 12 Tangible Fixed Assets

₹ Lakh

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2014 (at cost)	Additions	Deductions / Other adjustments	As at 31-03-2015 (at cost)	As at 01-04-2014	For the year 31-03-2015	Deductions / Other adjustments	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
Tangible Assets										
1. Leasehold Land	4.29 (4.29)	— —	— —	4.29 (4.29)	1.40 —	0.04 (1.40)	— —	1.44 (1.40)	2.85 (2.89)	2.89 (4.29)
2. Buildings	201.26 (201.26)	— —	— —	201.26 (201.26)	100.66 (89.49)	11.93 (11.18)	— —	112.59 (100.67)	88.67 (100.59)	100.60 (111.77)
3. Leasehold Improvements	— —	— —	— —	— —	— —	— —	— —	— —	— —	— —
4. Plant And Machinery	2,182.36 (2,126.88)	13.47 (56.93)	— (1.45)	2,195.83 (2,182.36)	1,477.58 (1,369.68)	177.19 (108.13)	— (0.23)	1,654.77 (1,477.58)	541.07 (704.78)	704.79 (757.19)
5. Computers	134.53 (128.74)	0.43 (5.79)	— —	134.96 (134.53)	120.80 (112.84)	11.98 (7.96)	— —	132.78 (120.80)	2.18 (13.73)	13.73 (15.90)
6. Furniture And Fixtures	146.86 (165.74)	0.11 (5.10)	10.16 (23.98)	136.81 (146.86)	108.39 (105.09)	16.07 (12.48)	5.27 (9.18)	119.19 (108.39)	17.62 (38.47)	38.47 (60.65)
7. Office Equipment	79.53 (84.55)	2.38 (0.90)	0.69 (5.92)	81.22 (79.53)	55.02 (52.38)	20.72 (4.32)	0.36 (1.68)	75.38 (55.02)	5.84 (24.51)	24.51 (32.18)
8. Electrical Installation	76.32 (76.38)	— —	0.01 (0.06)	76.31 (76.32)	48.91 (44.54)	12.47 (4.43)	0.01 (0.06)	61.37 (48.91)	14.94 (27.41)	27.41 (31.84)
9. Vehicles	33.91 (56.71)	— —	— (22.80)	33.91 (33.91)	31.93 (48.00)	0.79 (0.73)	— (16.80)	32.72 (31.93)	1.19 (1.98)	1.98 (8.71)
TOTAL	2,859.06	16.39	10.86	2,864.59	1,944.69	251.19	5.64	2,190.23	674.36	914.34
Previous Year	(2,844.55)	(68.72)	(54.21)	(2,859.06)	(1,822.03)	(150.63)	(27.95)	(1,944.71)	(914.34)	—

Note :

- Figure in bracket are of previous year.
- Deletion to Fixed Assets includes Furniture and Fixture discarded Gross Block ₹ NIL (Previous Year ₹ 23.98 Lakh), Accumulated Depreciation ₹ NIL (Previous Year ₹ 9.18 Lakh) & Net Charged to Statement of Profit and Loss ₹ NIL (Previous Year ₹ 13.14 Lakh).
- Depreciation for the year 31.03.2015 includes depreciation on assets whose remaining useful life is NIL as on 01.04.2014. Accordingly ₹ 16.33 Lakh has been debited to retained earnings as per Schedule II of the Companies Act, 2013.

Note 13 Intangible Fixed Assets

₹ Lakh

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2014 (at cost)	Additions	Deductions / Other adjustments	As at 31-03-2015 (at cost)	As at 01-04-2014	For the year	Deductions / Other adjustments	As at 31-03-2015	As at 31-03-2015	As at 31-03-2014
Intangible Assets										
1. Computer Software (Acquired)	4.32 (4.32)	4.23 —	— —	8.55 (4.32)	3.14 (2.35)	2.76 (0.79)	— —	5.91 (3.14)	2.64 (1.18)	1.18 (1.97)
TOTAL	4.32	4.23	—	8.55	3.14	2.76	—	5.91	2.64	1.18
Previous Year	(4.32)	—	—	(4.32)	(2.35)	(0.79)	—	(3.14)	(1.18)	—

Notes to Financial Statements (Contd.)

Note 14 Long-Term Loans and Advances

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
Security deposits		
Unsecured, considered good	31.61	38.04
Doubtful	199.00	199.00
	230.61	237.04
Provision for doubtful deposits	(199.00)	(199.00)
	31.61	38.04
Other loans and advances (unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received [See note 37 (d)]		
Unsecured, considered good	0.00	138.27
Doubtful	300.90	162.63
	300.90	300.90
Provision for doubtful deposits	(300.90)	(162.63)
	0.00	138.27
Advance income-tax (net of provision)	449.58	372.60
Balances with statutory/government authorities	861.97	896.45
	1,311.55	1,407.32
Total	1,343.16	1,445.36

Note 15 Other Non-Current Assets

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
A. Trade receivables not due for payment		
Unsecured, considered good		
Long-Term Trade Receivables (Unsecured)		
Considered good [See Note 37 (b)]*	270.42	146.18
Other bank balances		
In Deposit Accounts with original maturity for more than 12 months (See Note No. 31)	25.83	0.83
Total	296.25	147.01

* Comprises of Retention money receivable

Note 16 Inventories

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
Raw materials and components	1,022.01	1,207.82
Work-in-progress at factory	901.31	581.84
Contracts-in-progress	19.27	19.47
	1,942.59	1,809.13

Notes to Financial Statements (Contd.)

