

**ARTEFACT PROJECTS LIMITED**

Regd. Office :106, "Artefact Towers",-54/3,Chhatrapati Square ,Wardha Road, Nagpur -440015, Maharashtra  
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**STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE NINE MONTH ENDED 31 ST DECEMBER , 2019**

Rs.In Lacs except share Data

Sr. No.	Particulars	Quarter ended			Nine month Ended		Year Ended March
		Dec 31,2019	Sept 30,2019	Dec 31,2018	Dec 31,2019	Dec 31,2018	31,2019
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations (Net of GST)	727.87	955.04	632.33	2,297.86	1,497.76	2,255.56
2	Other Income	118.52	35.01	26.40	194.06	104.01	132.59
3	<b>Total Income from Operations (Net)</b>	<b>846.39</b>	<b>990.05</b>	<b>658.73</b>	<b>2,491.92</b>	<b>1,601.77</b>	<b>2,388.15</b>
4	Expenses						986.08
	a) Employee Cost	288.80	287.04	241.68	851.96	730.18	527.47
	b) Retainer & Consultancy fees	266.94	215.91	85.00	597.96	356.38	(174.37)
	c) Change in Inventories of Work in Progress	(92.11)	57.02	102.18	(52.83)	(82.98)	84.34
	d) Depreciation & Amortisation Expense	24.99	26.84	21.20	78.34	63.61	363.64
	e) Finance Cost	41.78	82.15	98.92	198.54	289.35	278.53
	f) Travelling & Conveyance	87.81	91.34	94.10	248.33	223.05	241.48
	g) Other Expenditure	74.87	116.28	54.89	244.67	176.94	
	<b>Total Expenses</b>	<b>693.08</b>	<b>876.59</b>	<b>697.97</b>	<b>2,166.97</b>	<b>1,756.53</b>	<b>2,307.17</b>
5	<b>Profit/(Loss) before Exceptional Items &amp; Tax (3-4)</b>	<b>153.31</b>	<b>113.46</b>	<b>(39.24)</b>	<b>324.95</b>	<b>(154.76)</b>	<b>80.98</b>
6	Exceptional Items						
7	<b>Profit/(Loss) before tax (5+6)</b>	<b>153.31</b>	<b>113.46</b>	<b>(39.24)</b>	<b>324.95</b>	<b>(154.76)</b>	<b>80.98</b>
8	Tax Expenses						0.14
	Current Tax	17.97	33.32	-	62.13	-	(21.36)
	Mat Credit Entitlement	10.21	(44.16)	2.75	(33.95)	-	(30.05)
	Deffered Tax Liability	(11.47)	0.94	-	(9.76)	(33.40)	
	Income Tax of Earlier Years						
9	<b>Net Profit/(Loss) for the period (7-8)</b>	<b>136.59</b>	<b>123.35</b>	<b>(41.99)</b>	<b>306.54</b>	<b>(121.36)</b>	<b>132.25</b>
10	Other Comprehensive Income (net of Tax) (items that will not be reclassified to profit & loss)	-	-	-	(2.30)	-	(0.66)
11	<b>Total Comprehensive Income for the period (9+10)</b>	<b>136.59</b>	<b>123.35</b>	<b>(41.99)</b>	<b>304.23</b>	<b>(121.36)</b>	<b>131.59</b>
12	(a) Minority Interest (b) Preaquisition Losses of Subsidiary Considered As Goodwill						
13	Paid -up equity share capital (Face value of Rs. 10 each)	580.00	580.00	552.50	580.00	552.50	552.50
14	Earnings Per Share (EPS) (Face value of Rs. 10 each)						2.38
	a. Basic EPS ( in Rs.)	2.23	2.21	(0.76)	5.25	(2.20)	2.38
	b. Diluted EPS ( in Rs.)	2.35	2.17	(0.76)	5.32	(2.20)	2.38
	(* Not annualised)						





