



ARTEFACT PROJECTS LIMITED

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STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31st, 2018

Rs. in Lacs, except share data


PART - I							
Sr. No.	Particulars	Quarter ended	Quarter ended	Quarter ended	Nine Months	Nine Months	Year Ended March
		December 31,	September 30,	December 31,	ended	ended	31,
		2018	2018	2017	December 31,	December 31,	2018
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations (Net of GST)	632.33	359.40	482.39	1,497.76	1,493.03	2,155.81
2	Other Income	26.40	38.29	96.92	104.01	206.54	254.13
3	Total Income from Operations (Net)	658.73	397.69	579.31	1,601.77	1,699.57	2,409.94
4	Expenses						
	a) Employee Cost	241.68	248.41	181.15	730.18	528.53	789.80
	b) Retainer & Consultancy fees	85.00	105.20	164.77	356.38	566.53	908.01
	c) Change in Inventories of Work in Progress	102.18	(155.37)	-	(82.98)	-	(82.58)
	d) Depreciation & Amortisation Expense	21.20	21.40	20.44	63.61	60.87	81.62
	e) Finance Cost	98.92	98.62	117.45	289.35	344.89	445.02
	f) Travelling & Conveyance	94.10	65.37	71.78	223.05	169.11	224.48
	g) Other Expenditure	54.89	51.24	116.36	176.94	279.06	329.47
	Total Expenses	697.97	434.87	671.95	1,756.53	1,948.99	2,695.82
5	Profit/(Loss) before Exceptional Items & Tax (3-4)	(39.24)	(37.18)	(92.64)	(154.76)	(249.42)	(285.88)
6	Exceptional Items	-	-	-	-	-	-
7	Profit/(Loss) before tax (5+6)	(39.24)	(37.18)	(92.64)	(154.76)	(249.42)	(285.88)
8	Tax Expenses						
	Current Tax	-	-	-	-	-	0.26
	Mat Credit Entitlement	-	-	-	-	-	-
	Deffered Tax Liability	2.75	(4.29)	4.88	(33.40)	16.88	23.14
	Income Tax of Earlier Years	-	-	-	-	-	1.08
9	Net Profit/(Loss) for the period (7-8)	(41.99)	(32.90)	(97.52)	(121.36)	(266.30)	(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)	(41.99)	(32.90)	(97.52)	(121.36)	(266.30)	(309.33)
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	552.50	552.50
14	Reserves excluding Revaluation Reserves as per the balance sheet of Prev	-	-	-	-	-	-
15	Earnings Per Share (EPS) (Face value of Rs. 10 each)						
	a. Basic EPS (in Rs.)	(0.76)	(1.24)	(1.76)	(2.20)	(4.82)	(5.06)
	b. Diluted EPS (in Rs.)	(0.76)	(1.24)	(1.76)	(2.20)	(4.82)	(5.06)
	(* Not annualised)						



NOTES

- 1 The above results for 3 rd Quarter Ending 31 Dec 2018 have been reviewed by the Audit Committee and approved & taken on record by the Board of Directors at its meeting held on 14th February 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. 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 31st December 2018 have expressed their inability to comment on the recoverability of the trade receivables outstanding for more than 6 months amounting to Rs. 986.32 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 in the previous year.
- 4 As per the order No.C. No. IV(16)/30-28/ST/Adj/NGP-I/2018/c/370 dt 31-12-2018 of Commisioner(service tax) Nagpur service tax liability of Rs.18.19 and equal Amount of penalty of Rs.18.19 lacs is determined due to inadmissibility of CENVAT credit claimed in returns for the period 2007-2008 to 2011-2012. The Company has decided to file appeal against this Order with Tribunal and the company does not envisage any laibility thereon.
- 5 The company has Rs 124.31 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 March 31, 2018 and in the Review Report on the financial results for the quarter ended 30th June, 2018 & 30th Sep 2018.
- 6 The Company had GST liability of Rs. 243.74 Lacs as on 31-12-2018 and yet to file returns from April 2018 onwards. The Company has paid Rs.57.08 Lacs against above liability in the month of January & February 2019 . The Company has Rs.137.27 lacs GST recoverable from Government clients as reimbursement basis instead of being paid by client along with invoice.The interest and late fees for delay in net amount payable for GST and filing Returns has been provided in the results.
- 7 TDS payable of Rs 77.49 Lacs is. as on 31.12.2018 The interest and late fees for delay 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 filling of returns of TDS which are last filed upto 31.03.2018. Income tax refund amounting of Rs. 432.13 Lacs upto 31st March, 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 since he neither joined the services nor repaid this amount.The Management issued notice of legal proceedings for its recovery.Necessary provision shall be made by March 2019 considering progress in the matter .This had been qualified by independent auditors in their audit report on the financial statements for the year ended March 31, 2018.
- 9 The figures for the corresponding previous periods/year have been restated /regrouped wherever necessary,to make them comparable.
- 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".

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


Siddharth Shah
Whole Time Director


Ashok Karwa
Chief Financial Officer

Place : Nagpur
Date : 14-02-2019



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 nine months and Quarter ended December 31, 2018 which are included in the accompanying “Statement of Unaudited Financial Results for the nine months and Quarter ended December 31, 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 initiated 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



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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. 986.32 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.18.19 Lacs and penalty of Rs.18.19 Lacs as per order No. C.No. IV(16)30-28/ST/Adj/NGP-I/2018/C/370 Dt 31/12/2018 of Commissioner (Service Tax) Nagpur. The demand is determined due to inadmissibility of CENVAT credit claimed in returns for the period 2007-08 to



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2011-12. Since the company has decided to file an appeal against this order, 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)	RETURNS PENDING SINCE
i) Service Tax (Net of Cenvat Credit)	124.31	Nil
ii) GST	243.74	April 2018
iii) TDS	77.49	April 2018

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 been served a legal notice to repay the dues. As explained to us, against said loan provision shall be made based on management's assessment.
- e) 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



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to Rs. 12.90 Crores for the Nine months and Quarter ended 31st December 2018 to Companies which have incurred losses and has negative net worth.

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 Banthia Damani & Associates

Chartered Accountants

FRN- 126132W

Place: Nagpur

Date: 14.02.2019



Sudesh Banthia

Sudesh Banthia

Partner

M.No. 041344