Note 17 Trade Receivables

	31 st March 2015 ₹ Lakh	31 st March 2014 ₹ Lakh
Outstanding for a period exceeding six months from the date they are due for payment (unsecured)		
Considered good	679.74	448.04
Considered doubtful	506.38	221.37
	1,186.12	669.41
Provision for doubtful receivables	(506.38)	(221.37)
(A)	679.74	448.04
Others (unsecured)		
Considered good	920.13	558.35
Doubtful	—	—
	920.13	558.35
Provision for doubtful receivables	—	—
(B)	920.13	558.35
Total	(A + B) 1,599.87	1,006.39

Note 18 Cash and Bank Balances

	31 st March 2015 ₹ Lakh	31 st March 2014 ₹ Lakh
Cash and Cash Equivalents		
Balances with banks:		
In current accounts	110.26	112.92
In deposit accounts with original maturity of less than 3 months	—	38.10
Cash in hand	6.02	0.62
	116.28	151.64
Other bank balances		
In Deposit Accounts with original maturity for more than 3 months but less than 12 months	—	73.31
	—	73.31
	116.28	224.95

Note 19 Short-Term Loans and Advances

	31 st March 2015 ₹ Lakh	31 st March 2014 ₹ Lakh
Other loans and advances		
(Unsecured, considered good)		
Advances to staff	1.75	4.07
Advances to contractors/suppliers	347.70	477.11
Prepaid expenses	33.89	20.37
Other loans and advances	5.39	5.38
Total	388.73	506.93

Note 20 Other Current Assets

	31 st March 2015 ₹ Lakh	31 st March 2014 ₹ Lakh
Unsecured, considered good		
Work done but not billed	53.90	894.57
Interest accrued on fixed deposit/margin money	10.53	23.99
	64.43	918.56

Notes to Financial Statements (Contd.)

Note 21 Revenue from Operations

	31 st March 2015 ₹ Lakh	31 st March 2014 ₹ Lakh
Sale of goods / products manufactured		
Pressure Vessels and Air Receivers/Structural	5,207.42	2,988.98
Sale of services		
Income from Erection/Supply Contracts	1,495.43	4,656.62
Income from Manpower Supply Contracts	285.95	511.98
Other operating revenue		
Scrap Sales	57.17	40.52
Gross Revenue from Operations	7,045.97	8,198.10
Less: Excise Duty	(573.72)	(294.29)
Net Revenue from Operations	6,472.25	7,903.81

Note 22 Other Income

	31 st March 2015 ₹ Lakh	31 st March 2014 ₹ Lakh
Interest Income	9.00	11.03
Exchange Rate Difference (net) [See Note 40]	2.84	—
Profit on Sales of Assets	3.08	0.26
Miscellaneous Income	22.03	46.21
	36.95	57.50

Note 23 Cost of Raw Materials and Components Consumed

	31 st March 2015 ₹ Lakh	31 st March 2014 ₹ Lakh
Inventory at the beginning of the year	1,207.82	563.93
Add: Purchases	3,064.53	3,128.34
	4,272.35	3,692.27
Less: Inventory at the end of the year	(1,022.01)	(1,207.82)
	3,250.34	2,484.45

Note 24 Project Execution Expenses

	31 st March 2015 ₹ Lakh	31 st March 2014 ₹ Lakh
Cost of Erection Services	1,423.53	3,594.65
Motor Vehicle expenses	28.04	96.93
Hire Charges Machineries	105.82	221.13
Works Contract Tax and Other Taxes	16.26	36.99
Electricity and Water Charges	55.53	35.33
Site Expenses	70.56	131.86
Rent for Guest House/Office at Site	33.31	59.82
Provision for Contract Expenses	166.69	248.19
Insurance Premium	25.45	33.32
Professional Charges	—	56.94
Bank Guarantee and Letter of Credit charges	4.24	21.45
Other Project Expenses	19.95	11.34
	1,949.38	4,547.95

Notes to Financial Statements (Contd.)

Note 25 (Increase)/Decrease in Work in Progress and Contracts-in-progress

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
Work-in-progress and Contracts-in-progress at the end of the year		
Work-in-progress	901.31	581.84
Contracts-in-progress	19.27	19.47
	<u>920.58</u>	<u>601.31</u>
Work-in-progress and Contracts-in-progress at the beginning of the year		
Work-in-progress	581.84	205.08
Contracts-in-progress	19.47	246.97
	<u>601.31</u>	<u>452.05</u>
Net (Increase)/Decrease	<u>(319.27)</u>	<u>(149.26)</u>

Note 26 Employee Benefit Expenses

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
Salaries, Wages and Bonus	535.76	703.98
Contribution to Provident and Other Funds *	37.81	63.22
Staff Welfare Expenses	2.34	2.78
	<u>575.91</u>	<u>769.98</u>

* Includes ₹ 24.03 Lakh (Previous Year ₹ 31.38 Lakh) towards Defined Contribution Plan and ₹ 8.65 Lakh (Previous Year ₹ 20.04 Lakh) towards Defined Benefit Plan and ₹ 5.13 Lakh (Previous Year ₹ 11.80 Lakh) for PF administration Charges and Other Fund.

