



**MINUTES OF THE THIRTY THIRD ANNUAL GENERAL MEETING OF ARTSON
ENGINEERING LIMITED HELD ON MONDAY, 23RD JULY 2012 AT 4.00 P.M. AT
MINI THEATRE, 3RD FLOOR, RAVINDRA NATYA MANDIR, P.L. DESHPANDE
KALA ACADEMY, SAYANI ROAD, PRABHADEVI, MUMBAI – 400 025**

Present:

Mr. Vinayak Deshpande	Chairman
Mr. H. H. Malgham	Director
Mr. A. K. Misra	Director
Mr. Shashikant Oak	Special Director
Mr. P. S. Chopde	Executive Director - (Manufacturing) and shareholder
Mr. P. V. Varghese	Executive Director

32 Members were present in person and 1 Member was present through Corporate Representation.

By Invitation:

In Attendance:

Mr. Purushothaman R. Chief Financial Officer
Mr. Vishram Panchpor Company Secretary

The Chairman extended a warm welcome to the Members present and since there was a quorum, started the proceedings of the Meeting.

The Chairman stated that the Register of Directors' Shareholdings and the Register of Proxies were available for inspection to the Members, if anyone so desired.

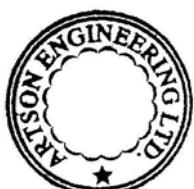
The Chairman then introduced the fellow Directors present on the dais. The Chairman also introduced Mr. Nalin M. Shah, who would be joining the Board of Directors effective 1st August 2012 as an Independent Director and who was present in the Auditorium by invitation.

The Chairman informed the Shareholders that due to certain pressing engagement Mr. Michael Bastian, an Independent Director, had regretted his inability to be present at the Meeting.

With the permission of the Members, the Notice convening the Thirty Third Annual General Meeting was taken as received and read.

In the course of his Speech, amongst other matters, the Chairman:

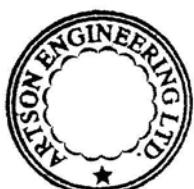
- urged the shareholders to register their e-mail IDs and actively participate in the ‘Green Initiative’ introduced by the Ministry of Corporate Affairs.





- placed on record significant role played by Mr. N. K. Jagasia as the founder-Chairman of the Company, and later as the Vice Chairman upon re-constitution of the Board of Directors effective 4th January 2008;
- placed on record significant role played by Mr. Kishore Pal Singh, former Chairman of the Company, under whose able guidance, the Company could make a remarkable progress and also implement most of the provisions of the Scheme of Rehabilitation sanctioned by the Board for Industrial and Financial Reconstruction (BIFR) ("the Sanctioned Scheme").
- shared with the Members the circumstances and events that affected the Company's performance during the year under review and informed that during that year:
 1. the Company successfully completed a project entailing construction of 64 Intermediate and Product Storage Tanks at Shree Guru Gobind Singh Refinery, Bathinda and this Refinery was dedicated to the Nation on 28th April 2012 by the Hon'ble Prime Minister Dr. Manmohan Singh;
 2. the Company also completed another Project at Bathinda entailing supply, fabrication and erection of structural crossover Platform in Tank Farm Area;
 3. the Company had commenced project execution activities in January 2011 at Bhagyam Oil Fields at Barmer, Rajasthan and the project entailing mechanical works and piping of 8 (eight) Well Pads had been handed over to the Client for crude production by end March 2012 and the Client had commenced crude oil production;
 4. the projects at Cuddalore were unfortunately hit by the "Thane Cyclone" in December 2011 and all the work carried out by the Company was destroyed in this natural calamity. Fortunately, no fatalities or serious injuries were reported and after obtaining necessary permissions and approvals, the execution work has resumed in March 2012;
 5. the Company had received 2 (two) orders from Tata Steel Growth Shop aggregating about ₹ 30 Crore for (a) fabrication of structurals at Gamharia near Jamshedpur and (b) the other order entailing erection of equipment in Tata Steel Plant and the projects are being executed as per schedule;
 6. consequent to the cancellation of the two overseas orders, the Company cautiously decided to take a breather and therefore did not take up any works overseas. This drop in Turnover, in reality, was the prime reason for the shortfall in the overall performance during the year under review;
 7. manufacturing activities at the Nashik Factory were carried out through out the year and the Company successfully completed its first major order during the year under review.

