



37th ANNUAL
REPORT
2015-16

ARTSON ENGINEERING LIMITED

(A subsidiary of Tata Projects Limited)



Artson Engineering Limited

(A subsidiary of Tata Projects Limited)

Corporate Identity Number: L27290MH1978PLC020644

Tel No. 022 66255600 Fax: + 91 2266255614 Email: artson@artson.net Website: www.artson.net

BOARD OF DIRECTORS

Chairman	Mr. Vinayak Deshpande
Director	Mr. Pralhad Pawar
Independent Directors	Mr. Michael Bastian
	Mr. Nalin Shah
	Ms. Leja Hattiangadi
Special Director	Mr. Mukesh Mohan Gupta

Chief Operating Officer	Mr Nikhil Naniwadekar
Chief Financial Officer	Mr Rajesh Mandale
Company Secretary	Ms Rajeshree Gaikwad (till 13 th May 2016)

Share Registrar and Share Transfer Agents

Link Intime India Private Limited
13-C, Pannalal Silk Mills Compound,
L.B.S. Road, Bhandup (West),
Mumbai 400 078

Registered Office

11th Floor, Hiranandani Knowledge
Park, Technology Street, Powai,
Mumbai 400076

Overseas Office

Flat No 802, Khalifa Matar Building
Bin Hamad Bin Abdullah Road
Fujairah, United Arab Emirates
(UAE) Post Box No 3679

Bankers

Corporation Bank
ICICI Bank Limited
Bank of Baroda

Monitoring Agency

Bank of India

Statutory Auditors

Chokshi & Chokshi LLP,
Chartered Accountants

Internal Auditors

Patel & Deodhar,
Chartered Accountant

Secretarial Auditor

P.P.Shah & Co.,
Practising Company Secretaries

Manufacturing Units:

Nashik Unit

D-5, MIDC Ambad, Nashik
Nashik-422010

Nagpur Unit

Plot No. D-1, Umred
Industrial Area, MIDC
Umred, Dist- Nagpur- 441 203

Jamshedpur Unit

C/o Mr. Avinash Singh, NH-3
Plot No 2054/255/2057/2062
Mouza-Asanbani, PS-Chandil
Saraikeela, Jharkhand- 832401

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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 37th Annual General Meeting of the Members of the Company will be held on Tuesday, 16 August 2016 at 3.00 p. m. at Seminar Hall, The Victoria Memorial School for the Blind, Opposite Tardeo AC Market, 73, Tardeo Road, Mumbai 400034 to transact the following business:

Ordinary Business

1. To receive, consider and adopt the Audited Financial Statements as at 31st March 2016, 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 38th Annual General Meeting on a remuneration to be fixed by the Board of Directors. Chokshi & Chokshi LLP, Chartered Accountants, Mumbai, the retiring Auditors are eligible for appointment.

Special Business

4. To enter into Related Party transactions under Section 188 of the Companies Act, 2013 read with Companies (Meeting of the Board and its Powers) Rules, 2014. To pass the following Resolution, with or without modification, as an **Ordinary Resolution:**

"RESOLVED THAT pursuant to Section 188 of the Companies Act, 2013 read with Companies (Meeting of the Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force, consent of the Company be and is hereby accorded to the Board of Directors, to enter into contracts / arrangements / transactions with Tata Projects Limited (TPL), the Company's Holding company and a 'Related Party' as defined under Section 2 (76) of the Companies Act, 2013, as indicated in the table below on mutually acceptable terms and conditions between the Company and TPL for the maximum amounts per annum, as mentioned herein below:

Sr. No.	Category	Maximum value of transactions in each Financial Year
1	Sale, purchase or supply of any goods or materials, directly or through appointment of agents and Availing or rendering of any services, directly or through appointment of agents	₹ 200 Crore
2	Leasing of property of any kind	₹ 10 Crore

RESOLVED FURTHER THAT consent of the Company is accorded for ratification of the aforesaid related party transactions already entered into by the Company exceeding the threshold as specified in Rule 15 (3) of the Companies (Meetings of Board and its Powers) Rules, 2014.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do or cause to be done all such acts, deeds and things, settle any queries, difficulties, doubts that may arise with regard to any transactions with the related party, finalise the terms and conditions as may be considered necessary, expedient or desirable and execute such agreements, documents and writings and to make such filings as may be necessary or desirable, in order to give effect to this Resolution in the best interest of the Company."

5. To keep the Register of Members, Annual Returns etc. at a place other than the Registered Office of the Company but within the city limits of Mumbai

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

“RESOLVED THAT:

- a. in supersession of all earlier resolutions passed in this regard and pursuant to the provisions of Sections 88, 94 and other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as “the Act”) read with the Companies (Management and Administration) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force and corresponding sections of the erstwhile Companies Act, 1956) the Members of the Company hereby approve, confirm and ratify that, with effect from 1 July 2016, Link Intime India Private Limited (SEBI Regn No. INR000004058) having its office at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400078 be appointed as the Company’s Share Registrars and Transfer Agents;
- b. the Registers and Index of Members of the Company under Section 150 of the Companies Act, 1956 (corresponding to Section 88 of the Act) and copies of the returns prepared under Section 159 of the Companies Act, 1956 (corresponding to Section 92 of the Act), required to be maintained under the Act be shifted and maintained at Link Intime India Private Limited (SEBI Regn No. INR000004058) having its office at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400078, or at such other place within Mumbai, where the Registrar and Transfer Agent may shift its office from time to time.
- c. the Board of Directors (including a Committee thereof, if any, constituted by the Board) and/ or the Chief Financial Officer or the Company Secretary be and are hereby authorized to do all such acts, deeds and things as may be necessary, expedient and desirable for the purpose of giving effect to this Resolution and to delegate all or any of the powers or authorities herein conferred by this resolution, to any Director(s) or to any other official of the Company or any other Officer(s)/ Authorized Representative(s) of the Company or to engage any advisor, consultant, agent or intermediary”.

Notes:

1. **A Member entitled to attend and vote at the Meeting is entitled to appoint a proxy and such proxy need not be a Member of the Company. A person can act as Proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A Member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and such person cannot act as a Proxy for any other person or shareholder. Proxies, in order to be valid, must be received at the Registered Office of the Company not less than 48 hours before the Meeting.**

2. An Explanatory Statement pursuant to Section 102 of the Companies Act, 2013, relating to the Special Business to be transacted at the Annual General Meeting is annexed hereto.
3. The Register of Members and the Share Transfer Books of the Company will remain closed from Friday, 12th August 2016 to Tuesday, 16th August 2016 (both days inclusive).
4. Members holding shares in electronic form are requested to bring their Client ID and DP ID numbers at the Meeting for easy identification.
5. To facilitate registration an attendance slip is enclosed. Shareholders attending the Annual General Meeting are requested to bring it with them at the venue.
6. Pursuant to the provisions of the Companies Act, 2013, facility for making nomination is available to the shareholders in respect of shares held by them. Nomination forms can be obtained from the Registered Office of the Company or the Share Registrars and Transfer Agents of the Company or can also be downloaded from the Company's website- www.artson.net.
7. Shareholders are requested to address all correspondence in relation to shares related matters to the Company's Share Registrars and Transfer Agents at the following address:
Link Intime India Private Limited
C-13, Pannalal Silk Mills Compound,
L. B. S. Marg, Bhandup (West), Mumbai 400078
8. A Member desirous of getting any information on the accounts or operations of the Company is required to forward his/ her queries to the Company at least seven days prior to the Meeting so that the required information can be made available at the Meeting.
9. Pursuant to the provisions of the Companies Act, 2013 and the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015, the Notice convening the 37th Annual General Meeting along with the Financial Statements for the year ended 31st March 2016, 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 rnt.helpdesk@linkintime.co.in and accordingly a printed copy of the Annual Report will be sent to the registered address of the Member.

E- Voting facility (Remote e- voting):

1. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and regulation 44 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015 (Listing Regulations), the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting ("AGM") by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).

2. The facility for voting through polling paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
3. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.
4. The remote e-voting period commences on 12th August 2016 (9.00 a.m.) and ends on 15th August 2016 (5.00 p.m.). During this period members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 9th August 2016, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
5. The process and manner for remote e-voting are as under:
 - 5.1. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
 - 5.1.1. Open email and open PDF file with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - 5.1.2. Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - 5.1.3. Click on Shareholder - Login
 - 5.1.4. Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - 5.1.5. Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination 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.
 - 5.1.6. Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - 5.1.7. Select "EVEN" of "Artson Engineering Limited".
 - 5.1.8. Now you are ready for remote e-voting as Cast Vote page opens.
 - 5.1.9. Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - 5.1.10. Upon confirmation, the message "Vote cast successfully" will be displayed.
 - 5.1.11. Once you have voted on the resolution, you will not be allowed to modify your vote.
 - 5.1.12. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the 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 e-mail to vnpscrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in

5.2. In case a Member receives physical copy of the Notice of AGM [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :

5.2.1. Initial password is provided as below/at the bottom of the Attendance Slip for the AGM:

EVEN (Remote e-voting Event Number)	USER ID	PASSWORD/PIN
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5.2.2. Please follow all steps from Sl. No. (5.1.2) to Sl. No. (5.1.12) above, to cast vote.

6. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
7. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
8. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
9. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 9th August 2016.
10. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 9th August 2016, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or rnt.helpdesk@linkintime.co.in.

However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forget your password, you can reset your password by using “Forgot User Details/Password” option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.

11. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
12. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.
13. Mr. Vishram Panchpor, Practising Company Secretary [ICSI Membership No. A 20057, CP No. 13027] has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
14. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of “Poling Paper” for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
15. The Scrutinizer shall after the conclusion of voting at the AGM, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of the conclusion of the AGM, a consolidated scrutinizer’s report of the total votes cast in favour or against, if any, to the Chairman or a person authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.

16. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.artson.net and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the BSE Limited, Mumbai.

By Order of the Board,

Registered Office:
11th Floor, Hiranandani Knowledge Park,
Technology Street, Powai,
Mumbai – 400 076

VINAYAK DESHPANDE
Chairman

Date: 30 June 2016

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 Company is engaged in the business as EPC contractor in the field of Oil & Gas and Hydrocarbon Processing Industry, specialized in Tankages, Piping, and other Mechanical Packages. The Company is also engaged in the structural fabrication works. The Company, in the ordinary course of business, enters into transactions with Tata Projects Limited (TPL) for sale, purchase or supply of goods or materials, leasing of property and availing or rendering of services.

TPL, the Company's holding company, is a related party within the meaning of Section 2 (76) of the Companies Act, 2013 ('the Act').

The aforementioned transactions with TPL are likely to exceed the threshold limits provided in Rule 15 (3) of the Companies (Meetings of the Board and its Powers) Rules, 2014 ['Rules'] under the respective category of related party transactions.

Pursuant to the provisions of the said Rules, the Company can enter into transactions with related parties, exceeding the threshold limits, only with the consent of shareholders by an Ordinary Resolution.

In terms of Explanation (3) appended to Rule 15 (3) of the said Rules, the under-noted information is of relevance:

Particulars	Information	
Name of the Related Party	Tata Projects Limited (TPL)	
Name of Director(s) or Key Managerial Personnel who is related, if any	Mr. Vinayak Deshpande and Mr. Pralhad Pawar, Directors are related to TPL and are its nominees on the Company's Board of Directors. However, for the purpose of this transaction, they are not related parties.	
Nature of Relationship	TPL is a Holding company and the Promoter of the Company	
Nature, Material terms of the Contracts / arrangements / transactions	sale, purchase or supply of goods or materials, leasing of property and availing or rendering of services	
Monetary Value (maximum amount each Financial Year)	Sale, purchase or supply of any goods or materials, directly or through appointment of agents as well as availing or rendering of any services, directly or through appointment of agents	Rs. 200 Crore
	Leasing of property of any kind	Rs. 10 Crore

Whether the transactions have been approved by the Board of Directors	Yes. The Audit Committee has at its Meeting held on 22 April 2016 granted the Omnibus Approval. Based on the recommendations of the Audit Committee, the Board of Directors has at its Meeting held on 22 April 2016 has recommended the Ordinary Resolution to the Members for their approval.
Any other information relevant or important for the Members to make a decision on the proposed transactions	The Company is registered with the Board for Industrial and Financial Reconstruction (BIFR) and TPL is the Promoter of the Company. TPL is committed to revive / rehabilitate the Company.

The annual value of the transactions proposed is estimated on the basis of the Company's current transactions and future business projections.

The Board is of the opinion that the transactions of sale, purchase or supply of goods or materials, leasing of property and availing or rendering of services with TPL are in the best interest of the Company.

The Board recommends passing of the Ordinary Resolution at Item No. 4 for approval.

Mr. Vinayak Deshpande and Mr. Pralhad Pawar, being nominees of Holding company, may be considered as related to Promoters and therefore may deemed to be considered as interested or concerned. They do not hold any share in the Company.

No other Directors, Key Managerial Personnel of the Company or their respective relatives are concerned with or interested in the said Resolution.

Item No. 5

The Company had appointed M/s. Sharepro Services (India) Private Limited ("Sharepro") as its Share Registrars and Transfer Agent (hereinafter referred to as "R&TA").

The Securities and Exchange Board of India ("the SEBI") vide its Ex-Parte-Ad-Interim Order dated 22 March 2016 and Press Release of that date informed about certain irregularities observed by it in the share transfers and payment of dividend handled by Sharepro in respect of some of its client companies. SEBI directed all companies which were availing securities related registry services from Sharepro to conduct audit of their share transfers and payment of dividend for the last 10 (ten) years. The SEBI also advised all client companies to change Share Registrars and Transfer Agent.

Accordingly, the Board of Directors of the Company vide its Circular Resolution dated 24 June 2016, on the recommendations of the Stakeholders Relationship Committee, has approved the appointment of Link Intime India Private Limited having its Office at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400078 with effect from 1st April, 2016 as the Company's R&TA.

In accordance with Section 94 and other applicable provisions of the Act read with the Companies (Management and Administration) Rules, 2014, the Register and Index of Members under Section 88 of the Act and copies of Annual Returns under Section 92 of the Act are required to be kept and maintained at the Registered Office of the Company, unless a Special Resolution is passed in a general meeting authorizing keeping of the register at any other place within the city, town or village in which the Registered Office is situated.

The Company has shifted its Register and Index of Members and Returns to the office of Link Intime



India Private Limited having its Office at C-13, Pannalal Silk Mills Compound, L. B. S. Marg, Bhandup (West), Mumbai 400078.

The Board of Directors of the Company recommends the Special Resolution as set out in the Notice for approval, ratification and confirmation by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives are concerned or interested in the proposed Special Resolution as set out in the Notice, except to the extent of their shareholding, if any, in the Company.

By Order of the Board,

Registered Office:

11th Floor, Hiranandani Knowledge Park,
Technology Street, Powai,
Mumbai – 400 076

VINAYAK DESHPANDE

Chairman

Date: 30 June 2016

INFORMATION PERTAINING TO DIRECTORS SEEKING RE-APPOINTMENT

Name	Mr. Vinayak Deshpande
Director Identification Number	00036827
Date of Birth	21 st July 1957
Qualifications	B. Tech (Chemical)
Specialised Expertise	Design and sales of Boilers and Captive Power Plants, EPC and Construction Business
Experience	Rich and varied experience of over 3 decades
Terms and Conditions of Appointment	Nominee of TPL (Holding Company), Non-Executive Director, Chairman of the Board
Details of Remuneration	Nil
Date of first appointment on the Board	1st February 2012
Shareholding in the Company	Nil
Relationship with other Directors, Manager and Key Managerial Personnel	Mr. Vinayak Deshpande is not related to any other Directors, Manager and Key Managerial Personnel
Number of Board Meetings attended	6 (Six) Meetings held during Financial Year 2015-16 and attended all the Meetings.
Directorship in other companies	<ol style="list-style-type: none"> 1. Tata Projects Limited 2. Kennametal India Limited 3. Voltas Limited 4. Tata Projects Infrastructure Limited 5. TPL – TQA QS South Africa (Proprietary) Ltd. 6. TPL – TQA QS (Mauritius) Pty. Ltd. 7. Industrial Quality Services LLC Oman 8. Philips Lighting India Limited

Mr. Vinayak Deshpande is not disqualified from being appointed as a Director of the Company.

