



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 2014
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.
		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 th 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 st March 2013, accordingly, the Company has filed application on 17 th October 2013 to BIFR seeking an extension and modification of the Sanctioned Scheme. The modification also includes conversion of Loans of Rs. 4418 Lakh (including interest up to 31 st March 2013 and loan of Rs. 300 Lakh taken during the three months period ended 30 th June 2013, but excluding interest of Rs. 94.27 Lakh for the three months period ended 30 th June 2013) of the Holding Company as on 31 st 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 for the nine months ended 31 st March 2014 amounting to Rs. 302.56 Lakh (including Rs. 99.38 Lakh for the quarter ended 31 st March 2014). The Management is considering various

WMS

Corporate Identity Number L27290MH1978PLC020644

ARTSON ENGINEERING LIMITED

A subsidiary of

TATA PROJECTS LIMITED

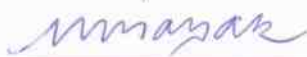



Regd. Office : 11th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai 400 076

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

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





		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 Auditors Report for the year ended 31 st March 2014.
4.	Frequency of observation	The matter of emphasis has appeared for the second 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- <ul style="list-style-type: none">• CEO/Managing Director• CFO• Auditor of the company• Audit Committee Chairman	<div> VINAYAK DESHPANDE Chairman</div> <div> SHAILESH JAIN Chief Financial Officer</div> <div> VINEET SAXENA Partner, Chokshi & Chokshi Statutory Auditors</div> <div> NALIN SHAH Chairman - Audit Committee</div>

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



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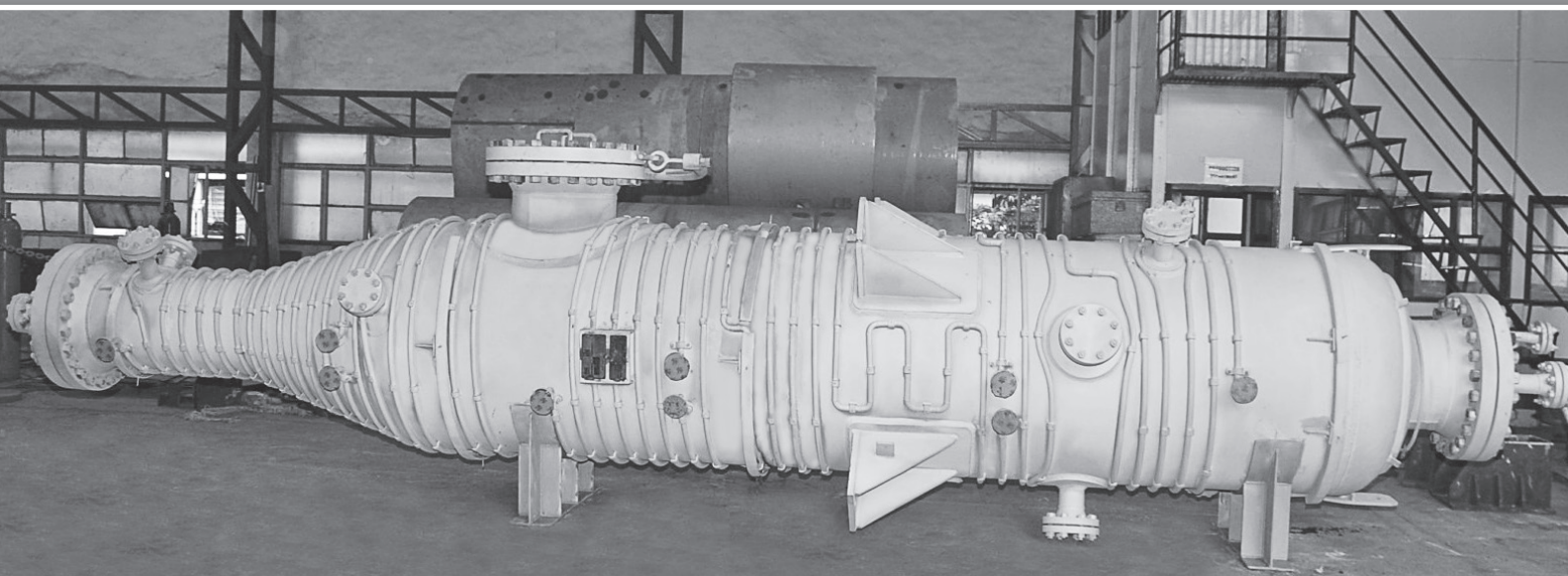
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ARTSON ENGINEERING LIMITED

(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

INFORMATION PERTAINING TO DIRECTORS SEEKING RE-APPOINTMENT / APPOINTMENT

Name of the Director	Mr. Vinayak Deshpande	Mr. Michael Bastian	Mr. Nalin Shah
Director Identification Number (DIN)	00036827	00458062	00882723
Date of Birth	21 st July 1957	5 th August 1944	13 th February 1947
Directorship in other Indian companies	<ol style="list-style-type: none"> 1. Tata Projects Limited 2. Kennametal India Limited 3. Nelco Limited 4. Voltas Limited 5. Tata Projects Infrastructure Limited 	<ol style="list-style-type: none"> 1. Elder Pharmaceuticals Limited 2. Orient Paper & Industries Limited 3. Bangalore Stock Exchange Limited 	<ol style="list-style-type: none"> 1. Eimco Elecon (India) Limited 2. DCB Bank Limited 3. ABC Bearings Limited 4. Chola mandalam Investment & Finance Company Limited
Directorship in foreign companies	<ol style="list-style-type: none"> 1. TPL– TQA QS South Africa (Proprietary) Ltd. 2. TPL – TQA QS (Mauritius) Pty Ltd. 	Nil	Nil
Positions in Committees* of other Indian companies	<ol style="list-style-type: none"> 1. Kennametal India Limited, Audit Committee, Member 2. Nelco Limited, Audit Committee, Member 	<ol style="list-style-type: none"> 1. Elder Pharmaceuticals Limited, Audit Committee, Chairman 2. Orient Paper & Industries Limited, Investor Grievances Committee, Chairman 3. Orient Paper & Industries Limited, Audit Committee, Member 4. Bangalore Stock Exchange Limited, Audit Committee, Member 	<ol style="list-style-type: none"> 1. Eimco Elecon (India) Limited, Audit Committee, Chairman 2. ABC Bearings Limited, Investor Grievance Committee, Chairman. 3. DCB Bank Limited, Audit Committee, Investor Grievances Committee, Member 4. Chola mandalam Investment & Finance Company Limited, Audit Committee, Member
Number of shares held in the Company	Nil	Nil	Nil
Relationship, if any, with other Directors	Nil	Nil	Nil

* Only Audit and Investor Grievances Committees considered.

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors present their Thirty-Fifth Annual Report along with the Audited Financial Statement for the Financial Year ended 31st March 2014.

1. Performance of the Company

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

Financial Highlights

	Financial Year ended 31 st March 2014	Financial Year ended 31 st March 2013
		(₹ Crore)
Sales and Other Income	79.61	59.25
Profit/ (Loss) before Finance Cost, Tax, Depreciation and Exceptional Items	(1.84)	(29.70)
Profit/ (Loss) before tax	(8.33)	(39.41)
Profit/ (Loss) after tax	(8.33)	(39.40)
Profit/ (Loss) brought forward	(59.07)	(19.67)
Profit/ (Loss) available for appropriation	(67.40)	(59.07)

Operations

The Company's Total Income for the year under review aggregated ₹ 79.61 Crore (Previous year – ₹ 59.25 Crore). The operations of the Company for the period under review resulted in a Loss after Tax of ₹ 8.33 Crore (Previous year – Loss after Tax ₹ 39.40 Crore).

The Company commenced the financial year with an order backlog of about ₹ 54 Crore. During the year under review, the Company received new orders with estimated value of about ₹ 116 Crore. Out of this, the Company received a repeat order for the works entailing structural fabrication at Gamharia, Jamshedpur and a major order for fabrication, erection, assembly, painting, supply and transportation of various building structures. Thus, the total orders available for execution aggregated approx. ₹ 170 Crore, leaving behind a backlog at the year end of approximately ₹ 66 Crore.

The year in retrospect was a difficult year in terms of operations. The Clients who had awarded contracts to the Company either reduced the contract value or the scope of works. Moreover, since the market conditions were not conducive, few of the orders did not materialise. As a result, the Turnover of the Company was below the expectations.

During the year under review, the Company completed all mechanical works pertaining to the construction of 21 (Twenty One) tanks at Liquid Tank Terminal at Haldia. The Company has completed construction of Export Oil Storage tank at Barmer and blasting and painting is in progress and hydro test balance is expected to complete in the first quarter of the Financial Year 2014–15. The structural fabrication activities at Gamharia, Jamshedpur were carried out in a smooth manner and are likely to be completed by second quarter of the Financial Year 2014–15.

The Company has also completed site demobilisation activities at Dahej, Gujrat, KPO, Odisha and Cuddalore, Tamil Nadu.

The Company's Nashik Factory received an Order for design, engineering, manufacturing, supply, testing and commissioning of 12 nos. of Buffer Vessels. 4 (Four) vessels were delivered up to the end of the Financial Year under review and delivery of balance vessels is likely to be completed by second quarter of the Financial Year 2014–15.

The Company has started a new manufacturing facility at Umred, Nagpur wherein medium to heavy structural fabrication works are undertaken. The Order pertaining to fabrication of the building structures is being executed at this Manufacturing facility.

With a view to bring stability in operations, the Company's Management plans to concentrate more on Fabrication/ Manufacturing instead of EPC related projects activities. The Company will continue to be selective and cautious in carrying out 'Tankage' related works. It is perceived that the strategy to take orders for fabrication work from Tata Companies will help to further stabilise the operations of the Company.

With the support of Tata Projects Limited, the Company is hopeful of reporting improved performance in the years to follow.

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

During the year under review, the Company had filed a Miscellaneous Application ("MA") with the Board for Industrial and Financial Reconstruction (BIFR). The said MA, amongst others, contained 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. The said MA, though heard by the Hon'ble Bench Members earlier, is now scheduled for hearing afresh as one of the Hon'ble Bench Members had demitted the office on his retirement. The Company is hopeful that the BIFR will graciously consider the Company's proposals and will approve the modifications contained therein.

3. Term loan and Inter-Corporate Deposits from Tata Projects Limited

As mentioned in the earlier paragraph, in order to ensure early revival and to achieve positive net worth, the Company's Miscellaneous Application contains the above-mentioned proposal on financial restructuring. In view of this, 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). During the course of the proceedings before the Hon'ble BIFR, TPL has conveyed its consent to the proposed modifications and also to support the Company's operations.

4. Directors' Responsibility Statement

Pursuant to Section 217 (2AA) of the Companies Act, 1956, for the year ended 31st March 2014 the Directors, based on the representations received from the Management, confirm that:

- a. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures, if any;
- 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; and
- d. the Directors had prepared the annual accounts on a going concern basis.

5. Directors

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 Mr. Michael Bastian and Mr. Nalin Shah, as Independent Directors on the Board of the Company for a term of 5 consecutive years effective from the ensuing Annual General Meeting.

Mr. Bastian and Mr. Shah satisfy the criteria for independence laid down in the Companies Act, 2013 and accordingly, the Board recommends the proposal for appointment of Mr. Michael Bastian and Mr. Nalin Shah as Independent Directors 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. Vinayak Deshpande retires by rotation and being eligible, offers himself for re-appointment.