The Chairman then informed the Members that since the commencement of Financial Year 2012-13, the Company had received new orders aggregating ₹ 42 Crore, which included:





- a. an Order for Engineering, Procurement and Construction of 21 tanks, Piping, Equipment erection and Painting for a Liquid Tank Terminal at Haldia. The estimated value of the Order is about ₹ 24 Crore.
- b. an Order for manufacture and supply of Pressure Water Filters for Tata Steel Limited's proposed steel plant at Kalinganagar, Odisha. The estimated order value is about ₹ 12 Crore.
- c. an Order entailing construction of 2 Open Roof Storage tanks at Uran in Maharashtra having estimated value of about ₹ 4 Crore
- d. an Order to be executed in Ras Al Khaimah, UAE entailing Fabrication and installation of Piping spools with estimated order value of about ₹ 2 Crore.

The Chairman thereafter shared with the Members, the Company's performance for the first quarter ended 30th June, 2012, which had been approved by the Board of Directors at its Meeting held on 18th July 2012.

The Chairman then informed the Members that most of the provisions of the Sanctioned Scheme have already been implemented however, owing to various impeding factors, the Company had not been able to achieve positive networth. The Company would therefore, if necessary, approach the BIFR seeking continuity of the Sanctioned Scheme and extension to come out of the BIFR's purview.

The Chairman placed on record, his sincere thanks for the understanding support of the business associates, vendor partners, bankers, government and regulatory authorities in India and abroad. He also thanked the dedicated team of employees for their commitment towards the Company and the shareholders for their unstinted support to the Company.

Thereafter, Mr. Vishram Panchpor, Company Secretary, read the Auditors' Report and with the permission of the Members, the Annexure to the Auditors' Report was taken as read.

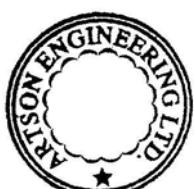
The Chairman proposed and Mr. Bharat Negandhi seconded the following Resolution as an Ordinary Resolution:

"RESOLVED THAT the Profit and Loss Account for the Financial Year ended 31st March 2012, the Balance Sheet as at that date, Reports of the Directors and Auditors as laid before the Members at this Meeting be and are hereby adopted."

Before putting the Resolution to vote, the Chairman invited the Members to make their comments/ seek clarifications, if any.

Mrs. C. E. Mascarenhas expressed concern on the Company's performance for the year under review and:

1. enquired the reasons for cancellation of 2 (two) major orders during the year under review;
2. enquired about the level of shareholding of Tata Projects Limited in the Company;





3. enquired about the rate of interest on the term-loan taken by the Company from Tata Projects Limited;
4. enquired as to when the Company is likely to come out of the BIFR's purview;
5. enquired about a possibility of any exit opportunity by way of an Open Offer to the Shareholders.

Mr. Kisan Ratilal Choksey expressed disappointment on the Company's performance for the year under review and also for the quarter ended 30th June 2012 and enquired about:

1. the current order-book position;
2. outlook for the full Financial Year 2012-13;
3. future prospects of Nashik Factory post Certification by the American Society of Mechanical Engineers (ASME);
4. output capacity of the Nashik Factory.

Mr. Aspi Bhesania sought explanations for cancellation of 2 (two) overseas contracts during the year under review and enquired about the current order-book position, and the quantum of orders that the Company has received from Tata Projects Limited.

Mr. Rajul Padh enquired about:

1. the current order-book position;
2. the quantum of orders for which the Company has submitted bids and quantum of likely orders out of these bids;
3. diversification plans of the Company; and
4. any possibility of either an Open Offer by or reverse merger with Tata Projects Limited.