DIRECTORS' REPORT

TO THE MEMBERS,

The Directors present their Thirty-Seven Annual Report along with the Audited Financial Statement for the Financial Year ended 31st March 2016.

1. Performance of the Company

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

Financial Highlights

	Financial Year ended 31 st March 2016	Financial Year ended 31 st March 2015
		(₹ Crore)
Sales and Other Income	113.71	65.09
Profit/ (Loss) before Finance Cost, Tax, Depreciation and Exceptional Items	7.44	3.41
Profit/ (Loss) before tax	2.85	(1.99)
Profit/ (Loss) after tax	2.85	(1.99)
Profit/ (Loss) brought forward	(69.56)	(67.40)
Profit/ (Loss) available for appropriation	(66.71)	(69.56)

Operations

The Company's Total Income for the year under review aggregated ₹ 113.71 Crore (Previous year – ₹ 65.09 Crore). The operations of the Company for the period under review resulted in a Profit after Tax of ₹ 2.85 Crore (Previous year – Loss after Tax ₹ 1.99 Crore).

The Company commenced the financial year with an order backlog of about ₹ 51.65 Crore. During the year under review, the Company received new orders with estimated value of about ₹ 128.75 Crore and thus, the orders available for execution aggregated approx. ₹ 180.40 Crore. The closing order backlog for Company for year ended 31st March 2016 stands at ₹ 72.75 Cr.

During the year under review, the Company successfully completed the Tank Construction project in Gujarat, India. The project in Sharjah, UAE is nearing completion.

The Company increased the Structural Fabrication capacity by enhancing the facility at Nagpur in Q2 FY15-16 and by starting operations at Asanbani, near Jamshedpur and at Ranchi in Q3 of FY 15-16. The Company received approvals from M/s NTPC for supply of fabricated structures from Nagpur and Nashik units to power projects and have on-going supply contracts in these and as well as other sectors' projects.

Effect of the above resulted in the Company's Turnover for the Financial Year 15-16 to be close to expected levels and a growth of over 75% in Revenue and a positive Net Profit of 2.85 Cr (243%).

In the year 15-16, Company dispatched 10972 MT of Fabricated Steel Structures to various project. sites from its facilities at Nagpur, Asanbani (Jamshedpur), Nashik and Ranchi

The Company had mobilized the Sharjah project site at the end of FY14-15. During FY15-16, the Company has achieved substantial completion of the 30 out of 31 Chemical Storage tanks and is poised to complete the scope in Q1 FY16-17.

The Company management put extra focus on liquidating the matters pertaining old claims under arbitration. The efforts have resulted in Company receiving a favorable order from Mumbai High Court settling the claim of ₹ 2.41 Cr, along with interest from M/s IOCL.

However, the expected order intake in United Arab Emirates (UAE) and Sales turn-over could not be realized due to softness in Global Oil Industry and hence deferred investment decisions by prospective clients. Also, Company's Equipment Manufacturing segment experienced negative growth and pressure on margins.

The Company started pursuing the opportunities in Tank Construction and Maintenance projects in India, during this year and have been qualified for few tenders in this segment.

The Company has maintained impeccable record for Safety at all factory locations and project sites. The Company received appreciation from Customers on this account.

The Company's Management along with that of Tata Projects Limited, is making arduous efforts to revive the Company and record a better performance over the years to come.

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

The Company's Miscellaneous Applications (MA) with the Board for Industrial and Financial Reconstruction (BIFR), containing, amongst others, 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, is still pending with the BIFR. No hearings were granted by the BIFR and hence the Company preferred to file a Writ Petition seeking intervention of the Hon'ble Delhi High Court. The Hon'ble High Court disposed off the said Writ Petition with the directions to the BIFR to grant hearing and dispose off all the pending MA in a time-bound manner. In response to this, the BIFR has conveyed that no hearings could be granted as there is no quorum in the Bench. It is expected that soon the Bench will be re-constituted and hearings will be granted.

3. Borrowings

As mentioned above, the Miscellaneous Application pertaining to financial restructuring proposal is pending consideration by the BIFR. Accordingly, 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). At the hearings granted by the BIFR from time to time, TPL and Bank of India (the Monitoring Agency) have informed BIFR about their approval for the modifications proposed in the Miscellaneous Applications.

4. Short Term loan from Tata Capital Financial Services Limited and Working Capital Facilities

The Company has borrowed a short term loan aggregating ₹ 25 Crore (Working Capital Demand Loan: ₹ 5 Crore and Short term loan: ₹ 20 Crore) from Tata Capital Financial Services Limited.

The Company has also availed working capital facilities from Corporation Bank which aggregate to ₹ 6 Crore (Fund Based facilities limit of ₹ 1 Crore and Non-Fund Based facilities limit of ₹ 5 Crore)

5. Extract of the Annual Return

An extract of the Annual Return as provided under Section 92 (3) of the Companies Act, 2013 is annexed to this Report and forms part of this Report.

6. Number of meetings of the Board of Directors

6 (.Six) Board Meetings were held during the period under review. The dates of these Board Meetings are 4th May 2015, 24th July 2015, 10th August 2015, 21st October 2015, 19th January 2016 and 18th March 2016.

7. Directors' Responsibility Statement

Based on the framework of internal financial controls and compliance systems established and maintained by the Company, the work performed by the internal, statutory and secretarial auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of the opinion that the Company's internal financial controls were adequate and effective during the year ended 31st March, 2016. Accordingly, pursuant to Section 134(5) of the Companies Act, 2013, based on the above and the representations received from the Operating Management, the Board of Directors, to the best of their knowledge and ability confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;
- ii. they have, in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgements and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2016 and of the profit of the Company for the year ended on that date;
- iii. they have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. they have prepared the annual accounts on a going concern basis;
- v. they have laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the year ended 31st March, 2016; and
- vi. proper system has been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended 31st March, 2016.

8. Directors and Key Managerial Personnel

Mr. A. K. Misra, a non-executive director and nominee of Tata Projects Limited resigned as a Director of the Company effective 5th May 2015. The Board has placed on record its appreciation of the significant role played by Mr. Misra during his tenure as a Director.

Ms. Leja Hattiangadi, who was appointed as an Additional Director (Non-Executive and Independent) on 12th March 2015 and held office till the 36th Annual General Meeting, was appointed at the Annual General Meeting held on 10th August 2015 as an Independent Director of the Company.

The Board for Industrial and Financial Reconstructions (BIFR) has, vide its Discharge Order (F.No. 16(4) / G-71/2009/BIFR/SD dated) 4th September 2015 advised the Company that with effect from 20 August 2014, Mr. Shashikant Oak had ceased to be the Special Director. Further, pursuant to the Appointment Order (F.No.16(4)/02/2011/BIFR/SD.Apptt.) dated 20th October 2015 passed by the BIFR, Mr. Mukesh Mohan Gupta has been appointed as the Special Director of the Company.

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.

There has been no change in the composition of the Board of Directors except as mentioned above.

During the year under review, Ms. Anuja Bhate had resigned as the Company Secretary of the Company. Pursuant to the provisions of Section 203 of the Companies Act, 2013 read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and upon the recommendation of Nomination and Remuneration Committee, Ms. Rajeshree Gaikwad was appointed as the Company Secretary of the Company with Effect from 21st October 2015. No other Key Managerial Personnel has been appointed or has tendered resignation during the Financial Year 2014-15.

The Company has filed a Miscellaneous Application (No. 536/ 2013 dated 16th October 2013) ['MA'] with the Board for Industrial and Financial Reconstruction (BIFR), seeking amongst others, the exemption from the mandatory requirement pursuant to Section 269 of the Companies Act, 1956 or any such provision under the Companies Act, 2013 regarding the appointment of Managing Director/ Whole Time Director / Manager until the period of rehabilitation of the Scheme. The said MA is pending consideration by the BIFR. In view thereof, the Company has not appointed Managing Director/ Whole Time Director / Manager.

9. Declaration given by Independent Directors

As per the requirement of Section 149 (7) of the Companies Act, 2013, Mr. Nalin Shah, Mr. Michael Bastian and Ms. Leja Hattiangadi, Independent Directors have given their respective declarations that they meet the criteria of independence as specified under Section 149 (6) of the Act.

10. Particulars of Loans, guarantees or investments

The Company has neither given any loans or guarantee nor provided any security in connection with the loan to any body corporate or person nor has it acquired by subscription, purchase or otherwise, the securities of any body corporate as provided under Section 186 of the Companies Act, 2013.

11. Remuneration Policy

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors has approved and adopted a Remuneration Policy for Directors, Key Managerial Personnel and other employees of the Company as required under Section 178 (3) of the Companies Act, 2013. The Company has adopted Governance Guidelines which inter-alia covers the composition and role of the Board, Board Appointment, Induction & Development, Director Remuneration, Code of Conduct, Board Effectiveness Review and mandates of the Board Committees. The Remuneration Policy is annexed to this Report and forms part of this Report.

12. Particulars of contracts or arrangements with related parties

All contracts/ arrangements/ transactions entered by the Company during the financial year under review with related parties were in the ordinary course of business and on arm's length basis. Particulars of contracts or arrangements with related parties in form No. AOC- 2 as required pursuant to the provisions of Section 134(3)(h) and Rule 8 of the Companies (Accounts), Rules, 2014 is annexed to this Report and forms part of this Report.

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

Particulars prescribed under Section 134(3)(m) of the Companies Act, 2013 are given in an Annexure to this Report and forms part of this Report.

14. Risk Management Policy

The Company has adopted a Risk Management and Mitigations Policy. A formal Risk reporting system has been devised by the Company. Risk Management Committee has also been constituted comprising of Director and senior officials of the Company.

The key risk management and mitigation practices include those relating to identification of key risks to the business objectives, impact assessment, risk evaluation and reporting. Board of Directors, Audit Committee and Risk Management Committee at its periodic meetings review the matters related to risk management and mitigation.

15. Annual Evaluation

The performance of Board of Directors and the committees constituted by the Board and the individual directors has been evaluated during the Financial Year ended 31st March 2016.

16. Particulars of Subsidiary companies or Joint ventures or associate company

The Company does not have any joint venture with any person or an associate company as defined under Section 2 (5) of the Companies Act, 2013 ('the Act') or subsidiary company as defined under Section 2 (87) of the Act.

17. Particulars of Deposits

During the year under review, the Company has neither accepted any deposits covered under Chapter V of the Companies Act, 2013 nor has it accepted deposits which are not in compliance with the requirements of Chapter V.

18. Particulars of Material Orders

During the year under review, neither any Regulator nor any Court or Tribunals has passed any significant and material Order impacting the going concern status and the Company's operations in future.

19. Audit Committee

The Audit Committee comprises of Mr. Nalin Shah, Mr. Michael Bastian, the Independent Directors and Mr. Pralhad Pawar,.

Mr. Nalin Shah and Mr. Michael Bastian are Chartered Accountants by profession and Mr. Pralhad Pawar is the Nominee Director of the Tata Projects Limited. The composition of the Committee is as per the provisions of Section 177 of the Companies Act, 2013. The Audit Committee continues to provide valuable advice and guidance in the areas of costing, finance and internal controls.

During the year under review, the Committee met 5 (five) times on 4th May, 2015, 24th July 2015, 10th August 2015, 21st October 2015 and 19th January 2016.

20. Nomination and Remuneration Committee

The Nomination and Remuneration Committee comprises of Mr. Michael Bastian, Mr. Nalin Shah, the Independent Directors and Mr. Vinayak Deshpande

Mr. Nalin Shah and Mr. Michael Bastian are Chartered Accountants by profession and Mr. Vinayak Deshpande is the Nominee Director of the Tata Projects Limited and also Chairman of Artson Engineering Limited. The composition of the Committee is as per the provisions of Section 178 of the Companies Act, 2013. Mr. Michael Bastian, Chairman of the Nomination and remuneration Committee was present at the Annual General Meeting held on 10th August 2015.

During the year under review, 4 (four) Meetings of the Nomination and Remuneration Committee were held on 4th May, 2015, 10th August 2015, 19th January 2016 and 18th March 2016.

21. Stakeholders Relationship Committee

The Stakeholders Relationship Committee comprises of Mr. Michael Bastian, Ms. Leja Hattiangadi, the Independent Directors and Mr. Pralhad Pawar. The composition of the Committee is as per the provisions of Section 178 of the Companies Act, 2013.

During the year under review, 4 (four) Meetings of the Stakeholder Relationship Committee were held on 4th May, 2015, 24th July 2015, 21st October 2015 and 19th January 2016.

22. 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.

23. Cost Auditors

The provisions related to Cost Audit were not applicable to the Company during the year under review.

24. Particulars of Employees

During the year under review, there were no employees in the Company who drew remuneration more than the amounts prescribed under Section 197(12) of the Companies Act, 2013 read with Rule 5 (2) and 5 (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.

25. Secretarial Audit Report

During the year under review, the Company had appointed M/s. P. P. Shah, Practicing Company Secretaries, Mumbai as the Secretarial Auditor for the Financial Year 2015-16. The report in form MR- 3 on the Audit carried out by the said Auditor is annexed to this Report.

26. Purchase of shares of the Company

The Company does not give any loan, guarantee or security, or any financial assistance to the employees of the Company for the purpose of a purchase or subscription for any shares of the Company or its Holding company pursuant to Section 67 (2) of the Companies Act, 2013.

27. Corporate Social Responsibility Committee

The provisions of Section 135 of the Companies Act, 2013 are not presently applicable to the Company.

28. Vigil Mechanism

The Company has adopted a Whistle Blower Policy to report to the Management instances of unethical behaviours, actual or suspected, fraud or violation of the Company's code of conduct or ethics policy. Under this policy, the employees can approach the Company's Ethics Counsellor/ Chairman of the Audit Committee.

29. Issue of shares with differential voting rights

The Company has not issued any shares with differential voting rights pursuant to the provisions of Rule 4 of the Companies (Share Capital and Debenture) Rules, 2014.

30. Issue of sweat equity shares

During the year under review, the Company has not issued any sweat equity shares to any of its employees, pursuant to the provisions of Rule 8 of the Companies (Share Capital and Debenture) Rules, 2014.

31. Employee Stock Option

The Company does not have any Employee Stock Option Scheme for its employees.

32. Report on Corporate Governance and Management Discussion and Analysis Report

SEBI has vide its Circular (Ref No. CIR/CFD/POLICY CELL/7/2014 dated 15th September 2014) amongst others, made the compliance with the provisions of amended Clause 49 of the Listing Agreement, non-mandatory for time being, to those companies having paid-up equity share capital not exceeding ₹ 10 Crore and Net Worth not exceeding ₹ 25 Crore as on the last day of the previous financial year. Considering that the Company's paid-up equity capital was ₹ 3.69 Crore and the Net Worth was negative as on 31st March 2014, compliance with the provisions of revised Clause 49 of the Listing Agreement was not mandatory to the Company.