6. Audit Committee

Mr. H.H. Malgham retired by rotation and did not seek re-election. Consequent to ceasing to be a Director, he has also ceased to be the Chairman of the Audit Committee.

Mr. Nalin Shah, Director and member of the Audit Committee was appointed as the Chairman of the Audit Committee effective from the conclusion of the Annual General Meeting held on 12th July 2013.

The Audit Committee comprises of Mr. Nalin Shah, Mr. Michael Bastian and Mr. Shashikant Oak. The Audit Committee continues to provide valuable advice and guidance in the areas of costing, finance and internal controls.

7. 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 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.

8. Cost Auditors

The Central Government has approved the appointment of M/s. R. Nanabhoy & Co., Cost Accountants, Mumbai, as the Cost Auditors for conducting the cost audit for the Financial Year ended 31st March 2014. Cost Audit for the Financial Year ended 31st March 2014 is under process at the time of finalisation of this Report.

9. Particulars of Employees

Information as per Section 217 (2A) of the Companies Act, 1956, read with the Companies (Particulars of Employees) Rules, 1975 forms part of this Report. However, as per Section 219 (1) (b) (iv) of the Companies Act, 1956, this Report together with the Accounts is being sent to all the shareholders of the Company excluding the Section 217 (2A) statement. Any shareholder

interested in obtaining a copy of the said statement may write to the Company Secretary at the Registered Office of the Company.

10. 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.

11. Report on Corporate Governance

Pursuant to Clause 49 of the Listing Agreement, a Report on the Corporate Governance together with the Auditors' Certificate on compliance with the conditions of Corporate Governance as laid down forms part of this Report and are annexed hereto.

12. Management Discussion and Analysis Report

Management Discussion and Analysis for the Financial Year ended 31st March 2014 is separately given and forms part of this Report.

13. Acknowledgements

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

For and on behalf of the Board of Directors

VINAYAK DESHPANDE

Chairman

Mumbai, 14th May 2014

ANNEXURE TO THE DIRECTORS' REPORT

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

Information as per Section 217 (1) (e) read with Companies (Disclosure of Particulars in the Report of the Board of Directors) Rules, 1988 and forming part of the Directors' Report for the Financial Year ended 31st March 2014:

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 office premises as well as in the Nashik Factory and the Company's Manufacturing facility at 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 2014	Financial Year ended 31 st March 2013
Earnings	1.72	4.97
Outgo	1.59	7.35

For and on behalf of the Board of Directors

VINAYAK DESHPANDE

Chairman

Mumbai, 14th May 2014

CORPORATE GOVERNANCE REPORT

Company's philosophy on the Code of Governance

The Company has worked with a philosophy and mission of good governance in every field. The Company believes that the Corporate Governance code will enhance the growth of benefits to all the stakeholders. The core values followed by the Company truly reflect this spirit by focusing on the customer, shareholders and employees.

The broad disclosures as required by the Stock Exchange and regulatory authorities are given below:

1. Board of Directors

A. Composition of the Board of Directors – 31st March 2014

Name of the Director	Business Relationship	Executive/Non-Executive/Independent
Mr. Vinayak Kashinath Deshpande	Chairman	Non-Executive, Nominee of Tata Projects Limited (TPL)
Mr. Arun Kumar Misra	Director	Non-Executive, Nominee of TPL
Mr. Michael Bastian	Director	Non-Executive, Independent
Mr. Shashikant Waman Oak	Special Director	Non-Executive, Independent, Nominee of BIFR
Mr. Nalin Mansukhlal Shah	Director	Non-Executive, Independent
Mr. Pralhad Anant Pawar	Director	Non-Executive, Nominee of TPL

Mr. H. H. Malgham retired by rotation and did not seek re-election. He ceased to be a Director of the Company effective from the conclusion of the Annual General Meeting held on 12th July 2013.

Mr. P. S. Chopde resigned as an Executive Director (Manufacturing) of the Company effective 10th April 2013 and consequently ceased to be a Director of the Company.

None of the Directors are related to each other.

The information prescribed under the Listing Agreement on Directors seeking appointment and re-appointment to be sent to shareholders is stated in the Notice of the Annual General Meeting.

B. Non-Executive Directors' compensation and disclosures

At the Meeting held on 22nd January 2008, the Board of Directors has passed a Resolution for payment of ₹ 5,000/- as Sitting Fees to each Non-Executive Director for attending each of the Board, Audit and Management Committee Meetings. The Board, has vide its Resolution dated 12th January 2010, partially modified the above Resolution to pay the Sitting Fees of ₹ 5,000/- also for attending each Meeting of the Remuneration Committee. No Sitting Fee is payable for attending the Meetings of other Committees of the Board. The said fee is within the limits prescribed under the Notification No. G. S. R. 580 (E) dated 24th July 2003 issued by the Department of Company Affairs.

Accordingly, the total sitting fees paid to the Non-Executive Directors are as under:

Name of the Director	Sitting Fees (₹)
Mr. H. H. Malgham	20,000
Mr. Arun Kumar Misra	25,000
Mr. Michael Bastian	40,000
Mr. Shashikant Waman Oak	65,000
Mr. Nalin Mansukhlal Shah	45,000
Total	1,95,000

Pursuant to the provisions of Section 309(6) of the Companies Act, 1956, Mr. Vinayak Deshpande is not eligible to receive any remuneration from the Company.

Mr. Pralhad Pawar is a nominee appointed by Tata Projects Limited (TPL). He is presently the Executive Vice President and Business Head of OG & H of TPL. Presently no remuneration is paid to Mr. Pawar.

Presently no commission or any remuneration other than the sitting fees is paid to the Non-Executive Directors. The Company does not have any Stock Option Scheme for the Non-Executive Directors.

C. Board Meetings:

5 Board Meetings were held during the period under review and the gap between any two Board Meetings did not exceed four months. The dates of these Board Meetings are 10th May 2013, 12th July 2013, 19th October 2013, 20th January 2014 and 25th March 2014.

The information, as required under Annexure IA to the Clause 49 of the Listing Agreement, is placed before the Board of Directors for deliberations and decisions.

Name of the Director	Number of Board Meetings attended	Number of Board Meeting held during the tenure	Attendance at the 34th Annual General Meeting
Mr. Vinayak Kashinath Deshpande	5	5	Yes
Mr. Hoshie Hirji Malgham	2	2	Yes
Mr. Arun Kumar Misra	3	5	No
Mr. Michael Bastian	4	5	Yes
Mr. Shashikant Waman Oak	5	5	Yes
Mr. Nalin Mansukhlal Shah	5	5	Yes
Mr. Pralhad Pawar	5	5	Yes

Leave of Absence was granted to Director(s) who had expressed inability to attend the Meeting.

Directorships and Committee Memberships of Directors in other companies – as on 31st March 2014

Name of the Director	No. of Directorships in other companies [@]	No. of Committee Memberships in other companies [*]	
		Chairman	Member
Mr. Vinayak Deshpande	5	–	2
Mr. A. K. Misra	1	1	–
Mr. Michael Bastian	3	2	2
Mr. Shashikant Oak	–	–	–
Mr. Nalin Shah	4	2	2
Mr. Pralhad Pawar	–	–	–

* For this purpose, Chairmanship/ Membership in Audit Committee and Shareholders' /Grievances Committee of public limited companies, whether listed or not, is considered.

@ Directorship, if any, in foreign companies and private limited companies are not considered.

D. Code of Conduct

The Board of Directors had, at its Meeting held on 8th May 2008, approved and adopted a Code of Conduct applicable to the Directors and the Senior Management personnel. All the Directors and senior management personnel have complied with the Code of Conduct as approved and adopted by the Board of Directors. Mr. Vinayak Deshpande, Chairman has confirmed Compliance by all concerned in this respect.

Committees constituted by the Board of Directors

2. Audit Committee

The composition of the Committee as at 31st March 2014 is given below.

Name of the Member	Position	Executive/Non-Executive/Independent
Mr. Nalin Shah*	Chairman	Non-Executive, Independent
Mr. Michael Bastian	Member	Non-Executive, Independent
Mr. Shashikant Oak	Member	Non-Executive, Independent, BIFR Nominee

* Mr. H.H. Malgham consequent to his cessation as a Director of the Company, also ceased to be a Member of the Committee. The Board of Directors has, at its Meeting held on 12th July 2013 appointed Mr. Nalin Shah as the Chairman of the Audit Committee effective from the conclusion of the 34th Annual General Meeting.

The Committee has been empowered by the Board with the necessary powers as stipulated in II C of Clause 49 of the Listing Agreement and also with such other powers as it may deem fit.

Mr. H. H. Malgham, the then Chairman of the Audit Committee, was present at the 34th Annual General Meeting held on 12th July 2013.

Ms. Anuja Bhate, Company Secretary is the Secretary of the Committee.

During the period under review, 4 meetings of the Audit Committee were held on 10th May 2013, 12th July 2013, 19th October 2013 and 20th January 2014. Attendance of each Member at these Committee Meetings is given below:

Name of the Member	Number of Meetings attended	Number of Meetings held during the tenure
Mr. H. H. Malgham	2	2
Mr. Nalin Shah	4	4
Mr. Michael Bastian	4	4
Mr. Shashikant Oak	4	4

Powers of the Audit Committee:

- To investigate any activity within its terms of reference.
- To seek information from any employee.
- To obtain external legal or other professional advice.
- To secure attendance of outsiders with relevant expertise, if it considers necessary.

The Audit Committee mandatorily reviewed the following:

- Management discussion and analysis report on the financial position and results of operation.
- Statement of significant related-party transactions.
- Management letters/letters of internal control weakness issued by the statutory auditors.
- Internal audit reports relating to internal control weakness.

Meetings are scheduled well in advance. The Audit Committee considers and recommends the financial results for approval by the Board. The statutory auditors are invited to attend the meeting. The Committee also invites senior executives to be present.

3. Remuneration Committee

The Board of Directors has constituted a Remuneration Committee vide Resolution dated 12th January 2010. The Committee is empowered by the Board with necessary powers to approve the terms and conditions of appointment and remuneration payable to Company's Managerial Personnel.

The composition of the Remuneration Committee as at 31st March 2014 is given below.

Name of the Member	Position	Executive/Non-Executive/Independent
Mr. Michael Bastian	Chairman	Non-Executive, Independent
Mr. Shashikant Oak	Member	Non-Executive, Independent, BIFR Nominee
Mr. Vinayak Deshpande	Member	Non-Executive

During the period under review, no meeting of the Remuneration Committee was held as the Company did not have any Managerial Personnel during substantial part of this period.

4. Management Committee

At the Board Meeting held on 22nd January 2008, the Management Committee was constituted in terms of the scheme of rehabilitation approved by the Board for Industrial and Financial

Reconstruction (“BIFR”) vide its Order dated 18th December 2007 (“Sanctioned Scheme”) , to review the operations of the Company and to closely monitor the implementation of the Sanctioned Scheme.

The composition of the Management Committee as at 31st March 2014 is given below.

Name of the Director	Composition	Executive/Non-Executive/Independent
Mr. A. K. Misra	Chairman	Non-Executive
Mr. Shashikant Oak	Member	Non-Executive, Independent, BIFR Nominee
Mr. Pralhad Pawar*	Member	Non-Executive

* Mr. Pralhad Pawar has been appointed as a Member of the Management Committee effective 28th April 2013.

In addition to the above, the Representative of the Monitoring Agency is also an ex-officio Member of the Committee.

