



# ARTSON ENGINEERING LIMITED

(A subsidiary of Tata Projects Limited)



**39<sup>th</sup> ANNUAL REPORT**  
**2017-18**

## BOARD OF DIRECTORS



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



**Michael Bastian**  
Independent Director



**Nalin M Shah**  
Independent Director



**Pralhad Pawar**  
Non-Executive Director



**Leja Hattiangadi**  
Independent Director

---

---

## KEY MANAGERIAL PERSONNEL

<b>Chief Operating Officer &amp; Manager</b>	:	Saket Mathur (w.e.f. 1 <sup>st</sup> January 2018) Nikhil Naniwadekar (till 31 <sup>st</sup> December 2017)
<b>Chief Financial Officer</b>	:	S. Balaji
<b>Company Secretary</b>	:	Deepak Tibrewal



## Artson Engineering Limited

CIN: L27290MH1978PLC020644

(A subsidiary of Tata Projects Limited)

Registered Office: 2<sup>nd</sup> Floor, Transocean House, Lake Boulevard Road, Hiranandani Business Park, Powai,  
Mumbai - 400076, Maharashtra.

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 - 400083 Tel No: +91 22 4918 6000 Fax: +91 22 4918 6060
<b>Bankers</b>	: Axis Bank Corporation Bank IndusInd Bank
<b>Statutory Auditors</b>	: Price Waterhouse & Co. Chartered Accountants, LLP (FRN-304026E/E300009)
<b>Internal Auditors</b>	: Ernst & Young, LLP (AAB-4343)
<b>Secretarial Auditors</b>	: MKS & Associates, Company Secretaries (FRN-S2017TL460500)
<b>Cost Auditors</b>	: Sagar & Associates, Cost Accountants (FRN-000118)
<b>Registered Office</b>	: 2 <sup>nd</sup> Floor, Transocean House, Lake Boulevard Road, Hiranandani Business Park, 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 6601 8165
<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

<b>CONTENTS</b>		<b>Page No.</b>
Notice of AGM		2
Director Report		13
Annexures to Directors Report		20
Independent Auditors Report		38
Balance Sheet		44
Profit and Loss Account		45
Cash Flow Statement		46
Notes to Financial Statements		48
Shareholders Details Updation Form		77
Route Map to the venue of AGM		78
Attendance Slip and Proxy Form		79

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

Date	: Tuesday, 17 <sup>th</sup> July 2018
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 39<sup>th</sup> ANNUAL GENERAL MEETING**

**NOTICE** is hereby given that the 39<sup>th</sup> Annual General Meeting (AGM) of the members of Artson Engineering Limited (‘the Company’) will be held on Tuesday, the 17<sup>th</sup> Day of July 2018 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 2018 together with the Reports of the Board of Directors and the Auditors thereon.
2. To appoint a Director in place of Mr. Vinayak K Deshpande (DIN: 00036827), who retires by rotation and, being eligible, offers himself for re-appointment.
3. **Ratification of appointment of Statutory Auditors**

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

“RESOLVED THAT pursuant to the provisions of Section 139 and other applicable provisions, if any, of the Companies Act, 2013 (“Act”) (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014 as amended from time to time, the Company hereby ratifies the appointment of Price Waterhouse & Co. Chartered Accountants, LLP (PWC) (Firm Registration Number - 304026E/E-300009), as the Statutory Auditors of the Company to hold office from the conclusion of this 39<sup>th</sup> Annual General Meeting (AGM) till the conclusion of the Forty (40<sup>th</sup>) AGM of the Company, to be held in the year 2019, at such remuneration as maybe mutually agreed between the Board of Directors of the Company and PWC.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

**Special Business:**

4. **Ratification of remuneration payable to the Cost Auditors for the financial year 2018-19**

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 (including any statutory modification or re-enactment thereof for the time being in force) and the Companies (Audit and Auditors) Rules, 2014, as amended from time to time, the Company hereby ratifies the remuneration of ₹ 1,00,000/- (Rupees One Lakh), plus applicable taxes and other out-of-pocket expenses incurred in connection with the audit, payable to M/s. Sagar & Associates, Cost Accountants (Firm Registration No. 000118), appointed as Cost Auditors of the Company to conduct the audit of cost records maintained by the Company for the financial year 2018-19.

RESOLVED FURTHER THAT the Board of Directors (including any Committee thereof) be and is hereby authorised to take all such steps as may be necessary, proper and expedient to give effect to this Resolution.”

5. **Appointment of Mr. Saket Mathur 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, 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. Saket Mathur, Chief Operating Officer (COO) as Manager of the Company of the Company with effect from 1<sup>st</sup> January 2018, for a period of Three (3) years, at existing terms and conditions and at such remuneration as detailed in the explanatory statement attached hereto, being minimum remuneration to be paid even in the event of loss or inadequacy of profits.

RESOLVED FURTHER THAT Mr. Saket Mathur shall continue to hold the office as COO of the Company and be designated as the Manager & COO.

RESOLVED FURTHER THAT any of the Directors of the Company and 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.”

**6. To enter into Related Party Transactions with Tata Projects Limited under Section 188 of the Companies Act, 2013, read with Companies (Meeting of the Board and its Powers) Rules, 2014**

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

“RESOLVED THAT in suppression to the earlier resolution passed at the 37<sup>th</sup> Annual General Meeting held on 16<sup>th</sup> August 2016 and pursuant to the provisions of Section 188 of the Companies Act, 2013 read with Companies (Meeting of the Board and its Powers) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force, consent of the Company be and is hereby accorded to the Board of Directors, to enter into contracts / arrangements / transactions with Tata Projects Limited (TPL), the Company’s Holding Company and a ‘Related Party’ as defined under Section 2 (76) of the Companies Act, 2013, in manner and for the maximum amounts per annum, as mentioned below:

S. No.	Category	Amount (per annum)
1	Sale, purchase or supply of any goods or materials, directly or through appointment of agents and/ or Availing or rendering of any services, directly or through appointment of agents	₹ 500 Crore
2	Rent/ Leasing of property of any kind	₹ 20 Crore
<b>Total</b>		<b>₹ 520 Crore</b>

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

**7. Determining the fees for delivery document through a particular mode of delivery to a member**

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

“RESOLVED THAT pursuant to the provisions of section 20 and other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and the relevant Rules prescribed thereunder, the Company may, upon receipt of a request from a member for delivery of any document through a particular mode, levy an amount, approximate of the actual expense as may be incurred by the Company, by way of fees for sending the document in the particular desired mode.

RESOLVED FURTHER THAT the estimated fees for delivery of the document shall be paid by the member as advance prior to the dispatch of such document.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Key Managerial Personnel (KMP) as defined under section 2(51) of the Companies Act, 2013) of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper, desirable or expedient and to settle any question, difficulty, or doubt that may arise in respect of the matter aforesaid, including determination of the estimated fees for delivery of the document to be paid by the member in advance.”

**NOTES:**

- 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 enclosed along with the Notice of AGM.
- An explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 (“Act”), relating to the special businesses to be transacted at the AGM is enclosed.
- The details of the Director proposed to be re-appointed is enclosed. The details under Regulation 36(3) of the Securities and Exchange Board of India (Listing Obligation and Disclosure Requirement) Regulations, 2015 (Listing Regulations) in respect of the Director offering himself for re-appointment at the AGM forms integral part of this Annual Report. The Director has furnished the requisite declarations for his re-appointment.

4. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, 11<sup>th</sup> July 2018 to Tuesday, 17<sup>th</sup> July 2018 (both days inclusive).
5. Members are advised to avail nomination facility as per the Section 72 of the Act. 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 Company’s Registrars and Transfer Agents (RTA) or can be downloaded from the Company’s website i.e., [www.artson.net](http://www.artson.net). Members holding shares in physical form are requested to submit the forms to the Company’s 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 passed by its Board of Directors or other governing body, authorize its representative to act on behalf of such body corporate. Accordingly, the body corporate are required to send the certified true copy of Resolution to the Company Secretary of the Company or the Authorised representative will be required to produce the same at the venue of Meeting.
7. Shareholders are requested to address all communications relating to the shares and related matters to the Company’s RTA at the address 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 4918 6060

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

- (a) The Ministry of Corporate Affairs (MCA), Government of India (GOI) 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 GOI in full, Members who have not registered their e-mail address so far, are requested to register their e-mail address, in respect of electronic holdings with the Depository through their concerned Depository Participants (DP). Members holding shares in dematerialized form requiring to update their e-mail addresses may do so by submitting the Shareholders details updation form enclosed with 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 DP. Changes intimated to the DP will then be automatically reflected in the Company’s records which will help the Company and its RTA, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the RTA.
- (c) Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or its 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 making requisite changes thereon.
- (d) Members holding shares in physical form are requested to convert their holding in to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or its RTA for any assistance in this regard.**
- (e) “Shareholders information booklet” as disseminated on the website of the Company i.e., [www.artson.net](http://www.artson.net) may be referred for further details.
8. The Company has paid the listing fees for the financial year 2018-19 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 Seven (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.
  - (c) Bring their DP ID and Client ID numbers for easy identification / attendance. (Who hold shares in dematerialized form).
  - (d) Update their e-mail address with the Company / RTA for prompt communication.
  - (e) Quote Regd. Folio Number/ DP and Client ID number in all correspondence with the Company/ RTA.

10. Pursuant to the applicable provisions of the Act and the Rules made thereunder, the 39<sup>th</sup> Annual Report of the Company, including the notice convening 39<sup>th</sup> AGM, is being sent in electronic form to the email addresses as per the Company's records and as made available by the RTA/ depositories.
11. The soft copy of the 39<sup>th</sup> Annual Report is made available in an easily navigable manner on the Company's website i.e., [www.artson.net](http://www.artson.net).
12. The members who still intend to receive the copies of the notice and other documents in physical form are requested to write to the Company Secretary at the Company's Registered Office address or send an email to [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in) / [investors@artson.net](mailto:investors@artson.net) 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 Act, 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 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 venue of AGM and the members attending the meeting, who have not cast their vote by remote e-voting will be able to exercise their right at the meeting through the 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 Friday, 13<sup>th</sup> July 2018 (9:00 am) and ends on Monday, 16<sup>th</sup> July 2018 (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 of 10<sup>th</sup> July 2018, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member will not be allowed to change it subsequently.
- V. **The process and manner of e-voting is as under:**

**A. Instructions to login to NSDL e-Voting portal**

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
3. A new screen will open. You will have to enter your User ID, your Password and a Verification Code as shown on the screen.

Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the Company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Your password details are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need enter the 'initial password' and the system will force you to change your password.
  - c) To retrieve your initial password:
    - i. If your email ID is registered in your demat account or with the Company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e., a.pdf file. Open the .pdf file. The password to open the pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
    - ii. If your email ID is not registered, your "initial password" is communicated to you on your postal address.
6. If you are unable to retrieve or have not received the "initial password" or have forgotten your password:
  - a) Click on "Forgot User Details/Password?"(If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

#### **B. Process and instructions to cast vote electronically:**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After clicking on Active Voting Cycles, you will be able to see all the Companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of Company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### **C. Other Instructions**

1. 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. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [vnv.scrutinizer@gmail.com](mailto:vnv.scrutinizer@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-Voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: **1800-222-990** or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in)



- VI. 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).
- VII. 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 10<sup>th</sup> July 2018.
- VIII. 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. 10<sup>th</sup> July 2018, may obtain the login ID and password by sending a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or RTA to the email ID [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in).
- However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you 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**.
- IX. 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.
- X. 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.
- XI. 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.
- XII. 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.
- XIII. 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 two (2) 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.
- XIV. The Results declared along with the report of the Scrutinizer shall be placed on the website of the Company i.e., [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 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 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 Limited.
- III. Members may address any query to the Company Secretary, at the Registered Office address of the Company.

**Registered Office**

2<sup>nd</sup> Floor, Transocean House, Lake Boulevard Road,  
Hiranandani Business Park, Powai, Mumbai,  
Maharashtra - 400076  
Email: [investors@artson.net](mailto:investors@artson.net);  
Website: [www.artson.net](http://www.artson.net)

Date: 26<sup>th</sup> April 2018  
Place: Hyderabad

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

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827

**EXPLANATORY STATEMENT**

As required by Section 102 of the Act, the following Explanatory Statement sets out all material facts relating to the special businesses as mentioned in the item No. 4 to 7 of the accompanying Notice dated 26<sup>th</sup> April 2018.

**Item No. 4: Ratification of remuneration payable to the Cost Auditors for the financial year 2018-19**

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

In terms of the provisions of Section 148 of the Act 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. 4 of the notice for ratification of the remuneration payable to the cost auditor for the financial year ended 31<sup>st</sup> March 2019.

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: Appointment of Mr. Saket Mathur as the Manager of the Company**

As per the provisions of Section 203 of the Act, 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).

Further to the resignation tendered by Mr. Nikhil Naniwadekar, Manager and Chief Operating Officer (COO) of the Company, the Nomination and Remuneration Committee (NRC) at its meeting held on 24<sup>th</sup> October 2017, recommended and the Board at its meeting held on the even date approved the appointment of Mr. Saket Mathur, COO, as the Manager & COO of the Company with effect from 1<sup>st</sup> January 2018, for a period of 3 years at the existing terms and remuneration as provided below, subject to approval of shareholders at the ensuing AGM.

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

<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 ₹ 132 Crores in FY 2017-18. Company continues to be networth positive since FY ended 31 <sup>st</sup> March 2017. For detailed financials please refer the 39 <sup>th</sup> 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. (Mechanical) from MSRTI, Bangalore University, 1985. Currently holding the position of COO since November 2017.
2. Past / Existing remuneration	₹ 70.61 Lakhs
3. Recognition and Awards	<ul style="list-style-type: none"> <li>Award of Excellence in Engineering from Chhattisgarh State, 2007.</li> <li>Member of Indian Institute of Plant Engineers.</li> </ul>
4. Job profile and his sustainability	Appointee is respected EPC industry professional, skilled in attaining peak construction requirements, Stabilizing operations, addressing volatile marketing needs and deliver project. A technically adept Mechanical Engineer with over 28 years of experience. He is Expertise in Project execution, strategic planning, leadership development, customer engagement and risk mitigation.
5. Remuneration proposed	₹ 70.61 Lakhs

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.
<b>III Other Information</b>		
1.	Reason for loss or inadequate profits	Company was registered with BIFR as a Sick Company since 2004 and a scheme of rehabilitation was issued in the year 2008. The Company could not post positive PAT till 2015-16 due to the challenging economic conditions and financial pre-qualification issue in PSU sector. Since FY 2016-17 Company has improved the financial position substantially and is net-worth positive having technical as well as financial ability to service the PSU sector of interest.
2.	Steps taken or proposed to be taken for improvement	The Company improved the Order Book position substantially over past 2 years. The Company has turned net-worth positive since FY 2016-17 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 4 to 5 years.
<b>IV Disclosures</b>		
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

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

S. No.	Particulars	Amount (in `)
1	Basic Salary	16,95,738
2	House Rent Allowance (HRA)	6,78,290
3	Leave Fare Concession	1,41,312
4	Other Allowances	25,45,056
5	Retirals	5,59,594
6	Other Benefits (PLR)	14,41,014
7	Annual CTC	70,61,004

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

#### **Brief Profile of Mr. Saket Mathur, Manager & COO**

Mr. Saket Mathur is a respected EPC industry professional, skilled in attaining peak construction requirements, stabilizing operations, addressing volatile marketing needs and deliver project. A technically adept Mechanical Engineer and holding Twenty Eight (28) years of working experience. Expertise in Project execution, strategic planning, leadership development, customer engagement and risk mitigation.

Mr. Saket Mathur's professional summary includes:

- Exposure of managing a Business Unit involving functions like Business Development, Engineering and Operations Management.

- Rich Exposure in Project and Construction management and EPC contracts.
- Ability to provide leadership and assume overall responsibility for deliverables of Works within environment safety, quality, time and cost parameters. Excellent knowledge of Early Equipment Management.
- Experienced in construction and commissioning of State of art 2.8 MTPA and 0.8 MTPA Blast Furnace complex, 2 x 40 Sqm. Sinter plant, Non-recovery stamp charged coke ovens and DRI Plants of 350 and 500 tons per day capacity, Steel Melting Shop consisting of EAF, VD & LRF, Billet caster with EMS.
- Hands on experience in maintenance of Blast Furnace Complex, Raw material handling plants, SMS, Sintering Plant, Coke Ovens and DRI Plant.
- Rich experience in identifying bottleneck and weaknesses in equipment and reengineering to enhancing the plant's productivity.
- Strong knowledge of Industrial Hydraulics, Pneumatics.
- Planning and managing capital repairs of plant; executed 8 capital repairs of Blast Furnace complex within stipulated time frame.
- Experienced in financial management of works, cost control measures and vendor management.
- Experience in implementation and sustenance of ISO systems & TPM and safety standards at the work place.

**Additional Information:**

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

Name	Mr. Vinayak K Deshpande	Mr. Saket Mathur
Designation	Chairman (Non-Executive)	Manager & COO
Director Identification Number (DIN)	00036827	Nil
Date of Birth & Age	21 <sup>st</sup> July 1957 (60 years)	1 <sup>st</sup> Dec 1961 (56 years)
Qualifications	B. Tech (Chemical)	B.E. (Mechanical) from MSRIT, Bangalore University.
Specialised Expertise	Design and Sales of Boilers and Captive Power Plants, EPC and Construction/ Infrastructure Business.	Project Management and Maintenance Management.
Experience	Rich and varied experience of over 3 decades, with majority of the experience in Senior Management.	Approx. 3 decades of overall experience.
Terms and Conditions of Appointment	Nominee of Tata Projects Limited (Holding Company), Non-Executive Director and Chairman of the Board.	Being appointed as Manager for a period of Three (3) years and to be designated as Manager & COO.
Remuneration	Nil	₹ 70.61 Lakhs
Date of First Appointment on the Board	1 <sup>st</sup> February 2012	Not Applicable
Directorship in other Indian Companies	1. Kennametal India Limited (KIL) 2. Voltas Limited (VL) 3. Tata Projects Limited (TPL) 4. Philips Lightning India Limited (PLIL)	Nil
Positions in Committees* of other Indian Companies (* Only Audit Committee and Stakeholder Relationship Committee positions are to be considered for the purpose of limits on Committee Memberships)	1. KIL: Chairman of Nomination and Remuneration Committee (NRC) and member of Audit Committee (AC). 2. PLIL: Chairman of Stakeholders Relationship Committee (SRC) and member of AC and NRC. 3. TPL: Member of Corporate Social Responsibility (CSR), Safety and Sustainability Committee and Operations Excellence Committee. 4. VL: Member of Projects Committee and Safety, Health and environment Committee.	Nil

Name	Mr. Vinayak K Deshpande	Mr. Saket Mathur
Number of shares held in the Company	Nil	Nil
Relationship, if any, with other Directors, Manager and other Key Managerial Personnel	Nil	Nil
Position in Committees constituted by the Board of Directors of the Company	Member of NRC and CSR Committee.	Nil
Number of Board Meetings attended	Attended all five (5) Board Meetings held during the FY 2017-18.	Attended all three (3) Board Meetings as COO since the date of appointment.

**Item No. 6: To enter into Related Party Transactions with Tata Projects Limited under Section 188 of the Companies Act, 2013 read with Companies (Meeting of the Board and its Powers) Rules, 2014**

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

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

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

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

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

Particulars	Information	
Name of the Related Party	Tata Projects Limited (TPL)	
Name of Director(s) or Key Managerial Personnel who is related, if any	Mr. Vinayak K Deshpande and Mr. Pralhad Pawar, Directors are related to TPL and are its nominees on the Company's Board of Directors. However, for the purpose of this transaction, they are not related parties.	
Nature of Relationship	TPL is a Holding Company and the Promoter of the Company.	
Nature, Material terms the Contracts / arrangements / transactions	Sale, purchase or supply of goods or materials, leasing of property and availing or rendering of services.	
Monetary Value (maximum amount each Financial Year)	Sale, purchase or supply of any goods or materials, directly or through appointment of agents and/ or Availing or rendering of any services, directly or through appointment of agents.	₹ 500 crore
	Rent/ Leasing of property of any kind.	₹ 20 crore
	<b>Total</b>	<b>₹ 520 Crore</b>
Whether the transactions have been approved by the Board of Directors	Yes, at the Board meeting held on 26 <sup>th</sup> April 2018.	
Any other information relevant or important for the Members to make a decision on the proposed transactions	NIL	

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

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

The Board recommends passing of the Ordinary Resolution at Item No. 6 for approval.

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

No other Directors / Key Managerial Personnel of the Company or their respective relatives other than the Directors mentioned herein above are concerned with or interested in the said Resolution.

**Item No. 7: Determining the fees for delivery document through a particular mode of delivery to a member**

As per the provisions of section 20 of the Act, a document may be served on any member by sending it to him by Post or by Registered post or by Speed post or by Courier or by delivering at his office or address or by such electronic or other mode as may be prescribed. It further provides that a member can request for delivery of any document to him through a particular mode for which he shall pay such fees as may be determined by the Company in its AGM.