Pursuant to the Regulation 15(2) of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Compliance with the corporate governance provisions as specified in regulations 17 to 27 and 46 (2) and para C, D and E of Schedule V are not applicable to the Company since its paid up share capital does not exceed Rupees 10 Crore and the Net Worth does not exceed Rupees 25 Crore as on the last day of previous financial year i.e. 31st March 2015.

Accordingly, for the year under review, the reports stating compliance with the Code of Corporate Governance and the Management Discussion and Analysis have not been annexed to this Report.

33. Acknowledgements

The Directors wish to place on record their sincere appreciation for the unrelenting 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, Financing and lending institutions. The Board wishes to record its deep appreciation to all the employees and workers of the Company for their dedication and commitment.

For and on behalf of the Board of Directors

VINAYAK DESHPANDE

Chairman

Mumbai, 22 April 2016

ANNEXURE TO THE DIRECTORS' REPORT

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

Information as per Section 134(3)(m) read with Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the Financial Year ended 31st March 2016:

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 all the areas of operations including the office premises as well as its manufacturing facilities at Nashik and 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

	Financial Year ended 31 st March 2016	Financial Year ended 31 st March 2015
		(₹ Crore)
Earnings	35.42	2.10
Outgo	32.73	4.07

For and on behalf of the Board of Directors

Mumbai, 22 April 2016

VINAYAK DESHPANDE

Chairman

**ANNEXURE TO DIRECTORS' REPORT – REFER POINT NO. 5
FORM MGT- 09**

Extract of Annual Return as on the Financial Year ended on 31st March 2016

[Pursuant to Section 92(3) of the Companies Act, 2013 and Rule 12 (1) of the Companies
(Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS

Corporate Identity Number	L27290MH1978PLC020644
Registration date	18 th September 1978
Name of the Company	Artson Engineering Limited
Category/ Sub-Category of the Company	Company limited by shares, Indian Non-Government company
Address of Registered Office and contact details	11 th Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai- 400 076 Tel: (022) 66255600 Fax: (022) 66255614 Website: www.artson.net
Whether listed company (yes/ no)	Yes
Name, Address and contact details of Registrar and Transfer Agent [Note: The details are as at 31 March 2016.]	Sharepro Services (India) Private Limited (Registered Office) 13AB, Samhita Warehousing Complex, 2 nd Floor, Sakinaka Telephone Exchange Lane, Off Andheri Kurla Road, Sakinaka, Andheri (East), Mumbai 400 072 Contact details: 022 66266300 Email id: sharepro@shareproservices.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

All the business activities contributing to 10 % or more of the total turnover of the Company shall be stated:

Sr. No.	Name and description of main products/ services	NIC Code of product/ service 2008	% to total turnover of the Company
1.	Manufacture of Structural Metal Products	251 & 259	62.02%
2.	Industrial & Infrastructure projects	332 & 422	35.84%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Name and Address of The Company	CIN/ GLN	Holding/ Subsidiary/ Associate	% Of Shares	Applicable Section
Tata Projects Limited Mithona Towers-1, 1-7-80 to 87, Prenderghast Road, Secunderabad., Hyderabad, Andhra Pradesh	U45203AP1979PLC057431	Holding	75%	2 (46)

Note: The Company does not have any Subsidiary company and associate company.

IV. SHAREHOLDING PATTERN (Equity Share Capital Break-up as percentage of Total Equity)

i. Category-wise share holding

Category of Shareholders	No. of shares held at the beginning of the year				No. of shares held at the end of the year				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
1. Indian									
a. Individual	0	0	0	0.00%	0	0	0	0.00%	0
b. Central Government	0	0	0	0.00%	0	0	0	0.00%	0
c. State Government	0	0	0	0.00%	0	0	0	0.00%	0
d. Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%	0
e. Bodies Corporate	2,76,90,000	-	2,76,90,000	75 %	2,76,90,000	-	2,76,90,000	75 %	0
f. Banks/ Financial Institutions	0	0	0	0.00%	0	0	0	0.00%	0
g. Any Other	0	0	0	0.00%	0	0	0	0.00%	0
Sub-total (A)(1)	2,76,90,000	-	2,76,90,000	75 %	2,76,90,000	-	2,76,90,000	75 %	0
(2) Foreign									
a. NRIs- Individuals	0	0	0	0.00%	0	0	0	0.00%	0
b. Other- Individuals	0	0	0	0.00%	0	0	0	0.00%	0
c. Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%	0
d. Banks/ Financial Institutions	0	0	0	0.00%	0	0	0	0.00%	0
e. Any Other	0	0	0	0.00%	0	0	0	0.00%	0
Sub-total (A)(2)	0	0	0	0.00%	0	0	0	0.00%	0
Total Shareholding of Promoter (A)=(A)(1)+(A) (2)	2,76,90,000	0	2,76,90,000	75 %	2,76,90,000	0	2,76,90,000	75 %	0
B. Public Shareholding									
1. Institutions									
a. Mutual Funds/ UTI	0	2,875	2,875	0.01%	0	2,875	2,875	0.01%	0
b. Banks/ Financial Institutions	0	1,400	1,400	0.00%	0	1,400	1,400	0.00%	0
c. Central Government	0	0	0	0.00%	0	0	0	0.00%	0
d. State Government	0	0	0	0.00%	0	0	0	0.00%	0
e. Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0
f. Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0
g. FIs	0	770	0	0.00%	0	770	0	0.00%	0
h. Other (specify)	0	0	0	0.00%	0	0	0	0.00%	0
Sub- total (B)(1)	0	5,045	5,045	0.01%	0	5,045	5,045	0.01%	0
2. Non-Institutions									
a. Bodies Corporate									
i. Indian	10,29,998	12,645	10,42,643	2.82%	7,34,252	4,12,145	11,46,397	2.82%	(0.35)%
ii. Overseas	0	0	0	0.00%	0	0	0	0.00%	0
b. Individuals									
i. Individual shareholders holding nominal share capital upto ₹ 1 lakh	51,00,485	15,78,247	66,78,732	18.09%	52,29,535	15,39,906	67,69,441	18.34%	0.25%
ii. Individual shareholders holding nominal share capital in excess of ₹ 1 lakh	11,99,500	0	11,99,500	3.25%	10,57,546	0	10,57,546	2.86%	(0.39)%
c. Others specify									
i. Non Resident Individual	2,67,345	36,735	3,04,080	0.82%	2,14,836	36,735	2,51,571	0.68%	(0.14)%
Sub- total (B)(2)	75,97,328	16,27,627	92,24,955	24.99%	72,36,169	19,88,786	92,24,955	24.99%	0.00%
Total Public Shareholding (b)=(B)(1) +(B)(2)	75,97,328	16,32,672	92,30,000	24.99%	72,36,169	19,93,831	92,30,000	24.99%	0.00%
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0
GRAND TOTAL = (A) + (B) + (C)	3,52,87,328	16,32,672	3,69,20,000	100%	3,49,26,169	19,93,831	3,69,20,000	100%	0.00%

ii. Shareholding of Promoters

Sl No.	Shareholder's Name	Shareholding at the beginning of the Year			Shareholding at the end of the Year			Change in shareholding during the year
		No. of shares	% of Total shares of the Company	% of shares pledged / encumbered to total shares	No. of shares	% of Total shares of the Company	% of shares pledged / encumbered to total shares	
1	Tata Projects Limited	2,76,90,000	75%	0.00%	2,76,90,000	75%	0.00%	0.00%

iii. Change in Promoter's shareholding (please specify, if there is no change)

Sr. No.		Shareholding at the beginning of the year		Shareholding at the end of the year	
		No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company
1	At the beginning of the year	2,76,90,000	75%	2,76,90,000	75%
	Date wise Increase / Decrease in Promoters Shareholding during the year specifying the reasons for increase / decrease (e.g. allotment / transfer / bonus/Sweat equity etc):	0	0	0	0
2	At the End of the year	2,76,90,000	75%	2,76,90,000	75%

iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the Year specifying reasons for increase/ decrease			Cumulative Shareholding during the year		At the end of the year (or the date of separation, if separated during the Year)	
		No. of shares	% of Total shares of the Company	Date	No. of shares	Increase/ (Decrease)	No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company
1	Sarnam Trading And Mercantile Pvt Ltd	400000	1.08%	Nil	Nil	Nil	400000	1.08%	400000	1.08%
2	Meenaxi Mehta	367000	0.81%	10.07.2015	100427	Increase	467427	1.27%	550000	1.49%
				17.07.2015	25691		493118	1.34%		
				24.07.2015	13882		507000	1.37%		
				31.07.2015	18000		525000	1.42%		
				14.08.2015	12500		537500	1.46%		
				21.08.2015	2500		540000	1.46%		
				28.08.2015	10000		550000	1.49%		
3	Narayan Keshavdas Jagasia	282500	0.77%	27.11.2015	5650	(Decrease)	280500	0.76%	269000	0.73%
				4.12.2015	5610		277500	0.75%		
				25.12.2015	5550		272500	0.74%		
				22.01.2016	5450		270000	0.73%		
				29.01.2016	5400		269000	0.73%		
4	Renuka Pranav Shah	200000	0.54%	15.01.2016	100000	(Decrease)	100000	0.27%	100000	0.27%
5	Pranav M Shah	200000	0.54%	15.01.2016	100000	(Decrease)	100000	0.27%	100000	0.27%
6	Smita N Navare	150000	0.41%	Nil	Nil	Nil	150000	0.41%	150000	0.41%
7	Romiyo Thekkinedath Mercily	99759	0.27%	5.06.2015	100	Increase	99859	0.27%	101512	0.27%
				18.12.2015	1653		101512	0.27%		
8	Shama Prakash Chopde*	98740	0.27%	17.04.2015	6500	(Decrease)	92240	0.25%	Nil	Nil
				26.06.2015	92240		Nil	Nil		

Sr. No.	For each of the Top 10 shareholders	Shareholding at the beginning of the year		Date wise Increase / Decrease in Shareholding during the Year specifying reasons for increase/ decrease			Cumulative Shareholding during the year		At the end of the year (or the date of separation, if separated during the Year)	
		No. of shares	% of Total shares of the Company	Date	No. of shares	Increase/ (Decrease)	No. of shares	% of Total shares of the Company	No. of shares	% of Total shares of the Company
9	Heera Lal Bhasin*	95427	0.26%	31.07.2015	10000	(Decrease)	85427	0.25%	96892	0.26%
				14.08.2015	10000	Increase	95427	0.26%		
				28.08.2015	536	Increase	95963	0.26%		
				11.12.2015	1527	(Decrease)	94436	0.26%		
				18.12.2015	1000	(Decrease)	93436	0.25%		
					3456	Increase	96892	0.26%		
10	Shama P Chopde*	95200	0.26%	24.07.2015	28500	(Decrease)	66700	0.18%	66700	0.18%
11	Jagruti Rajiv Dutia	Nil	Nil	14.08.2015	112565	Increase	112565	0.30%	238546	0.65%
				21.08.2015	17435		130000	0.35%		
				28.08.2015	12435		142435	0.39%		
				18.09.2015	2476		144911	0.39%		
				26.09.2015	374		145285	0.39%		
				16.10.2015	850		146135	0.40%		
				23.10.2015	3111		149246	0.40%		
				30.10.2015	31177		180423	0.49%		
				6.11.2015	43326		223749	0.61%		
13.11.2015	14797		238546	0.65%						
12	Pranav Securities Private Limited	Nil	Nil	15.01.2016	200000	Increase	200000	0.54%	200000	0.54%
13	Vishal Narendra Mehta	Nil	Nil	30.06.2015	64684	Increase	100000	0.27%	120000	0.33%
				26.09.2015	20000		120000	0.33%		

Note: * The Shareholders who were in the list of Top 10 shareholders of the Company at the beginning of the year, they are no longer top 10 shareholders at the end of the year.

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

(₹ in Lakh)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i. Principal Amount	1930.39	4200.00	0	6130.39
ii. Interest due but not paid	472.64	0.75	0	473.39
iii. Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	2403.03	4200.75	0	6603.78
Change in Indebtedness during the financial year				
* Addition	0	185.98	0	185.98
* Reduction	0	(0.75)	0	((0.75))
Net Change	0	185.23	0	185.23
Indebtedness at the end of the financial year				
i. Principal Amount	1930.39	4385.98	0	6316.37
ii. Interest due but not paid	472.64	0	0	472.64
iii. Interest accrued but not due	0	0	0	0
Total (i+ii+iii)	2403.03	4385.98	0	6789.01

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL
A. Remuneration to Managing Director, Whole-time Directors and/or Manager: NA *

Sr. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
1	Gross Salary	Refer Note given below.	
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	a. Value of perquisites u/s 17(2) Income-tax Act, 1961		
	b. Profits in lieu of salary under section 17(3) Income tax Act, 1961		
2	Stock Option		
3	Sweat Equity		
4	Commission · as a % of profit · others, specify		
5	Other, please specify		
	Total (A)		
	Ceiling as per Act		

* The Company has filed a Miscellaneous Application (No. 536/ 2013 dated 14th October 2013) ['MA'] with the Board for Industrial and Financial Reconstruction (BIFR), seeking amongst others, the exemption from the mandatory requirement pursuant to Section 269 of the Companies Act, 1956 or any such provision under the Companies Act, 2013 regarding the appointment of Managing Director/ Whole Time Director / Manager until the period of rehabilitation of the Scheme. The said MA is pending consideration by the BIFR. In view thereof, the Company has not appointed Managing Director/ Whole Time Director / Manager.

B. Remuneration to other directors:

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Name of Directors			Total Amount
1		Independent Directors			
		Mr. Nalin Shah	Mr. Michael Bastian	Ms. Leja Hattiangadi	
	Fee for attending Board committee meetings and Independent Directors meeting	170000	200000	150000	520000
	Commission	0	0	0	0
	Total (B)(1)	170000	200000	150000	520000
2		Other Non-Executive Directors			
	Fee for attending Board committee meetings	0	0	30000	90000
	Commission	0	0	0	0
	Total (B) (2)	0	0	30000	90000
	Total (B)= (1)+(2)				670000
	Overall Ceiling as per the Act	Section 197 of the Companies Act, 2013 read with Rule 4 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 prescribed sitting fees of ₹ 1 Lakh to be paid to each Director per meeting. The above sitting fees paid to Directors are within the prescribed limit			

Notes:

- In terms of the Resolution passed by the Board of Directors, Mr. Vinayak Deshpande and Mr. Pralhad Pawar, nominees and employees of Tata Projects Limited, are not paid any Sitting Fees.
- Pursuant to the Orders passed by the BIFR, Mr. Shashikant Oak ceased to be the Special Director and Mr. Mukesh Mohan Gupta was appointed as the Special Director.