During the period under review, 4 meetings of the Management Committee were held on 10th May 2013, 12th July 2013, 19th October 2013 and 20th January 2014. Attendance of each Member at these Committee Meetings is given below:

Name of the Member	Number of Meetings attended	Number of Meetings held during the tenure
Mr. A. K. Misra	2	4
Mr. Shashikant Oak	4	4
Mr. Pralhad Pawar	4	4
Representative of the Monitoring Agency	–	4

5. Investors Grievance Committee

This Committee also functions as the Share Transfer Committee. The composition of the Committee as at 31st March 2014 is given below.

Name of the Director	Composition	Executive/Non-Executive/Independent
Mr. A. K. Misra	Chairman	Non-Executive
Mr. Nalin Shah	Member	Non-Executive, Independent
Mr. Pralhad Pawar*	Member	Non-Executive

* Mr. Pralhad Pawar has been appointed as a Member of the Investors Grievance Committee effective 28th April 2013.

During the period under review, 4 meetings of this Committee were held on 10th May 2013, 12th July 2013, 19th October 2013 and 20th January 2014. Attendance of each Member at these Committee Meetings is given below:

Name of the Member	Number of Meetings attended	Number of Meetings held during the tenure
Mr. A. K. Misra	2	4
Mr. Nalin Shah	4	4
Mr. Pralhad Pawar	4	4

During the year, no complaints/grievances were received and hence, as at 31st March 2014 there were no complaints pending for resolution.

6. Executive Committee

To expedite the process of decision making the Board of Directors has, subject to the provisions of the Companies Act, 1956, constituted the Executive Committee. The composition of the Executive committee as on 31st March 2014 is as follows:

Name of the Member	Position	Executive/Non-Executive/Independent
Mr. Vinayak Deshpande	Chairman	Non-Executive
Mr. Nalin Shah*	Member	Non-Executive, Independent
Mr. A. K. Misra	Member	Non- Executive

* Mr. Nalin Shah has been appointed as a member of the Executive Committee effective from the conclusion of the Annual General Meeting held on 12th July 2013.

During the year, no meeting of the Executive Committee was held.

Compliance Officer

Ms. Anuja Bhate, Company Secretary is the Compliance Officer. She can be contacted at the Registered Office address of the Company or by e-mail at the below mentioned details

Registered Office	11 th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai 400 076
Telephone No.	(022) 66255600
Email ID	investors@artson.net

7. Subsidiary Company

The Company does not have any subsidiary company. Accordingly, provisions of Part III of Clause 49 are not applicable to the Company.

8. Remuneration of Directors

Non-Executive Directors:

The amount paid as Sitting Fees to the Non-Executive Directors is disclosed above. Besides this, the Company does not have any pecuniary relationship or transactions with the Non-Executive Directors.

Mr. Vinayak Deshpande, Mr. A. K. Misra, Mr. Michael Bastian, Mr. Shashikant Oak, Mr. Nalin Shah and Mr. Pralhad Pawar do not hold any shares in the Company.

Executive Director:

Mr. P.S. Chopde resigned as the Executive Director (Manufacturing) effective 10th April 2013 and consequently he ceased to be a Director of the Company effective that date. Details of the remuneration paid to him till that date are as under:

Salary (₹)	33,333
Perquisites and Allowances (₹)	46,666
Notice Pay (₹)	6,00,000
Total Remuneration (₹)	6,79,999
Leave Encashment (₹)	2,43,333
Gratuity (₹)	10,00,000

Pursuant to the provisions of Schedule XIII to the Companies Act, 1956, gratuity and encashment of leave at the end of the tenure paid to Mr. P.S. Chopde are not included in the total remuneration.

The Company does not have any Stock Option scheme for its Executive Directors.

Mr. Vinayak Deshpande, Chairman and Mr. Shailesh Jain, Chief Financial Officer, have issued a certificate to the Board as prescribed under sub-clause V of Clause 49 of the Listing Agreement. The said certificate was placed before the Board Meeting held on 14th May 2014 in which the Financial Statements for the Financial Year ended 31st March 2014 were considered and approved by the Board of Directors.

9. General Body Meetings

Day, Date, Time and Venue of the previous three Annual General Meetings:

Sr. No.	Day	Date	Time	Venue
1	Friday,	12 th July 2013	4.00 p.m.	Sunville Banquets, Royal Hall, 3 rd Floor, 9, Dr. Annie Besant Road, Opposite Atria Mall, Worli, Mumbai – 400 018
2	Monday	23 rd July 2012	4.00 p.m.	Mini Theater, 3 rd Floor, Ravindra Natya Mandir, P.L. Deshpande, Kala Academy, Sayani Road, Prabhadevi, Mumbai – 400 025
3	Thursday	28 th July 2011	4.00 p.m.	Mini Theater, 3 rd Floor, Ravindra Natya Mandir, P.L. Deshpande, Kala Academy, Sayani Road, Prabhadevi, Mumbai – 400 025

Special Resolutions:

Special Resolutions passed at the previous 3 (three) Annual General Meetings are:

Date	Subject matter of Special Resolution(s)
12 th July 2013	No Special Resolutions were passed at this Annual General Meeting.
23 rd July 2012	No Special Resolutions were passed at this Annual General Meeting.
28 th July 2011	Appointment and Remuneration payable to Mr. P. S. Chopde as the Executive Director (Manufacturing) for as period of 3 years effective 1 st April 2011

No business was required to be transacted through Postal Ballot at the above meetings and none is required to be transacted through postal ballot at the ensuing Annual General Meeting.

10. Disclosures

The Company does not have any materially significant commercial and financial transactions with any of the related parties i.e. Promoters, Directors, Relatives, Associated Company or Management having conflict, actual or potential, with the interest of the Company.

The Company has complied with various rules and regulations prescribed by the Bombay Stock Exchange Limited (“BSE”), Securities and Exchange Board of India or any other statutory authority relating to the capital markets. No penalties or strictures have been imposed by them on the Company during the last 3 years.

The Company has in place a Whistle Blower Policy and no personnel has been denied access to the Audit Committee.

11. Means of communication

Financial Results: The Audit Committee, in its meeting, considers the financial results of the Company and recommends it to the Board of Directors for its approval. The financial results, as taken on record by the Board of Directors, are communicated to BSE, where the shares of the Company are listed. Quarterly Results of the Company are published in 'Free Press Journal' in English and 'Navshakti' in Marathi and are displayed on the Company's website www.artson.net. The Company is regular in filing the periodic information, online on the portal maintained by BSE viz., <http://listing.bseindia.com>

Website and news releases: The information viz. statement of shareholding pattern, financial results, official news releases are available on the website of BSE – (www.bseindia.com) and are also available on the Company's website – www.artson.net. During the period under review, no presentation was made to any analysts.

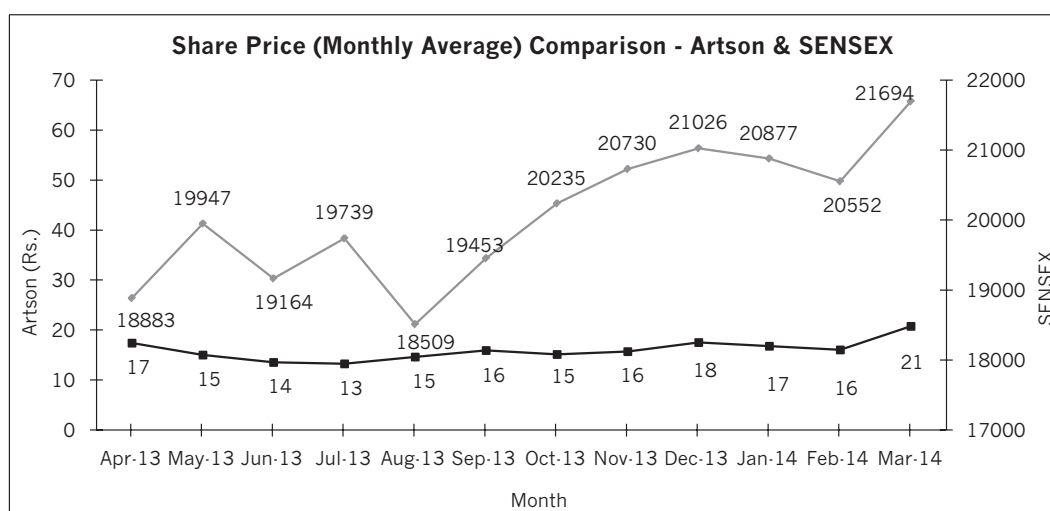
12. General Shareholder information

35 th Annual General Meeting	Friday, 8 th August 2014	
Financial Year	1 st April 2013 to 31 st March 2014	
Dates of Book Closures (Both days inclusive)	From	Monday, 4 th August 2014
	To	Friday, 8 th August 2014
Listing on Stock Exchanges	The Company's equity shares are listed on the Bombay Stock Exchange Limited (BSE). The Company has paid Annual Listing Fees to the BSE.	
Stock Code	BSE – 522134 (ARTSONEN)	
ISIN	INE133D01023	
Registrar and Transfer Agents	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	
Dematerialization of shares and liquidity	The Company has signed the agreements with both the Depositories viz. NSDL & CDSIL. The Company has paid the Annual Custodial Fees to both the Depositories. As at 31 st March 2014, 95.04 % of the shares of the Company were in dematerialized form.	

Outstanding GDRs/ ADRs/ Warrants or any Convertible instruments, conversion date and likely impact on equity	The Company's capital comprises of only Equity shares and the Company does not have any outstanding ADRs, GDRs, warrants or any convertible instruments.
Share Transfer System	<p>The Company has complied with the requirements under the Listing Agreement regarding transfer of shares, other matters related to shares and dispatch of share certificates to the shareholders.</p> <p>The share transfer requests in physical form and other shares related issues are processed and dispatched to the respective lodgers within the statutory period provided the documents are complete in all respects. Invalid requests are returned together with the reasons of objection within the stipulated time period.</p>

Market Price Data and Comparison with SENSEX

Month	Artson Engineering Limited		SENSEX	
	High Price (₹)	Low Price (₹)	High	Low
April 2013	18.75	16.00	19622.68	18144.22
May 2013	16.95	13.10	20443.62	19451.26
June 2013	15.31	11.80	19860.19	18467.16
July 2013	14.50	12.00	20351.06	19126.82
August 2013	17.75	11.51	19569.20	17448.71
September 2013	17.95	13.85	20739.69	18166.17
October 2013	16.93	13.30	21205.44	19264.72
November 2013	17.10	14.30	21321.53	20137.67
December 2013	19.80	15.25	21483.74	20568.70
January 2014	19.50	14.00	21409.66	20343.78
February 2014	17.08	14.95	21140.51	19963.12
March 2014	26.50	15.00	22467.21	20920.98