Note 27 Other Expenses

	31 st March 2015	31 st March 2014
	₹ Lakh	₹ Lakh
Office Rent	47.11	19.61
Rates and Taxes	27.95	4.31
Motor Vehicle Expenses	2.87	7.05
Travelling Expenses	29.70	49.20
Legal and Professional Fees [See Note 42]	127.16	98.66
Postage and Telephone	22.73	23.38
Printing and Stationery	7.81	10.06
Business Development Expenditure	1.76	3.79
Registration Expenses - Overseas	—	17.04
Directors' Fees	2.66	1.95
Exchange Rate Difference (net) [See Note 40]	—	14.54
Provision for Doubtful Debts	285.01	43.37
Provision for Doubtful Advances	138.27	162.63
Miscellaneous expenses	18.20	36.28
	<u>711.23</u>	<u>491.87</u>

Notes to Financial Statements (Contd.)

Note 28 Finance Costs

	31 st March 2015 ₹ Lakh	31 st March 2014 ₹ Lakh
Interest Expenses		
On Borrowing	278.01	463.94
On Deferred/Delayed payment of Taxes	6.00	9.93
Other Borrowing Costs	19.49	11.23
	303.50	485.10

Note 29 Exceptional Items

	31 st March 2015 ₹ Lakh	31 st March 2014 ₹ Lakh
Furniture, Office Equipment and Vehicle Discarded	—	13.14
	—	13.14

30 Contingent liabilities not provided for :

Sr. No.	Name of Statute	Nature of Dues	For the Year Ended March 2015 (₹ Lakh)	For the Year Ended March 2014 (₹ Lakh)	Period	Forum
1	Commercial Tax (Andhra Pradesh)	Works Contract Tax	12.21	12.21	F.Y. 1998-99	Commissioner (Appeal)
2	Commercial Tax (West Bengal)	Works Contract Tax	2.08	2.08	F.Y. 1998-99 F.Y. 1999-00 F.Y. 2000-01	Commissioner (Appeal)
3	Commercial Tax (Punjab)	Penalty	8.03	8.03	F.Y. 2010-11	Joint Director cum Deputy Excise & Taxation Commissioner (Appeal)
4	Sales Tax	VAT	101.52	—	FY-2007-08	Commissioner (Appeal)
5	Income Tax		136.72	136.72	A.Y. 2010-11	CIT (A)
6	Income Tax		535.35	—	A.Y. 2012-13	CIT (A)
7	Third party claim from disputes relating to contracts		1,143.00	900.00		

31 All the Fixed Deposit receipts are lying with the banks towards margin money against Bank guarantees issued by Banks.

32 a. Deferred Tax Liabilities as on 31st March 2015 comprise of:

Particulars	Balance as at 31 st March 2015 (₹ Lakh)	Balance as at 31 st March 2014 (₹ Lakh)
Deferred Tax Liability/(Asset): Arising on account of timing difference in:		
i. Depreciation	(44.51)	(8.05)
Deferred Tax Asset: Arising on account of timing difference in:		
i. Provision for Compensated Absences	(9.39)	(9.99)
ii. Provision for Gratuity	(5.56)	(5.53)
iii. Provision for Bonus	(6.89)	(7.34)
iv. Provision for doubtful debts	(154.47)	(50.25)
v. Provision for doubtful Advances	(156.47)	(13.40)
Net Deferred Tax (Asset)/Liability	(377.30)	(94.56)
Net Deferred Tax (Asset)/Liability recognised during the year (See Foot Note)	Nil	Nil

Note: On grounds of prudence, the Company has recognised Deferred Tax Asset only to the extent of the future reversal of Deferred Tax Liability. During the year, there is no reversal of Deferred Tax Liability (Previous Year ₹ 1.20 Lakh).

b. Provision for tax under the Income Tax Act, 1961 is not made as there are no chargeable profits during the year.

Notes to Financial Statements (Contd.)