The Chairman thanked the shareholders for their compliments and interest shown in the Company's affairs, and replied to their queries as follows:

1. The overseas orders with estimated aggregate value of ₹ 125 Crore were cancelled due to certain onerous contractual conditions. In one contract the strategy for execution of the contract was changed by the Client subsequent to the award of the letter of intent and in the other, the Client could not fulfill the agreed contractual pre-conditions and hence it was perceived that continuing with these contracts was not in the best interest of the Company;
2. Tata Projects Limited holds 75% of the paid-up share capital of the Company;
3. The term-loan taken from Tata Projects Limited carries an interest-rate of 10% per annum and this is as per the Sanctioned Scheme;
4. The Company has orders in hand of above ₹ 150 Crore and the Company is hopeful of adding some new orders for Projects in India and overseas and,





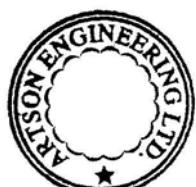
also for Nashik Factory. The Company has recently completed registration formalities as a business entity in Kuwait and it is already registered in Fujairah (UAE). These registrations will enable us to undertake EPC projects in the Middle East and Gulf countries. With successful execution of these projects, the Company hopes to reduce the accumulated losses by the year-end and some cost reduction measures would also contribute in the Company's profitability. The Company's management is making focussed efforts to make it a positive-networth company.

5. The proposals about any possibility of Open Offer or Reverse Merger etc. has to be decided by the Board of Directors of Tata Projects Limited, however, to the best of the Chairman's knowledge no such proposals are under consideration.
6. The estimated value of order on hand aggregate ₹ 157 Crore and of these the estimated value of orders received from Tata Projects Limited are to the extent of ₹ 16 Crore.
7. As a prudent policy, the Company does not make any forward looking statements and hence no information can be shared about the outlook for the Financial Year 2012-13.
8. The accreditation received from the ASME is for manufacture of Boilers and Pressure Vessels that conform to ASME Codes. The Certification was conferred upon the Company during last week of April 2012 and has opened up vast avenues for manufacture and supply of specialized coded equipment to Clients in India and abroad. The Company plans to book significant orders for high-end fabrication work.
9. The Company's Nashik Factory is engaged in manufacture of Pressure Vessels and heavy-structural fabrication works and the output capacity varies depending upon the nature of jobs undertaken. The Factory, at present, is not operating at its optimal capacity since it started its commercial operations only in November 2010.
10. The Company has submitted bids for various upcoming projects, however the quantum of these bids is confidential information and the likely orders out of these bids is difficult to predict.
11. The Company operates in only one reportable business segment i.e. executing Engineering, Procurement and Construction (EPC) contracts in Oil, Gas & Hydro-carbon Industry and no diversification plans are envisaged.

The Chairman then put the Resolution for adoption of Accounts, Directors' Report and Auditors' Report to vote and the Resolution was carried unanimously.

Mr. Aspi Bhesania proposed and Mr. Tushar Sodha seconded the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Michael Bastian, who retires by rotation in accordance with the requirements of the Companies Act, 1956 and the Articles of Association of the Company and is eligible for re- appointment, be hereby re- appointed as a Director of the Company."





The Resolution was carried unanimously.

Mrs. C. E. Mascarenhas proposed and Mr. Naresh Kachalia seconded the following Resolution as an Ordinary Resolution:

"RESOLVED THAT M/s. Chokshi & Chokshi, Chartered Accountants, Mumbai, (Firm Registration No. 101872W), the retiring Auditors be and are hereby appointed as the Auditors of the Company to hold office until the conclusion of the Thirty-fourth Annual General Meeting on a remuneration as may be decided by the Board of Directors plus reimbursement of Service Tax and out of pocket expenses for actual traveling and other expenses in connection with the Company's audit."

The Resolution was carried unanimously.

At the request of the Chairman, Mr. H. H. Malgham, Director, took the Chair for the next item and conducted the proceedings of the Meeting.

Mr. Aspi Bhesania proposed and Mr. P. G. Kulkarni seconded the following Resolution as an Ordinary Resolution:

"RESOLVED THAT Mr. Vinayak Deshpande, who was appointed as an Additional Director of the Company by the Board of Directors with effect from 1st February 2012 and who holds the office upto the date of ensuing Annual General Meeting of the Company under Section 260 of the Companies Act, 1956 (the Act) but is eligible for appointment and in respect of whom the Company has received a notice in writing under Section 257 of the Act from a Member of the Company proposing his candidature for the office of a Director, be and is hereby appointed as a Director of the Company liable to retire by rotation."

The Resolution was carried unanimously.

Mr. Vinayak Deshpande thanked the Members.

The meeting concluded with a vote of thanks to the Chair.

Sd/-

Mumbai, 8th August 2012

CHAIRMAN