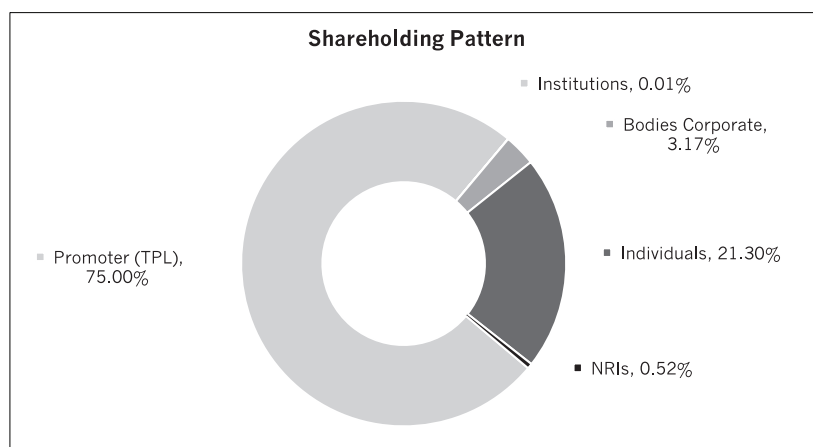


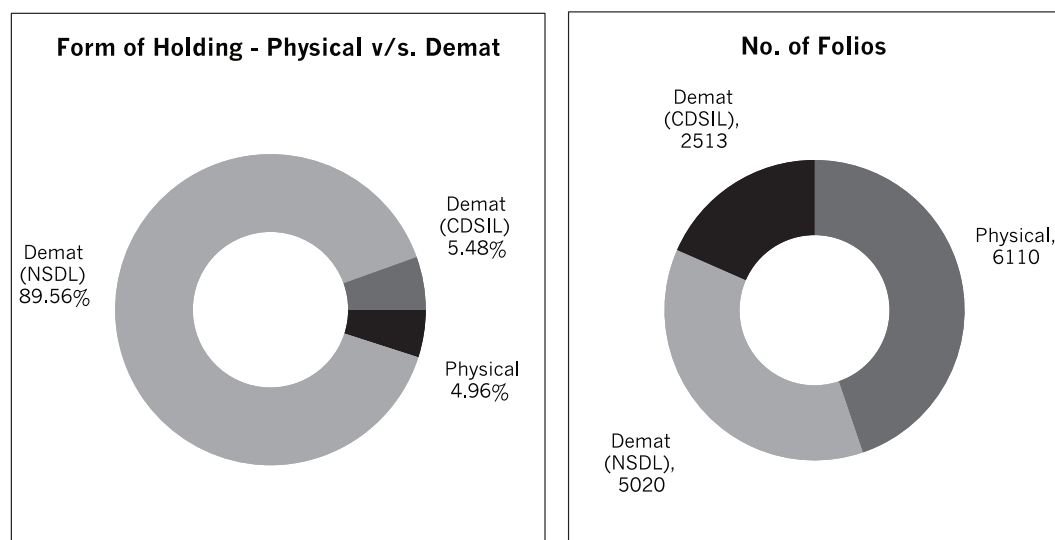
Distribution of shareholding as at 31st March 2014

No. of equity shares held	Folios	% to Total	No. of Shares	% to Total
Less than 5,000	13464	98.69%	45,95,497	12.45%
5,001 to 10,000	92	0.67%	7,02,508	1.90%
10,001 to 20,000	39	0.29%	5,95,587	1.61%
20,001 to 30,000	17	0.12%	4,19,118	1.14%
30,001 to 40,000	8	0.06%	2,89,340	0.78%
40,001 to 50,000	4	0.03%	1,75,883	0.48%
50,001 to 1,00,000	11	0.08%	8,04,567	2.18%
1,00,001 & above	8	0.06%	2,93,37,500	79.46%
Grand Total	13,643	100.00%	3,69,20,000	100.00%

Shareholding Pattern – as on 31st March 2014

Category of Shareholder	Number of Shareholders	Number of Shares Held	% to Total Capital
Promoter and Promoter Group			
Tata Projects Limited	1	2,76,90,000	75.00%
Total Promoter Shareholding	1	2,76,90,000	75.00%
Public Shareholding			
Institutions			
Mutual Funds/UTI	2	2,875	0.01%
Financial Institutions/Banks	3	1,400	0.00%
Foreign Institutional Investors	3	770	0.00%
A	8	5,045	0.01%
Non-Institutions			
Bodies Corporate	221	11,70,164	3.17%
Individuals	13,330	78,64,783	21.30%
Non-Resident Indians	83	190,008	0.52%
B	13,634	92,24,955	24.99%
Total Public Shareholding (A + B)	13,642	92,30,000	25.00%
GRAND TOTAL	13,643	3,69,20,000	100.00%



Form of Holding – as at 31st March 2014**Shareholders holding more than 1 Lakh shares (in a single folio/ demat account) – as at 31st March 2014**

Name of the Shareholder	No. of Shares held	% to Total
Tata Projects Limited	2,76,90,000	75.00%
Sarnam Trading & Mercantile Private Limited	4,00,000	1.08%
Meenaxi Mehta	3,00,000	0.81%
Narayan Keshavdas Jagasia	2,82,500	0.77%
Pranav M. Shah	2,00,000	0.54%
Renuka Pranav Shah	2,00,000	0.54%
Smita Navare	1,50,000	0.41%
Emdee Stockbro Private Limited	1,15,000	0.31%
Total	2,93,37,500	79.46%

Plant Locations

Plant Locations	
1. Plot No. D – 5, MIDC, Ambad, Nashik-422 010	2. Plot No. D-1, Umred Industrial Area, MIDC Umred, Dist- Nagpur- 441 203
Registered Office	
11 th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai-400 076	

EXTENT OF COMPLIANCE WITH THE NON-MANDATORY REQUIREMENTS**1. The Board**

The Company does not maintain the Office of the Chairman. The Chairman is the Managing Director of the Company's holding company viz. Tata Projects Limited.

2. Remuneration Committee

The Company has constituted a Remuneration Committee. This Report contains disclosures on the composition, role and responsibilities of the Remuneration Committee.

3. Shareholder Rights

A half-yearly declaration of financial performance including summary of the significant events is presently not sent to each household of shareholders.

4. Audit qualifications

The Company is registered with the BIFR as a sick company and the Sanctioned Scheme is under implementation. 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. The Company has filed an application on 17th October 2013 with the BIFR seeking certain modifications to the Sanctioned Scheme. The Application is pending for approval. Based on the same as well as current order book position, operating results and continued support of the holding company, barring unforeseen circumstances, the Management is confident about the Company's ability to continue as a going concern. The Auditors of the Company have put an "emphasis of matter" paragraph on the aforesaid matter.

5. Training of Board Members

The Company's Board of Directors comprise of professionals with expertise in their respective fields and industry. They endeavour to keep themselves updated with changes in global economy and various legislations. They attend various workshops and seminars to keep themselves abreast with the changes in business environment. No separate training of Board Members is organised by the Company.

6. Mechanism for evaluating non-executive Board Members

The Board does not evaluate the performance of the Non-Executive Directors of the Company. The performance of the Non-Executive Directors nominated by TPL is evaluated as per TPL's applicable systems and guidelines.

7. Whistle Blower Policy

The Company has adopted a Whistle Blower Policy and adheres to norms relating to the same.

For **ARTSON ENGINEERING LIMITED**

VINAYAK DESHPANDE

Chairman

DECLARATION OF COMPLIANCE WITH THE CODE OF CONDUCT

All the Directors and senior management personnel have, respectively, affirmed compliance with the Code of Conduct as approved and adopted by the Board of Directors.

For **ARTSON ENGINEERING LIMITED**

VINAYAK DESHPANDE
Chairman

Mumbai, 14th May, 2014

AUDITORS CERTIFICATE ON CORPORATE GOVERNANCE

To the members of
Artson Engineering Limited

We have examined the compliance of the conditions of Corporate Governance by **Artson Engineering Limited** ('the Company'), for the year ended March 31, 2014, as stipulated in Clause 49 of the Listing Agreement of the Company with stock exchanges.

The compliance of the conditions of Corporate Governance is the responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mention Listing Agreement.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For CHOKSHI & CHOKSHI

Chartered Accountants
FRN – 101872W

Vineet Saxena

Partner
M.No.100770

Place: Mumbai
Date: 14/05/2014

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

1. INDUSTRY TRENDS & DEVELOPMENTS

Currently, the Indian industry is passing through recessionary trend and there are hardly any major projects that have been declared in the recent past. Most of the investors have been avoiding taking investment decisions in almost all the sectors including Oil & Gas, Fertilizers, Power and Infrastructure sectors due to one or other reasons.

It is expected that the current market scenario will continue to prevail for another 6 months to one year or so.

Keeping in mind the slump in the Infrastructure and Construction Industry in India, increased competition and depressed market prices, the Management has taken a policy decision to focus more on manufacturing activities on Contract Manufacturing Model which has much lower risk area. Keeping this strategy in mind, the Company has started the structural fabrication at Nagpur facility.

2. OPPORTUNITIES

- i. Other Oil companies and Refineries are expected to undertake expansion programmes where the Company can participate for piping and tankage work.
- ii. Since the Company has established structural fabrication facility at Nagpur, it will have a good scope to cater to the Cement and steel industries, building structural needs from this facility.
- iii. Nashik factory shall get higher qualification after execution of the Order entailing design, engineering, manufacturing, supply, testing and commissioning of 12 nos. of Buffer vessel and shall also get more opportunities for higher capacity items.
- iv. We expect ourselves to get established in structural fabrication which will open up new business opportunities for us from various domestic and international customers.

3. PERFORMANCE

- i. During the Financial Year the Company has booked orders of ₹ 116 Crore against previous year order book of ₹ 82.97 Crore.
- ii. The Company has completed all mechanical works pertaining to the construction of 21 (Twenty One) tanks at Liquid Tank Terminal at Haldia and the tanks were handed over to Client and are in operation. There is some painting work which is yet to be completed.
- iii. We had major order back log with NOCL/ABIR-Cuddalore project which has been suspended by client due to non-availability of sufficient funds with them.
- iv. During the year under review, the Company has closed its Project site at Dahej and completed the demobilization.
- v. The Company has been executing repeat Order of approx. ₹ 42.5 Crore pertaining to fabrication of structural work for Tata Steel Limited's Growth Shop Division at Gamharia.
- vi. Due to unfavourable working conditions at Kalinganagar project site, we had to shortclose the Order with Tata Projects Limited. We have since received our final settlement against this project.
- vii. The Company has completed the process modification piping spool fabrication work at RAK Gas facility at Ras Al Kaimah and the contract closed.
- viii. The Company has completed the supply of balance 8 nos. of Pressure filters to Tata Projects Limited's Hot Strip Mill project work at Tata Steel Limited's steel plant at Kalinga Nagar.
- ix. Presently the Company is executing 10000 MT structural fabrication work for Tata Projects Limited's Nagarnar Project. The Company has already despatched 2457 tons till end of March 2014.

4. OUTLOOK

We expect the depressed sentiments prevailing in the market scenario to continue for further 6 months or so. However, we expect that the new Government will take necessary steps to boost the economy and reinstate the investors' confidence in the Indian economy.

Keeping the above in mind, the Company expects opening of business in Oil & Gas, Petrochemicals, Refinery and infrastructure industry.

5. RISK & CHALLENGES

- The Company is registered as a sick industrial company with the Board for Industrial and Financial Reconstruction (BIFR) and the Company's Net worth continues to be negative. Hence, getting qualified for new projects with higher magnitude will be very difficult.
- Considering the core competency in tankage and piping work, the Company will have to develop additional technology to minimize manpower and to improve the production; otherwise, the conventional method of working will have huge cost impact and the Company may not be competitive in prices due to which it may lose the market.
- Raising working capital at competitive rate of interests remains a major challenge for the Company.
- Availability of skilled manpower is a challenge given the status of the Company as a sick company.