33 a. Related Parties and Relationships

Holding Company : Tata Projects Limited

Key Managerial Personnel : Mr. Rajesh Mandale, Chief Financial Officer from 2nd February 2015, Ms. Anuja Bhate, Company Secretary from February 2014 and Mr. Pratik Agrawal, Chief Financial Officer from 21st July 2014 to 12th December 2014. (See Note 49)

b. Related Party Transactions

Information as required under AS-18 on "Related Party Disclosures" is as follows :

Name of the related party	Nature of relation	Nature of transaction	2014-15 (₹ Lakh)	2013-14 (₹ Lakh)
Tata Projects Limited	Holding Company	Secured Loan outstanding as at the beginning of the year	1,930.39	1,930.39
		Secured Loan taken during the year	—	—
		Secured Loan repaid during the year	—	—
		Secured Loan outstanding as at year end	1,930.39	1,930.39
		Unsecured Loan outstanding as at the beginning of the year	2,100.00	1,800.00
		Unsecured Loan taken during the year	—	300.00
		Unsecured Loan repaid during the year	—	—
		Unsecured Loan outstanding as at year end	2,100.00	2,100.00
		Interest payable at the beginning of the year	472.65	387.84
		Interest accrued and due during the year	—	94.27
		Interest Paid during the year	—	9.46
		Interest payable at the end of the year	472.65	472.65
		Sale of Goods/Services	4,894.62	3,999.05
		Receivables as at end of the year	1,401.18	2.48
Mr. P. S. Chopde Executive Director (Manufacturing)	Key Management Personnel (upto 10 th April 2013)	Balance of Mobilisation / Advance as at the end of year	1,483.53	1,141.99
		Liability for Reimbursement of Expenses	392.57	421.35
		Managerial Remuneration	—	0.80
		Company Secretary	5.78	—
Mr. Pratik Agrawal	Key Managerial Personnel (From 21 st July 2014 to 12 th December 2014)	Chief Financial Officer	8.25	—
Mr. Rajesh Mandale	Key Managerial Personnel (From 2 nd February 2015)	Chief Financial Officer	4.05	—

Notes to Financial Statements (Contd.)

34 Disclosure as required by AS-7 on “Accounting for Construction Contracts” is as follows:

Sr. No.	Particulars	2014-15 (₹ Lakh)	2013-14 (₹ Lakh)
a.	Contract revenue recognised during the year	1,781.38	5,168.61
b.	Amount of Customer Advances (net of recoveries from progressive bills)	242.41	222.16
c.	Retention amount	114.71	143.12
d.	Aggregate amount of contract costs incurred in respect of ongoing contracts net of recognized profits (less recognized loss) up to the reporting date. (Including the contracts closed during the year)	38,319.06	36,256.79
e.	Gross amount due from customers for contract work	1,398.25	1,331.13

- The Company is following Percentage Completion Method for recognising contract revenue.
- The Company has adopted Completion of Physical Proportion of the Contract Work Method to determine the stage of completion of contracts-in-progress.

35 Disclosure in accordance with Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006:

According to information available with the Management and relied upon by the auditors, on the basis of intimation received from suppliers regarding their status under the Micro, Small and Medium Enterprises Development Act, 2006 (MSMED Act), the Company has amounts due to micro and small enterprises under the MSMED Act as follows:

- a. The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of each accounting year:

Sr. No.	Particulars	Balance as on 31 st March 2015 (₹ Lakh)	Balance as on 31 st March 2014 (₹ Lakh)
i	Principal amount remaining unpaid	19.07	86.98
ii	Interest accrued, due and remained unpaid thereon	24.90	12.30
iii	Payment made to suppliers (other than interest) beyond the appointed day during the year	232.14	239.76
iv	interest paid to suppliers under MSMED Act (other than Section 16)	—	—
v	interest paid to suppliers under MSMED Act (Section 16)	—	—
vi	interest due and payable towards suppliers under MSMED Act for payments already made	3.71	1.34
vii	interest accrued and remaining unpaid at the end of the year to suppliers under the MSMED Act	24.90	12.30

- 36 The Company is registered with the Board for Industrial and Financial Reconstruction (BIFR) as a sick company and BIFR has vide its order dated 18th December 2007 sanctioned the rehabilitation scheme (“the Sanctioned Scheme”). While most of the provisions of the Sanctioned Scheme have been implemented, the Company was not able to achieve positive net worth as at 31st March 2013; accordingly, the Company has filed application on 17th October 2013 to BIFR seeking an extension and modification of the Sanctioned Scheme. The modification also includes conversion of Loans of ₹ 4418 Lakh (including interest up to 31st March 2013 and loan of ₹ 300 Lakh taken during the three months period ended 30th June 2013, but excluding interest of ₹ 94.27 Lakh for the three months period ended 30th June 2013) of the Holding Company as at 31st March 2013 into 4% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 1/-each, which is pending for approval from BIFR. In view of this, and based on written confirmation from the Holding Company, no provision has been made for interest payable to it amounting to ₹ 705.60 Lakh for the period 1st July 2013 to 31st March 2015 (including ₹ 403.04 Lakh for year ended 31st March 2015). The Management is considering various alternatives for achieving profitability and positive cash flow. Based on the current order book position, operating results for the current year and considering the continued support of the Holding Company, barring unforeseen circumstances, the Management is confident about the Company’s ability to continue as a going concern and the Auditors of the Company have put an “emphasis of matter” paragraph on the aforesaid matter in the Auditor’s Report for the year ended 31st March 2015.