Therefore, to enable the members to avail of this facility, it is necessary for the Company to determine the fees to be charged for delivery of a document in a particular mode, as mentioned in the resolution. The relevant statutory provisions under Section 20 of the Act requires the fees to be determined in the AGM.

Accordingly, the Board of Directors recommends the Resolution at Item No. 7 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 the aforesaid resolution.

**Registered Office**

2<sup>nd</sup> Floor, Transocean House, Lake Boulevard Road,  
Hiranandani Business Park, Powai, Mumbai,  
Maharashtra - 400076  
Email: [investors@artson.net](mailto:investors@artson.net);  
Website: [www.artson.net](http://www.artson.net)

Date : 26<sup>th</sup> April 2018  
Place : Hyderabad

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 39<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, 2018.

### 1. FINANCIAL RESULTS

PARTICULARS	Amount (₹ in Lakhs)	
	2017-18	2016-17
Gross Turnover (including Other Income)	14172.22	11095.06
Profit before Interest and Depreciation (EBIDTA)	1187.98	1062.35
Finance Charges	543.53	403.47
Depreciation and Amortization	100.66	90.52
Total Expenditure	13628.43	10526.70
Net Profit Before Tax (PBT)	543.79	568.36
Less: Tax expense	(412.98)	(2148.97)
Net Profit After Tax (PAT)	130.81	2717.33
Other Comprehensive Income	3.14	0.64
Total Comprehensive income	133.95	2717.97
Balance of Profit brought forward	230.84	(6592.21)
<b>Balance available for appropriation</b>	<b>214.67</b>	<b>230.84</b>
Surplus carried to Balance Sheet	214.67	230.84

### 2. COMPANY'S PERFORMANCE

The Company's total income for the year under review aggregated to ₹ 14172 Lakhs (Previous Year: ₹ 11095 Lakhs). The operations of the Company for the year under review resulted in profit before tax of ₹ 544 Lakhs (Previous Year: ₹ 568 Lakhs) and profit after tax of ₹ 131 Lakhs (Previous Year: ₹ 2718 the Lakhs, which included deferred tax asset of ₹ 2165 Lakhs).

During the year under review, the Company achieved major progress related to construction of tank farm and civil/mechanical work for connector pipelines project at domestic airport, Mumbai. Construction of 1 tank out of 4 nos. of large diameter (79 Mtrs.) tanks for storage of crude oil at IOCL, Paradip is completed.

In addition to above, contracts related to piping packages at APGENCO Krishnapatnam and NTPC Ramagundam are under execution. Successful completion of these projects will enable the Company a better pre-qualification eligibility to pursue more projects of similar nature.

The Company is also executing orders for supply of approx. 1000 MT of fabricated steel structures to FL Smidth from Nagpur facility and approx. 200 MT of process equipment orders are completed for various chemical and process industries from Nashik facility.

The Company commenced the year with an order backlog of about ₹ 15000 Lakhs. During the year under review, the Company received new orders with estimated value of about ₹ 13400 Lakhs and thus, the orders available for execution aggregated approx. ₹ 28400 Lakhs. The closing order backlog of the Company for the year ended 31<sup>st</sup> March, 2018 stood at approx. ₹ 15200 Lakhs.

#### Major orders received

- ₹ 738 Lakhs work order from M/s ISGEC Heavy Engineering Limited for fabrication and erection of CHP structure at Krishnapatnam.
- ₹ 470 Lakhs Order from M/s FL Smidth Ltd. for fabrication and supply of building structures.
- Orders worth ₹ 12850 Lakhs from the Holding Company, i.e., Tata Projects Limited (TPL) for fabrication and supply of structures and site works for piping, tankages, equipment erection for their various projects in India and abroad.
- Orders worth approx. ₹ 450 Lakhs from M/s UPL Limited; M/s Indian Oil Corporation Limited and M/s Hindalco Industries Limited.

Large demand for structural fabrication is about to begin in India. Structural steel fabrication and manufacturing is expected to witness strong growth in India for the next 10 years. With recent positive political and economic developments, and 'Make in India' initiative, India is poised to take Lion's share of Global investment and anticipated to achieve high GDP

growth rates in the coming years. The Management is pursuing mechanization of manufacturing facilities to cater to market requirements. The Management is also focusing on building capabilities to become an equipment builder, integrator and end to end solution provider to Indian industry.

In spite of an optimistic future outlook, the rising input cost of raw steel, uncertain delivery schedule from steel manufacturers and pressure on working capital are major risks to business pursued by the Company. In the near future, the Company foresees good business opportunities in tank construction and more structural fabrication orders from the market.

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 achieving growth in the near future.

The Management is also focusing on liquidating the matters pertaining to refunds from the statutory authorities and efforts have resulted in the receipt of certain refunds from the various authorities such as Income Tax and VAT. The Management is optimistic on receipt of substantial refunds during the year 2018-19.

The Company has maintained excellent record for safety at all factory locations and project sites and received token of appreciation from its clients.

The Company's Management, with the support of TPL, is putting arduous efforts to further improve the operations of the Company and record better performance over the impending years.

### 3. AWARDS, RECOGNITION AND ACHIEVEMENTS

- Received a token of appreciation from IOCL for best safety practices.
- Best safety performance award from TPL for the Ramagundam Project site.

### 4. CHANGE IN THE NATURE OF BUSINESS

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

### 5. CREDIT RATING

During the year under review, M/s. India Rating and Research Private Limited upgraded the credit rating of the Company to:

- "IND AA(SO)/Stable/IND A1+(SO)" for the fund based working capital facilities.
- "IND AA(SO)/Stable/INDA1+(SO)" for the non-fund based working capital facilities.
- "IND AA(SO)/Stable" for the Term Loan.

### 6. DIVIDEND

Considering the financial position of the Company, the Board of Directors have not recommended dividend for the year 2017-18. Further, as the members are aware, pursuant to the revised terms of the loan (interest free for 20 years) given by the Holding Company i.e., Tata Projects Limited (TPL), your Company is not permitted to declare dividend to the equity shareholders (including the Holding Company/ promoter) until the re-payment of loan to TPL.

### 7. TRANSFER OF AMOUNT TO RESERVES

The Company does not propose to transfer any amount to General Reserve for the year ended 31<sup>st</sup> March, 2018.

### 8. BORROWINGS

The borrowings of the Company i.e. long-term loans and working capital facilities from Banks stood at ₹ 2564 Lakhs as at 31<sup>st</sup> March, 2018.

### 9. EXTRACT OF THE ANNUAL RETURN

The extract of the Annual Return in the prescribed form MGT 9 as required under section 92(3) of the Act is enclosed as **Annexure 1**.

### 10. NUMBER OF BOARD MEETINGS

During the financial year, the Board met five(s) times i.e., on 2<sup>nd</sup> May, 2017, 18<sup>th</sup> July, 2017, 24<sup>th</sup> October, 2017, 23<sup>rd</sup> January, 2018 and 9<sup>th</sup> March, 2018. The gap between any two consecutive Board meetings did not exceed one hundred and twenty days.

### 11. AUDIT COMMITTEE

The Audit Committee comprises of Mr. Nalin Shah as Chairman, Mr. Michael Bastian, Mr. Pralhad Pawar and Ms. Leja Hattiangadi as members. The composition of the Committee is as per the requirements of the provisions



of Section 177 of the Act and the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 (Listing Regulations). The Audit Committee continues to provide valuable advice and guidance in the areas of costing, finance and internal financial controls.

During the financial year, the Audit Committee met seven (7) times i.e., on 2<sup>nd</sup> May, 2017, 18<sup>th</sup> July, 2017, 21<sup>st</sup> September, 2017, 24<sup>th</sup> October, 2017, 18<sup>th</sup> December, 2017, 23<sup>rd</sup> January, 2018 and 9<sup>th</sup> March, 2018.

## **12. NOMINATION AND REMUNERATION COMMITTEE**

The Nomination and Remuneration Committee (NRC) comprises of Mr. Michael Bastian as Chairman, Mr. Vinayak K Deshpande and Mr. Nalin Shah as members. The composition of the Committee is as per the requirements of the provisions of Section 178 of the Act and the Listing Regulations.

During the financial year, the NRC met seven (7) times i.e., on 2<sup>nd</sup> May, 2017, 16<sup>th</sup> June, 2017, 18<sup>th</sup> July, 2017, 28<sup>th</sup> August, 2017, 24<sup>th</sup> October, 2017, 23<sup>rd</sup> January, 2018 and 9<sup>th</sup> March, 2018.

## **13. STAKEHOLDERS' RELATIONSHIP COMMITTEE**

The Stakeholders' Relationship Committee (SRC) comprises of Mr. Michael Bastian as Chairman, Mr. Pralhad Pawar and Ms. Leja Hattiangadi as members. The composition of the Committee is as per the requirements of the provisions of Section 178 of the Act and the Listing Regulations.

During the financial year, the SRC met four (4) times i.e., on 2<sup>nd</sup> May, 2017, 18<sup>th</sup> July, 2017, 24<sup>th</sup> October, 2017 and 23<sup>rd</sup> January, 2018.

## **14. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

In compliance with Section 135 of the Act and the corresponding Rules made thereunder, during the year under review, the Company constituted the Corporate Social Responsibility (CSR) Committee, comprising of Ms. Leja Hattiangadi, as Chairperson, Mr. Vinayak K Deshpande and Mr. Pralhad Pawar, as members. During the financial year, the CSR Committee met once (1) i.e., on 9<sup>th</sup> March, 2018.

Further, pursuant to the said provisions, the CSR Committee formulated and the Board approved the CSR Policy detailing the activities to be taken and the avenues for spending CSR funds. The said policy is placed on the website of the Company i.e., www.artson.net for reference. In compliance of the policy adopted by the Board, an amount of ₹ 3.50 Lakhs, being 2% of the average net profit for the 3 preceding financial years was transferred to the Tata Projects Community Development Trust (TPCDT) towards CSR expenditure of the Company for the FY 2017-18.

The details pertaining to CSR Policy & Spend as per the provision of the act and listing Regulations is enclosed herein as **Annexure 2**.

## **15. 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**

No material change and/or commitments affecting the financial position of the Company, occurred between the end of the financial year of the Company to which the financial statements relate i.e. 31<sup>st</sup> March, 2018 and the date of the report i.e., 26<sup>th</sup> April, 2018.

## **16. 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 procedures 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 Act. 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 system is 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 the 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 2017-18.

**17. 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, 2018. Accordingly, pursuant to Section 134(5) of the Act, 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:

- In the preparation of the annual accounts, the applicable accounting standards have been followed and that there were no material departures therefrom;
- 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, 2018 and of the profit of the Company for the year ended on that date;
- They have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Act, for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities;
- They have prepared the annual accounts on a going concern basis;
- 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, 2018; and
- 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, 2018.

**18. DIRECTORS AND KEY MANAGERIAL PERSONNEL****a) Cessation of Directors**

During the year under review, there was no cessation/ resignation/ removal of any Director of the Company.

**b) Directors retiring by rotation**

As per the provisions of the Act and the Articles of Association of the Company, Mr. Vinayak K Deshpande, Chairman of the Board, retires by rotation and being eligible, offers himself for re-appointment. The proposal for re-appointment Mr. Vinayak K Deshpande is being placed at the AGM along with the necessary details.

**c) Changes in Directorship / Committee position**

During the year under review, Ms. Leja Hattiangadi was appointed as the Chairperson and Mr. Vinayak K Deshpande and Mr. Pralhad Pawar were appointed as the members of the CSR Committee of the Company. Except this, there was no change in the designation/ terms of Directorship of any of the Directors of the Company.

**d) Changes in the Key Managerial Personnel**

- Pursuant to the provisions of Section 203 of the Act read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and based on the recommendations of the NRC, the Board of Directors, appointed Mr. Balaji Sethuraman, as the CFO of the Company effective 11<sup>th</sup> July, 2017, in place of Mr. Rajesh Mandale who ceased to be the CFO of the Company effective 6<sup>th</sup> May, 2017.
- Pursuant to the provisions of Sections 197 and 203 of the Act, read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and based on the recommendations of the NRC, the Board of Directors, appointed Mr. Saket Mathur, COO, as the Manager of the Company effective 1<sup>st</sup> January, 2018, in place of Mr. Nikhil Naniwadekar who ceased to be the Manager & COO of the Company effective 1<sup>st</sup> January, 2018.

**e) Declaration by Independent Directors**

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

**19. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS**

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

**20. REMUNERATION POLICY**

Based on the recommendations of the NRC, 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 Act. The Company has adopted Governance Guidelines which inter alia covers the composition and role of the Board, Board

Appointment, Induction and Development, Director's 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 enclosed as **Annexure 3**.

## **21. 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 at 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 AOC-2 is enclosed as **Annexure 4**.

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

Particulars prescribed under Section 134(3)(m) of the Act pertaining to the conservation of energy, technology absorption and foreign exchange earnings and outgo is enclosed as **Annexure 5**.

## **23. 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 review, assess and mitigate the risks, conversion of risk into opportunities, problems/ irregularities related to implementation and execution of projects (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.

## **24. ANNUAL EVALUATION**

Pursuant to the provisions of the Act and Regulation 25 of the Listing Regulations, the Board has carried out an annual evaluation of its own performance, performance of the Directors individually as well as the evaluation of the working of its Committees.

The following process was adopted for Board evaluation:

- i) Feedback was sought from each Director about their views on the performance of the Board covering various criteria such as degree of fulfilment of key responsibilities, Board structure and composition, establishment and delineation of responsibilities to various Committees, effectiveness of Board processes, information and functioning, Board culture and dynamics, quality of relationship between the Board and the Management and efficacy of communication with external stakeholders. Feedback was also taken from every Director on his assessment of the performance of each of the other Directors.
- ii) The feedback received from all the Directors was discussed at the meeting of Independent Directors and the NRC. The performance of the Non-Independent Non-Executive Directors and Board Chairman was also reviewed by them.
- iii) The collective feedback on the performance of the Board (as a whole) was discussed by the Chairman of the NRC with the Chairman of the Board. It was also presented to the Board.
- iv) Assessment of performance of every statutorily mandated Committee of the Board was conducted and these assessments were presented to the Board for consideration. Areas on which the Committees of the Board were assessed included degree of fulfilment of key responsibilities, adequacy of Committee composition and effectiveness of meetings.
- v) During the year under review, the recommendations made in the previous year were satisfactorily implemented.

## **25. PARTICULARS OF SUBSIDIARY COMPANIES OR JOINT VENTURES OR ASSOCIATE COMPANY**

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

## **26. PARTICULARS OF DEPOSITS**

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

## **27. 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.

**28. AUDITORS****a) Statutory Auditors**

Pursuant to the provision of Sections 139, 142 and other applicable provisions of the Act (hereinafter referred to as 'the Act') read with Rules made thereunder, the Shareholders at the 38<sup>th</sup> Annual General Meeting (AGM) of the Company held on 21<sup>st</sup> September 2017, approved the appointment of M/s. Price Waterhouse & Co. Chartered Accountants LLP, (PWC) (Firm Registration Number - 304026E/E-300009) as the Statutory Auditors of the Company to hold office for a period of 5 years commencing from the conclusion of the 38<sup>th</sup> AGM till the conclusion of the 43<sup>rd</sup> AGM to be held in the year 2022, subject to ratification of members at every general meeting, if required.

A resolution seeking ratification of appointment of the Statutory Auditors is placed in the notice convening 39<sup>th</sup> AGM of the Company. The re-appointment of PWC thereafter shall be reviewed based on the order of Securities Appellate Tribunal (SAT).

The Auditors' Report issued by PWC for the financial year 2017-18 does not contain any qualification, reservations or adverse remark or disclaimer.

**b) Internal Auditors**

In terms of the provisions of Section 139 of the Act and based on the recommendation of Audit Committee, the Board of Directors at their meeting held on 26<sup>th</sup> April, 2018 re-appointed M/s. Ernst & Young LLP (EY) (AAB-4343) as the Internal Auditors of the Company. EY confirmed their willingness to be re-appointed as the Internal Auditors of the Company. Further, the Audit Committee in consultation with Internal Auditors, formulated the scope, functioning, periodicity methodology for conducting the internal audit.

**c) Cost Auditors**

In terms of the provision of Section 148 of the Act read with the Companies (Audit and Auditors) Rules 2014, and based on the recommendation of the Audit Committee, the Board of Directors at their meeting held 26<sup>th</sup> April, 2018 re-appointed M/s. Sagar and Associates, Cost Accountants (Firm Registration No. 000118), as the Cost Auditors for the financial year 2018-19 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 re-appointed as the Cost Auditors of the Company.

A resolution seeking ratification of remuneration payable to M/s. Sagar and Associates, Cost Accountants (Firm Registration No. 000118) to conduct the audit of Steel Products of the Company for the financial year 2018-19 has been included in the notice convening 39<sup>th</sup> AGM of the Company.

**d) Secretarial Auditors**

In terms of Section 204 of the Act, read with the 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 2<sup>nd</sup> May, 2017 appointed M/s. MKS & Associates, Company Secretaries (Firm Registration No. S2017TL460500) as the Secretarial Auditors for the financial year 2017-18. The Secretarial Audit Report for the financial year 2017-18 in the prescribed form MR-3 on the Audit carried out by the said Auditor is enclosed to this Report as **Annexure 6**.

Further, based on the recommendation of the Audit Committee, the Board of Directors at their meeting held on 26<sup>th</sup> April, 2018 re-appointed M/s. MKS & Associates, Company Secretaries (Firm Registration No. S2017TL460500) as the Secretarial Auditors of the Company for the financial year 2018-19. The necessary consent letter and certificate of eligibility was received from M/s. MKS & Associates, Company Secretaries, confirming their eligibility to be re-appointed as the Secretarial Auditors of the Company.

**29. 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 the Rules made thereunder. The Company has also constituted a Committee for Prevention of Sexual Harassment at work place. No complaints were received under the said policy during the year under review.

**30. PARTICULARS OF EMPLOYEES**

During the year under review, no employee in the Company drew remuneration in excess of the amounts prescribed under Section 197(12) of the Act, 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 Act read with Rule 5 (1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 as amended from time to time is enclosed as **Annexure 7**.

### 31. SHARE CAPITAL

The authorised share capital of the Company is ₹ 17,00,00,000/- comprising of 15,00,00,000 equity shares of ₹ 1/- and 2,00,000 preference shares of ₹ 100/- each. Further, the paid-up equity share capital of the Company is ₹ 3,69,20,000/- divided into 3,69,20,000 equity shares of ₹ 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 Act in respect of voting rights not exercised directly by the employees of the Company is not applicable.

### 32. ISSUE OF SHARES

During the year under review, the Company has not:

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

### 33. PURCHASE OF SHARES OF THE COMPANY

During the period under review, 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 Act.

### 34. VIGIL MECHANISM

The Company has adopted a Whistle Blower Policy to report to the Management, the instances of unethical behaviour, 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. 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, 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 because, neither the paid-up share capital exceeds Rupees 10 Crore nor the net-worth exceeds Rupees 25 Crore as on the last day of previous financial year i.e. 31<sup>st</sup> March, 2018.

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.