6. FINANCIAL ANALYSIS

The following are relevant financial performance details, with respect to the operational performance of the Company:

(₹ In Lakh)

Particulars	Financial Year		Change*	% Change	Remarks
	2013-14	2012-13			
Total Income	7961.31	5924.76	2036.55	34.00	a
Consumption of raw materials/ Project Execution Expenses/ Increase/ Decrease of Inventories and Contract- in – Progress	6883.14	7373.87	(490.73)	(7)	b
Employee cost	769.88	954.64	(184.76)	(19)	c
Other expenses	491.87	565.95	(74.08)	(13)	
Depreciation and amortisation expenses	151.42	185.26	(33.84)	(18)	
Finance cost	485.10	727.97	(242.87)	(33)	d
Exceptional Items	13.14	58.06	(44.92)	(77)	
Loss after tax	(833.34)	(3939.79)	3106.45	(79.00)	
Earnings per share (₹)	(2.26)	(10.67)	8.41	(79.00)	
Share Capital	369.20	369.20	0	0	
Reserves & Surplus	(6740.59)	(5907.25)	(833.34)	14.00	
Non Current Liabilities	4234.35	3974.52	259.83	7	e
Current Liabilities	9110.90	7998.11	1112.79	14	f
Fixed Assets	915.53	1024.50	(108.97)	(11.00)	
Non Current Assets	1591.54	1811.62	(220.08)	(12)	g
Current Assets	4466.79	3598.46	868.33	24	h

a) Increase in Total Income is mainly due to New Manufacturing facility started at Nagpur.

b) Decrease in Consumption of Raw material is mainly due to Price reduction Schedule (PRS) applied by client during the Previous Year.

- c) Employee Cost Reduced since the strength of the employees has reduced from 225 as on 1.4.2013 to 178 as on 31.03.2014.
- d) Finance Costs is reduced mainly because interest on Term Loan and Inter Corporate Deposit (ICD) availed from Tata Projects Limited (TPL), Holding Company is not provided since July 2013 till March 14.
- e) Increase in Non Current Liabilities is due to ICD taken from TPL during the year under review.
- f) Increase in Current Liabilities is mainly due to:
 - i. Increase in trade payables by ₹ 1017 lakh
 - ii. Increase in Advance from Customers by ₹ 745 lakh
- g) Non Current Assets decreased as the Retention Receivables reduced by ₹ 225 lakh.
- h) Current Assets increased due to:
 - i. Increase in Inventories by ₹793 lakh
 - ii. Increase in Other Current Assets by ₹ 350 lakh

7. INTERNAL CONTROLS AND THEIR ADEQUACY

The Company has a proper and adequate system of internal controls to ensure the timely and accurate recording of financial transactions, adherence to applicable accounting standards, compliance with applicable laws, regulations.

Pursuant to the Order dated 18th December 2007 passed by the Board for Industrial and Financial Reconstruction (BIFR) for rehabilitation of the Company, the Company has engaged an Independent firm of Chartered Accountants as the Concurrent/ Internal Auditors, who conduct periodic audits, report internal control weaknesses, if any, and recommend corrective measures thereon.

The Audit Committee of the Company meets Internal Auditor team on quarterly basis to review its reports, findings and the follow up and compliance status of its earlier observations.

8. HUMAN RESOURCES

The Company had 178 employees as on 31st March 2014. The Company recognises the critical importance of its human capital. It endeavours to create a positive work environment for its employees. A key challenge before the Company remains attraction and retention of the talent.

There have been no cases filed under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

The industrial relations remained cordial throughout the year.

CAUTIONARY STATEMENT

The Management Discussion and Analysis Report describing the Company's activities, projections, estimates, assumptions with regard to economic conditions and Government policies etc. may be forward looking statements based upon the information available with the Company. Important developments that could affect the Company's operations include trends in the industrial sector in which it operates, significant changes in political and economic environment, tax laws, litigation, labour relations, interest rates and other costs. The Company cannot guarantee the accuracy of assumptions and perceived performance of the Company in future. Therefore, it is cautioned that the actual results may materially differ from those expressed or implied in the report. The Company assumes no responsibility to publicly modify, amend, or revise any forward looking statements, on the basis of any subsequent developments, information or events.

For **ARTSON ENGINEERING LIMITED**

VINAYAK DESHPANDE
Chairman

INDEPENDENT AUDITOR'S 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 31st March, 2014, and 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 Management is responsible for 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 Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 issued by the Ministry of Corporate Affairs with regard to section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control 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. Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness on the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, 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.

4. Opinion

In our opinion and to the best of our information and according to the explanations given to us, the 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:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
 - (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date;
- and

(c) in the case of the Cash Flow Statement, of the 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.

6. Report on Other Legal and Regulatory Requirements

6.1 As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.

6.2 As required by section 227(3) of the Act, we report that:

- a. We have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
- b. In our opinion, proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
- c. The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
- d. In our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956; read with the General Circular 15/2013 dated 13th September 2013 issued by the Ministry of Corporate Affairs with regard to section 133 of the Companies Act, 2013.
- e. On the basis of written representations received from the directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2014, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

For **CHOKSHI & CHOKSHI**

Chartered Accountants

FRN – 101872W

Vineet Saxena

Partner

M. No. 100770

Place: Mumbai

Date: 14.05.2014

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

REFERRED TO IN PARA 6.1 OF OUR REPORT OF EVEN DATE OF ARTSON ENGINEERING LIMITED

1. (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. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
(c) The Company did not dispose off any substantial part of fixed assets during the year and hence the going concern status is not affected.
2. (a) According to the information and explanations 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.
(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.
(c) No material discrepancies have been noticed on verification of inventory between the physical stock and the book records. The discrepancies noticed have been properly dealt with in the books of account.
3. (a) The Company has not granted any loans, secured or unsecured to companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not granted any loans, secured or unsecured, to parties listed in the Register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (a), (b), (c) & (d) of the Order are not applicable.
(b) The Company has not taken any loans, secured or unsecured from companies, firms or other parties covered in the Register maintained under Section 301 of the Companies Act, 1956. As the Company has not taken any loans, secured or unsecured, from parties listed in the Register maintained under Section 301 of the Companies Act, 1956, paragraphs (iii) (e), (f) & (g) of the Order are not applicable.
4. 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. However, in our opinion having regard to the size and nature of business and construction sites being spread over different areas, the internal control needs to be strengthened.
5. (a) In our opinion, and according to the information and explanations given to us, there are no transactions that need to be entered into a Register maintained under Section 301 of the Companies Act, 1956.

- (b) In our opinion, and according to the information and explanations given to us, as there are no transactions that need to be entered into a Register maintained under Section 301 of the Companies Act, 1956, paragraph (v) (b) of the Order is not applicable.
6. 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 58A and 58AA or any other relevant provisions of the Companies Act, 1956 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.
7. In our opinion, the internal audit function carried out during the year by a firm of Chartered Accountants appointed by the Company has been commensurate with the size of the Company and nature of its business.
8. We have broadly reviewed the books of account maintained by the Company pursuant to the Rules made by the Central Government for the maintenance of cost records under section 209(1)(d) of the Companies Act, 1956 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.
9. In our opinion and according to the information & explanations given to us in respect of statutory dues:
- (a) The Company has been generally regular in depositing undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Income-Tax, Sales-Tax, Wealth Tax, Service Tax, Custom Duty, Cess and other material statutory dues, as applicable, with the appropriate authorities. Also, as at 31st March 2014, there were no statutory dues outstanding for a period of more than six months from the date they became payable.
- (b) The particulars of dues on account of Income Tax/ Sales Tax/ Wealth Tax/ Service Tax/ Custom Duty / Excise Duty that have not been deposited on account of disputes as on 31st March 2014 are as under:-

Name of the Statute	Nature of the Dues	Amount (₹ in Lakh)	Period to which Amount relates	Forum where dispute pending
Commercial Tax Officer (Andhra Pradesh)	Works Contract differences in value of property passing and sale in transit	12.21	1998-99	Commissioner (Appeals)
Commercial Tax (West Bengal)	Works Contract value	2.08	1998-99 1999-00 2000-01	Commissioner (Appeals)
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)
Income Tax	Demand of Tax in respect of certain claims not admitted	136.72	AY 2010-11	Commissioner (Appeals)

10. The accumulated losses of the Company are more than its paid up capital and free reserves. The Company has incurred a cash loss of ₹457.42 Lakh during the current financial year and ₹ 3697.68 Lakh in the immediately preceding financial year.
11. 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.
12. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities.
13. The Company is not a chit fund, nidhi, mutual benefit or a society. Accordingly, provisions of paragraph 4(xiii) of the Order are not applicable to the Company.
14. The Company has not entered into any trading in shares, securities, debentures and other investments during the year. Accordingly, provisions of paragraph 4(xiv) of the Order are not applicable to the Company.
15. 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.
16. 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.
17. According to the information and explanations given to us and based on the overall examination of the Balance Sheet of the Company, funds raised on short term basis have *prima-facie* not been used for long term investment.
18. During the year, Company has not made any preferential allotment of shares to parties and companies covered in the Register maintained under Section 301 of the Companies Act, 1956.
19. The Company has not issued any secured debentures during the year.
20. The Company has not raised any money by way of public issues during the year.
21. During the course of our examination of the books of account and records of the Company, 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 instance of fraud either noticed or reported during the year on or by the Company.

For **CHOKSHI & CHOKSHI**

Chartered Accountants

FRN – 101872W

Vineet Saxena

Partner

M. No. 100770

Place: Mumbai

Date: 14.05.2014

Balance Sheet as at 31st March 2014

Particulars	Notes	31 st March 2014 ₹ Lakh	31 st March 2013 ₹ Lakh
A. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	369.20	369.20
Reserves and Surplus	4	(6,740.59)	(5,907.25)
		(6,371.39)	(5,538.05)
Non-current Liabilities			
Long-term Borrowings	5	4,030.39	3,730.39
Deferred Tax Liability (net)	32 (b)	—	—
Other long-term Liabilities	6	177.32	213.22
Long-term Provisions	7	26.64	30.91
		4,234.35	3,974.52
Current Liabilities			
Short-term Borrowings	8	2,021.45	2,827.85
Trade Payables	9	2,869.21	1,851.78
Other Current Liabilities	10	4,196.65	3,306.37
Short-term Provisions	11	23.59	12.11
		9,110.90	7,998.11
Total		6,973.86	6,434.58
B. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	914.35	1,022.53
Intangible Assets	13	1.18	1.97
Deferred Tax Asset (net)	32 (b)	—	—
Long-term Loans and Advances	14	1,445.36	1,440.57
Other Non-current Assets	15	146.18	371.05
		2,507.07	2,836.12
Current Assets			
Inventories	16	1,809.13	1,015.98
Trade Receivables	17	1,006.39	1,665.56
Cash and Bank Balances	18	225.78	177.47
Short-term Loans and Advances	19	506.93	170.67
Other Current Assets	20	918.56	568.78
		4,466.79	3,598.46
Total		6,973.86	6,434.58
Notes to the Financial Statements	1-48		