C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD

(Amount in ₹)

Sr. No.	Particulars of Remuneration	Key Managerial Personnel				Total (₹)
		Company Secretary			CFO	
		MD/ WTD/ Manager/ CEO*	Ms. Anuja Bhate	Ms. Rajeshree Gaikwad (w.e.f.21 October 2015)	Mr. Rajesh Mandale	
1	Gross Salary					
	a. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	269,211	216,094	24,78,907	29,64,212
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	0	0
	c. Profits in lieu of salary under section 17(3) Income tax Act, 1961	0	0	0	0	0
2	Stock Option	0	0	0	0	0
3	Sweat Equity	0	0	0	0	0
4	Commission	0	0	0	0	0
	- as a % of profit	0	0	0	0	0
	- others, specify	0	0	0	0	0
5	Other, please specify					
	Total (A)	0	269,211	216,094	24,78,907	29,64,212

Notes:

- The Company has filed a Miscellaneous Application (No. 536 / 2013 dated 14th October 2013) ['MA'] with the Board for Industrial and Financial Reconstruction (BIFR), seeking amongst others, the exemption from the mandatory requirement pursuant to Section 269 of the Companies Act, 1956 or any such provision under the Companies Act, 2013 regarding the appointment of Managing Director/ Whole Time Director / Manager until the period of rehabilitation of the Scheme. The said MA is pending consideration by the BIFR. In view thereof, the Company has not appointed Managing Director/ Whole Time Director / Manager.
- Ms. Anuja Bhate resigned as the Company Secretary during the Financial Year. Ms. Rajeshree Gaikwad was appointed as the Company Secretary with effect from 21 October 2015. The details of remuneration given above are for the respective period of the office held as the Company Secretary.

VII. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES:

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any (give Details)
A. Company					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-
B. Directors					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-
C. Other Officers in Default					
Penalty	Nil	-	-	-	-
Punishment	Nil	-	-	-	-
Compounding	Nil	-	-	-	-

For Artson Engineering Limited

VINAYAK DESHPANDE

Chairman

Mumbai, 22 April 2016

ANNEXURE TO DIRECTORS' REPORT – REFER POINT NO. 11

Remuneration Policy

Remuneration policy for Directors, Key Managerial Personnel and other employees

The philosophy for remuneration of directors, Key Managerial Personnel (“KMP”) and all other employees of Artson Engineering Limited (“company”) is based on the commitment of fostering a culture of leadership with trust. The remuneration policy is aligned to this philosophy.

This remuneration policy has been prepared pursuant to the provisions of Section 178(3) of the Companies Act, 2013 (“Act”) and Clause 49(IV)(B)(1) of the Equity Listing Agreement (“Listing Agreement”). In case of any inconsistency between the provisions of law and this remuneration policy, the provisions of the law shall prevail and the company shall abide by the applicable law. While formulating this policy, the Nomination and Remuneration Committee (“NRC”) has considered the factors laid down under Section 178(4) of the Act, which are as under:

- a. “the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
- b. relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
- c. remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals”

Key principles governing this remuneration policy are as follows:

❑ Remuneration for independent directors and non-independent non-executive directors

- Independent directors (“ID”) and non-independent non-executive directors (“NED”) may be paid sitting fees (for attending the meetings of the Board and of committees of which they may be members) and commission within regulatory limits.
- Within the parameters prescribed by law, the payment of sitting fees and commission will be recommended by the NRC and approved by the Board.
- Overall remuneration (sitting fees and commission) should be reasonable and sufficient to attract, retain and motivate directors aligned to the requirements of the company (taking into consideration the challenges faced by the company and its future growth imperatives).
- Overall remuneration should be reflective of size of the company, complexity of the sector/ industry/ company’s operations and the company’s capacity to pay the remuneration.
- Overall remuneration practices should be consistent with recognized best practices.
- Quantum of sitting fees may be subject to review on a periodic basis, as required.
- The aggregate commission payable to all the NEDs and IDs will be recommended by the NRC to the Board based on company performance, profits, return to investors, shareholder value creation and any other significant qualitative parameters as may be decided by the Board.

- The NRC will recommend to the Board the quantum of commission for each director based upon the outcome of the evaluation process which is driven by various factors including attendance and time spent in the Board and committee meetings, individual contributions at the meetings and contributions made by directors other than in meetings.
- In addition to the sitting fees and commission, the company may pay to any director such fair and reasonable expenditure, as may have been incurred by the director while performing his/ her role as a director of the company. This could include reasonable expenditure incurred by the director for attending Board/ Board committee meetings, general meetings, court convened meetings, meetings with shareholders/ creditors/ management, site visits, induction and training (organized by the company for directors) and in obtaining professional advice from independent advisors in the furtherance of his / her duties as a director.

□ **Remuneration for managing director (“MD”) / executive directors (“ED”)/ KMP/ rest of the employees**

The extent of overall remuneration should be sufficient to attract and retain talented and qualified individuals suitable for every role. Hence remuneration should be:

- Market competitive (market for every role is defined as companies from which the company attracts talent or companies to which the company loses talent)
- Driven by the role played by the individual,
- Reflective of size of the company, complexity of the sector / industry / company’s operations and the company’s capacity to pay,
- Consistent with recognized best practices and
- Aligned to any regulatory requirements.

In terms of remuneration mix or composition,

- The remuneration mix for the MD/ EDs is as per the contract approved by the shareholders. In case of any change, the same would require the approval of the shareholders.
- Basic / fixed salary is provided to all employees to ensure that there is a steady income in line with their skills and experience.
- In addition to the basic / fixed salary, the company provides employees with certain perquisites, allowances and benefits to enable a certain level of lifestyle and to offer scope for savings and tax optimization, where possible. The company also provides all employees with a social security net (subject to limits) by covering medical expenses and hospitalization through re-imbursements or insurance cover and accidental death and dismemberment through personal accident insurance.
- The company provides retirement benefits as applicable.
- [In addition to the basic/ fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of commission, calculated with reference to the net profits of the company in a particular financial year, as may be determined by the Board, subject to the overall ceilings stipulated in

Section 197 of the Act. The specific amount payable to the MD/ EDs would be based on performance as evaluated by the Board or the NRC and approved by the Board.]

- [In addition to the basic / fixed salary, benefits, perquisites and allowances as provided above, the company provides MD/ EDs such remuneration by way of an annual incentive remuneration / performance linked bonus subject to the achievement of certain performance criteria and such other parameters as may be considered appropriate from time to time by the Board. An indicative list of factors that may be considered for determination of the extent of this component are:
- Company performance on certain defined qualitative and quantitative parameters as may be decided by the Board from time to time,
- Industry benchmarks of remuneration,
- Performance of the individual.

The company provides the rest of the employees a performance linked bonus. The performance linked bonus would be driven by the outcome of the performance appraisal process and the performance of the company.

❑ **Remuneration payable to Director for services rendered in other capacity**

The remuneration payable to the Directors shall be inclusive of any remuneration payable for services rendered by such director in any other capacity unless:

- a) The services rendered are of a professional nature; and
- b) The NRC is of the opinion that the director possesses requisite qualification for the practice of the profession.

❑ **Policy implementation**

The NRC is responsible for recommending the remuneration policy to the Board. The Board is responsible for approving and overseeing implementation of the remuneration policy.

ANNEXURE TO DIRECTORS' REPORT - REFER POINT NO. 12
AOC -2

(Pursuant to clause (h) of sub-section (3) of Section 134 of the Companies Act, 2013 and Rule 8 (2) of the Companies (Accounts) Rules, 2014

1. Details of contracts or arrangements or transactions not at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of Contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including the value, if any	Dates of approval by the Board	Amount paid as advances, if any
				NIL		

2. Details of contracts or arrangements or transactions at arm's length basis

Sr. No.	Name(s) of the related party and nature of relationship	Nature of Contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including the value, if any (₹)	Dates of approval by the Board	Amount paid as advances, if any (₹)
1	Tata Projects Limited	Steel Structure fabricated from rolled & built-up sections and plates	From 23 rd April 2015 to 22 nd February 2016	1,512,50,000	N.A.	1,51,25,000
2		Steel Structure fabricated from rolled & built-up sections and plates	From 17 th June 2015 to 16 th February 2016	39,90,00,000	N.A.	3,99,00,000
3	Tata Projects Limited	Fabrication and Supply of steel Building Structures, from rolled and built up sections and plates	From 26 th November 2015 to 25 th May 2016	14,87,50,000	N.A.	1,48,75,000
4	Tata Projects Limited	Fabrication and Supply of building structure made of rolled & built up sections	From 28 th October 2015 to 27 th April 2016	13,26,99,420	N.A.	1,32,69,942
5	Tata Projects Limited	Supply of Fabricated Structures from rolled & built up section	From 1 st April 2015 to 31 st December 2015	15,35,55,388	N.A.	1,53,55,540
6	Tata Projects Limited	Fabrication and supply of technological Structures IS2062	From 28 th November 2015 to 27 th of May 2016	10,77,00,000	N.A.	1,07,70,000
7	Tata Projects Limited	Fabrication and supply of technological Structures IS2062	From 19 th January 2016	4,72,55,280	N.A.	NIL
8	Tata Projects Limited	Hydro, washing, Surface preparation by Blasting, supply & application of paint on the Internal Surface of 27 Nos of Tank (AED 33,49,825.00)	From 21 st January 2016 to 30 th September 2016	6,19,04,766	NA	AED 334982

Sr. No.	Name(s) of the related party and nature of relationship	Nature of Contracts/ arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including the value, if any (₹)	Dates of approval by the Board	Amount paid as advances, if any (₹)
9	Tata Projects Limited	Erection of Storage Tank as per the Project technical specification (AED 913,615.00)	From 24 th September 2015 to 15 th December 2015	1,64,08,525	NA	AED 91362
10	Tata Projects Limited	Fabrication & supply of material for UG Tank		70,12,800	NA	NIL
11	Tata Projects Limited	Supply & Fabrication of RO Skid frames	From 4 th May 2015 to 31 st March 2016	2,31,500	NA	NIL
12	Tata Projects Limited	Supply & application of 2 pack coal tar Epoxy paint for Tank Bottom Plates (AED129996)		23,12,628	NA	NIL
13	Tata Projects Limited	Supply and Application, Paint, Epoxy & Phenolic 300 DFT (AED 22914)	From 24 th August to 8 th September 2015	411,994	NA	NIL
14	Tata Projects Limited	Rectification work, Structural Pipe Rack (AED 24999)	From 21 st August to 5 th September 2015	443,732	NA	NIL
15	Tata Projects Limited	Shares Services/ Reimbursement of Expenses	From 1 st April 2015 to 31 st March 2016	83,68,734	NA	NIL
16	Tata Projects Limited	Shares Services Income	From 1 st April 2015 to 31 st March 2016	66,81,259	NA	NIL
17	Tata Projects Limited	Bank Guarantee Commission	From 21 st March 2016 to 31 st March 2016	37,672	NA	NIL
18	Tata Projects Limited	Rent, Maintenance & Allied Service charges for use of 2737.25 Sq m at the Company's Registered Office at 11 th Floor, Hiranandani Knowledge Park, Powai	From 1 st April 2015	48,00,000	NA	NIL

Note : Amount of advances has been paid by Tata Projects Limited as per the contractual terms

For **Artson Engineering Limited**

VINAYAK DESHPANDE

Chairman

Mumbai, 22nd April 2016

ANNEXURE TO DIRECTORS' REPORT - REFER POINT NO. 22**Information Pursuant to Section 197 of the Companies Act, 2013 and Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014****1 Ratio of Remuneration of Each director to the median remuneration of employees for the financial year ended 31st March 2016**

(₹ Lakh)

	Designation	Ratio	Remuneration (*)	Median Remuneration
Mr. Vinayak Deshpande	Chairman	0	0.00	2.84
Mr. Nalin M Shah	Independent Director	60%	1.70	2.84
Mr. Michael Bastian	Independent Director	70%	2.00	2.84
Mr. A.K. Misra	Director	11%	0.30	2.84
Mr. Shashikant Oak	Special Director	32%	0.90	2.84
Mr. Pralhad Pawar	Director	0%	0.00	2.84
Ms. Leja Hattiangadi	Independent Director	53%	1.50	2.84
Mr. Mukesh Mohan Gupta	Special Director	11%	0.30	2.84

(*) AEL paid only sitting fees to the non-executive directors except those nominated by Tata Projects Limited & are presently in the employment with Tata Projects Limited

2 % Increase of remuneration of each Director, CFO, CEO, CS in the Financial Year

Directors		
Mr. Vinayak Deshpande	Chairman	0%
Mr. Nalin M Shah	Director	152%
Mr. Michael Bastian	Director	217%
Mr. A.K. Misra	Director	-17%
Mr. Shashikant Oak (@)	Director	43%
Mr. Pralhad Pawar	Director	0%
Ms. Leja Hattiangadi (*)	Director	1567%
Mr Mukesh Mohan Gupta (@)	Director	N.A.
CFO & Company Secretary		
Mr. Rajesh Mandale (**)	CFO	0%
Ms. Anuja Bhate/ Ms Rajeshree Gaikwad,	CS	-16%
(*) Part of the year for the year 2014-15		
(**) Holding company - Tata Projects Limited deputed CFO for part of the year FY 2014-15		

(@) Special Director for part of the year (FY 2015-16)

3 % Increase in median remuneration of employees in the Financial Year – 11%**4 Number of permanent Employees on the roll of the company – 80**

5 The explanation on the relationship between average increase in remuneration against the performance of the Company

	2015-16	2014-15
Total Income (₹ Lakhs)	11371.34	6509.2
EBITDA (₹ Lakhs)	743.54	341.61
EBITDA as % of total Income	7%	5%
PAT (₹ Lakhs)	285.47	(199.50)
PTA as % of total Income	2.5%	-3.1%

6 Comparison of the remuneration of the Key Managerial Personnel against the performance of the Company

Average increase in the remuneration of Key Managerial Personnel is in line with market scenario and as a measure to motivate employees for better future performance

(₹ Lakh)

	Ratio	2015-16	2014-15
7 Variations in the market capitalisation of the company	35%	13937.3	10337.6
8 Price earnings ratio	243%	0.77	(0.54)

9 Percentage increase over decrease in the market quotations of the shares of the company in comparison to the rate at which the company came out with the last public offer – 35%

(Note : Pursuant to the provisions contained in the rehabilitation scheme sanctioned by the BIFR at its hearing held on 27th November 2007 ('Sanctioned Scheme'), the face value of the Company's equity shares has been reduced from ₹ 10/- per share to ₹ 1/- per share fully paid-up)

10 Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification there of and point out if there are any exceptional circumstances for increase in the managerial remuneration.

Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year – 26%

Percentile increase in the managerial remuneration – 42%

Average increase in the remuneration of employees is in the line with market scenario and as a measure to motivate employees for better future performance

11 Comparison of each remuneration of Key Managerial Personnel against the performance of the Company

	2015-16	2014-15
Total Income (₹ Lakh)	11371.34	6509.2
EBITDA (₹ Lakh)	743.54	341.61
EBITDA as % of total Income	7%	5%
PAT (₹ Lakh)	285.47	(199.50)
PAT as % of total Income	2.5%	-3.1%
Increase in the remuneration of the Company Secretary (-16%)		
Increase in the remuneration of the CFO (0%)		

12 The key parameter for any variable components of the remuneration of the Director – NIL

13	The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year	8.1%
	Highest Remuneration paid to Director (₹ Lakh)	2.00
	Highest Remuneration paid to employees other than Director (₹ Lakh)	24.79

14 It is affirmed that the remuneration paid to Directors, Key Managerial Persons and employees during the year is as per the remuneration policy of the Company

For **ARTSON ENGINEERING LIMITED**

VINAYAK DESHPANDE
Chairman

Mumbai, 22nd April 2016

ANNEXURE TO DIRECTORS' REPORT – REFER POINT NO. 23**FORM NO. MR-3****SECRETARIAL AUDIT REPORT
FOR THE FINANCIAL YEAR ENDED MARCH 31, 2016**

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To
The Members,
Artson Engineering Limited

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Artson Engineering Limited**. (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts / statutory compliances and expressing my opinion thereon.

