



22<sup>nd</sup> September 2017

Corporate Relationship Department,  
BSE Limited  
P J Towers, 25<sup>th</sup> Floor  
Dalal Street  
Mumbai 400001

Dear Sirs,

**Sub: Annual report for the financial year 2016-17**  
**Ref: Scrip Code: 522134**

Pursuant to Regulation 34(1) of the SEBI (Listing Obligations and Disclosures Requirements) Regulations 2015, enclosed herewith is the Annual Report of the Company, for the Financial Year 2016-17, duly approved and adopted in the 38<sup>th</sup> Annual General Meeting of the Company held on 21<sup>st</sup> Day of September 2017 at 3:00 p.m. at the Seminar Hall, The Victoria Memorial School for the Blind, Opp. Tardeo AC Market, 73, Tardeo Road, Mumbai – 400034.

This is for your kind information and records. Please take note of the same and acknowledge the receipt.

Thanking you

Yours Truly,  
For Artson Engineering Limited

**Deepak Tibrewal**  
Company Secretary  
FCS 8925

Encl: As above

**Registered Office:**

11<sup>th</sup> Floor, Hiranandani Knowledge Park, Technology  
Street, Powai, Mumbai - 400 076, M.H., India.  
Tel: +91-22-6625 5600, Fax: +91-22-6625 5614

**ARTSON ENGINEERING LIMITED**

(A subsidiary of **TATA PROJECTS LIMITED**)

CIN L27290MH1978PLC020644

E-mail: artson@artson.net, Website: www.artson.net

**Corporate Office:**

Ground Floor, Mithona Towers-1, 1-7-80 to 87,  
Prenderghast Road, Secunderabad - 500 003,  
T.S., India. Tel: +91-40-6601 8175



# ARTSON ENGINEERING LIMITED

(A subsidiary of Tata Projects Limited)



**38<sup>th</sup> ANNUAL REPORT  
2016-17**

## BOARD OF DIRECTORS



**Vinayak K Deshpande**  
Chairman  
(Non-Executive)



**Michael Bastian**  
Independent Director



**Nalin Shah**  
Independent Director



**Pralhad Pawar**  
Non-Executive Director



**Leja Hattiangadi**  
Independent Director

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## KEY MANAGERIAL PERSONNEL

<b>Chief Operating Officer</b>	:	Nikhil Naniwadekar
<b>Chief Financial Officer</b>	:	S. Balaji (w.e.f. 11 <sup>th</sup> July 2017) Rajesh Mandale (Till 6 <sup>th</sup> May 2017)
<b>Company Secretary</b>	:	Deepak Tibrewal (w.e.f. 1 <sup>st</sup> November 2016) Rajeshree Gaikwad (Till 13 <sup>th</sup> May 2016)





## Artson Engineering Limited

(A subsidiary of Tata Projects Limited)

CIN: L27290MH1978PLC020644

Registered Office: 11<sup>th</sup> Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai – 400076, Maharashtra

Tel No. 022-66255600; Fax: 022-66255614; Email: investors@artson.net; Website: www.artson.net

<b>Registrar and Share Transfer Agent</b>	: <b>Link Intime India Private Limited</b> # C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060
<b>Bankers</b>	: Axis Bank Corporation Bank IndusInd Bank
<b>Statutory Auditors</b>	: Chokshi & Chokshi, LLP, Chartered Accountants
<b>Internal Auditors</b>	: Patel & Deodhar, Chartered Accountants
<b>Secretarial Auditors</b>	: MKS & Associates, Company Secretaries
<b>Cost Auditors</b>	: Sagar & Associates, Cost Accountants
<b>Registered Office</b>	: 11 <sup>th</sup> Floor, Hiranandani Knowledge park, Technology Street, Powai, Mumbai- 400076, Maharashtra
<b>Corporate Office</b>	: Ground Floor, Mithona Towers 1-7-80 to 87, Prenderghast Road, Secunderabad, Hyderabad- 500003, Telangana State Tel No. 040 66018175
<b>Overseas Office</b>	: Flat No. 802, Khalifa Matar Building, Bin Hamad bin Abdhullah Road, Fujairah, United Arab Emirates, (UAE) Post Box No. 3679
<b>Manufacturing units</b>	: <b>Nashik Unit:</b> D-5, MIDC Ambad, Nashik Nashik-422010  <b>Nagpur Unit:</b> Plot No D.1, Umred, Industrial Area, MIDC , Umred Dist- Nagpur- 441203

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### 38<sup>th</sup> ANNUAL GENERAL MEETING

Date	: Thursday, 21 <sup>st</sup> September 2017
Time	: 03:00 p.m. IST
Venue	: Seminar Hall, The Victoria Memorial School for the Blind, Opp. Tardeo AC Market, 73, Tardeo Road, Mumbai-400034

**NOTICE CONVENING 38<sup>th</sup> ANNUAL GENERAL MEETING**

NOTICE is hereby given that the 38<sup>th</sup> Annual General Meeting of the Members of Artson Engineering Limited (‘the Company’) will be held on Thursday, the 21<sup>st</sup> Day of September 2017 at 3.00 p.m. at the Seminar Hall, The Victoria Memorial School for the Blind, Opp. 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 of the Company for the financial year ended 31<sup>st</sup> March 2017, together with the Reports of the Board of Directors and the Auditor thereon.
2. To appoint a Director in place of Mr. Pralhad Pawar (DIN: 06557071), who retires by rotation and being eligible, offers himself for re-appointment.
3. **To appoint Price Waterhouse & Co. LLP, Chartered Accountants, (PWC), as the Statutory Auditors of the Company.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution:

“RESOLVED that pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 (‘the Act’) and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time Price Waterhouse & Co. LLP, Chartered Accountants, (PWC) (Firm Registration Number - 304026E/E-300009), who offered themselves for appointment and have confirmed their eligibility to be appointed as the Statutory Auditors of the Company, be and is hereby appointed as the Statutory Auditors of the Company in place of the retiring auditors Chokshi & Chokshi LLP, Chartered Accountants (Firm Registration No. 101872W/W100045), to hold office for a period of five (5) years i.e., from the conclusion of this AGM till the conclusion of Forty-Third (43<sup>rd</sup>) AGM of the Company, to be held in the year 2022 (subject to ratification of their appointment at every AGM if so required under the Act), at such remuneration, as may be mutually agreed between the Board of Directors of the Company and the Statutory Auditors.”

**Special Business:**

4. **Ratification of remuneration paid to the Cost Auditors for the financial year 2016-17.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution.

“RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with corresponding rules made thereunder as amended from time to time, the remuneration of ₹ 1,00,000/- plus applicable taxes and reimbursement of out of pocket expenses as paid to Sagar & Associates, Cost Accountants (Firm Registration No. 000118), appointed by the Board of Directors as Cost Auditors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ended 31<sup>st</sup> March 2017, be and is hereby ratified.

RESOLVED further that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary to give effect to this Resolution.”

5. **Ratification of remuneration payable to the Cost Auditors for the financial year 2017-18.**

To consider and, if thought fit, to pass the following resolution as an Ordinary Resolution.

“RESOLVED that pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 read with corresponding rules made thereunder as amended from time to time, the Cost Auditors viz., Sagar & Associates, Cost Accountants (Firm Registration No. 000118) appointed by the Board of Directors of the Company to conduct the audit of the cost records maintained by the Company for the financial year ended 31<sup>st</sup> March 2018 be paid remuneration of ₹ 1,00,000/- (Rupees One Lakh), plus applicable taxes and other out-of-pocket expenses in performance of their duties.

RESOLVED further that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things and take all such steps as may be necessary to give effect to this Resolution.”

6. **Enhancement of borrowing powers.**

To consider and, if thought fit, to pass the following resolution as a Special Resolution.

“RESOLVED that in supersession of the resolution passed at the 36<sup>th</sup> Annual General Meeting of the Company held on 10<sup>th</sup> August, 2015, and pursuant to the provisions of Section 180(1)(c) of the Companies Act, 2013 (‘Act’), other applicable provisions, if any, read with corresponding rules made thereunder as amended from time to time and the Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred as ‘Board’ which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to borrow from time to time as they may think fit, any sum or sums of money not exceeding ₹ 125 Crore including the money/ies already borrowed by the Company in Indian Rupees or equivalent thereof in any foreign currency(ies) on such terms and conditions as the Board may deem fit, whether the same may be secured or unsecured and if secured, whether domestic or international, whether by way of mortgage, charge or hypothecation, pledge or otherwise in any way whatsoever, on any, or all, the company’s assets and or properties including stock in trade, notwithstanding that the money to be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company’s Bankers in the ordinary course of business) and remaining un-discharged at any given time, exceed the aggregate, for the time being, of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose.

RESOLVED further that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things and take all such steps, including but not limited to execution of all such documents, instruments and writings as may be necessary to give effect to this Resolution.”

#### 7. Creation of Charge/ Security.

To consider and, if thought fit, to pass the following resolution as a Special Resolution.

“RESOLVED that in supersession of the resolution passed at the 36<sup>th</sup> Annual General Meeting of the Company held on 10th August, 2015, and pursuant to the provisions of Section 180(1)(a) of the Companies Act, 2013 (‘Act’), other applicable provisions, if any, read with corresponding rules made thereunder as amended from time to time and the Articles of Association of the Company, the consent of the members be and is hereby accorded to the Board of Directors (hereinafter referred as ‘Board’ which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this Resolution) to create such mortgages, charges and hypothecations as may be necessary in addition to the existing charges, mortgages and hypothecations created by the Company, on such movable and immovable properties, both present and future, in such manner as the Board/ Committee of the Board may deem fit, in favour of Financial Institutions, Investment Institutions, Banks, Non-banking Finance Companies, Other Bodies Corporate and / or their subsidiaries, other persons (hereinafter referred to as the ‘Lender/s’), to secure the borrowings by the Company, together with interest costs, charges, expenses and all other monies payable by the Company for an amount not exceeding ₹ 125 Crores to the Lender/s under their respective Agreements/ Loan Agreements / entered / to be entered into by the Company in respect of the borrowings.

RESOLVED further that the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds and things and take all such steps, including but not limited to execution of all such documents, instruments and writings as may be necessary to give effect to this Resolution.”

#### 8. Appointment of Mr. Nikhil Naniwadekar as the Manager of the Company.

To consider and, if thought fit, to pass the following resolution as a Special Resolution.

“RESOLVED that pursuant the provisions of Sections 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 (‘the Act’), the corresponding rules made thereunder as amended from time to time and read with Schedule-V of the Act and the Articles of Association of the Company and subject to approvals, if any, approval of the members be and is hereby accorded for the appointment of Mr. Nikhil Naniwadekar, Chief Operating Officer as Manager of the Company of the Company with effect from 2<sup>nd</sup> May, 2017, for a period of Three (3) years, at the existing terms and conditions and at such remuneration as detailed in the explanatory statement attached hereto, being the minimum remuneration to be paid even in the event of loss or inadequacy of profits.

RESOLVED further that Mr. Nikhil Naniwadekar, shall continue to hold the officer as Chief Operating Officer of the Company and be designated as the Manager & Chief Operating Officer.

RESOLVED further that the Board of Directors of the Company/ and or the Company Secretary be and are hereby severally authorised to do all such acts, deeds and things and take all such steps, including but not limited to execution of all such documents, instruments and writings as may be necessary to give effect to this Resolution.”

#### NOTES:

1. **A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON POLL ON HIS / HER BEHALF AND SUCH PROXY NEED NOT BE A MEMBER OF THE COMPANY.** Proxies/ Power of Attorney forms, in order to be effective must be received at the Registered Office of the Company not less than 48 hours before the scheduled time of the Meeting. A person can act as proxy on behalf of not exceeding fifty (50) members and holding in the aggregate not more than 10% of the total share capital of the Company. In case a proxy is proposed to be appointed by a member holding more than 10% of the total share capital of the Company carrying voting rights, then such proxy shall not act as a proxy for any other person or shareholder. A Proxy form is attached herein along with the Notice of AGM.
2. An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013, relating to the special business to be transacted at the AGM is annexed hereto.
3. The details of the Director proposed to be appointed/re-appointed is annexed herein. The details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015, in respect of the Directors seeking appointment/re-appointment at the AGM forms integral part of this Annual Report. The Directors have furnished the requisite declarations for their appointment/re-appointment.
4. The Register of Members and Share Transfer Books of the Company will remain closed from Saturday, 16<sup>th</sup> September 2017 to Thursday, 21<sup>st</sup> September 2017 (both days inclusive).
5. Members are advised to avail nomination facility as per the Section 72 of the Companies Act, 2013. Facility for making nomination is available for the Members in respect of the shares held by them. Members holding shares and who have not yet registered their nomination are requested to register the same by submitting Form No. SH-13. Further, a Member who desires to cancel the earlier nomination and record fresh nomination may submit the same in Form No. SH-14. Both the forms for “Nominations” and “Cancellation or Variation of Nomination can be availed from the RTA or can be downloaded from the Company’s website. Members holding shares in physical form are requested to submit the forms to the Company’s Share Registrars and Transfer Agents (RTA). The members holding shares

in dematerialized form are requested to file the Nomination/ Cancellation or Variation in Nomination forms with their respective Depository in prescribed form.

6. A body corporate, including a company within the meaning of the Act, may by resolution of its Board of Directors or other governing body, authorize its representative to act on behalf of such body corporate. Accordingly, the bodies corporate are required to send to the Company Secretary, (or the Authorised representative will be required to produce at the venue of Meeting) certified true copy of Resolution.
7. Shareholders are requested to address all communications relating to the shares and related matters to the Company's Registrar and Share Transfer Agent (RTA) at their address i.e., as provided below:

**M/s. Link Intime (India) Private Limited,**

(Unit: Artson Engineering Limited)

C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400083, Maharashtra

Tel No: +91 22 4918 6000; Fax: +91 22 49186060

Email ID: [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

- (a) The Ministry of Corporate Affairs, Government of India has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by the Companies and has issued circulars stating that service of notice/documents including Annual Report can be sent by e-mail to its Members. To support this Green Initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respect of electronic holdings with the Depository through their concerned Depository Participants. Members who hold shares in physical form are requested to get the shares dematerialized and also to register their e-mail addresses by submitting the Shareholders details updation form attached to this Annual Report.
  - (b) Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS) / National Electronic Fund Transfer (NEFT), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's RTA, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to RTA.
  - (c) Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or the RTA of the Company for assistance in this regard.
  - (d) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or RTA the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such Members after requisite changes thereon.
  - (e) For more information in relation to shareholders, "Shareholders information booklet" may be referred, which is disseminated on the website of the Company, i.e. [www.artson.net](http://www.artson.net).
8. The Company has paid the listing fees for the financial year 2017-18 to BSE Limited, stock exchange where the equity shares of the Company are listed.
  9. Members are requested to:
    - (a) Send their queries, if any, to reach the Company's Registered Office at least 7 days before the date of the Meeting, such that the information can be made available at the Meeting.
    - (b) Bring the copy of the Annual Report and Attendance Slip which is enclosed herein, along with them at the Meeting.
    - (c) To bring their DP ID and Client ID numbers for easy identification of attendance at the venue of AGM, who hold shares in dematerialized form;
    - (d) Send their e-mail address to the Company / RTA for prompt communication.
    - (e) To quote Regd. Folio Number/ DP and Client ID numbers in all correspondence with the Company/ RTA.
  10. 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 38th AGM along with the Financial Statements for the year ended 31<sup>st</sup> March 2017, is being issued in electronic form, to the email addresses as per the Company's records and as are made available by the depositories.
  11. Full text of the Notice and these reports will also be made available in an easily navigable format on the Company's website viz., [www.artson.net](http://www.artson.net). The physical copies of the Annual Report will be available at the Registered Office of the Company for inspection on working days during working hours.
  12. 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](mailto:rnt.helpdesk@linkintime.co.in) and accordingly a printed copy will be sent to the registered address of the members.

### Voting through electronic means

- I. 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 SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015, the Company is pleased to provide to its members, the facility to exercise their right to vote on resolutions proposed to be considered at the 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).
- II. The facility for voting through polling/ ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
- III. The members who have casted their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast the vote again.
- IV. The remote e-voting period commences on Monday, 18<sup>th</sup> September 2017 (9:00 am) and ends on Wednesday, 20<sup>th</sup> September 2017 (5:00 pm). During this period, Members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. 14<sup>th</sup> September 2017, 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 casted by the member, the member will not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
  - A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)]:
    - (i) Open email and open PDF file viz., “Artson e-voting.pdf” 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. (NOTE: Shareholders already registered with NSDL for e-voting will not receive the PDF file “remote e-voting.pdf”.)
    - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
    - (iii) Click on Shareholder - Login
    - (iv) Put your user ID and password. Click Login.
    - (v) 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.
    - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
    - (vii) Select “EVEN” of “Artson Engineering Limited”.
    - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
    - (ix) Cast your vote by selecting appropriate option and click on “Submit” and also “Confirm” when prompted.
    - (x) Upon confirmation, the message “Vote cast successfully” will be displayed.
    - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
    - (xii) 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 [vnp.scrutinizer@gmail.com](mailto:vnp.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
  - B. 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]:
    - (i) 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
-------------------------------------	---------	--------------
    - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above to cast vote.
- VI. 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](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990.
- VII. 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. (NOTE: Shareholders who forgot the User Details/ Password can use “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com). In case Shareholders are holding shares in demat mode, USER-ID is the combination of (DP ID + Client ID). In case Shareholders are holding shares in physical mode, USER-ID is the combination of (Even No + Folio No).
- VIII. 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).
- IX. 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 i.e. 14<sup>th</sup> September 2017.



- X. 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. 14<sup>th</sup> September 2017, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA.
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using “Forgot User Details/ Password?” or “Physical User Reset Password?” option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or contact NSDL at the following toll free no.: 1800-222-990.
- XI. 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.
- XII. 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.
- XIII. Mr. Vishram Panchpor, Practising Company Secretary (ICSI Membership No. A 20057; CP No. 13027) has been appointed 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.
- XIV. 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 polling/ballot paper for all those members who are present at the AGM but have not casted votes by availing the remote e-voting facility.
- XV. 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 (3) 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.
- XVI. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company viz., [www.artson.net](http://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, Stock Exchange, Mumbai.

**Other information:**

- I. The Scrutinizer will collate the votes downloaded from the e-voting system and votes received through physical ballot and votes casted during the polling process conducted at AGM venue, to declare the final result for each of the Resolutions forming part of the AGM Notice.
- II. The results of the voting shall be declared on or after the date of AGM of the Company. The Results declared, along with the Scrutinizer’s Report, shall be placed on the Company’s website [www.artson.net](http://www.artson.net) and be communicated to the Stock Exchanges where the Company’s shares are listed, i.e., BSE Ltd.
- III. Members may address any query to the Company Secretary, at the Registered Office of the Company.

**Registered Office**

11<sup>th</sup> Floor, Hiranandani Knowledge Park,  
Technology Street, Powai  
Mumbai- 400076, Maharashtra  
Website: [www.artson.net](http://www.artson.net)  
e-mail: [investors@artson.net](mailto:investors@artson.net)

By Order of the Board,  
For **Artson Engineering Limited**

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827

Date : 18<sup>th</sup> July 2017  
Place : Mumbai

**EXPLANATORY STATEMENT**

Pursuant to Section 102 of the Companies Act, 2013, the following Explanatory Statement sets out material facts relating to the businesses proposed under Item Nos. 3 to 9 of the accompanying Notice dated 18<sup>th</sup> July 2017.

**Item No. 3 : To appoint Price Waterhouse & Co. LLP, Chartered Accountants, (PWC) as the Statutory Auditors of the Company.**

This explanatory statement for item No. 3 is provided though statutorily not required as per Section 102 of the Act.

M/s. Chokshi & Chokshi LLP, Chartered Accountants (Firm Registration No.101872W /W100045), had been the Statutory Auditors of the Company for over a decade and at the 38<sup>th</sup> Annual General Meeting (“AGM”) held on 16<sup>th</sup> August 2016, the Company appointed M/s. Chokshi & Chokshi LLP, Chartered Accountants, as the Auditors of the Company to hold office from the conclusion of the 37<sup>th</sup> AGM till the conclusion of the 38<sup>th</sup> AGM of the Company to be held in the year 2017.

However, As per the provision of Section 139(2) of the Companies Act, 2013 (“the Act”) read with Rule 6 of the Companies (Audit and Auditors) Rules, 2014 (“Rules”), no listed company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. Section 139 of the Act has also provided the Companies a period of three years from the date of commencement of the Act i.e. from 01<sup>st</sup> April 2014, to comply with this requirement.

In view of the above, it is proposed to appoint PWC (Firm Registration No. 304026E/E-300009), as the Statutory Auditors of the Company for a period of five years commencing from the conclusion of this 38th AGM till the conclusion of the 43rd AGM to be held in the year 2022, subject to ratification of their appointment at each AGM to be held after this 38th AGM.

As per the requirement of the Act, PWC have confirmed that, the appointment if made would be within the limits specified under Section 141(3)(g) of the Act and they are not disqualified to be appointed as Auditor in terms of the provisions of Section 139 and 141 of the Act and the Rules.

In view of the above and pursuant to the Rule 3 of the Companies (Audit and Auditors) Rules, 2014, PWC being eligible to act as Auditors of the Company and based on the recommendation of the Audit Committee at its Meeting held on 21st January 2017, the Board of Directors of the Company, approved the the appointment of PWC as the Statutory Auditors of the Company, subject to the approval of shareholders in this AGM.

