



MINUTES OF THE THIRTY FIFTH ANNUAL GENERAL MEETING OF ARTSON ENGINEERING LIMITED HELD ON FRIDAY, 8th AUGUST 2014 AT 4.15 P.M. AT SUNVILLE BANQUETS, ORCHID HALL, 2nd FLOOR, 9, DR. ANNIE BESANT ROAD, OPPOSITE ATRIA MALL, WORLI, MUMBAI 400 018

Present:

Mr. Vinayak Deshpande	Chairman
Mr. A. K. Misra	Director
Mr. Michael Bastian	Director
Mr. Nalin Shah	Director
Mr. Pralhad Pawar	Director

In Attendance:

Mr. R. S. Chokshi	Partner, Chokshi & Chokshi, Chartered Accountants, Statutory Auditors
Mr. Gurnam Singh	Chief Operating Officer
Mr. Pratik Agrawal	Chief Financial Officer
Ms. Anuja Bhate	Company Secretary

By Invitation:

Mr. Shailesh Jain	Head – Finance & Accounts, TPL
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The Chairman ascertained the number of Members present and announced that at the scheduled time of 4.00 p.m. the requisite quorum was not present and hence the Meeting stood adjourned to 4.15 p.m.

At 4.15 p.m. the requisite quorum i.e. 31 Members present in person and 2 Members present through Proxy /Corporate Representation was present and hence the Chairman commenced the proceedings of the 35th Annual General Meeting.

The Chairman extended a warm welcome to all the Members present and 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 introduced the Directors on the dais and informed that due to certain personal reasons, Mr. Shashikant Oak, Special Director, had requested that he be excused for not being able to attend the Meeting.

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

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





- a. the Company had commenced the year under review with an Order backlog of about Rs. 54 Crore and had added to this new orders having estimated order value of approx. ₹ 116 Crore, Thus, the Company had executable orders to the tune of approx.. ₹ 170 Crore.
- b. the inactiveness in infrastructure and construction industry had continued through-out the year under review and economic indicators had recorded a slow-movement.
- c. The manufacturing activities at the Nagpur facility had commenced during the 3rd quarter of the Financial Year 2013-14 and had recorded a good progress;
- d. The Company had completed all mechanical works pertaining to the construction of 21 Storage Tanks at the project at Haldia;
- e. The Company had completed demobilization activities at its Project sites at Dahej, Cuddalore and Kalinganagar;
- f. The construction of Export Oil Storage Tank at Barmer was completed and that only small portion of hydro testing was balance.
- g. Structural fabrication activities at Gamharia, Jamshedpur were carried out smoothly throughout the year under review.
- h. The Company had received a Certificate of Appreciation for significant achievement of 5 Million safe man-hours from Tata Steel Growth Shop.

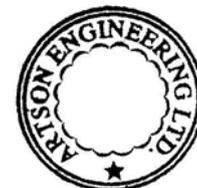
The Chairman thereafter informed the Members that:

- at the Company's Nashik factory the balance works pertaining to pressure vessels and the work on a new order for manufacturing Buffer Vessels was under progress.
- the Company's Nagpur facility had received a major order for fabrication of building structures and the work on this order is expected to go on till most part of the year.
- the Company through its Nashik factory, had delivered 4 vessels till June 2014 and balance 4 vessels would be dispatched in the 2nd quarter of the Financial Year 2014-15.

The Chairman expressed hope that the Members would approve the proposal on availing additional facility at Nagpur with their overwhelming support. He further stated that the Company would be able to execute high volume structural fabrication orders and carry out fabrication at the rate of about 2000 tonnes per month.

The Chairman shared with the Members a possibility to add one more location for structural fabrication activities.

The Chairman thereafter informed the Members, the Company's performance for the first quarter ended 30th June, 2014, which had been approved by the Board of Directors at its Meeting held on 19th July 2014. He further added that although there





was only a marginal improvement in the Income from Operations, reduction in costs and expenditure especially the finance costs resulted in improved performance as compared to the corresponding period of the previous year.

The Chairman then informed the Members that most of the provisions of the Sanctioned Scheme had already been implemented. However, the Company had not been able to achieve positive networth. The Company had therefore approached the BIFR and had filed a Miscellaneous Application on 17th October 2013 for extension of the rehabilitation period and had also proposed certain modifications in the Sanctioned Scheme.

The Chairman apprised the Members that the Miscellaneous Application, amongst others, contained a proposal to convert the outstanding Term Loan and Inter Corporate Deposits taken from Tata Projects Limited including interest thereon aggregating Rs. 44.18 Crore into 44,18,22,878 4 % Optionally Convertible Cumulative Redeemable Preference Shares of Re. 1/- each. It was informed that the said financial restructuring exercise would not only substantially improve the Company's networth but also reduce the recurring finance cost to a great extent thereby improving the cash-flow also.