- 37 a. In the opinion of the Management, all Current Assets, Loans & Advances are approximately of the same value if realized in the ordinary course of business. Provision for all the known liabilities and doubtful receivables is adequately made.
- b. Trade receivables include retention of ₹ 270.42 Lakh (Previous Year ₹ 146.18 Lakh) receivable on completion of projects.
- c. Balance outstanding against Trade Receivable and Trade Payable (including debit balances), are subject to reconciliation and confirmation with respective parties. Provision of ₹ 276.23 Lakh (Previous Year ₹ 43.37 Lakh) for doubtful debts is made during the year; resulting in total provision of ₹ 497.60 Lakh as at 31st March 2015.(Previous Year ₹ 221.37 Lakh).
- d. Long term Loans and Advances includes ₹ 300.90 Lakh reimbursement receivable from client. Provision of ₹ 300.90 Lakh (Previous Year ₹ 162.63 Lakh) has been made during the year.

Notes to Financial Statements (Contd.)

38 Earnings per share (Basic & Diluted)

	31 st March 2015	31 st March 2014
a. Net profit/(loss) available for equity share holders (₹ Lakh)	(199.50)	(833.34)
b. Number of equity shares (Face value ₹ 1/-) (No. in Lakh)	369.20	369.20
c. Basic and diluted earnings per share (₹)	(0.54)	(2.26)

39 Details of earning and expenditure in foreign currency:

PARTICULARS	31 st March 2015 (₹ Lakh)	31 st March 2014 (₹ Lakh)
Earning in foreign exchange (Amount expended in equivalent Indian rupees)	210.74	172.47
Expenditure in foreign currency (Amount expended in equivalent Indian rupees)	406.72	158.98

40 The net Gain on account of exchange rate difference amounting to ₹ 2.84 Lakh (Previous Year Loss of ₹ 14.54 Lakh) has been accounted in the Statement of Profit and Loss in compliance with AS-11.

41 Quantitative Details:

a. Erection / Construction Activities:

In respect of Erection / Construction activities, the materials procured by the Company are directly delivered to the project sites and charged off in the year of purchase. It is not practicable to furnish the quantitative information in respect of these items due to diversified size and nature of business.

b. Manufacturing Activities:

The relevant quantitative details for commercial operations carried out at factories are as follows:

i) Raw materials and component Consumed :

	Unit	2014 – 15		2013 – 14	
		Quantity	Value (₹ Lakh)	Quantity	Value (₹ Lakh)
Plates/Steel	MT	7,544.64	3,163.17	5,023.51	2,048.42
Pipes	MT	1.15	—	76.42	36.54
Paints	Litres	47,708.00	41.46	27,739.00	23.16
Others		—	83.35	—	—
Less : Provision Reversal		—	(101.44)	—	—
		—	3,186.54	—	2,108.12

ii) Imported/Indigenous Raw materials Consumed :

	2014 – 15		2013 – 14	
	Value (₹ Lakh)	%	Value (₹ Lakh)	%
Imported	62.59	2%	NIL	NIL
Indigenous	3,123.95	98%	2,108.12	100%

iii) Manufacturing Sales:

Turnover	2014 – 15		2013 – 14	
	Quantity (MT)	Value (₹ Lakh)	Quantity (MT)	Value (₹ Lakh)
Structural	5,350.03	3,777.86	3,661.18	2,988.98
Vessels Nos.	14.00	1,429.56	—	—
Less :- Excise Duty	—	(573.72)	—	—
TOTAL	—	4,633.70	—	2,988.98

Notes to Financial Statements (Contd.)

42 Legal and Professional Fees include Auditors' Remuneration as below:

Nature of services	2014-15 (₹ Lakh)	2013-14 (₹ Lakh)
Audit fees	7.00	6.00
Tax Audit fees	1.25	1.00
Taxation matters	1.65	1.00
Transfer Pricing Audit	—	1.50
Reimbursement of expenses	0.94	1.07
Service Tax*	1.22	1.17
Total	12.06	11.74

*Set off claimed

43 The Actuarial Valuation of Gratuity and compensated absences has been done and the details of the same are:

Sr. No.	Particular	Gratuity (funded)		Compensated Absences (Unfunded)	
		2014-15 (₹ Lakh)	2013-14 (₹ Lakh)	2014-15 (₹ Lakh)	2013-14 (₹ Lakh)
a.	Expenses recognized in the statement of P & L				
	Current Service Cost	10.72	12.50	15.08	19.23
	Interest Cost	2.78	2.59	2.08	2.68
	Expected Return on Plan Assets	(1.92)	(2.97)	—	—
	Net Actuarial (Gain)/Loss recognized for the period	(3.14)	6.95	(6.64)	(14.33)
	Expense recognized in the Statement of P & L* (Note 26)	8.44	19.07	10.52	7.58
	*Exclude ₹ 0.21 Lakh (Previous Year ₹ 0.97 Lakh Paid directly by the Company)				
b.	Movement in the Liability recognized in Balance Sheet				
	Opening Net Liability	17.91	0.84	32.33	42.18
	Expenses as above	8.44	19.07	10.52	7.58
	Contribution Paid	(8.34)	(2.00)	(12.44)	(17.43)
	Closing Net Liability	18.01	17.91	30.41	32.33
c.	Changes in present value of obligations				
	PVO at the beginning of year	44.44	41.91	32.33	42.18
	Interest Cost	2.78	2.59	2.08	2.67
	Current Service Cost	10.72	12.50	15.08	19.24
	Benefits Paid	(19.31)	(19.14)	(12.44)	(17.43)
	Actuarial (Gain)/Loss on obligation	(3.02)	6.58	(6.64)	(14.33)
	PVO at end of year	35.61	44.44	30.41	32.33
d.	Changes in fair value of Plan Assets				
	Fair Value Plan Assets at Beginning of the year	26.54	41.07	—	—
	Expected Return on plan Assets Contribution	1.93	2.97	—	—
	Contributions	8.34	2.00	—	—
	Benefit Paid	(19.31)	(19.14)	—	—
	Actuarial Gain/ (Loss) on Plan Assets	0.11	(0.36)	—	—
	Fair Value of Plan Assets at end year	17.61	26.54	—	—
e.	Actual Return on Plan Assets	2.04	2.61	—	—
f.	Category of Assets as at the end of the year				
	Insurer Managed Funds *	17.61	26.54	—	—

