

ARTSON ENGINEERING LIMITED

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

Corporate Identity Number: L27290MH1978PLC020644

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Notes:

- ¹ The above Unaudited Financial Results, reviewed by the Audit Committee, have been approved by the Board of Directors at its meeting held on 19 January 2016 and the same had been subjected to a Limited Review by the Statutory Auditors.
- 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 Honourable Delhi High Court has passed an order on 14 October 2015 on writ petition filed by the Company directing BIFR to keep the hearing on 04 November 2015 or any such date convenient to BIFR. The hearing held on 4th November, 2015 has been postponed and no further date has been given for the same. In view of this, and based on written confirmation from the Holding Company, no provision has been made for interest amounting Rs. 1,008.35 lakhs payable for the period 1 July 2013 to 31 December 2015 (includes Rs. 101.31 lakhs for the quarter ended 31 December 2015). 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 current nine months period 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 Limited Review Report for the Quarter and nine months ended 31 December 2015.
- ³ The Company operates in only one business segment of Engineering, Procurement & Construction contract in Oil, Gas & Hydrocarbon (OG&H) Sector and ancillary services. Therefore, segment-wise reporting under Clause 41 of the Listing Agreement is not applicable.
- ⁴ 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.
- ⁵ The figures of the previous year have been regrouped / reclassified / restated wherever necessary.

For and on behalf of the Board of Directors

Sd/-

VINAYAK DESHPANDE

Chairman

Mumbai, 19 January 2016