



ARTEFACT PROJECTS LIMITED

Regd. Office : "Artefact Towers", Plot No.-54/3, Chhatrapati Square, Wardha Road, Nagpur -440015, Maharashtra
CIN : L65910MH1987PLC044887, Phone. No. : +91 -712 -3025120, FAX No. +91 -712 -3025128

Email : artefactngp@artefactprojects.com, info@artefactprojects.com, website : www.artefactprojects.com
STATEMENT OF FINANCIAL RESULTS FOR THE QUARTER AND HALF YEAR ENDED SEPTEMBER 30, 2018

PART - I

Rs. in Lacs, except share data

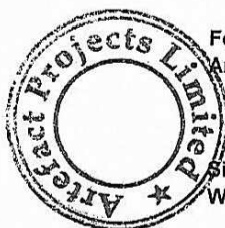
Sr. No.	Particulars	Quarter ended Sept 30,	Quarter ended June 30,	Half Year Ended Sept	Half Year Ended Sept	Year Ended March 31,
		2018	2018	2018	2017	2018
		Refer Note No. 12	Unaudited	Refer Note No. 12	Unaudited	Audited
1	Revenue from Operations (Net of Service Tax / GST)	359.40	506.03	865.43	1010.64	2155.81
2	Other Income	38.29	39.32	77.61	109.62	254.13
3	Total Income from Operations (Net)	397.69	545.35	943.04	1,120.26	2,409.94
4	Expenses					
a)	Employee Cost	248.41	240.09	488.50	347.38	789.8
b)	Retainer & Consultancy fees	105.20	166.18	271.38	401.76	908.01
c)	Change in Inventories of Work in Progress	(155.37)	(29.79)	(185.16)	0	-82.58
d)	Depreciation & Amortisation Expense	21.40	21.01	42.41	40.43	81.62
e)	Finance Cost	98.62	91.81	190.43	227.44	445.02
f)	Travelling & Conveyance	65.37	63.58	128.95	97.33	224.48
g)	Other Expenditure	51.24	70.81	122.05	162.7	329.47
	Total Expenses	434.86	623.69	1,058.55	1,277.04	2,695.82
5	Profit/(Loss) before Exceptional Items & Tax (3-4)	(37.18)	(78.34)	(115.52)	(156.78)	(285.88)
6	Exceptional Items	-	-	-	-	-
7	Profit/(Loss) before tax (5+6)	(37.18)	(78.34)	(115.52)	(156.78)	(285.88)
8	Tax Expenses					
	Current Tax	-	-	-	0	0.26
	Mat Credit Entitlement	-	-	-	0	0
	Deferred Tax Liability	(4.29)	(31.86)	(36.15)	12	23.14
	Income Tax of Earlier Years	-	-	-	0	1.08
9	Net Profit/(Loss) for the period (7-8)	(32.89)	(46.48)	(79.37)	(168.78)	(310.36)
10	Other Comprehensive Income (net of Tax) (items that will not be reclassified to profit & loss)	-	-	-	-	1.03
11	Total Comprehensive Income for the period (9+10)	(32.89)	(46.48)	(79.37)	(168.78)	(309.34)
14	(a) Minority Interest	-	-	-	0	0
	(b) Preacquisition Losses of Subsidiary Considered As Goodwill	-	-	-	0	0
12	Paid-up equity share capital (Face value of Rs. 10 each)	552.50	552.50	552.50	552.5	552.5
13	Reserves excluding Revaluation Reserves as per the balance sheet of Previous Accounting Year	-	-	-	0	0
14	Earnings Per Share (EPS) (Face value of Rs. 10 each)					
	a. Basic EPS (in Rs.)	(1.24)*	(0.84)*	(2.09)*	(3.05)*	(5.06)*
	b. Diluted EPS (in Rs.)	(1.24)*	(0.84)*	(2.09)*	(3.05)*	(5.06)*
	(* Not annualised)					



