

ARTSON ENGINEERING LIMITED

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

Corporate Identity Number : L27290MH1978PLC020644

Tel: +91 22 6625 5600 ; Fax: +91 22 6625 5614 ; E-mail: artson@artson.net; Website: www.artson.net

Audited Financial Results for the Quarter and the Year Ended 31 March 2016

(Rs. Lakhs)

Particulars	Quarter Ended			Year Ended	
	31 March 2016	31 December 2015	31 March 2016	31 March 2016	31 March 2015
	(Audited)	(Unaudited)	(Audited)	(Audited)	(Audited)
1 Income from Operations					
a Net sales/ income from operations (net of Excise duty)	3,195.98	2,837.73	1,378.79	10,745.92	6,421.34
b Other operating income (See Note 4)	267.75	8.64	23.41	303.51	50.91
Total income from operations (net)	3,463.73	2,846.37	1,402.20	11,049.43	6,472.25
2 Expenses					
a Cost of materials consumed/project execution expenses	2,878.79	2,568.07	1,634.70	9,185.82	5,236.44
b Purchases of stock-in-trade	-	-	-	-	-
c Changes in work-in-progress and contract-in-progress	107.04	(273.95)	(664.50)	149.44	(319.28)
d Employee benefits expense	167.41	168.85	137.39	643.56	575.91
e Depreciation and amortisation expense	74.25	37.35	162.05	188.78	237.61
f Provision for doubtful debts / Advances (written back)	0.00	235.42	28.33	119.09	423.28
g Loss/ Written off of fixed assets	115.37	-	-	115.37	-
h Other expenses	121.27	72.33	96.37	414.52	266.16
Total expenses	3,464.13	2,808.07	1,394.34	10,816.58	6,420.12
3 Profit/(Loss) from operations before other income, finance cost and exceptional items (1-2)	(0.40)	38.30	7.86	232.85	52.13
4 Other income (See Note 4)	276.08	42.76	19.49	321.91	33.87
5 Profit/(Loss) from ordinary activities before finance cost and exceptional items (3+4)	275.68	81.06	27.35	554.76	86.00
6 Finance cost (see note 2)	72.29	72.71	74.18	269.29	285.50
7 Profit/(Loss) from ordinary activities after finance cost but before exceptional items (5-6)	203.39	8.35	(46.83)	285.47	(199.50)
8 Exceptional items	-	-	-	-	-
9 Profit/(Loss) from ordinary activities before tax (7+8)	203.39	8.35	(46.83)	285.47	(199.50)
10 Tax expense (see note 7)	-	-	-	-	-
11 Net Profit/(Loss) from ordinary activities after tax (9-10)	203.39	8.35	(46.83)	285.47	(199.50)
12 Extraordinary item	-	-	-	-	-
13 Net Profit/(Loss) for the period (11-12)	203.39	8.35	(46.83)	285.47	(199.50)
14 Paid-up equity share capital					
3,69,20,000 equity shares of Re 1/- each fully paid up	369.20	369.20	369.20	369.20	369.20
15 Reserves excluding revaluation reserves as per balance sheet of previous accounting year				(6,940.09)	(6,740.59)
16 Earnings Per Share (EPS) (before exceptional items, not annualised) (Rs.)					
i Basic and Diluted	0.55	0.02	(0.13)	0.77	(0.54)
ii Earnings Per Share (EPS) (after exceptional items, not annualised) (Rs.)					
Basic and Diluted	0.55	0.02	(0.13)	0.77	(0.54)

See accompanying notes to the financial results

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Notes:

- 1 The Statutory Auditors of the Company have carried out an audit of the Statement of Financial Results for the quarter and the year ended 31 March 2016 in compliance with regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations 2015 regulation, 2015. The financial results have been reviewed and recommended by the Audit Committee and approved by the Board of Directors at their respective meetings held on 22 April 2016.
- 2 The Company is registered with the Board for Industrial and Financial Reconstruction (BIFR) as a sick company and BIFR has vide its order dated 18 December 2007 sanctioned the rehabilitation scheme ("the Sanctioned Scheme"). While most of the provisions of the Sanctioned Scheme have been implemented, the Company was not able to achieve positive net worth as at 31 March 2013, accordingly, the Company has filed application on 17 October 2013 to BIFR seeking an extension and modification of the Sanctioned Scheme. The modification also includes conversion of Loans of Rs.4418 lakhs (including interest up to 31 March 2013 and loan of Rs. 300 lakhs taken during the three months period ended 30 June 2013, but excluding interest of Rs. 94.27 lakhs for the three months period ended 30 June 2013) of the Holding Company as on 31 March 2013 into 4% Optionally Convertible Cumulative Redeemable Preference Shares of Re.1/-each, which is pending for approval from BIFR. The Hon'ble Delhi High Court had passed an order on 14 October 2015 in the matter of Writ Petition filed by the Company directing BIFR to keep the hearing on 4 November 2015 or any such date convenient to BIFR. In response, BIFR has informed the Hon'ble Delhi High Court that the hearing on 4 November 2015 was not granted as there was no quorum. Subsequent thereto and till the date of this Meeting, no hearings were granted by the BIFR and such there is no progress in the matter. In view of this, and based on written confirmation from the Holding Company, no provision has been made for interest payable to it amounting to Rs. 1108.64 lakhs for the period 1 July 2013 to 31 March 2016 (includes Rs.100.29 lakhs and Rs. 403.04 lakhs for the quarter and twelve months ended 31 March 2016 respectively). The Management is considering various alternatives for achieving profitability. The Company has achieved positive cash flow since the quarter ended 30 September 2015. Based on the current order book position, operating results for the current year and considering the continued support of the Holding Company, barring unforeseen circumstances, the Management is confident about the Company's ability to continue as a going concern and the Auditors of the Company have put an "emphasis of matter" paragraph on the aforesaid matter in the Auditor's Report for the quarter and the year ended 31 March 2016.
- 3 The Central Government in consultation with National Advisory Committee on Accounting Standards has amended Companies (Accounting Standards) Rules, 2006 ('principal rules'), vide notification issued by Ministry of Corporate Affairs dated March 30, 2016. The Company believes, that the principal rules has not been withdrawn or replaced and accordingly, the Companies (Accounting Standards) (Amendment) Rules, 2016 will apply for the accounting periods commencing on or after March 30, 2016.
- 4 During the quarter the Company has received an arbitration award amounting to Rs. 490.75 Lakhs (Excluding Service Tax) and it includes Rs. 241.36 Lakhs towards other operating services and Rs. 249.39 Lakhs towards interest.
- 5 The figures of the quarter ended 31 March 2016 and 31 March 2015 are the balancing figures between the audited figures in respect of full financial year and the published year to date figures upto third quarter of the current and the previous financial year.
- 6 The Company operates in only one business segment of Engineering, Procurement & Construction contract in Oil, Gas & Hydrocarbon (OG&H), Steel & Power Sector and ancillary services. Therefore, segment-wise reporting under Clause 41 of the Listing Agreement is not applicable.
- 7 Provision for Tax is not made in lieu of carry forward losses and provisions u/s 115JB of the Income Tax Act, 1961 in respect of MAT is not applicable to sick Company. Deferred Tax Asset is not recognised in the absence of virtual certainty to earn future Taxable Income.

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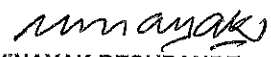
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Notes:

8 Statement of assets and liability		(Rs. lakhs)	
Particulars	As at		
	31 March 2016 (Audited)	31 March 2015 (Audited)	
A EQUITY AND LIABILITIES			
1 Shareholders' funds			
a Share capital	369.20	369.20	
b Reserves and surplus	(6,670.95)	(6,956.42)	
c Money received against share warrants	-	-	
Sub total - Shareholders' funds	(6,301.75)	(6,587.22)	
2 Share application money pending allotment	-	-	
3 Non-current Liabilities			
a Long-term borrowings	3,660.39	4,030.39	
b Deferred tax liabilities (not)	-	-	
c Other long-term liabilities	177.59	148.16	
d Long-term provisions	20.81	26.84	
Sub total - Non-current Liabilities	3,858.79	4,205.39	
4 Current Liabilities			
a Short-term borrowings	2,285.98	2,089.46	
b Trade payables	3,488.02	2,628.01	
c Other current liabilities	7,728.78	4,071.09	
d Short-term provisions	14.53	21.58	
Sub total - Current Liabilities	13,517.31	8,810.14	
TOTAL- EQUITY AND LIABILITIES	11,074.35	6,428.31	
B ASSETS			
1 Non Current Assets			
a Fixed assets	406.11	677.00	
b Non-current investments	-	-	
c Deferred tax assets (net)	-	-	
d Long-term loans and advances	1,348.27	1,343.16	
e Other non-current assets	216.60	296.25	
Sub total - Non-current Assets	1,970.98	2,316.41	
2 Current Assets			
a Current investments	-	-	
b Inventories	1,745.05	1,942.59	
c Trade receivables	6,109.05	1,599.87	
d Cash and Bank balances	830.76	116.28	
e Short-term loans and advances	233.98	388.73	
f Other current assets	184.53	64.43	
Sub total - Current Assets	9,103.37	4,111.90	
TOTAL ASSETS	11,074.35	6,428.31	
9	The figures of the previous period have been regrouped / reclassified / restated wherever necessary in order to make them comparable with figures for the quarter and current year ended 31 March, 2016.		
	For and on behalf of the Board of Directors		
		 VINAYAK DESHPANDE Chairman	
	Mumbai, 22 April 2016		

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