Based on our verification of the **Artson Engineering Limited's** books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the company has, during the audit period covering the financial year ended on March 31, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by **Artson Engineering Limited** ("the Company") for the financial year ended on March 31, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 and The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the Audit Period)**
- (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the Audit Period)**
- (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the Audit Period)** and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; **(Not applicable to the Company during the Audit Period)**

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India i.e. Secretarial Standards – 1 for Board Meetings and Secretarial Standards – 2 for General Meetings.
- (ii) The Listing Agreements entered into by the Company with Bombay Stock Exchange Limited; **(except for revised Clause 49 of the Listing Agreement*)**
- (iii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. **[except those as prescribed under Regulation 15 (2) read with Regulation 15 (3)]***.

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above.

***As per SEBI circular bearing reference CIR/CFD/POLICY CELL/7/2014 dated September 15, 2014, the provisions of clause 49 of the Listing Agreement are not mandatorily required to be complied by a Company whose paid up share capital does not exceed ₹ 10 crores and net worth does not exceed ₹ 25 crores as on March 31, 2015. Similarly, as per Regulation 15 (2) to SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of regulations 17, 18, 19, 20, 21, 22, 23, 24, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 and para C, D and E of Schedule V shall not apply in respect of a listed entity whose paid up equity share capital does not exceed ₹ 10 crores and net worth does not exceed Rs. 25 crores as on March 31, 2015 to the extent that they are addition to the requirements specified under the Companies Act, 2013.**

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

As per the provisions of section 203 (1) of the Companies Act, 2013, the Company is required to appoint the following Key Managerial Personnel:

- a. Managing Director or Chief Executive Officer or manager and in their absence, a Whole-Time Director.
- b. Company Secretary
- c. Chief Financial Officer

The Company has appointed Company Secretary and Chief Financial Officer. *The Company has not appointed any personnel from category a above.* In this regard the management of the Company has provided the following reply:

“The Company has filed a Miscellaneous Application (No. 536/ 2013 dated 14th October 2013) [‘MA’] with the Board for Industrial and Financial Reconstruction (BIFR), seeking amongst others, the exemption from the mandatory requirement pursuant to Section 269 of the Companies Act, 1956 or any such provision under the Companies Act, 2013 regarding the appointment of Managing Director/ Whole Time Director / Manager until the period of rehabilitation of the Scheme. The said MA is pending consideration by the BIFR. In view thereof, the Company has not appointed Managing Director/ Whole Time Director / Manager.)”

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members’ views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

Place : Mumbai
Date : April 22, 2016

Signature:
For P. P. Shah & Co.,
Practicing Company Secretaries
Pradip Shah
FCS No. 1483
C P No.: 436

INDEPENDENT AUDITORS' REPORT

To The Members of Artson Engineering Limited

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, 2016, the Statement of Profit and Loss, the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to 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 principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. This responsibility also includes 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 frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act. 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 the 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 financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by Company's Directors, 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 on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid 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, of the state of affairs of the Company as at 31st March, 2016, and its profit and its cash flows for the year ended on that date.

Emphasis of matter

Without qualifying our Report we draw attention to Note 35 to the Financial Statements on going concern which has been relied upon by us. Our opinion is not qualified in respect of this matter.

Report on Other Legal and Regulatory Requirements

- 1) As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section 11 of section 143 of the Companies Act, 2013, we give in the Annexure A, a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable
- 2) As required by Section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - b. In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - c. The Balance Sheet, the Statement of Profit and Loss, and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.
 - e. On the basis of the written representations received from the directors as on 31st March, 2016 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2016 from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate report in "Annexure B".
 - g. With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in note 29 to its financial statements.
 - ii. The Company has made provision as required under the applicable law or accounting standards for material foreseeable losses on long term contracts, if any and the Company does not have any derivative contracts.
 - iii. The Company is not required to transfer funds to the Investors Education and Protection Fund.

For **CHOKSHI & CHOKSHI LLP**

Chartered Accountants
FRN 101872W/W100045

Puja P. Mehta

Partner
M.No.133578

Place : Mumbai
Date: 22 April 2016

ANNEXURE TO INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 1 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

- 1) In respect of its fixed assets:
 - a. According to the information and explanations given to us, 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 location 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. The discrepancies noticed have been properly dealt with in the books of account.
 - c. According to the information and explanations given to us, the title deeds of immovable properties are held in the name of the Company.
- 2) According to the information and explanations given to us, the inventory has been physically verified by the management during the year at reasonable intervals, which is reasonable and adequate in relation to the size of the Company and the nature of its business. The discrepancies noticed have been properly dealt with in the books of accounts.
- 3) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, Limited Liability Partnerships firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, clause 3(iii)(a) to 3(iii)(c) are not applicable to the Company.
- 4) According to the information and explanations given to us, the Company has not given/made any loans, investments, guarantees, and security accordingly provisions of section 185 and 186 of the Companies Act, 2013 are not applicable.
- 5) The Company has not accepted any public deposits within the meaning of sections 73 to 76 of Companies Act, 2013 and rules framed there under;
- 6) We have broadly reviewed the books of account maintained by the Company pursuant to sub-section (1) of section 148 of the Companies Act, 2013 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.
- 7) (a) In our opinion and according to the information and explanations given to us, the Company is generally regular in depositing applicable undisputed statutory dues, including provident fund, employees' state insurance, income tax, sales tax, wealth tax, service tax, custom duty, duty of excise, value added tax, cess and any other statutory dues with the appropriate authorities during the year and no such dues are outstanding for more than six months from the date they became payable.
 - (b) As at March 31, 2016, according to the records of the Company and the information and explanations given to us, disputed dues payable by the Company on account of Income Tax/ Sales Tax/ Wealth Tax/ Service Tax/ Duty of Custom / Duty of Excise are as under:

Sr No.	Nature of Dues	Name of Statute	For the year ended March 2016 (₹ lakhs)	Period	Forum
1	Commercial Tax (Andhra Pradesh)	Works Contract Tax	12.21	F.Y. 1998-99	Commisioner (Appeal)
2	Commercial Tax (West Bengal)	Works Contract Tax	2.08	F.Y. 1998-99 F.Y. 1999-00 F.Y. 2000-01	Commisioner (Appeal)
3	Commercial Tax (Punjab)	Excise Penalty	8.03	F.Y.-2010-11	Joint Director cum Deputy Excise & Taxation Commisioner (Appeal)
4	Sales Tax (Maharashtra)	MVAT	41.40	FY-2007-08	Tribunal (Sales Tax)
5	Sales Tax (Maharashtra)	MVAT	2.39	FY-2008-09	Commisioner (Appeal)
6	Sales Tax (Maharashtra)	MVAT	1.60	FY-2011-12	Deputy Commisioner of Sales Tax (Appeal)
7	Commercial Tax (West Bengal)	WB-VAT	107.17	FY-2012-13	Deputy Commisioner of Sales Tax (Appeal)
8	Income Tax	Income Tax Act 1961	535.35	A.Y. 2012-13	Commisioner of Income Tax (Appeal)

- 8) According to the information and explanations given to us and on the basis of our examination of the books of accounts, in our opinion, the Company has not defaulted in repayment of dues to any financial institutions, banks or debenture holders.
- 9) According to the information and explanations given to us, the Company has not raised any fund by way of public issue or from term loan.
- 10) According to the information and explanation given to us, we have not come across any instance of fraud by the Company or any fraud on the Company by its officers or employees, either noticed or reported during the year, on or by the Company.
- 11) According to the information and explanations given to us, the Company has not paid or provided any managerial remuneration during the year and hence clause 3(xi) of the Order is not applicable to the Company.
- 12) The Company is not in the nature of a Nidhi Company as defined under section 406 the Companies Act, 2013.

- 13) According to the information and explanations given to us , all transactions with the related parties are in compliance with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in note no-: 32 of the financial Statements as required by the applicable accounting standards;
- 14) The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.
- 15) According to the information and explanations given to us, the company has not entered into any non-cash transactions with directors or persons connected with him and hence clause 3(xv) of the Order is not applicable to the Company.
- 16) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For **CHOKSHI & CHOKSHI LLP**

Chartered Accountants

FRN 101872W/W100045

Puja P. Mehta

Partner

M.No.133578

Place of Signature : Mumbai

Date: 22 April 2016

Annexure B To The Independent Auditor's Report Of Even Date On The Financial Statements of Artson Engineering Limited.

Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the Internal Financial Controls over financial reporting of Artson Engineering Limited. ("the Company") as of March 31, 2016 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the criteria established by the Company considering the size of Company and essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India ("the Guidance Note"). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness.

Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. 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.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to

the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the Company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls were operating effectively as at March 31, 2016, based on the assessment of essential components of internal controls over financial reporting stated in the Guidance Note carried out by the Company and representation to that effect is made available to us by the Company.

For **CHOKSHI & CHOKSHI LLP**

Chartered Accountants

FRN 101872W/W100045

Puja P. Mehta

Partner

M.No.133578

Place of Signature : Mumbai

Date: 22 April 2016

Balance Sheet as at 31st March 2016

Particulars	Notes	31 st March 2016	31 st March 2015
		₹ Lakh	₹ Lakh
A. EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	3	369.20	369.20
Reserves and Surplus	4	(6,670.95)	(6,956.42)
		<u>(6,301.75)</u>	<u>(6,587.22)</u>
Non-current Liabilities			
Long-term Borrowings	5	3,660.39	4,030.39
Deferred Tax Liability (net)		-	-
Other long-term Liabilities	6	177.59	148.16
Long-term Provisions	7	20.81	26.84
		<u>3,858.79</u>	<u>4,205.39</u>
Current Liabilities			
Short-term Borrowings	8	2,285.98	2,089.46
Trade Payables	9	3,488.02	2,628.01
Other Current Liabilities	10	7,728.78	4,071.09
Short-term Provisions	11	14.53	21.58
		<u>13,517.31</u>	<u>8,810.14</u>
Total		<u><u>11,074.35</u></u>	<u><u>6,428.31</u></u>
B. ASSETS			
Non-Current Assets			
Fixed Assets			
Tangible Assets	12	398.76	674.36
Intangible Assets	13	7.35	2.64
		<u>406.11</u>	<u>677.00</u>
Deferred Tax Asset (net)		-	-
Long-term Loans and Advances	14	1,348.27	1,343.16
Other Non-current Assets	15	216.60	296.25
		<u>1,970.98</u>	<u>2,316.41</u>
Current Assets			
Current Investments		-	-
Inventories	16	1,745.05	1,942.59
Trade Receivables	17	6,109.05	1,599.87
Cash and Bank Balances	18	830.76	116.28
Short-term Loans and Advances	19	233.98	388.73
Other Current Assets	20	184.53	64.43
		<u>9,103.37</u>	<u>4,111.90</u>
Total		<u><u>11,074.35</u></u>	<u><u>6,428.31</u></u>

The accompanying notes form an integral part of the Financial Statements
Significant Accounting Policy and Notes to Financial Statements

1-50

As per our report of even date

for Chokshi & Chokshi LLP
Chartered Accountants
FRN : 101872W/W100045

Pooja P. Mehta
Partner
Membership No. 133578

Rajesh Mandale
Chief Financial Officer

Rajeshree Gaikwad
Company Secretary

For and on behalf of the Board

Vinayak Deshpande
Chairman

Nalin Shah
Director

Pralhad Pawar
Director

Place : Mumbai
Date : 22 April 2016

Place : Mumbai
Date : 22 April 2016

Statement of Profit and Loss for the year ended 31st March 2016

Particulars	Notes	31 st March 2016	31 st March 2015
		₹ Lakh	₹ Lakh
Income			
Revenue from operations (gross)	21	11,688.61	7,045.97
Less: Excise Duty		(639.18)	(573.72)
Revenue from operations (net)		11,049.43	6,472.25
Other Income	22	321.91	36.95
Total Revenue (I)		11371.34	6,509.20
Expenses			
Cost of raw materials and components consumed	23	5,059.27	3,250.34
Project execution expenses	24	4,402.02	1,949.38
(Increase)/Decrease in work-in-progress and contracts-in-progress	25	(126.57)	(319.27)
Employee benefits expenses	26	643.56	575.91
Other expenses	27	649.52	711.23
Finance costs	28	269.29	303.50
Depreciation and amortisation expense	12 & 13	188.78	237.61
Total Expenses (II)		11,085.87	6,708.70
Profit/(Loss) before exceptional Items and tax		285.47	(199.50)
Exceptional Items		-	-
Profit/(Loss) before tax		285.47	(199.50)
Tax expenses			
Current tax		-	-
Taxation of earlier years		-	-
Deferred tax		-	-
Total Tax expense		-	-
Profit/(Loss) after tax for the year		285.47	(199.50)
Earnings per equity share (nominal value of share ₹ 1/-)			
Before Extraordinary Items			
Basic and Diluted		0.77	(0.54)
After Extraordinary Items			
Basic and Diluted		0.77	(0.54)
The accompanying notes form an integral part of the Financial Statements Significant Accounting Policy and Notes to Financial Statements	1-50		

As per our report of even date

for Chokshi & Chokshi LLP
Chartered Accountants
FRN : 101872W/W100045

Pooja P. Mehta
Partner
Membership No. 133578

Place : Mumbai
Date : 22 April 2016

Rajesh Mandale
Chief Financial Officer

Rajeshree Gaikwad
Company Secretary

Place : Mumbai
Date : 22 April 2016

For and on behalf of the Board

Vinayak Deshpande
Chairman

Nalin Shah
Director

Pralhad Pawar
Director

Cash Flow Statement for the year ended 31st March 2016

	31 st March 2016	31 st March, 2015
	₹ Lakh	₹ Lakh
A. Cash Flow from Operating Activities		
Profit/(Loss) Before Tax	285.47	(199.50)
Adjustments for:		
Depreciation and amortisation expense	188.78	237.61
Finance costs	269.29	303.50
Interest income	(4.32)	(9.00)
Loss/Written Off Assets	115.37	
Profit on Sales of Assets	(0.53)	(3.08)
	<u>568.59</u>	<u>529.03</u>
Operating profit before working capital changes	854.06	329.53
Adjustments for:		
Trade receivables	(4,509.18)	(593.48)
Long-term loans and advances	(58.32)	25.22
Short-term loans and advances	154.75	118.20
Other current assets	(120.10)	854.13
Other non-current assets	79.65	(149.24)
Inventories	197.55	(133.47)
Trade payables	860.01	(241.20)
Other current liabilities	3,657.69	(125.56)
Other long-term liabilities	29.43	(29.16)
Long-term provisions	(6.03)	0.20
Short-term provisions	(7.05)	(2.01)
	<u>278.40</u>	<u>(276.37)</u>
Cash generated from operations	1,132.46	53.16
Taxes Paid (net)	53.21	76.98
Net cash from operating activities	<u>1,185.67</u>	<u>130.14</u>
B. Cash flow from investing activities		
Purchase of current investments		
Purchase of fixed assets and CWIP	(35.11)	(20.62)
Investment in Deposits (With maturity more than three months)	-	73.31
Sale of fixed assets	2.38	8.30
Interest received	4.32	9.00

Cash Flow Statement (Contd.)