* Based on the data available with the Company, Investment Pattern for LIC Managed funds is as Central Government Securities – 22.19%, State Government Securities –29.06% others approved securities –0.99%, Debenture & Bonds – 29.92%, Equity Shares – 5.50%, Fixed Deposits – 12.34%.

Notes to Financial Statements (Contd.)

g. Experience Adjustment

Gratuity	2015	2014	2013	2012	2011
Defined Benefit Obligation	35.61	44.44	41.91	30.79	23.17
Fair Value of Planned Assets	17.61	26.53	41.07	33.94	29.41
(Surplus)/Deficit	18.00	17.91	0.84	(3.15)	(6.24)
Experience Adjustment on Plan Liabilities[(Gain)/Loss]	(3.02)	6.58	(1.38)	1.04	8.74
Experience Adjustment on Plan Asset[(Gain)/Loss]	(0.11)	0.36	(0.24)	—	—
Compensated Absences					
Defined Benefit Obligation	30.41	32.33	42.18	27.63	15.95
Experience Adjustment on Plan Liabilities [(Gain)/Loss]	(1.92)	(9.85)	(2.13)	(9.43)	(4.92)

h. Actuarial Assumptions

Gratuity	2014-15	2013-14
Mortality	LIC (1994-96) Ult.	LIC (1994-96) Ult.
Interest/Discount Rate	8%	8%
Rate of Increase In Compensation	10%	10%
Rate of Return (expected) on plan Assets	9.15%	9.15%
Employee Attrition Rate (PS)	10%	10%
Expected Average Remaining Service	7.26	7.32
Compensated Absences	2014-15	2013-14
Mortality	LIC (1994-96) Ult.	LIC (1994-96) Ult.
Interest/Discount Rate	8%	8%
Rate of Increase In Compensation	10%	10%
Employee Attrition Rate (PS)	10%	10%
Expected Average Remaining Service	7.27	7.32

i. Expected Contribution to be made to the plan assets in financial year 2015-16 is ₹ 9.49 Lakh (Previous Year ₹ 17.40 Lakh)

44 Segmental Reporting (Geographical Segments):

a. Sales		
	2014-15	2013-14
	(₹ Lakh)	(₹ Lakh)
Domestic	6,213.53	7,700.56
Overseas	207.81	167.04
Total	6,421.34	7,867.60
b. Total carrying amount of segment assets by location of Assets.		
Particulars	2014-15	2013-14
	(₹ Lakh)	(₹ Lakh)
Domestic	637.88	857.85
Overseas	39.12	57.68
Total	677.00	915.53
c. Cost incurred on acquisition of tangible and intangible Fixed Assets.		
Particulars	2014-15	2013-14
	(₹ Lakh)	(₹ Lakh)
Domestic	2,747.39	2,659.96
Overseas	125.75	203.42
Total	2,873.14	2,863.38

Notes to Financial Statements (Contd.)

- 45 Effective 1st April 2014, the Company has changed the estimated useful life of group of assets in line with the recommended useful life as per Part C of Schedule II to the Companies Act, 2013. As per para 7 (b) of Notes of Part C of Companies Act, 2013, where the remaining useful life of an asset as on the effective date is nil, the carrying amount of the asset should be recognised in the retained earnings. Such carrying amount as on 1st April 2014 for the Company is ₹ 16.33 Lakh.
- 46 The Company has not contributed any amount towards Corporate Social Responsibility (CSR) in terms of Section 135 as there are no profits attributable to CSR.
- 47 The Company has taken factory premises under cancelable and non-cancelable operating lease. The lease agreement is for two years and option of renewal on expiry of lease period is based on mutual agreement. Rental expenses towards cancelable and non cancelable operating lease charged to Statement of Profit and Loss amount to ₹ 6.00 Lakh (Previous Year ₹ 4.00 Lakh).
- 48 In line with accepted practice in construction business, certain revisions of costs and billing of previous year which have crystallised during the year have been dealt with during the current year.
- 49 The Company has filed in October 2013 a Miscellaneous Application (No.536 of 2013)(“MA”) with the Board for Industrial and Financial Reconstruction (“BIFR”) containing various proposals for modifications to the Sanctioned Scheme. The said MA is pending with the BIFR. Vide one of the proposals contained in the said MA, the Company has sought exemption from the appointment of Managing Director (MD)/Manager (M)/Whole-time Director (WD). During the course of the proceedings before the BIFR, a legal opinion has also been submitted on the matter. Accordingly, the Company has not appointed any MD/M/WD, which is one of the categories of the Key Managerial Personnel (KMP) under the Companies Act, 2013. The Company has appointed qualified and experienced KMP in other categories viz. Company Secretary and Chief Financial Officer.
- 50 Previous year’s figures have been regrouped and restated wherever necessary to make their classification comparable with that of the current year.