As per our report of even date

for Chokshi & Chokshi
Chartered Accountants
FRN : 101872W

Vineet Saxena
Partner
Membership No. 100770

Place: Mumbai
Date: 14th May 2014

Shailesh Jain
Chief Financial Officer

Anuja Bhate
Company Secretary

Place: Mumbai
Date: 14th May 2014

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 2014

Particulars	Notes	31 st March 2014 ₹ Lakh	31 st March 2013 ₹ Lakh
Income			
Revenue from operations (gross)	21	8,157.58	5,899.63
Less: Excise Duty		(289.98)	(162.96)
		<u>7,867.60</u>	<u>5,736.67</u>
Other Operating Revenue (gross)	22	40.52	165.78
Less: Excise Duty		(4.31)	(2.56)
		<u>36.21</u>	<u>163.22</u>
Revenue from operations (net)		7,903.81	5,899.90
Other Income	23	57.50	24.87
Total Revenue (I)		<u>7,961.31</u>	<u>5,924.76</u>
Expenses			
Cost of raw materials and components consumed	24	2,484.45	2,419.60
Project execution expenses	25	4,547.95	4,912.30
(Increase)/Decrease in work-in-progress and contracts-in-progress	26	(149.26)	41.97
Employee benefits expense	27	769.98	954.64
Other expenses	28	491.87	565.95
Finance costs	29	485.10	727.97
Depreciation and amortization expense	12 & 13	151.42	185.26
Total Expenses (II)		<u>8,781.51</u>	<u>9,807.69</u>
Profit/(Loss) before exceptional items and tax		<u>(820.20)</u>	<u>(3,882.93)</u>
Exceptional Items	30	13.14	58.06
Profit/(Loss) before tax		<u>(833.34)</u>	<u>(3,940.99)</u>
Tax expenses			
Current tax		—	—
Taxation of earlier years		—	—
Deferred tax	32 (b)	—	(1.20)
Total Tax expense		<u>—</u>	<u>(1.20)</u>
Profit/(Loss) after tax for the year		<u>(833.34)</u>	<u>(3,939.79)</u>
Earnings per equity share (nominal value of share ₹ 1/-)			
Basic and Diluted		(2.26)	(10.67)
Notes to the Financial Statements	1-48		

As per our report of even date

for Chokshi & Chokshi
Chartered Accountants
FRN : 101872W

Vineet Saxena
Partner
Membership No. 100770

Place: Mumbai
Date: 14th May 2014

Shailesh Jain
Chief Financial Officer

Anuja Bhate
Company Secretary

Place: Mumbai
Date: 14th May 2014

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 2014

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
A. Cash Flow from Operating Activities		
Profit/(Loss) Before Tax	(833.34)	(3,940.99)
Adjustments for:		
Depreciation and amortisation expense	151.42	185.26
Finance costs	485.10	727.97
Interest income	(11.03)	(15.24)
Loss on fixed assets discarded	13.14	—
	<u>638.63</u>	<u>897.99</u>
Operating profit before working capital changes	(194.71)	(3,043.00)
Adjustments for:		
Trade receivables	659.17	2,509.10
Long-term loans and advances	(4.79)	(560.92)
Short term loans and advances	(336.26)	(66.30)
Other current assets	(349.77)	193.78
Other non-current assets	224.87	(210.96)
Inventories	(793.15)	(44.71)
Trade payables	1,017.43	18.80
Other current liabilities	890.28	976.51
Other long-term liabilities	(35.90)	(28.11)
Long-term provisions	(4.27)	7.40
Short-term provisions	11.49	7.61
	<u>1,279.07</u>	<u>2,802.20</u>
Cash generated from operations	1,084.36	(240.80)
Taxes Paid (net)	—	—
Net cash from operating activities	A	(240.80)
B. Cash flow from investing activities		
Purchase of current investments		
Purchase of fixed assets and CWIP	(68.72)	(88.31)
Investment in Deposits (With maturity more than three month)	24.45	13.52
Sale of fixed assets	13.12	90.61
Interest received	11.03	15.24
Net Cash used in Investing Activities	B	31.06

Cash Flow Statement (Contd.)

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
C. Cash Flow from financing activities		
Proceeds from long-term borrowings – non current	300.00	2,653.03
Proceeds from long-term borrowings – current	—	(887.66)
Proceeds from short-term borrowings	(806.40)	(808.02)
Repayment of long-term borrowings	—	15.62
Repayment of short-term borrowings	—	3.39
Interest paid	(485.10)	(727.97)
Net cash from financing activities	(991.49)	248.39
Net (decrease) / increase in cash and cash equivalents (A+B+C)	72.76	38.65
Cash and cash equivalent at the beginning of the year	78.88	40.23
Cash and cash equivalent at the end of the year	151.64	78.88

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
Chartered Accountants
FRN : 101872W

Vineet Saxena
Partner
Membership No. 100770

Place: Mumbai
Date: 14th May 2014

Shailesh Jain
Chief Financial Officer

Anuja Bhate
Company Secretary

Place: Mumbai
Date: 14th May 2014

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, 1956. 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 operates in only one business segment i.e Engineering and Construction for EPC Projects.

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 notified under the Companies (Accounting Standards) Rules, 2006 (as amended).

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

The financial statements are prepared under the historical cost convention, on an accrual basis, in conformity with the accounting principles, generally accepted in India and in accordance with Accounting Standards referred to in section 211(3C) of the Companies Act, 1956.

ii) Revenue Recognition

a. Manufacturing activities:

Sales of Goods is recognized as per the terms of sales. 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 recognized 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 contract 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 recognized 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 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 recognized in the periods in which the results are known/materialise.

iv) Fixed Assets:

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.

Notes to Financial Statements (Contd.)

v) Depreciation /Amortization on Fixed Assets:

- Depreciation has been provided for on the written down value method at the rates specified in Schedule XIV of the Companies Act, 1956.
- All the Fixed Assets costing less than ₹ 5,000/- each are fully depreciated in the year of acquisition.
- Leasehold Land and Leasehold Improvements are amortized over the period of the lease.

vi) Impairment of Assets:

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

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 cost on First in First Out basis.
- Work-in Progress are valued at the lower of cost and the net realizable 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 or fair value whichever is lower. 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 are 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:

Sl. 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 on Balance Sheet date on the projected unit credit method and the same is funded with Life Insurance Corporation of India.

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:

- Domestic
- Overseas

Notes to Financial Statements (Contd.)

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 recognized 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 recognized unless there is a virtual certainty that there will be sufficient future taxable income available to realize such assets.

xiv) Borrowing Costs:

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

xv) Provisions, Contingent Liabilities and Contingent Assets:

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

- The Company has a present obligation as a result of past events.
- A probable outflow of resources is expected to settle the obligation.
- The amount of the obligation is best estimate required to settle the obligation at the Balance Sheet date.
- 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 present obligation arises from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- A present obligation when no reliable estimate is possible, and
- A possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognized, 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 items 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.

Note 3 Share Capital

	31 st March 2014	31 st March 2013
	₹ 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

Notes to Financial Statements (Contd.)

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

	31 st March 2014		31 st March 2013	
	No.	₹ Lakh	No.	₹ Lakh
Equity shares				
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 2014		31 st March 2013	
		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 has 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 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Balance as per last Balance Sheet	(5,907.25)	(1,967.46)
Loss for the year	(833.34)	(3,939.79)
Net surplus / (deficit) in the Statement of Profit and Loss	(6,740.59)	(5,907.25)
Total Reserves and Surplus	(6,740.59)	(5,907.25)

Note 5 Long-term Borrowings

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Loans and advances from related parties		
Secured *	1,930.39	1,930.39
Unsecured	2,100.00	1,800.00
	4,030.39	3,730.39

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.

Notes to Financial Statements (Contd.)

Maturity Profile of Long-term borrowings

Maturity Profile	₹ Lakh			
	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	—	2,100.00	—	—
2-3 Years	—	—	—	1,800.00
3-4 Years	370.00	—	370.00	—
Beyond 4 Years	1,560.39	—	1,560.39	—
Total	1,930.39	2,100.00	1,930.39	1,800.00

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 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 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Trade Payables		
To MSMED [See Note 35]	—	—
Others	166.03	201.53
Others		
Security deposits received	11.29	11.69
	177.32	213.22

Note 7 Long-term Provisions

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Provision for employee benefits		
Provision for compensated absences	26.64	30.91
	26.64	30.91

Notes to Financial Statements (Contd.)

Note 8 Short-term Borrowings

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Loans repayable on demand		
From banks		
Secured *	2,021.45	2,527.48
Unsecured	—	300.37
Loans and advances from related parties		
Unsecured	—	—
	<u>2,021.45</u>	<u>2,827.85</u>

Foot Note :

* Working Capital loan is secured by first charge by way of hypothecation of inventories, books debts and other current assets.

Note 9 Trade Payables

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
To MSMED [See Note 35]	86.98	—
Others	2,782.23	1,851.78
	<u>2,869.21</u>	<u>1,851.78</u>

Note 10 Other Current Liabilities

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Current maturities of long term Debt [See Note 38]	8.04	24.01
Current maturities of finance lease obligations	—	0.90
Interest accrued and due on borrowings	472.64	387.83
Income received in advance	—	10.51
Other payables		
Advances from customers	1,186.54	441.68
Liability for contract expenses	456.77	240.72
Liability for other expenses	1,301.48	1,279.16
Statutory dues	123.74	299.05
Other payable (includes reimbursement and withheld amount)	647.44	622.51
	<u>4,196.65</u>	<u>3,306.37</u>

Note 11 Short-Term Provisions

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Provision for employee benefits		
Provision for gratuity	17.90	0.84
Provision for compensated absences	5.69	11.27
	<u>23.59</u>	<u>12.11</u>

Notes to Financial Statements (Contd.)

Note 12 Tangible Fixed Assets

₹ Lakh

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2013 (at cost)	Additions	Deductions / Other adjustments	As at 31-03-2014 (at cost)	As at 01-04-2013	For the year	Deductions / Other adjustments	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
Tangible Assets										
1. Leasehold Land	4.29 (4.29)	— —	— —	4.29 (4.29)	— —	1.40 —	— —	1.40 —	2.89 (4.29)	4.29 (4.29)
2. Buildings	201.26 (201.26)	— —	— —	201.26 (201.26)	89.49 (77.07)	11.18 (12.42)	— —	100.67 (89.49)	100.59 (111.77)	111.77 (124.19)
3. Leasehold Improvements	— (52.03)	— —	— (52.03)	— —	— (11.75)	— (9.85)	— (21.61)	— 0.00	— (0.00)	— (40.27)
4. Plant And Machinery	2,126.88 (2,100.29)	56.93 (72.45)	1.45 (45.87)	2,182.36 (2,126.88)	1,369.68 (1,264.84)	108.13 (120.13)	0.23 (15.29)	1,477.58 (1,369.68)	704.78 (757.19)	757.19 (835.46)
5. Computers	128.74 (120.66)	5.79 (8.08)	— —	134.53 (128.74)	112.84 (105.25)	7.96 (7.59)	— —	120.80 (112.84)	13.73 (15.90)	15.90 (15.41)
6. Furniture And Fixtures	165.74 (163.93)	5.10 (2.72)	23.98 (0.83)	146.86 (165.82)	105.09 (91.70)	12.48 (14.30)	9.18 (0.83)	108.39 (105.17)	38.47 (60.65)	60.65 (72.23)
7. Office Equipment	84.55 (81.34)	0.90 (4.91)	5.92 (1.70)	79.53 (84.55)	52.38 (47.03)	4.32 (6.87)	1.68 (1.52)	55.02 (52.38)	24.51 (32.18)	32.18 (34.31)
8. Electrical Installation	76.38 (117.42)	— —	0.06 (41.12)	76.32 (76.30)	44.54 (46.55)	4.43 (9.62)	0.06 (11.69)	48.91 (44.46)	27.41 (31.84)	31.84 (70.88)
9. Vehicles	56.71 (56.57)	— (0.14)	22.80 —	33.91 (56.71)	48.00 (44.82)	0.73 (3.18)	16.80 —	31.93 (48.00)	1.98 (8.71)	8.71 (11.75)
TOTAL	2,844.55	68.72	54.21	2,859.06	1,822.03	150.63	27.95	1,944.71	914.35	1,022.53
Previous Year	(2,897.79)	(88.30)	(141.55)	(2,844.55)	(1,689.01)	(183.94)	(50.92)	(1,822.03)	(1,022.53)	(1,208.78)

Note :

- Figure in bracket are of previous year.
- Deletion to Fixed Asset includes Leasehold Improvements discarded Gross Block ₹ Nil (P.Y ₹ 52.03 Lakh), Accumulated Depreciation ₹ Nil (P.Y ₹ 21.61 Lakh) & Net Charged to Statement of Profit and Loss ₹ Nil (P.Y ₹ 30.42 Lakh)
- Deletion to Fixed Assets includes Electrical Installation discarded Gross Block ₹ Nil (P.Y ₹ 38.45 Lakh), Accumulated Depreciation ₹ Nil (P.Y ₹ 10.81 Lakh) & Net Charged to Statement of Profit and Loss ₹ Nil (P.Y ₹ 27.64 Lakh).
- Deletion to Fixed Assets includes Furniture and Fixture discarded Gross Block ₹ 23.98 Lakh (P.Y ₹ Nil), Accumulated Depreciation ₹ 9.18 Lakh (P.Y ₹ Nil) & Net Charged to Statement of Profit and Loss ₹ 13.14 Lakh (P.Y ₹ Nil).

