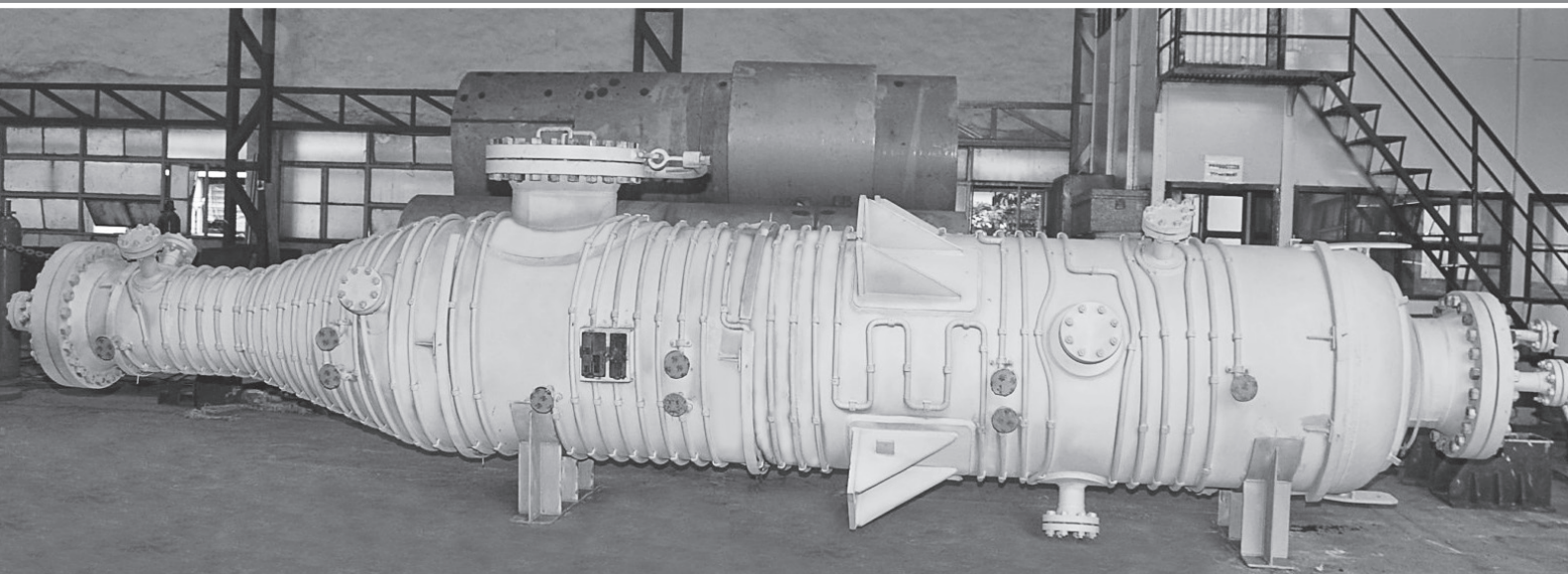




ARTSON ENGINEERING LIMITED

(A subsidiary of Tata Projects Limited)



35th ANNUAL REPORT
2013-14



Certificate of Appreciation

This Certificate Award to

Artson Engineering Limited

for the significant achievement of

5 million safe man hours

*During the Kalinga Project execution at Tata Steel
Growth, Adityapur Complex in multiple fabrication yards*

S. S. Prakash Rao.

S S Prakash Rao
Head, HSE

Rupam Bhaduri.

Rupam Bhaduri
E.I.C, Tata Steel Growth

Certificate of Appreciation for Safety

on cover : 1) Nitrogen Buffer Vessel manufactured at Nashik factory

2) Flash Drum manufactured at Nashik factory

Artson Engineering Limited

(A subsidiary of Tata Projects Limited)

Corporate Identity Number: L27290MH1978PLC020644

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

BOARD OF DIRECTORS

(As on 14th May 2014)

Chairman **Vinayak Deshpande**

Directors **A. K. Misra**

Michael Bastian

Nalin Shah

Pralhad Pawar

Special Director **Shashikant Oak**

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, Chartered Accountants

Internal Auditors

Patel & Deodhar, Chartered Accountants

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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 35th Annual General Meeting of the Members of the Company will be held on Friday, 8th August 2014 at 4.00 p. m. at Sunville Banquets, Orchid Hall, 2nd 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 2014, together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Vinayak Deshpande (DIN: 00036827), who retires by rotation and being eligible, offers himself for re-election.
3. To appoint Auditors to hold Office until the conclusion of the 36th Annual General Meeting on a remuneration to be fixed by the Board of Directors. M/s. Chokshi & Chokshi, Chartered Accountants, Mumbai, the retiring Auditors are eligible for appointment.