Accordingly, the Board of Directors of the Company recommends the Resolution No. 3 of the Notice for the Approval of the members by way of Ordinary Resolution. None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

**Item No. 4 : Ratification of remuneration paid to the Cost Auditors for the financial year 2016-17.**

The Board of Directors of the Company, upon the recommendation of the Audit Committee, approved the appointment and remuneration of Sagar & Associates, Cost Accountants, Hyderabad, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2017 at a remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Members of the Company. However, as the requirement for the appointment of Cost Auditor first arose at the time of approval of financial statements by the Board, the agenda pertaining to the ratification of remuneration payable to the Cost Auditors of the Company did not form part of the Notice of 37<sup>th</sup> AGM of the Company held on 16<sup>th</sup> August, 2016.

Accordingly, the Board of Directors recommends the Resolution at Item No. 4 of the Notice for approval of the members by way of Ordinary Resolution. None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

**Item No. 5 : Ratification of remuneration payable to the Cost Auditors for the financial year 2017-18.**

The Board of Directors of the Company, upon the recommendation of the Audit Committee, approved the appointment and remuneration of Sagar & Associates, Cost Accountants, Hyderabad, to conduct the audit of the cost records of the Company for the financial year ending 31<sup>st</sup> March, 2018 at a remuneration of ₹ 1,00,000/- (Rupees One Lakh only) plus applicable taxes and reimbursement of out-of-pocket expenses.

In terms of the provisions of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors is to be ratified by the Members of the Company. Accordingly, consent of the Members is being sought for passing the resolution as set out in item no. 5 of the Notice for ratification of the remuneration payable to the Cost Auditors for the financial year ended 31<sup>st</sup> March, 2018.

Accordingly, the Board of Directors recommends the Resolution at Item No. 5 of the Notice for approval of the members by way of Ordinary Resolution. None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

**Item No. 6 & 7 : Enhancement of borrowing powers and Creation of Charge/ Security.**

The provisions of Section 180(1)(c) of the Companies Act, 2013, requires that the Board of Directors shall not borrow money in excess of the company's paid up share capital and free reserves, apart from temporary loans obtained from the company's bankers in the ordinary course of business, except with the consent of the members accorded by way of a Special Resolution.

The present borrowing limits of the Company as approved by the shareholder is up to ₹ 75 Crore, which was approved at the AGM of the members of the Company held on 10<sup>th</sup> August 2015.

Considering the growth prospects of the Company and envisaging the requirements of funds in future to cater the new projects, the Board of Directors at their meeting held on 2<sup>nd</sup> May, 2017 approved to increase the borrowing powers from the existing limits of ₹ 75 Crore (Rupees Seventy Five Crores Only) to ₹ 125 (Rupees One Hundred and Twenty Five Crores only) subject to the approval of the members at the ensuing AGM.

Further, the proposed borrowings not exceeding ₹ 125 (Rupees One Hundred and Twenty Five Crores only) may also, if necessary, be secured by way of creation of charge/ mortgage/ hypothecation on the assets of the Company, whether movable or immovable, in favour of Financial Institutions, Investment Institutions and their subsidiaries, Banks, Non-Banking Finance Companies, Other Bodies Corporate, other persons. Pursuant to the provisions of Section 180 (1) (a) of the Act, the Board of Directors of a company cannot, except with the consent of the Members by a Special Resolution, create charge/ mortgage/ hypothecation on the assets of the company in order to secure the borrowings in favour of any bank/financial institutions/ Non-banking financial companies/ any other persons.

Accordingly, the Board of Directors recommends the Resolutions at Item No. 6 & 7 of the Notice for approval of the members by way of Special Resolution. None of the Directors, Key Managerial Personnel or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

**Item No. 8 : Appointment of Mr. Nikhil Naniwadekar as the Manager of the Company.**

As per 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 every Listed company and every other public company having a paid-up share capital of Rupees Ten Crore shall have whole-time key managerial personnel (KMP).

Since the Company is a listed entity (even though it's paid up Share Capital is less than ₹ 10 Crore) it is required to appoint KMPs viz.

- Managing Director, or Chief Executive Officer or Manager and in their absence, a whole-time director;
- Company Secretary; and
- Chief Financial Officer

The Company had sought an exemption from the erstwhile Board for Industrial and Financial Reconstruction ("BIFR") from complying with the above-cited provisions. The Company's application was pending with the BIFR since October 2013. However, with effect from 1st December 2016 vide the Notification dated 25<sup>th</sup> November 2016 issued by the Ministry of Finance, Government of India, The Sick Industrial Companies (Special Provisions) Act, 1985 was repealed and consequently the BIFR was dissolved.

Thereafter, within a period of 6 (Six) months from the above-cited provisions of the Act becoming applicable, the Company being listed is required to comply with the said provisions of the Act and is required to appoint either a Managing Director, or Chief Executive Officer or Manager and in their absence, a whole-time Director; It may be noted that the Company has already complied with the provisions relating to appointment of whole-time KMPs in the category of Company Secretary and Chief Financial Officer.

In this regard, the Nomination and Remuneration Committee (NRC) at its meeting held on 2<sup>nd</sup> May, 2017 recommended and the Board at its meeting held on the even date approved the appointment of Mr. Nikhil Naniwadekar, COO, as the manager of the Company with effect from 2<sup>nd</sup> May, 2017, for a period of three years, at the existing terms and conditions and at such remuneration as provided below, subject to approval of the shareholders at the ensuing Annual General Meeting.

Statement pursuant to Section 198 read with Part II of Schedule V of the Companies Act, 2013:

<b>I General Information</b>	
1. Nature of Industry	Manufacturing of Structural Metal Products, Fabrication of Equipment, Industrial & Infrastructure Construction Projects, mainly in mechanical works
2. Date of Commencement of commercial production	Company was incorporated on 18 <sup>th</sup> September 1978 and had started its commercial operations in the same financial year
3. Financial Performance	The Company is in growth phase and the overall sales of ₹ 65 Crores in FY 2014-15 has grown to overall sales of ₹ 110 Crores in FY 2016-17. Company has posted a positive PAT for past 8 consecutive quarters & reported positive networth for year ended 2016-17. For detailed financials please refer the Annual Report of the Company
4. Foreign Investment and collaborations	Nil
<b>II Information about the appointee</b>	
1. Background details	Education Qualification - B.E & PGDMM; Currently holding the position of Chief Operating Officer since October 2014.
2. Past / Existing remuneration	₹ 71,27,796/-
3. Recognition and Awards	Nil
4. Job profile and his sustainability	Appointee is experienced in Business Unit & P & L Management, relevant industry experience and is suitable for the position
5. Remuneration proposed	₹ 80,00,000/- Approx.
6. Comparative remuneration profile with respect to industry, size of the Company, profile of the position and person	Proposed remuneration is competitive and based on the industry standards. The brief profile of the appointee is provided below under the heading 'additional information'
7. Pecuniary relationship with the Company, relationship with the managerial personnel.	Not Related to any of the Directors and other Key Managerial Personnel of the Company.

III Other Information		
1.	Reason for loss or inadequate profits	Company was registered with BIFR as a Sick Company since 2004 and could not post positive PAT till 2014-15 due to the challenging economic conditions and pre-qualification issue in PSU segment. Since FY 2015-16 Company has improved the financial position substantially and is now a positive net-worth Company having ability to service the PSU segment of interest from FY 2017-18 onwards.
2.	Steps taken or proposed to be taken for improvement	The Company improved the Order Book position substantially over past 2 years. Also, the necessary step are taken to bring the company out of BIFR's reference and is now in position to address the PSU & associated market. Further, the Company is servicing the orders from its parent company (Tata Projects Limited) who have grown rapidly in past couple of years thereby improving opportunity for growth for the Company. The management is ensuring that the right size teams are built to execute the projects in these opportunities and also is focusing on operational excellence initiatives to improve its productivity.
3.	Expected increase in productivity and profits in measurable terms	The Company plans to wipe out the accumulated losses within next 5 years with CAGR of 25%.
IV Disclosures		
1.	All elements of salary/ remuneration	Provided below
2.	Details of fixed components, performance linked incentives	
3.	Service contracts	Nil
4.	Stock Option details	Nil

All elements of salary/ remuneration including details of fixed components, performance linked incentives proposed to be paid

(Amount in ₹)

Basic	21,69,750
HRA	10,84,875
Other Allowances	29,29,821
Retirals	3,90,555
Other Benefits (PLR)	13,64,200
Annual CTC	79,39,201

Accordingly, the Board of Directors recommends the Resolution at Item No. 8 of the Notice for approval of the members by way of Special Resolution. None of the Directors, Key Managerial Personnel (Except Mr. Nikhil Naniwadekar) or their relatives are in any way concerned or interested, financially or otherwise in this resolution.

#### Brief Profile of Mr. Nikhil Naniwadekar, Manager & Chief Operating Officer

Mr. Nikhil Naniwadekar possesses around 3 decades of professional experience in various leadership roles of Company Leadership, BU Management, Business development, Partnerships, Strategic Marketing, Operational Excellence and General Management. He has been entrusted with initiatives and leadership roles in variety of Industry Verticals and Infrastructure Projects, and has depth of experience in complex EPC projects in Infrastructure, O&G, HPI, Power, Metals, and Water segments. Mr. Nikhil's experience and skills include:

- Company/ Business Unit Management: P&L Ownership, Team Building, Operational Excellence
- Deep Understanding of Internal & External Customer requirements to recognize, develop and align organizational strengths
- Ability of developing strategic partnerships with Clients, Technology Providers and Suppliers, in diverse geographies (India, ME, SEA, Japan, UK, US), for variety of large Projects or Programs

Mr. Nikhil is associated with the Company Artson Engineering Limited (a Subsidiary of Tata Projects Limited) for past 2.5 years as Chief Operating Officer (COO) and has steered the organization towards achieving the turn-around in the financial performance, by improving the focus areas of the business and productivity improvements in value chain of the operations of company. He has lead the team to deliver growth of over 60% in past two years, positive PAT and net-worth, improved working capital, 300% growth in order booking and right-sizing/ right-skilling of human-resources.



**Additional Information:**

Information pursuant to Para 1.2.5 of Secretarial Standard 2, pertaining to Director/ Manager seeking Re-appointment / Appointment:

<b>Name</b>	Mr. Pralhad Pawar	Mr. Nikhil Naniwadekar
<b>Designation</b>	Non-Executive Director	Manager & Chief Operating Officer
<b>Director Identification Number (DIN)</b>	06557071	07808192
<b>Date of Birth</b>	19 <sup>th</sup> February, 1959 (Age: 58 years)	2 <sup>nd</sup> May 1967 (50 Years)
<b>Qualifications</b>	B. Tech. (Chemical), Master in Financial Management	B.E & PGDMM
<b>Specialised Expertise</b>	Strategy Planning, Business Development and Project Management	Business Unit & P & L Management
<b>Experience</b>	Over 3 Decades of overall experience	Approx. 3 Decades of overall experience
<b>Terms and Conditions of Appointment</b>	Non-Executive Director, Nominated by Tata Projects Limited, the holding company.	Being appointed as Manager for a period of Three years and to be designated as Manager & COO
<b>Remuneration</b>	Nil, being Non-Executive Director	₹ 80,00,000/- Approx.
<b>Date of First Appointment on the Board</b>	19 <sup>th</sup> April 2013	NA
<b>Directorship in other Indian companies</b>	Nil	Nil
<b>Positions in Committees* of other Indian companies</b>	Nil	Nil
<b>Number of shares held in the Company</b>	Nil	Nil
<b>Relationship, if any, with other Directors, Manager and other Key Managerial Personnel</b>	Not Related to any of the Directors and other Key Managerial Personnel of the Company	Not Related to any of the Directors and other Key Managerial Personnel of the Company
<b>Position in Committees constituted by the Board of Directors of the Company</b>	Member of the Audit Committee and Stakeholders Relationship Committee	Nil
<b>Number of Board Meetings attended</b>	Nine (9) out of Nine (9) Board Meetings attended which were held during the FY 2016-17.	Eight (8) out of Nine (9) Board Meetings attended as COO, which were held during the FY 2016-17.

**Registered Office**

11<sup>th</sup> Floor, Hiranandani Knowledge Park,  
Technology Street, Powai  
Mumbai- 400076, Maharashtra  
Website: www.artson.net  
e-mail: investors@artson.net

Date : 18<sup>th</sup> July 2017  
Place : Mumbai

By Order of the Board,  
**For Artson Engineering Limited**

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827

**BOARD'S REPORT**

To the Members,

The Board presents the 38<sup>th</sup> Annual Report of Artson Engineering Limited (the Company or AEL) along with the audited financial statements for the year ended 31<sup>st</sup> March, 2017.

Pursuant to the notification dated February 16, 2015 issued by the Ministry of Corporate Affairs, the Company has adopted the India Accounting Standards ('Ind AS') notified under the Companies (Indian Accounting Standards) Rules, 2015 with effect from April 1, 2016. Financial statements for the year ended and as at March 31, 2016 have been restated to conform to Ind AS.

**1. FINANCIAL RESULTS**

Particulars	Amount (₹ in Lakhs)	
	2016-17	2015-16
Gross Turnover (including Other Income)	11095.06	12010.52
Profit before Interest and Depreciation (EBIDTA)	1,062.37	726.54
Finance Charges	403.47	368.36
Depreciation and Amortization	90.52	188.74
Total Expenditure	10526.68	11841.08
Net Profit Before Tax (PBT)	568.38	169.44
Less: Provision for Tax	(2148.95)	-
Net Profit After Tax (PAT)	2717.33	169.44
Other Comprehensive income	0.64	16.94
Total Comprehensive income	2717.97	186.38
Balance of Profit brought forward	(6,592.22)	(6,956.42)
<b>Balance available for appropriation</b>	<b>230.84</b>	<b>(6,592.22)</b>
Proposed Dividend on Equity Shares	-	-
Tax on Proposed Dividend	-	-
Surplus carried to Balance Sheet	230.84	(6,592.22)

**2. COMPANY'S PERFORMANCE**

The Company's total income for the year under review aggregated to ₹ 11095.06 Lakhs (Previous Year: ₹ 12010.52 Lakhs). The operations of the Company for the year under review resulted in profit before tax of ₹ 568.38 Lakhs (Previous Year: ₹ 169.44 Lakhs). The Company has also accounted for deferred tax asset of ₹ 2165 Lakhs (refer note 28 of the financial statements) and thus posted a profit after tax of ₹ 2717.97 Lakhs (Previous Year: ₹ 169.44 Lakhs).

During the year under review, the Company successfully completed major projects including Revamping of Coil Box during Shutdown and erection of new Dust Extraction System at Jamshedpur; Fabrication and Erection of Vessel for storage of Sulphuric acid at Dahej; Construction of 31 Chemical Storage tanks, process piping and associated equipment at UAE. Successful completion of these projects enables the Company a better pre-qualification eligibility to pursue more projects of similar nature.

In addition to the contracts related to Tankage and associated piping packages at, Sharjah, UAE, the Company received more work packages for this project during 2016-17 and the execution is under progress. The Company has also received small orders from other clients in this geography and shall sustain its operations in UAE.

The Company executed the orders for supply of approx. 9800 MT of fabricated steel structures from Nagpur, Nashik and Asanbani facilities, for various industrial plants in segments viz. power generation, metals, mining, refining. Additionally 320 MT of process equipment orders were completed for various chemical and process industries from the Nashik facility.

The Company commenced the year with an order backlog of about ₹ 7200 Lakhs. During the year under review, the Company received new orders with estimated value of about ₹ 21000 Lakhs and thus, the orders available for execution aggregated approx. ₹ 28200 Lakhs. The closing order backlog for the Company for the year ended 31<sup>st</sup> March 2017 stood at ₹ 17800 Lakhs.

**Major orders received**

- ₹ 10800 Lakhs contract from Indian Oil Corporation Limited (IOCL) at Paradip, Odisha for Design, Engineering, Construction and Civil Works of 4 Nos. for Crude Oil Storage tanks for Dia 79 meters.
- ₹ 2500 Lakhs Contract from the Mumbai Aviation Fuel Farm and Hydrant Facility Limited (MAFFFL), Mumbai Airport, for Design, Engineering, Fabrication, Erection and surface preparation and painting of the 5 Nos. of fixed Cone-roof tanks.
- Contracts worth ₹ 2900 Lakhs from the parent Company i.e. Tata Projects Limited (TPL) for piping and mechanical construction work for their projects in India and the Middle-East.
- Projects worth ₹ 1800 Lakhs from TPL for fabrication and supply of steel structures and process equipment.

The Company has focused on recruitment and re-skilling of execution team to address the delivery of various projects to be executed and is confident of completing the projects within the scheduled time and thus achieve growth in near future.

The management is also focusing on liquidating the matters pertaining to refunds from the statutory authorities and the efforts have resulted in receipt of certain refunds from various authorities such as Income Tax & VAT. Management is optimistic on receipt of substantial refunds during the year 2017-18.

Further, the management is also pursuing old claims, due from earlier contracts, through arbitrations which are under progress; and also settling the litigation/ legal cases with its old creditors most of which have been amicably settled.

In spite of the healthy order booking during the year under review, the year on year revenue growth could not be achieved due to the reduced business of fabricated steel structures because of the deferment of a large project, higher input cost for raw material and pressure on working capital. Also the large project order receipts and their work-fronts were delayed thereby delaying the revenue cycle.

The Company has maintained impeccable record for Safety at all factory locations and project sites and received token of appreciation from its clients including one million safe man hours at the UAE site.

The Company's Management with the support of Tata Projects Limited (TPL), the holding Company, is putting arduous efforts to further improve the operations of the Company and record a better performance over the impending years.

### 3. AWARDS, RECOGNITION AND ACHIEVEMENTS

- Stood first in the event organized by the client (Hazel International FZE) and the PMC (Tata Consulting Engineers Limited) and awarded **“Winner of best safety performance at site”**.
- Received token of appreciation from M/s. Mumbai Aviation Fuel Farm and Hydrant Facility Limited for maintaining high safety at sites.

### 4. CHANGE IN THE NATURE OF BUSINESS

The basic nature of the business of the Company remains same and there was no change in the nature of business of the Company during the year under review

### 5. REHABILITATION SCHEME SANCTIONED BY THE BOARD FOR INDUSTRIAL AND FINANCIAL RECONSTRUCTION - ENACTMENT OF THE SICK INDUSTRIAL COMPANIES (SPECIAL PROVISIONS) REPEAL ACT 2003

The Ministry of Finance, Government of India, vide Notification dated 25<sup>th</sup> November 2016 brought into effect from 1 December 2016 the Sick Industrial Companies (Special Provisions) Repeal Act, 2003. Consequently, with effect from 1 December 2016, The Sick Industrial Companies (Special Provisions) Act, 1985 stands repealed, the Board for Industrial and Financial Reconstruction (BIFR) was dissolved and the Company's reference with the BIFR as a sick Company was abated.

The Members may recollect that the Company had in the year 2013 filed a Miscellaneous Application with the BIFR seeking modifications to the Sanctioned Scheme. The proposals for modification included conversion of the total outstanding loan, availed from Tata Projects Limited (TPL), the Holding Company, aggregating ₹ 4418 Lakhs (including interest up to 31<sup>st</sup> March 2013) into 44,18,22,878, 4 % Optionally Convertible Cumulative Redeemable Preference Shares of Re. 1/- each to be allotted to TPL on preferential allotment basis and also exemption from the provisions of the Companies Act, 2013 for appointment of a Key Managerial Personnel in the category of Managing Director or Manager or Chief Executive Officer or Whole-time Director.

Since the Company's reference as a sick Company was abated as mentioned above, the management, explored various options to attain positive net worth, inter alia, the option for Conversion of Loans & Inter Corporate Deposits (ICDs) into Optionally Convertible Cumulative Redeemable Preference Shares (OCCRPS). Another option that was considered was to re-structure the terms and conditions of the outstanding loan availed from TPL. Accordingly, the Company approached TPL with a proposal to re-structure the terms and conditions of the outstanding loan.

Since TPL qualifies to be a Company providing infrastructural facilities, it agreed to change the terms of loans & ICDs by making them interest-free for a period of 20 years. In addition to this, accounting for deferred tax asset facilitated the Company to attain positive net-worth. Since these resulted in achieving the desired objectives, the Board formed an opinion not to approach the National Company Law Tribunal (NCLT).

### 6. CREDIT RATING

The Credit rating assigned by India Rating and Research Private Limited is as follows:

- Long term credit rating - “IND AA-(SO)'/‘IND A1+(SO)” rating;
- Fund-based working capital facilities - ‘IND AA- (SO)'/ Stable/ IND A+(SO)’;
- Non-fund-based working capital facilities - ‘IND AA-’ (SO)/ Stable/ IND A+(SO)'

### 7. DIVIDEND

Based on the financial position of the Company, the Board of Directors has not recommended dividend for the year 2016-17.

## 8. TRANSFER OF AMOUNT TO RESERVES

The Company does not propose to transfer any amount to General Reserves for the year ended 31st March, 2017.

## 9. SHARE CAPITAL

The authorised share capital of the Company is ₹ 17,00,00,000/- and the paid-up equity share capital of the Company as on 31<sup>st</sup> March, 2017 was ₹ 3,69,20,000/- divided into 3,69,20,000 equity shares of Re. 1/- each. During the year under review, there was no change in the capital structure of the Company. Disclosure under Section 67(3)(c) of the Companies Act, 2013, in respect of voting rights not exercised directly by the employees of the Company is not applicable.