## NOTES

- 1 The above results for Quarter ending 31st December 2019 i.e., Q3 have been reviewed by the Audit Committee and approved & taken on record by the Board of Directors at its meeting held on 13th February 2020.
- 2 The above financial results have been prepared in accordance with Indian Accounting Standard (IND-AS) 34- Interim Financial Reporting as prescribed under section 133 of the Companies Act, 2013 read with relevant rules issued thereunder and other accounting principles generally accepted in India.
- 3 The auditor's in their report on the financial statements of the Company for the Quarter ending 31st December, 2019 have expressed their inability to comment on the recoverability of the trade receivables in respect of completed projects amounting to Rs. 595.11Lacs, having regard to the age of those receivables and non-availability of balance confirmations and reconciliations. As per management most of these trade receivables are due from the Govt. departments and outstanding against the long term contracts. The management is confident of recovery. Company has submitted documentary audit evidence of latest written letters to all the Debtors for recovery of dues alongwith contractual payability there of for faster recovery. However provision of Rs. 25Lacs is being made in addition to provision of Rs. 50Lacs of Quarter 2 as a matter of Prudent Accounting Policy during this quarter.
- 4 Other loans and advances includes Rs. 72.72 Lacs recoverable from one of the person with whom the company has entered into Financial Sponsorship Agreement since he did not joined the service. The Management issued notice of legal proceedings for its recovery and the company has already recovered Rs. 20 lacs on 27th January, 2020. Company is expecting of recovering balance amount from him by March 2020.
- 5 The Company has made investment in fully convertible debentures amounting to Rs. 12.87 Crores (including interest accrued thereon) and also granted loan of Rs.7.16 Crores (including interest due) to certain companies and same is fully recoverable. The value of investment being long term and strategic and considering the valuation report of mine reserves received by the company. There is no diminution in the value of investments and hence no provision for impairment in value of investment and loan is required.
- 6 The Company has invested Rs. 90 lacs in Equity Share of Artefact Infrastructure Limited and loan of Rs.92.97Lacs granted during last quarter has been recovered. No provision for impairment in value of investments is required as the investment is long term and strategic in nature.
- 7 Company has service tax liability of Rs 120.21 Lacs. Company has applied for relief in Service tax as per "Sabka Vishwas Legacy Dispute Resolution Scheme 2019", as announced by Central Govt. in Budget 2019-20 and as per detailed Rules there under. The Management is expecting a substantial relief of liability as per this Aminestry scheme. The Company shall account remission for interest on Service tax provided till date amounting to Rs.309Lacs during Quarter 4 and exact reduction/benefit on account benefit there of tax payable which shall be ascertained and accounted for in Q4 Quarter ending 31st March 2020, after final orders of discharge of liability in scheme are passed and payment thereof is made by Company.
- 8 The Company has adopted Ind AS 116 'Leases' effective from 1st April 2019. This has resulted in recognizing a right-of-use asset of Rs. 35.92 Lacs corresponding lease liability of Rs. 38.22 lacs and decrease in other equity by Rs. 2.30 Lacs as at 1st April 2019. Resulting impact in the financial results of the company of current period is increase of Rs. 5.52 Lacs and 0.63 Lacs in depreciation of right to use assets and finance cost on lease liability respectively and decrease in lease rent of Rs.6.09Lacs
- 9 The company has made sale of part of Block No.107 of APL Tower building at consideration of Rs.425 Lacs on 9th October 2019. Correspondingly decrease in gross block of asset by 350 Lacs and Profit on sale of asset of Rs.75Lacs has been accounted for in current quarter.
- 10 The company is engaged only in the business of "Project Consultancy" and therefore, has only one Reportable Segment in accordance with IND-AS 108 "Operating Segments".
- 11 The figures for the corresponding previous periods/year have been restated /regrouped wherever necessary, to make them comparable.

For & on behalf of the Board of Directors  
Artefact Projects Limited



  
Siddharth Shah  
(Whole Time Director)

  
Ashok Karwa  
(CFO)

Place : Nagpur  
Date : 13th February 2020

# **BANTHIA DAMANI & ASSOCIATES**

**CHARTERED ACCOUNTANTS**

**Off. FO-19, Amarjyoti Palace, Wardha Road, Dhantoli, Nagpur 440012**

**Ph. No. 0712-2439300**

## **LIMITED REVIEW REPORT**

**TO,  
BOARD OF DIRECTORS  
ARTEFACT PROJECTS LIMITED**

1. We have reviewed the unaudited financial results of Artefact Projects Limited (the "Company") for the Nine Months and Quarter ended December 31, 2019 which are included in the accompanying "Statement of Unaudited Financial Results for the Nine Months and Quarter ended December 31, 2019" together with the relevant notes thereon (the "Statement"). The Statement has been prepared by the Company pursuant to Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (the "Listing Regulations, 2015") read with SEBI circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ("the Circular")

The Preparation of Statement in accordance with the recognition and measurement principles laid down in the Indian Accounting Standard 34 Interim Financial reporting "IND AS 34" prescribed under section 133 of Companies Act, 2013, as amended read with relevant rules issued thereunder and other accounting principles generally accepted in India read with circulars is the responsibility of company's management and has been approved by the board of directors. Our responsibility is to issue a report on the Statement based on our review.