### 36. 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, 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

2<sup>nd</sup> Floor, Transocean House, Lake Boulevard Road,  
Hiranandani Business Park, Powai, Mumbai,  
Maharashtra - 400076  
Email: [investors@artson.net](mailto:investors@artson.net);  
Website: [www.artson.net](http://www.artson.net)

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

Date : 26<sup>th</sup> April 2018  
Place : Hyderabad

**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 2018

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

## I. REGISTRATION AND OTHER DETAILS

Corporate Identity Number	L27290MH1978PLC020644
Registration date	18 <sup>th</sup> September 1978
Name of the Company	Artson Engineering Limited
Category/ Sub-Category of the Company	India Non-Governmental Company, Limited by Shares
Address of Registered Office and contact details	2 <sup>nd</sup> Floor, Transocean House, Lake Boulevard Road, Hiranandani Business Park, Powai, Mumbai, Maharashtra - 400076. Website: www.artson.net
Whether listed Company (yes/ no)	Yes (Bombay Stock Exchange)
Name, Address and contact details of Registrar and Transfer Agent	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	NIC Code of products	% to total turnover of the Company
1.	Manufacture of Structural Metal Products	251 & 259	34.02%
2.	Industrial & Infrastructure projects	332 & 422	65.98%

## 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- 500003., Telangana	U45203TG1979PLC057431	Holding Company	75%	2(46)

Note: The Company does not have any Subsidiary or 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%	0.00%
b. Central Government	0	0	0	0.00%	0	0	0	0.00%	0.00%
c. State Government	0	0	0	0.00%	0	0	0	0.00%	0.00%
d. Bodies Corporate	2,76,90,000	0	2,76,90,000	75.00 %	2,76,90,000	0	2,76,90,000	75.00 %	0.00%

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	
e. Banks/ Financial Institutions	0	0	0	0.00%	0	0	0	0.00%	0.00%
f. Any Other	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>Sub-total (A)(1)</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>0.00%</b>
<b>2. Foreign</b>									
a. NRIs- Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
b. Other- Individuals	0	0	0	0.00%	0	0	0	0.00%	0.00%
c. Bodies Corporate	0	0	0	0.00%	0	0	0	0.00%	0.00%
d. Banks/ Financial Institutions	0	0	0	0.00%	0	0	0	0.00%	0.00%
e. Any Other	0	0	0	0.00%	0	0	0	0.00%	0.00%
<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>0.00%</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>0.00%</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%	0.00%
b. Banks/ Financial Institutions	0	1,400	1,400	0.00%	0	1,400	1,400	0.00%	0.00%
c. Central Government	0	0	0	0.00%	0	0	0	0.00%	0.00%
d. State Government	0	0	0	0.00%	0	0	0	0.00%	0.00%
e. Venture Capital Funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
f. Insurance Companies	0	0	0	0.00%	0	0	0	0.00%	0.00%
g. FIIs	0	770	770	0.00%	0	770	770	0.00%	0.00%
h. Foreign venture capital funds	0	0	0	0.00%	0	0	0	0.00%	0.00%
i. Other (Foreign Portfolio Investors)	0	0	0	0.00%	5378	0	5378	0.02%	0.02%
<b>Sub- total (B)(1)</b>	<b>0</b>	<b>5045</b>	<b>5045</b>	<b>0.01%</b>	<b>5378</b>	<b>5045</b>	<b>10423</b>	<b>0.03%</b>	<b>0.02%</b>
<b>2. Non-Institutions</b>									
<b>a. Bodies Corporate</b>									
i. Indian	812169	0	812169	2.20%	1058062	400000	1458062	3.95	1.75%
ii. Overseas	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>b. Individuals</b>									
i. Individual / other shareholders holding nominal share capital up to ₹ 1 lakh	4154408	1894617	6049025	16.38	4927854	1446453	6374307	17.27	0.89%
ii. Individual / others shareholders holding nominal share capital in excess of ₹ 1 lakh	2125803	0	2125803	5.76	1264289	0	1264289	3.42	(2.34)
<b>c. Others specify</b>									
Non Resident Individual	201223	36735	237958	0.64%	86184	36375	122919	0.34%	(0.30%)
<b>Sub- total (B)(2)</b>	<b>7293603</b>	<b>1931352</b>	<b>9224955</b>	<b>24.99%</b>	<b>7336389</b>	<b>1882828</b>	<b>9219577</b>	<b>24.97</b>	<b>(0.02%)</b>
<b>Total Public Shareholding (b)=(B)(1)+(B)(2)</b>	<b>7293603</b>	<b>1936397</b>	<b>9230000</b>	<b>25.00%</b>	<b>7341767</b>	<b>1887873</b>	<b>9230000</b>	<b>25.00</b>	<b>0.00%</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	
C. Shares held by Custodian for GDRs & ADRs	0	0	0	0.00%	0	0	0	0.00%	0.00%
<b>GRAND TOTAL = (A) + (B) + (C)</b>	<b>34983603</b>	<b>1936397</b>	<b>36920000</b>	<b>100%</b>	<b>35031767</b>	<b>1887873</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 (please specify, if there is no change)**

S. No.	Particulars	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 Narendra Mehta	550000	1.49	05.01.2018	(28943)	Decrease	521057	1.41	499499	1.35
				12.01.2018	(7556)		513501	1.39		
				19.01.2018	(13501)		500000	1.35		
				16.02.2018	(501)		499499	1.35		
2	Sarnam Trading and Mercantile Pvt. Ltd	400000	1.08	-	-	-	400000	1.08	400000	1.08
3	Vishal Narendra Mehta	260000	0.70	-	-	-	260000	0.70	260000	0.70
4	Narayan Keshavdas Jagasia**	266230	0.72	05.01.2018	(10000)	Decrease	256230	0.69	256230	0.69
5	Pranav Securities Private Limited	200000	0.54	-	-	-	200000	0.54	200000	0.54



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
6	Veena k Jagwani	110090	0.30%	27.10.2017	7750	Increase	117840	0.32	131090	0.35
				17.11.2017	12250		130090	0.35		
				24.11.2017	10000		140090	0.38		
				01.12.2017	(2413)	Decrease	137677	0.37		
				08.12.2017	6172	Increase	143849	0.39		
				22.12.2017	(13759)	Decrease	130090	0.35		
				19.01.2018	500	Increase	130590	0.35		
				09.02.2018	500		131090	0.35		
7	Ramesh s Damani	139513	0.38%	12.05.2017	(22013)	Decrease	117500	0.32	117500	0.32
8	Innovate Securities Pvt. Ltd.	-	-	22.09.2017	3792	Increase	3792	0.01	101000	0.27
				29.09.2017	(3792)	Decrease	0	0.00		
				27.10.2017	101000	Increase	101000	0.27		
9	Map Auto Limited	80266	0.22	19.05.2017	19734	Increase	100000	0.27	100000	0.27
10	Pranav M Shah	100000	0.27	-	-	-	100000	0.27	100000	0.27
11	Renuka Pranav Shah	100000	0.27	-	-	-	100000	0.27	100000	0.27
12	Neepea Shah	-	-	09.02.2018	100000	0.22	100000	0.22	100000	0.22
13	Consortium Sec. Pvt. Ltd**	100000	0.27	12.05.2017	200	0.27	100200	0.27	100200	0.27
				19.05.2017	(200)	0.27	100000	0.27		
				05.01.2018	100	0.27	100100	0.27		
				19.01.2018	100	0.27	100200	0.27		
				23.02.2018	(100)	0.27	100100	0.27		
				31.03.2018	100	0.27	100200	0.27		
14	Jagruti Rajiv Dutia*	250000	0.68	13.10.2017	(100000)	Decrease	150000	0.41	0	0.00
				03.11.2017	(20852)		129148	0.35		
				10.11.2017	(13109)		116039	0.31		
				17.11.2017	(16039)		100000	0.27		
				24.11.2017	(50000)		50000	0.14		
				01.12.2017	(50000)		0	0.00		
15	Smita N Navare*	150000	0.41	22.09.2017	(25551)	Decrease	124449	0.34	0	0.00
				06.10.2017	(5528)		118921	0.32		
				13.10.2017	(118921)		0	0.00		
16	Romiyo Thekkinedath Mercy*	110138	0.30	05.05.2017	(110138)	Decrease	0	0.00	0	0.00

Note:

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

\*\* The details of holding has been clubbed based on the PAN

## 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	2038.25	-	-	2038.25
ii. Interest due but not paid	2.17	-	-	2.17
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2040.42</b>	<b>-</b>	<b>-</b>	<b>2040.42</b>
<b>Change in Indebtedness during the financial year</b>				
● Addition	573.89	-	-	573.89
● Reduction	2.17	-	-	2.17
<b>Net Change</b>	<b>571.72</b>	<b>-</b>	<b>-</b>	<b>571.72</b>
<b>Indebtedness at the end of the financial year</b>				
i. Principal Amount	2612.14	-	-	2612.14
ii. Interest due but not paid	-	-	-	-
iii. Interest accrued but not due	-	-	-	-
<b>Total (i+ii+iii)</b>	<b>2612.14</b>	<b>-</b>	<b>-</b>	<b>2612.14</b>

## VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

## A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

S. No.	Particulars of Remuneration	Name of MD/ WTD/ Manager		Total Amount
		Mr. Nikhil Naniwadekar*	Mr. Saket Mathur#	
<b>1.</b>	<b>Gross Salary</b>			
	a. Salary as per provisions of section 17(1) of the Income-tax Act, 1961	49,31,256	24,12,420	73,43,676
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	7,37,172	5,29,556	12,66,728
	c. Profits in lieu of salary under section 17(3) Income tax Act, 1961	-	-	-
<b>2</b>	Stock Option	-	-	-
<b>3</b>	Sweat Equity	-	-	-
<b>4</b>	Commission - as a % of profit - others, specify	-	-	-
<b>5</b>	Other, please specify	-	-	-
	<b>Total (A)</b>	<b>56,68,428</b>	<b>29,41,976</b>	<b>86,10,404</b>

\* Mr. Nikhil Naniwadekar was appointed as the Manager and Chief Operating Officer of the Company with effect from 2<sup>nd</sup> May 2017 and ceased to be associated with the Company w.e.f. 31<sup>st</sup> December 2017.

# Mr. Saket Mathur was appointed as the Manager and Chief Operating Officer of the Company with effect from 1<sup>st</sup> January 2018.

Note: The above figures are given on proportionate basis.

**B. Remuneration to other Directors:**

S. No.	Particulars of Remuneration	Name of Directors			Total Amount (₹)
1	<b>Independent Directors</b>				
	Name / Particulars	Mr. Nalin Shah	Mr. Michael Bastian	Ms. Leja Hattiangadi	Total
	Fee for attending Board & Committee meetings and Independent Directors meeting	440000	490000	480000	1410000
	Commission	0	0	0	0
	<b>Total (B)(1)</b>	<b>440000</b>	<b>490000</b>	<b>480000</b>	<b>1410000</b>
2	<b>Other Non-Executive Directors</b>				
	Name / Particulars	Mr. Vinayak K Deshpande	Mr. Pralhad Pawar		Total
	Fee for attending Board & Committee meetings	0	0		0
	Commission	0	0		0
	<b>Total (B) (2)</b>	<b>0</b>	<b>0</b>		<b>0</b>
<b>Total (B)= (1)+(2)</b>					<b>1410000</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 K Deshpande and Mr. Pralhad Pawar, nominees and employees of Tata Projects Limited, are not paid any Sitting Fees.

**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			
		Mr. Nikhil Naniwadekar*	Mr. Saket Mathur**	Mr. Deepak Tibrewal	Mr. Rajesh Mandale#	Mr. Balaji Sethuraman##	
1.	<b>Gross Salary</b>						
	I. Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	49,31,256	24,12,420	10,83,991	2,20,000	16,42,184	1,02,89,551
	b. Value of perquisites u/s 17(2) Income-tax Act, 1961	7,37,172	5,29,556	1,46,004	41,880	3,60,480	18,15,092
	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	<b>Other, please specify</b>	-	-	-	-	-	-
	<b>Total (A)</b>	<b>56,68,428</b>	<b>29,41,976</b>	<b>12,29,995</b>	<b>2,61,880</b>	<b>20,02,664</b>	<b>1,21,04,943</b>

\* Mr. Nikhil Naniwadekar was appointed as the Manager & Chief Operating Office of the Company w.e.f 2<sup>nd</sup> May 2017 and ceased to be associated with the Company w.e.f 31<sup>st</sup> December 2017.

\*\* Mr. Saket Mathur was appointed as the Manager and Chief Operating Officer of the Company with effect from 1<sup>st</sup> January 2018.

# Mr. Rajesh Mandale, ceased to be the CFO of the Company w.e.f. 6<sup>th</sup> May 2017.

## Mr. S. Balaji was appointed as the CFO of the Company w.e.f. 11<sup>th</sup> July 2017.

**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 : 26<sup>th</sup> April 2018  
Place: Hyderabad

## REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES

[Pursuant to Section 134(3)(o) of the Companies Act, 2013 and Rule 9 of the Companies (CSR) Rules, 2014]

### 1. Brief outline of the Company's policy, including overview of projects/programs proposed to be undertaken:

Artson Engineering Limited (AEL), believes in **responsibility towards society** and positively impacting and supporting both the environment and the communities. Company shall give preference to the local area and areas around it where it operates, focusing on sustainability of programs and empowerment of these communities.

AEL shall strive to align with the Tata Group CSR and other national and international frameworks like the UN Sustainable Development Goals (SDG), in line with the schedule VII of the Companies Act 2013, as recommended by the CSR Committee of the Board and approved by the Board from time to time.

AEL will participate in Tata Group CSR Initiatives in the area of Skill, Water, Education and Disaster Response.

AEL is committed to improving the quality of life of members of the community, especially the underprivileged, and wherever possible, interact with identified NGOs and augment their efforts in this direction.

AEL shall play an active role in promotion of inclusive growth through deployment of Affirmative Action initiatives to drive significant impact.

AEL's focus areas of development shall include programs on:

**Water:** Provide Safe drinking water and develop social entrepreneurs in water space.

**Skill Development:** To support the National Skill Development and help Industries to move to a virtuous circle of higher productivity, employment, income growth, enhance employability and development.

**Education:** To improve literacy/education efforts by participating in various Government schemes and initiatives of other Corporates and NGOs.

#### Implementation of the CSR Policy:

- The corpus to be spent on CSR shall include at least 2% of the average net profit of India operations for the preceding three financial years (Or as may be amended by law/ rules from time to time). Any surplus arising out of the CSR programs and projects shall not form part of business profits of the Company.
- We will implement all CSR activities directly or through Tata Projects Community Development Trust or other partners like NGOs, academic institutions, Government, other Trusts etc.
- Implementation of this policy will be monitored and reviewed periodically through a two tier structure comprising: CSR Committee of the Board and CSR Department/ team of AEL.

We shall build partnerships and promote innovation through incubation of ideas and technology to address societal needs (Centers of Excellence). We shall continue to actively promote volunteerism to enable our employees, our partners to contribute their skills, talents and expertise for development.

2. CSR Committee presently consists of Ms. Leja Hattiangadi, as Chairperson, Mr. Vinayak K Deshpande and Mr. Pralhad Pawar as members.
3. Average Net profits for last three financial years for the purpose of computation of CSR spending: ₹ 1.17 crore.
4. Prescribed CSR expenditure (2% of Average Net Profit): ₹ 3.42 Lakhs.
5. Details of CSR spent for financial year:
  - a) Total amount required to be spent for the financial year: ₹ 3.42 Lakhs.
  - b) Amount Spent is ₹ 3.50 Lakhs.
  - c) Amount unspent, if any: Nil.

## 6. Manner in which amount is spent during the year

S. No	CSR Project or Activity Identified	Sector in which the project is covered	Projects or programs (1) Local area or other (2) Specify the State and District where projects or programs were undertaken	Amount outlay (budget) project or program wise (in ₹)	Amount spent on the projects or programs Sub-heads: (1) Direct expenditure on project or program (2) Over-heads		Cumulative expenditure up to the reporting period (in ₹)	Amount spent Directly or through implementing agency*
					Direct Exp. (in ₹)	Over Heads		
1	Skill Development	Employment enhancing vocational skills especially among children, women, elderly, and the differently-abled	Entrepreneurship Development training to under privileged women. Maharashtra - Nashik	3,50,000	3,18,600	NIL	3,18,600	Implementing Agency – NGO (TPCDT)
2	Education	Promoting Education including special education, especially amongst children, women, elderly and the differently abled	Education support to the school students in Hyderabad Telangana - Medchal Dist.		31,400	NIL	31,400	Implementing Agency – NGO (TPCDT)
<b>Total</b>				<b>3,50,000</b>	<b>3,50,000</b>	<b>-</b>	<b>3,50,000</b>	<b>-</b>

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

Date : 26<sup>th</sup> April 2018  
Place: Hyderabad

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827

**Leja Hattiangadi**  
Directar  
DIN: 00198720

## REMUNERATION POLICY

### 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:**

#### 1. 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.

#### 2. 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-imbursments 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
- 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 : 26<sup>th</sup> April 2018  
Place: Hyderabad



**FORM AOC-2**

 For the financial year ended 31<sup>st</sup> March, 2018

(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	Salient 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 in Lakhs)	Dates of approval by the Board	Amount paid as advances, if any (INR in Lakhs)
<b>Name of the related party: Tata Projects Limited (Holding Company)</b>					
1	Fabrication, erection and laying of large diameter piping for CW of 1x800 MV SDSTPS at Krishnapatnam, AP	June 2017 to November 2018	519.70	NA	51.97
2	Erection, welding, hydro-test and painting of storage tanks (21 Nos in Dyke 1 and 10 Nos in Dyke 2) - Balance work amendment for additional quantity of assembly and erection of GI gratings (24 MT) and structure 175 MT)	Ongoing till August 2018	105.98	NA	10.59
3	Erection, welding, hydro-test and painting of storage tanks (21 Nos in Dyke 1 and 10 Nos in Dyke 2) - Balance work	Ongoing till March 2018	72.00	NA	NIL
4	Fabrication and supply of 150 MT structural steel for compressor house including surface preparation and painting and transportation up to site - ONGC Ahmedabad.	June 2017 to July 2017	97.05	NA	9.70
5	Erection of building structure & equipment for process block of Hazel chemical terminal at UAE	Ongoing till August 2018	158.00	NA	NIL
6	Fabrication of 4000MT of tank farms at Hazel project at UAE. Amendment for additional Misc. services, deployment of manpower and modification of structure.	March 2017 to June 2017	60.00	NA	NIL
7	Manufacturing, inspection, testing, surface preparation and picking and passivation of 10 Nos. of heat exchanger for Hazel terminal.	May 2017 to June 2017	199.00	NA	10.49

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 in Lakhs)	Dates of approval by the Board	Amount paid as advances, if any (INR in Lakhs)
8	Procurement of material, fabrication of steel structure (530MT) as per drawings furnished by TPL, surface preparation by copper slag Blasting and 2 coats of chlorinated rubber zinc phosphate primer-ex works Nagpur.	May 2017 to August 2017	302.10	NA	30.21
9	Connector fuel pipeline laying and associated works for MAFFFL	October 2016 to February 2018	1253.00	NA	19.94
10	Connector fuel pipeline laying and associated works for Mumbai Aviation Fuel Farm Facility Pvt. Ltd. (MAFFFPL) - Order Part 1 to Part 3	October 2016 to February 2018	2333.00	NA	NIL
11	Additional order for procurement of material, fabrication of technological steel structure, surface preparation and painting as per the drawings furnished by TPL	September 2017 to November 2017	345.00	NA	34.50
12	For additional fabrication and supply of 564 MT (133 MT + 431 MT) of building structure of rolled section and built up section. procurement of material, including blasting and 3 coats of paint and transportation up to Site at NTPC, Darlipalli.	Ongoing till November 2017	297.50	NA	29.75
13	For additional fabrication and supply of 60 MT of structural steel for compressor house including surface preparation and painting and transportation up to site for ONGC Ahmedabad project	June 2017 to October 2017	38.82	NA	NIL
14	Shared services / Reimbursement of expenses	Ongoing	34.48	NA	NIL
15	Rent, maintenance and allied service	Ongoing	28.18	NA	NIL
16	Deputation of employees	Ongoing	150.00	NA	NIL
<b>Name of the related party: Key Managerial Personnel – CS, CFO &amp; Manager/COO</b>					
17	Remuneration	Ongoing	116.00	NA	NIL

By Order of the Board  
For Artson Engineering Limited

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827

Date : 26<sup>th</sup> April 2018  
Place: Hyderabad

## 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 31st March 2018:]

### 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 Crore)

Foreign Exchange	Financial Year ended 31 <sup>st</sup> March 2018	Financial Year ended 31 <sup>st</sup> March 2017
Earnings	13.43	26.67
Outgo	13.94	29.18

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

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827

Date : 26<sup>th</sup> April 2018  
Place: Hyderabad

## FORM MR-3

### SECRETARIAL AUDIT REPORT

For the financial year ended 31<sup>st</sup> March 2018

[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, 2018 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, 2018 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.

**I further report that:**

I further report that the Board of Directors of the Company is duly constituted with proper balance of Non-Executive Directors and Independent Directors. No changes took place during the period under review in the composition of the Board of Directors.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were in advance for the Meetings 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.

I 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. S2017TL460500)

**Manish Kumar Singhania**  
Practicing Company Secretary  
ACS No. 22056  
C P No: 8068

Place:Hyderabad

Date :26<sup>th</sup> April 2018

---

**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. S2017TL460500)

**Manish Kumar Singhania**  
Practicing Company Secretary  
ACS No. 22056  
C P No: 8068

Place:Hyderabad

Date :26<sup>th</sup> April 2018

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

**Vinayak K Deshpande**  
Chairman  
DIN: 00036827

Date : 26<sup>th</sup> April 2018

Place: Hyderabad

## 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 31<sup>st</sup> March 2018.

(₹ in Lakhs)

Name of the Director	Designation	Ratio	Remuneration
Mr. Vinayak K Deshpande	Chairman	-	-
Mr. Nalin Shah	Independent Director	1:1	4.40
Mr. Michael Bastian	Independent Director	1.09:1	4.90
Mr. Pralhad Pawar	Non-Executive Director	-	-
Ms. Leja Hattiangadi	Independent Director	1.06:1	4.80

Note: The sitting fees is paid only to the Independent Directors of the Company for attending the meetings of the Board and Committees thereof.

II. % Increase of remuneration of each Director & KMPs in the Financial Year ended 31<sup>st</sup> March 2018

(₹ in Lakhs)

Particular / Name	Designation	% Increase in Remuneration
Mr. Vinayak K Deshpande	Chairman	NA
Mr. Nalin Shah	Director	2.32%
Mr. Michael Bastian	Director	14.28%
Mr. Pralhad Pawar	Director	NA
Ms. Leja Hattiangadi	Director	9.09%
<b>Key Managerial Personnel (KMP)</b>		
Mr. Nikhil Naniwadekar *	Manager & Chief Operating Officer	9.00%
Mr. Saket Mathur *	Manager & Chief Operating Officer	NA
Mr. Rajesh Mandale **	Chief Financial Officer	8.62%
Mr. Balaji Sethuraman **	Chief Financial Officer	NA
Deepak Tibrewal	Company Secretary	8.00%

\*Mr. Nikhil Naniwadekar ceased to be the Manager & COO with effect from 31<sup>st</sup> December 2017 and Mr. Saket Mathur was appointed as the Manager & COO with effect from 1<sup>st</sup> January 2018.