## 10. BORROWINGS

The borrowings of the Company i.e. long term loan and working capital facilities from Banks stood at ₹ 1823 lakhs as at 31<sup>st</sup> March 2017

## 11. EXTRACT OF ANNUAL RETURN

The extract of annual return in the prescriber form as required under section 92(3) of the Companies Act 2013 (the Act) is annexed to this report as **Annexure 1**

## 12. NUMBER OF BOARD MEETINGS

During the year under review, Nine (9) Board Meetings were held. The dates of such meetings are, 22<sup>nd</sup> April 2016, 30<sup>th</sup> June 2016, 23<sup>rd</sup> July 2016, 16<sup>th</sup> August 2016, 21<sup>st</sup> October 2016, 21<sup>st</sup> November 2016, 21<sup>st</sup> January 2017, 10<sup>th</sup> March 2017 and 31<sup>st</sup> March 2017.

## 13. MATERIAL CHANGES AND COMMITMENTS, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR TO WHICH THE FINANCIAL STATEMENTS RELATE AND THE DATE OF THE REPORT

There are no material change/s and commitments/ which affecting the financial position of the Company, occurring between the end of the financial year of the Company to which the financial statements relate i.e. 31<sup>st</sup> March 2017 and the date of the report i.e. 18<sup>th</sup> July 2017.

## 14. INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY

The Company has adopted adequate internal financial controls, commensurate with the size and complexity of its operations. During the year, such controls were tested and no reportable material weakness in the design or operations was observed. The Company has policies and procedure in place for ensuring proper and efficient conduct of its business, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of accounting records and the timely preparation of reliable financial information. The Company has adopted accounting policies which are in line with the Indian Accounting Standards (Ind-AS) and the Companies Act, 2013. These are in accordance with the generally accepted accounting principles in India. Changes in policies, if required, are made in consultation with the Auditors and are approved by the Audit Committee. The Company's internal audit systems are geared towards ensuring adequate internal controls commensurate with the size and needs of the business, with the objective of efficient conduct of operations through adherence to the Company's policies, identifying areas of improvement, evaluating the reliability of financial statements, ensuring compliances with applicable laws and Regulations and safeguarding of assets from unauthorized use. Based on the framework of internal financial controls and compliance systems established and maintained by the Company, work performed by the Internal, Statutory, Cost and Secretarial Auditors, including audit of the internal financial controls over financial reporting by the Statutory Auditors, and the reviews performed by Management and the relevant Board and 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 2016-17

## 15. 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 31<sup>st</sup> March, 2017. 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 judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at 31<sup>st</sup> March, 2017 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 31<sup>st</sup> March, 2017; 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 31<sup>st</sup> March, 2017.

## 16. DIRECTORS AND KEY MANAGERIAL PERSONNEL

### a) Cessation of Director

Mr. Mukesh Mohan Gupta, Special Director nominated by the BIFR vide Appointment Order (F.No.16(4)/02/2011/BIFR/SD.Apptt.) dated 20<sup>th</sup> October 2015, vacated his office as a special Director, effective 1<sup>st</sup> December 2016 by virtue of the enactment of Sick Industrial Companies (Special Provisions) Repeal Act, 2003 which inter alia dissolved the BIFR.

### b) Directors Retiring by rotation

As per the provisions of the Companies Act, 2013 and the Articles of Association of the Company, Mr. Pralhad Pawar, retires by rotation and being eligible, offers himself for re-appointment. The proposal for re-appointment Mr. Pawar is being placed at the AGM along with the necessary details.

### c) Changes in Directorship

During the year under review, there was no change in the designation/ terms of directorship of any of the Directors of the Company.

### d) Change in the Key Managerial Personnel

- During the year under review, Ms. Rajeshree Gaikwad, ceased to be the Company Secretary of the Company effective 13<sup>th</sup> May, 2016 and 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 based on the recommendations of Nomination and Remuneration Committee, Mr. Deepak Tibrewal, bearing ICSI M. No. F 8925 was appointed as the Company Secretary of the Company by the Board of Directors, with effect from 1<sup>st</sup> November, 2016.
- With effect from 2<sup>nd</sup> May, 2017, Mr. Nikhil Naniwadekar, Chief Operating Officer (COO) of the Company was appointed as the Manager in terms of the provisions of Section 203 of the Act and was re-designated as the Manager & COO. The proposal for his appointment and the remuneration thereof is being placed at the AGM along with the necessary details
- Mr. Rajesh Mandale, ceased to be the Chief Financial Officer (CFO) of the Company effective 6<sup>th</sup> May 2017 and 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 based on the recommendations of the Nomination and Remuneration Committee, Mr. Balaji Sethuraman, was appointed as the CFO of the Company by the Board of Directors, with effect from 11<sup>th</sup> July 2017.

### e) Declaration given by Independent Directors

As per the requirement of Section 149 (7) of the Companies Act, 2013, Mr. Michael Bastian, Mr. Nalin Shah, and Ms. Leja Hattiangadi, the Independent Directors of the Company have submitted their respective declarations that they fulfil criteria of Independence under Section 149 of the Companies Act, 2013 read with Regulation 25 of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## 17. 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 anybody corporate or person nor has it acquired by subscription, purchase or otherwise, the securities of anybody corporate as provided under Section 186 of the Companies Act, 2013.

## 18. REMUNERATION POLICY

Based on the recommendations of the Nomination and Remuneration Committee, the Board of Directors 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 placed on the website of the Company [www.artson.net](http://www.artson.net) for reference and also annexed herein as **Annexure 2**.

## 19. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

## 20. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO

Particulars prescribed under Section 134(3)(m) of the Companies Act, 2013 pertaining to the conservation of energy, technology absorption and foreign exchange earnings and outgo are annexed to this report as **Annexure 4**.

## 21. RISK MANAGEMENT POLICY

The Company has adopted measures for Risk Management and Mitigation thereof. A formal Risk reporting system has been devised by the Company. Project Review Committee has been constituted comprising of Directors and senior officials of the Company to the review, assess and mitigate the risks, conversion of risk into opportunities, problems/ irregularities related to implementation and execution of project (including project delay, change in scope and estimation errors) and implementation of checks and balances for proper execution of future work. The key risk management and mitigation practices include those relating to identification of key risks associated with the business objectives, impact assessment, risk evaluation and reporting.

## 22. ANNUAL EVALUATION

Pursuant to the provisions of the Companies Act, 2013, and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has carried out the evaluation of its own performance, the performance of the Committees of the Board, the performances of Directors individually, the Chairman of the Board etc. Various parameters as recommended in the Tata Group guidelines on Board, Committee, Individual Director and Chairman Evaluation, were considered for evaluation and after receiving the inputs from the Directors, the performance evaluation exercise was carried out. The parameters included integrity, credibility, expertise and trustworthiness of Directors, Board's monitoring of various compliances, laying down and effective implementation of various policies, level of engagement and contribution of the Directors, safeguarding the interest of all stakeholders etc.

The performance evaluation of the Board as a whole was carried out by the Independent Directors and the performance evaluation of each Independent Director was carried out by the Board

## 23. PARTICULARS OF SUBSIDIARY COMPANIES OR JOINT VENTURES OR ASSOCIATE COMPANY

The Company neither has any joint venture with any person nor does it have any associate or subsidiary Company as defined under the various provisions of the Act.

## 24. PARTICULARS OF DEPOSITS

During the year under review, the Company has neither accepted any deposit covered under Chapter V of the Companies Act, 2013 nor it contravened with the compliance requirements of Chapter V of the Act.

## 25. PARTICULARS OF SIGNIFICANT/ MATERIAL ORDERS PASSED, IF ANY

During the year under review, there were no significant and/ or material orders passed by any regulator/ court/ tribunal which could impact the going concern status of the Company and its operations in future.

## 26. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Nalin Shah, Chairman; Mr. Michael Bastian, Mr. Pralhad Pawar and Ms. Leja Hattiangadi are the members of the Audit Committee. The composition of the Committee is as per the requirements of the provisions of Section 177 of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. 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 Eight (8) times on 22<sup>nd</sup> April, 2016; 30<sup>th</sup> June, 2016; 23<sup>rd</sup> July, 2016; 16<sup>th</sup> August, 2016; 21<sup>st</sup> October, 2016; 21<sup>st</sup> November, 2016; 21<sup>st</sup> January, 2017; and 10<sup>th</sup> March, 2017.

## 27. NOMINATION AND REMUNERATION COMMITTEE

The Nomination and Remuneration Committee comprises of Mr. Michael Bastian, Chairman; Mr. Vinayak Deshpande and Mr. Nalin Shah are the members of the NRC. The composition of the Committee is as per the requirements of the provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the year under review, the Committee met Five (5) on 22<sup>nd</sup> April, 2016; 30<sup>th</sup> June, 2016; 21<sup>st</sup> October, 2016; 21<sup>st</sup> January, 2017 and 10<sup>th</sup> March, 2017.

## 28. STAKEHOLDERS' RELATIONSHIP COMMITTEE

The Stakeholders Relationship Committee comprises of Mr. Michael Bastian, Chairman; Mr. Pralhad Pawar and Ms. Leja Hattiangadi are the members of the SRC. The composition of the Committee is as per the requirements of the provisions of Section 178 of the Companies Act, 2013 and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

During the year under review, the Committee met Four (4) on 23<sup>rd</sup> April, 2016; 23<sup>rd</sup> July, 2016; 21<sup>st</sup> October, 2016; and 21<sup>st</sup> January, 2017.

## 29. AUDITORS

### a) Statutory Auditors

Pursuant to the provision of Sections 139, 142 and other applicable provisions of the Companies Act, 2013 (hereinafter referred to as 'the Act') read with Rules made thereunder, the Shareholders at the 37<sup>th</sup> Annual General Meeting (AGM) of the Company held on 16<sup>th</sup> August, 2016, approved the appointment of M/s. Chokshi & Chokshi, LLP, Chartered Accountants (Firm Registration No. 101872W/ W100045) as Statutory Auditors of the Company to hold office from the conclusion of the 37<sup>th</sup> AGM till the conclusion of the 38<sup>th</sup> AGM.

M/s. Chokshi & Chokshi, LLP, Chartered Accountants, complete their maximum tenure as Statutory Auditors of the Company at the ensuing 38<sup>th</sup> Annual General Meeting of the Company. Hence it was mandatory for the Company to rotate the current statutory auditors on completion of the maximum tenure permitted under the Act.

The Board of Directors of the Company at their meeting held on 21<sup>st</sup> January, 2017 approved the appointment of Price Waterhouse & Co. LLP, Chartered Accountants, (PWC) (FRN: 304026E/E-300009) as Statutory Auditors of the Company, subject to the approval of the shareholders at the ensuing AGM.

PWC have confirmed their eligibility under Section 141 of the Companies Act, 2013 read with Rules framed thereunder for appointment as Statutory Auditors of the Company. As required under Regulation 18 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Auditors also confirmed that they hold a valid certificate issued by the Peer Review Board of the Institute of Chartered Accountants of India.

The proposal for appointment of PWC (FRN: 304026E/E-300009) as the Statutory Auditors of the Company to hold the office from the conclusion of 38<sup>th</sup> AGM till the Conclusion of 43<sup>rd</sup> AGM (subject to ratification by the shareholders at every AGM) is being placed at the ensuing AGM for the approval of the shareholders.

The Auditors Report does not contain any qualification, reservations or adverse remarks or disclaimer.

**b) Internal Auditors**

In terms of the policy for rotation of internal auditors adopted by the Company and based on the recommendation of Audit Committee, the Board of Directors at their meeting held on 2nd May 2017 appointed M/s. Ernst & Young LLP (EY) (AAB-4343) as the internal auditors of the Company. EY confirmed their willingness to be appointed as the internal auditors of the Company. Further, the Audit Committee in consultation with internal auditor formulated the scope, functioning, periodicity methodology for conducting the internal audit.

**c) Cost Auditors**

In terms of the provision of Section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules 2014, since the Company's Turnover for the financial year 2016-17 had crossed the prescribed threshold of ₹ 100 Crore it is mandatory for the Company to appoint a cost auditor to conduct the audit of cost records maintained by the Company. Based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on 2nd May 2017 appointed M/s. Sagar and Associates, Cost Accountants (Firm Registration No. 000118), as the Cost Auditor for the financial year 2017-18 to conduct the audit of Steel Products of the Company. The necessary consent letter and certificate of eligibility was received from M/s. Sagar & Associates confirming their eligibility to be appointed as the cost auditors of the Company.

**d) Secretarial Auditors**

In terms of Section 204 of the Companies Act, 2013 read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on 21<sup>st</sup> January 2017 appointed M/s. MKS & Associates, Company Secretaries (Firm Registration No. S2017TL460500) as the Secretarial Auditors for the financial year 2016-17. The necessary consent letter and certificate of eligibility was received from M/s. MKS & Associates, Company Secretaries, confirming their eligibility to be appointed as the secretarial auditors of the Company. The Secretarial Audit Report for the financial year 2016-17 in the prescribed form MR-3 on the Audit carried out by the said Auditor is annexed to this report as **Annexure 5**.

Further, based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on 2nd May 2017 re-appointed M/s. MKS & Associates, Company Secretaries (Firm Registration No. S2017TL460500) as the Secretarial Auditors for the financial year 2017-18. The necessary consent letter and certificate of eligibility was received from M/s. MKS & Associates, Company Secretaries confirming their eligibility to be appointed as the Secretarial Auditors of the Company.

**30. DISCLOSURE AS PER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has adopted a policy on Prevention, Prohibition and Redressal of Sexual Harassment at Workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and rules made thereunder. The Company has also constituted a Committee for Prevention of Sexual Harassment at work place. However, no complaints were received in writing during the year under review.

**31. PARTICULARS OF EMPLOYEES**

During the year under review, there was no employee 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. Further the information pursuant to Section 197 of the Companies Act 2013 read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time is annexed herein as **Annexure 6**.

**32. PURCHASE OF SHARES OF THE COMPANY**

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

**33. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

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

**34. VIGIL MECHANISM**

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

**35. ISSUE OF SHARES**

During the year under review, the Company has not:

- a) Issued any shares with differential voting rights pursuant to the provisions of Rule 4 of the Companies (Share Capital and Debenture) Rules, 2014;
- b) 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;
- c) Implemented any Employee Stock Option Scheme for its employees.

**36. REPORT ON CORPORATE GOVERNANCE AND MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

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 its net-worth does not exceed Rupees 25 Crore as on the last day of previous financial year i.e. 31<sup>st</sup> March, 2016.

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.

**37. 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 (Holding Company), 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.

**Registered Office**

11<sup>th</sup> Floor, Hiranandani Knowledge Park,  
Technology Street, Powai  
Mumbai- 400076, Maharashtra  
Website: [www.artson.net](http://www.artson.net)  
e-mail: [investors@artson.net](mailto:investors@artson.net)

Date : 18<sup>th</sup> July 2017  
Place : Mumbai

By Order of the Board,  
For **Artson Engineering Limited**

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827



**Form MGT- 09**
**EXTRACT OF ANNUAL RETURN**

 As on the Financial Year ended on 31<sup>st</sup> March 2017

[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**

<b>Corporate Identity Number</b>	L27290MH1978PLC020644
<b>Registration date</b>	18 <sup>th</sup> September 1978
<b>Name of the Company</b>	Artson Engineering Limited
<b>Category/ Sub-Category of the Company</b>	India Non-Governmental Public Company Limited by Shares
<b>Address of Registered Office and contact details</b>	11 <sup>th</sup> Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai- 400 076 Tel: (022) 66255600 Fax: (022) 66255614 Website: www.artson.net
<b>Whether listed company (yes/ no)</b>	Yes
<b>Name, Address and contact details of Registrar and Transfer Agent</b>	Link Intime (India) Private Limited C 101, 247 Park, L B S Marg, Vikhroli West, Mumbai 400 083 Tel No: +91 22 49186000 Fax: +91 22 49186060 email: rnt.helpdesk@linkintime.co.in

**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:

S. 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	58.53
2.	Industrial & Infrastructure projects	332 & 422	41.47

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Name and Address of the Company	CIN / GLN	Holding/ Subsidiary/ Associate	% of Shares	Applicable Section
<b>Tata Projects Limited</b> 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 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	
<b>A. Promoters</b>									
<b>1. Indian</b>									
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
<b>Sub-total (A)(1)</b>	<b>2,76,90,000</b>	<b>-</b>	<b>2,76,90,000</b>	<b>75 %</b>	<b>2,76,90,000</b>	<b>-</b>	<b>2,76,90,000</b>	<b>75 %</b>	<b>0</b>

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	
<b>2. Foreign</b>									
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
<b>Sub-total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>Total Shareholding of Promoter (A)=(A) (1)+(A) (2)</b>	<b>2,76,90,000</b>	<b>0</b>	<b>2,76,90,000</b>	<b>75 %</b>	<b>2,76,90,000</b>	<b>0</b>	<b>2,76,90,000</b>	<b>75 %</b>	<b>0</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
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. FIIs	0	770	770	0.00%	0	770	770	0.00%	0
h. Foreign venture capital funds	0	0	0	0.00%	0	0	0	0.00%	0
i. Other (Foreign Portfolio Investors)	0	0	0	0.00%	0	0	0	0.00%	0
<b>Sub- total (B)(1)</b>	<b>0</b>	<b>5045</b>	<b>5045</b>	<b>0.01%</b>	<b>0</b>	<b>5045</b>	<b>5045</b>	<b>0.01%</b>	<b>0</b>
<b>2. Non-Institutions</b>									
<b>a. Bodies Corporate</b>									
i. Indian	734252	412145	1146397	3.10	812169	0	812169	2.20%	(0.90%)
ii. Overseas	0	0	0	0.00%	0	0	0	0.00%	0
<b>b. Individuals</b>									
i. Individual / other shareholders holding nominal share capital up to ₹ 1 lakh	5229535	1539906	6769441	18.34	4154408	1894617	6049025	16.38	(1.96)%
ii. Individual / others shareholders holding nominal share capital in excess of ₹ 1 lakh	1057546	0	1057546	2.86	2125803	0	2125803	5.76	2.9%
<b>c. Others specify</b>									
Non Resident Individual	214836	36735	251571	0.68%	201223	36735	237958	0.64%	(0.04%)
<b>Sub- total (B)(2)</b>	<b>7236169</b>	<b>1988786</b>	<b>9224955</b>	<b>24.99%</b>	<b>7293603</b>	<b>1931352</b>	<b>9224955</b>	<b>25%</b>	<b>0.00%</b>
<b>Total Public Shareholding (b)=(B) (1) +(B)(2)</b>	<b>7236169</b>	<b>1993831</b>	<b>9230000</b>	<b>24.99%</b>	<b>7293603</b>	<b>1936397</b>	<b>9230000</b>	<b>25%</b>	<b>0.00%</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00%</b>	<b>0</b>
<b>GRAND TOTAL = (A) + (B) + (C)</b>	<b>34926169</b>	<b>1993831</b>	<b>36920000</b>	<b>100%</b>	<b>34983603</b>	<b>1936397</b>	<b>36920000</b>	<b>100%</b>	<b>0.00%</b>

**ii. Shareholding of Promoters**

S. 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	27690000	75%	0.00%	27690000	75%	0.00%	0.00%

**iii. Change in Promoter's shareholding : No change**

S. 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	<b>At the beginning of the year</b>	27690000	75%	27690000	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):	---- NIL ----			
2	<b>At the End of the year</b>	27690000	75%	27690000	75%

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

S. 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	Meenaxi Mehta	550000	1.49%	Nil	Nil	Nil	550000	1.49%	550000	1.49%
2	Sarnam Trading And Mercantile Pvt Ltd	400000	1.08%	Nil	Nil	Nil	400000	1.08%	400000	1.08%
3.	Narayan Keshavdas Jagasia	269000	0.73%	15.07.2016	2800	(Decrease)	266200	0.72%	266200	0.72%
4	Vishal Narendra Mehta	120000	0.33%	30.09.2016	29992	Increase	149992	0.41%	260000	0.70%
				07.10.2016	100008		250000	0.68%		
				25.11.2016	5000		255000	0.69%		
				02.12.2016	4133		259133	0.70%		
				09.12.2016	867		260000	0.70%		
5	Jagruti Rajiv Dutia	238546	0.65%	07.10.2016	3709	Increase	242255	0.66	250000	0.68%
				14.10.2016	7745		250000	0.67		
6	Pranav Securities Private Limited	200000	0.54%	Nil	Nil	Nil	200000	0.54%	200000	0.54%
7	Smita N Navare	150000	0.41%	Nil	Nil	Nil	150000	0.41%	150000	0.41%
8	Ramesh S Damani	87170	0.24%	26.08.2016	18315	Increase	105485	0.2857	139513	0.38%
				02.09.2016	20038		125523	0.3400		
				09.09.2016	2990		128513	0.3481		
				03.02.2016	11000		139513	0.3779		
9	Veena K Jagwani	45000	0.12%	09.09.2016	35000	Increase	80000	0.22%	110090	0.30%
				16.09.2016	20000		100000	0.27%		
				23.09.2016	10090		110090	0.30%		
10	Romiyo Thekkinedath Mercily	101512	0.27%	26.08.2016	2400	Increase	103912	0.28%	103912	0.28%

S. 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
11	Renuka Pranav Shah*	100000	0.27%	Nil	Nil	Nil	100000	0.27%	100000	0.27%
12	Pranav M Shah*	100000	0.27%	Nil	Nil	Nil	100000	0.27%	100000	0.27%

Note: \* The shareholders who were in the list of top 10 shareholders of the Company at the beginning of the year, but no longer in the list of top 10 shareholders at the end of the year.

