



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

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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.