\*Mr. Rajesh Mandale ceased to be the CFO with effect from 6<sup>th</sup> May 2017 and Mr. S. Balaji was appointed as the CFO with effect from 11<sup>th</sup> July 2017.

III. % Increase in median remuneration of employees in the Financial Year : 8%

IV. Number of permanent Employees on the roll of the Company : 150

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

(₹ in Lakhs)

Particulars	2017-18	2016-17
Total Income	14172.22	11095.06
EBITDA	1188.00	1062.37
EBITDA as % of total Income	8.38%	9.5%
PAT (Rs Lakhs)	130.83	2717.97
PTA as % of total Income	0.96%	24.5%

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

VI. 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: Nil

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 Personnel 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 : 26<sup>th</sup> April 2018  
Place: Hyderabad

## INDEPENDENT AUDITOR'S REPORT

To The Members of Artson Engineering Limited

### Report on the Indian Accounting Standards (Ind AS) Financial Statements

1. We have audited the accompanying financial statements of Artson Engineering Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2018, the Statement of Profit and Loss (including Other Comprehensive Income), the Cash Flow Statement and the Statement of Changes in Equity for the year then ended, and a summary of the significant accounting policies and other explanatory information.

### Management's Responsibility for the Ind AS Financial Statements

2. 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 Ind AS financial statements to 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 Indian Accounting Standards specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of 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 Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### Auditor's Responsibility

3. Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including 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.
5. We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS 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 Ind AS 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 the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

### Opinion

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2018, and its total comprehensive income (comprising of profit and other comprehensive income), its cash flows and the changes in equity for the year ended on that date.

### Other Matter

9. The Ind AS financial statements of the Company for the year ended March 31, 2017, were audited by another firm of chartered accountants under the Companies Act, 2013 who, vide their report dated May 02, 2017, expressed an unmodified opinion on those financial statements. Our opinion is not qualified in respect of this matter.



## Report on Other Legal and Regulatory Requirements

10. As required by the Companies (Auditor's Report) Order, 2016, issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act ("the Order"), and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure B a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. 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 (including other comprehensive income), the Cash Flow Statement 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 Ind AS financial statements comply with the Indian Accounting Standards specified under Section 133 of the Act.
  - (e) On the basis of the written representations received from the Directors as on March 31, 2018 taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2018 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 with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in **Annexure A**.
  - (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 knowledge and belief and according to the information and explanations given to us:
    - i. The Company has disclosed the impact, if any, of pending litigations as at March 31, 2018 on its financial position in its Ind AS financial statements – Refer Note 44;
    - ii. The Company has long-term contracts as at March 31, 2018 for which there were no material foreseeable losses. The Company did not have any derivative contracts as at March 31, 2018.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company during the year ended March 31, 2018.
    - iv. The reporting on disclosure relating to Specified Bank Notes is not applicable to the Company for the year ended March 31, 2018.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E-300009  
Chartered Accountants

Sunit Kumar Basu  
Partner  
Membership Number: 55000

Place: Hyderabad  
Date: April 26, 2018

## ANNEXURE A TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 11 (f) of the Independent Auditor's Report of even date to the members of Artson Engineering Limited on the financial statements for the year ended March 31, 2018

### Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Act

1. We have audited the internal financial controls over financial reporting of Artson Engineering Limited ("the Company") as of March 31, 2018 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

2. The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the 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 (ICAI). 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 Act.

### Auditor's Responsibility

3. 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 deemed to be prescribed under section 143(10) of the Act 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 ICAI. 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.
4. 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 judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.
5. 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

6. 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 authorisations 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

7. 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

8. In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2018, based on the internal control over financial reporting criteria established by the Company considering the 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.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E-300009  
Chartered Accountants

Sunit Kumar Basu  
Partner  
Membership Number: 55000

Place: Hyderabad  
Date: April 26, 2018

## ANNEXURE B TO INDEPENDENT AUDITOR'S REPORT

Referred to in paragraph 10 of the Independent Auditor's Report of even date to the members of Artson Engineering Limited on the financial statements as of and for the year ended March 31, 2018

- i. (a) The Company is maintaining proper records showing full particulars, including quantitative details and situation, of fixed assets.
- (b) The fixed assets are physically verified by the Management according to a phased programme designed to cover all the items over a period of three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. Pursuant to the programme, a portion of the fixed assets has been physically verified by the Management during the year and no material discrepancies have been noticed on such verification.
- (c) The title deeds of immovable properties, as disclosed in Note 3 on fixed assets and Note 8 on Other Assets to the financial statements, are held in the name of the Company.
- ii. The physical verification of inventory [excluding certain contracts-in-progress indicated under note 9 to the financial statements] have been conducted at reasonable intervals by the Management during the year. The discrepancies noticed on physical verification of inventory as compared to book records were not material.
- iii. The Company has not granted any loans, secured or unsecured, to Companies, firms, Limited Liability Partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3(iii), (iii)(a), (iii)(b) and (iii)(c) of the said Order are not applicable to the Company.
- iv. The Company has not granted any loans or made any investments, or provided any guarantees or security to the parties covered under Section 185 and 186. Therefore, the provisions of Clause 3(iv) of the said Order are not applicable to the Company.
- v. The Company has not accepted any deposits from the public within the meaning of Sections 73, 74, 75 and 76 of the Act and the Rules framed there under to the extent notified.
- vi. Pursuant to the rules made by the Central Government of India, the Company is required to maintain cost records as specified under Section 148(1) of the Act in respect of its products. We have broadly reviewed the same, and are of the opinion that, prima facie, the prescribed accounts and records have been made and maintained. We have not, however, made a detailed examination of the records with a view to determine whether they are accurate or complete.
- vii. (a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing undisputed statutory dues in respect of professional tax, income tax, provident fund, employees' state insurance, service tax, goods and service tax with effect from July 1, 2017, though there has been a slight delay in a few cases, and is regular in depositing undisputed statutory dues, including sales tax, duty of customs, duty of excise, value added tax, cess and other material statutory dues, as applicable, with the appropriate authorities.
- (b) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of income-tax, service-tax, duty of customs, duty of excise, goods and service tax which have not been deposited on account of any dispute. The particulars of dues of sales tax, value added tax, as at March 31, 2018 which have not been deposited on account of a dispute, are as follows:

Name of the statute	Nature of dues	Amount disputed (₹ in Lakhs)	Amount deposited (₹ in Lakhs)	Period to which the amount relates	Forum where the dispute is pending
Central Sales Tax Act, 1956	Central Sales Tax	41.40	Nil	FY 2007-08	Maharashtra Sales Tax Tribunal
MVAT Act, 2002	Value Added Tax & Central Sales Tax	2.39	Nil	FY 2008-09	Commissioner (Appeal)
MVAT Act, 2002	Value Added Tax & Central Sales Tax	1.60	Nil	FY 2011-12	Deputy Commissioner of Sales Tax (Appeal)
Punjab Value Added Tax Act, 2005	Value Added Tax	4.84	1.21	FY 2009-10	Joint Director-cum-Deputy Excise & Taxation Commissioner (Appeals)
Punjab Value Added Tax Act, 2005	Value Added Tax	2.32	Nil	FY 2009-10	Excise & Taxation Officer-cum-Officer Incharge
Punjab Value Added Tax Act, 2005	Value Added Tax	0.87	0.22	FY 2009-10	Joint Director-cum-Deputy Excise & Taxation Commissioner (Appeals)
West Bengal Value Added Tax Act, 2003	Value Added Tax	1.99	0.16	FY 2015-16	Senior Joint Commissioner Sales Tax
Jharkhand Value Added Tax Act, 2005	Value Added Tax	110.02	10.00	FY 2011-12	Commissioner of Commercial Taxes, Jharkhand

- viii. According to the records of the Company examined by us and the information and explanation given to us, the Company has not defaulted in repayment of loans or borrowings to any financial institution or bank or Government or dues to debenture holders as at the balance sheet date.
- ix. The Company has not raised any moneys by way of initial public offer and further public offer (including debt instruments). In our opinion, and according to the information and explanations given to us, the term loans have been applied for the purposes for which they were obtained.
- x. During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practices in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud by the Company or on the Company by its officers or employees, noticed or reported during the year, nor have we been informed of any such case by the Management.
- xi. The Company has not paid/ provided for any managerial remuneration during the year.
- xii. As the Company is not a Nidhi Company and the Nidhi Rules, 2014 are not applicable to it, the provisions of Clause 3(xii) of the Order are not applicable to the Company.
- xiii. The Company has entered into transactions with related parties in compliance with the provisions of Sections 177 and 188 of the Act. The details of the related party transactions have been disclosed in the Ind AS financial statements as required under Indian Accounting Standard (Ind AS) 24, Related Party Disclosures specified in the Companies (Indian Accounting Standards) Rules, 2015 (as amended) under Section 133 of the Act.
- xiv. The Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review. Accordingly, the provisions of Clause 3(xiv) of the Order are not applicable to the Company.
- xv. The Company has not entered into any non cash transactions with its Directors or persons connected with him. Accordingly, the provisions of Clause 3(xv) of the Order are not applicable to the Company.
- xvi. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the provisions of Clause 3(xvi) of the Order are not applicable to the Company.

For Price Waterhouse & Co Chartered Accountants LLP  
Firm Registration Number: 304026E/E-300009  
Chartered Accountants

Sunit Kumar Basu  
Partner  
Membership Number: 55000

Place: Hyderabad  
Date: April 26, 2018

**BALANCE SHEET AS AT 31<sup>ST</sup> MARCH, 2018**

(All amounts are in ₹ Lakhs unless otherwise stated)

	Notes	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>ASSETS</b>			
<b>Non-current assets</b>			
(a) Property, plant and equipment	3	473.74	351.22
(b) Intangible assets	4	6.75	5.17
(c) Financial Assets			
(i) Trade receivables	5	97.13	-
(ii) Other financial assets	6	106.48	25.00
(d) Deferred tax assets (net)	7	1,543.68	2,164.98
(e) Non-Current tax assets (net)		445.66	475.00
(f) Other non-current assets	8	380.94	435.66
<b>Total non-current assets</b>		<b>3,054.38</b>	<b>3,457.03</b>
<b>Current assets</b>			
(a) Inventories	9	2,387.73	1,790.71
(b) Financial Assets			
(i) Trade receivables	5	2,760.23	2,834.33
(ii) Cash and cash equivalents	10	69.26	133.72
(iii) Bank balances other than (ii) above		1.01	-
(iv) Other financial assets	6	1,302.07	824.91
(c) Other current assets	8	1,392.30	1,125.45
<b>Total current assets</b>		<b>7,912.60</b>	<b>6,709.12</b>
<b>Total assets</b>		<b>10,966.98</b>	<b>10,166.15</b>
<b>EQUITY AND LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	11	369.20	369.20
(b) Other Equity	12	214.67	230.84
<b>Total Equity</b>		<b>583.87</b>	<b>600.04</b>
<b>Liabilities</b>			
<b>Non-current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	13	1,740.24	1,709.27
(b) Provisions	14	49.41	31.98
<b>Total non-current liabilities</b>		<b>1,789.65</b>	<b>1,741.25</b>
<b>Current liabilities</b>			
(a) Financial Liabilities			
(i) Borrowings	15	863.86	323.10
(ii) Trade payables	16	6,034.12	5,125.78
(iii) Other financial liabilities	17	126.88	453.86
(b) Provisions	14	10.12	10.74
(c) Other current liabilities	18	1,558.48	1,911.38
<b>Total current liabilities</b>		<b>8,593.46</b>	<b>7,824.86</b>
<b>Total liabilities</b>		<b>10,383.11</b>	<b>9,566.11</b>
<b>Total equity and liabilities</b>		<b>10,966.98</b>	<b>10,166.15</b>

See accompanying notes forming part of the financial statements 1 - 47

This is the Balance Sheet referred to in our report of even date.

For **Price Waterhouse & Co Chartered**  
**Accountants LLP**  
Chartered Accountants  
FRN: 304026E/ E-300009

For and on behalf of the Board of Directors

**Vinayak K Deshpande**  
Chairman  
DIN:00036827

**Nalin M Shah**  
Director  
DIN:00882723

**Sunit Kumar Basu**  
Partner  
Membership No. 55000

**Saket Mathur**  
Manager

**Balaji Sethuraman**  
Chief Financial Officer

**Deepak Tibrewal**  
Company Secretary

Place: Hyderabad  
Date: 26<sup>th</sup> April 2018

Place: Hyderabad  
Date: 26<sup>th</sup> April 2018

## STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

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

	Notes	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
I Revenue from operations	19	13,247.20	10,470.62
II Other income	20	925.02	624.44
<b>III Total Income (I + II)</b>		<b>14,172.22</b>	<b>11,095.06</b>
<b>IV Expenses</b>			
(a) Cost of materials consumed	21	6,120.73	4,254.54
(b) Changes in inventories of stock-in-trade and work-in-progress	22	(955.29)	162.68
(c) Excise duty on sale of goods		36.72	414.44
(d) Employee benefits expenses	23	1,055.37	828.00
(e) Finance costs	24	543.53	403.47
(f) Depreciation and amortisation expense	25	100.66	90.52
(g) Project execution expenses	26	5,757.00	3,560.79
(h) Other expenses	27	969.71	812.26
<b>Total Expenses (IV)</b>		<b>13,628.43</b>	<b>10,526.70</b>
V <b>Profit before tax (III-IV)</b>		<b>543.79</b>	<b>568.36</b>
VI <b>Tax Expense:</b>			
(a) Current tax		-	15.80
(b) Deferred tax	28	412.98	(2,164.77)
		<b>412.98</b>	<b>(2,148.97)</b>
VII <b>Profit for the year (V - VI)</b>		<b>130.81</b>	<b>2,717.33</b>
VIII <b>Profit / (loss) for the year</b>		<b>130.81</b>	<b>2,717.33</b>
IX <b>Other comprehensive income</b>			
(i) Items that will not be reclassified subsequently to the statement of profit and loss			
- Remeasurement gains of Post employment benefits on defined benefit plan (net)		4.34	0.43
(ii) Income tax relating to items that will not be reclassified subsequently to statement of profit and loss		(1.20)	0.21
X <b>Total other comprehensive income</b>		<b>3.14</b>	<b>0.64</b>
XI <b>Total comprehensive income for the year (VIII + X)</b>		<b>133.95</b>	<b>2,717.97</b>
<b>Earnings per equity share (Face value : ₹ 1)</b>	31		
Basic earnings per share (₹)		0.35	7.36
Diluted earnings per share (₹)		0.35	7.36

See accompanying notes forming part of the financial statements 1 - 47

This is the Statement of Profit and loss referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**  
Chartered Accountants  
FRN: 304026E/ E-300009

For and on behalf of the Board of Directors

**Vinayak K Deshpande**  
Chairman  
DIN:00036827

**Nalin M Shah**  
Director  
DIN:00882723

**Sunit Kumar Basu**  
Partner  
Membership No. 55000

**Saket Mathur**  
Manager

**Balaji Sethuraman**  
Chief Financial Officer

**Deepak Tibrewal**  
Company Secretary

Place: Hyderabad  
Date: 26<sup>th</sup> April 2018

Place: Hyderabad  
Date: 26<sup>th</sup> April 2018

STATEMENT OF CASH FLOW FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(All amounts are in ₹ Lakhs unless otherwise stated)

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
<b>Cash flows from operating activities</b>		
Profit before tax for the year	543.79	568.36
<b>Adjustments for :</b>		
Finance costs	543.53	403.47
Interest income	(16.69)	(39.07)
(Gain) / loss on disposal of property, plant and equipment	7.73	(12.04)
Depreciation and amortisation expense	100.66	90.52
Liabilities no longer required Written back	(634.10)	(472.64)
Provision for doubtful debts no longer required written back	(228.16)	-
Provision for doubtful debts -Receivables	4.50	-
Provision for doubtful debts -Unbilled	2.11	-
Actuarial gain/(loss) on defined benefit plan (net)	3.14	0.64
Unrealised (gain)/loss on foreign currency transactions	(3.83)	3.88
	<b>322.68</b>	<b>543.12</b>
<b>Movements in working capital</b>		
(Increase)/decrease in Trade Receivables	202.97	3,465.48
(Increase)/decrease in Inventories	(597.02)	(45.66)
(Increase)/decrease in Other Financial Assets	(559.74)	(571.91)
(Increase)/decrease in Other Assets	(295.69)	(227.36)
Increase/(decrease) in Trade Payables	1,542.46	1,947.35
Increase/(decrease) in Provisions	16.81	7.38
Increase/(decrease) in Other Financial Liabilities	(326.98)	(2,232.04)
Increase/(decrease) in Other Liabilities	(352.90)	(2,773.15)
<b>Cash (used in)/generated from operations</b>	<b>(47.41)</b>	<b>113.21</b>
Income Taxes (refund)/paid	(29.34)	(27.79)
<b>Net cash (used in)/generated from operating activities</b>	<b>(18.07)</b>	<b>141.00</b>
<b>Cash flows from investing activities</b>		
Interest received	16.69	39.07
Payments for property, plant and equipment and Intangible assets	(234.65)	(50.52)
Payments for Deposits	(1.01)	-
Proceeds from disposal of property, plant and equipment	2.34	15.17
<b>Net Cash (used in) /generated from investing activities</b>	<b>(216.63)</b>	<b>3.72</b>
<b>Cash flows from financing activities</b>		
Proceeds from Long Term Borrowings	-	1,500.00
Repayments of Short Term Borrowings	-	(2,200.00)
Interest paid	(372.00)	(403.47)
<b>Net Cash used in financing activities</b>	<b>(372.00)</b>	<b>(1,103.47)</b>
<b>Net increase in Cash and Cash equivalents</b>	<b>(606.70)</b>	<b>(958.75)</b>
<b>Cash and cash equivalents at the beginning of the year</b>	<b>(189.38)</b>	<b>744.78</b>
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	1.48	24.59
<b>Cash and cash equivalents at the end of the year</b>	<b>(794.60)</b>	<b>(189.38)</b>
Cash and cash equivalents at the end of the year (Refer Note 10)	69.26	133.72
Bank overdraft (Refer Note 15)	(863.86)	(323.10)
<b>Cash and cash equivalents (including Bank overdraft) at the end of the year</b>	<b>(794.60)</b>	<b>(189.38)</b>

This is the Statement of Cash Flow referred to in our report of even date.

For Price Waterhouse & Co Chartered  
Accountants LLP  
Chartered Accountants  
FRN: 304026E/ E-300009

For and on behalf of the Board of Directors

Vinayak K Deshpande  
Chairman  
DIN:00036827

Nalin M Shah  
Director  
DIN:00882723

Sunit Kumar Basu  
Partner  
Membership No. 55000

Saket Mathur  
Manager

Balaji Sethuraman  
Chief Financial Officer

Deepak Tibrewal  
Company Secretary

Place: Hyderabad  
Date: 26<sup>th</sup> April 2018

Place: Hyderabad  
Date: 26<sup>th</sup> April 2018



## STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 31<sup>ST</sup> MARCH, 2018

(All amounts are in ₹ Lakhs unless otherwise stated)

Equity Share Capital	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Balance as at 1 <sup>st</sup> April	369.20	369.20
Changes in equity share capital during the year	-	-
<b>Balance as at 31<sup>st</sup> March</b>	<b>369.20</b>	<b>369.20</b>

	For the year ended 31 <sup>st</sup> March, 2018			For the year ended 31 <sup>st</sup> March, 2017		
	Retained Earnings	Equity component of financial instruments	Total	Retained Earnings	Equity component of financial instruments	Total
Balance as at 1 <sup>st</sup> April	(4,146.23)	4,377.07	230.84	(6,864.20)	271.99	(6,592.21)
Profit for the year	130.81	-	130.81	2,717.33	-	2,717.33
Other comprehensive income for the year	3.14	-	3.14	0.64	-	0.64
Financial gain due to corporate guarantee	-	57.00	57.00	-	281.79	281.79
Deferred tax Liability on Equity Component	-	(207.12)	(207.12)	-	-	-
Equity portion of the Interest free loan received from the Holding Company	-	-	-	-	3,823.29	3,823.29
<b>Total comprehensive income for the year</b>	<b>(4,012.28)</b>	<b>4,226.95</b>	<b>214.67</b>	<b>(4,146.23)</b>	<b>4,377.07</b>	<b>230.84</b>

This is the Statement of Changes in Equity referred to in our report of even date.