As per our report of even date

for Chokshi & Chokshi LLP
Chartered Accountants
FRN : 101872W/W100045

Pooja Mehta
Partner
Membership No. 133578

Place : Mumbai
Date : 4th May 2015

Rajesh Mandale
Chief Financial Officer

Anuja Bhate
Company Secretary

Place : Mumbai
Date : 4th May 2015

For and on behalf of the Board

Vinayak Deshpande
Chairman

Nalin M. Shah
Director

Pralhad Pawar
Director

Notes

[illegible]

Notes

[illegible]

This image shows a single sheet of white paper with horizontal ruling lines. The lines are evenly spaced and run across the width of the page. There are no margins, text, or other markings on the paper.



ARTSON ENGINEERING LIMITED

(A subsidiary of Tata Projects Limited)

Corporate Identity Number: L27290MH1978PLC020644

Registered Office: 11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai – 400 076

Tel No.: + 91 22 66255600. **Fax:** + 91 22 66255614 **Email:** artson@artson.net. **Website:** www.artson.net

IMPORTANT COMMUNICATION TO MEMBERS

Dear Members,

The provisions of the Section 20 of the Companies Act, 2013 read with the Companies (Management and Administration) Rules, 2014, permits companies to send the Annual Report and other documents by e-mail to the shareholders.

We request you to give us your consent to receive the Annual Report and other documents in electronic form.

Members holding shares in electronic (demat) form are requested to fill up the e-mail registration form and register their e-mail IDs with the concerned Depository Participants. Members holding shares in physical form are requested to fill up the said form and submit it to Sharepro Services (India) Private Limited, the Company's Share Registrars and Transfer Agents.

We look forward to your kind cooperation.

Thanking you,

Yours faithfully,

For **ARTSON ENGINEERING LIMITED**

ANUJA BHATE

Company Secretary

----- TEAR HERE -----

MEMBERS EMAIL REGISTRATION FORM

I hereby give my consent to receive all the notices/ documents including Annual Report in the email address given below.

Name																
Address																
Folio No. / Client ID & DP ID																
No. of shares held																
Email ID																

Signed this day of 2015

Signature of Member



ARTSON ENGINEERING LIMITED

(A subsidiary of Tata Projects Limited)

Corporate Identity Number: L27290MH1978PLC020644

Registered Office: 11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai- 400 076

Tel No.: + 91 22 66255600. **Fax:** + 91 22 66255614 **Email:** artson@artson.net. **Website:** www.artson.net

ATTENDANCE SLIP

(Please complete this Attendance Slip in all respects and hand it over at the entrance of the Meeting Hall)