Note 13 Intangible Fixed Assets

₹ Lakh

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2013 (at cost)	Additions	Deductions / Other adjustments	As at 31-03-2014 (at cost)	As at 01-04-2013	For the year	Deductions / Other adjustments	As at 31-03-2014	As at 31-03-2014	As at 31-03-2013
Intangible Assets										
1. Computer Software (Acquired)	4.32 (4.32)	—	—	4.32 (4.32)	2.35 (1.03)	0.79 (1.32)	—	3.14 (2.35)	1.18 (1.97)	1.97 (3.29)
TOTAL	4.32	—	—	4.32	2.35	0.79	—	3.14	1.18	1.97
Previous Year	(4.32)	—	—	(4.32)	(1.03)	(1.32)	—	(2.35)	(1.97)	(3.29)

Notes to Financial Statements (Contd.)

Note 14 Long-Term Loans and Advances

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Security deposits		
Unsecured, considered good	38.04	95.99
Doubtful	199.00	199.00
	237.04	294.99
Provision for doubtful deposits	(199.00)	(199.00)
	38.04	95.99
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	138.27	404.94
Doubtful	162.63	—
	300.90	404.94
Provision for doubtful deposits	(162.63)	—
	138.27	404.94
Advance income-tax (net of provision for taxation)	372.60	210.75
Balances with statutory/government authorities	896.45	728.89
	1,407.32	1,344.58
Total	1,445.36	1,440.57

Note 15 Other Non-Current Assets

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
A. Trade receivables not due for payment		
Unsecured, considered good		
Long-Term Trade Receivables (Unsecured)		
Considered good [See Note 37 (b)]*	146.18	371.05
Considered doubtful	—	—
Total	146.18	371.05

* Comprises of Retention money receivable

Note 16 Inventories

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Raw materials and components	1,207.82	387.93
Work-in-progress at factory	581.84	205.08
Contracts-in-progress	19.47	246.97
Finished goods		
(Stock-in-transit ₹ Nil, Previous Year ₹ 176.00 Lakh)	—	176.00
	1,809.13	1,015.98

Notes to Financial Statements (Contd.)

Note 17 Trade Receivables

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Outstanding for a period exceeding six months from the date they are due for payment (unsecured)		
Considered good	448.04	763.16
Considered doubtful	221.37	178.00
	669.41	941.16
Provision for doubtful receivables	(221.37)	(178.00)
(A)	448.04	763.16
Others (unsecured)		
Considered good	558.35	902.40
Doubtful	—	—
	558.35	902.40
Provision for doubtful receivables	—	—
(B)	558.35	902.40
Total	(A + B) 1,006.39	1,665.56

Note 18 Cash and Bank Balances

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Cash and Cash Equivalents		
Balances with banks:		
In current accounts	112.92	55.19
In deposit accounts with original maturity of less than 3 months [See Note 32 (a)]	38.10	3.33
Cash in hand	0.62	20.36
	151.64	78.88
Other bank balances		
In Deposit Accounts with original maturity for more than 3 months but less than 12 months	74.14	98.59
	74.14	98.59
	225.78	177.47

Note 19 Short-Term Loans and Advances

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Other loans and advances		
(Unsecured, considered good)		
Advances to staff	4.07	8.36
Advances to contractors/suppliers	477.11	121.67
Prepaid expenses	20.37	29.39
Other loans and advances	5.38	11.25
Total	506.93	170.67

Notes to Financial Statements (Contd.)

Note 20 Other Current Assets

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Unsecured, considered good		
Work done but not billed	894.57	557.71
Interest accrued on fixed deposit/margin money	23.99	11.07
	<u>918.56</u>	<u>568.78</u>

Note 21 Revenue from Operations

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Sale of goods / products		
Pressure Vessels and Air Receivers/Structural	2,988.98	1,305.36
Less: Excise Duty	(289.98)	(162.96)
	<u>2,699.00</u>	<u>1,142.40</u>
Sale of services		
Income from Erection/Supply Contracts	4,656.62	4,245.13
Income from Manpower Supply Contracts	511.98	349.14
	<u>7,867.60</u>	<u>5,736.67</u>

Note 22 Other Operating Revenue

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Other operating revenue	40.52	165.78
Less: Excise Duty	(4.31)	(2.56)
	<u>36.21</u>	<u>163.22</u>

Note 23 Other Income

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Interest Income	11.03	15.24
Exchange Rate Difference (net) [See Note 41]	—	9.59
Profit on Sale of Assets	0.26	—
Miscellaneous Income	46.21	0.04
	<u>57.50</u>	<u>24.87</u>

Note 24 Cost of Raw Materials and Components Consumed

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Inventory at the beginning of the year	563.93	477.25
Add: Purchases	3,128.34	2,506.28
	<u>3,692.27</u>	<u>2,983.53</u>
Less: Inventory at the end of the year	(1,207.82)	(563.93)
	<u>2,484.45</u>	<u>2,419.60</u>

Notes to Financial Statements (Contd.)

Note 25 Project Execution Expenses

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Cost of Erection Services	3,594.65	2,964.00
Motor Vehicle expenses	96.93	114.38
Hire Charges Machineries	221.13	133.05
Works Contract Tax and Other Taxes	36.99	198.75
Liquidated Damages and Penalty	—	57.68
Site Expenses	131.86	137.39
Rent for Guest House/Office at Site	59.82	70.95
Provision for Contract Expenses	248.19	211.94
Price Reduction	—	884.35
Insurance Premium	33.32	31.49
Professional Charges	56.94	—
Bank Guarantee and Letter of Credit charges	21.45	54.13
Other Project Expenses	46.67	54.18
	4,547.95	4,912.30

Note 26 (Increase)/Decrease in Work in Progress and Contracts-in-progress

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Work in Progress and contract in Progress at the end of the year		
Work-in-progress	581.84	205.08
Contracts-in-progress	19.47	246.97
	601.31	452.05
Work in Progress and contract in Progress at the beginning of the year		
Work-in-progress	205.08	37.41
Contracts-in-progress	246.97	456.61
	452.05	494.02
Net (Increase)/Decrease	(149.26)	41.97

Note 27 Employee Benefit Expenses

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Salaries, Wages and Bonus	703.98	902.14
Contribution to Provident and Other Funds *	63.22	48.67
Staff Welfare Expenses	2.78	3.83
	769.98	954.64

* Contribution to Provident and Other Funds includes ₹ 31.38 Lakh (Previous Year ₹ 34.07 Lakh) towards Defined Contribution Plan and ₹ 20.04 Lakh (Previous Year ₹ 9.94 Lakh) towards Defined Benefit Plan.

Notes to Financial Statements (Contd.)

Note 28 Other Expenses

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Office Rent	19.61	85.25
Electricity Expenses	—	11.90
Rates and Taxes	4.31	1.07
Motor Vehicle Expenses	7.05	8.73
Travelling Expenses	49.20	97.99
Legal and Professional Fees [See Note 43]	98.66	127.86
Postage and Telephone	23.38	24.83
Printing and Stationery	10.06	15.48
Business Development Expenditure	3.79	2.49
Registration Expenses – Overseas	17.04	16.75
Directors' Fees	1.95	2.50
Exchange Rate Difference (net) [See Note 41]	14.54	—
Bad debts	—	36.06
Provision for Doubtful Debts	43.37	78.00
Provision for Doubtful Advances	162.63	—
Loss on Sale of Assets	—	1.98
Miscellaneous expenses	36.28	55.06
	491.87	565.95

Note 29 Finance Costs

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Interest Expenses		
On Borrowing	463.94	713.18
On Deferred/Delayed payment of Taxes	9.93	3.55
Other Borrowing Costs	11.23	11.24
	485.10	727.97

Note 30 Exceptional Items

	31 st March 2014	31 st March 2013
	₹ Lakh	₹ Lakh
Furniture, Office Equipment and Vehicle Discarded	13.14	—
Leasehold Improvements Discarded	—	30.42
Electrical Installations Discarded	—	27.64
	13.14	58.06

31 Contingent liabilities not provided for :

- Demand from Sales Tax Department (Work Contract Tax) ₹ 22.32 Lakh (Previous Year ₹ 22.32 Lakh) for which appeals are pending.
- Claims against the Company not acknowledged as debts ₹ 900 Lakh (Previous Year ₹ 1534.99 Lakh)
- Income Tax Department has issued a demand notice for ₹ 136.72 Lakh (Previous Year ₹ 227.26 Lakh) as penalty.

Notes to Financial Statements (Contd.)

- 32 a. All the Fixed Deposit receipts are lying with the banks towards margin money against Bank guarantees issued by Banks.
b. Deferred Tax Liabilities as on 31st March 2014 comprises of :

Particulars	Balance as on 31 st March 2014 (₹ Lakh)	Balance as on 31 st March 2013 (₹ Lakh)
Deferred Tax Liability : Arising on account of timing difference in:		
i. Depreciation	(8.05)	2.31
Deferred Tax Asset: Arising on account of timing difference in:		
i. Provision for Compensated Absences	(9.99)	(4.94)
ii. Provision for Gratuity	(5.53)	(0.29)
iii. Provision for Bonus	(7.34)	(1.93)
iv. Provision for doubtful debts	(50.25)	—
v. Provision for doubtful Advances	(13.40)	—
Net Deferred Tax (Asset)/Liability	(94.56)	(4.85)
Net Deferred Tax (Asset)/Liability recognized during the year (See Foot Note)	Nil	(1.20)

Note: On grounds of prudence, the Company has recognized 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).