Artefact Projects Limited

NOTES

- 1 The above results have been reviewed by the Audit Committee and approved & taken on record by the Board of Directors at its meeting held on 14th November 2018 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. The company has for the first time adopted IND AS from April 01, 2017.
- 3 The auditor's in their report on the financial statements of the Company for the period ended 30th September 2018 have expressed their inability to comment on the recoverability of the trade receivables outstanding for more than 6 months amounting to Rs 911.92 Lacs, 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 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 for the year ended March 31, 2017 and March 31, 2018 and in the Review Report on the financial results for the quarter ended 30th June, 2016, 30th Sep, 2016, 31st Dec, 2016, 30th June, 2017, 30th Sep 2017, 31st Dec 2017 and 30th June, 2018.
- 4 The company had contested the demand in appeal before Appellate Tribunal and as per Order of Tribunal dated 27.03.2018 No. ST/86888/2014-ST/DB, the Service Tax demand of Rs 31.16 Lacs and penalty of Rs 170.93 Lacs is waived. Further amount of Rs 129.39 Lacs was paid against outstanding demand. For balance demand and penalty of Rs 17.96 Lacs, the matter has been remanded to Commissioner (Appeals) for the company to submit the other relevant evidences. The company does not envisage any liability thereon.
- 5 The company has Rs 124 Lacs (net of Cenvat) of Service Tax liability balance to be paid. The company has recognised and provided for liability of the interest on late payment of service tax in the results. Any other impact on the results on account of above cannot be quantified at this stage. This was subject to qualification in the Independent Auditor's Report for the year ended March 31, 2017 and March 31, 2018 and in the Review Report on the financial results for the quarter ended 30th June, 2016, 30th Sep, 2016, 31st Dec, 2016, 30th June, 2017, 30th Sep 2017 and 31st Dec 2017.
- 6 The Company has unpaid GST liability of Rs. 398.07 Lacs. and has not filed returns from April 2018 Onwards. The interest and late fees for delay in payment of GST and filing Returns has been provided in the results. The Company has paid Rs 191.81 Lacs in the month of October 2018. The Company has Rs 273.85 Lacs GST recoverable from Government clients being paid on reimbursement basis instead of to be paid along with invoice payment.
- 7 Out of the TDS payable of Rs 167.23 Lacs as on 30.09.2018 the Company has paid Rs 117.07 Lacs in the month of October 2018. The interest and late fees for default in payment of TDS and filing returns has been provided in Results. Any other impact on the results on account of above which cannot be quantified at this stage and therefore will be recognised upon the completion of reconciliation and filing of returns of TDS which are last filed upto 31.03.2017. Income tax refund amounting of Rs.296.79 Lacs upto 30th September, 2018 and interest thereon shall be accounted for on receipt basis.
- 8 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 for higher education and as per the terms the person was supposed to rendering Project Management Consultancy Services upon the completion of education or repay the same amount, if does not render the services to the company. The education was completed before 3 years and since he neither joined the services nor confirmed the Company to repay the amount. Management is of the view that amount is good for recovery and hence no provision is required. This has been qualified by independent auditors in their audit report on the financial statements for the year ended March 31, 2017.
- 9 During the Quarter under review, a sum of Rs. 254.11 Lacs is reversed in the Revenue account being the invoice raised in previous year to Govt. clients and credit not issued on account of invoice not considered by the client due to some pending compliances and clarifications required by the Client. The Company has correspondingly also accounted for WIP of Rs 155.36 Lacs correspondingly matched to invoice reversed. Net impact of the same during the Quarter is reduction in Profits by Rs. 98.74 Lacs
- 10 The figures for the corresponding previous periods/year have been restated /regrouped wherever necessary, to make them comparable.
- 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


Ashok Karwa
Chief Financial Officer

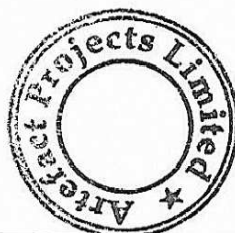
Place : Nagpur
Date : 14th Nov, 2018



ARTEFACT PROJECTS LIMITED
Statement of Assets and Liabilities as at September 30, 2018