The Members were informed that in all 4 hearings were granted to the Company and the Miscellaneous Application was approved at the hearing held on 4th February 2014, However, one of the Bench Members had demitted his Office and had not signed the formal Order before that date. The BIFR's present Bench had therefore decided to hear the matter afresh and had scheduled a hearing on 11th June 2014. However, the Bench had, suo motu, postponed the hearing without assigning any reasons and without fixing the next date for hearing.

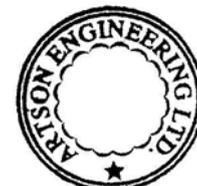
The Chairman expressed hope that, barring unforeseen circumstances, the proceedings before the BIFR would be concluded with a favorable outcome.

The Chairman then informed that Members that pursuant to the provisions of the Companies Act, 2013, the proposals for appointment of Mr. Michael Bastian and Mr. Nalin Shah as the Independent Directors of the Company formed part of the Meeting's Agenda and expressed a hope that the Shareholders would approve these proposals with their overwhelming support.

The Chairman thereafter urged the Members to opt for registration of email IDs so that the Annual Report and other important information about the Company could reach in a faster, economic and eco-friendly manner.

It was informed that pursuant to the provisions of the Companies Act, 2013 and the Listing Agreement, the Company had made available to the Members, the e-voting facility. The e-voting window was kept open from 2nd August 2014 to 4th August 2014 and Mr. Punit Shah, Practicing Company Secretary, was appointed as the Scrutinizer to carry out the e-voting process in a fair and transparent manner.

It was stated that the Report of the Scrutinizer on e-voting process as well as the results of voting at the Annual General Meeting would be placed on the Company's website and that of National Securities Depository Limited ("NSDL") latest by 9th August 2014.





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

Thereafter, Ms. Anuja Bhate, 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 thereafter announced that for the benefit of Members who had not voted electronically, a poll would be conducted at the end of the Meeting and for the said purpose, Mr. Punit Shah, Practicing Company Secretary had been appointed as the Scrutinizer for scrutinizing the poll process in a fair and transparent manner.

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

Mr. Anil Parekh enquired about:

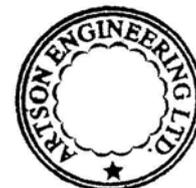
1. the meaning of Special Director;
2. the name of the Chief Financial Officer;
3. as to why the Company does not have an Executive Director to look after the day- to day affairs of the Company;
4. as to when the Shareholders can expect dividend;
5. the activities undertaken at Nagpur Manufacturing facility;
6. installed capacity and capacity utilization at Plants;
7. stand taken by the BIFR on the Company's Miscellaneous Application;
8. reasons for reduction in value of some of the contracts.

Mr. Parekh also suggested that under the caption Corporate Information, against the names of the concerned Directors it should be indicated that they are Independent Directors and the name of the Company Secretary should also be mentioned. He appreciated that majority of the Board Members had attended all the Board Meetings held during the year.

Mrs. C. E. Mascarenhas stated that although the losses had reduced, the situation had not improved enough and enquired about:

1. the concessions/ reliefs that the Company has sought from the BIFR;
2. the future business prospects of the Company;

Mrs. Reshma expressed full faith in the Company's leadership and gave her best wishes to the Company.





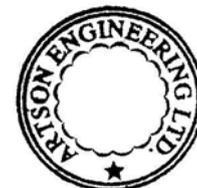
Mrs. Anita Balsara stated that she supported all the resolutions which formed the part of the Agenda of the Annual General Meeting.

Mr. Parimal Mithani observed that the Company had no EPC projects under execution and thereafter enquired about:

1. the vision of the Company in future;
2. Road map of the Company for the next 5 years from now.

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

- a. The Special Director is appointed by the BIFR pursuant to the provisions of Section 16 of the Sick Industrial Companies (Special Provisions) Act, 1985;
- b. The Board of Directors had appointed Mr. Pratik Agrawal, Chartered Accountant as the Chief Financial Officer effective 21st July 2014;
- c. Day- to-day affairs of the Company are being looked after by Mr. Gurnam Singh, Chief Operating Officer who has rich experience in areas of business development, sales & marketing and manufacturing of process plant and storage equipment for critical applications in diverse industries.
- d. As per the Audited Accounts, the Company had accumulated losses of Rs. 67.40 Crore as at the end of Financial Year 2013-14. The Sanctioned Scheme, amongst others, contained a restriction that no dividend shall be declared without BIFR's prior permission. Hence, the decision about dividend will be taken by the Board of Directors at an appropriate time in future.
- e. Medium fabrication works are undertaken at the Company's Nagpur manufacturing facility;
- f. Current capacity of Nagpur Manufacturing facility is 800 Tonnes per month. The Company would be able to enhance it upto 2000 tonnes per month once additional facility becomes operational.
- g. The BIFR had scheduled a hearing on 11th June 2014 to hear the matter afresh. However, the hearing was postponed, suo motu, by the BIFR without giving any reasons or the next date of hearing. The matter is therefore still pending with the BIFR.
- h. The reduction in the contract value was due to reduction in quantities of bought out materials and this pertained to a project at Haldia.
- i. One of the modifications sought in the Sanctioned Scheme is the proposal involving conversion of the Term loan and the Inter-Corporate Deposits including interest thereon aggregating Rs. 44.18 Crore extended by Tata Projects Limited into 4 % Optionally Convertible Cumulative Redeemable Preference Shares of Re. 1/- each. Barring unforeseen circumstances, the Company expected that the BIFR would approve this modification.