- c. Provision for tax under the Income Tax Act, 1961 is not made as there are no chargeable profits during the year.
33 a. **Related Parties and Relationships**

Holding Company : Tata Projects Limited

Key Managerial Personnel : Mr. P. S. Chopde, Executive Director (Manufacturing) upto 10th April 2013

- 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	2013-14 (₹ Lakh)	2012-13 (₹ 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	1,800.00	1,600.00
		Unsecured Loan taken during the year	300.00	200.00
		Unsecured Loan repaid during the year	—	—
		Unsecured Loan outstanding as at year end	2,100.00	1,800.00
		Interest payable at the beginning of the year	387.84	193.16
		Interest accrued and due during the year	94.27	370.16
		Interest Paid during the year	9.46	175.48

Notes to Financial Statements (Contd.)

Name of the related party	Nature of relation	Nature of transaction	2013-14 (₹ Lakh)	2012-13 (₹ Lakh)
		Interest payable at the end of the year	472.65	387.84
		Sale of Goods/Services	3,999.05	11.98
		Receivables as at end of the year	2.48	—
		Balance of Mobilisation / Advance as at the end of year	1,141.99	1.30
		Liability for Reimbursement of Expenses	421.35	1.94
Mr. P. S. Chopde Executive Director (Manufacturing)	Key Management Personnel (upto 10 th April 2013)	Managerial Remuneration	0.80	28.80
Mr. P. V. Varghese Executive Director	Key Management Personnel (upto 31 st December 2012)	Managerial Remuneration	—	21.60

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

Sr. No.	Particulars	2013-14 (₹ Lakh)	2012-13 (₹ Lakh)
a.	Contract revenue recognized during the year	5,168.61	4,594.28
b.	Amount of Customer Advances (net of recoveries from progressive bills)	222.16	334.96
c.	Retention amount	143.12	316.20
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)	36,256.79	31,468.37
e.	Gross amount due from customers for contract work	1,331.13	1,859.62

- 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 2014 (₹ Lakh)	Balance as on 31 st March 2013 (₹ Lakh)
i	Principal amount remaining unpaid	86.98	—
ii	Interest accrued, due and remained unpaid thereon	12.30	—
iii	Payment made to suppliers (other than interest) beyond the appointed day during the year	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	1.34	—
vii	interest accrued and remaining unpaid at the end of the year to suppliers under the MSMED Act	12.30	—

Notes to Financial Statements (Contd.)

- 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 on 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 for the nine months ended 31st March 2014 amounting to ₹ 302.56 Lakh (including ₹ 99.38 Lakh for the quarter ended 31st March 2014). 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 Auditors Report for the year ended 31st March 2014.
- 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 ₹ 146.18 Lakh (Previous Year ₹ 371.05 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 ₹ 43.37 Lakh (Previous Year ₹ 78 Lakh) for doubtful debts is made during the year; resulting in total provision of ₹ 221.37 Lakh as on 31st March 2014.
- d. Long term Loans and Advances includes ₹ 300.90 Lakh reimbursement receivable from client. Provision of ₹ 162.63 Lakh (Previous Year ₹ Nil) has been made during the year.
- 38 Amount due within one year towards Sales Tax Deferment Loan is ₹ 8.04 Lakh (Previous Year ₹ 24.01 Lakh).

39 Earnings per share (Basic & Diluted)

	31 st March 2014	31 st March 2013
a. Net profit/(loss) available for equity share holders (₹ Lakh)	(833.34)	(3,939.79)
b. Number of equity shares (Face value ₹ 1/-) (No. in Lakh)	369.20	369.20
c. Basic and diluted earnings per share (₹)	(2.26)	(10.67)

40 Details of earning and expenditure in foreign currency:

PARTICULARS	31 st March 2014	31 st March 2013
	(₹ Lakh)	(₹ Lakh)
Earning in foreign exchange (Amount expended in equivalent Indian rupees)	172.47	496.91
Expenditure in foreign currency (Amount expended in equivalent Indian rupees)	158.98	735.27

- 41 The net loss on account of exchange rate difference amounting to ₹ 14.54 Lakh (Previous Year Gain of ₹ 9.59 Lakh) has been accounted in the Statement of Profit and Loss in compliance with AS-11 on "Changes in Foreign Exchange Rates"

42 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.

Notes to Financial Statements (Contd.)

b. Manufacturing Activities:

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

i) Raw material Consumed :

	Unit	2013-14		2012-13	
		Quantity	Value (₹ Lakh)	Quantity	Value (₹ Lakh)
Plates/Steel	(MT)	5,023.51	2,048.42	2,350.67	1,055.17
Pipes	(MT)	76.42	36.54	47.40	36.30
Paints	Litres	27,739.00	23.16	18,600.00	31.31
Others	—	—	—	—	33.21
TOTAL			2,108.12		1,155.99

ii) Imported/Indigenous Raw materials Consumed :

	2013-14		2012-13	
	Value (₹ Lakh)	%	Value (₹ Lakh)	%
Imported	NIL	NIL	NIL	NIL
Indigenous	2,108.12	100%	1,155.99	100%

iii) Manufacturing Sales:

Turnover	Unit	2013-14		2012-13	
		Quantity	Value (₹ Lakh)	Quantity	Value (₹ Lakh)
Vessels/Structural	(MT)	3,661.18	2,988.98	1,943.75	1,305.36
Less :- Excise Duty		—	(289.98)	—	(162.96)
TOTAL		3,661.18	2,699.00	1,943.75	1,142.40

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

Nature of services	2013-14 (₹ Lakh)	2012-13 (₹ Lakh)
Audit fees	6.00	6.00
Tax Audit fees	1.00	1.00
Taxation matters	1.00	1.50
Transfer Pricing Audit	1.50	—
Reimbursement of expenses	1.07	0.37
Service Tax*	1.17	1.04
Total	11.74	9.91

*Set off claimed

44 The Actuarial Valuation of Gratuity and compensated absences have been done and the details of the same are:

Sr. No	Particular	Gratuity (funded)		Compensated Absences (Unfunded)	
		2013-14 (₹ Lakh)	2012-13 (₹ Lakh)	2013-14 (₹ Lakh)	2012-13 (₹ Lakh)
a.	Expenses recognized in the statement of P & L				
	Current Service Cost	12.50	7.90	19.23	28.42
	Interest Cost	2.59	2.66	2.68	2.05
	Expected Return on Plan Assets	(2.97)	(3.27)	—	—
	Net Actuarial (Gain)/Loss recognized for the period	6.95	(1.62)	(14.33)	(12.01)
	Expense recognized in the Statement of P & L	19.07	5.67	7.58	18.46

Notes to Financial Statements (Contd.)

Sr. No	Particular	Gratuity (funded)		Compensated Absences (Unfunded)		
		2013-14	2012-13	2013-14	2012-13	
		(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	(₹ Lakh)	
b.	Movement in the Liability recognized in Balance Sheet.					
	Opening Net Liability	0.84	—	42.18	27.63	
	Expenses as above	19.06	5.67	7.58	18.46	
	Contribution Paid	(2.00)	(4.83)	(17.43)	(3.91)	
	Closing Net Liability	17.90	0.84	32.33	42.18	
c.	Changes in present value of obligations					
	PVO at the beginning of year	41.91	33.94	42.18	27.63	
	Interest Cost	2.59	2.66	2.67	2.05	
	Current Service Cost	12.50	7.90	19.24	28.42	
	Benefits Paid	(19.14)	(1.21)	(17.43)	(3.91)	
	Actuarial (Gain)/Loss on obligation	6.58	(1.38)	(14.33)	(12.01)	
	PVO at end of year	44.44	41.91	32.33	42.18	
d.	Changes in fair value of plan assets					
	Fair Value Plan Assets at Beginning of the year	41.07	33.94	—	—	
	Expected Return on plan Assets Contribution	2.97	3.51	—	—	
	Contributions	2.00	4.83	—	—	
	Benefit Paid	(19.14)	(1.21)	—	—	
	Actuarial Gain/ (Loss) on Plan Assets	(0.36)	—	—	—	
	Fair Value of Plan Assets at end year	26.54	41.07	—	—	
e.	Actual Return on Plan Asset	2.61	3.50	—	—	
f.	Category of Assets as at the end of the year					
	Insurer Managed Funds *	26.54	41.07	—	—	
* Details of Individual Investment in portfolio or Investment structure of portfolio are not available as on the Balance Sheet date.						
g.	Experience Adjustment					
	Gratuity	2014	2013	2012	2011	2010
	Defined Benefit Obligation	44.44	41.91	30.79	23.17	15.48
	Fair Value of Planned Assets	26.53	41.07	33.94	29.41	28.22
	(Surplus)/Deficit	17.91	0.84	(3.15)	(6.24)	(12.74)
	Experience Adjustment on Plan Liabilities[(Gain)/Loss]	6.58	(1.38)	1.04	8.74	(12.63)
	Experience Adjustment on Plan Asset[(Gain)/Loss]	0.36	(0.24)	—	—	(0.22)
	Compensated Absences					
	Defined Benefit Obligation	32.33	42.18	27.63	15.95	3.82
	Experience Adjustment on Plan Liabilities [(Gain)/Loss]	(9.85)	(2.13)	(9.43)	(4.92)	(5.47)

Notes to Financial Statements (Contd.)

h. Actuarial Assumptions

Gratuity	2013-14	2012-13
Mortality	LIC (1994-96) Ult.	LIC (1994-96) Ult.
Interest/Discount Rate	8%	8%
Rate of Increase In Compensation	10%	4%
Rate of Return (expected) on plan Assets	9.15%	9.15%
Employee Attrition Rate (PS)	10%	10%
Expected Average Remaining Service	7.32	7.48
Compensated Absences	2013-14	2012-13
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	-	-
Employee Attrition Rate (PS)	10%	10%
Expected Average Remaining Service	7.32	7.41

i. Expected Contribution to be made to the plan assets in financial year 2014-15 is ₹ 17.40 Lakh

45 Segmental Reporting (Geographical Segments):

Sales	2013-14	2012-13
	(₹ Lakh)	(₹ Lakh)
Domestic	7,700.56	5,411.28
Overseas	167.04	325.39
Total	7,867.60	5,736.67

- 46 From the current year the Company has amortized Leasehold Land on Straight Line Method based on period of the lease. Consequentially depreciation on leasehold land includes ₹ 1.35 Lakh which is related to earlier years.
- 47 In line with accepted practice in construction business, certain revisions of costs and billing of previous year which have crystallized during the year have been dealt with during the current year.
- 48 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
Chartered Accountants
FRN : 101872W

Vineet Saxena
Partner
Membership No. 100770

Place: Mumbai
Date: 14th May 2014

Shailesh Jain
Chief Financial Officer

Anuja Bhate
Company Secretary

Place: Mumbai
Date: 14th May 2014

For and on behalf of the Board

Vinayak Deshpande
Chairman

Nalin M. Shah
Director

Pralhad Pawar
Director

Notes

[illegible]



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 2014

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)

35th Annual General Meeting

Day & Date	Time	Venue
Friday, 8 th August 2014	4.00 p.m.	Sunville Banquets, Orchid Hall, 2 nd 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-fifth 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



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-fifth Annual General Meeting of the Company to 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 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 2014, together with Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Vinayak Deshpande, who retires by rotation and being eligible, offers himself for re-election.
3. Appointment of Auditors
4. Remuneration of Cost Auditors.
5. Appointment of Mr. Michael Bastian as an Independent Director under the provisions of Section 149 of the Companies Act, 2013.
6. Appointment of Mr. Nalin Shah as an Independent Director under the provisions of Section 149 of the Companies Act, 2013.
7. Availing additional facilities at the Company's Nagpur Manufacturing facility.

Signed this _____ day of _____, 2014

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.