Special Business

4. Remuneration of Cost Auditor

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

“RESOLVED THAT the remuneration of ₹ 75,000/- (excluding taxes, cess etc.), plus the actual out of pocket expenses incurred in relation to the cost audit, payable to the Cost Auditors of the Company, M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, having Registration No. 000010 for conducting the audit of the cost accounting records maintained by the Company for the Financial Year 2014-15 as approved by the Board of Directors, be and is hereby ratified.”

5. Appointment of Mr. Michael Bastian 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 (**“Act”**) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Michael Bastian (DIN: 00458062), a non-executive Director of the Company, who has submitted a declaration that he 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, with effect from 8th August 2014 up to 4th August 2019.”

6. Appointment of Mr. Nalin Shah 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 (**“Act”**) and the Rules framed there under read with Schedule IV to the Act, as amended from time to time, Mr. Nalin Shah (DIN: 00882723), a non-executive Director of the Company, who has submitted a declaration that he 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, with effect from 8th August 2014 up to 7th August 2019.”

7. Availing additional facilities at the Company's Nagpur Manufacturing facility.

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

"RESOLVED THAT pursuant to the provisions of Section 188 of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers) Rules, 2014, the Company hereby approves that the additional manufacturing facilities created by Tata Projects Limited ("TPL") on the land admeasuring about 26,330.20 sq mtrs, towards South end of total Area of 1,64,160 Sq. Mtrs of the land (located at Plot No.D1, Umred Industrial Area, Village: Dhurkheda, Taluk: Umred, District: Nagpur) leased to TPL by Maharashtra Industrial Development Corporation ("MIDC"), be taken on sub-let basis from TPL effective from 9th August 2014 up to 31st July 2016 at a License fee of ₹ 50,000/- per month on the terms and conditions contained in the Supplemental Sub-Let Agreement, placed before the Meeting, duly initialed by the Chairman of the Meeting for the purpose of identification.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorised to take all such steps, as may be necessary, proper and expedient to give effect to this Resolution."

Notes:

- 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.**
- 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.
- The Register of Members and the Share Transfer Books of the Company will remain closed from Monday, 4th August 2014 to Friday, 8th August 2014 (both days inclusive).
- Members holding shares in electronic form are requested to bring their Client ID and DP ID numbers at the Meeting for easy identification.
- To facilitate registration an attendance slip is enclosed. Shareholders attending the Annual General Meeting are requested to bring it with them at the venue.
- 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**.
- 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)
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

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, the Notice convening the 35th Annual General Meeting along with the Financial Statements for the year ended 31st March 2014, 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:

10. In terms of Section 108 of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014, the Company is pleased to offer e-voting facility for the Members to exercise their votes.
11. The Company has engaged National Securities Depository Limited (NSDL) to provide e-voting facilities to the Members of the Company.
12. The Board of Directors of the Company has appointed Mr. Punit Shah, Partner of M/s. P. P. Shah & Co., Practicing Company Secretaries, Mumbai (Membership Number: ACS 20536) as the Scrutinizer to scrutinize the e-voting process in a fair and transparent manner.
13. The voting window shall remain open from Saturday, 2nd August 2014 from 9.00 a.m. to Monday, 4th August 2014 at 6.00 p.m. ["Voting period"]. During this period, shareholders of the Company holding shares either in physical form or dematerialized form, as on the cut-off date (record date) of 4th July 2014, may cast their votes electronically. The e-voting module will be disabled by NSDL for voting thereafter.
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 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 “e-voting”:- **to view 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 close of Monday, 4th August 2014, whichever is earlier.
- VIII. Now you are ready for “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 pslawsec@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 Annual General Meeting.
- XII. In case you have any queries or issues regarding e-voting, you may refer Frequently Asked Questions (FAQs) for shareholders and e-voting user manual for Shareholders available at the “downloads” section of www.evoting.nsdl.com or call on 022 24994433.
- XIII. Since the Company is required to provide members the facility to casts their vote by electronic means, shareholders of the Company, holding shares either in physical form or dematerialized form, as on the cut-off date (record date) of 4th July 2014 and not casting their vote electronically, may only casts their vote at the Annual General Meeting.
- XIV. During the voting period, the Members can login any number of times till they have voted on all the Resolutions.
- XV. The voting period for e-voting module ends on Monday, 4th August 2014 at 6.00 p.m. The e-voting module shall also be disabled by NSDL at 6.00 p.m. on the same day.
- XVI. The Scrutinizer shall within a period of not exceeding 3 (three) working days from the conclusion of the e-voting period, unblock the votes in the presence of at least 2 witnesses, not in employment of the Company and make a Scrutinizer’s Report of the votes cast in favour of or against, if any, forthwith to the Chairman.
- XVII. The voting rights of the shareholders shall be in proportion to their shares of the paid-up equity capital of the Company as on 4th July 2014.
- XVIII. 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 within 2 days of the passing of the resolutions at the 35th Annual General Meeting on 8th August 2014 and will be communicated 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: 27th June 2014

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 No. 4:

The Board of Directors of the Company has appointed M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai as the Cost Auditor of the Company, in terms of Section 148 of the Companies Act, 2013 ('the Act'), for conducting the audit of the cost accounting records maintained by the Company for the Financial Year 2014-15 and fixed a sum of ₹ 75,000/- as remuneration payable to the said Firm for the Financial Year 2014-15.