## V. INDEBTEDNESS

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

Particulars	Secured Loans excluding deposits	Unsecured loans	Deposits	Total indebtedness
<b>Indebtedness at the beginning of the financial year</b>				
i. Principal Amount	1,930.39	4,385.98	-	6,316.37
ii. Interest due but not paid	472.64	-	-	472.64
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,403.03</b>	<b>4,385.98</b>	<b>-</b>	<b>6,789.01</b>
<b>Change in Indebtedness during the financial year</b>				
● Addition	110.03	-	-	110.03
● Reduction	472.64	4,385.98	-	4,858.62
<b>Net Change</b>	<b>(362.61)</b>	<b>(4,385.98)</b>	<b>-</b>	<b>(4748.59)</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	2,038.25	-	-	2,038.25
ii. Interest due but not paid	2.17	-	-	2.17
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2,040.42</b>	<b>-</b>	<b>-</b>	<b>2,040.42</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager: Not Applicable \*

S. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager	Total Amount
1.	<b>Gross Salary</b>	Not Applicable – Refer note provided below	
	Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961		
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961		
	c. 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 had filed a Miscellaneous Application (No. 536/ 2013 dated 14<sup>th</sup> 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 was pending



consideration by the BIFR. In view thereof, the Company had not appointed Managing Director/ Whole Time Director / Manager during the year under review.

- \* Further to the dissolution of BIFR w.e.f 1st December 2016, the Board of Directors, at their meeting held on 2<sup>nd</sup> May 2017, appointed Mr. Nikhil Naniwadekar, COO as the Manager of the Company with immediate effect in terms of the provisions of Section 203 of the Companies Act, 2013 read with rules made thereunder.

**B. Remuneration to other directors:**

S. No.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
1	<b>Independent Directors</b>				
		<b>Mr. Michael Bastian</b>	<b>Mr. Nalin Shah</b>	<b>Ms. Leja Hattiangadi</b>	<b>Total</b>
	Fee for attending Board / Committee meetings and Independent Directors meeting	420000	430000	440000	1290000
	Commission	0	0	0	0
	<b>Total (B)(1)</b>	<b>420000</b>	<b>430000</b>	<b>440000</b>	<b>1290000</b>
2	<b>Other Non-Executive Directors</b>				
		<b>Mr. Vinayak K Deshpande</b>	<b>Mr. Pralhad Pawar</b>	<b>Mr. Mukesh Mohan Gupta*</b>	<b>Total</b>
	Fee for attending Board / Committee meetings	0	0	140000	140000
	Commission	0	0	140000	140000
	<b>Total (B) (2)</b>	<b>0</b>	<b>0</b>	<b>140000</b>	<b>140000</b>
<b>Overall Ceiling as per the Act</b>		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 Sitting Fees.
- In view of the dissolution of the Board for Industrial and Financial Reconstruction (BIFR) with effect from 1<sup>st</sup> December 2016, Mr. Mukesh Mohan Gupta, the Special Director appointed by BIFR ceased to be Director of the Company w.e.f 1<sup>st</sup> December 2016

**C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD**

S. No.	Particulars of Remuneration	Key Managerial Personnel				Total (₹)
		MD/ WTD/ Manager/ CEO*	Company Secretary		CFO	
			Ms. Rajeshree Gaikwad**	Mr. Deepak Tibrewal***	Mr. Rajesh Mandale	
1.	<b>Gross Salary</b>					
	I. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	Nil	36,488	394,815	23,84,316	28,15,619
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	0	0	0	262,800	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 - as a % of profit - others, specify	0	0	0	0	0
5	Other, please specify	0	0	0	0	0
	<b>Total (A)</b>	<b>0</b>	<b>36,488</b>	<b>394,815</b>	<b>26,47,116</b>	<b>30,78,419</b>

## Notes:

\* The Company had 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 was pending consideration by the BIFR. In view thereof, the Company had not appointed Managing Director/ Whole Time Director / Manager during the year under review.

\*\* Ms. Rajeshree Gaikwad resigned during the year and ceased to be associated with the Company w.e.f 13<sup>th</sup> May, 2016.

\*\*\* Mr. Deepak Tibrewal joined the Company during the year i.e. w.e.f 1<sup>st</sup> November 2016.

**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)
<b>A. Company</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>B. Directors</b>					
Penalty			NIL		
Punishment					
Compounding					
<b>C. Other Officers in Default</b>					
Penalty			NIL		
Punishment					
Compounding					

By Order of the Board,  
For **Artson Engineering Limited**

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827

Date : 18<sup>th</sup> July 2017  
Place : Mumbai

## 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 Regulation 19 read with Part- D of Schedule II of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015. 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-imburements 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:

- The services rendered are of a professional nature; and
- 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.

By Order of the Board,  
For **Artson Engineering Limited**

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827

Date : 18<sup>th</sup> July 2017  
Place : Mumbai

**FORM AOC-2**
**(For the Financial Year ended 31st March 2017)**

(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)

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

S. No.	Name(s) of the Related party and nature of relationship	Nature of Contract/ arrangement/ transaction	Duration of Contract/ arrangement/ transaction	Silent terms of Contract/ arrangement/ transaction, including value if any	Date of Approval by the Board	Amount paid as advances, if any.
- NIL -						

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

S. No.	Nature of Contracts/arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including the value, if any (₹) INR	Dates of approval by the Board	Amount paid as advances, if any (₹) INR
<b>Name of the related party: Tata Projects Limited (Holding Company)</b>					
1	Fabrication & Supply of Structural Steel Members including Painting (154 Tonne)	From 24 <sup>th</sup> May 2016 to 8 <sup>th</sup> July 2016	1,01,33,200	N.A.	10,13,320
2	Erection of Structural Steel members - 154 MT (25500 per MT)	From 24 <sup>th</sup> May 2016 to 23 <sup>rd</sup> July 2016	39,27,000	N.A.	3,92,700
3	Erection & Fabrication work for Process Piping of Chemical Terminal at HFZ, Sharjah	From 23 <sup>rd</sup> June 2016 to 22 <sup>nd</sup> Jan 2017	16,73,83,512	N.A.	1,67,38,351
4	Fabrication and supply, Fabricated steel structure, from Rolled and Built Up sections and plates including all required manufacturing operations, Inspection and Testing.	From 4 <sup>th</sup> July 2016 to 3 <sup>rd</sup> December 2016	11,50,00,000	N.A.	1,15,00,000
5	Amendment of Existing order for Structural work and Interconnecting Platform, Hazel	From 15 <sup>th</sup> July 2016 to 31 <sup>st</sup> January 2017	1,82,57,400	N.A.	NIL
6	Supply and Application of Painting for Internal Surface of Tanks, Hazel	Up to 31 <sup>st</sup> July 2017	6,02,96,850	N.A.	60,29,685
7	Amendment for Supply and Fabricated Structure-NTPC Lara Project	Up to 30 <sup>th</sup> November 2016	4,23,50,000		NIL
8	Manufacture & Supply of 12 Nos.SS304 Pressure Vessels	From 27 <sup>th</sup> December 2016 to First week of April 2017	1,04,96,243	N.A.	10,49,624
9	Blasting, supply & application of 2 coat Epoxy Phenolic paint on external surface of Styrene & VAM tank for Hazel chemical storage Terminal, Sharjah, UAE	To 31 <sup>st</sup> January 2017	71,92,800	N.A.	7,19,280
10	Supply & manufacturing of 10 Nos. Heat Exchangers	From 1 <sup>st</sup> March 2017 to 7 <sup>th</sup> June 2017	1,99,43,100	N.A.	19,94,310



S. No.	Nature of Contracts/arrangements/ transactions	Duration of the contracts/ arrangements/ transactions	Salient terms of the contracts/ arrangements/ transactions including the value, if any (₹) INR	Dates of approval by the Board	Amount paid as advances, if any (₹) INR
11	Connector Pipeline Laying and associated Works for Integrated Aviation Fuel Hydrant System at CSIA, Mumbai.	From 28 <sup>th</sup> October 2016 to 27 <sup>th</sup> February 2018	12,52,60,575	N.A.	NIL
12	Shared Services/ Reimbursement of Expenses	Case to case basis	41,62,410	N.A.	NIL
13	Deputation	Ongoing	₹ 8,81,410/- per month with variations per terms	N.A.	NIL
14	Rent, Maintenance & Allied activities	Ongoing	₹ 1,09,420/- per month for a period of three (3) years.	N.A.	NIL
<b>Name of the related party: Key Managerial Personnel – CFO &amp; CS</b>					
15	Remuneration	Ongoing	30,78,419	N.A.	NIL

By Order of the Board,  
For **Artson Engineering Limited**

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827

Date : 18<sup>th</sup> July 2017  
Place : Mumbai

**CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

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 31<sup>st</sup> March 2017

**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**

₹ In Lakhs

Foreign Exchange	Financial Year ended 31 <sup>st</sup> March 2017	Financial Year ended 31 <sup>st</sup> March 2016
Earnings	2667	3542
Outgo	2918	3273

By Order of the Board,  
For **Artson Engineering Limited**

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827

Date : 18<sup>th</sup> July 2017  
Place : Mumbai

**FORM MR-3**  
**SECRETARIAL AUDIT REPORT**  
**FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2017**

[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**  
Mumbai.

I 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 me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided and declarations made by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that in my opinion, the company has, during the audit period covering the financial year ended on 31<sup>st</sup> March, 2017 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:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by "the Company" for the financial year ended on 31<sup>st</sup> March, 2017 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, 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 (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (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; and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

I 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 Standard – for Board Meeting and Secretarial Standards - 2 for General Meetings.
- (ii) SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 [**Except those as prescribed under Regulation 15(2) read with Regulations 15(3)**]\*

Further as per the explanation given by the Company there are no specific acts applicable to be Company to be reported in my Report.

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

**\*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 ₹ 25 crores as on March 31, 2017 to the extent that they are addition to the requirements specified under the Companies Act, 2013.**

**We further report that:**

I further report that The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, 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.

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.

However, as at 31st March 2017 the Company was yet to appoint a Managing Director or Chief Executive officer or manager and in their absence, a whole time Director as required under Section 203 (1) of the Companies Act, 2013. It was informed by the Management that an exemption Application was pending with the BIFR.

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.

Signature:

For **MKS and Associates**  
(Reg. No. S2017IL460500)**Manish Kumar Singhania**  
Practicing Company Secretary:ACS No. 22056  
C P No: 8068Place :Hyderabad  
Date :7<sup>th</sup> July 2017**ANNEXURE**To  
The Members,  
**Artson Engineering Limited**  
Mumbai.**My Secretarial Audit Report of even date is to be read along with this letter.**

- 1 The maintenance of Secretarial records is the responsibility of the Management of the Company. Further, the Company is also responsible for devising proper systems and process to ensure the compliance of the various statutory requirements and Governance systems.
- 2 It is the responsibility of the Management of the Company to ensure that the systems and process devised for operating effectively and efficiently.
- 3 My responsibility is to express an opinion on these secretarial records based on my audit.
- 4 I have followed the audit practices and process as were appropriate to obtain reasonable assurance about the correctness of the contents of the Secretarial records. The verification was done on test basis to ensure that correct facts are reflected in Secretarial records. I believe that the process and practices followed provide a reasonable basis for my opinion.
- 5 Wherever required, I have obtained the Management representations about the compliance of laws, rules and regulations and happening of events etc.
- 6 The Compliance of the provisions of other applicable laws, rules and regulations is the responsibility of the management. My examination was limited to the verification of procedure on test basis.
- 7 The secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the Management has conducted the affairs of the Company.

Signature:

For **MKS and Associates**  
(Reg. No. S2017IL460500)**Manish Kumar Singhania**  
Practicing Company Secretary:ACS No. 22056  
C P No: 8068Place :Hyderabad  
Date :7<sup>th</sup> July 2017

## ANNEXURE - 6

**STATEMENT OF DISCLOSURE OF REMUNERATION**  
**Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5 (1) of the Companies**  
**(Appointment and Remuneration of Managerial Personnel) Rules, 2014**

I. Ratio of Remuneration of Each director to the median remuneration of employees for the financial year ended 30<sup>th</sup> June, 2017.

(₹ in Lakhs)

Name of the Director	Designation	Ratio to median remuneration	Remuneration
Mr. Vinayak Deshpande	Chairman	-	-
Mr. Nalin M Shah	Independent Director	1.02:1	4.30
Mr. Michael Bastian	Independent Director	1.00:1	4.20
Mr. Pralhad Pawar	Non - Executive Director	-	-
Ms. Leja Hattiangadi	Independent Director	1.05:1	4.40
Mr. Mukesh Mohan Gupta (*)	Director	0.33:1	1.40

(\*) In view of the dissolution of the Board of Institutional and Financial Restricting (BIFR) with effect from 1<sup>st</sup> December 2016, Mr. Mukesh Mohan Gupta, the Special Director appointed by BIFR ceased to be Director of Artson with effect from the even date.

II. % Increase of remuneration of each Director, CFO, CEO, CS in the Financial Year ended 30<sup>th</sup> June 2017

(₹ in Lakhs)

Directors	Designation	% Increase in Remuneration
Mr. Vinayak Deshpande	Chairman	N.A.
Mr. Nalin M Shah	Independent Director	153.00%
Mr. Michael Bastian	Independent Director	110.00%
Mr. Pralhad Pawar	Non - Executive Director	N.A.
Ms. Leja Hattiangadi	Independent Director	193.33%
Mr. Mukesh Mohan Gupta	Director	100.00%
<b>CFO &amp; Company Secretary</b>		
Mr. Rajesh Mandale (CFO) (*)	Chief Financial Officer	8.62%
Mr. Deepak Tibrewal / Ms. Rajeshree Gaikwad (CS)**	Company Secretary	-

\* Mr. Rajesh Mandale resigned from the position of Chief Financial Officer (CFO) with effect from 06<sup>th</sup> May, 2017 and Mr. Balaji Sethuraman was appointed as the CFO of the Company in his place with effect from 11<sup>th</sup> July 2017.

\*\* Ms. Rajeshree Gaikwad, vacated the position of the Company Secretary of the Company with effect from 13<sup>th</sup> May, 2016 and in her place Mr. Deepak Tibrewal was appointed as Company Secretary of the Company with effect from 1<sup>st</sup> November, 2016.

III. % Increase in median remuneration of employees in the Financial Year : 48%

IV. Number of permanent Employees on the roll of the Company : 144

V. 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 thereof 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 : 8%
- percentile increase in the managerial remuneration : 6%

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.

VI. 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.

By Order of the Board,  
**For Artson Engineering Limited**

**Vinayak K Deshpande**  
 Chairman  
 DIN: 00036827

Date : 18<sup>th</sup> July 2017  
 Place : Mumbai



## INDEPENDENT AUDITOR'S REPORT

To The Members of Artson Engineering Limited

### Report on the Financial Statements

We have audited the accompanying Ind AS financial statements of Artson Engineering Limited ("the Company"), which comprise the Balance Sheet as at 31 March, 2017, the Statement of Profit and Loss (including other comprehensive income), the statement of cash flows and the statement of changes in equity for the year then ended and a summary of the significant accounting policies and other explanatory information (herein after referred to as "Financial statements").

### 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 including other comprehensive income, cash flows and changes in equity of the Company in accordance with the accounting principles generally accepted in India, including the Accounting Standards (Ind AS) specified under Section 133 of the Act, read with relevant rules issued thereunder.

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.

### Auditor's 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 obtained by us 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 financial position of the Company as at 31 March, 2017, and its financial performance including other comprehensive income, its cash flows and the changes in equity for the year ended on that date.

### 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 statement of cash flows and the statement of changes in equity 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 relevant rule issued there-under;
- e. On the basis of the written representations received from the directors as on 31 March, 2017 taken on record by the Board of Directors, none of the directors is disqualified as on 31 March, 2017 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”. Our report expresses unmodified opinion on the adequacy and the operating effectiveness of the Company’s internal financial controls over financial reporting.
- 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 46 to its financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. The Company is not required to transfer funds to the Investors Education and Protection Fund.
  - iv. The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8<sup>th</sup> November, 2016 to 30<sup>th</sup> December, 2016. Refer note 42 of financial statement.

**For Chokshi & Chokshi LLP**  
**Chartered Accountants**  
FRN 101872W/W100045

**Raghav Mohta**  
Partner  
M.No.426718

Place : Mumbai  
Date : 2<sup>nd</sup> May 2017

## ANNEXURE A TO THE 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, guarantee and security to which provision of section 185 of the Companies act 2013 apply.

Further as per information and explanations given to us provisions of Section 186 of the Companies Act 2013 is not applicable to Company.

- 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, 2017, 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:

(₹ in lakhs)

S. No.	Nature of Dues	Name of Statute	For the year ended March 2017	Period	Forum
1	Andhra Pradesh Vat Act, 2005	Commercial Tax (Andhra Pradesh)	12.21	F.Y. 1998-99	Commissioner (Appeal)
2	West Bengal Vat Act, 2003	Commercial Tax (West Bengal)	2.08	F.Y. 1998-99	Commissioner (Appeal)
3	Central Excise Act, 1994	Commercial Tax (Punjab)	8.03	F.Y. 2010-11	Joint Director cum Deputy Excise & Taxation Commissioner (Appeal)
4	MVAT Act, 2002	Vat (Maharashtra)	41.40	FY-2007-08	The Maharashtra Sales Tax Tribunal
5	MVAT Act, 2002	Vat (Maharashtra)	2.39	FY-2008-09	Commissioner (Appeal)
6	MVAT Act, 2002	Vat (Maharashtra)	1.60	FY-2011-12	Deputy Commissioner of Sales 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 and the money raised by the way of term loans have been applied by the company during the year for the purpose for which they were raised.

- 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 29 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

**Raghav Mohta**

Partner

M.No.426718

Place : Mumbai

Date : 2<sup>nd</sup> May 2017

## **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 31 March, 2017 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 Institute of Chartered Accountants of India (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 31 March 2017, 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

**Raghav Mohta**

Partner

M.No.426718

Place : Mumbai

Date : 2<sup>nd</sup> May 2017

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH 2017**

(All amounts are in ₹ Lakh unless otherwise stated)

ASSETS	Notes	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
<b>Non-current assets</b>				
(a) Property, plant and equipment	3	351.22	395.95	671.50
(b) Intangible assets	4	5.17	7.35	2.64
(c) Financial Assets				
(i) Trade receivables	5	-	190.77	270.42
(ii) Other financial assets	6	25.00	93.47	57.44
(iii) Deferred tax assets (net)	7	2,164.97	-	-
(d) Other non-current assets	8	802.49	780.64	864.83
<b>Total non-current assets</b>		<b>3,348.85</b>	<b>1,468.18</b>	<b>1,866.83</b>
<b>Current assets</b>				
(a) Inventories	9	1,790.71	1,745.05	1,942.59
(b) Financial Assets				
(i) Investments		-	-	-
(ii) Trade receivables	5	2,834.33	6,109.04	1,599.87
(iii) Cash and cash equivalents	10	133.72	830.76	116.28
(iv) Other financial assets	6	820.92	184.53	64.44
(c) Current tax assets (Net)		475.00	502.79	449.58
(d) Other current assets	8	753.38	312.72	448.75
<b>Total current assets</b>		<b>6,808.06</b>	<b>9,684.89</b>	<b>4,621.51</b>
<b>Total assets</b>		<b>10,156.91</b>	<b>11,153.07</b>	<b>6,488.34</b>

EQUITY AND LIABILITIES	Notes	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
<b>Equity</b>				
(a) Equity Share Capital	11	369.20	369.20	369.20
(b) Other Equity	12	230.84	(6,592.22)	(6,896.39)
<b>Equity attributable to owners of the Company</b>		<b>600.04</b>	<b>(6,223.02)</b>	<b>(6,527.19)</b>
<b>Total Equity</b>		<b>600.04</b>	<b>(6,223.02)</b>	<b>(6,527.19)</b>
<b>Liabilities</b>				
<b>Non-current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	13	1,709.27	3,660.39	4,030.39
(ii) Other financial liabilities	14	-	-	148.16
(b) Provisions	15	30.49	20.81	26.84
<b>Total non-current liabilities</b>		<b>1,739.76</b>	<b>3,681.20</b>	<b>4,205.39</b>
<b>Current liabilities</b>				
(a) Financial Liabilities				
(i) Borrowings	16	323.10	2,285.98	2,089.46
(ii) Trade payables	17	3,835.92	3,651.78	2,628.01
(iii) Other financial liabilities	14	1,730.76	3,058.07	2,149.72
(b) Provisions	15	15.96	14.53	21.58
(c) Other current liabilities	18	1,911.37	4,684.53	1,921.37
<b>Total current liabilities</b>		<b>7,817.11</b>	<b>13,694.89</b>	<b>8,810.14</b>
<b>Total Liabilities</b>		<b>9,556.87</b>	<b>17,376.09</b>	<b>13,015.53</b>
<b>Total Equity And Liabilities</b>		<b>10,156.91</b>	<b>11,153.07</b>	<b>6,488.34</b>

 The accompanying notes form an integral part of the Financial Statements 1 - 60  
 Significant Accounting Policies and Notes to Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

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

**Vinayak K Deshpande**  
 Chairman  
 DIN: 00036827

**Nalin M. Shah**  
 Director  
 DIN: 00882723

**Raghav Mohta**  
 Partner  
 Membership No. 426718

**Nikhil Naniwadekar**  
 Manager

**Rajesh Mandale**  
 Chief Financial Officer

**Deepak Tibrewal**  
 Company Secretary

 Place : Mumbai  
 Date : 2<sup>nd</sup> May 2017

 Place : Mumbai  
 Date : 2<sup>nd</sup> May 2017

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

(All amounts are in ₹ Lakh except for earnings per share information)