For **Price Waterhouse & Co Chartered Accountants LLP**  
Chartered Accountants  
FRN: 304026E/ E-300009

For and on behalf of the Board of Directors

**Vinayak K Deshpande**  
Chairman  
DIN:00036827

**Nalin M Shah**  
Director  
DIN:00882723

**Sunit Kumar Basu**  
Partner  
Membership No. 55000

**Saket Mathur**  
Manager

**Balaji Sethuraman**  
Chief Financial Officer

**Deepak Tibrewal**  
Company Secretary

Place: Hyderabad  
Date: 26<sup>th</sup> April 2018

Place: Hyderabad  
Date: 26<sup>th</sup> April 2018

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018

### 1) General Information

Artson Engineering Limited (“the Company”) is a Company limited by shares incorporated under the erstwhile 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. Meanwhile, with effect from December 1, 2016, the Ministry of Finance, Government of India notified the SICA Repeal Act, 2003 (“Repeal Act, 2003”) by virtue of which BIFR stood dissolved and all the appeals, references, inquiries and proceedings pending before the BIFR stand abated except for the Schemes already sanctioned. The Management is of the opinion that considering the current financial performance and order booking, the Company does not require to refer the case to the NCLT for approval of the above.

#### 1.1 Applicability of new and revised Ind AS:

The Company is in the process of assessing the detailed impact of Ind-AS 115 which will become effective from 1<sup>st</sup> April, 2018.

The Company intends to adopt the standard using the modified retrospective approach which means that the cumulative impact of the adoption will be recognised in the retained earnings as of April 1, 2018 and that comparatives will not be restated.

### 2) Significant Accounting Policies:

#### 2.1 Basis of preparation

##### (a) Compliance with INDAS

The financial statements comply in all material aspects with Indian Accounting Standards (Ind AS) notified under the Section 133 of the Companies Act, 2013 (the Act), the Companies (Indian Accounting Standards) Rules, 2015 and other relevant provisions of the Act.

##### (b) Historical cost convention

The financial statements have been prepared on the historical cost basis except for certain financial instruments that are measured at fair values at the end of each reporting period, as explained in the accounting policies below:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

In addition, for financial reporting purposes, fair value measurements are categorized into Level 1, 2, or 3 based on the degree to which the inputs to the fair value measurements are observable and the significance of the inputs to the fair value measurement in its entirety, which are described as follows:

- Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities that the entity can access at the measurement date;
- Level 2 inputs are inputs, other than quoted prices included within Level 1, that are observable for the asset or liability, either directly or indirectly; and
- Level 3 inputs are unobservable inputs for the asset or liability.

#### 2.2 Estimates

The preparation of the financial statements in conformity with Ind AS requires the Management to make estimates, judgments and assumptions. These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

have been disclosed. Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as the Management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

### 2.3 Revenue Recognition

(i) Revenue from sale of goods is recognized on dispatch of goods and on transfer of significant risks and rewards of ownership to the buyer, which generally coincides with the delivery of goods to customers. Amount disclosed as revenue is inclusive of excise duty and net of returns, trade allowances, rebates, value added taxes, goods and service tax (GST) and amounts collected on behalf of third parties.

(ii) Income from Construction Contracts

When the outcome of a construction contract can be measured reliably, contract revenue and contract costs associated with the construction contract are recognised as revenue and expenses respectively by reference to the percentage of completion of the contract activity at the reporting date. The stage of completion is determined on the basis of actual work executed during the year, which is billable to the customer.

For the purpose of recognizing revenue, contract revenue comprises the initial amount of revenue agreed in the contract, the variations in contract work, claims and incentive payments to the extent that it is probable they will result in revenue and they are capable of being reliably measured.

The percentage of completion method is applied on a cumulative basis in each accounting year to the current estimates of contract revenue and contract costs. The effect of a change in the estimate of the outcome of a contract is accounted for as a change in accounting estimates and the effect of which is recognised in the Statement of Profit and Loss in the year in which the change is made and in subsequent years.

When the outcome of a construction contract cannot be estimated reliably, revenue is recognized only to the extent of contract costs incurred of which recovery is probable and the related contract costs are recognized as an expense in the year in which they are incurred.

When it is probable that the total contract cost will exceed total contract revenue, the expected loss is recognized as an expense in the Statement of Profit and Loss in the year in which such probability occurs.

No profit is recognized till a minimum of 10% progress is achieved on the contract.

(iii) Income from services rendered is recognized based on the agreements/arrangements with the concerned parties and when the services are rendered.

(iv) Other Income - Interest income is accounted on accrual basis.

(v) Any amount received/receivable in respect of Arbitration Awards in favour of the Company is treated as income of the year of receipt of the award.

### 2.4 Unbilled Revenue

Unbilled revenue represents value of work executed, billed subsequent to the Balance Sheet date and is valued at the contract price

### 2.5 Foreign Currency Translation

(i) **Functional and presentation currency**

Items included in the financial statements are measured using the currency of the primary economic environment in which the Company operates ("the functional currency"). The financial statements are presented in Indian Rupees (INR), which is the Company's functional and presentation currency.

(ii) **Transactions and balances**

Transactions in foreign currency are recorded at the exchange rates prevailing on the date of transactions. Foreign currency monetary items outstanding at the Balance Sheet date are restated at the prevailing year-end rates. The resultant gain / loss upon such restatement along with gain / loss on account of foreign currency transactions is accounted in the Statement of Profit and Loss.

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)**2.6 Employee Benefits**

Employee benefits include provident fund, gratuity fund and compensated absences.

**(i) Defined contribution plan**

The Company's contribution to provident fund considered as defined contribution plan is charged as an expense in the Statement of Profit and Loss based on the amount of contribution required to be made and when services are rendered by the employees.

**(ii) Defined benefit plan**

For defined benefit retirement benefit plan, the cost of providing benefits is determined using the projected unit credit method, with actuarial valuations being carried out at the end of each annual reporting period. Remeasurement, comprising actuarial gains and losses, the effect of the changes to the asset ceiling (if applicable) and the return on plan assets (excluding net interest), are reflected immediately in the Balance Sheet with a charge or credit recognized in other comprehensive income in the period in which they occur. Remeasurement recognized in other comprehensive income is reflected immediately in retained earnings and is not reclassified to profit or loss. Past service cost is recognized in profit or loss in the period of a plan amendment. Net interest is calculated by applying the discount rate at the beginning of the period to the net defined benefit liability or asset. Defined benefit costs are categorized as follows:

- (i) Service cost (including current service cost, past service cost, as well as gains and losses on curtailments and settlements);
- (ii) Net interest expense or income; and
- (iii) Remeasurement

The Company presents the first two components of defined benefit costs in profit or loss in the line item 'Employee benefits expense'. Curtailment gains and losses are accounted for as past service costs.

The retirement benefit obligation recognized in the Balance Sheet represents the actual deficit or surplus in the Company's defined benefit plans. Any surplus resulting from this calculation is limited to the present value of any economic benefits available in the form reductions in future contributions to the plans.

**(iii) Short-term employee benefits**

A liability is recognized for benefits accruing to employees in respect of wages and salaries, annual leave in the period the related service is rendered at the undiscounted amount of the benefits expected to be paid in exchange for that service.

Liabilities recognized in respect of short-term employee benefits are measured at the undiscounted amount of the benefits expected to be paid in exchange for the related service.

**(iv) Other long-term employee benefits**

Other long-term employee benefit comprise of Compensated absences which is provided for based on the actuarial valuation carried out as at the end of the year using the projected unit credit method.

Liabilities recognized in respect of other long-term employee benefits are measured at the present value of the estimated future cash outflows expected to be made by the Company in respect of services provided by employees up to the reporting date.

**2.7 Earnings Per Share****(i) Basic earnings per share**

Basic earnings per share is calculated by dividing:

- the profit attributable to owners of the Company
- by the weighted average number of equity shares outstanding during the financial year, adjusted for bonus elements in equity shares issued during the year and excluding treasury shares

**(ii) Diluted Earnings per share**

Diluted earnings per share adjusts the figures used in the determination of basic earnings per share to take into account:

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

- the after income tax effect of interest and other financing costs associated with dilutive potential equity shares, and
- the weighted average number of additional equity shares that would have been outstanding assuming the conversion of all dilutive potential equity shares.

### 2.8 Leasing

Leases are classified as finance leases whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee. All other leases are classified as operating leases.

The Company's significant leasing arrangements are in respect of operating leases for premises that are cancelable in nature. The lease rentals under such agreements are recognised in the Statement of Profit and Loss as per the terms of the lease.

Rental expense from operating leases is generally recognised on a straight-line basis over the term of the relevant lease. Where the rentals are structured solely to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases, such increases are recognised in the year in which such benefits accrue to lessor.

### 2.9 Taxation

Income tax expense represents the sum of the tax currently payable and deferred tax.

#### 2.9.1 Current tax

Current tax represents tax payable based on taxable profit for the year determined in accordance with the provisions of the Income tax Act, 1961. Taxable profit differs from 'profit before tax' as reported in the Statement of Profit and Loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. Current tax is provided on the basis of the taxable income in accordance with and at the applicable tax rates and tax laws.

#### 2.9.2 Deferred tax

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities in the financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized.

Deferred income tax is also not accounted for if it arises from initial recognition of an asset or liability in a transaction other than a business combination that at the time of the transaction affects neither accounting profit nor taxable profit (tax loss). Deferred income tax is determined using tax rates (and laws) that have been enacted or substantially enacted by the end of the reporting period and are expected to apply when the related deferred income tax asset is realised or the deferred income tax liability is settled.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities and assets are measured at the tax rates that are expected to apply in the period in which the liability is settled or the asset realized, based on tax rates (and tax laws) that have been enacted or substantively enacted by the end of the reporting period.

Current and deferred tax are recognized in profit or loss, except when they relate to items that are recognized in other comprehensive income or directly in equity, in which case, the current and deferred tax are also recognized in other comprehensive income or directly in equity respectively.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to offset current tax assets and liabilities and when the deferred tax balances relate to the same taxation authority. Current tax assets and tax liabilities are offset where the entity has a legally enforceable right to offset and intends either to settle on a net basis, or to realise the asset and settle the liability simultaneously.

### 2.10 Property, Plant and Equipment & Intangible Assets

Property, Plant and Equipment are carried at cost less accumulated depreciation and impairment losses, if any. The cost of Property, Plant and Equipment 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 Property, Plant and Equipment up to the date the asset is ready for its intended use.

Property, Plant and Equipment retired from active use and held for sale are stated at the lower of their net book value and net realizable value and are disclosed separately.

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)**Transition to Ind AS**

On transition to Ind AS in the financial year 2016/17, the Company had elected to continue with the carrying value of all of its Property, Plant and Equipment recognised as at 1 April 2015 measured as per the previous GAAP and use that carrying value as the deemed cost of the Property, Plant and Equipment.

**Intangible Assets:**

Intangible assets comprise of the application and other software procured through perpetual licences. The intangible assets are capitalized on implementation of such software and comprises of the prices paid for procuring the licences and implementation cost of such software.

**Depreciation and Amortization :**

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 except in respect of working support structure, in which case, the life of the assets has been assessed as under, based on technical advice, taking into account the nature of asset, the estimated usage of the asset, the operating conditions of the asset, etc. The balance life of the working support structure is 15 years. Depreciation on components is charged as per the remaining useful life of the components.

All Property, Plant and Equipment are tested for impairment at the end of each financial year. The impairment loss being the excess of carrying value over the recoverable value of the assets, if any, is charged to the Statement of Profit and Loss in the respective financial year. The impairment loss recognized in prior years is reversed in cases where the recoverable value exceeds the carrying value, upon reassessment in the subsequent years.

**2.11 Inventories**

Raw materials are valued at lower of cost, ascertained on “FIFO” method and net realizable value.

Work-in Progress is valued at the lower of cost and the net realizable value.

**2.12 Provisions, contingent liabilities and contingent assets**

Provisions are recognized only when there is a present obligation as a result of past events and when a reasonable estimate of the amount of obligation can be made. The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the end of the reporting period, taking into account the risks and uncertainties surrounding the obligation. When a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows (when the effect of the time value of money is material).

A contingent liability is:

- (a) a possible obligation that arises from past events and whose existence will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the entity; or
- (b) a present obligation that arises from past events but is not recognised because:
  - (i) it is not probable that an outflow of resources embodying economic benefits will be required to settle the obligation; or
  - (ii) the amount of the obligation cannot be measured with sufficient reliability.

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.

**2.13 Financial Instruments**

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the instruments.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognized immediately in profit or loss.

- (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:** - Financial assets are measured at fair value through other comprehensive income if these financial assets are held within a business whose objective is achieved by both collecting contractual cash flows that give rise on specified dates to solely payments of principal and interest on the principal amount outstanding and by selling financial assets.

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

The Company has made an irrevocable election to present in other comprehensive income subsequent changes in the fair value of equity investments not held for trading.

**(iii) Financial assets at fair value through profit or loss:** - Financial assets are measured at fair value through profit or loss unless it is measured at amortized cost or at fair value through other comprehensive income on initial recognition. The transaction costs directly attributable to the acquisition of financial assets and liabilities at fair value through profit or loss are immediately recognized in profit or loss.

**(iv) Financial liabilities:** - Financial liabilities are measured at amortized cost using the effective interest method.

### Impairment of Financial Assets

The Company applies the expected credit loss model for recognizing impairment loss on financial assets measured at amortized cost, trade receivables, other contractual rights to receive cash or other financial asset.

For trade receivables or any contractual right to receive cash or another financial asset that result from transactions that are within the scope of Ind AS 11 and Ind AS 18, the Company always measures the loss allowance at an amount equal to the lifetime expected credit losses.

Further, for the purpose of measuring lifetime expected credit loss allowance for trade receivables, the Company has used a practical expedient method as permitted under Ind AS 109. This expected credit loss allowance is computed based on a provision matrix which takes into account historical credit loss experience and adjusted for forward-looking information.

### 2.14 Operating cycle

The Company's activities (primarily construction activities) have an operating cycle that has a period of less than twelve months. The Company has selected the duration of the individual contracts as its operating cycle, wherever appropriate, for classification of its assets and liabilities as current and non-current.

### 2.15 Cash and cash equivalents

For the purpose of presentation in the Statement of Cash Flow, cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value, and bank overdrafts. Bank overdrafts are shown within borrowings in current liabilities in the Balance Sheet.

### 2.16 Trade Receivables

Trade receivables are recognized initially at fair value and subsequently measured at amortized cost using the effective interest method, less provision for impairment.

### 2.17 Off setting financial instruments

Financial Assets and Liabilities are offset and the net amount is reported in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on net basis or realize the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

### 2.18 Trade and Other Payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of financial year which are unpaid. Trade and other payables are presented as current liabilities unless payment is not due within 12 months after the reporting period. They are recognized initially at their fair value and subsequently measured at amortized cost using the effective interest method.

### 2.19 Borrowings

Borrowings are initially recognized at fair value, net of transaction costs incurred. Borrowings are subsequently measured at amortized cost. Any difference between the proceeds (net of transaction costs) and the redemption amount is recognized in profit or loss over the period of the borrowings using the effective interest method.

### 2.20 Borrowing Costs

General and specific borrowing costs that are directly attributable to the acquisition, construction or production of a qualifying asset are capitalized during the period of time that is required to complete and prepare the asset for its intended use or sale. Qualifying assets are assets that necessarily take a substantial period of time to get ready for their intended use or sale.

Investment income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalization.

Other borrowing costs are expensed in the period in which they are incurred.

### 2.21 Rounding of amounts

All amounts disclosed in the financial statements and notes have been rounded off to the nearest lakhs as per the requirement of Schedule III, unless otherwise stated.

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

## 3. PROPERTY, PLANT AND EQUIPMENT

(All amounts are in ₹ Lakhs unless otherwise stated)

	Buildings	Plant and Equipment	Computers	Office Equipment	Furniture & Fixtures	Electrical Installations	Vehicles	Total
<b>Gross carrying amount - Cost/Deemed cost</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	0.50	-	42.00
Disposals	-	(3.13)	-	-	-	-	-	(3.13)
<b>Balance as at 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>15.89</b>	<b>1.19</b>	<b>619.77</b>
Balance as at 1 <sup>st</sup> April, 2017	88.67	465.91	16.59	12.14	19.38	15.89	1.19	619.77
Additions	-	189.46	15.41	13.75	7.96	-	0.63	227.21
Disposals	-	(59.09)	-	(0.89)	(0.89)	-	-	(60.87)
<b>Balance as at 31<sup>st</sup> March 2018</b>	<b>88.67</b>	<b>596.28</b>	<b>32.00</b>	<b>25.00</b>	<b>26.45</b>	<b>15.89</b>	<b>1.82</b>	<b>786.11</b>

	Buildings	Plant and Equipment	Computer	Office Equipment	Furniture & Fixtures	Electrical Installations	Vehicles	Total
<b>Accumulated depreciation</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
Depreciation expense	9.26	62.58	3.56	2.31	2.08	3.54	0.28	83.61
Disposals	-	-	-	-	-	-	-	-
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>19.77</b>	<b>216.33</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>
Balance as at 1 <sup>st</sup> April, 2017	19.77	216.33	5.43	6.42	10.89	8.97	0.74	268.55
Depreciation expense	8.16	62.10	10.60	7.65	3.77	2.42	0.10	94.80
Disposals	-	(49.23)	-	(0.86)	(0.89)	-	-	(50.98)
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>27.93</b>	<b>229.20</b>	<b>16.03</b>	<b>13.21</b>	<b>13.77</b>	<b>11.39</b>	<b>0.84</b>	<b>312.37</b>

	Buildings	Plant and Equipment	Computer	Office Equipment	Furniture & Fixtures	Electrical Installations	Vehicles	Total
<b>Net carrying amount</b>								
Balance as at 31 <sup>st</sup> March, 2017	68.90	249.58	11.16	5.72	8.49	6.92	0.45	351.22
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>60.74</b>	<b>367.08</b>	<b>15.97</b>	<b>11.79</b>	<b>12.68</b>	<b>4.50</b>	<b>0.98</b>	<b>473.74</b>

## 3.1 Property, plant and equipment pledged as security

Refer to Note 13 for information on property, plant and equipment pledged as security by the Company.

## 3.2 Self Constructed Asset

Additions to Plant and Equipment include an amount of ₹ 125.02 Lakhs (31<sup>st</sup> March, 2017-Nil) representing working support structure constructed for machinery at Nagpur and Nashik factories capitalised from the inventory of raw materials.

## 3.3 Buildings

Buildings are constructed on leasehold land and not owned by the Company.

## 3.4 Contractual Obligations

Refer to Note 43 for disclosure of contractual commitments for the acquisition of property, plant and equipment.



## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

### 4. INTANGIBLE ASSETS

	Computer software
<b>Gross carrying amount - Cost/Deemed cost</b>	
Balance as at 1 <sup>st</sup> April, 2016	11.15
Additions	4.73
Disposals	-
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>15.88</b>
Balance as at 1 <sup>st</sup> April, 2017	15.88
Additions	7.44
Disposals	-
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>23.32</b>

	Computer software
<b>Accumulated Amortisation</b>	
Balance as at 1 <sup>st</sup> April, 2016	3.80
Disposals	-
Amortisation Expense	6.91
<b>Balance as at 31<sup>st</sup> March, 2017</b>	<b>10.71</b>
Balance as at 1 <sup>st</sup> April, 2017	10.71
Disposals	-
Amortisation Expense	5.86
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>16.57</b>

	Computer software
<b>Net Carrying Amount</b>	
Balance as at 31 <sup>st</sup> March, 2017	5.17
<b>Balance as at 31<sup>st</sup> March, 2018</b>	<b>6.75</b>

### 5. TRADE RECEIVABLES

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Non-Current</b>		
Unsecured, considered good	97.13	-
Unsecured, considered doubtful	214.67	442.83
Allowance for doubtful debts	(214.67)	(442.83)
	<b>97.13</b>	-
<b>Current</b>		
Unsecured, considered good	2,760.23	2,834.33
Unsecured, considered doubtful	4.50	-
Allowance for doubtful debts	(4.50)	-
	<b>2,760.23</b>	2,834.33

#### 5.1 Expected Credit Loss Allowance on receivables

The Company applies the simplified approach for providing for expected credit losses prescribed by Ind AS 109, which permits the use of the lifetime expected loss provision for all the trade receivables (including unbilled revenue disclosed under other financial assets). The loss allowance provision is determined as follows after incorporating forward looking information.

- (i) At the end of each reporting period, the Company reviews every receivable balance and in case an issue is identified with regard to the recovery of the balance, a specific provision is made for the same.

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

- (ii) The Company also computes the Expected Credit Loss Allowance (ECLA) by applying the average percentage of bad debts writeoffs on turnover determined on a historical basis over the past 4 years. Expected Credit Loss Allowance is determined on the closing balance of all receivables (including unbilled revenue disclosed under other financial assets) from external customers at each reporting date.

No Expected Credit loss provision has been created for receivables from the Holding Company since the Company considers the life time credit risk of these financial assets to be very low.

### 5.2 Expected Credit Loss Allowance on other financial assets

No Expected Credit Loss provision, other than specific provisions, has been created for Cash and Cash equivalents and other financial assets (other than unbilled revenue), since the Company considers the life time credit risk of these financial assets to be very low.