The remuneration, as recommended by the Audit Committee and approved by the Board, is required to be determined by the members of the Company, as per the requirements of Section 148 (3) of the Act read with the Companies (Audit and Auditors) Rules, 2014.

None of the Directors or Key Managerial Personnel of the Company or their respective relatives are concerned or interested, in the resolution as mentioned in Item no. 4 of the Notice.

Accordingly, the Board recommends the Ordinary Resolution, as set out in Item no.4, for ratification by the shareholders of the Company.

Item No. 5:

The Shareholders at the Annual General Meeting held on 21st July 2010, approved the appointment of Mr. Michael Bastian, as a Director of the Company, liable to retire by rotation. Mr. Bastian, is a Chartered Accountant by profession and has considerable knowledge and vast experience in the fields of banking, finance and corporate governance.

Mr. Michael Bastian was a non-Executive Director of the Company and was considered as Independent Director under Clause 49 of the Listing Agreement entered into by the Company with Bombay Stock Exchange Limited.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, 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. Mr. Michael Bastian has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Michael Bastian as Independent Director was placed before the Nomination & Remuneration Committee, which recommends his appointment as an Independent Director up to 4th August 2019 in accordance with the retirement age policy for Directors of the Company.

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

Mr. Michael Bastian is interested and concerned in the Resolution mentioned at Item No. 5 of the Notice. Other than Mr. Michael Bastian, no other Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 5 of the Notice.

Item No. 6:

The Shareholders at the Annual General Meeting held on 12th July 2013, approved the appointment of Mr. Nalin Shah, as a Director of the Company, liable to retire by rotation. Mr. Shah, holds a Degree in Business Administration from the University of San Francisco and is a Member of the Institute of Chartered Accountants in England and Wales. Mr. Shah has handled audits of many leading organizations in almost all key sectors of the economy.

Mr. Nalin Shah was a non-Executive Director of the Company and was considered as Independent Director under Clause 49 of the Listing Agreement entered into by the Company with Bombay Stock Exchange Limited.

As per the provisions of Section 149 of the Companies Act, 2013 ("Act") which has come into force with effect from 1st April, 2014, 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. Mr. Nalin Shah has given a declaration to the Board that he meets the criteria of independence as provided under Section 149 (6) of the Act.

The matter regarding appointment of Mr. Nalin Shah as Independent Director was placed before the Nomination & Remuneration Committee, which recommends his appointment as an Independent Director up to 7th August 2019.

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

Mr. Nalin Shah is interested and concerned in the Resolution mentioned at Item No. 6 of the Notice. Other than Mr. Nalin Shah, no other Directors, Key Managerial Personnel or their respective relatives are concerned or interested in the Resolution mentioned at Item No. 6 of the Notice.

Item No. 7:

With a view to expand the Company's operations at the Manufacturing facility at Nagpur, the Company had approached Tata Projects Limited (TPL) and it has agreed to provide additional land admeasuring about 26,330.20 Sq. Mtrs along with the plant and machinery.

It is proposed to avail the aforementioned additional manufacturing facilities from TPL on a sub-let basis effective 9th August 2014 upto 31st July 2016 at a license fee of ₹ 50,000/- per month. 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 present financial position of the Company, TPL has agreed to extend this additional facility on sub-let basis without insisting on any security deposit.

TPL will seek the approval of Maharashtra Industrial Development Corporation (MIDC) for the aforementioned transaction.

Pursuant to the provisions of Section 188 of the Companies Act, 2013 and the Companies (Meetings of Board and its Powers), Rules, 2014, the aforesaid transaction of availing the property on lease basis, requires the prior approval of the Members as the same is being entered into with TPL, the Holding Company and a related party within the meaning of Section 2 (76) of the Companies Act, 2013 and the since the Company's Net Worth is negative.

A draft of the Supplemental Sub-Let Agreement to be entered with TPL containing the terms and conditions for availing the additional facility is available for inspection at the Registered Office of the Company during the business hours of the Company.

The Board of Directors of the Company and that of TPL at its Meetings held on 14th May 2014 and 20th May 2014 respectively has granted its approval for the transaction.

The Board recommends passing of the Special Resolution at Item No. 7 for approval.

Mr. Vinayak Deshpande, Chairman, Mr. A. K. Misra, Director and Mr. Pralhad Pawar, Director, being nominees of Tata Projects Limited on the Board of the Company, are considered to be interested in Item No. 7 of the Notice.

Other than Mr. Vinayak Deshpande, Mr. A. K. Misra, Mr. Pralhad Pawar, 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

Date: 27th June 2014

ANUJA BHATE
Company Secretary