	Notes	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
I Revenue from operations	19	10,470.62	11688.61
II Other Income	20	624.44	321.91
<b>III Total Income (I + II)</b>		<b>11,095.06</b>	<b>12,010.52</b>
<b>IV Expenses</b>			
(a) Cost of materials consumed	21	3,719.35	5059.28
(b) Changes in inventories of finished goods, stock in trade and work in progress	22	697.87	(126.56)
(c) Excise Duty on sale of goods		414.44	639.18
(d) Employee benefit expense	23	828.00	660.50
(e) Finance costs	24	403.47	368.36
(f) Depreciation and amortization expense	25	90.52	188.74
(g) Project execution expenses	26	3,951.92	4,402.02
(h) Other expenses	27	421.11	649.56
<b>Total expenses (IV)</b>		<b>10,526.68</b>	<b>11,841.08</b>
<b>Profit before tax for the year</b>		<b>568.38</b>	<b>169.44</b>
<b>V Tax Expense:</b>			
(i) Current tax			
(ii) Current tax adjustment for earlier year		15.80	-
(iii) Deferred tax	28	(2,164.76)	-
		(2,148.96)	-
<b>VI Profit for the year from continuing operations (IV - V)</b>		<b>2,717.33</b>	<b>169.44</b>
<b>VII Profit / (loss) for the year/period (VI)</b>		<b>2717.33</b>	<b>169.44</b>
	Notes	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>VIII Other Comprehensive Income</b>			
(i) Items that will not be reclassified to profit and loss		0.43	16.94
(a) Actuarial gain/(loss) on defined benefit plan (Net)			
(ii) Income tax relating to items that will not be reclassified to profit and loss		0.21	-
<b>IX Total other comprehensive income</b>		<b>0.64</b>	<b>16.94</b>
<b>X Total comprehensive income for the year (VII + IX)</b>		<b>2717.97</b>	<b>186.38</b>
Earnings per equity share :	28		
(1) Basic (in ₹)		7.36	0.50
(2) Diluted (in ₹)		7.36	0.50

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

1 - 60

As per our report of even date

For and on behalf of the Board of Directors

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

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827

**Nalin M. Shah**  
Director  
DIN: 00882723

**Raghav Mohta**  
Partner  
Membership No. 426718

**Nikhil Naniwadekar**  
Manager

**Rajesh Mandale**  
Chief Financial Officer

**Deepak Tibrewal**  
Company Secretary

Place : Mumbai  
Date : 2<sup>nd</sup> May 2017

Place : Mumbai  
Date : 2<sup>nd</sup> May 2017

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017**

(All amounts are in ₹ Lakh except for earnings per share information)

	Notes	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>Cash flows from operating activities</b>			
Profit before tax for the year		568.38	186.38
<b>Adjustments for :</b>			
Finance costs recognised in profit or loss		403.47	368.36
Interest income recognised in profit or loss		(6.49)	-
Other non-operating income (net of directly attributable expenses)		-	(4.32)
Gain / (loss) on disposal of property, plant and equipment		(12.04)	114.84
Depreciation and amortization of non-current assets (continuing operation)		90.52	188.74
Amortization expenses		0.04	0.04
Actuarial gain/(loss) on defined benefit plan (Net)		0.43	-
		<b>1,044.31</b>	<b>854.05</b>
<b>Movements in working capital</b>			
(Increase)/decrease in trade and other receivables		3,465.48	(4,430.52)
(Increase)/decrease in inventories		(45.66)	197.55
(Increase)/decrease in other assets		(1,002.64)	5.02
Increase/(decrease) in trade payables		184.14	860.00
Increase/(decrease) in provisions		11.11	(13.08)
Increase/(decrease) in other liabilities		(4,061.91)	3,669.35
<b>Cash generated from operations</b>		<b>(405.17)</b>	<b>1,142.36</b>
Income Taxes paid		38.56	53.21
<b>Net cash generated by operating activities</b>		<b>(443.73)</b>	<b>1,089.15</b>
<b>Cash flows from investing activities</b>			
Interest received		6.49	4.32
Payments for property, plant and equipment		(46.74)	(35.11)
Proceeds from disposal of property, plant and equipment		15.17	2.38
<b>Net Cash (used in) /generated by investing activities</b>		<b>(25.08)</b>	<b>(28.41)</b>
<b>Cash flows from financing activities</b>			
Repayment of borrowings		-	-
Proceeds from borrowings		1,872.53	(370.00)
Proceed from Short Term Borrowing		(1,962.88)	196.52
Interest paid		(403.47)	(269.29)
<b>Net Cash used in financing activities</b>		<b>(493.83)</b>	<b>(442.77)</b>
<b>Net increase in Cash and Cash equivalents</b>		<b>(962.64)</b>	<b>617.97</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>18</b>	<b>744.78</b>	<b>126.82</b>
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies		28.48	-
<b>Cash and cash equivalents at the end of the year (Refer note 10)</b>	<b>18</b>	<b>(189.38)</b>	<b>744.79</b>
Cash and cash equivalents at the end of the year		133.72	830.76
Bank overdraft		(323.10)	(85.98)
<b>Cash and cash equivalents (Including Bank overdraft) at the end of the year</b>		<b>(189.38)</b>	<b>744.78</b>

The above cash flow statement has been prepared under the indirect method as set out in Ind AS-7 on cash flow statement

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

1 - 60

As per our report of even date

For and on behalf of the Board of Directors

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

**Vinayak K Deshpande**  
 Chairman  
 DIN: 00036827

**Nalin M. Shah**  
 Director  
 DIN: 00882723

**Raghav Mohta**  
 Partner  
 Membership No. 426718

**Nikhil Naniwadekar**  
 Manager

**Rajesh Mandale**  
 Chief Financial Officer

**Deepak Tibrewal**  
 Company Secretary

 Place : Mumbai  
 Date : 2<sup>nd</sup> May 2017

 Place : Mumbai  
 Date : 2<sup>nd</sup> May 2017

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017

### STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>st</sup> MARCH 2017

(All amounts are in ₹ Lakh except for earnings per share information)

a) Equity Share Capital	As at 31 <sup>st</sup> March	As at 31 <sup>st</sup> March
	2017	2016
Balance as at 1 <sup>st</sup> April 2016	369.20	369.20
Changes in equity share capital during the year	-	-
Balance as at 31 <sup>st</sup> March 2017	369.20	369.20

### b) Other Equity

	As at 31 <sup>st</sup> March 2017			As at 31 <sup>st</sup> March 2016		
	Retained Earnings		Total	Retained Earnings		Total
	Retained Earnings	Other Reserve		Retained Earnings	Other Reserve	
Balance as at 1 <sup>st</sup> April 2016	(6,770.04)	177.82	(6,592.22)	(6,956.42)	60.02	(6,896.40)
Profit for the year	2,717.33	-	2,717.33	169.44	-	169.44
Other comprehensive income for the year	0.64	-	0.64	16.94	-	16.94
Financial gain due to corporate guarantee	-	281.79	281.79	-	117.80	117.80
Long term loan-equity portion	-	3,823.29	3,823.29	-	-	-
<b>Total comprehensive income for the year</b>	<b>2,717.97</b>	<b>4,105.08</b>	<b>6,823.06</b>	<b>186.38</b>	<b>117.80</b>	<b>304.18</b>
Balance as at 31 <sup>st</sup> March 2017	(4,052.07)	4,282.90	230.84	(6,770.04)	177.82	(6,592.22)

The accompanying notes form an integral part of the Financial Statements 1 -60  
Significant Accounting Policies and Notes to Financial Statements

As per our report of even date

For and on behalf of the Board of Directors

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

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827

**Nalin M. Shah**  
Director  
DIN: 00882723

**Raghav Mohta**  
Partner  
Membership No. 426718

**Nikhil Naniwadekar**  
Manager

**Rajesh Mandale**  
Chief Financial Officer

**Deepak Tibrewal**  
Company Secretary

Place : Mumbai  
Date : 2<sup>nd</sup> May 2017

Place : Mumbai  
Date : 2<sup>nd</sup> May 2017



## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)

### SIGNIFICANT ACCOUNTING POLICIES

#### 1) CORPORATE INFORMATION

Artson Engineering Limited (“the Company”) is a company limited by shares incorporated under the Companies Act, 1956. The Company’s Registered Office is situated at Mumbai. The Company’s shares are listed on the Bombay Stock Exchange (BSE) and the Scrip Code is 522134.

The Company was incorporated in the year 1978 and since inception, the Company has commissioned, on turn-key basis, several fuel storage and handling facility systems. The Company is operating in one segment Viz. Supply of Fabricated steel structure and site services of mechanical works.

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 27 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 18 December 2007 (Sanctioned Scheme). The Company has made an application on 17 October 2013 for extension of the Rehabilitation Scheme as referred above and pending the final hearing, the Sanctioned Scheme is under implementation.

#### **Basis of Preparation :**

These financial statements are prepared in accordance with Indian Accounting Standards (Ind AS) under the historical cost convention on the accrual basis except for certain financial instruments which are measured at fair values, the provisions of the Companies Act, 2013 (“Act”) (to the extent notified). The Ind AS are prescribed under Section 133 of the Act read with Rule 3 of the Companies (Indian Accounting Standards) Rules, 2015 and Companies ( Indian Accounting Standards) Amendment Rules, 2016.

These financial statements are the Company’s first Ind AS financial statements. The Company has adopted all the Ind AS standards and the adoptions was carried out in accordance with Ind AS 101 (First time adoption of Indian Accounting Standards). The transition was carried out from the general accepted Accounting Principles in India as prescribed under Sec 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014 (IGAAP), which was the previous GAAP. Reconciliations and descriptions of the effect of the transition have been summarized in Note 2.1.

Accounting policies have been consistently applied except where a newly issued accounting standard is initially adopted or a revision to an existing accounting standard requires a change in the accounting policy hitherto in use.

The Ind AS are applicable from 1st April, 2016 to the Company, being a Subsidiary of the Tata Projects Limited falling under the mandatory Phase1.

#### 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 :**

For all the period and upto and including the year ended 31st March, 2015, the Company prepared its financial statement in accordance with the Accounting Standard notified under the Section 133 of the Companies Act, 2013, read together with the Companies (Accounts) rules, 2014 (India GAAP). These Financial Statements for the year ended 31st March, 2016 are the first the Company has prepared in accordance with the Ind AS.

The financial statement have been prepared on a historical cost basis

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 30, 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 30, 2016.

#### **II) Revenue Recognition:**

##### **a. Manufacturing activities:**

Sales of Products is recognized when significant risks and rewards of ownership are transferred to buyer. Sales includes amount recovered towards Excise Duty.

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)

### b. **Erection / Construction activities :**

Revenues from execution of contract is recognized on the Percentage Completion Method. The stage of completion is determined on the basis of actual work executed during the year. Running bills are accounted as sales on monthly basis. No profit is recognized till a minimum of 10% progress is achieved on the contract except in case of contracts executed on cost-plus basis. Costs incurred and invoices raised in respect of such contracts are carried in the Balance Sheet as 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 recognized immediately. In case of arbitration awards which are granted in favour of the Company, any amount to be received is treated as income in the year of receipt of such award. Liquidated damages/ Penalties are accounted for as cost when such delays and causes are attributable to the Company or when deducted by the client.

### c. **Work done but not billed:**

Value of work executed, billed subsequent to the Balance Sheet date, is valued at the contract price.

- d. i. Income and Expenses are accounted on accrual basis except capital incentive from Government authorities and liquidated damages to the extent under negotiation
- ii. VAT set-off is based on returns filed with appropriate authorities.
- e. Bank Guarantee commission is accounted in the year of execution/renewal of guarantee.
- f. Any amount received on Arbitration Award in favour of the Company is treated as income of the year of receipt of award.

### III) **Use of Estimates :**

The preparation of the financial statements in conformity with Indian\_AS 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 recognized in the periods in which the results are known / materialize.

### IV) **Property, plant and equipment**

#### **Tangible**

All tangible fixed assets are stated at historical cost (as reduced by CENVAT credit) less accumulated depreciation. The cost of fixed assets comprises its purchase price and other attributable expenditure incurred in making the asset ready for its intended use and interest on borrowings attributable to acquisition of qualifying fixed assets up to the date the asset is ready for its intended use.

Components of the assets are identified by the technical team based on its possibility of independent usage.

The assets' residual values, useful lives in method of depreciation are reviewed at each year ended and adjusted prospectively if appreciate.

#### **Intangible**

Intangible Assets are initially recognized 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. These Intangible Assets comprise of Computer Software.

### V) **Depreciation /Amortization on Fixed Assets.:**

- a. 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. Depreciation on components is charged as per the remaining useful life of the components.
- b. Leasehold Land, for 99 years and Leasehold Improvements are amortized over the period of the lease.

### VI) **Impairment of Assets:**

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

### VII) **Valuation of Inventories:**

- a. 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.

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)**

- b. 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 realizable value.
- c. Work-in Progress are valued at the lower of cost and the net realizable value.

**VIII) Investments:**

- a. Current Investments are carried at the lower of cost and the fair value.

**IX) Foreign Currency Transactions:**
**Functional currency**

The functional currency of the company is the Indian rupee. These financial statements are presented in Indian rupees (rounded off to Lakh).

- a. Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transaction
- b. Monetary assets and liabilities denominated in foreign currencies at the year-end are translated in the functional currency at the year-end exchange rates.
- c. The exchange difference on conversion are credited or charged to the Statement of Profit and Loss.
- d. Transaction gains or losses realized upon settlement of foreign currency transactions are included in determining net profit for the year in which the transaction is settled. Revenue, expense and cashflow items denominated in foreign currencies are translated into the relevant functional currencies using the exchange rate in effect on the date of the transaction.
- e. 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:

S. No.	Nature of the account	Policy
1.	Opening and Closing Work-in-progress	Exchange rate at the commencement and close of the year respectively.
2.	Fixed Assets and Depreciation	Exchange rate used for the translation of the respective date of purchase of fixed assets.

**X) Employee benefits:**

- a. The Company's contribution to Provident Fund is charged to the Statement of Profit and Loss.
- b. Other long-term employee benefits comprise a compensated absence which is provided based on an actuarial valuation 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.

The Company recognizes the net obligation of a defined benefit plan in its balance sheet as an asset or liability. Gains and losses through re-measurements of the net defined benefit liability/(asset) are recognized in other comprehensive income. The actual return of the portfolio of plan assets, in excess of the yields computed by applying the discount rate used to measure the defined benefit obligation is recognized in Other Comprehensive Income. The effects of any plan amendments are recognized in the Statement of Profit and Loss.

**XI) Earnings Per Share:**

The Company reports basic earnings per share in accordance with the Ind AS 33 '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. The company do not have any potentially dilutive securities.

**XII) Taxation :**

Provision for Income Tax is made for both current and deferred taxes. Current tax is provided on the basis of the taxable income in accordance with and at the applicable tax rates and tax laws. Deferred tax assets and liabilities arising on account of timing differences and which are capable of reversal in subsequent periods are recognized using the tax rates, and tax laws that have been enacted or substantively enacted, subject to prudence. Deferred tax assets on unabsorbed depreciation and carry forward of losses are not recognized unless there is a reasonable certainty that there will be sufficient future taxable income available to realise such assets

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)

### XIII) Borrowing Costs:

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

### XIV) Provisions, Contingent Liabilities and Contingent Assets:

Provisions are recognized 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 recognized 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 recognized, nor disclosed. Provision, Contingent Liabilities and Contingent Assets are reviewed at each Balance Sheet date.

### XV) Operating Leases:

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

### XVI) Cash and cash equivalents :

Cash flows are reported using the indirect method. Fixed deposit having original maturities of three months or less from the date of purchase, to be cash equivalents. Cash and cash equivalents consist of balances with banks which are unrestricted for withdrawal and usage. The cash flows from operating, investing and financing activities of the Company are segregated under cash flow statement

### X) Financial Instruments:

#### a. Initial recognition

The Company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument. All financial assets and liabilities are recognized at fair value on initial recognition, except for trade receivables which are initially measured at transaction price. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities that are not at fair value through profit or loss are added to the fair value on initial recognition. Regular way purchase and sale of financial assets are accounted for at trade date.

#### b. Subsequent measurement

##### i. Financial assets carried at amortized cost

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

##### ii. Financial assets at fair value through other comprehensive income

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding. The Company has made an irrevocable election for its investments which are classified as equity instruments to present the subsequent changes in fair value in other comprehensive income

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)**

based on its business model. Further, in cases where the company has made an irrevocable election based on its business model, for its investments which are classified as equity instruments, the subsequent changes in fair value are recognized in other comprehensive income.

**iii. Financial assets at fair value through profit or loss**

A financial asset which is not classified in any of the above categories are subsequently fair valued through profit or loss.

**iv. Financial liabilities**

Financial liabilities are subsequently carried at amortized cost using the effective interest method, except for contingent consideration recognized in a business combination which is subsequently measured at fair value through profit and loss. For trade and other payables maturing within one year from the balance sheet date, the carrying amounts approximate fair value due to the short maturity of these instruments.

*The gain on concessional rate of interest received due to Corporate Guarantee given by the Holding Company is charged to the equity account and amortized over the period of loan.*

**First Time of Adoption of Indian Accounting Standard**

These financial statements for the year ended 31 March, 2016 have been prepared in accordance with Ind AS. This is the Company's first set of financial statements in accordance with Ind AS. For the purposes of transition to Ind AS, the Company has followed the guidance prescribed in Ind AS 101 (First Time adoption of Ind AS), with 1 April 2015 as the transition date on IGAAP as the previous GAAP.

The transition to Ind AS has resulted in changes in the presentation of the financial statements, disclosures in the notes thereto and accounting policies and principles. The accounting policies set out in note 2 have been applied in preparing the financial statements for the year ended 31 March, 2016. Reconciliation and explanation of how the transition from previous GAAP to Ind AS has affected the Company's Balance Sheet, Statement of Profit and Loss, accordance with Ind AS 101 have been set out in note 47.

**Exemption and exceptions availed :****I. Optional Exemptions :**

Ind AS 101 allows first time adopter certain exemptions from the retrospective application of certain requirement under Ind AS.

**The Company has applied the following optional exemptions:-**

The Company has opted to recognized its property, plant and equipment, Land and Intangible Assets based on the previous GAAP carrying amount as at the date of transition.

**II. Exception:**

The following mandatory exception have been applied in accordance with Ind AS 101 in preparing the Financial Statements:-

**a. Estimates :**

The estimates used by the company to present the amount in accordance with Ind AS reflect conditions as at the transition date and as of 31st March 2016.

**b. Classification and measurement of Financial instruments :**

The Company has classified the financial assets in accordance with Ind AS 109 on the basis of fact and circumstances that exist at the date transition to Ind AS.

**c. De-recognition of the Financial Assets and Financial Liabilities :**

The Company has elected to apply the de-recognition requirement for Financial Assets and Financial Liabilities in Ind AS prospectively for transition occurring on or after the date of transition to date of Ind AS.