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2. We conducted our review in accordance with the Standard on Review Engagements (SRE) 2410. "Review of Interim Financial Information Performed by the Independent Auditor of the Entity" issued by the Institute of Chartered Accountants of India. This Standard requires that we plan and perform the review to obtain moderate assurance as to whether the Statement is free of material misstatement.
3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provide less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. **Emphasis on Matter:**

We draw attention to

- a) Note no. 3 to the accompanying Statement of Unaudited Standalone Financial Results, wherein the Management of the company has considered long outstanding Trade Receivables from the Government clients in respect of completed Contracts, amounting to Rs.595.11 Lacs as good and fully recoverable. However, the management as matter of prudent accounting policy, has made provision of Rs 50 Lacs during the last quarter and Rs 25 Lacs in this quarter. The management would view the receivables in future and any further provision, if required, will be made in the subsequent quarters.
- b) Note no.4 to the accompanying Statement of Unaudited Financial Results, wherein the company has recovered Rs 20 Lacs during the quarter out of Rs 72.72 Lacs given as sponsorship for higher education in earlier years and considers the balance amount



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as good and recoverable for reasons stated in the above mentioned note . We have relied on management representation in this regard.

- c) The company has not evaluated or made any provision for impairment for expected Losses, if any ,in accordance with Ind-As-109 “Financial instruments “for investment of Rs 7.31 Crores( including interest accrued Rs 80.53 Lacs) in Unquoted fully compulsory convertible debentures and loan of Rs 7.16 crores ( including interest) made by the company as at the reporting date in M/s Koradi Minerals Pvt Ltd, as the Management considers the same good and recoverable for reason stated in Note No-5 of standalone financial results. Based on management’s internal assessment such investment and loan has been carried at cost. The management and audit committee has represented that the fair value would be more than the carrying cost and the same would be valued and reviewed in the next quarter for any provision to be made. We have relied on management representation in this regard.
- d) Note No.5 to the accompanying Statement of Unaudited Financial Results, regarding investment of Rs.5.56 Crores (Including interest due thereon), as at reporting date in Unquoted fully compulsory convertible debentures of M/s Glowide Infrastructure Private Limited, the Company has not made provision for any impairment for expected Losses, if any, in accordance with Ind-AS-109 “Financial Instruments” for investment. The management has given representation that the investment in mining companies are long term and strategic in nature and considering the valuation report of Sebi Registered external valuers received by the company, wherein they have valued the share of M/s Glowide Infrastructure Pvt Ltd at Rs 14.65 per share , there is no diminution in the value of investments and hence no provision for impairment in value of investment is required and the same



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is carried at cost. We have relied on the management representation and external valuers report in this regard.

- e) Note no. 6 to the accompanying Statement of Unaudited Standalone Financial Results regarding investment of Rs. 90 Lacs in equity shares of M/s Artefact Infrastructure Limited. The company has recovered loan of Rs 92.97 Lacs given to company during the last quarter. The management considers that since the company has shown profits and has positive net worth as per audited balance sheet for the year ending 31/3/2019, there is no diminution in the value of investment and hence no provision for impairment loss is required. We have relied on management in this regard.
- f) Note no.7 to the accompanying Statement of Unaudited Standalone Financial Results, regarding non-payment of Service Tax of Rs.120.21 Lacs for period exceeding six months.

Our opinion is not qualified in respect of these matters.

6. Based on our review conducted as above, subject to the impact of the matters referred to in paragraph 4 above, nothing has come to our attention that causes us to believe that the Statement has not been prepared in all material respects in accordance with IND AS prescribed and other recognized accounting practices and policies, and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 read with SEBI circular No. CIR/CFD/CMD1/44/2019 dated March 29, 2019 ('the Circular')



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7. The accompanying statement includes the company's proportionate share of revenue of Rs.24.18 Lacs, expenditure of Rs.18.60 Lacs and share of profit after tax of Rs.5.58 Lacs in joint ventures for the Nine Months ended December 31, 2019.

For Bantia Damani & Associates

Chartered Accountants

FRN- 126132W



**Sudesh Bantia**

**Partner**

**M. No. 041344**

**UDIN: 20041344AAAAAL1868**



Place: Nagpur

**Date : 13.02.2020**