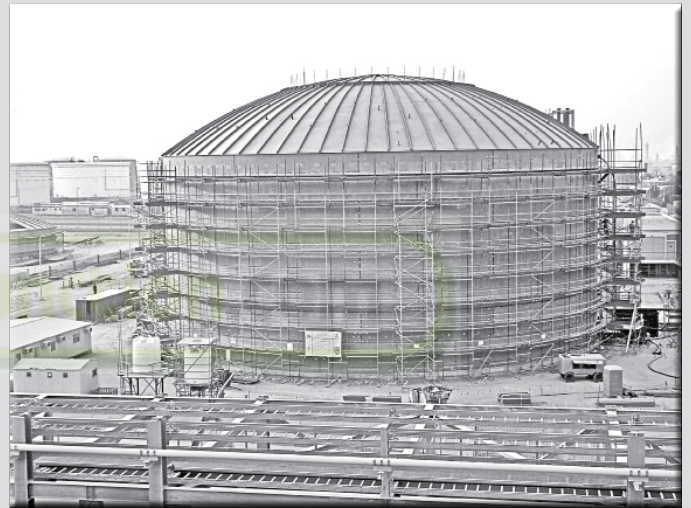




ARTSON ENGINEERING LIMITED

30TH ANNUAL REPORT



Artson Engineering Limited

Board of Directors (As on 22nd April 2009)

Chairman	Kishore Pal Singh
Vice Chairman	N. K. Jagasia
Directors	A. K. Misra
	H. H. Malgham
Special Director	Michael Bastian
Executive Director	Prakash S. Chopde

Report  Junction.com

Registered Office

Rang Udyan, Building No. 1, 2nd Floor
Sitladevi Temple Road, Mahim (West)
Mumbai 400 016

Bankers

Bank of India
Corporation Bank

Monitoring Agency

Bank of India

Registrar and Share Transfer Agents

Sharepro Services (India) Private Limited
Unit: Artson Engineering Limited
Samhita Warehousing Complex,
Building No. 13A-B,
Near Sakinaka Telephone Exchange,
Andheri-Kurla Road, Sakinaka,
Mumbai 400 072

Auditors

Chokshi & Chokshi, Chartered Accountants

Concurrent Auditors

Patel & Deodhar, Chartered Accountants

Artson Engineering Limited

Registered Office: Rang Udyan, Building No. 1, 2nd Floor, Sitladevi Temple Road, Mahim (West), Mumbai 400 016

NOTICE

Notice is hereby given that the 30th Annual General Meeting of the Members of the Company will be held on Wednesday, 22nd July 2009 at 4.00 p.m. at Chembur Gymkhana, Phase II, 16th Road, Chembur, Mumbai 400 071 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Profit and Loss Account for the Financial Year ended 31st March 2009 and the Balance Sheet as at that date, together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Kishore Pal Singh, who retires by rotation and being eligible, offers himself for re-election.
3. To appoint Auditors to hold Office until the conclusion of the 31st Annual General Meeting on a remuneration to be fixed by the Board of Directors.

M/s. Chokshi & Chokshi, Chartered Accountants, Mumbai, Auditors of the Company, retire at this Annual General Meeting and being eligible, offer themselves for re-appointment.

Special Business

4. Appointment of Mr. Arun Kumar Misra as a Director

To appoint a Director in place of Mr. Arun Kumar Misra, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st November 2008 and who holds office upto the date of ensuing Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 (the Act) but who is eligible for appointment and in respect of whom the Company has received a Notice in writing under Section 257 of the Act from a member proposing his candidature for the office of Director.

5. Change in the place of keeping the Register of Members, index of Members, Copies of Annual Returns and other Documents

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

“RESOLVED THAT pursuant to the provisions of Section 163 of the Companies Act, 1956 (the Act) and other provisions, as applicable, of the Act the Company hereby approves that the Register of Members, Index of Members, Copies of Annual Returns and such other documents, certificates, books and records be kept at the premises of Sharepro Services (India) Private Limited, the Company's Registrar and Share Transfer Agents situated at 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072 and also at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021.”