Particulars	(Rs in Lacs)	
	30th September, 2018	31st March, 2018
I ASSETS		
1 Non-Current Assets		
(a) Property, Plant and Equipment	2,126.67	2,150.80
(b) Investment Property	19.42	29.23
(c) Intangible Assets	6.59	5.25
(d) Investment in associates and Joint Ventures	-	-
(e) Financial Assets	-	-
(i) Investments	1,290.00	1,290.00
(ii) Loans	-	-
(iii) Others	-	-
(f) Deferred Tax Assets (net)	-	-
(g) Other Non Current Assets	614.45	557.93
	4,057.13	4,033.21
2 Current Assets		
(a) Inventories / Work In Progress	267.74	82.58
(b) Financial Assets	-	-
(i) Investments	-	-
(ii) Trade Receivables	2,260.35	1,848.09
(iii) Cash and Cash Equivalents	130.84	146.03
(iv) Bank Balance other than above	1.50	1.50
(v) Loans	500.32	604.10
(vi) Other	-	-
(c) Other Current Assets	401.63	240.39
	3,562.38	2,922.69
TOTAL	7,619.51	6,955.89
II EQUITY AND LIABILITIES		
1 Equity		
(a) Equity Share Capital	552.50	552.50
(b) Other Equity	2,604.25	2,683.35
	3,156.75	3,235.85
2 Non-Current Liabilities		
(a) Financial Liabilities		
(i) Long Term Borrowings	734.78	683.67
(ii) Deferred tax Liability (Net)	228.95	265.37
(b) Long Term Provisions	13.77	13.77
	977.51	962.81
3 Current Liabilities		
(a) Financial Liabilities		
(i) Short Term Borrowings	1,011.46	1,004.36
(ii) Trade and Other Payables	708.31	338.48
(iii) Other Financial Liabilities	-	139.23
(b) Other Current Liabilities	1,740.51	1,251.99
(c) Short Term Provisions	24.97	23.17
	3,485.25	2,757.23
TOTAL	7,619.51	6,955.89

Figures for the previous periods are re-classified/re-arranged/re-grouped wherever required.



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

Siddharth Shah
Whole Time Director

Ashok Karwa
Chief Financial Officer

Place: Nagpur

Date: 14th November, 2018



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 Half Year and Quarter ended September 30, 2018 which are included in the accompanying "Statement of Unaudited Financial Results for the Half Year and Quarter ended September 30, 2018" 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 dated July 5, 2016, which has been initialed by us for identification purposes.

The Statement is the responsibility of the Company's management and has been approved by the Board of Directors, has been prepared 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 read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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



BANTHIA DAMANI & ASSOCIATES

CHARTERED ACCOUNTANTS

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

Ph. No. 0712-2439300

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. 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 Trade Receivables outstanding for more than 6 months amounting to Rs. 911.92 Lacs as good and fully recoverable. As per Management the receivables are fully 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. 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, regarding non provision of Service Tax demand of Rs.157.73 Lacs and penalty of Rs.17.96 Lacs. The company has already paid Rs. 129.39 Lacs against the outstanding demand. The Appellate Tribunal on appeal has remanded the matter to



BANTHIA DAMANI & ASSOCIATES

CHARTERED ACCOUNTANTS

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

Ph. No. 0712-2439300

Commissioner (Appeals) for reconsideration on the basis of evidence to be submitted by the company. The company does not envisage any liability thereon.

- c) Note no. 5,6 & 7 to the accompanying Statement of Unaudited Standalone Financial Results, regarding non filing of returns and non payment of Statutory Dues as under:

PARTICULARS	AMOUNT (IN RS. LAKHS)
i) Service Tax (Net of Cenvat Credit)	124
ii) GST	398.07
iii) TDS	167.23

Provision for the interest on delayed payment of above 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.

- d) Note no. 8 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.
- e) Note no. 9 regarding invoices amounting to Rs 254.11 Lacs of previous year reduced from revenue and corresponding GST liability of Rs 45.73 Lacs thereon also reversed in quarter and half year ended 30th September 2018. The company has correspondingly valued and accounted WIP of Rs 155.36 Lacs to match the revenue



✓

BANTHIA DAMANI & ASSOCIATES

CHARTERED ACCOUNTANTS

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

Ph. No. 0712-2439300

reversed. The net impact of the above is reduction in profit by Rs 98.74 Lacs for the Quarter and Half Year ended 30th September, 2018.

- f) The Company has not evaluated whether any impairment provision is required for expected Losses in accordance with Ind-AS-109 "Financial Instruments" for investments in equity shares in fully compulsory convertible debentures amounting to Rs 12.90 Crores for the Quarter and Half Year ended 30th September 2018 to Companies which have incurred losses and has negative network.
5. 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 dated July 5, 2016 including the manner in which it is to be disclosed, or that it contains any material misstatement.

For Bantia Damani & Associates

Chartered Accountants

FRN- 126132W

Place: Nagpur

Date: 14.11.2018



A handwritten signature in blue ink, appearing to read "Sudesh Bantia".

Sudesh Bantia

Partner

M.No. 041344