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)

### 3. PROPERTY, PLANT AND EQUIPMENT AND CAPITAL WORK-IN PROGRESS

(All amounts are in ₹ Lakh unless otherwise stated)

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
<b>Carrying amounts of :</b>			
Buildings	68.90	78.16	88.67
Plant and Equipment	249.56	297.42	541.06
Computer	11.17	1.19	2.18
Office Equipment	5.73	2.98	5.84
Furniture and Fixtures	8.50	5.52	17.62
Electrical Installations	6.94	9.96	14.94
Vehicles	0.45	0.73	1.19
	<b>351.22</b>	<b>395.95</b>	671.50

	Buildings	Plant and Equipment	Computer	Office Equipment	Furniture and Fixtures	Electrical Installations	Vehicles	Total
Deemed Cost								
Balance as at 1 <sup>st</sup> April 2015	88.67	541.06	2.18	5.84	17.62	14.94	1.19	671.50
Additions	-	19.50	0.96	2.44	3.27	0.45	-	26.62
Disposals	-	(109.39)	(0.08)	(1.19)	(6.56)	-	-	(117.22)
<b>Balance 31<sup>st</sup> March 2016</b>	<b>88.67</b>	<b>451.17</b>	<b>3.06</b>	<b>7.09</b>	<b>14.33</b>	<b>15.39</b>	<b>1.19</b>	<b>580.90</b>
Balance as at 1 <sup>st</sup> April 2016	88.67	451.17	3.06	7.09	14.33	15.39	1.19	580.90
Additions	-	17.87	13.53	5.05	5.05	0.51	-	42.01
Disposals	-	(3.13)	-	-	-	-	-	(3.13)
<b>Balance 31<sup>st</sup> March 2017</b>	<b>88.67</b>	<b>465.91</b>	<b>16.59</b>	<b>12.14</b>	<b>19.38</b>	<b>15.90</b>	<b>1.19</b>	<b>619.78</b>

	Buildings	Plant and Equipment	Computer	Office Equipment	Furniture and Fixtures	Electrical Installations	Vehicles	Total
<b>Accumulated Depreciation and Impairment</b>								
Balance as at 1 <sup>st</sup> April 2015	-	-	-	-	-	-	-	-
Elimination on disposals of assets	-	-	-	-	-	-	-	-
Depreciation Expense	10.51	153.75	1.87	4.11	8.81	5.43	0.46	184.94
<b>Balance 31<sup>st</sup> March 2016</b>	<b>10.51</b>	<b>153.75</b>	<b>1.87</b>	<b>4.11</b>	<b>8.81</b>	<b>5.43</b>	<b>0.46</b>	<b>184.94</b>
Balance as at 1 <sup>st</sup> April 2016	10.51	153.75	1.87	4.11	8.81	5.43	0.46	184.94
Elimination on disposals of assets	-	-	-	-	-	-	-	-
Depreciation Expense	9.26	62.61	3.56	2.31	2.08	3.54	0.28	83.61
<b>Balance 31<sup>st</sup> March 2017</b>	<b>19.77</b>	<b>216.36</b>	<b>5.43</b>	<b>6.42</b>	<b>10.89</b>	<b>8.97</b>	<b>0.74</b>	<b>268.55</b>



**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)**

(All amounts are in ₹ Lakh unless otherwise stated)

	Buildings	Plant and Equipment	Computer	Office Equipment	Furniture and Fixtures	Electrical Installations	Vehicles	Total
Carrying Amount								
Balance as at 1 <sup>st</sup> April 2015	88.67	541.06	2.18	5.84	17.62	14.94	1.19	671.50
Additions	-	19.50	0.96	2.44	3.27	0.45	-	26.62
Disposals	-	(109.39)	(0.08)	(1.19)	(6.56)	-	-	(117.22)
Depreciation Expense	(10.51)	(153.75)	(1.87)	(4.11)	(8.81)	(5.43)	(0.46)	(184.94)
<b>Balance 31<sup>st</sup> March 2016</b>	<b>78.16</b>	<b>297.42</b>	<b>1.19</b>	<b>2.98</b>	<b>5.52</b>	<b>9.96</b>	<b>0.73</b>	<b>395.95</b>
Balance as at 1 <sup>st</sup> April 2016	78.16	297.42	1.19	2.98	5.52	9.96	0.73	395.95
Additions	-	17.91	13.54	5.06	5.05	0.51	-	42.07
Disposals	-	(3.13)	-	-	-	-	-	(3.13)
Depreciation Expense	(9.26)	(62.61)	(3.56)	(2.31)	(2.08)	(3.54)	(0.28)	(83.64)
<b>Balance 31<sup>st</sup> March 2017</b>	<b>68.90</b>	<b>249.57</b>	<b>11.17</b>	<b>5.73</b>	<b>8.48</b>	<b>6.92</b>	<b>0.45</b>	<b>351.22</b>

**4. INTANGIBLE ASSETS**

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
<b>Carrying amounts of :</b>			
Software Licenses	5.17	7.35	2.64
<b>Sub-total</b>	<b>5.17</b>	<b>7.35</b>	<b>2.64</b>
<b>Deemed Cost</b>			
Balance as at 1 <sup>st</sup> April 2015	2.64	-	-
Additions	8.51	-	-
Disposals	-	-	-
<b>Balance 31<sup>st</sup> March 2016</b>	<b>11.15</b>	<b>-</b>	<b>-</b>
Balance as at 1 <sup>st</sup> April 2016	11.15	0.09	-
Additions	4.73	0.09	-
Disposals	-	-	-
<b>Balance 31<sup>st</sup> March 2017</b>	<b>15.88</b>	<b>0.18</b>	<b>-</b>

	Licenses	Total
<b>Accumulated Depreciation and Impairment</b>		
Balance as at 1 <sup>st</sup> April 2015	-	-
Amortization expense	3.80	-
<b>Balance 31<sup>st</sup> March 2016</b>	<b>3.80</b>	<b>-</b>
Balance as at 1 <sup>st</sup> April 2016	3.80	3.80
Amortization expense	6.91	6.91
<b>Balance 31<sup>st</sup> March 2017</b>	<b>10.71</b>	<b>10.71</b>

	Licenses	Total
<b>Carrying amount</b>		
Balance as at 1 <sup>st</sup> April 2015	7.35	7.35
Additions / Acquisitions	8.51	-
Amortization expense	-	-
<b>Balance 31<sup>st</sup> March 2016</b>	<b>15.86</b>	<b>7.35</b>
Balance as at 1 <sup>st</sup> April 2016	7.35	7.35
Additions / Acquisitions	4.73	-
Amortization expense	(6.91)	-
<b>Balance 31<sup>st</sup> March 2017</b>	<b>5.17</b>	<b>7.35</b>

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)

### 5. TRADE RECEIVABLES

(All amounts are in ₹ Lakh unless otherwise stated)

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
<b>Non-Current</b>			
(a) Secured, considered good	-	-	-
(b) Unsecured, considered good (Refer Note 44 (b), (c))	-	190.77	270.42
(c) Doubtful	442.83	442.83	506.38
(d) Allowance for doubtful debts (expected credit loss allowance)	(442.83)	(442.83)	(506.38)
	-	190.77	270.42
<b>Current</b>			
(a) Secured, considered good	2,834.33	-	-
(b) Unsecured, considered good (Refer Note 44 (b), (c))	-	6,109.04	1,599.87
(c) Doubtful	-	-	-
(d) Allowance for doubtful debts (expected credit loss allowance)	-	-	-
	2,834.33	6,109.04	1,599.87

### 6. OTHER FINANCIAL ASSETS

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
<b>Non-Current</b>			
<b>Security deposits</b>			
Unsecured, consider good	-	67.64	31.61
Doubtful	318.08	318.08	199.00
Provision for Doubtful deposit	318.08	385.72	230.61
	(318.08)	(318.08)	(199.00)
	-	67.64	31.61
In Deposit Accounts with original maturity for more than 12 months	25.00	25.83	25.83
Allowance for doubtful deposits	-	-	-
<b>TOTAL</b>	25.00	93.47	57.44
<b>Current</b>			
Security deposits	56.90	-	-
Interest accrued on fixed deposit/margin money	15.48	12.93	10.53
Work done but not billed	748.54	171.60	53.90
<b>TOTAL</b>	820.92	184.53	64.43

### 7. DEFERRED TAX ASSETS (NET)

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
Timing difference due to depreciation as per Income Tax and Companies Act	102.43	-	-
Provision for doubtful debts/advances	351.07	-	-
Provision for compensated Absences/Leave Encashment	10.08	-	-
Provision for Gratuity	3.77	-	-
Provision for Bonus	10.62	-	-
Carry forward losses and depreciation	1,647.89	-	-
Amortisation of finance gain due to Corporate Guarantee issued by Holding Company	39.10	-	-
<b>TOTAL</b>	2,164.97	-	-

There is reasonable certainty that the Company will earn sufficient future taxable income available to realize deferred tax asset arising out of various assets and accordingly the Company has accounted deferred tax assets during the year.

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)**
**8. OTHER ASSETS**

(All amounts are in ₹ Lakh unless otherwise stated)

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
<b>Non-Current</b>			
Balances with statutory/government authorities	799.73	777.84	861.97
Prepayments*	2.76	2.81	2.86
<b>TOTAL</b>	<b>802.49</b>	<b>780.64</b>	<b>864.83</b>
<b>Current</b>			
Advances to staff	5.32	-	1.75
<b>Advances to supplier</b>			
Unsecured, consider good	468.09	205.12	347.70
Doubtful	300.90	300.90	300.90
<b>TOTAL</b>	<b>768.99</b>	<b>506.02</b>	<b>650.35</b>
Provision for Doubtful deposit	(300.90)	(300.90)	(300.90)
	468.09	205.12	349.45
Prepaid expenses	32.21	28.77	33.89
Financial benefit due to guarantee by Tata Projects Ltd. (Refer Note 50)	240.39	78.74	60.02
Other assets	7.37	0.09	5.39
<b>TOTAL</b>	<b>753.38</b>	<b>312.72</b>	<b>448.75</b>

\* Including the lease of land for the period of 99 years, the same is amortised on Straight Line Method. The amortization expenses is recognised in the Statement of Profit and Loss . For the year ended 31 March 2017 the Company has amortized ₹ 0.04 Lakhs (Previous Year ₹ 0.04 Lakhs).

**9. INVENTORIES**

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
a) Inventories			
Raw materials	1,441.42	697.90	1,022.01
Work-in-progress	192.67	1,046.52	901.31
Contracts-in-progress	156.62	0.63	19.27
<b>TOTAL</b>	<b>1,790.71</b>	<b>1,745.05</b>	<b>1,942.59</b>

**10. CASH AND CASH EQUIVALENTS**

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
Balances with banks	121.23	830.30	110.26
Cash on hand	12.49	0.46	6.02
<b>Cash and Cash Equivalents</b>	<b>133.72</b>	<b>830.76</b>	<b>116.28</b>

**11. EQUITY SHARE CAPITAL**

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
Equity share capital	369.20	369.20	369.20
<b>TOTAL</b>	<b>369.20</b>	<b>369.20</b>	<b>369.20</b>
<b>Authorised Share Capital</b>			
150,000,000 fully paid equity shares of ₹ 1 each	1,500.00	1,500.00	1,500.00
200,000 preference shares of ₹ 100/- each	200.00	200.00	200.00
<b>Issued and Subscribed Capital</b>	<b>1,700.00</b>	<b>1,700.00</b>	<b>1,700.00</b>
36,920,000 fully paid equity shares of ₹ 1 each (31st March 2017 : 36,920,000)	369.20	369.20	369.20
	369.20	369.20	369.20

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)

### 11.1 FULLY PAID EQUITY SHARES

	Number of Shares in '000s	Share Capital ₹ Lakh
Balance as at 1st April 2016	36,920	369.20
Issue / (Redemption)	-	-
<b>Balance 31st March 2017</b>	<b>36,920</b>	<b>369.20</b>

#### a. 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 and carry a right to dividend.

The liability of the members is limited.

#### b. Restriction on distribution of dividend:

Pursuant to the revised terms of the loan given by the Holding company, the Company is not permitted to declare any dividend to the equity shareholders without the payment of loan amount to the Holding Company in full.

#### 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.

### 11.2 FULLY PAID EQUITY SHARES

	Fully paid Ordinary shares	Partly paid ordinary shares
31 <sup>st</sup> March 2017		
<b>TATA PROJECTS LIMITED</b>	<b>27,690,000</b>	<b>NIL</b>

### 11.3 DETAILS OF SHARES HELD BY EACH SHAREHOLDER HOLDING MORE THAN 5%

	31 <sup>st</sup> March 2017	
	Number of Shares held	% holding of equity shares
Fully paid equity shares		
<b>TATA PROJECTS LIMITED</b>	<b>27,690,000</b>	<b>75</b>

### 11.4 Reduction in paid-up value of equity shares

Pursuant to the provisions of the Sanctioned Scheme, effective 26 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 4 January 2008, the Company allotted 2,76,90,000 equity share of ₹ 1 each to Tata Projects Limited. Consequent to the allotment of these shares, the Company became 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.

## 12. OTHER EQUITY

(All amounts are in ₹ Lakh unless otherwise stated)

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
Retained Earnings	230.84	(6,592.22)	-
	230.84	(6,592.22)	-

### 12.1 RETAINED EARNINGS

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
Balance at the beginning of the year	(6,592.22)	(6,956.42)	(6,956.42)
Profit for the year	2,717.97	186.38	(34.14)
Long tem loan - (NPV- discounted at 16%) (Refer Note 40)	3,823.29	-	-
Financial benefit due to guarantee by holding co. (Refer Note 50)	281.79	177.82	94.17
<b>Balance at the end of the year</b>	<b>230.84</b>	<b>(6,592.22)</b>	<b>(6,896.39)</b>

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)**
**13. NON-CURRENT BORROWINGS**

(All amounts are in ₹ Lakh unless otherwise stated)

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
<b>Unsecured - at amortized cost</b>			
Loans from related parties(Refer note (i) & (ii) below) (Refer Note 29)	-	2,100.00	2,100.00
<b>Secured - at amortized cost</b>			
Loans from related parties(Refer note (i) & (ii) below) (Refer Note 29)	207.10	1,560.39	1,930.39
Loan from bank	1,502.17	-	-
<b>Total for non-current borrowings</b>	<b>1,709.27</b>	<b>3,660.39</b>	<b>4,030.39</b>

Notes:

- (i) Term Loan is secured against all movable and immovable property and all title deed of the property  
 (ii) The terms of repayment of term loans and other loans are stated below:

**31<sup>st</sup> March 2017**

	Amount Outstanding	Terms of repayment	Rate of Interest
Holding Company : Secured Loan (Refer Notes 39 & 40)	4,030.39	20 years	NIL Refer Notes 39 & 40

**14. OTHER FINANCIAL LIABILITIES**

(All amounts are in ₹ Lakh unless otherwise stated)

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
<b>Non-Current</b>			
Trade payables & security deposit	-	-	148.16
<b>TOTAL</b>	<b>-</b>	<b>-</b>	<b>148.16</b>
<b>Current</b>			
a) Current maturities of long-term debt	8.04	378.04	8.04
b) Security deposits	-	13.80	-
c) Interest accrued (Refer Note 38)	-	472.64	473.39
d) Liability for contract expenses	351.42	388.32	623.45
e) Liability for other expenses	1,217.32	1,119.20	426.18
f) Others	153.98	686.07	618.66
<b>TOTAL</b>	<b>1,730.76</b>	<b>3,058.07</b>	<b>2,149.72</b>

**15. PROVISIONS**

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
Employee Benefits	46.45	35.35	48.42
<b>TOTAL</b>	<b>46.45</b>	<b>35.35</b>	<b>48.42</b>
Current	15.96	14.53	21.58
Non-Current	30.49	20.81	26.84
<b>TOTAL</b>	<b>46.45</b>	<b>35.34</b>	<b>48.42</b>

**16. CURRENT BORROWINGS**

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
<b>Unsecured - at amortized cost</b>			
a) Loans repayable on demand (Refer Note (i) below)	-	2,200.00	2,100.00
<b>Secured - at amortized cost</b>			
a) Loans repayable on demand from banks (Bank Overdraft) (Refer Note (ii) below)	323.10	85.98	(10.54)
<b>TOTAL</b>	<b>323.10</b>	<b>2,285.98</b>	<b>2,089.46</b>

Note:

- (i) Short-term loan from bank guaranteed unconditionally with irrevocable corporate guarantee from the Holding Company.  
 (ii) Working Capital loans from banks are secured by pari passu charges by way of hypothecation of inventories, books debts and other current assets.

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)

### 17. TRADE PAYABLES

(All amounts are in ₹ Lakh unless otherwise stated)

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
<b>Trade Payables</b>			
MSMED (Refer Note 43)	5.84	26.67	19.07
Others	3,830.08	3,625.11	2,608.94
<b>TOTAL</b>	<b>3,835.92</b>	<b>3,651.78</b>	<b>2,628.01</b>

### 18. OTHER CURRENT LIABILITIES

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016	1 <sup>st</sup> April 2015
a) Revenue received in advance	-	44.24	151.15
b) Advances from customers (Refer Note 44(a))	1,821.43	4,558.96	1,625.33
c) Statutory dues	89.94	81.33	144.89
<b>TOTAL</b>	<b>1,911.37</b>	<b>4,684.53</b>	<b>1,921.37</b>

### 19. REVENUE FROM OPERATIONS

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
a) Sale of products	5,846.28	7,482.26
b) Sale of services	4,524.64	3,897.57
c) Other operating revenues	99.70	308.78
<b>TOTAL</b>	<b>10,470.62</b>	<b>11,688.61</b>

### 20. OTHER INCOME

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>a) Interest Income</b>		
Bank deposits	6.49	253.71
<b>b) Other non-operating income</b>		
Miscellaneous Income	617.95	39.46
<b>c) Other gains and losses</b>		
Net foreign exchange gains/(losses)	-	28.74
<b>TOTAL</b>	<b>624.44</b>	<b>321.91</b>

### 21. COST OF MATERIALS CONSUMED

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
a) Opening Stock	697.90	1,022.01
b) Purchases	4,462.87	4,735.17
c) Less: Closing Stock	(1,441.42)	(697.90)
<b>TOTAL</b>	<b>3,719.35</b>	<b>5,059.28</b>

### 22. CHANGES IN INVENTORIES OF FINISHED GOODS, STOCK IN TRADE AND WORK IN PROGRESS

		31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
a) Opening WIP/ CIP		1,047.16	920.59
b) Less: Closing WIP	(192.67)	-	(1,046.52)
Less: Closing CIP	(156.62)	(349.29)	(0.63)
<b>TOTAL</b>		<b>697.87</b>	<b>(126.56)</b>

### 23. EMPLOYEE BENEFITS EXPENSE

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Salaries and wages	797.14	631.59
Contribution to provident and other funds (Refer Note 32)	30.42	27.46
Staff welfare expenses	0.44	1.45
<b>TOTAL</b>	<b>828.00</b>	<b>660.50</b>



**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)**
**24. FINANCE COSTS**

(All amounts are in ₹ Lakh unless otherwise stated)

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Interest Costs :		
Interest on bank overdraft and loans	167.87	239.44
Other interest expenses	235.60	128.92
<b>TOTAL</b>	<b>403.47</b>	<b>368.36</b>

**25. DEPRECIATION**

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Depreciation of property, plant and equipment	90.52	188.74
<b>TOTAL</b>	<b>90.52</b>	<b>188.74</b>

**26. PROJECT EXECUTION EXPENSES**

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Cost of erection services	3,138.24	3,660.35
Motor vehicle expenses	118.57	84.36
Hire charges machineries	226.00	194.13
Works contract tax and other taxes	37.12	74.14
Electricity and water charges	82.60	76.43
Testing and inspection charges	(3.15)	74.34
Security charges	28.62	25.47
Site expenses	120.42	94.61
Liquidity Damages	34.12	-
Rent for guest house/office at site	119.26	87.85
Provision for contract expenses	(114.09)	(204.49)
Insurance	27.28	26.93
Professional charges-site/project	42.23	34.86
Bank guarantee and letter of credit charges	39.58	5.33
Travelling & conveyance expenses	28.50	145.74
Other project expenses	26.62	21.97
<b>TOTAL</b>	<b>3,951.92</b>	<b>4,402.02</b>

**27. OTHER EXPENSES**

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Office rent	34.01	48.24
Rates and taxes	7.31	18.84
Motor vehicle expenses	3.90	1.33
Travelling expenses	116.70	52.82
Legal and professional fees (Refer Note 47)	115.58	125.39
Postage and telephone	26.55	25.93
Printing and stationery	11.26	10.18
Business development expenditure	3.27	3.24
Directors' fees	14.30	6.69
Loss/Write off fixed assets	-	115.37
Bad debts	-	153.91
Provision for doubtful debts (written off)	-	(63.55)
Provision for doubtful advances	-	119.09
Amortization of leasehold land	0.04	0.04
Loss on forex fluctuation (Refer Note 46)	44.92	-
Miscellaneous expenses	43.27	32.04
<b>TOTAL</b>	<b>421.11</b>	<b>649.56</b>

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)****28. INCOME TAXES**

Tax expense in the Statement of Profit and Loss comprises:

(All amounts are in ₹ Lakh unless otherwise stated)

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Current Taxes	-	-
Current tax adjustment for earlier year	15.80	-
Deferred Taxes	(2,164.76)	-
<b>Income Tax expense</b>	<b>(2,148.96)</b>	-

The following table provides the details of income tax assets and income tax liabilities as at 31<sup>st</sup> March 2017 and 31<sup>st</sup> March 2016.

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Income tax assets	475	-
Current income tax liabilities	-	-
<b>Net current income tax assets/ (liability) at the end</b>	<b>475</b>	-

**29. RELATED PARTY TRANSACTIONS****List of related party**

**Holding Company :** Tata Projects Ltd.

Key Managerial Personnel : Mr. Vinayak Deshpande, Chairman, Mr. Nalin M. Shah, Independent Director, Mr. Michael Bastian, Independent Director, Mr. Pralhad Pawar, Director, Ms. Leja Hattiangadi, Independent Director, Mr. Mukesh Mohan Gupta, Special Director (Part of the year), Mr. Nikhil Naniwadekar, Manager, Mr Rajesh Mandale, Chief Financial Officer, Mr Deepak Tibrewal, Company Secretary from 1<sup>st</sup> November 2016, Miss. Rajeshree Gaikwad, Company Secretary from 21<sup>st</sup> October 2015 to 13<sup>th</sup> May 2016.

**29.1 TRADING TRANSACTIONS**

During the year, Company entered into the following trading transactions with related parties

	Sales of products Year ended 31 <sup>st</sup> March 2017	Sales of products Year ended 31 <sup>st</sup> March 2016
Tata Projects Limited	7,862.00	9,824.87

The following balances were Outstanding as on 31 March 2017

	Amount owed by Related parties 31 <sup>st</sup> March 2017	Amount owed to Related parties 31 <sup>st</sup> March 2017	Amount owed by Related parties 31 <sup>st</sup> March 2016	Amount owed to Related parties 31 <sup>st</sup> March 2016
Tata Projects Limited	2,242.63	2,704.88	5,947.93	5,500.49

The amounts outstanding are unsecured. The Holding Company has given corporate guarantees of ₹ 3,000 Lakhs (Previous Year ₹ 600 Lakhs) to Corporation Bank and ₹ 2500 Lakhs (Previous Year ₹ Nil) to Indusind Bank for borrowing facilities. The Company has issued corporate guarantee of ₹ 856.90 Lakhs (Previous Year ₹ 1,417 Lakhs) to Holding Company against projects as on 31 March 2017.

**29.2 LOANS FROM RELATED PARTIES**

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Loans from Tata Projects Limited (Refer note 39 & 40)	207.10	4,030.39

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)**
**29.3 COMPENSATION OF KEY MANAGEMENT PERSONNEL**

(All amounts are in ₹ Lakh unless otherwise stated)

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Short-term benefits	109.23	29.64
Other long-term benefits	1.63	0.35
<b>TOTAL</b>	<b>110.86</b>	<b>29.99</b>

**29.4 SITTING FEES PAID TO DIRECTORS**

Directors Sitting Fees paid ₹ 14.30 Lakhs ( Previous Year : ₹ 6.69 Lakhs)

**29.5 OTHER RELATED PARTY TRANSACTIONS**

In addition to the above, Tata Projects Ltd (Holdings Co.) deputed manpower and sub-let premises to the the Company, for which a management fee, Rent, etc of ₹ 171.49 Lakhs (Previous Year ₹ 146.82 Lakhs) during the year was charged. Further the Company deputed manpower to Tata Projects Ltd (Holding Co.), for which a management fees etc of ₹ 12.48 Lakhs (Previous Year ₹ 66.81 Lakhs) during the year was charged.