Notes:

1. A Member entitled to attend and vote at the meeting is entitled to appoint proxy and such proxy need not be a Member of the Company. 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 173(2) of the Companies Act, 1956, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
3. The Register of Members and the Transfer Books of the Company will remain closed from **Wednesday, 15th July 2009 to Wednesday, 22nd July 2009** (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. Shareholders are requested to address all correspondence in relation to shares related matters to the Company's Registrar and Share Transfer Agents at the following addresses:

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	Sharepro Services (India) private Limited (Investor Relation Centre) UNIT: Artson Engineering Limited 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021
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6. 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.
7. To facilitate registration an attendance slip is enclosed. Shareholders attending the Annual General Meeting are requested to bring it with them at the venue.

By Order of the Board,

VISHRAM PANCHPOR
Company Secretary

Mumbai, 9th June 2009



EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956, 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 No. 4:

Mr. Arun Kumar Misra was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st November 2008. Pursuant to the provisions of Section 260 of the Companies Act (the Act) and Article 147 (2) of the Articles of Association, Mr. Misra 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 257 of the Act from a member of the Company proposing Mr. Arun Kumar Misra, as a candidate for the office of a Director liable to retire by rotation.

Mr. A. K. Misra is a graduate in mechanical engineering from Calcutta University. He also holds a post-graduate diploma in Power Plant Engineering, Turbo Machine and Auxiliaries from Paris and fellow-membership of Indian Institute of Engineers. He has a very rich experience of nearly 34 years in Premier Power Plant Organisations, both in India and abroad. He has been associated at various stages in the design, construction and commissioning of Thermal Power Plants totaling to nearly 4000 MW. Mr. Misra is presently the Executive Director and Chief Operating Officer of Tata Projects Limited.

None of the Directors except Mr. Arun Kumar Misra is concerned with or interested in the said Resolution.

Item No. 5:

Pursuant to the provisions of Section 163 of the Companies Act, 1956 (the Act) certain documents such as the Register of Members, Index of Members, Register and Index of Debenture-holders, Copies of Annual Returns and such other documents, books etc. are required to be kept at the Registered office of the Company. However, the said Section further provides that such registers, indexes, documents and records can be kept at any other place situated within the same city, town or village in which the Registered Office of the Company is situated and such other place has been approved by a special resolution passed by the Company at a General Meeting.

Sharepro Services (India) Private Limited, Registrar and Share Transfer Agents of the Company (Sharepro), has informed the Company about change in their Registered Office address from Satam Estate, 3rd Floor, Above Bank of Baroda, Cardinal Gracious Road, Chakala, Andheri (E), Mumbai 400 099 to 13AB, Samhita Warehousing Complex, 2nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072.

Sharepro has further informed that for the sake of expediency various registers and documents be also kept at its Investor Relation Centre located at 912, Raheja Centre, Free Press Journal Road, Nariman Point, Mumbai 400 021.

In view of change in the place of keeping various registers, returns and documents etc. it is necessary to seek approval of the Members.

Members' approval, by way of a Special Resolution, is sought pursuant to Section 163 of the Act for keeping the aforementioned registers and documents at Sharepro's premises as stated in the Resolution.

None of the Directors is concerned with or interested in the said Resolution.

Mumbai, 9th June 2009

By Order of the Board,

VISHRAM PANCHPOR
Company Secretary

INFORMATION PERTAINING TO DIRECTORS SEEKING RE-APPOINTMENT/APPOINTMENT

Name	Mr. Kishore Pal Singh	Mr. Arun Kumar Misra
Date of Birth	24 th January 1942	3 rd October 1945
Qualifications	Civil Engineer, University of Roorkee	Mechanical Engineer, Jadavpur University, Calcutta Postgraduate Diploma in Power Plant Engineering, Turbo Machine and Auxiliaries
Specialised Expertise	Construction and Project Management	Construction and Project Management
Directorship in other Indian companies	Tata Projects Limited	Tata Projects Limited TEIL Projects Limited
Positions in Committees* of other Indian companies	Nil	Nil
Number of shares held in the Company as on 31st March 2009	Nil	Nil
Relationship, if any, with other Directors	Not Related to any of the Directors	Not Related to any of the Directors

* Only Audit and Investor Grievances Committees considered.

DIRECTORS' REPORT

TO THE MEMBERS OF ARTSON ENGINEERING LIMITED

The Directors present their Thirtieth Annual Report along with the Audited Statement of Accounts for the financial year ended 31st March 2009.