	31 st March 2016	31 st March, 2015
	₹ Lakh	₹ Lakh
	<u>(28.41)</u>	<u>69.99</u>
C. Cash Flow from financing activities		
Proceeds from long-term borrowings	(370.00)	-
Proceeds from long-term borrowings - current	-	-
Proceeds from short-term borrowings	196.52	68.01
Interest paid	(269.29)	(303.50)
Net cash from financing activities	<u>(442.77)</u>	<u>(235.49)</u>
Net (decrease) / increase in cash and cash equivalents (A+B+C)	714.48	(35.36)
Cash and cash equivalent at the beginning of the year	<u>116.28</u>	<u>151.64</u>
Cash and cash equivalent at the end of the year	<u>830.76</u>	<u>116.28</u>

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 adjustment in corresponding Assets and Liabilities.
- Cash and Cash Equipments represent Cash and Bank Balances only.

As per our report of even date

for Chokshi & Chokshi LLP
Chartered Accountants
FRN : 101872W/W100045

Pooja P. Mehta
Partner
Membership No. 133578

Place : Mumbai
Date : 22 April 2016

Rajesh Mandale
Chief Financial Officer

Rajeshree Gaikwad
Company Secretary

Place : Mumbai
Date : 22 April 2016

For and on behalf of the Board

Vinayak Deshpande
Chairman

Nalin Shah
Director

Pralhad Pawar
Director

Notes to Financial Statements for the year ended 31st March 2016

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 1978 and since inception, the Company has commissioned, on turn-key basis, several fuel storage and handling facility systems. The Company is in the business of Engineering, Procurement & Construction contract in Oil, Gas & Hydrocarbon (OG&H), steel and power sector and ancillary services, including manufacturing activity's.

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 specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014.

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

These financial statements have been prepared in accordance with the generally accepted accounting principles (GAAP) in India under the historical cost convention on accrual basis. These financial statements have been prepared to comply in all material aspects with the accounting standards specified under Section 133 of the Companies Act, 2013, read with Rule 7 of the Companies (Accounts) Rules, 2014. Accounting policies not specifically referred to otherwise are consistent with the generally accepted accounting principles followed by the Company.

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013. Based on the nature of services offered, the Company has ascertained its operating cycle as 12 months for the purpose of current / non-current classification of assets and liabilities.

The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 (principal rules'), vide notification issued by Ministry of Corporate Affairs dated March 30th 2016. The Company believes, that the principal rules have not been withdrawn or replaced and accordingly, the Companies (Accounting Standards) (Amendment) Rules, 2016 will apply for the accounting periods commencing on or after March 30th, 2016.

ii) Revenue Recognition

a Manufacturing activities:

Sales of Goods is recognised when significant risks and rewards of ownership are transferred to buyer. Sales exclude amounts recovered towards Excise Duty and Sales Tax.

b **Erection / Construction activities:** Revenues from execution of contract is recognised 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 recognised 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 contracts-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 recognised 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 written off up front or once the period of the guarantee.

Notes to Financial Statements (Contd.)

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 the 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 recognised in the periods in which the results are known / materialise.

iv) Fixed Assets:

Tangible

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.

Intangible

Intangible Assets are initially recognised at cost and are stated at cost less depreciation and impairment (if any). The cost of an internally generated intangible asset comprises all expenditure that can be directly attributed, or allocated on a reasonable and consistent basis, to creating, producing and making the asset ready for its intended use. The Intangible Assets comprise of Computer Software.

v) Depreciation /Amortisation on Fixed Assets:

- Depreciation has been provided for on the written down value method as per the useful life prescribed in Schedule II to the Companies Act, 2013.
- Leasehold Land, for 99 years and Leasehold Improvements are amortised over the period of the lease.
- Company had provided additional depreciation on reasonable basis on the assets which are not lying under the custody of the company.

vi) Impairment of Assets:

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

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 the lower of cost (FIFO) and the net realisable value.
- Work-in Progress are valued at the lower of cost and the net realisable 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. Diminution in the value of investment is provided for, if such diminution is of other than temporary nature.
- Current Investments are carried at the lower of cost and the fair value.

ix) Foreign Currency Transactions:

- Transactions in foreign currencies 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 differences 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:

Sr. 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.

Notes to Financial Statements (Contd.)

x) Employee benefits:

- a. The Company's contribution to Provident Fund is charged to the Statement of Profit and Loss.
- b. 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.
- c. The gratuity liability, which is a defined benefit plan, is provided on the basis of actuarial valuation as at the 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, steel and power Sector and ancillary services, including manufacturing activity. More than 90% of the income is only from Engineering, Procurement & Construction contracts in OG & H Sector, Steel and Power 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:

1. Domestic
2. Overseas

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

xiv) Borrowing Costs:

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

xv) Provisions, Contingent Liabilities and Contingent Assets:

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

- a. The Company has a present obligation as a result of past events.
- b. A probable outflow of resources is expected to settle the obligation.
- c. The amount of the obligation is best estimate required to settle the obligation at the Balance Sheet date.
- d. 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 recognised only when it is virtually certain that reimbursement will be received.

Contingent Liability is disclosed in the case of :

- a. A present obligation arising from past events, when it is not probable that an outflow of resources will be required to settle the obligation,
- b. A present obligation when no reliable estimate is possible, and
- c. A possible obligation arising from past events where the probability of outflow of resources is not remote.

Contingent Assets are neither recognised, nor disclosed. Provisions and Contingent Liabilities are reviewed at each Balance Sheet date.

Notes to Financial Statements (Contd.)

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 extraordinary item 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.

xvii) Operating Leases

Lease arrangements where the risks and rewards incidental to ownership of an asset substantially vest with the lessor, are recognised as operating leases. Lease rents under operating leases are recognised in the Statement of Profit and Loss on a straight-line basis over the lease period.

Note 3 Share Capital

	31 st March 2016 ₹ Lakh	31 st March 2015 ₹ 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
	<u>1,700.00</u>	<u>1,700.00</u>
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	<u>369.20</u>	<u>369.20</u>

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

	31 st March 2016		31 st March 2015	
	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	<u>36,920,000</u>	<u>369.20</u>	<u>36,920,000</u>	<u>369.20</u>

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 2016		31 st March 2015	
		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 share of ₹ 1 each. On 4th January 2008, the Company allotted 2,76,90,000 equity share of ₹ 1 each to Tata Projects Limited. Consequently 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 share of ₹ 1 each.

Notes to Financial Statements (Contd.)

Note 4 Reserves and Surplus

	31 st March 2016 ₹ Lakh	31 st March 2015 ₹ Lakh
Balance as per last Balance Sheet	(6,956.42)	(6,740.59)
Depreciation adjustment (Refer Note 45)	—	(16.33)
Profit/(Loss) for the year	285.47	(199.50)
Net surplus / (deficit) in the Statement of Profit and Loss	(6,670.95)	(6,956.42)
Total Reserves and Surplus	(6,670.95)	(6,956.42)

Note 5 Long-term Borrowings

	31 st March 2016 ₹ Lakh	31 st March 2015 ₹ Lakh
Loans and advances from related parties		
Secured*	1,560.39	1,930.39
Unsecured	2,100.00	2,100.00
	3,660.39	4,030.39

Foot Note :

* Term Loan from the Holding Company in terms of the Sanctioned Scheme of BIFR dated 18th December 2007 secured against all movable and immovable property and all title deeds of the property.

Maturity Profile of Long-term borrowings

Maturity Profile	31 st March 2016		31 st March 2015	
	₹ 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	—	—	370.00	—
2-3 Years	520.00	2,100.00	520.00	2,100.00
3-4 Years	520.00	—	520.00	—
Beyond 4 Years	520.39	—	520.39	—
Total	1,560.39	2,100.00	1,930.39	2,100.00

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 rate of interest is 10% p.a. For further details, refer Note 35.

The above Maturity Profile may change subject to approval of modification application made to BIFR as referred in Note 35.

Note 6 Other Long-term Liabilities

	31 st March 2016 ₹ Lakh	31 st March 2015 ₹ Lakh
Trade Payables		
To MSMED [Refer Note 34]	—	—
Others	163.79	134.36
Others		
Security deposits received	13.80	13.80
	177.59	148.16

Notes to Financial Statements (Contd.)

Note 7 Long-term Provisions

	31 st March 2016 ₹ Lakh	31 st March 2015 ₹ Lakh
Provision for employee benefits		
Compensated absences (Refer Note 43 b)	20.81	26.84
	<u>20.81</u>	<u>26.84</u>

Note 8 Short-term Borrowings

	31 st March 2016 ₹ Lakh	31 st March 2015 ₹ Lakh
Loans repayable on demand		
From banks		
Secured *	85.98	(10.54)
Unsecured**	2,200.00	2,100.00
	<u>2,285.98</u>	<u>2,089.46</u>

Foot Note :

* 1. Working Capital loan from Corporation Bank of ₹ 85.98 lakhs (Previous year ₹ (10.54) lakhs) is secured by first charge by way of hypothecation of inventories, books debts and other current assets.

** 2. Short-term Loan from Tata Capital Financial Services Ltd ₹ 2000 lakhs (Previous Year ₹ 2000 lakhs) and Working Capital Demand Loan ₹ 200 lakhs (Previous Year ₹ 100 lakhs) guaranteed unconditionally and irrevocable corporate guarantee from the Holding Company

Note 9 Trade Payables

	31 st March 2016 ₹ Lakh	31 st March 2015 ₹ Lakh
To MSMED (Refer Note 34)	26.67	19.07
Others	3,461.35	2,608.94
	<u>3,488.02</u>	<u>2,628.01</u>

Note 10 Other Current Liabilities

	31 st March 2016 ₹ Lakh	31 st March 2015 ₹ Lakh
Current maturities of long term Debt	378.04	8.04
Interest accrued and due on borrowings	472.64	473.39
Income received in advance	44.24	151.15
Other payables		
Advances from customers	4,558.96	1,625.33
Liability for contract expenses	388.32	623.45
Liability for other expenses	1,119.21	426.18
Statutory dues	81.32	144.89
Other payable (includes reimbursement and withheld amount)	686.05	618.66
	<u>7,728.78</u>	<u>4,071.09</u>

Note 11 Short-Term Provisions

	31 st March 2016 ₹ Lakh	31 st March 2015 ₹ Lakh
Provision for employee benefits		
Gratuity (Refer Note 43 b)	10.82	18.01
Compensated absences (Refer Note 43 b)	3.71	3.57
	<u>14.53</u>	<u>21.58</u>

Notes to Financial Statements (Contd.)

Note 12 Tangible Fixed Assets

₹ Lakh

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2015 (at cost)	Additions	Deductions / Other adjustments	As at 31-03-2016 (at cost)	As at 01-04-2015	For the year	Deductions / Other adjustments	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015
Tangible Assets										
1. Leasehold Land	4.29 (4.29)	— —	— —	4.29 (4.29)	1.44 (1.40)	0.04 (0.04)	— —	1.48 (1.44)	2.81 (2.85)	2.85 (2.89)
2. Buildings	201.26 (201.26)	— —	— —	201.26 (201.26)	112.59 (100.66)	10.51 (11.93)	— —	123.10 (112.59)	78.16 (88.67)	88.67 (100.60)
3. Plant And Machinery	2,195.83 (2,182.36)	19.50 (13.47)	1,320.73 —	894.60 (2,195.83)	1,654.77 (1,477.58)	153.75 (177.19)	1,211.34 —	597.18 (1,654.77)	297.42 (541.07)	541.06 (704.79)
4. Computers	134.96 (134.53)	0.96 (0.43)	97.58 —	38.34 (134.96)	132.78 (120.80)	1.87 (11.98)	97.50 —	37.15 (132.78)	1.19 (2.18)	2.18 (13.73)
5. Furniture And Fixtures	136.81 (146.86)	3.27 (0.11)	74.01 (10.16)	66.07 (136.81)	119.19 (108.39)	8.81 (16.07)	67.45 (5.27)	60.55 (119.19)	5.51 (17.62)	17.62 (38.47)
6. Office Equipment	81.22 (79.53)	2.44 (2.38)	63.67 (0.69)	19.99 (81.22)	75.38 (55.02)	4.11 (20.72)	62.48 (0.36)	17.01 (75.38)	2.98 (5.84)	5.84 (24.51)
7. Electrical Installation	76.31 (76.32)	0.45 —	— (0.01)	76.76 (76.31)	61.37 (48.91)	5.43 (12.47)	— (0.01)	66.80 (61.37)	9.96 (14.94)	14.94 (27.41)
8. Vehicles	33.91 (33.91)	— —	— —	33.91 (33.91)	32.72 (31.93)	0.46 (0.79)	— —	33.18 (32.72)	0.73 (1.19)	1.19 (1.98)
TOTAL	2,864.59	26.62	1,555.99	1,335.21	2,190.24	184.98	1,438.77	936.45	398.76	674.36
Previous Year	(2,859.06)	(16.39)	(10.86)	(2,864.59)	(1,944.70)	(251.19)	(5.64)	(2,190.24)	(674.36)	—

Note :

- Figure in bracket are of previous year.
- Deletion to Fixed Assets includes Plant and Machinery, Furniture and Fixture, Office Equipments and computer discarded Gross Block ₹ 1469.47 lakhs (P.Y NIL), Accumulated Depreciation ₹1354.12 lakhs (P.Y ₹NIL) and Net Charged to Statement of Profit and Loss shown in Other Expenses as Loss/Written off Assets. ₹ 115.37 lakhs(P.Y ₹NIL). (Refer Note 27)
- Company had provided Additional depreciation of ₹ 30.98 lakhs (Previous Year ₹ NIL) on Plant and Machinery which are not lying under custody of the Company and same is under Arbitration.

Note 13 Intangible Fixed Assets

₹ Lakh

	GROSS BLOCK				DEPRECIATION / AMORTISATION				NET BLOCK	
	As at 01-04-2015 (at cost)	Additions	Deductions / Other adjustments	As at 31-03-2016 (at cost)	As at 01-04-2015	For the year	Deductions / Other adjustments	As at 31-03-2016	As at 31-03-2016	As at 31-03-2015
Intangible Assets										
1. Computer Software (Acquired)	8.55 (4.32)	8.51 (4.23)	— —	17.06 (8.55)	5.91 (3.14)	3.80 (2.76)	— —	9.71 (5.91)	7.35 (2.64)	2.64 (1.18)
TOTAL	8.55	8.51	—	17.06	5.91	3.80	—	9.71	7.35	2.64
Previous Year	(4.32)	(4.23)	—	(8.55)	(3.14)	(2.76)	—	(5.91)	(2.64)	—

Notes to Financial Statements (Contd.)

Note 14 Long-Term Loans and Advances

	31 st March 2016	31 st March 2015
	₹ Lakh	₹ Lakh
Security deposits		
Unsecured, considered good	67.64	31.61
Doubtful	318.08	199.00
	<u>385.72</u>	<u>230.61</u>
Provision for doubtful deposits	(318.08)	(199.00)
	<u>67.64</u>	<u>31.61</u>
Other loans and advances (unsecured, considered good)		
Advances recoverable in cash or in kind or for value to be received	—	—
Other loans and advances (unsecured)		
Doubtful	300.90	300.90
	<u>300.90</u>	<u>300.90</u>
Provision for doubtful deposits	(300.90)	(300.90)
	—	0.00
Advance income-tax (net of provision)	502.79	449.58
Balances with statutory/government authorities	777.84	861.97
	<u>1,280.63</u>	<u>1,311.55</u>
Total	<u>1,348.27</u>	<u>1,343.16</u>

Note 15 Other Non-Current Assets

	31 st March 2016	31 st March 2015
	₹ Lakh	₹ Lakh
Long-Term Trade Receivables (Unsecured)		
Considered good [Refer Note 37 (b)]*	190.77	270.42
Other bank balances		
In Deposit Accounts with original maturity for more than 12 months	25.83	25.83
Total	<u>216.60</u>	<u>296.25</u>

* Comprises of Retention money receivable

Note 16 Inventories

	31 st March 2016	31 st March 2015
	₹ Lakh	₹ Lakh
Raw materials and components	697.90	1,022.01
Work-in-progress at factory	1,046.52	901.31
Contracts-in-progress	0.63	19.27
	<u>1,745.05</u>	<u>1,942.59</u>

Note 17 Trade Receivables

	31 st March 2016	31 st March 2015
	₹ Lakh	₹ Lakh
Outstanding for a period exceeding six months from the date they are due for payment (unsecured)		
Considered good	384.56	679.74
Considered doubtful	442.83	506.38
	<u>827.39</u>	<u>1,186.12</u>
Provision for doubtful receivables	(442.83)	(506.38)
	(A) 384.56	<u>679.74</u>
Others (unsecured)		
Considered good	(B) 5,724.49	920.13
Total	(A + B) 6,109.05	<u>1,599.87</u>

Notes to Financial Statements (Contd.)