**30. AMOUNTS DUE FROM (TO) CUSTOMERS UNDER CONSTRUCTION CONTRACTS**

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
<b>Contracts in progress at the end of the year</b>		
Construction costs incurred plus recognised profits less recognised losses till 31 March 2017	44,215.80	41,130.13
Less: Progress Billings	(4,301.07)	(4,123.23)
	<b>39,914.73</b>	<b>37,006.90</b>
Recognised and included in the financial statements as amounts due from customers under construction contracts	864.76	685.81
	<b>864.76</b>	<b>685.81</b>

At 31 March 2017, retentions held by customers for contract work amounted to ₹ 118.31 Lakhs (Previous Year ₹ 69.45 Lakhs).

At 31 March 2017, advances received from customers for contract work amounted to ₹ 1004.71 Lakhs (Previous Year ₹ 44.13 Lakhs).

The Company is following Percentage Completion Method for recognising contract revenue.

The stage of completion is determined on the basis of actual work executed during the year.

**31. EARNINGS PER SHARE**

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Basic earnings per share of ₹ 1	<b>Per share</b>	<b>Per share</b>
From continuing operations	7.36	0.50
From discontinued operations	-	-
Total Basic earnings per share	<b>7.36</b>	<b>0.50</b>

**32. EMPLOYEE BENEFITS PLANS**
**32.1 DEFINED CONTRIBUTION PLAN**

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Salaries and wages	797.14	631.59
Contribution to provident and other funds (Refer Note 23)	30.42	27.46

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)

### 32.2 DEFINED BENEFIT PLANS

The principal assumptions used for the purposes of the actuarial valuations were as follows:

(All amounts are in ₹ Lakh unless otherwise stated)

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
	Actual	Actual
Discount rate	6.80%	8.00%
Expected rate of salary increase	8.00%	10.00%
Average longevity at retirement age for current employees (future beneficiaries of the plan) (years)*	7.17	7.27

Amounts recognised in statement of profit and loss in respect of these defined benefits plans are as follows :

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
	Actual	Actual
<b>Service Cost</b>		
Current Service Cost	8.19	10.56
Past Service Cost and (gain)/loss from settlements	-	-
Net Interest expense	0.34	2.64
Components of defined benefit costs recognised in profit or loss	8.53	13.20

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
	Actual	Actual
<b>Remeasurement on the net defined benefit liability :</b>		
Return on the net defined benefit liability	0.12	(1.58)
Actuarial (Gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (Gains)/losses arising from changes in financial assumptions	1.25	(9.33)
Actuarial (Gains)/losses arising from experience assumptions	-	-
Others (describe)	-	-
Adjustments for restrictions on the defined benefit asset	-	-
<b>Components of defined benefit costs recognised in other comprehensive income</b>	1.37	(10.91)
<b>TOTAL</b>	9.90	2.29

The current service cost for the year are included in the "Employee benefits expense" line item in the Statement of Profit and Loss.

The remeasurement of the net defined liability is included in other comprehensive income.

The amount included in the Balance Sheet arising from the Company's obligation in respect of its defined benefit plans is as follows :

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
	Actual	Actual
Present value of funded defined benefit obligation	37.15	32.70
Fair value of plan assets	24.91	21.89
<b>Funded status</b>	62.06	54.59
Restriction on asset recognised	-	-
Others (describe)	-	-
<b>Net liability arising from defined benefit obligation</b>	62.06	54.59

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)**

Movements in the present value of the defined benefit obligations are as follows:

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
	Actual	Actual
Opening defined benefit obligations	32.70	35.61
Current service cost	8.19	10.56
Interest Cost	2.32	2.64
Remeasurement (gains)/losses	-	-
Actuarial (Gains)/losses arising from changes in demographic assumptions	-	-
Actuarial (Gains)/losses arising from changes in financial assumptions	1.25	(9.33)
Actuarial (Gains)/losses arising from experience assumptions	0.11	(1.58)
Past Service Cost , including losses /(gains) on curtailment	-	-
Liabilities extinguished as settlements	-	-
Liabilities assumed in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(7.42)	(5.21)
Others (describe)	-	-
<b>Closing defined benefit obligation</b>	<b>37.15</b>	<b>32.69</b>

Movements in the fair value of the plan assets are as follows:

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
	Actual	Actual
Opening fair value of plan assets	21.88	17.61
Interest income	-	-
Remeasurement gains/(losses)	-	-
Return on plan assets (excluding amounts included in net interest expense)	(0.11)	1.58
Others (describe)	-	-
Contribution from the employer	6.88	9.49
Contribution from plan participant	-	-
Assets distributed on settlements	-	-
Assets acquired in a business combination	-	-
Exchange differences on foreign plans	-	-
Benefits paid	(7.42)	(5.21)
Actuarial Gain / (Loss) on Plan Assets	0.11	(1.58)
<b>Closing fair value of plan assets</b>	<b>21.34</b>	<b>21.89</b>

**Experience Adjustment**

Gratuity	2017	2016	2015	2014	2013
Defined Benefit Obligation	37.15	32.70	35.61	44.44	41.91
Fair Value of Planned Assets	24.92	21.89	17.61	26.53	41.07
(Surplus)/Deficit	12.23	10.82	18.00	17.91	0.84
Experience Adjustment on Plan Liabilities[(Gain)/Loss]	(1.37)	(10.91)	(3.02)	6.58	(1.38)
Experience Adjustment on Plan Asset[(Gain)/Loss]	(0.11)	1.58	(0.11)	0.36	(0.24)
<b>Compensated Absences</b>					
Defined Benefit Obligation	30.49	24.52	30.41	32.33	42.18
Experience Adjustment on Plan Liabilities [(Gain)/Loss]	(1.89)	(7.61)	(1.92)	(9.85)	(2.13)

**Sensitivity Analysis**

	DR:Discount Rate	ER: Salary Escalation Rate		
	PVO DR +1%	PVO DR -1%	PVO ER +1%	PVO ER -1%
PVO	3,482,191	3,979,061	3,945,139	3,505,869

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)

### Expected Payout

Year	Expected Outgo first	Expected Outgo Second	Expected Outgo Third	Expected Outgo Fourth	Expected Outgo Fifth	Expected Outgo Sixth
PVO payouts	617,748	491,060	474,800	414,179	403,859	4,456,045

Based on the data available with the Company investment pattern for the LIC Managed Fund is as Central Government Securities 24.71% (Previous Year 22.19%), State Government Securities - 36.96% (Previous Year 29.06%), Other Approved Securities - 1.04% (Previous Year 0.99%), Debenture and Bonds - 25.78% (Previous Year 29.92%), Equity Shares -6.98% (Previous Year 5.50%), Fixed Deposit 4.16% (Previous Year 12.34%), Other Loans 0.03% (Previous Year NIL), CBLO 0.034% (Previous Year NIL).

Expected Contribution to be made to plan assets in financial year 2017-18 is ₹ 6.84 Lakhs (Previous Year ₹ 18.17 Lakhs).

### 33. FINANCIAL INSTRUMENTS

#### 33.1 CAPITAL MANAGEMENT

##### 33.1.1 GEARING RATIO

The gearing ratio at the end of the year was as follows:

(All amounts are in ₹ Lakh unless otherwise stated)

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
Debt	2,032.37	5,946.38
Cash and Bank balances	(133.72)	(830.76)
<b>Net debt</b>	<b>1,898.65</b>	<b>5,115.62</b>
<b>Total Equity</b>	<b>1,067.29</b>	<b>(6,223.02)</b>
Net debt to equity ratio (%)	177.89%	(82.20%)

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>Financial Assets</b>		
Measured at amortized cost		
(a) Cash and bank balances	133.72	830.76
(b) Trade receivables	2,834.33	1,059.84
<b>Financial Liabilities</b>		
Measured at amortized cost		
(a) Trade payables	3,835.92	4,174.08

### 34. OPERATING LEASE AGREEMENTS

The Company has taken factory premises under cancelable and non-cancelable operating lease. The lease agreement is for three years and option of renewal on expiry of lease period is based on mutual agreement.

	Year ended 31 <sup>st</sup> March 2017	Year ended 31 <sup>st</sup> March 2016
Minimum Lease Payments	10.75	6.00
	10.75	6.00

### 35. SEGMENT INFORMATION

The Company operates in only one business segment viz. Supply of steel structure and site services for mechanical works. Therefore, segment-wise reporting under Ind AS 108 is not applicable.

36. All the Fixed Deposit receipts are lying with the banks towards margin money against Bank guarantees issued by Banks.
37. The Company was registered with the Board for Industrial and Financial Reconstruction (BIFR) as a sick company and BIFR, vide its order dated 18 December 2007, had sanctioned the rehabilitation scheme. With effect from December 1, 2016, the Ministry of Finance, Government of India notified the SICA Repeal Act, 2003 by virtue of which BIFR stood dissolved and all appeals, references, inquiries and proceedings pending before BIFR stand abated except for the Schemes already sanctioned. Whereas, the Company has an option to refer the case to National Company Law Tribunal (NCLT), the management, considering the current financial performance and order booking, has decided not to pursue the matter with NCLT.
38. Since the Company has received letter of waiver towards all interest due to the holding company, including interest of ₹ 472.64 Lakhs (Previous Year - ₹ 472.64 Lakhs) due and provided, the same is now no longer payable and has therefore been treated as income for the quarter and financial year ended 31 March 2017; included under the head "other income".



**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)**

(All amounts are in ₹ Lakh unless otherwise stated)

39. During the quarter ended 31 March 2017 the holding company has revised the terms of the existing term loan of Rs. 1930 lakhs and Inter Corporate Deposits (ICDs) of Rs. 2100 lakhs and appropriately adjusted per Ind AS. Accordingly the Company's networth is positive based on financials under Ind AS. The Company has also achieved positive cash flow during two years and the projections for cash flow for next 3 years are also positive. Hence there is reasonable certainty that the Company will have sufficient future taxable income to recover the deferred tax asset arising out of unabsorbed depreciation and carry forward losses. Accordingly, the Company has accounted deferred tax assets of ₹ 2164.76 Lakhs (Previous Year ₹ NIL) during the quarter and financial year ended 31 March 2017. Based on the above, the "emphasis of matter" coming from earlier periods in the Auditors' Report has been deleted.

40. Since the tenure of loan as per the revised condition is for finite period the loan will classify as financial liabilities. As per IND AS 109 and IND AS-32 the value of the loan is to be recorded at the present value as on the balance sheet date. Accordingly the present value of the debt will be recorded as financial liabilities and the difference between the current carrying value booked on and the present value of the loan will be regarded as Other Equity in the books. The Present Value of the liability is calculated using the discount rate of 16%, being interest rate charged for a similar loan to the Company. Present value of the Principal Loan Rs 4030.39 Lakhs payable at the end of the 20th year - Liability component (Debt) :

Present value of the Principal Loan ₹ 4030.39 Lakhs payable at the end of the 20th year - Equity components : ₹ 3823.29 Lakhs

Total value : ₹ 4030.39 Lakhs

41. Provision for current tax is not made in lieu of carry forward losses. The Company has been advised that since it continues to have negative networth for computation of income tax, and therefore in line with erstwhile BIFR order dt 20.06.2013 the provision in respect of MAT u/s 115JB of Income Tax Act, 1961 is not applicable and hence the same is not provided.

**42. DISCLOSURE OF SPECIFIED BANK NOTES (SBNS)**

During the year, the Company had specified bank notes or other denomination note as defined in the MCA notification G.S.R. 308(E) dated March 31, 2017 on the details of Specified Bank Notes (SBN) held and transacted during the period from November 8, 2016 to December, 30 2016, the denomination wise SBNs and other notes as per the notification is given below:

Particulars	SBNs	Other	Total
	(₹ Lakhs)	Denomination notes (₹ Lakhs)	(₹ Lakhs)
Closing Cash in hand as on 08.11.2016	0.04	1.61	1.65
Add: Permitted receipts	-	9.83	9.83
Less: Permitted Payments	-	8.01	8.01
Less: Deposits / Exchange	0.04	-	0.04
Closing Balance as on 30.12.2016	-	3.44	3.44

**43. 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:

The principal amount and the interest due thereon remaining unpaid to any supplier as at the end of accounting year:

Sr. Nos.	Particulars	31 <sup>st</sup> March 2017 (₹ Lakh)	31 <sup>st</sup> March 2016 (₹ Lakh)
i	Principal amount remaining unpaid	6.93	26.67
ii	Interest accrued, due and remained unpaid thereon	34.13	31.79
iii	Payment made to suppliers (other than interest) beyond the appointed day during the Quarter / year	0.34	22.00
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
vii	interest accrued and remaining unpaid at the end of the quarter / year to suppliers under the MSMED Act	34.13	31.79

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)**

(All amounts are in ₹ Lakh unless otherwise stated)

- 44 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 for the year.
- 44 b. Trade receivables for the year include retention of ₹ 186.38 Lakhs (Previous Year ₹ 190.77 Lakhs) receivable on completion of projects.
- 44 c. Balance outstanding against Trade Receivable and Trade Payable (including debit balances), at the end of the year are subject to reconciliation and confirmation with respective parties. Provision of ₹ NIL for doubtful debts is made during the year.
45. **Details of earning and expenditure in foreign currency:**

PARTICULARS	31 <sup>st</sup> March 2017 (₹ Lakh)	31 <sup>st</sup> March 2016 (₹ Lakh)
Earning in foreign exchange (Amount expended in equivalent Indian rupees)	2,852.88	3,541.67
Expenditure in foreign currency (Amount expended in equivalent Indian rupees)	2,536.18	3,272.53

46. The net Loss on account of exchange rate difference for the year ended 31 March 2017 amounting to ₹ 44.92 lakhs (Previous Year ₹ 28.74 Lakh)) has been accounted in the Statement of Profit and Loss in compliance with Ind AS -21.
47. **Legal and Professional Fees include Auditors' Remuneration as below:**

Nature of Services	31 <sup>st</sup> March 2017 (₹ Lakh)	31 <sup>st</sup> March 2016 (₹ Lakh)
Audit fees	8.00	7.00
Tax Audit fees	3.00	1.25
Taxation /certification matters	2.85	3.04
Reimbursement of expenses	0.98	0.61
Service Tax*	1.95	1.61
<b>Total</b>	<b>16.78</b>	<b>13.51</b>

48. The Company has not contributed any amount towards Corporate Social Responsibility (CSR) during the year ended 31 March 2017 (Previous Year NIL) in term of Section 135 of Companies Act, 2013 in the absence of eligible profits.
49. 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.
50. **FINANCIAL GAIN DUE TO GUARANTEE BY HOLDING COMPANY :**

The Company has received loan at concessional interest rate owing to corporate guarantee provided by the Holding Company. During the year the gain in interest is of ₹ 313.50 Lakhs (Previous Year ₹ 149.35 Lakh (Net)) and is charged to Other Equity and prepaid assets. Further, the interest rate gain of ₹ 116.37 Lakhs (Previous Year ₹ 102.09 Lakhs) charged to the statement of Profit & Loss under head Finance cost.

**51. FINANCIAL RISK**

The Company's activities exposes it a variety of financial risks: market risk, credit risk and liquidity risk.

The Company's primary focus is to foresee unpredictability of financial markets and seek to minimise potential adverse effects on its financial performance.

The primary market risk to the Company is foreign exchange risk.

The Company's exposure to credit risk is minimal due to major business being with its holding company - Tata Projects Limited

**Market Risk**

The Company at present operates internationally in UAE & Kuwait. The Company's business is transacted in AED / KWD.

The Company is exposed to foreign exchange risk net of sales, services supply and employees cost incurred in AED / KWD

Since the Company's net exposure in foreign exchange is not significant, the Company has not opted for derivative financial instruments to mitigate foreign exchange related risk exposures.

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)**

The following tables analyzes foreign currency risk from financial instrument as at 31st March 2017.

	Year ended 31 March 17		Year ended 31 March 16	
	AED (United Arab Emirates Dirham)	KWD (Kuwait Dinar)	AED (United Arab Emirates Dirham)	KWD (Kuwait Dinar)
Cash and Cash equivalents	734,103.82	166.35	1,869,229.71	166.53
Trade Receivables	2,053,557.04		3,334,280.64	-
Other Financial Assets (Including loans)	175,968.00		659,806.03	73.78
Trade Payables	(1,247,783.36)	(9,707.22)	(2,827,659.94)	(9,953.27)
Other Financial Liabilities			-	-
Net Assets /(Liabilities)	1,715,845.50	(9,540.87)	3,035,656.44	(9,712.96)

Impact of 1% increase or decrease in exchange rate between Indian Rupees and AED can affect the Company's incremental operating margin (EBDITA) by 0.17%.

**Credit Risk**

Credit risk refers to the risk of default on its obligation by the counterparty resulting in a financial loss.

The Maximum exposure to the credit risk at the reporting date is primarily from the trade receivables amounting to ₹ 2897.99 Lakhs (Previous Year ₹ 6299.82 Lakhs) and unbilled revenue ₹ 748.54 Lakhs (Previous Year ₹ 171.60 Lakhs).

Trade receivable and unbilled revenue are typically unsecured.

The Company has provisioning policy to compute the Expected Credit Loss (ECL). The Company has made provision for all the receivables under dispute. (Refer Note 59).

The Company has major business with holding company Tata Projects Limited, hence the credit risk is very minimal.

The following table given details in respect of percentage of revenue generated from top customer and top five customers :

Nature of Services	2016 - 17	2015 - 16
Revenue from top customer	94.80%	89.10%
Revenue next top five customers	4.74%	9.83%

Credit risk on cash and cash equivalent is limited due to non availability of surplus cash.

The Company does not have any investment.

**Liquid Risk**

The Company's principal source of liquidity is cash and cash equivalents and the cash flow generated from operations.

The Company's working capital being negative may face liquidity risk.

The table below provides details regarding contractual maturities of financial liabilities as at 31 March 2017.

(All amounts are in ₹ Lakh unless otherwise stated)

Particulars	Less than 1 year	1-2 years	2-4 years	Total
Trade Payables	3,835.92	-	-	3,835.92

52. Amount of contracts to be executed on capital account, not provided for - ₹ 16.87 Lakhs (Previous year NIL).

**53. CONTINGENT LIABILITIES**

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>Contingent Liabilities</b>		
a) Commercial Tax	67.70	174.88
b) Income Tax	-	535.35
c) Bank Guarantee/ Corporate Guarantee issue to Customer, supplier, Govt. agencies	2,561.88	1,699.40
d) Third party claim from disputes relating to contracts	2,055.85	1,157.78
	<b>4,685.43</b>	<b>3,567.41</b>

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)

### 54. CONTINGENT ASSETS

(All amounts are in ₹ Lakh unless otherwise stated)

	31 <sup>st</sup> March 2017	31 <sup>st</sup> March 2016
<b>Contingent Assets</b>		
Claim lodged against third on disputes relating to contracts	582.73	NIL
	582.73	NIL

55. The Company has appointed a Manager w.e.f. 2nd May 2017 in compliance with the provisions of Section 203 of the Companies Act, 2013.