1. Performance of the Company

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

Financial Highlights

	Financial Year ended 31 st March 2009	(Rupees Crore) Accounting Year (18 months) ended 31 st March 2008
Sales and Other Income	34.72	52.10
Profit/(Loss) before depreciation	(3.81)	(0.27)
Profit/(Loss) before tax	(4.55)	(1.22)
Profit/(Loss) after tax	(4.86)	(1.43)
Profit/(Loss) brought forward	(12.33)	(23.76)
Add: Prior Period Expenses	(0.15)	(0.32)
Capital Restructuring Account	—	12.33
Transfer from General Reserve	0.20	0.85
Profit/(Loss) available for appropriation	(17.14)	(12.33)

The Accounting Year ended 31st March 2008 comprised of a period of 18 months. The financial results for the year under Report are for a period of 12 months and hence the figures are not strictly comparable.

Operations

For the period under review, the Company has recorded a Total Income of Rs. 34.72 Crore with a Loss after Tax of Rs. 4.86 Crore.

The turnover was below the expected levels due to reduction in the contractual scope of work and general economic slowdown. Delays in receipt of Client-supplied materials and contractual time extensions contributed to unexpected establishment over-run expenses, which coupled with some unexpected liabilities adversely affected the operating results of the Company for the period under review. Increase in certain overheads to augment resources for implementation of major orders received during the year further increased the loss.

During the year, the Company received new Orders aggregating to Rs. 248 Crore for construction of crude-oil storage tanks, intermediate and product storage tanks and associated facilities. The execution activities for most of these Orders have recently commenced at various sites, in India as well as abroad, and hence the Company's performance is expected to be better during the fiscal year 2009-10.

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

The Board for Industrial and Financial reconstruction (BIFR) had, vide its Order dated 18th December 2007, sanctioned a rehabilitation scheme (Sanctioned Scheme) and the said Sanctioned Scheme is under implementation.

The Company preferred an appeal to the Appellate Authority for Industrial and Financial Reconstruction (AAIFR) seeking certain modifications in the Sanctioned Scheme relating to the reliefs and concessions from the Income Tax Department, Bombay Stock Exchange Limited and Nashik Municipal Corporation. The AAIFR's Order dated 1st January 2009, has modified the Sanctioned Scheme and has extended the reliefs and concessions to the Company.

3. Change of Registered Office of the Company

Effective 29th July 2008, the Registered Office of the Company has been shifted from Plot No. 426, 1st Floor, M. L. Aggarwal Building, Waman Tukaram Patil Marg, Chembur, Mumbai 400 071 to Rang Udyan Building No. 1, 2nd Floor, Sitladevi Temple Road, Mahim (West), Mumbai 400 016.

4. Directors' Responsibility Statement

Directors' Responsibility Statement as required under Section 217(2AA) of the Companies Act, 1956 and forming part of the Directors' Report for the year ended 31st March 2009:

- a. That in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b. That the Directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year and of the profit or loss of the Company for that period;
- c. That 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. That the Directors had prepared the annual accounts on a going concern basis.

5. Directors

Mr. Shailendra Krishan, who had been nominated as a Director by Tata Projects Limited, resigned as a Director of the Company effective 1st November 2008. The Board has placed on record its appreciation of Mr. Krishan's valuable contribution to the Company. Effective that date, Tata Projects Limited has nominated Mr. Arun Kumar Misra as a Director of the Company and he has been appointed as an Additional Director of the Company effective 1st November 2008. Pursuant to Section 260 of the Companies Act, 1956, Mr. Misra holds office upto the ensuing Annual General Meeting, but is eligible for re-appointment. The Company has received a notice in writing from a Member proposing candidature of Mr. Misra for the office of a Director.

As per the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. K. P. Singh retires by rotation and is eligible for re-appointment.

6. Auditors

M/s. Chokshi & Chokshi, Chartered Accountants, the Statutory Auditors of the Company are due to retire at the ensuing Annual General Meeting. The Company has received a certificate from the Statutory Auditors, under Section 224 (1) (b) of the Companies Act, 1956, stating that they are eligible for re-appointment and the said re-appointment, if made, will be within the prescribed limits.

7. Particulars of Employees

Particulars of the employees as required under Section 217 (2A) of the Companies Act, 1956 are not applicable as the Company did not have any employee drawing remuneration in excess of the sums prescribed.

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

Particulars prescribed under Section 217(1) (e) of the Companies Act, 1956 are given in an Annexure to this Report.