Note 18 Cash and Bank Balances

	31 st March 2016 ₹ Lakh	31 st March 2015 ₹ Lakh
Cash and Cash Equivalents		
Balances with banks:		
In current accounts	430.30	110.26
In deposit accounts with original maturity of less than 3 months	400.00	—
Cash in hand	0.46	6.02
	<u>830.76</u>	<u>116.28</u>

Note 19 Short-Term Loans and Advances

	31 st March 2016 ₹ Lakh	31 st March 2015 ₹ Lakh
Other loans and advances		
(Unsecured, considered good)		
Advances to staff	—	1.75
Advances to contractors/suppliers	205.12	347.70
Prepaid expenses	28.77	33.89
Other loans and advances	0.09	5.39
Total	<u>233.98</u>	<u>388.73</u>

Note 20 Other Current Assets

	31 st March 2016 ₹ Lakh	31 st March 2015 ₹ Lakh
Unsecured, considered good		
Work done but not billed	171.60	53.90
Interest accrued on fixed deposit/margin money	12.93	10.53
	<u>184.53</u>	<u>64.43</u>

Note 21 Revenue from Operations

	31 st March 2016 ₹ Lakh	31 st March 2015 ₹ Lakh
Sale of goods / products manufactured		
Pressure Vessels and Air Receivers/Structural	7,482.26	5,207.42
Sale of services		
Income from Erection/Supply Contracts	3,875.44	1,495.43
Income from Manpower Supply Contracts	22.13	285.95
Other operating revenue		
Arbitration Award	241.36	—
Scrap Sales	67.42	57.17
Gross Revenue from Operations	<u>11,688.61</u>	<u>7,045.97</u>
Less: Excise Duty	(639.18)	(573.72)
Net Revenue from Operations	<u>11,049.43</u>	<u>6,472.25</u>

Note 22 Other Income

	31 st March 2016 ₹ Lakh	31 st March 2015 ₹ Lakh
Interest Income	4.32	9.00
Arbitration Award Interest	249.39	—
Exchange Rate Difference (net) [See Note 40]	28.74	2.84
Profit on Sales of Assets	0.53	3.08
Miscellaneous Income	38.93	22.03
	<u>321.91</u>	<u>36.95</u>

Notes to Financial Statements (Contd.)

Note 23 Cost of Raw Materials and Components Consumed

	31 st March 2016	31 st March 2015
	₹ Lakh	₹ Lakh
Inventory at the beginning of the year	1,022.01	1,207.82
Add: Purchases	4,735.16	3,064.53
	5,757.17	4,272.35
Less: Inventory at the end of the year	(697.90)	(1,022.01)
	<u>5,059.27</u>	<u>3,250.35</u>

Note 24 Project Execution Expenses

	31 st March 2016	31 st March 2015
	₹ Lakh	₹ Lakh
Cost of Erection Services	3,660.35	1,423.53
Motor Vehicle expenses	84.36	28.04
Hire Charges Machineries	194.13	105.82
Works Contract Tax and Other Taxes	74.14	16.26
Liquidated Damages	0.23	—
Electricity and Water Charges	76.43	55.53
Testing and Inspection Charges	74.34	27.03
Security Charges	25.47	20.46
Site Expenses	94.61	23.07
Rent for Guest House/Office at Site	87.85	33.31
Provision for Contract Expenses	(204.49)	166.69
Insurance Premium	26.93	25.45
Professional Charges	34.86	—
Bank Guarantee and Letter of Credit charges	5.33	4.24
Travelling & Conveyance Exp.Site	145.74	—
Other Project Expenses	21.74	19.95
	<u>4,402.02</u>	<u>1,949.38</u>

Note 25 (Increase)/Decrease in Work in Progress and Contracts-in-progress

	31 st March 2016	31 st March 2015
	₹ Lakh	₹ Lakh
Work-in-progress and Contracts-in-progress at the end of the year		
Work-in-progress	1,046.52	901.31
Contracts-in-progress	0.63	19.27
	<u>1,047.15</u>	<u>920.58</u>
Work-in-progress and Contracts-in-progress at the beginning of the year		
Work-in-progress	901.31	581.84
Contracts-in-progress	19.27	19.47
	<u>920.58</u>	<u>601.31</u>
Net (Increase)/Decrease	<u>(126.57)</u>	<u>(319.27)</u>

Note 26 Employee Benefit Expenses

	31 st March 2016	31 st March 2015
	₹ Lakh	₹ Lakh
Salaries, Wages and Bonus	614.66	535.76
Contribution to Provident and Other Funds *	27.45	37.81
Staff Welfare Expenses	1.45	2.34
	<u>643.56</u>	<u>575.91</u>

* Includes ₹ 22.96 lakhs (Previous Year ₹ 24.03 lakhs) towards Defined Contribution Plan and ₹ 2.30 lakhs (Previous Year ₹ 8.65 lakhs) towards Defined Benefit Plan and ₹ 2.21 lakhs (Previous Year ₹ 5.13 lakhs) for PF administration Charges and Other Fund

Notes to Financial Statements (Contd.)

Note 27 Other Expenses

	31 st March 2016	31 st March 2015
	₹ Lakh	₹ Lakh
Office Rent	48.24	47.11
Rates and Taxes	18.84	27.95
Motor Vehicle Expenses	1.33	2.87
Travelling Expenses	52.82	29.70
Legal and Professional Fees [Refer Note 42]	125.39	127.16
Postage and Telephone	25.93	22.73
Printing and Stationery	10.18	7.81
Business Development Expenditure	3.24	1.76
Registration Expenses - Overseas	—	—
Directors' Fees	6.69	2.66
Loss/Written Off Fixed Assets (Refer Note 12)	115.37	—
Bad debts	153.91	—
Provision for Doubtful Debts	(63.55)	285.01
Provision for Doubtful Advances	119.09	138.27
Loss on Sale of Assets	—	—
Miscellaneous expenses	32.04	18.20
	649.52	711.23

Note 28 Finance Costs

	31 st March 2016	31 st March 2015
	₹ Lakh	₹ Lakh
Interest Expenses		
On Borrowing	243.02	278.01
On Deferred/Delayed payment of Taxes	1.46	6.00
Other Borrowing Costs	24.81	19.49
	269.29	303.50

29 Contingent liabilities not provided for :

Sr. No.	Nature of Dues	For the year ended March 2016 (₹ Lakh)	For the year ended March 2015 (₹ Lakh)
1	Commercial Tax (Andhra Pradesh) and (West Bengal)	14.29	14.29
2	Commercial Tax VAT (West Bengal)	107.17	-
3	Commercial Tax (Punjab), (Maharashtra) and (West Bengal)	8.03	8.03
4	Commercial Tax - Excise (Punjab)	45.39	101.52
5	Income Tax	535.35	672.07
6	Third party claim from disputes relating to contracts	1,157.78	1,143.00

30 All the Fixed Deposit receipts are lying with the banks towards margin money against Bank guarantees issued by Banks.

31 a. Deferred Tax Liabilities comprise of :

Particulars	Balance as at 31 st March 2016 (₹ Lakh)	Balance as at 31 st March 2015 (₹ Lakh)
Deferred Tax Liability/(Asset): Arising on account of timing difference in:		
i. Depreciation	(102.54)	(44.51)
Deferred Tax Asset: Arising on account of timing difference in:		
i. Provision for Compensated Absences	(7.58)	(9.39)
ii. Provision Gratuity	(3.34)	(5.56)
iii. Provision for Bonus	(8.67)	(6.89)
iv. Provision for doubtful debts	(136.83)	(154.47)
v. Provision for doubtful Advances	(191.27)	(156.47)
Net Deferred Tax (Asset)/Liability	(450.23)	(377.30)
Net Deferred Tax (Asset)/Liability recognised during the year (See Foot Note)	Nil	Nil

Note: On grounds of prudence, the Company has recognised Deferred Tax Asset only to the extent of the future reversal of Deferred Tax Liability.

Notes to Financial Statements (Contd.)

- b. Provision for Tax is not made in lieu of carry forward losses and provisions u/s 115JB of Income Tax Act . 1961 in respect of MAT are not applicable to a sick company.

32 a. Related Parties and Relationships

Holding Company : Tata Projects Limited

Key Managerial Personnel : Mr Rajesh Mandale, Chief Financial Officer from 2nd February 2015, Miss Ajuja Bhate, Company Secretary till 3rd September 2015, Rajeshree Gaikwad Company Secretary from 21st October 2015 and Mr Pratik Agarwal, Chief Financial Officer from 21st July 2014 to 12th December 2014.(Refer Note 49)

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	2015-16 (₹ Lakh)	2014-15 (₹ 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	2,100.00	2,100.00
		Unsecured Loan taken during the year	—	—
		Unsecured Loan repaid during the year	—	—
		Unsecured Loan outstanding as at year end	2,100.00	2,100.00
		Interest payable at the beginning of the year	472.65	472.65
		Interest accrued and due during the year	—	—
		Interest Paid during the year	—	—
		Interest payable at the end of the year	472.65	472.65
		Sale of Goods/Services	9,824.87	4,894.62
		Receivables as at end of the year	5,947.93	1,401.18
		Balance of Mobilisation / Advance as at the end of year	4,397.00	1,483.53
Liability for Reimbursement of Expenses	630.84	392.57		
Ms Anuja Bhate	Key Managerial Personnel (upto 3 rd Sept 2015)	Managerial Remuneration	2.69	5.78
Ms Rajeshree Gaikwad	Key Managerial Personnel (From 21 st October 2015)	Managerial Remuneration	2.16	—
Mr. Rajesh Mandale	Key Managerial Personnel	Managerial Remuneration	24.79	4.05
Mr. Pratik Agarwal	Key Managerial Personnel (From 21 st July 2014 to 12 th December 2014)	Managerial Remuneration	—	8.25

Notes to Financial Statements (Contd.)

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

Sr. No.	Particulars	2015-16 (₹ Lakh)	2014-15 (₹ Lakh)
a.	Contract revenue recognised during the year	4,123.23	1,781.38
b.	Amount of Customer Advances (net of recoveries from progressive bills)	(44.13)	242.41
c.	Retention amount	69.45	114.71
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)	41,130.13	38,319.06
e.	Gross amount due from customers for contract work	685.81	1,398.25

- 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.

34 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 said 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 2016 (₹ Lakh)	Balance as on 31 st March 2015 (₹ Lakh)
i	Principal amount remaining unpaid	26.67	19.07
ii	Interest accrued, due and remained unpaid thereon	31.79	24.90
iii	Payment made to suppliers (other than interest) beyond the appointed day during the year	22.00	232.14
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	3.80	3.71
vii	interest accrued and remaining unpaid at the end of the year to suppliers under the MSMED Act	31.79	24.90

35 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 lakhs (including interest up to 31st March 2013 and loan of ₹ 300 lakhs taken during the three months period ended 30th June 2013, but excluding interest of ₹ 94.27 lakhs for the three months period ended 30th June 2013) of the Holding Company as at 31st March 2013 into 4% Optionally Convertible Cumulative Redeemable Preference Shares of ₹ 1/-each, which is pending for approval from BIFR. The Honorable Delhi High Court has passed an order on 14th October 2015 on writ petition file by the Company directing BIFR to keep the hearing on 4th November 2015 or any such date convenient to BIFR. In response, BIFR has informed the Hon’ble Delhi High Court that the hearing on 4th November 2015 was not granted as there was no quorum. Subsequent thereto and till the date of this Meeting, no hearings were granted by the BIFR and such there is no progress in the matter. In view of this, and based on written confirmation from the Holding Company, no provision has been made for interest payable to it amounting to ₹ 1,108.64 lakhs for the period 1st July 2013 to 31st March 2016 (including ₹ 403.04 lakhs for year ended 31st March 2016). The Management is considering various alternatives for achieving profitability. The Company has achieved positive cash flow during the year ended 31st March 2016. 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.

36 In the event of Arbitration Award in favour of the Company, any amount so received shall be treated as income of the year of receipt of award. During the year the Company has received an Arbitration Award amounting to ₹ 498 lakhs (Previous Year NIL) which is included in Other operating revenue ₹ 241.36 lakhs (Previous Year NIL), interest portion as other income ₹ 249.39 lakhs (Previous Year NIL) and service tax expense ₹ 7.25 lakhs (Previous Year NIL).

- 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 ₹ 190.77 lakhs (Previous Year ₹ 270.42 lakhs) receivable on completion of projects.

Notes to Financial Statements (Contd.)

- c. Balance outstanding against Trade Receivable and Trade Payable (including debit balances), are subject to reconciliation and confirmation with respective parties. Provision of ₹ NIL (Previous Year ₹ 285.01 lakhs) for doubtful debts is made during the year; resulting in total provision of ₹ 442.83 lakhs as at 31st March 2016.(Previous Year ₹ 506.38 lakhs)
- d. Long-term Loans and Advances include ₹ NIL (Previous Year ₹ 300.90 lakhs) reimbursement receivable from client. Provision of ₹ NIL (Previous Year ₹ 300.90 lakhs) has been made during the previous year.

38 Earnings per share (Basic & Diluted)

	31 st March 2016	31 st March 2015
a. Net profit/(loss) available for equity share holders (₹ Lakh)	285.47	(199.50)
b. Number of equity shares (Face value ₹ 1/-) (No. in Lakh)	369.20	369.20
c. Basic and diluted earnings per share (₹)	0.77	(0.54)

39 Details of earning and expenditure in foreign currency:

PARTICULARS	31 st March 2016 (₹ Lakh)	31 st March 2015 (₹ Lakh)
Earning in foreign exchange (Amount expended in equivalent Indian rupees)	3,541.67	210.74
Expenditure in foreign currency (Amount expended in equivalent Indian rupees)	3,272.53	406.72

- 40 The net gain on account of exchange rate difference amounting to ₹ 28.74 lakhs (Previous Year Gain of ₹ 2.84 lakhs) has been accounted in the Statement of Profit and Loss in compliance with AS-11.

41 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.