### 5.3 Movement in the Expected Credit Loss Allowance

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Balance at the beginning of the year	1,061.81	1,061.81
Less: Provision no longer required written back during the year	(228.16)	-
Add: Additional provision for the current year	6.61	-
<b>Balance at the end of the year</b>	<b>840.26</b>	<b>1,061.81</b>

### 5.4 Break up of the Allowance for doubtful debts

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Allowance for doubtful debts on Non-Current Trade Receivables (Note 5)	214.67	442.83
Allowance for doubtful debts on Current Trade Receivables (Note 5)	4.50	-
Allowance for doubtful debts on Non-Current - Other Financial Assets (Note 6)	318.08	318.08
Allowance for doubtful debts on Current Other Financial Assets (Note 6)	303.01	300.90
<b>Total</b>	<b>840.26</b>	<b>1,061.81</b>

## 6. OTHER FINANCIAL ASSETS

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Non-Current</b>		
Security deposits		
Unsecured, considered good	80.68	-
Unsecured, considered doubtful	318.08	318.08
	<b>398.76</b>	318.08
Less: Allowance for doubtful deposits	(318.08)	(318.08)
	<b>80.68</b>	-
In Deposit Accounts with maturity greater than 12 months	25.80	25.00
<b>Total</b>	<b>106.48</b>	25.00
<b>Current</b>		
Unsecured, considered good, unless otherwise stated		
Contractual Reimbursable expenses	300.90	300.90
Less: Allowance for doubtful amounts	(300.90)	(300.90)
	-	-
Security deposits	25.03	60.89
Interest accrued on deposits	18.11	15.48
Unbilled Revenue	1,251.79	748.54
Less: Allowance for doubtful debts (expected credit loss allowance)	(2.11)	-
	<b>1,249.68</b>	748.54
Other Advances	9.25	-
<b>Total</b>	<b>1,302.07</b>	<b>824.91</b>

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

### 7. DEFERRED TAX ASSETS (NET)

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Deferred tax assets</b>		
On differences in the Net carrying amount of Property, Plant and Equipment as per Income Tax Act, 1961 and the Companies Act, 2013	67.85	102.43
On Allowance for doubtful trade receivables and other financial assets	233.76	351.08
On Provision for Compensated Absences	12.61	10.08
On Provision for Gratuity	3.95	3.77
On Provision for Bonus	12.54	10.62
On Unabsorbed business losses and Unabsorbed depreciation	1,311.83	1,647.90
On Amortisation of Guarantee Commission relating to Corporate Guarantee issued by the Holding Company	99.04	39.10
On interest expense relating to the interest-free loan received from the Holding Company	9.22	-
<b>Sub Total (A)</b>	<u>1,750.80</u>	<u>2,164.98</u>
<b>Deferred tax liabilities</b>		
On Equity portion of the Corporate Guarantee issued by the Holding Company	143.72	-
On Equity portion of the interest-free loan received from the Holding Company	63.40	-
<b>Sub Total (B)</b>	<u>207.12</u>	<u>-</u>
<b>Net Deferred tax assets (A - B)</b>	<u>1,543.68</u>	<u>2,164.98</u>

#### Significant estimates - Deferred tax assets on unabsorbed business losses and unabsorbed depreciation

The Company has recognised deferred tax assets on unabsorbed business losses and unabsorbed depreciation. The Company has incurred losses in the earlier years and it has started to make profits over the past couple of years. The Company has concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the approved business plans and budgets. The losses can be carried forward for a period of 8 years as per the requirements of the Income Tax Act, 1961. After set off of losses, the Company is expected to generate taxable income from Financial Year 2020-21 onwards.

#### Movement in Deferred tax assets (net)

Financial Year 2017-18	Opening balance	Recognised in statement of profit and loss	Recognised in Other Comprehensive Income	Recognised in Other Equity	Closing Balance
Deferred tax (liabilities)/assets in relation to					
On differences in the Net carrying amount of Property, Plant and Equipment as per Income Tax Act, 1961 and the Companies Act, 2013	102.43	(34.58)	-	-	67.85
Provision for compensated absences	10.08	2.53	-	-	12.61
Provision for Gratuity	3.77	1.38	(1.20)	-	3.95
On Allowance for doubtful trade receivables and other financial assets	351.08	(117.32)	-	-	233.76
Provision for Bonus	10.62	1.92	-	-	12.54
Unabsorbed business losses and Unabsorbed depreciation	1,647.90	(336.07)	-	-	1,311.83
On Amortisation of Guarantee Commission relating to Corporate Guarantee issued by the Holding Company	39.10	59.94	-	-	99.04
On interest expense relating to the interest-free loan received from the Holding Company	-	9.22	-	-	9.22
On Equity portion of the Corporate Guarantee issued by the Holding Company	-	-	-	(143.72)	(143.72)
On Equity portion of the interest-free loan received from the Holding Company	-	-	-	(63.40)	(63.40)
	<u>2,164.98</u>	<u>(412.98)</u>	<u>(1.20)</u>	<u>(207.12)</u>	<u>1,543.68</u>

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

Previous Year 2016-17	Opening balance	Recognised in statement of profit and loss	Recognised in Other Comprehensive Income	Recognised in Other Equity	Closing Balance
Deferred tax (liabilities)/assets in relation to					
On differences in the Net carrying amount of Property, Plant and Equipment as per Income Tax Act, 1961 and the Companies Act, 2013	-	102.43	-	-	102.43
Provision for compensated absences	-	10.08	-	-	10.08
Provision for Gratuity	-	3.56	0.21	-	3.77
On Allowance for doubtful trade receivables and other financial assets	-	351.08	-	-	351.08
Provision for Bonus	-	10.62	-	-	10.62
Unabsorbed business losses and Unabsorbed depreciation	-	1,647.90	-	-	1,647.90
On Amortisation of Guarantee Commission relating to Corporate Guarantee issued by the Holding Company	-	39.10	-	-	39.10
	-	2,164.77	0.21	-	2,164.98

## 8. OTHER ASSETS

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Non-Current</b>		
Balances with government authorities		
VAT credit receivable	378.22	432.90
Prepayments (Refer Note (a) below)	2.72	2.76
<b>Total</b>	<b>380.94</b>	<b>435.66</b>
<b>Current</b>		
Balances with government authorities		
CENVAT credit receivable	0.14	366.82
GST credit receivable	368.87	-
Advances to staff	4.53	5.32
Advances to suppliers	765.14	468.09
Prepaid expenses	86.77	32.21
Financial benefit on the Corporate Guarantee received from the Holding Company	156.82	240.39
Other Advances	10.03	12.62
<b>Total</b>	<b>1,392.30</b>	<b>1,125.45</b>

Note (a) - Represents amount paid towards land lease for a period of 95 years which is amortised on straight line basis over the term of the lease. The amortisation expenses is recognised in the Statement of Profit and Loss under Note 27 - "Other Expenses". For the year ended 31<sup>st</sup> March, 2018, the charge is ₹ 0.04 Lakh (Previous Year ₹ 0.04 Lakh).

## 9. INVENTORIES

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Raw materials (At lower of cost or net realisable value)	541.78	847.81
Work-in-progress (At lower of cost or net realisable value)	332.01	659.90
Contracts-in-progress (At lower of cost or net realisable value) (Refer note below)	1,507.76	224.58
Scrap (At estimated realisable value)	6.18	58.42
<b>Total</b>	<b>2,387.73</b>	<b>1,790.71</b>

Note: Contracts-in-progress disclosed under Inventories as at 31<sup>st</sup> March, 2018 includes cost aggregating ₹ 1,221.96 Lakhs (31<sup>st</sup> March, 2017 - ₹ 156.62 Lakhs) incurred on completed/ongoing contracts claimable from and billable to customers, including costs on account of delays/change in scope/design by them, etc., which are at various stages of discussion/negotiations.

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

### 10. CASH AND CASH EQUIVALENTS

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Balances with banks in current accounts	62.29	121.23
Cash on hand	6.97	12.49
<b>Total</b>	<b>69.26</b>	<b>133.72</b>

There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

### 11. EQUITY SHARE CAPITAL

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Authorised Share Capital</b>		
150,000,000 equity shares of ₹ 1 each (31 <sup>st</sup> March, 2017 : 150,000,000)	1,500.00	1,500.00
200,000 preference shares of ₹ 100/- each (31 <sup>st</sup> March, 2017 : 200,000)	200.00	200.00
	<b>1,700.00</b>	<b>1,700.00</b>
<b>Issued and Subscribed Capital</b>		
36,920,000 fully paid equity shares of ₹ 1 each (31 <sup>st</sup> March, 2017 : 36,920,000)	369.20	369.20
	<b>369.20</b>	<b>369.20</b>

#### Notes:

#### (i) Reconciliation of the Number of shares and amount outstanding at the beginning and at the end of the year

	Number of Shares in '000s	Equity Share Capital (Amount ₹ Lakh)
As at 1 <sup>st</sup> April, 2016	36,920	369.20
Shares Issue during the year	-	-
As at 31 <sup>st</sup> March, 2017	36,920	369.20
As at 1 <sup>st</sup> April, 2017	36,920	369.20
Shares Issue during the year	-	-
<b>As at 31<sup>st</sup> March, 2018</b>	<b>36,920</b>	<b>369.20</b>

#### (ii) 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. They entitle the holder to participate in dividends, and to share in the proceeds of winding up of the Company in proportion to the number of and amounts paid on the shares held.

The liability of the members is limited.

#### (iii) 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.

(iv) No bonus shares have been issued during the last five years.

(v) No shares have been issued for consideration other than cash during the last five years.

(vi) No shares have been bought back during the last five years.

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

## (vii) Shares of the Company held by Holding Company

	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017	
	Number of Shares in '000s	%	Number of Shares in '000s	%
<b>Equity shares of ₹ 1 each</b> Tata Projects Limited, The Holding Company	27,690	75	27,690	75

## (viii) Details of shares held by each shareholder Holding more than 5%

	As at 31 <sup>st</sup> March, 2018		As at 31 <sup>st</sup> March, 2017	
	Number of Shares in '000s	%	Number of Shares in '000s	%
<b>Equity shares of ₹ 1 each</b> Tata Projects Limited, The Holding Company	27,690	75	27,690	75

## 12. OTHER EQUITY

## 12 (a) Reserves and Surplus

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Retained Earnings</b>		
Balance as at the beginning of the year	(4,146.23)	(6,864.20)
Profit for the year	130.81	2,717.33
Items of other comprehensive income recognised directly in retained earnings		
- Remeasurement gains of Post employment benefits on defined benefit plan, net of tax	3.14	0.64
<b>Balance at the end of the year</b>	<b>(4,012.28)</b>	<b>(4,146.23)</b>

## 12 (b) Equity component of financial instruments

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Balance as at the beginning of the year	4,377.07	271.99
Add: Financial benefit on the corporate guarantee received from the Holding Company (Refer Note (i) below)	57.00	281.79
Add: Equity portion of the interest-free loan received from the Holding Company (Refer Note (ii) below)	-	3,823.29
Less: Deferred Tax Liability on the equity component of financial instruments	(207.12)	-
<b>Balance at the end of the year</b>	<b>4,226.95</b>	<b>4,377.07</b>

## Notes:

- (i) Term loan from bank disclosed under Note 13 and Loans repayable on demand from banks disclosed under Note 15 have been granted by the banks at a concessional interest rate based on a corporate guarantee provided by the Holding Company. As per the requirements of Ind AS 109, the Company has computed the deemed financial benefit on the borrowings availed at concessional rate and the said benefit has been taken to other equity. The financial benefit accounted would be amortised in the Statement of Profit and Loss over the period of the loans. The amount of financial benefit taken to Other Equity as at 31<sup>st</sup> March, 2018 is ₹ 610.78 Lakhs (31<sup>st</sup> March, 2017 - ₹ 553.78 Lakhs). Additionally, during the year, the Company has recognised an amount of ₹ 140.56 Lakhs (31<sup>st</sup> March 2017 - ₹ 116.37 Lakhs) as guarantee commission charge in the Statement of Profit and Loss under Note 24 - Finance costs.
- (ii) During the previous year, the Company revised the terms of the term loan received from the Holding Company of ₹ 1,930.39 Lakhs and inter- corporate deposit received from the Holding Company of ₹ 2,100 Lakhs. As per the revised terms, the total loan from the Holding Company is repayable at the end of 20 years and does not bear any interest. As per the requirements of Ind AS 109, the loan from Holding Company was recorded at its fair value of ₹ 207.10 Lakhs as at 31<sup>st</sup> March, 2017 and the difference of ₹ 3,823.29 Lakhs between the loan received from the Holding Company of ₹ 4,030.39 lakhs and the fair value of the loan was taken to other equity.

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

(All amounts are in ₹ Lakhs unless otherwise stated)

### 13. NON-CURRENT BORROWINGS

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Secured - at amortised cost</b>		
Loans from related parties (Refer note (ii) below)	240.24	207.10
Term loan from bank (Refer note (i) below)	1,500.00	1,502.17
<b>Total</b>	<b>1,740.24</b>	<b>1,709.27</b>

#### Notes:

- (i) Term Loan of ₹ 1,500 lakhs (31<sup>st</sup> March 2017 ₹ 1502.17 Lakhs) taken from a bank is secured by first pari passu charge on fixed and current assets of the Company, both present and future. The loan is repayable in single instalment at the end of 3 years from the date of first disbursement of the facility i.e. 28<sup>th</sup> September, 2016 and carries an interest rate of 1 year MCLR plus 0.15% per annum i.e. 9% per annum, currently. Additionally, the term loan from bank is guaranteed unconditionally with irrevocable corporate guarantee from the Holding Company.
- (ii) Loan of ₹ 4,030.39 lacs (31<sup>st</sup> March 2017 ₹ 4,030.39 Lakhs) (Refer Note 12(b)) taken from the Holding Company is secured by mortgage of leasehold land at Nashik. The leasehold land has been disclosed as prepayments under other non-current assets (Note 8). The loan is repayable in single instalment at the end of 20 years effective from 1<sup>st</sup> April 2017 and interest rate is nil. Also refer the table below for the movement in the loan from related party:

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Opening balance	207.10	-
Add: Additions during the year	-	207.10
Add: Interest accrued during the year	33.14	-
<b>Balance as at the end of the year</b>	<b>240.24</b>	<b>207.10</b>

#### Net Debt Reconciliation

This section sets out the changes in liabilities arising from financing activities in the statement of cash flows:

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
Opening balance as at 1 <sup>st</sup> April (Current and Non-Current borrowings)*:	1,502.17	-
Add: Proceeds from Borrowings	-	1,500.00
Less: Repayments of Borrowings	-	-
Add: Interest expense	161.11	80.52
Less: Payment of interest	163.28	78.35
<b>Closing balance</b>	<b>1,500.00</b>	<b>1,502.17</b>

\*Bank overdraft balances are not included above as it is considered as cash and cash equivalents.

### 14. PROVISIONS

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Non-Current</b>		
Gratuity (Refer Note 32)	9.81	6.06
Compensated Absences	39.60	25.92
	<b>49.41</b>	<b>31.98</b>
<b>Current</b>		
Gratuity (Refer Note 32)	4.41	4.56
Compensated Absences	5.71	6.18
	<b>10.12</b>	<b>10.74</b>
<b>Total</b>	<b>59.53</b>	<b>42.72</b>

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)**

(All amounts are in ₹ Lakhs unless otherwise stated)

**15. CURRENT BORROWINGS**

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Secured - at amortized cost</b>		
Loans repayable on demand from banks (Bank Overdraft) (Refer Note (i) below)	863.86	323.10
<b>Total</b>	<u>863.86</u>	<u>323.10</u>

**Note:**

- (i) Working Capital loans from banks of ₹ 863.86 Lakhs (31<sup>st</sup> March, 2017 ₹ 323.10 Lakhs) are secured by pari passu charge on the inventories, book debts and other current assets of the Company. The current interest rate is 9% per annum. Additionally, the working capital loan from bank is guaranteed unconditionally with irrevocable corporate guarantee from the Holding Company.

**16. TRADE PAYABLES**

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Trade Payables</b>		
Dues of micro and small enterprises under Micro, Small and Medium Enterprises Development Act, 2006 (Refer Note 39)	128.56	41.06
Others	5,905.56	5,084.72
<b>Total</b>	<u>6,034.12</u>	<u>5,125.78</u>

**17. OTHER FINANCIAL LIABILITIES**

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Current</b>		
a) Current maturities of long-term debt	8.04	8.04
b) Liability for expenses	39.16	364.45
c) Interest accrued and due	6.28	-
d) Employee benefits payable	73.40	81.37
<b>Total</b>	<u>126.88</u>	<u>453.86</u>

**18. OTHER CURRENT LIABILITIES**

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
(a) Advances from customers including mobilisation advances	1,546.91	1,821.44
(b) Statutory dues	11.57	89.94
<b>Total</b>	<u>1,558.48</u>	<u>1,911.38</u>

**19. REVENUE FROM OPERATIONS**

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
(a) Income from sale of goods (including excise duty)	4,387.91	6,069.85
(b) Income from contracts	8,712.44	4,301.07
(c) Other operating revenues	146.85	99.70
<b>Total</b>	<u>13,247.20</u>	<u>10,470.62</u>



## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

(All amounts are in ₹ Lakhs unless otherwise stated)

### 20. OTHER INCOME

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
<b>(a) Interest income</b>		
Bank deposits	2.92	6.49
Interest on income tax refund	13.77	32.59
	<u>16.69</u>	<u>39.08</u>
<b>(b) Other non-operating income</b>		
Liabilities/provisions no longer required written back	634.10	472.64
Provision for doubtful debts no longer required written back	228.16	-
Miscellaneous Income	46.07	112.72
	<u>908.33</u>	<u>585.36</u>
<b>Total</b>	<u><u>925.02</u></u>	<u><u>624.44</u></u>

### 21. COST OF MATERIALS CONSUMED

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
(a) Opening Stock (including Scrap)	906.23	697.90
	<u>906.23</u>	<u>697.90</u>
(b) Purchases	5,887.48	4,462.87
(c) Less: Capitalised during the year (Refer Note 3.2)	(125.02)	-
(d) Less: Closing Stock (including Scrap)	(547.96)	(906.23)
	<u>5,214.50</u>	<u>3,556.64</u>
<b>Total</b>	<u><u>6,120.73</u></u>	<u><u>4,254.54</u></u>

### 22. CHANGES IN INVENTORIES OF STOCK-IN-TRADE AND WORK-IN-PROGRESS

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
(a) Opening Work-in-progress	659.90	1,047.16
Opening Contracts-in-progress	224.58	-
(b) Less: Closing Work-in-progress	(332.01)	(659.90)
Less: Closing Contracts-in-progress	(1,507.76)	(224.58)
<b>Total</b>	<u><u>(955.29)</u></u>	<u><u>162.68</u></u>

### 23. EMPLOYEE BENEFITS EXPENSES

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Salaries and wages	1,009.96	797.14
Contribution to provident and other funds (Refer Note 32.1)	41.33	30.42
Staff welfare expenses	4.08	0.44
<b>Total</b>	<u><u>1,055.37</u></u>	<u><u>828.00</u></u>

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)**

(All amounts are in ₹ Lakhs unless otherwise stated)

**24. FINANCE COSTS**

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
<b>Interest expense on :</b>		
(i) Borrowings	248.65	248.79
(ii) Mobilisation advances received from customers	95.51	0.76
(iii) Loan received from the Holding Company	33.14	-
(iv) Delay in payment of statutory dues	3.03	-
(v) Others	19.46	12.62
Guarantee commission on Corporate guarantee received from the Holding Company	140.56	116.37
Other borrowing costs	3.18	24.93
<b>Total</b>	<b>543.53</b>	<b>403.47</b>

**25. DEPRECIATION AND AMORTISATION EXPENSE**

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Depreciation of property, plant and equipment	94.80	83.61
Amortisation of intangible assets	5.86	6.91
<b>Total</b>	<b>100.66</b>	<b>90.52</b>

**26. PROJECT EXECUTION EXPENSES**

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Cost of erection services	5,436.53	3,247.03
Insurance charges	43.39	27.28
Bank guarantee and letter of credit charges	13.76	39.58
Other site expenses	263.32	246.90
<b>Total</b>	<b>5,757.00</b>	<b>3560.79</b>

**27. OTHER EXPENSES**

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Rent (Refer Note 36)	145.33	153.27
Rates and taxes	97.50	19.34
Repairs	0.63	0.53
Motor vehicle expenses	2.95	3.90
Travelling expenses	143.04	149.71
Legal and professional fees (Refer Note 41)	142.66	157.81
Postage and telephone	28.50	27.28
Printing and stationery	18.18	11.26
Business development expenses	6.63	3.27
Director's fees	14.70	14.30
Loss on forex fluctuation	15.97	44.92
Bad debts written off	-	9.27
Provision for doubtful debts	6.61	-
Corporate Social Responsibility expenses (Refer Note 42)	3.50	-
Loss on sale of Property, Plant and Equipment	7.73	-
Motor vehicle expenses	159.12	118.57
Electricity and water charges	147.73	82.60
Miscellaneous expenses	28.93	16.23
<b>Total</b>	<b>969.71</b>	<b>812.26</b>

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

(All amounts are in ₹ Lakhs unless otherwise stated)

### 28. INCOME TAXES

Tax expense in the Statement of Profit and Loss comprises:

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Current Taxes on profits for the year	-	-
Adjustments for current tax of prior periods	-	15.80
Deferred Taxes charge/(credit)	412.98	(2,164.77)
<b>Income Tax expense</b>	<b>412.98</b>	<b>(2,148.97)</b>

Tax expense recognised in Other Comprehensive Income comprises:

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Income tax relating to items that will not be reclassified subsequently to Statement of Profit and Loss	(1.20)	0.21
<b>Income Tax expense recognised in Other Comprehensive Income</b>	<b>(1.20)</b>	<b>0.21</b>

Tax expense recognised directly in Equity comprises:

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Aggregate current and deferred tax arising in the reporting period and not recognised in net profit or loss or other comprehensive income but directly debited/(credited) to equity:		
Deferred tax:		
On equity portion of the Corporate Guarantee issued by the Holding Company	143.72	-
On equity portion of the Interest - free loan received from the Holding Company	63.40	-
<b>Income Tax expense recognised directly in Equity</b>	<b>207.12</b>	<b>-</b>

The reduction of the Corporate tax rate from 30% to 25% and Cess rate also increased from 3% to 4% was substantively enacted on 29<sup>th</sup> March, 2018 and is effective from 1<sup>st</sup> April, 2018. As a result the relevant deferred tax balances have been remeasured. The impact of change in tax rate has been recognised in tax expenses in the Statement of Profit and Loss, resulting in Profit after Tax for the year being lower by Rs 180.77 Lakhs.