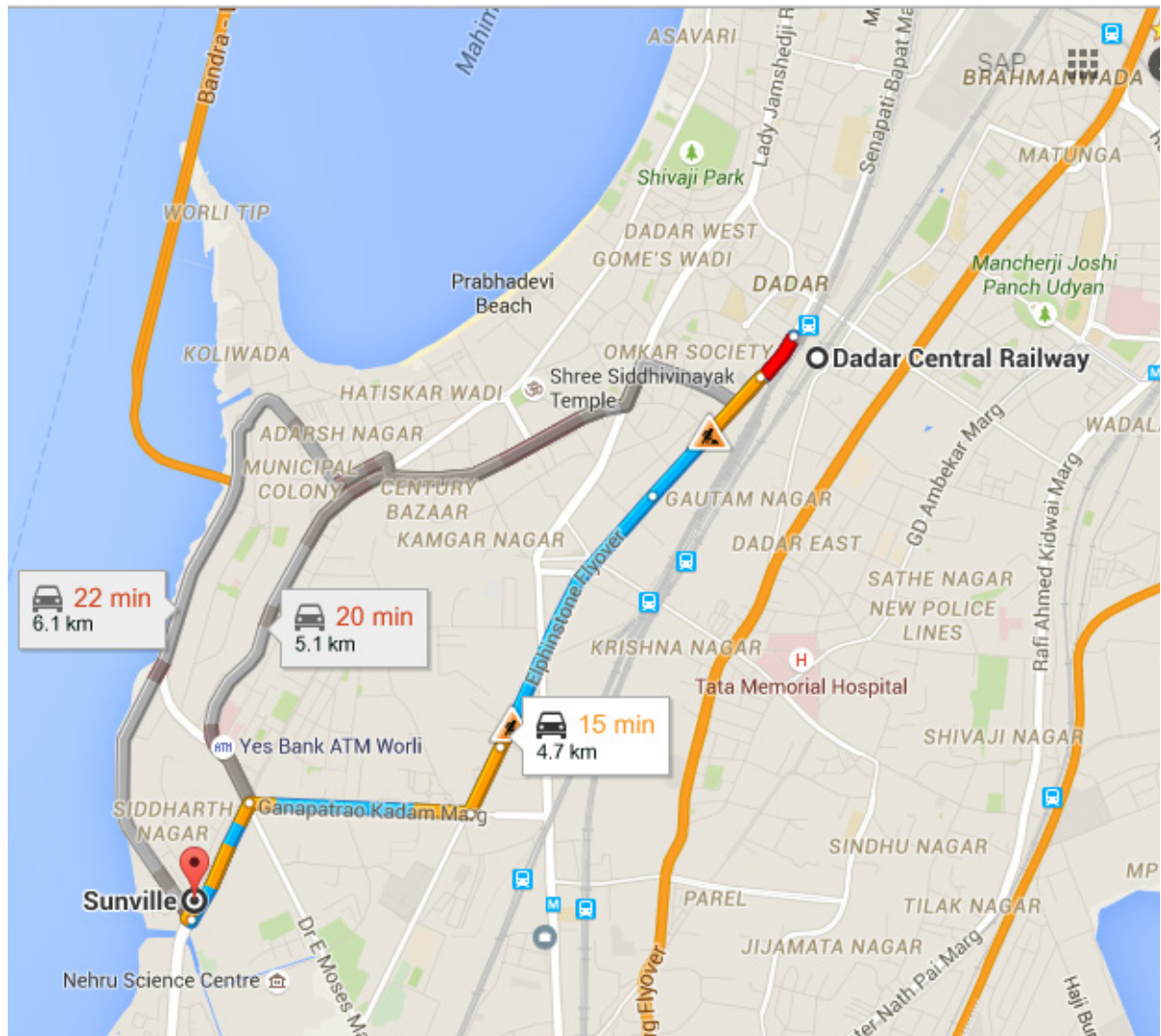
36th Annual General Meeting

Day & Date	Time	Venue
Monday, 10 th August 2015	3.00 p.m.	Sunville Banquets, Royal Hall, 3 rd Floor, 9, Dr. Annie Besant Road, Opposite Atria Mall, Worli, Mumbai, 400 018

I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company. I hereby record my presence at the Thirty-sixth Annual General Meeting of the Company.

Name of the Shareholder/ Proxy (IN BLOCK LETTERS)	Folio No./ DP ID and Client ID No.	Signature of the Shareholder/ Proxy

ROUTE MAP FOR AGM VENUE





ARTSON ENGINEERING LIMITED

(A subsidiary of Tata Projects Limited)

Corporate Identity Number: L27290MH1978PLC020644

Registered Office: 11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai- 400 076

Tel No.: + 91 22 66255600. **Fax:** + 91 22 66255614 **Email:** artson@artson.net. **Website:** www.artson.net

PROXY

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

Corporate Identity Number : L27290MH1978PLC020644
Name of the Company : Artson Engineering Limited
Registered Office : 11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai- 400 076

Name of the Member(s) :

Registered Address :

Email Id :

Folio No./ DP ID and Client Id No. :

I/ We being the member(s) of _____ shares of Artson Engineering Limited, hereby appoint:

1 Name : **Email Id** :
Address :
: **Signature** :
:

or failing him

2 Name : **Email Id** :
Address :
: **Signature** :
:

or failing him

3 Name : **Email Id** :
Address :
: **Signature** :
:

as my/ our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the Thirty-Sixth Annual General Meeting of the Company to be held on Monday, 10th August 2015 at 3.00 p.m. at Sunville Banquets, Royal Hall,

3rd Floor, 9, Dr. Annie Besant Road, Opposite Atria Mall, Worli, Mumbai, 400 018 and at any adjournment thereof in respect of such resolutions as are indicated below:

1. To receive, consider and adopt the Audited Financial Statements as at 31st March 2015, together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Pralhad Pawar (DIN: 06557071), who retires by rotation and being eligible, offers himself for re-election.
3. Appointment of Auditors.
4. Appointment of Ms. Leja Hattiangadi as Director.
5. Appointment of Ms. Leja Hattiangadi as an Independent Director under the provisions of Section 149 of the Companies Act, 2013.
6. To approve borrowing limits of the Company under Section 180 (1)(c) of the Companies Act, 2013.
7. Creation of Charges on the movable and immovable properties of the Company, both present and future, in respect of borrowings under Section 180 (1)(a) of the Companies Act, 2013.
8. To enter into Related Party transactions under Section 188 of the Companies Act, 2013 read with Companies (Meeting of the Board and its Powers) Rules, 2014.

Signed this _____ day of _____, 2015

Signature of Shareholder: _____

Signature of Proxy holder (s) : _____

**Affix
Revenue
Stamp**

Note: This form in order to be effective should be duly completed and deposited at the Registered Office of the Company, not less than 48 hours before the commencement of the Meeting.