The aggregate value of raw material consumed for erection/construction activities is ₹ 783.93 lakhs (Previous Year ₹ 63.80 lakhs).

b. Manufacturing Activities:

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

i) Raw materials and component Consumed :

	Unit	2015 - 16		2014 - 15	
		Quantity	Value (₹ Lakh)	Quantity	Value (₹ Lakh)
Plates/Steel	MT	11,825.67	3,894.12	7,544.64	3,163.17
Pipes	MT	—	—	1.15	—
Paints	Litres	89,347.00	117.56	47,708.00	41.46
Others		—	263.67	—	83.35
Less : Provision Reversal		—	—	—	(101.44)
		—	4,275.34	—	3,186.54

ii) Imported/Indigenous Raw materials Consumed :

	2015 - 16		2014 - 15	
	Value (₹ Lakh)	%	Value (₹ Lakh)	%
Imported	—	—	62.59	2%
Indigenous	4,275.34	100%	3,123.95	98%

iii) Manufacturing Sales:

Turnover	2015 - 16		2014 - 15	
	Quantity (MT)	Value (₹ Lakh)	Quantity (MT)	Value (₹ Lakh)
Structural	10,972.57	6,956.78	5,350.03	3,777.18
Vessels Nos.	180.00	530.74	14.00	1,429.56
Less :- Excise Duty	—	(639.18)	—	(573.72)
TOTAL	—	6,848.34	—	4,633.02

Notes to Financial Statements (Contd.)

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

Nature of services	2015-16 (₹ Lakh)	2014-15 (₹ Lakh)
Audit fees	7.00	7.00
Tax Audit fees	1.25	1.25
Taxation matters	3.04	1.65
Reimbursement of expenses	0.61	0.94
Service Tax*	1.61	1.22
Total	13.51	12.06

*Set off claimed

43 The Actuarial Valuation of Gratuity and compensated absences has been done and the details of the same are:

Sr. No.	Particular	Gratuity (funded)		Compensated Absences (Unfunded)	
		2015-16 (₹ Lakh)	2014-15 (₹ Lakh)	2015-16 (₹ Lakh)	2014-15 (₹ Lakh)
a.	Expenses recognized in the statement of P & L				
	Current Service Cost	10.56	10.72	17.81	15.08
	Interest Cost	2.64	2.78	1.72	2.08
	Expected Return on Plan Assets	(1.58)	(1.92)	—	—
	Net Actuarial (Gain)/Loss recognized for the period	(9.33)	(3.14)	(7.61)	(6.64)
	Expense recognized in the Statement of P & L* (Note 26)	2.29	8.44	11.92	10.52
	*Exclude ₹ 0.21 Lakh (Previous Year ₹ 0.97 Lakh Paid directly by the Company)				
b.	Movement in the Liability recognized in Balance Sheet				
	Opening Net Liability	18.01	17.91	30.41	32.33
	Expenses as above	2.29	8.44	11.92	10.52
	Contribution Paid	(9.48)	(8.34)	(17.81)	(12.44)
	Closing Net Liability	10.82	18.01	24.52	30.41
c.	Changes in present value of obligations				
	PVO at the beginning of year	35.61	44.44	30.41	32.33
	Interest Cost	2.64	2.78	1.72	2.08
	Current Service Cost	10.57	10.72	17.81	15.08
	Benefits Paid	(5.21)	(19.31)	(17.81)	(12.44)
	Actuarial (Gain)/Loss on obligation	(10.91)	(3.02)	(7.61)	(6.64)
	PVO at end of year	32.70	35.61	24.52	30.41
d.	Changes in fair value of Plan Assets				
	Fair Value Plan Assets at Beginning of the year	17.61	26.54	—	—
	Expected Return on plan Assets Contribution	1.58	1.93	—	—
	Contributions	9.49	8.34	—	—
	Benefit Paid	(5.21)	(19.31)	—	—
	Actuarial Gain/ (Loss) on Plan Assets	(1.58)	0.11	—	—
	Fair Value of Plan Assets at end year	21.89	17.61	—	—
e.	Actual Return on Plan Assets	—	2.04	—	—
f.	Category of Assets as at the end of the year				
	Insurer Managed Funds *	21.89	17.61	—	—

* Based on the data available with Company Investment pattern for LIC Managed Funds is as Central Government Securities – 22.19% (Previous Year 22.19%), State Government Securities – 29.06% (Previous Year 29.06%), other approved securities – 0.99% (Previous Year 0.99%), Debenture and Bonds – 29.92% (Previous Year 29.92%), Equity Shares – 5.50% (Previous Year 5.5%), Fixed Deposit 12.34% (Previous Year 12.34%).

Notes to Financial Statements (Contd.)

g. Experience Adjustment

Gratuity	2016	2015	2014	2013	2012
Defined Benefit Obligation	32.70	35.61	44.44	41.91	30.79
Fair Value of Planned Assets	21.89	17.61	26.53	41.07	33.94
(Surplus)/Deficit	10.82	18.00	17.91	0.84	(3.15)
Experience Adjustment on Plan Liabilities[(Gain)/Loss]	(10.91)	(3.02)	6.58	(1.38)	1.04
Experience Adjustment on Plan Asset[(Gain)/Loss]	1.58	(0.11)	0.36	(0.24)	—
Compensated Absences					
Defined Benefit Obligation	—	30.41	32.33	42.18	27.63
Experience Adjustment on Plan Liabilities [(Gain)/Loss]	—	(1.92)	(9.85)	(2.13)	(9.43)

h. Actuarial Assumptions

Gratuity	2015-16	2014-15
Mortality	LIC (1994-96) Ult.	LIC (1994-96) Ult.
Interest/Discount Rate	8%	8%
Rate of Increase In Compensation	7%	10%
Rate of Return (expected) on plan Assets	8.00%	9.15%
Employee Attrition Rate (PS)	10%	10%
Expected Average Remaining Service	6.96	7.26
Compensated Absences		
Mortality	LIC (1994-96) Ult.	LIC (1994-96) Ult.
Interest/Discount Rate	8%	8%
Rate of Increase In Compensation	7%	10%
Employee Attrition Rate (PS)	10%	10%
Expected Average Remaining Service	6.96	7.27

i. Expected Contribution to be made to the plan assets in financial year 2016-17 is ₹ 18.17 lakhs (Previous Year ₹ 9.49 lakhs)

44 Segmental Reporting (Geographical Segments):

a. Sales	2015-16	2014-15
	(₹ Lakh)	(₹ Lakh)
Domestic	7,574.00	6,213.53
Overseas	3,475.43	207.81
Total	11,049.43	6,421.34
b. Total carrying amount of segment assets by location of Assets.		
Particulars	2015-16	2014-15
	(₹ Lakh)	(₹ Lakh)
Domestic	378.60	637.88
Overseas	27.51	39.12
Total	406.11	677.00
c. Cost incurred on acquisition of tangible and intangible Fixed Assets.		
Particulars	2015-16	2014-15
	(₹ Lakh)	(₹ Lakh)
Domestic	1,247.99	2,747.39
Overseas	73.30	125.75
Total	1,321.29	2,873.14

Notes to Financial Statements (Contd.)

- 45 a. Effective 1st April 2014 the Company has changed the estimated useful life of group of assets in line with the recommended useful life as per Part C of Schedule II to the Companies Act, 2013. As per para 7 (b) of Notes of Part C of Companies Act, 2013, where the remaining useful life of an asset as on the effective date is nil, the carrying amount of the asset should be recognised in the retained earnings. Such carrying amount as on 1st April 2015 is NIL (Previous Year ₹ 16.33 lakhs).
- b. During the year the Company has provided additional depreciation on Plant and Machinery as referred in Note No12 c of ₹ 30.98 lakhs on assets (retaining ₹ 1) at the premises of 3rd party under arbitration and not available for verified during the year. This has resulted into profit for the current year being lower by ₹ 30.98 lakhs.
- 46 The Company has not contributed any amount towards Corporate Social Responsibility (CSR) in term of Section 135 in absence of eligible profits.
- 47 The Company has taken factory premises under cancelable and non-cancelable operating lease. The lease agreement is for two years and option of renewal on expiry of lease period is based on mutual agreement. Rental expenses towards cancelable and non cancelable operating lease charged to Statement of Profit and Loss amount to ₹ 6.00 lakhs (Previous Year ₹ 6.00 lakhs)
- 48 In line with accepted practice in construction business, certain revisions of costs and billing of previous year which have crystallised during the year have been dealt with during the current year.
- 49 The Company has filed in October 2013 a Miscellaneous Application (No.536 of 2013)(“MA”) with the Board for Industrial and Financial Reconstruction (“BIFR”) containing various proposals for modifications to the sanctioned Scheme. The said MA is pending with the BIFR. Vide one of the proposals contained in the said MA, the Company has sought exemption from the appointment of Managing Director (MD)/Manager (M)/Whole-time Director (WD). During the course of the proceedings before the BIFR, a legal opinion has also been submitted on the matter. Accordingly, the Company has not appointed any MD/M/WD, which is one of the categories of the Key Managerial Personnel (KMP) under the Companies Act,2013. The Company has appointed qualified KMP in other categories viz.Company Secretary and Chief Financial Officer.
- 50 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 LLP
Chartered Accountants
FRN : 101872W/W100045

Rajesh Mandale
Chief Financial Officer

For and on behalf of the Board

Vinayak Deshpande
Chairman

Pooja P. Mehta
Partner
Membership No. 133578

Rajeshree Gaikwad
Company Secretary

Nalin Shah
Director

Pralhad Pawar
Director

Place : Mumbai
Date : 22 April 2016

Place : Mumbai
Date : 22 April 2016



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,

Participation in the “Green Initiative”

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 Link Intime India Private Limited, the Company’s Share Registrars and Transfer Agents.

Change in Share Registrars and Transfer Agents

The address and contact details of the Company’s Share Registrars and Transfer Agents are as under:

Link Intime India Private Limited

[Unit: Artson Engineering Limited]

C-13 Pannalal Silk Mills Compound,
L.B.S.Marg, Bhandup (West),

Mumbai-400078

Tel: 91-22-2594-6970;

Fax: 91-22-25946969

Email ID: rnt.helpdesk@linkintime.co.in

We look forward to your kind co-operation.

Thanking you,

Yours faithfully,

For **ARTSON ENGINEERING LIMITED**

RAJESH MANDALE

Chief Financial Officer

-----TEAR HERE-----

MEMBER’S 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 2016

Signature of Member





ARTSON ENGINEERING LIMITED

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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 Venue)

37th Annual General Meeting

Day & Date	Time	Venue
Tuesday, 16 th August 2016	3.00 p.m.	Seminar Hall, The Victoria Memorial School for the Blind, Opposite Tardeo AC Market, 73, Tardeo Road, Mumbai 400034

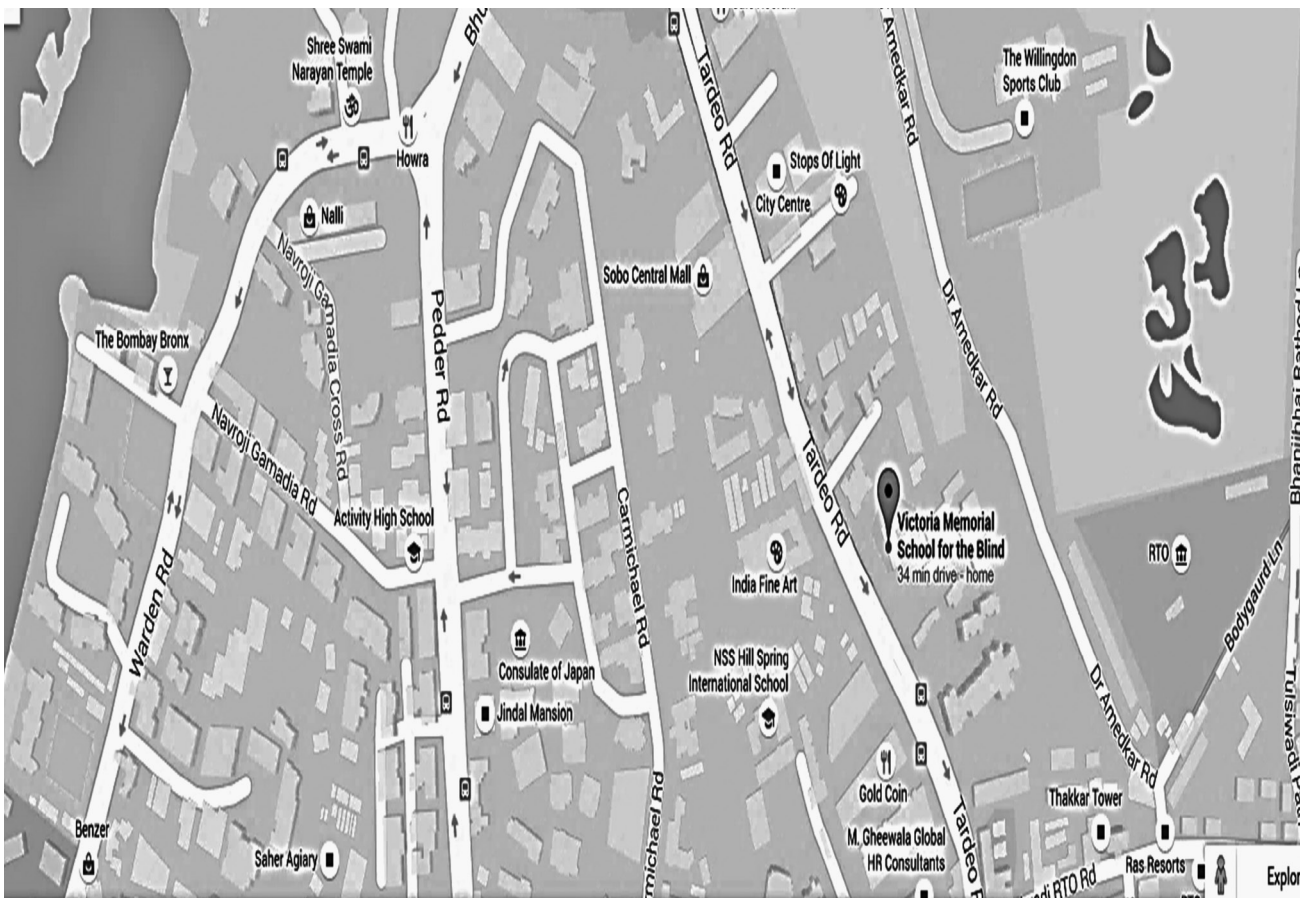
I certify that I am a registered shareholder/ proxy for the registered shareholder of the Company. I hereby record my presence at the Thirty-Seventh Annual General Meeting of the Company.

Name of the Shareholder/ Proxy (IN BLOCK LETTERS)	Folio No./ DP ID and Client ID No.	Signature of the Shareholder/ Proxy

ROUTE MAP FOR AGM VENUE
[Map not to scale]

Venue of the AGM

Seminar Hall Victoria Memorial School for the Blind
Opposite Tardeo AC Market, 73, Tardeo Road, Mumbai 400034





ARTSON ENGINEERING LIMITED

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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./ Client Id No. :

DP ID :

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** :
:



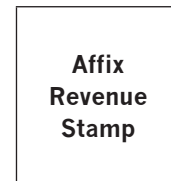
as my/ our proxy to attend and vote (on a poll) for me/ us and on my / our behalf at the Thirty-Seventh Annual General Meeting of the Company to be held **on Tuesday, 16th August 2016 at 3.00 p.m. at Seminar Hall, The Victoria Memorial School for the Blind, Opposite Tardeo AC Market, 73, Tardeo Road, Mumbai 400034** 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 2016, 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. Appointment of Auditors
4. To enter into Related Party transactions under Section 188 of the Companies Act, 2013 read with Companies (Meeting of the Board and its Powers) Rules, 2014
5. To keep the Register of Members, Annual Returns etc. at a place other than the Registered Office of the Company but within the city limits of Mumbai

Signed this _____ day of _____, 2016

Signature of Shareholder: _____

Signature of Proxy holder (s) : _____



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.