The following table provides the details of income tax assets and income tax liabilities as at 31<sup>st</sup> March, 2018 and 31<sup>st</sup> March, 2017.

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Non-Current Income tax assets	445.66	475.00
Current Income tax liabilities	-	-
<b>Net current income tax assets at the end</b>	<b>445.66</b>	<b>475.00</b>

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)**

(All amounts are in ₹ Lakhs unless otherwise stated)

**28.1 The Income Tax Expense for the Year can be Reconciled to the Accounting Profit as Follows:**

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Profit before tax from continuing operations	543.79	568.36
Tax rate at 33.06% (A)	179.78	187.90
Tax effect of amounts which are not deductible (taxable) in calculating taxable income: (B)	4.75	0.01
Effect of initial recognition of the deferred tax asset (C)	-	(2,337.91)
Effect of change in Tax rate on the Deferred Tax Charge for the year (D)	187.64	-
Effect of changes in the deferred tax assets recognised in the previous year (E)	40.81	1.03
<b>Income tax expense (A+B+C+D+E)</b>	<b>412.98</b>	<b>(2,148.97)</b>
Tax expense recognised in profit or loss (relating to continuing operations)	412.98	(2,148.97)
The tax rate used for the year 2017-18 and 2016-17 reconciliations above has remained unchanged		

**29. RELATED PARTY TRANSACTIONS****29.1 Details of related parties**

Description of relationship	Names of related parties
(i) Holding Company	Tata Projects Limited
(ii) Key Management Personnel	Mr. Vinayak K Deshpande, Chairman Mr. Nalin M Shah, Independent Director Mr. Michael Bastian, Independent Director Mr. Pralhad Pawar, Director Ms. Leja Hattiangadi, Independent Director Mr. Nikhil Naniwadekar, Manager (From 2 <sup>nd</sup> May 2017 to 31 <sup>st</sup> Dec 2017) Mr. Saketh Mathur, Manager (From 1 <sup>st</sup> January 2018) Mr. Rajesh Mandale, Chief Financial Officer (Upto 6 <sup>th</sup> May 2017) Mr. Balaji Sethuraman, Chief Financial Officer (From 11 <sup>th</sup> July 2017) Mr. Deepak Tibrewal, Company Secretary

**29.2 Details of related party transactions with the Holding Company during the year ended 31<sup>st</sup> March 2018 and balance outstanding as at 31<sup>st</sup> March, 2018.**

	Transactions during the year ended		Balances Outstanding at the end of the year	
	31-Mar-18	31-Mar-17	31-Mar-18	31-Mar-17
1 Income from sale of goods (including excise duty)	(3,561.48)	(4,899.37)	-	-
2 Income from contracts	(2,588.53)	(2,962.63)	-	-
3 Reimbursement of expenses to the Holding Company (including employee deputation cost)	212.91	171.49	-	-
4 Reimbursement of expenses by the Holding Company	9.49	12.48	-	-
5 Interest on loan received from the Holding Company	33.14	-	-	-
6 Guarantee commission on Corporate guarantee received from the Holding Company	140.56	116.37	-	-
7 Trade receivables	-	-	1,455.70	2,242.63
8 Trade payables	-	-	(1,180.26)	(983.20)
9 Long term borrowings	-	-	(240.24)	(207.10)
10 Financial benefit on the Corporate Guarantee received from the Holding Company	-	-	156.82	240.39
11 Advances from customers including mobilisation advances	-	-	(822.03)	(924.45)
12 Bank Guarantee limits utilised	-	-	1,793.63	1,188.00
13 Corporate Guarantees given	-	-	2,979.27	856.90
14 Corporate Guarantees received (including corporate guarantees given to bankers)	-	-	2,666.67	2,340.08

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

(All amounts are in ₹ Lakhs unless otherwise stated)

### 29.3 Compensation of Key Managerial Personnel

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Short-term benefits	114.22	110.39
<b>Total</b>	<b>114.22</b>	<b>110.39</b>

Note: As gratuity and compensated absences are computed for all the employees in aggregate basis actuarial valuation report, the amounts relating to the Key Managerial Personnel cannot be individually identified.

### 29.4 Sitting Fees paid to Directors

Directors Sitting Fees paid ₹ 14.70 Lakhs (31<sup>st</sup> March, 2017 : ₹ 14.30 Lakhs)

### 30. DISCLOSURE REQUIRED TO BE MADE UNDER IND AS-11 CONSTRUCTION CONTRACTS

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Construction revenue recognised during the year	8,712.44	4,301.07
Aggregate of contract costs incurred and recognised profits (less recognised losses) upto the reporting date	17,393.16	7,848.85
Advances received for contracts-in-progress	804.07	1,011.02
Retention money for contracts-in-progress	170.10	57.21
Gross amount due from customers for contract work	2,471.64	1,030.51

### 31. EARNINGS PER SHARE OF ₹ 1 FACE VALUE

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
<b>Basic &amp; Diluted earnings per share</b>		
From continuing operations	0.35	7.36

#### Reconciliation of earnings used in calculating earnings per share

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
<b>Basic &amp; Diluted earnings per share</b>		
Profit attributable to the equity holders of the Company used in calculating basic earnings per share	130.81	2,717.33

#### Weighted average number of shares used as the denominator

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Weighted average number of equity shares used as the denominator in calculating basic earnings per share (Nos in Lakhs)	369.20	369.20
Weighted average number of equity shares used as the denominator in calculating diluted earnings per share (Nos in Lakhs)	369.20	369.20

### 32. EMPLOYEE BENEFITS PLANS

#### 32.1 Defined Contribution Plan

In respect of defined contribution plans, contributions are made to provident fund for employees at the rate of 12% of basic salary as per regulations. The contributions are made to registered provident fund administered by the Government. The obligation of the Company is limited to the amount contributed and it has no further contractual nor any constructive obligation. The expense recognised during the period towards defined contribution plan is ₹ 41.33 Lakhs (31<sup>st</sup> March 2017 – ₹ 30.42 Lakhs).

NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

(All amounts are in ₹ Lakhs unless otherwise stated)

## 32. 2 Defined Benefit Plans

- (a) The principal assumptions used for the purposes of the actuarial valuations were as follows:

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Discount rate	7.53%	6.80%
Expected rate of salary increase	8.00%	8.00%

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

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
<b>Service Cost</b>		
Current Service Cost	11.72	8.19
Past Service Cost and (gain)/loss from settlements	0.41	-
Net Interest expense	0.61	0.46
<b>Components of defined benefit costs recognised in the statement of profit and loss (included under Contribution to Provident and Other Funds - Note 23)</b>	<b>12.74</b>	<b>8.65</b>

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
<b>Remeasurement on the net defined benefit liability :</b>		
Actuarial (Gains)/losses arising from changes in financial assumptions	(1.95)	4.60
Actuarial (Gains)/losses arising from experience assumptions	(3.53)	(3.23)
Return on plan assets excluding amounts included in Net Interest expense/(income) on above	1.14	(0.11)
<b>Components of defined benefit costs recognised in other comprehensive income</b>	<b>(4.34)</b>	<b>1.26</b>

The current service cost for the year is included in Note 23 - 'Employee benefit expense' in the Statement of Profit and Loss

The remeasurement of the net defined liability is included in Other Comprehensive Income.

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

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Present value of funded defined benefit obligation	37.32	37.16
Fair value of plan assets	23.10	24.91
<b>Net liability arising from defined benefit obligation</b>	<b>14.22</b>	<b>12.25</b>

- (d) Change in Defined benefit obligation during the year

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Opening defined benefit obligations	37.16	32.70
Current service cost	11.72	8.19
Interest Cost	2.23	2.32
Past service cost	0.41	-
Actuarial (Gains)/losses arising from changes in financial assumptions	(1.95)	4.60
Actuarial (Gains)/losses arising from experience assumptions	(3.53)	(3.23)
Benefits paid	(8.72)	(7.42)
<b>Closing defined benefit obligation</b>	<b>37.32</b>	<b>37.16</b>

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

(All amounts are in ₹ Lakhs unless otherwise stated)

### (e) Change in the fair value of the plan assets during the year :

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
Opening fair value of plan assets	24.91	23.48
Interest income	1.61	1.86
Return on plan assets (excluding amounts included in net interest expense)	(1.14)	0.11
Contribution from the employer	6.44	6.88
Benefits paid	(8.72)	(7.42)
<b>Closing fair value of plan assets</b>	<b>23.10</b>	<b>24.91</b>

### (f) Summary of the funded status of the defined benefit plans for the past five years:

	2018	2017	2016	2015	2014
Defined Benefit Obligation	37.32	37.16	32.70	35.61	44.44
Fair Value of Plan Assets	23.10	24.91	21.89	17.61	26.53
(Surplus)/Deficit	14.22	12.25	10.81	18.00	17.91

### (g) Summary of the Experience adjustments on the defined benefit plans for the past five years

	2018	2017	2016	2015	2014
Experience Adjustment on Plan Liabilities [(Gain)/Loss]	(5.48)	1.37	(10.91)	(3.02)	6.58
Experience Adjustment on Plan Asset [(Gain)/Loss]	1.14	(0.11)	1.58	(0.11)	0.36

### (h) Sensitivity Analysis - Defined Benefit plan

	Discount Rate		Salary Escalation Rate	
	Increase by 1%	Decrease by 1%	Increase by 1%	Decrease by 1%
Increase/(Decrease) in the defined benefit obligation (In ₹ Lakhs)	(2.41)	2.73	2.56	(2.31)

### (i) Expected cash flow profile of the benefits to be paid

	Expected Payout - Year 1	Expected Payout - Year 2	Expected Payout - Year 3	Expected Payout - Year 4	Expected Payout - Year 5	Expected Payout - Year 6 and above
Expected benefits pay out	4.40	4.81	4.15	4.34	4.79	23.08

The weighted average duration of the payment of these cash flows for the year ended 31<sup>st</sup> March, 2018 is 6.37 years.

Expected contribution to be made to plan assets in the financial year 2018-19 is ₹ 6.28 Lakhs. (Previous year: ₹ 6.84 lakhs)

## 32.3 OTHER LONG-TERM EMPLOYEE BENEFITS - COMPENSATED ABSENCES

The Compensated absences cover the Company's liability for earned leave and sick leave.

### (a) Funded status of obligation towards compensated absences and the charge in the Statement of Profit and Loss

	For the year ended 31 <sup>st</sup> March, 2018	For the year ended 31 <sup>st</sup> March, 2017
<b>Funded Status</b>		
Present value of obligation	45.31	32.10
Fair Value of Plan Assets	-	-
<b>(Surplus) / Deficit</b>	<b>45.31</b>	<b>32.10</b>
<b>Charge in the Statement of Profit and Loss</b>	<b>26.55</b>	<b>14.39</b>

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)**

(All amounts are in ₹ Lakhs unless otherwise stated)

**33. FAIR VALUES**

The Management assessed that trade receivables, cash and cash equivalents, other bank balances, other financial assets, short term borrowings, trade payables and other financial liabilities approximate their carrying amounts largely due to the short-term maturities or interest bearing nature of these instruments. The fair value of the financial assets and liabilities is included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Set out below, is a comparison by class of the carrying amounts and fair value of the Company's financial instruments, other than those with carrying amounts that are reasonable approximations of fair values:

**(i) Financial instruments by Category**

	Carrying value	
	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Financial assets</b>		
<b>At amortised cost</b>		
Trade receivables	2,857.36	2,834.33
Cash and cash equivalents	69.26	133.72
Other bank balances	1.01	-
Other financial assets	1,408.55	849.91
<b>Total financial assets</b>	<b>4,336.18</b>	<b>3,817.96</b>
<b>Financial liabilities</b>		
<b>At amortised cost</b>		
Borrowings	2,604.10	2,032.37
Trade payables	6,034.12	5,125.78
Other financial liabilities	126.88	453.86
<b>Total financial liabilities</b>	<b>8,765.10</b>	<b>7,612.01</b>

**(ii) Fair value hierarchy**

This section explains the judgments and estimates made in determining the fair values of the financial instruments that are measured at amortised cost and for which fair values are disclosed in the financial statements. To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under the accounting standard. An explanation of each level follows underneath the table.



## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

(All amounts are in ₹ Lakhs unless otherwise stated)

### Assets and liabilities which are measured at amortised cost for which fair values are disclosed

At 31 March 2018	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Trade receivables	-	-	2,857.36	2,857.36
Cash and cash equivalents	-	-	69.26	69.26
Other bank balances	-	-	1.01	1.01
Other financial assets	-	-	1,408.55	1,408.55
<b>Total financial assets</b>	-	-	<b>4,336.18</b>	<b>4,336.18</b>
<b>Financial liabilities</b>				
Borrowings	-	-	2,604.10	2,604.10
Trade payables	-	-	6,034.12	6,034.12
Other financial liabilities	-	-	126.88	126.88
<b>Total financial liabilities</b>	-	-	<b>8,765.10</b>	<b>8,765.10</b>

At 31 March 2017	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>				
Trade receivables	-	-	2,834.33	2,834.33
Cash and cash equivalents	-	-	133.72	133.72
Other bank balances	-	-	-	-
Other financial assets	-	-	849.91	849.91
<b>Total financial assets</b>	-	-	<b>3,817.96</b>	<b>3,817.96</b>
<b>Financial liabilities</b>				
Borrowings	-	-	2,032.37	2,032.37
Trade payables	-	-	5,125.78	5,125.78
Other financial liabilities	-	-	453.86	453.86
<b>Total financial liabilities</b>	-	-	<b>7,612.01</b>	<b>7,612.01</b>

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorised within the fair value hierarchy, described as follows, based on the lowest level input that is significant to the fair value measurement as a whole:

Level 1 — Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 — Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

### 34. FINANCIAL RISK MANAGEMENT

#### A . CREDIT RISK

Credit risk is the risk arising from credit exposure to customers, cash and cash equivalents held with banks and current and non-current held-to maturity financial assets.

##### (i) Credit risk management

The credit risk to the Company arises from three sources:

- (a) Customers, who default on their contractual obligations, thus resulting in financial loss to the Company
- (b) Non certification by the customers, either in part or in full, the works billed as per the contract, being non claimable cost as per the terms of the contract with the customer

##### (a) Customers

Company evaluates the credentials of a customer at a very early stage of the bid. Company has adopted a policy of 3 tier verification before participating for any bid. The first step of such verification includes verification of customer credentials. The Company, as part of verification of the customer credentials, ensures the compliance with the following criterion,

- (i) Customer's financial health by examining the audited financial statements
- (ii) Whether the Customer has achieved the financial closure for the work for which the Company is bidding
- (iii) Brand and market reputation of the customer

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)**

(All amounts are in ₹ Lakhs unless otherwise stated)

- (iv) Details of other contractors working with the customer
- (v) Where the customer is Public Sector Undertaking, sanction and availability of adequate financial resources for the proposed work.

Company makes provision on its financial assets, on every reporting period, as per Expected Credit Loss Method. The provision is made separately for each financial assets of each business line. The percentage at which the provision is made, is determined on the basis of historical experience of such provisions, modified to the current and prospective business and customer profile.

Trade receivables consist of large number of customers, spread across diverse industries and geographical areas. Majority of the customers of the Company comprise of Public Sector Undertakings, with whom the Company does not perceive any credit risk. Additionally the Company has significant revenue contracts with Holding Company, Tata Projects Limited, hence the credit risk for these transactions has been considered minimal. As regards the customers from private sector, Company carries out financial evaluation on regular basis and provides for any amount perceived as non realisable, in the books of accounts.

- (b) Non certification of works billed

The costs incurred on projects are regularly monitored through the Project budgets. Costs which are incurred beyond the agreed terms and conditions of the contract, would be claimed from the customer, based on the actual works performed. The realisability of such claims is reviewed by the Management on a periodic basis and the costs, which are identified as non tenable or costs beyond the collectible amounts would be provided in the books of accounts.

**(ii) Provision for Expected Credit Loss**

Refer Note 5 of the Financial Statements

**B . LIQUIDITY RISK**

Company being an EPC contractor, has a constant liquidity pressures to meet the project requirements. These requirements are met by a balanced mix of borrowings and project cash flows. Cash flow forecast is made for all projects on monthly basis and the same are tracked for actual performance on daily basis. Shortfall in cash flows are matched through short term borrowings and other strategic financing means. The daily project requirements are met by allocating the daily aggregated cash flows among the projects. Company has established practice of prioritising the site level payments and regulatory payments above other requirements.

**(i) Financing arrangements**

The Company had access to the following undrawn borrowing facilities at the end of the reporting period:

Particulars	Year ended 31 <sup>st</sup> March, 2018	year ended 31 <sup>st</sup> March, 2017
Secured Borrowings:		
Floating rate		
Expiring within one year (bank overdraft)	236.14	776.90

**(ii) Maturities of financial liabilities**

The table below provides Company financial liabilities into relevant maturity groupings based on their contractual maturities for all non-derivative financial liabilities

Particulars	Less than 1 year	1-2 years	2-4 years	Total
Trade payables	6,034.12			6,034.12
Other financial liabilities	126.88			126.88

**C . MARKET RISK****(i) Foreign currency risk**

The Company operates internationally and is exposed to foreign exchange risk arising from foreign currency transactions, Primarily with respect to AED (United Arab Emirates Dirham) and KWD (Kuwait Dinar).

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, 2018 (Contd.)

(All amounts are in ₹ Lakhs unless otherwise stated)

### (a) Foreign currency risk exposure

The carrying amounts of the Company's foreign currency denominated monetary assets and monetary liabilities at the end of the reporting period are as follows:

	Year ended 31 <sup>st</sup> March, 2018 (₹ in Lakhs)		Year ended 31 <sup>st</sup> March, 2017 (₹ in Lakhs)	
	AED	KWD	AED	KWD
Cash and Cash equivalents	39.31	0.34	96.35	0.35
Trade Receivables	353.34	-	964.75	-
Other Non-Current Assets	1.32	-	-	-
Other Current Assets	19.18	0.31	144.89	-
Other Financial Assets	59.67	-	31.07	-
Trade Payables	(219.76)	-	(346.95)	(20.65)
Other Current Liabilities	(2.59)	-	(548.23)	-
Other Financial Liabilities	(1.02)	-	-	-
<b>Net Assets / (Liabilities)</b>	<b>249.45</b>	<b>0.65</b>	<b>341.88</b>	<b>(20.30)</b>

### (ii) Interest rate risk

#### (a) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Variable rate borrowings	2,363.86	1,823.10
<b>Total Borrowings</b>	<b>2,363.86</b>	<b>1,823.10</b>

#### (b) Sensitivity

Profit or loss is sensitive to higher/lower interest expense from borrowings as a result of changes in interest rates.

	Impact on Profit after tax	
	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Interest rates-increase by 50 basis points	7.69	4.37
Interest rates-decrease by 50 basis points	(7.69)	(4.37)

## 35. CAPITAL MANAGEMENT

The Company's business model is working capital centric. The Company manages its working capital needs and long-term capital expenditure, through a balanced mix of capital (including retained earnings) and short-term debt.

The capital structure of the Company comprises of net debt (borrowings reduced by cash and bank balances) and equity.

The Company is not subject to any externally imposed capital requirements.

The Company reviews its capital requirements on an annual basis, in the form of Annual Operating Plan (AOP). The AOP of the Company aggregates the capital required for execution of projects identified and the financing mechanism of such requirements is determined as part of AOP.