- j. The Company intends to focus more on contract manufacturing/ fabrication activities which had helped the Company to stabilise its operations.
- k. The Company intends to undertake the tankage related works selectively. Although there are no EPC projects under execution, the Company will bid for select EPC projects and whilst doing so it shall continue to carry out contract manufacturing/ fabrication work for Tata companies till the Company has a consistent record of profits.

The Chairman thereafter ordered Poll to be taken on the under noted Resolutions which formed part of the Agenda of the Annual General Meeting:

1. Adoption of the Audited Financial Statements for the financial year ended 31st March 2014, Reports of the Board of Directors and the Auditors thereon.

"RESOLVED THAT the Audited Financial Statements for the Financial Year ended 31st March 2014, Reports of the Directors and Auditors as laid before the Members at this Meeting be and are hereby adopted."

2. Re-appointment of Mr. Vinayak Deshpande (DIN: 00036827) as a Director of the Company, liable to retire by rotation.

"RESOLVED THAT Mr. Vinayak Deshpande (DIN: 00036827), who retires by rotation in accordance with the requirements of the Companies Act, 2013 and the Articles of Association of the Company and is eligible for re-appointment, be and is hereby re- appointed as a Director of the Company."

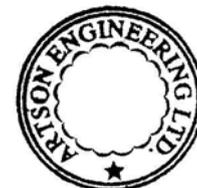
3. Appointment of M/s. Chokshi & Chokshi, Chartered Accountants (Firm Registration No.101872W), as the Statutory Auditors of the Company

"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-Sixth 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."

4. Remuneration to Cost Auditor

"RESOLVED THAT the remuneration of Rs.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.





“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.

“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.

“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 Rs 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.”

The Chairman then informed the shareholders that the results of evoting and Poll would be announced and will be uploaded on the Company’s website and that of NSDL on 9th August 2014 and will also be intimated to Bombay Stock Exchange Limited.

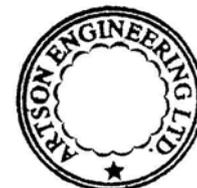
The Chairman then thanked the Members.

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

Mumbai, 5th September 2014

Sd/-

Chairman





ADDENDUM TO THE MINUTES OF THE THIRTY FIFTH ANNUAL GENERAL MEETING OF ARTSON ENGINEERING LIMITED HELD ON FRIDAY, 8TH AUGUST 2014 AT 4.15 P.M. AT SUNVILLE BANQUETS, ORCHID HALL, 2ND FLOOR, 9, DR. ANNIE BESANT ROAD, OPPOSITE ATRIA MALL, WORLI, MUMBAI 400 018

The Scrutinizer, Mr. Punit Shah, Practicing Company Secretary submitted the report containing the combined results of e-voting and voting conducted at General Meeting to the Chairman on 8th August 2014. A summary of the said report is as under:

Resolution No and type		Title of the Resolution	Number of Votes			
			For	%	Against	%
No.	Type					
1	Ordinary	Adoption of Audited Financial Statements for the Financial Year ended 31 st March 2014 together with Reports of the Board of Directors and the Auditors thereon	2,8000,274	100	0	0
2	Ordinary	Re-appointment of Mr. Vinayak Deshpande (DIN: 00036827) as a Director of the Company, liable to retire by rotation.	27,999,719	99.99	555	0.01
3	Ordinary	Appointment of M/s. Chokshi & Chokshi, Chartered Accountants (Firm Registration No.101872W), as the Statutory Auditors of the Company	27,999,719	99.99	555	0.01
4	Ordinary	Remuneration to Cost Auditor	27,999,719	99.99	555	0.01
5	Ordinary	Appointment of Mr. Michael Bastian as an Independent Director upto 4 th August 2019	27,999,719	99.99	555	0.01
6	Ordinary	Appointment of Mr. Nalin Shah as an Independent Director	27,999,719	99.99	555	0.01





Resolution No and type		Title of the Resolution	Number of Votes			
			For	%	Against	%
		upto 7 th August 2019				
7	Special	Availing additional facility at the Company's Nagpur Manufacturing facility	309,719	99.82	555	0.18

Accordingly, all the above Resolutions were passed by the Shareholders with the requisite majority.

Mumbai, 5th September 2014

Sd/-

Chairman

