



## ARTEFACT PROJECTS LIMITED

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## STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 30 TH JUNE , 2019

| Sr. No. | Particulars   | Rs.In Lacs                        |                                    |                                   |                                 |
|---------|---|-----------------------------------|------------------------------------|-----------------------------------|---------------------------------|
|         |   | Quarter ended<br>June 30,<br>2019 | Quarter ended<br>March 31,<br>2019 | Quarter ended<br>June 30,<br>2018 | Year Ended<br>March 31,<br>2019 |
|         |   | Unaudited                         | Refer Note. No 9                   | Unaudited                         | Audited                         |
| 1       | Revenue from Operations (Net of GST)  | 614.95                            | 757.80                             | 506.03                            | 2,255.56                        |
| 2       | Other Income  | 40.54                             | 28.58                              | 39.33                             | 132.59                          |
| 3       | <b>Total Income from Operations (Net)</b>   | <b>655.49</b>                     | <b>786.38</b>                      | <b>545.36</b>                     | <b>2,388.15</b>                 |
| 4       | Expenses  |                                   |                                    |                                   |                                 |
|         | a) Employee Cost  | 276.12                            | 255.90                             | 237.70                            | 986.08                          |
|         | b) Retainer & Consultancy fees  | 115.11                            | 171.09                             | 166.18                            | 527.47                          |
|         | c) Change in Inventories of Work in Progress  | (17.75)                           | (91.39)                            | (29.79)                           | (174.37)                        |
|         | d) Depreciation & Amortisation Expense  | 26.51                             | 20.73                              | 21.02                             | 84.34                           |
|         | e) Finance Cost   | 74.61                             | 74.29                              | 91.81                             | 363.64                          |
|         | f) Travelling & Conveyance  | 69.18                             | 55.48                              | 63.58                             | 278.53                          |
|         | g) Other Expenditure  | 53.52                             | 64.54                              | 73.21                             | 241.48                          |
|         | <b>Total Expenses</b>   | <b>597.30</b>                     | <b>550.64</b>                      | <b>623.71</b>                     | <b>2,307.17</b>                 |
| 5       | <b>Profit/(Loss) before Exceptional Items &amp; Tax (3-4)</b>                                     | <b>58.18</b>                      | <b>235.73</b>                      | <b>(78.35)</b>                    | <b>80.97</b>                    |
| 6       | Exceptional Items   |                                   |                                    |                                   |                                 |
| 7       | <b>Profit/(Loss) before tax (5+6)</b>   | <b>58.18</b>                      | <b>235.73</b>                      | <b>(78.35)</b>                    | <b>80.97</b>                    |
| 8       | Tax Expenses  |                                   |                                    |                                   |                                 |
|         | Current Tax   | 10.84                             | 0.14                               |                                   | 0.14                            |
|         | Mat Credit Entitlement  |                                   | (21.36)                            |                                   | (21.36)                         |
|         | Deffered Tax Liability  | 0.76                              | 3.35                               | 31.86                             | (30.05)                         |
|         | Income Tax of Earlier Years   |                                   |                                    |                                   |                                 |
| 9       | <b>Net Profit/(Loss) for the period (7-8)</b>   | <b>46.59</b>                      | <b>253.60</b>                      | <b>(46.49)</b>                    | <b>132.24</b>                   |
| 10      | Other Comprehensive Income (net of Tax)<br>(items that will not be reclassified to profit & loss) | (2.30)                            | (0.66)                             | -                                 | (0.66)                          |
| 11      | <b>Total Comprehensive Income for the period (9+10)</b>   | <b>44.29</b>                      | <b>252.94</b>                      | <b>(46.49)</b>                    | <b>131.58</b>                   |
| 12      | (a) Minority Interest   | -                                 | -                                  | -                                 | -                               |
|         | (b) Preacquisition Losses of Subsidiary Considered As Goodwill                                    | -                                 | -                                  | -                                 | -                               |
| 13      | Paid-up equity share capital (Face value of Rs. 10 each)  | 552.50                            | 552.50                             | 552.50                            | 552.50                          |
| 14      | Reserves excluding Revaluation Reserves as per the balance sheet of Previous Accounting Year      | -                                 | -                                  | -                                 | -                               |
| 15      | Earnings Per Share (EPS) (Face value of Rs. 10 each)  |                                   |                                    |                                   |                                 |
|         | a. Basic EPS ( in Rs.)  | 0.80                              | 4.58                               | (0.84)                            | 2.38                            |
|         | b. Diluted EPS ( in Rs.)  | 0.80                              | 4.58                               | (0.84)                            |                                 |
|         | (* Not annualised)  |                                   |                                    |                                   |                                 |