The Company's debt to adjusted capital ratio at the end of the reporting period was as follows:

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Total liabilities	2,604.10	2,032.37
Less : cash and cash equivalents	69.26	133.72
<b>Adjusted net debt</b>	<b>2,534.84</b>	<b>1,898.65</b>
Total equity	583.87	600.04
<b>Adjusted net debt to adjusted equity ratio</b>	<b>4.34</b>	<b>3.16</b>

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)**

(All amounts are in ₹ Lakhs unless otherwise stated)

**36. OPERATING LEASE ARRANGEMENTS**

	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
(i) Rental expense relating to operating leases	145.33	153.27

**(ii) Non-cancellable operating leases**

The Company leases various offices under non-cancellable operating leases expiring within one to five years. The leases have varying terms, escalation clauses and renewal rights. On renewal, the terms of the leases are renegotiated.

Commitments for minimum lease payments in relation to non-cancellable operating leases are payable as follows:

	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Within one year	13.13	13.13
Later than one year but not later than five years	17.51	30.64
Later than five years	-	-
	<u>30.64</u>	<u>43.77</u>

**37. 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.

<b>Breakup of Revenue from Operations</b>	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
<b>Revenues</b>		
Income from sale of goods (including excise duty)	4,387.91	6,069.85
Income from Contracts	8,712.44	4,301.07
Other operating revenues	146.85	99.70
<b>Total</b>	<u>13,247.20</u>	<u>10,470.62</u>

<b>Information about geographical areas</b>	<b>31<sup>st</sup> March, 2018</b>	<b>31<sup>st</sup> March, 2017</b>
<b>Revenues</b>		
India	12,057.77	7,568.18
Outside India	1,189.43	2,902.44
<b>Total</b>	<u>13,247.20</u>	<u>10,470.62</u>
<b>Non-current assets</b>		
India	3,054.38	3,457.03

**Significant clients**

Two customers individually accounted for more than 10% of the revenues in the year ended 31 March 2018 (31<sup>st</sup> March, 2017: One client individually accounted for more than 10% of the revenues).

38. 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 net worth for computation of income tax in line with the 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.

**39. DISCLOSURE IN ACCORDANCE WITH SECTION 22 OF THE MICRO, SMALL AND MEDIUM ENTERPRISES DEVELOPMENT ACT, 2006:**

According to information available with the Management, 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 the following amounts due to micro and small enterprises under the said Act:

## NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)

(All amounts are in ₹ Lakhs unless otherwise stated)

Disclosure under Section of Micro, Small and Medium Enterprises Development Act, 2006

	31 <sup>st</sup> March, 2018 (₹ Lakh)	31 <sup>st</sup> March, 2017 (₹ Lakh)
i Principal amount remaining unpaid	86.60	6.93
ii Interest due thereon remaining unpaid to any supplier as at the end of the accounting year	41.96	34.13
iii The Amount of interest paid along with the amounts of the payment made to suppliers beyond the appointed day	-	-
iv The amount of interest due and payable for the period of delay in making payment(which have been paid but beyond the appointed day during the year) but without adding interest specified under the MSMED ACT	-	0.34
v Interest accrued and remaining unpaid at the end of the year to suppliers under the MSMED Act	41.96	34.13

Dues to the Micro and small enterprises have been determined to the extent such parties have been identified on the basis of information collected by the Management.

40. The Company was registered with the Board for Industrial and Financial Reconstruction (BIFR) as a sick Company and BIFR, vide its order dated December 18, 2007, had sanctioned the rehabilitation scheme. With effect from 1<sup>st</sup> December 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 had an option to refer the case to National Company Law Tribunal (NCLT), the Management, considering the current financial performance and order booking, had decided not to pursue the matter with NCLT.

### 41. LEGAL AND PROFESSIONAL FEES INCLUDE AUDITOR'S REMUNERATION AS BELOW.

Nature of Services	Year ended 31 <sup>st</sup> March, 2018	Year ended 31 <sup>st</sup> March, 2017
Audit fees	10.30	8.00
Tax Audit fees	1.00	3.00
Taxation /certification matters	-	2.85
Reimbursement of expenses	-	0.98
Service Tax	-	1.95
<b>Total</b>	<b>11.30</b>	<b>16.78</b>

### 42. CORPORATE SOCIAL RESPONSIBILITY EXPENDITURE

	31 <sup>st</sup> March, 2018	31 <sup>st</sup> March, 2017
Contribution to Tata projects community Development Trust	3.50	-
Amount required to be spent as per Section 135 of the Act	3.35	-
Amount spent during the year on		
(i) Construction/acquisition of an asset	-	-
(ii) On purposes other than (i) above	3.50	-

43. Capital expenditure contracted for at the end of the reporting period but not recognised as liabilities is - ₹ 16.78 Lakhs (31<sup>st</sup> March, 2017 - ₹ 16.87 Lakhs).

**NOTES TO FINANCIAL STATEMENTS FOR YEAR ENDED 31<sup>ST</sup> MARCH, 2018 (Contd.)**

(All amounts are in ₹ Lakhs unless otherwise stated)

**44. CONTINGENT LIABILITIES**

	As at 31 <sup>st</sup> March, 2018	As at 31 <sup>st</sup> March, 2017
<b>Contingent Liabilities</b>		
Claim against the Company not acknowledged as debts		
Matters under dispute:		
(i) Sales Tax Matters/Value Added Tax Matters	164.56	67.70
(ii) Third party claims from disputes relating to contracts	3,714.40	2,055.85
	<b>3,878.96</b>	<b>2,123.55</b>

**45. DETAILS OF SPECIFIED BANK NOTES (SBN) HELD AND TRANSACTED DURING THE PERIOD FROM 8 NOVEMBER 2016 TO 30 DECEMBER 2016:**

Particulars	SBNs	Other denomination	Total
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

46. The Company has appointed Mr. Saket Mathur as Manager w.e.f. 1<sup>st</sup> January, 2018 in compliance with the provisions of Section 203 of the Companies Act, 2013.

47. Previous year's figures have been regrouped and restated wherever necessary to make their classification comparable with that of the current year.

As per our report of even date

For **Price Waterhouse & Co Chartered Accountants LLP**  
Chartered Accountants  
FRN: 304026E/ E-300009

For and on behalf of the Board of Directors

**Vinayak K Deshpande**  
Chairman  
DIN:00036827

**Nalin M Shah**  
Director  
DIN:00882723

**Sunit Kumar Basu**  
Partner  
Membership No. 55000

**Saket Mathur**  
Manager

**Balaji Sethuraman**  
Chief Financial Officer

**Deepak Tibrewal**  
Company Secretary

Place: Hyderabad  
Date: 26<sup>th</sup> April 2018

Place: Hyderabad  
Date: 26<sup>th</sup> April 2018



## Artson Engineering Limited

CIN: L27290MH1978PLC020644

(A subsidiary of Tata Projects Limited)

Registered Office: 2<sup>nd</sup> Floor, Transocean House, Lake Boulevard Road, Hiranandani Business Park, Powai,  
Mumbai – 400076, Maharashtra

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.

Email ID: [rnt.helpdesk@linkintime.co.in](mailto: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</b> (with pin code)	:	
<b>CIN / Registration Number:*</b> (applicable to corporate shareholders)	:	
<b>E-mail Id</b> (to be registered)	:	
<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 :

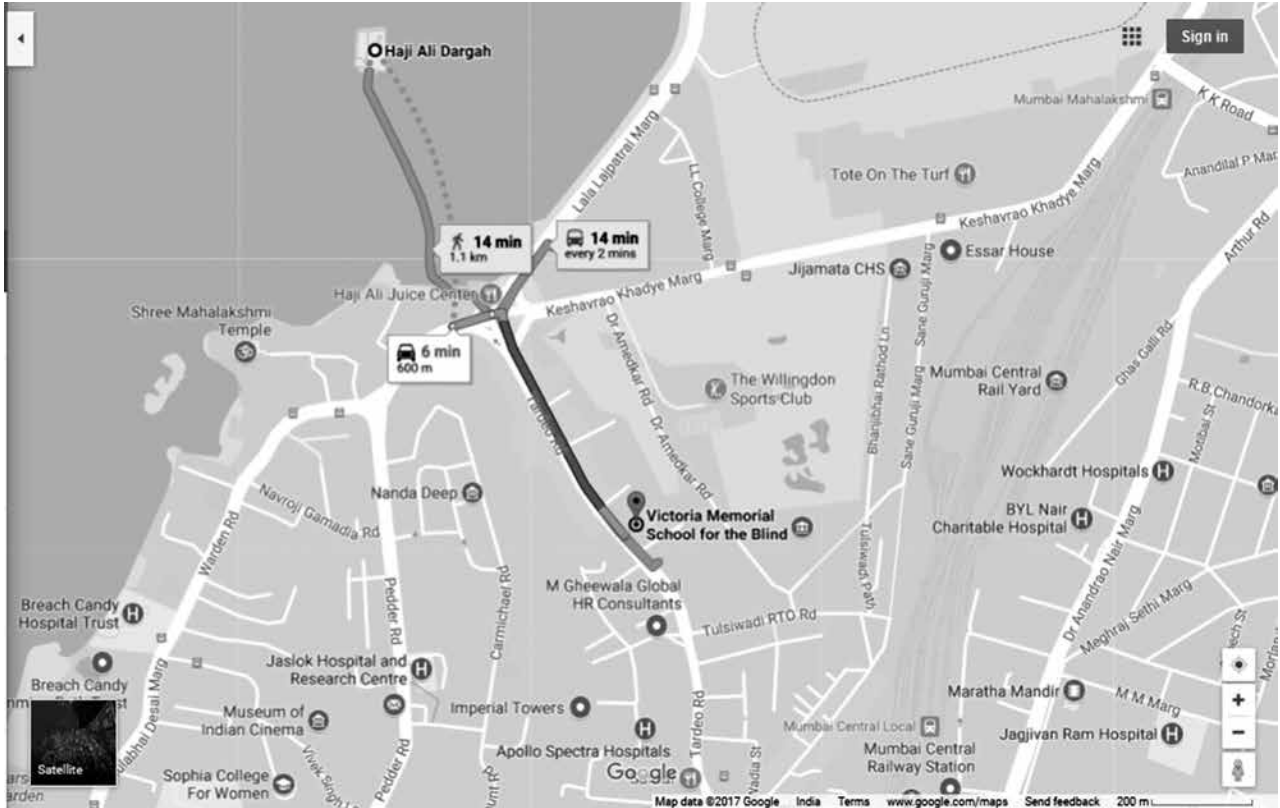
.....  
Signature of Sole/ First Shareholder

## Route Map for the Venue of Annual General Meeting

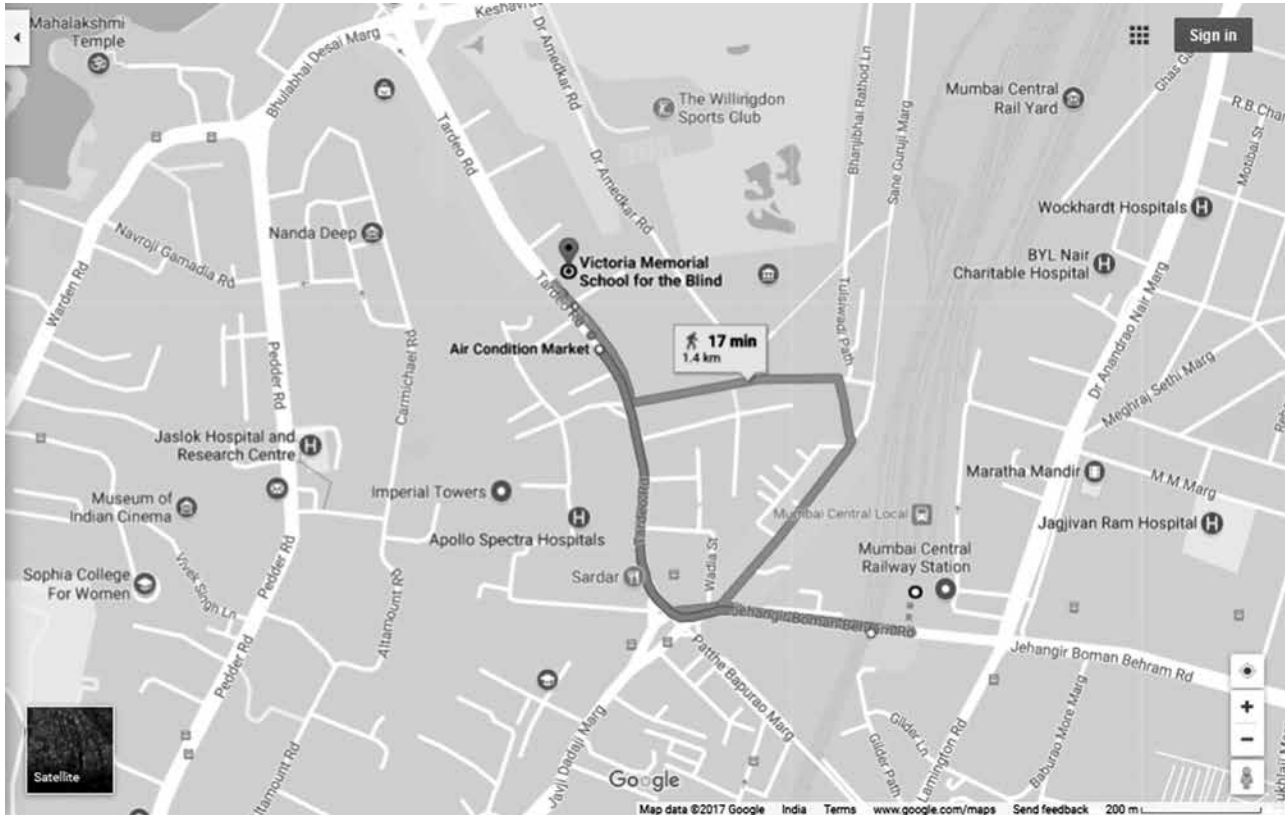
[Map not to scale]

**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







## Artson Engineering Limited

CIN: L27290MH1978PLC020644

(A subsidiary of Tata Projects Limited)

Registered Office: 2<sup>nd</sup> Floor, Transocean House, Lake Boulevard Road, Hiranandani Business Park, Powai, Mumbai – 400076, Maharashtra

Email: investors@artson.net; Website: www.artson.net

### ATTENDANCE SLIP

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

I hereby record my presence at the 39<sup>th</sup> Annual General Meeting of the Company at 03:00 p.m. on Tuesday, 17<sup>th</sup> Day of July, 2018 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 39<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 39<sup>th</sup> Annual general Meeting of the Company.
- The e-voting period commences from the Friday, 13<sup>th</sup> Day of July 2018 (09:00 a.m. IST) and shall remain open until the Monday, 16<sup>th</sup> Day of July, 2018 (05:00 p.m. IST).
- The e-voting module shall be disabled by the NSDL at 05:00 p.m. IST, on Monday, 16<sup>th</sup> Day of July 2018, and Members shall not be allowed to vote through remote e-voting thereafter.



## Artson Engineering Limited

CIN: L27290MH1978PLC020644

(A subsidiary of Tata Projects Limited)

Registered Office: 2<sup>nd</sup> Floor, Transocean House, Lake Boulevard Road, Hiranandani Business Park, Powai, Mumbai – 400076, Maharashtra

Email: investors@artson.net; Website: www.artson.net

### 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 39<sup>th</sup> Annual General Meeting of members of the Company, to be held on Tuesday, 17<sup>th</sup> Day of July 2018 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.	To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended 31 <sup>st</sup> March 2018 together with the Reports of the Board of Directors and Auditors thereon.			
2.	To appoint a Director in place of Mr. Vinayak K Deshpande (DIN: 00036827), who retires by rotation and, being eligible, offers himself for re-appointment.			
3.	Ratification of appointment of Statutory Auditors			
<b>Special Business:</b>				
4.	Ratification of remuneration payable to the Cost Auditors for the financial year 2018-19			
5.	Appointment of Mr. Saket Mathur as the Manager of the Company			
6.	To enter into Related Party Transactions with Tata Projects Limited under Section 188 of the Companies Act, 2013 read with Companies (Meeting of the Board and its Powers) Rules, 2014			
7.	Determining the fees for delivery document through a particular mode of delivery to a member			

Signed on ..... 2018

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

Affix ₹ 1/- Revenue Stamp
------------------------------------

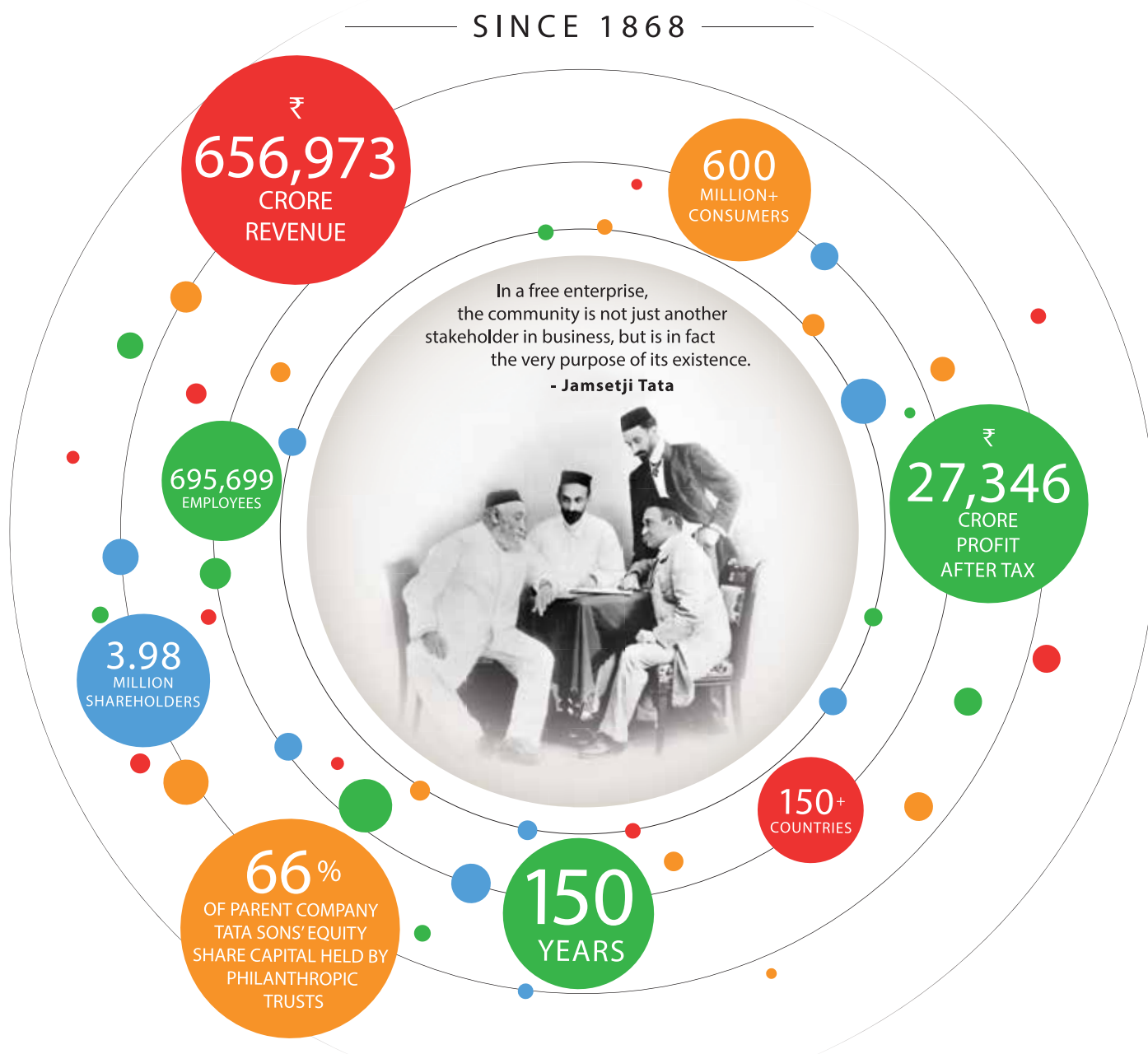
\_\_\_\_\_  
Signature of Proxy Holder

**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.



# LEADERSHIP WITH TRUST

SINCE 1868



The figures are aggregated for Tata companies for the financial year ended 31.03.2017.

From pioneering businesses, to pioneering welfare practices,  
to pioneering national institutions,  
the Tata Group remains committed to improving the lives of communities  
we serve globally, based on leadership with trust.

Picture (left to right): The four partners - Jamsetji Tata, Founder of the Tata Group; R. D. Tata, father of J. R. D. Tata;  
Sir Ratan Tata, younger son of the Founder; and Sir Dorabji Tata, elder son of the Founder.



tata150.com



# Artson Engineering Limited

CIN: L27290MH1978PLC020644

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

**Registered Office:** 2<sup>nd</sup> Floor, Transocean House, Lake Boulevard Road, Hiranandani Business Park, Powai, Mumbai - 400076, Maharashtra.

Email: [investors@artson.net](mailto:investors@artson.net); Website: [www.artson.net](http://www.artson.net)

---