### 56.1 Effect of Ind AS adoption on the Balance Sheet as at 31st March 2016.

	Notes	As at 31 <sup>st</sup> March 2016		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
<b>Current Assets</b>	1	9,103.37	581.52	9,684.89
<b>Equity</b>		369.20	-	369.20
Other Equity - Financial benefit due to guarantee issued by the Holding Company - TATA Projects Ltd.	1	(6,670.95)	78.74	(6,592.22)
<b>Total Equity and Liabilities</b>		<b>(6,301.75)</b>	78.74	<b>(6,223.01)</b>

### 56.2 Reconciliation of total equity as at 31st March 2016

	Note	As at 31st March 2016
<b>Total equity (shareholders funds ) under Previous GAAP</b>		(6,301.75)
Financial Benefit due to guarantee issued by holding co-Tata Projects Limited	1	177.82
Finance Costs recognized under Ind AS due to corporate guarantee by holding Company		99.07
<b>Total adjustment to equity</b>		276.89
<b>Total equity under Ind AS</b>		<b>(6,024.86)</b>

### 56.3 Effect of Ind AS Adoption on the Statement of Profit and Loss for the year ended 31st March 2016

	Notes	Year ended 31 <sup>st</sup> March 2016		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
<b>Total Income (A)</b>		11,371.34	639.18	12,010.52
<b>Revenue &amp; Other Income</b>		11,371.34	639.18	12,010.52
<b>Total</b>		11,371.34	639.18	12,010.52
<b>Total expenses (B)</b>		11,102.83	738.25	11,841.08
Excise duty on sales	2	-	639.18	639.18
Employee benefits expenses	3	660.50	-	660.50
Financial cost amortized	4	269.29	99.07	368.36
Other expenses		10,173.04	-	10,173.04
<b>Profit before tax (A-B)</b>		268.51	(99.07)	169.44
Tax expense				
(1) Current tax		-	-	-
(2) Deferred tax		-	-	-
<b>Profit for the year from continuing operations</b>		268.51	(99.07)	169.44
Profit from discontinued operations before tax		-	-	-
Tax expense of discontinued operations		-	-	-
<b>Profit from discontinued operations (after tax)</b>		-	-	-
Share of minority interests (previous GAAP)		-	-	-
<b>Profit for the period</b>		<b>268.51</b>	<b>(99.07)</b>	<b>169.44</b>

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)**

(All amounts are in ₹ Lakh unless otherwise stated)

	Notes	Year ended 31 <sup>st</sup> March 2016		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
<b>Other comprehensive income</b>				
Items that will not be reclassified to profit or loss				
Actuarial Gain/(loss) to defined benefit plan	3	-	16.94	16.94
<b>Total comprehensive income for the year</b>		-	16.94	16.94

**56.4 Reconciliation of total comprehensive income for the year ended 31<sup>st</sup> March 2016**

	Notes	-
<b>Profit as per previous GAAP</b>		268.51
Adjustments :		(99.07)
specify		
<b>Total effect of transition to Ind AS</b>		(99.07)
<b>Profit for the year as per Ind AS</b>		169.44
Other comprehensive income for the year (net of tax)		16.94
<b>Total comprehensive income under Ind AS</b>		186.38

**56.5 Effect of Ind AS adoption on the statement of cash flows for the year ended 31<sup>st</sup> March 2016**

	Notes	As at 31 <sup>st</sup> March 2016		
		Previous GAAP	Effect of Transition to Ind AS	As per Ind AS balance sheet
Net Cash flows from operating activities		1,185.67	(96.52)	1,089.15
Net Cash flows from investing activities		(28.41)	-	(28.41)
Net Cash flows from financing activities		(442.77)	-	(442.77)
<b>Net Increase (decrease) in cash and cash equivalents</b>		714.49	(96.52)	617.97
<b>Cash and Cash equivalents at the beginning of the year</b>		116.28	10.54	126.82
Effects of exchange rate changes on the balance of cash held in foreign currencies		-	-	-
<b>Cash and Cash equivalents at the end of the year</b>		830.77	(85.99)	744.78

**56.6 Analysis of cash and cash equivalents as at 31<sup>st</sup> March 2016 and for the purposes of statement of cash flow under Ind AS**

	Notes	As at 31 <sup>st</sup> March 2016
Cash and Cash equivalents for the purposes of statement of cash flows as per previous GAAP		830.76
Bank Overdrafts		(85.98)
<b>Cash and Cash equivalents for the purpose of statement of cash flows under Ind AS</b>		744.78

**Notes**

The Company has received loan at concessional interest rate due to the Corporate Guarantee given by the Holding Company. The gain in interest rate ₹ 91.15 Lakhs charges to Other Equity and amortized during the year. Further, the interest rate gain of ₹ 86.67 Lakhs transferred in Other Equity out of which ₹ 7.92 Lakhs debited to Reserve and Surplus and ₹ 78.75 Lakhs to current Assets as at 31 March 2016.

Excise Duty of ₹ 639.18 Lakh on account of sale of goods have been included in Revenue and it same have been shown in separately in expenditure.

Both under Indian GAAP and Ind AS, the Company recognized cost related to its past employment define benefit plan on an actuarial basis. Under Indian GAAP, the entire cost, including actuarial gain and losses were charged to the Statement of Profit and Loss. Under Ind As, re-measurement of actuarial gain and losses is recognized in Balance Sheet through Other Comprehensive Income (OCI) and interest cost under the head Finance cost, thus employee benefit Expenses increased by ₹ 16.94 Lakh and is recognized by Other Comprehensive Income (OCI) during the year ended 31 March 2016.

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)**

(All amounts are in ₹ Lakh unless otherwise stated)

The gain in interest of ₹ 99.07 Lakhs due to corporate guarantee by holding company is charged to Finance cost during the year. Further, the interest cost of employee benefit of ₹ 4.35 Lakhs charged to Finance cost.

**57. Reconciliation of Balance Sheet as per Previous GAAP and as per Ind\_AS as at 1st April 2015**

<b>ASSETS</b>	1 <sup>st</sup> April 2015 Previous GAAP	1 <sup>st</sup> April 2015 IND_AS adjustment	1 <sup>st</sup> April 2015 IND_AS
<b>Non-current assets</b>			
(a) Property, plant and equipment	674.39	(2.89)	671.50
(b) Capital work-in-progress	-	-	-
(c) Investment property	-	-	-
(d) Goodwill	-	-	-
(b) Intangible assets	2.64	-	2.64
(f) Intangible assets under development	-	-	-
(g) Biological assets other than bearer plants	-	-	-
(c) Financial Assets	-	-	-
(i) Investments	-	-	-
a) Investments in Associates	-	-	-
Investments in Joint Ventures	-	-	-
b)	-	-	-
c) Other Investments	-	-	-
(ii) Trade receivables	270.42	-	270.42
(iii) Loans	-	-	-
(iv) Finance lease receivables	-	-	-
(i) Other financial assets	57.44	-	57.44
(i) Deferred tax assets (net)	-	-	-
(d) Other non-current assets	1,311.52	(446.69)	864.83
<b>Total non-current assets</b>	<b>2,316.41</b>	<b>(449.58)</b>	<b>1,866.83</b>
<b>Current assets</b>			
(a) Inventories	1,942.59	-	1,942.59
(b) Financial Assets	-	-	-
(i) Investments	-	-	-
(ii) Trade receivables	1,599.87	-	1,599.87
(iii) Cash and cash equivalents	116.28	-	116.28
(iv) Bank balances other than	-	-	-
(v) Loans	-	-	-
(vi) Finance lease receivables	-	-	-
(iv) Other financial assets	64.43	-	64.43
(c) Current tax assets (Net)	-	449.58	449.58
(d) Other current assets	388.72	60.03	448.75
<b>Total current assets</b>	<b>4,111.89</b>	<b>509.61</b>	<b>4,621.50</b>
Assets classified as held for sale			
	<b>4,111.89</b>	<b>509.61</b>	<b>4,621.50</b>
<b>Total assets</b>	<b>6,428.30</b>	<b>60.03</b>	<b>6,488.33</b>



**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>st</sup> MARCH 2017 (Contd.)**

<b>EQUITY &amp; LIABILITIES</b>	1 <sup>st</sup> April 2015 Previous GAAP	1 <sup>st</sup> April 2015 IND_AS adjustment	1 <sup>st</sup> April 2015 IND_AS
<b>Equity</b>			
(a) Equity Share Capital	369.20	-	369.20
(b) Convertible non-participating preference share capital	-	-	-
(b) Other Equity	(6,956.42)	60.03	(6,896.39)
<b>Equity attributable to owners of the Company</b>	<b>(6,587.22)</b>	<b>60.03</b>	<b>(6,527.19)</b>
Non-controlling interests	-	-	-
<b>Total Equity</b>	<b>(6,587.22)</b>	<b>60.03</b>	<b>(6,527.19)</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	4,030.39	-	4,030.39
(ii) Trade Payables	-	-	-
(ii) Other financial liabilities	148.16	-	148.16
(b) Provisions	26.84	-	26.84
(c) Deferred tax liabilities (net)	-	-	-
(c) Other non-current liabilities	-	-	-
<b>Total non-current liabilities</b>	<b>4,205.39</b>	<b>-</b>	<b>4,205.39</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	2,089.46	-	2,089.46
(ii) Trade payables	2,628.01	-	2,628.01
(iii) Other financial liabilities	2,149.72	-	2,149.72
(b) Provisions	21.58	-	21.58
(c) Current tax liabilities (net)	-	-	-
(c) Other current liabilities	1,921.37	-	1,921.37
<b>Total current liabilities</b>	<b>8,810.14</b>	<b>-</b>	<b>8,810.14</b>
Liabilities directly associated with assets classified as held for sale			
	8,810.14	-	8,810.14
<b>Total Liabilities</b>	<b>13,015.53</b>	<b>-</b>	<b>13,015.53</b>
<b>Total Equity And Liabilities</b>	<b>6,428.31</b>	<b>60.03</b>	<b>6,488.34</b>

**Notes**

58. The Company has received loan at concessional interest rate due to the Corporate Guarantee given by the Holding Company. The gain in interest rate ₹ 94.17 Lakhs charges to Other Equity out of which ₹ 34.14 Lakhs debited to Reserve and Surplus and ₹ 60.03 Lakhs to current Assets as at 1 April 2015.
59. Provision on financial assets is calculated as per expected credit loss method (ECL) as per IND\_AS. ECL is calculated on the basis of average provision of doubtful debt on turnover of the preceeding 4 years. Such average % is moderated to align with current and future business, customers and risk profile. The provision so determined amount to ₹ 36.80 Lakhs where as the provision outstanding in the books of account is ₹ 1061.81 Lakhs. As there is adequate provision pre-existing in the books, it is proposed not to make additional provision for the year. Further, it is also proposed to continue the same till the provision under IND\_AS exceeds the pre-existing provision in the books.
60. Previous year's figures have been regrouped and restated wherever necessary to make their classification comparable with that of the current year. Figures of year 01 April 2015 under IND AS is unaudited. Figures of 31 March 2016 under IND AS is approved by Board of Directors as on 21 January 2017 and same is not approved by shareholders.

As per our report of even date

For and on behalf of the Board of Directors

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

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827

**Nalin M. Shah**  
Director  
DIN: 00882723

**Raghav Mohta**  
Partner  
Membership No. 426718

**Nikhil Naniwadekar**  
Manager

**Rajesh Mandale**  
Chief Financial Officer

**Deepak Tibrewal**  
Company Secretary

Place : Mumbai  
Date : 2<sup>nd</sup> May 2017

Place : Mumbai  
Date : 2<sup>nd</sup> May 2017



# Artson Engineering Limited

(A subsidiary of Tata Projects Limited)

CIN: L27290MH1978PLC020644

Registered Office: 11<sup>th</sup> Floor, Hiranandani Knowledge Park, Technology Street, Powai, Mumbai – 400076, Maharashtra

Tel No. 022-66255600; Fax: 022-66255614; Email: investors@artson.net; Website: www.artson.net

## SHAREHOLDERS DETAILS UPDATION FORM

To

**Link Intime (India) Private Limited,**

(Unit: Artson Engineering Limited)

C 101, 247 Park, L B S Marg, Vikhroli West,

Mumbai 400083, Maharashtra

Tel No: +91 22 4918 6000; Fax: +91 22 49186060

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

I /We hereby request you to record/ update the following details against my/ our folio No.:

<b>Name of the Sole/ First Named shareholder</b>	:	
<b>Folio No.</b>	:	
<b>Full Address (with pin code)</b>	:	
<b>CIN / Registration Number:*</b> (applicable to corporate shareholders)	:	
<b>E-mail Id (to be registered)</b>	:	
<b>PAN No. *</b> (of the sole/ first named shareholder)	:	
<b>Phone / Mobile Number</b>	:	

\*self-attested copy of the document enclosed

### Bank Details:

<b>IFSC</b>	:	
<b>MICR</b>	:	
<b>Bank A/c type</b>	:	
<b>Bank Account No. @</b>	:	
<b>Name of the Bank</b>	:	
<b>Name of the Branch</b>	:	
<b>Bank Branch Address</b>	:	

@ A blank cancelled cheque is enclosed to enable verification of bank details

I/ We hereby declare that the particulars given above are correct and complete. If the transaction is delayed because of incomplete information, I / we would not hold the Company / RTA responsible. I /We undertake to inform any subsequent changes in the above particulars as and when the changes take place. I / We understand that the above details shall be maintained till I / we hold the securities under the above mentioned Folio No. / Beneficiary account.

Place :

Date :

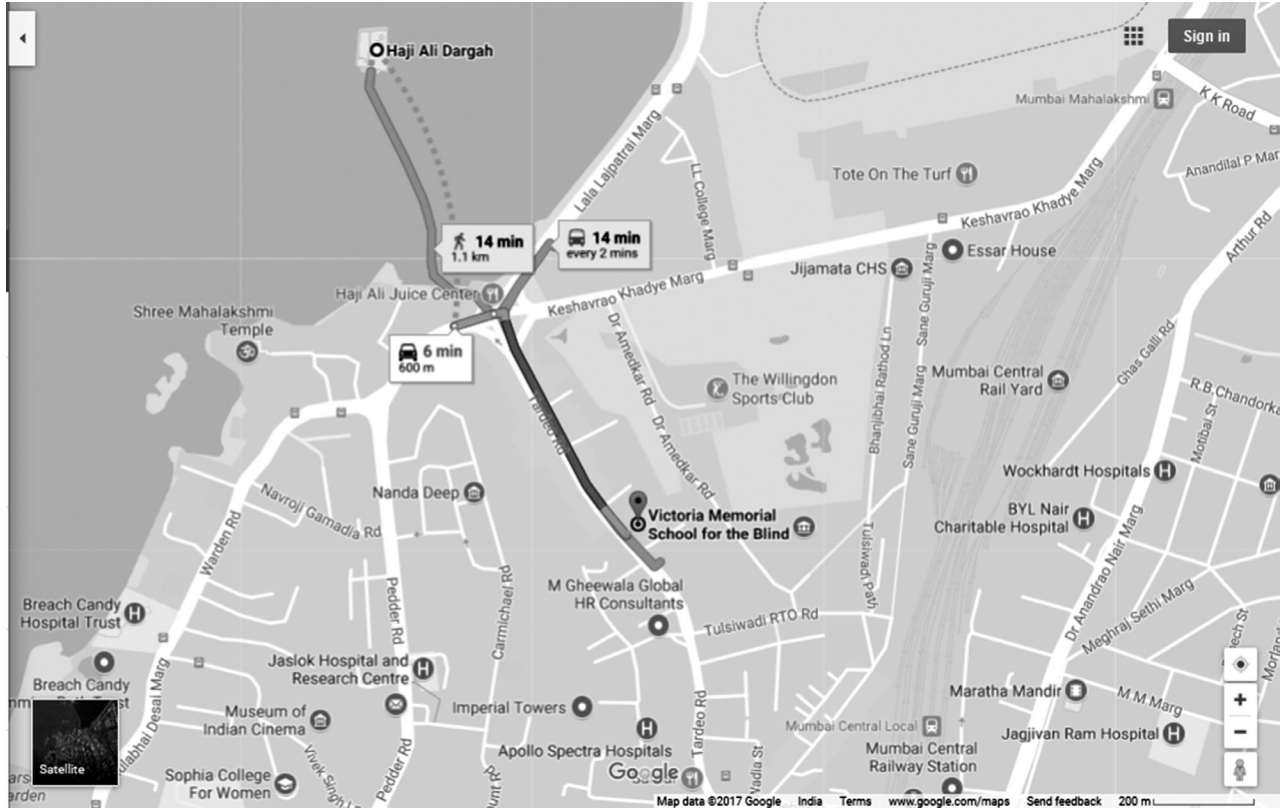
.....  
Signature of Sole/ First Shareholder

## Route Map for the Venue of Annual General Meeting

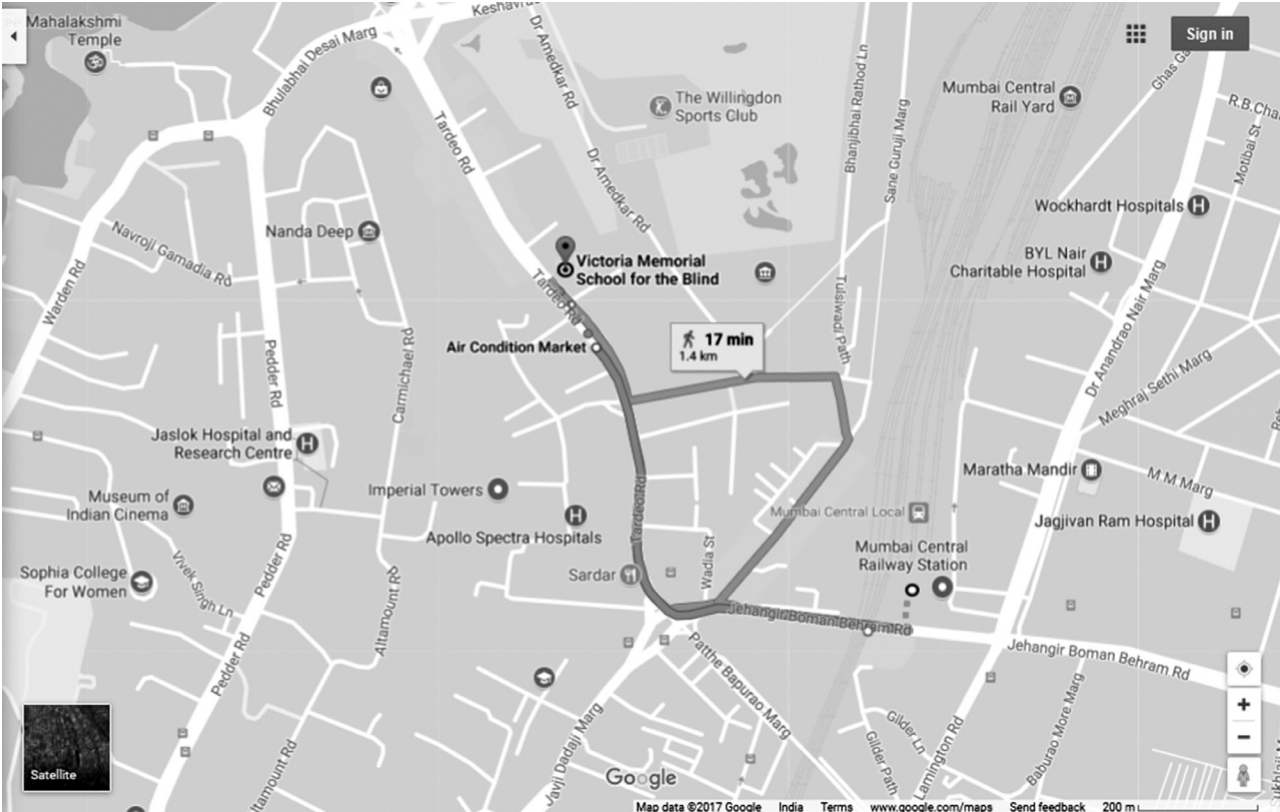
[Map not to scale]

**Venue:** Seminar Hall, Victoria Memorial School for the Blind, Opp. Tardeo AC Market, 73, Tardeo Road, Mumbai - 400034, Maharashtra.

### From HAJI ALI



### From MUMBAI CENTRAL





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### ATTENDANCE SLIP

(To be presented at the entrance of the AGM venue)

I hereby record my presence at the 38<sup>th</sup> Annual General Meeting of the Company at 03:00 p.m. on Thursday, 21<sup>st</sup> September, 2017 at Seminar Hall, The Victoria Memorial School for the Blind, Opp. 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 38<sup>th</sup> 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

Notes:

The Members attending the meeting in person or in Proxy are requested to complete the attendance slip in all respect and hand it over at the entrance of the AGM Venue.

- Please refer to the instructions printed under the notes to the Notice convening the 38<sup>th</sup> Annual general Meeting of the Company.
- The e-voting period commences from the Monday, 18<sup>th</sup> Day of September 2017 (09:00 a.m. IST) and shall remain open until the Wednesday, 20<sup>th</sup> Day of September, 2017 (05:00 p.m. IST).
- The e-voting module shall be disabled by the NSDL at 05:00 p.m. IST, on Wednesday, 20<sup>th</sup> Day of September 2017, and Members shall not be allowed to vote through remote e-voting thereafter.



## Artson Engineering Limited

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### PROXY FORM

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

- Name of the Shareholder(s) :
- Registered Address :
- E-mail Id :
- Folio No. / Client Id : DP Id

I/ We being the member of M/s. Artson Engineering Limited, and holding shares, hereby appoint:

1.	Name	:	
	Address	:	
	E-mail Id	:	
	Signature	:	or failing him / her
2.	Name	:	
	Address	:	
	E-mail Id	:	
	Signature	:	or failing him / her
3.	Name	:	
	Address	:	
	E-mail Id	:	
	Signature	:	

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 38<sup>th</sup> Annual General Meeting of members of the Company, to be held on Thursday, the 21<sup>st</sup> Day of September 2017 at 03:00 p.m. at Seminar Hall, The Victoria Memorial School for the Blind, Opp. Tardeo AC Market, 73, Tardeo Road, Mumbai – 400034, and at any adjournment thereof in respect of such resolutions as are indicated below:

Item No.	Description of Resolution	No. of Shares for which voting cast for	(FOR) I/we assent to the Resolution	(AGAINST) I/we dissent to the Resolution
<b>Ordinary Business:</b>				
1.	Adoption of the audited financial statements of the Company for the financial year ended 31 <sup>st</sup> March 2017, together with the Reports of the Board of Directors and the Auditor thereon.			
2.	Re-appointment of Mr. Pralhad Pawar (DIN: 06557071), who retires by rotation and, being eligible, offers himself for re-appointment.			
3.	Appointment of Price Waterhouse & Co. LLP, Chartered Accountants, (PWC) as the Statutory Auditors of the Company			
<b>Special Business:</b>				
4.	Ratification of remuneration paid to the Cost Auditors for the financial year 2016-17			
5.	Ratification of remuneration payable to the Cost Auditors for the financial year 2017-18			
6.	Enhancement of Borrowing powers			
7.	Creation of Charge/ Security			
8.	Appointment of Mr. Nikhil Naniwadekar as the Manager of the Company			

Signed this ..... of September 2017

\_\_\_\_\_  
Signature of the Shareholder

Affix ₹ 1/- Revenue Stamp
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\_\_\_\_\_  
Signature of the Proxy Holder

**Note :** This form of proxy 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.



# NOTES

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# **Artson Engineering Limited**

**(A subsidiary of Tata Projects Limited)**

CIN: L27290MH1978PLC020644

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**Tel No.** 022-66255600; **Email:** investors@artson.net; **Website:** www.artson.net