- 1 The above results for 1st Quarter 30 June 2019 have been reviewed by the Audit Committee and approved & taken on record by the Board of Directors at its meeting held on 13th August 2019 and its release.
- 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 30 Th June,2019 have expressed their inability to comment on the recoverability of the trade receivables in respect of completed projects amounting to Rs. 686.02 Lacs, having regard to the non-availability of balance confirmations.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 in full and in their views no provision for doubtful debts is necessary.This was also a subject to qualification in the Independent Auditor's Report in the previous year.
- 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 neither joined the services nor repaid this amount. The Management issued notice of legal proceedings for its recovery. Considering progress in the matter any provision required shall be made in ensuing current year .This been qualified by independent auditors in their Limited Review Report on the financial statements for the Quarter ended June 30, 2019.
- 5 The Company has made investment in fully convertible debentures amounting to Rs. 6.04 Crores (including interest accrued thereon) in the Company holding Manganese mining lease. The value of investment being long term and strategic does not require any provision for impairment in value of investment.
- 6 The Company has invested Rs. 805.79 lacs in Equity and CCD. No provision for any impairment in value of investments is considered by Management in view of the Profits and positive networkth.
- 7 Company has service tax liability of Rs 124.31 lacs as on 30.6.2019 for earlier years,how ever exact liability as per "sabka vishawas legacy Dispute Resolution scheme 2019", as announced by Central Govt. in Budget 2019-20 is yet to be ascertained after announcement of detailed Rules their under.Management is expecting a substantial relief as per this Aminesty scheme & Company has not Accounted for impact there of in current Q1 Quarter ending 30 th june 2019. GST of Rs.58.24 Lacs is outstanding for a period exceeding six months. The same has been paid in July 2019.
- 8 The figures for the corresponding previous periods/year have been restated /regrouped wherever necessary,to make them comparable.
- 9 The figures of the Quarter ended March 31, 2019 are the balancing figures between the Audited figures in respect of full financial year and published year to date figures upto the Third Quarter of the respective Financial year.
- 10 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. 2.31 Lacs as at 1st April 2019. Resulting impact in the financial results of the company of current period is increase of Rs. 5.31 Lacs and 0.87 Lacs in depreciation of right to use assets and finance cost on lease liability respectively and decrease in lease rent of Rs. 6.18 Lacs
- 11 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".

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



Siddharth Shah  
Whole Time Director



Place : Nagpur  
Date : 13th Aug, 2019

# **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 Quarter ended June 30, 2019 which are included in the accompanying “Statement of Unaudited Financial Results for the Quarter ended June 30, 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 is 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.

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



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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. Basis for Qualified Opinion:

Attention is drawn to the following matters:

- 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. **686.02 Lacs** as good and fully recoverable. As per Management the receivables are due from the Government Departments as per Express Contracts provisions of the agreement and hence the same are considered good and recoverable and no provision is required. In the absence of balance confirmation from Clients, we are unable to comment the exact extent to which these balances shall be recoverable.
- b) Note no. 4 to the accompanying Statement of Unaudited Financial Results, wherein the Management of the company has considered the receivable amounting to Rs. 72.72 Lacs given as sponsorship for higher education in earlier years as good and recoverable even though he has not fulfilled his stipulated commitments and obligations till date. As explained to us, the said loan is considered good and recoverable based on management's assessment.



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- c) Note No. 5 to the accompanying Statement of Unaudited Financial Results, the Company has not evaluated or made any provision for any impairment for the Quarter ended 30<sup>th</sup> June 2019 for expected Losses, if any, in accordance with Ind-AS-109 "Financial Instruments" for investments in fully compulsory convertible debentures amounting to Rs. 6.04 Crores to Companies which have incurred losses and have negative net worth.
- d) Note no.7 to the accompanying Statement of Unaudited Standalone Financial Results, regarding non-payment of Statutory Dues for period exceeding six months are as under:

| PARTICULARS                            | AMOUNT (IN RS. LAKHS) |
|--|-----------------------|
| i) Service Tax ( Net of Cenvat Credit) | 124.31                |
| ii) Professional Tax                   | 0.91                  |
| iii) ESIC                              | 1.87                  |
| iv) PF                                 | 2.65                  |
| v) TDS                                 | 2.83                  |
| v) GST                                 | 58.24                 |

Provision for the interest on delayed payment of service tax, GST, & TDS dues has been made in the results. Any other impact for non-filing of these returns which cannot be quantified at this stage shall be provided for as and when determined.

## 5. Emphasis on Matter:



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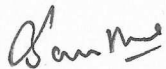
We draw attention to

Note no 6 to the accompanying Statement of Unaudited Standalone Financial Results regarding investment of Rs. 805.79 Lacs in fully convertible debentures and equity shares of companies in respect of which Company has not evaluated and made provision for impairment loss, if any, as the management is of view that since the companies have positive net worth, no provision is required. Our opinion is not qualified in respect of this matter.

6. Based on our review conducted as above, except for 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')

7. The accompanying statement includes the company's proportionate share of revenue of Rs Nil expenditure of Rs 0.39 Lacs and share of loss after tax of Rs 0.39 Lacs in joint ventures for the Quarter ended June 30, 2019.

For Bantia Damani & Associates  
Chartered Accountants  
FRN- 126132W



**Sudesh Bantia**  
**Partner**  
**M. No. 041344**  
**UDIN: 19041344AAAAAJ3730**



Place: Nagpur  
Date: 13.08.2019