



ARTEFACT PROJECTS LTD.

Project Management Consultants, Consulting Engineers & Planners

Registered & Corporate Office :

"Artefact Towers", 54/3, Chhatrapati Square, Wardha Road,

Nagpur 440 015, Maharashtra, India

Phone : +91 - 712 - 3025120, 3018260 (10 Lines), Fax No : +91 - 712 - 3025128

Email : artefactngp@artefactprojects.com, info@artefactprojects.com

Website : www.artefactprojects.com, CIN : L65910MH1987PLC044887

Ref. No. - APL/CS/2017-18/6001/86

14th February, 2018

To

The Manager (CRD)

BSE Limited

Phiroze Jeejeebhoy Towers,

Dalal Street, Fort

Mumbai - 400 001

Dear Sir,

Scrip code: 531297

Sub.: Outcome of Board Meeting held today i.e. 14th February, 2018

Pursuant to the provisions of Regulation 30 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform you that the Board of Directors of the Company at their meeting held today i.e. 14th February, 2018, *inter alia* considered and approved the Un-audited Financial Results of the Company for the quarter and nine months ended 31st December, 2017.

In terms of provisions of Regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing herewith the following:

- a. A copy of the Un-Audited Financial Results for the quarter and nine months ended 31st December, 2017.
- b. Limited Review Report received from the Statutory Auditor of the Company on the Un-Audited Financial Results for the quarter ended 31st December, 2017.

The meeting of the Board of Directors commenced at 04.00 p.m. and concluded at 07:20 p.m.

Kindly take the above on your record.

Thanking you,

Yours faithfully,

For Artefact Projects Limited

Shilpa A. Bhargava

Company Secretary & Compliance Officer

M. No.: ACS 36207



Encl.: As above

**ARTEFACT PROJECTS LIMITED**

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STATEMENT OF STANDALONE FINANCIAL RESULTS FOR THE QUARTER AND NINE MONTHS ENDED DECEMBER 31st, 2017**PART - I***Rs. in Lacs, except share data*

Sr. No.	Particulars	Quarter ended December 31,	Quarter ended September 30,	Quarter ended December 31,	Nine Months ended December 31,	Nine Months ended December 31,	Year Ended March 31,
		2017	2017	2016	2017	2016	2017
		Unaudited	Unaudited	Unaudited	Unaudited	Unaudited	Audited
1	Revenue from Operations (Net of Service Tax / GST)	482.39	538.55	550.53	1,493.03	1,489.88	2,301.34
2	Other Income	96.92	64.08	93.25	206.54	154.47	231.72
3	Total Income from Operations (Net)	579.31	602.63	643.78	1,699.57	1,644.35	2,533.06
4	Expenses						
	a) Employee Cost	181.15	171.27	149.78	528.53	407.68	563.72
	b) Retainer & Consultancy fees	164.77	174.18	189.13	566.53	465.31	853.56
	c) Change in Inventories of Work in Progress	-	-	(41.53)	-	(41.53)	(5.94)
	d) Depreciation & Amortisation Expense	20.44	20.31	20.25	60.87	60.97	80.45
	e) Finance Cost	117.45	138.15	100.56	344.89	273.79	369.27
	f) Travelling & Conveyance	71.78	40.05	57.14	169.11	162.45	228.12
	g) Other Expenditure	116.36	65.51	96.00	279.06	247.29	392.69
	Total Expenses	671.95	609.47	571.33	1,948.99	1,575.96	2,481.87
5	Profit/(Loss) before Exceptional Items & Tax (3-4)	(92.65)	(6.84)	72.45	(249.43)	68.39	51.19
6	Exceptional Items	-	-	-	-	-	-
7	Profit/(Loss) before tax (5+6)	(92.65)	(6.84)	72.45	(249.43)	68.39	51.19
8	Tax Expenses						
	Current Tax	-	-	21.76	-	24.81	13.20
	Mat Credit Entitlement	-	-	-	-	-	-
	Deffered Tax Liability	4.88	7.63	(1.13)	16.88	10.38	19.34
	Income Tax of Earlier Years	-	-	-	-	-	(0.61)
9	Net Profit/(Loss) for the period (7-8)	(97.53)	(14.48)	51.82	(266.31)	33.20	19.26
10	Other Comprehensive Income (net of Tax) (items that will not be reclassified to profit & loss)	-	-	-	-	-	-
11	Total Comprehensive Income for the period (9+10)	(97.53)	(14.48)	51.82	(266.31)	33.20	13.26
12	Paid -up equity share capital (Face value of Rs. 10 each)	552.50	552.50	552.50	552.50	552.50	552.50
13	Reserves excluding Revaluation Reserves as per the balance sheet of Previous Accounting Year	-	-	-	-	-	-
14	Earnings Per Share (EPS) (Face value of Rs. 10 each)						
	a. Basic EPS (in Rs.)	(1.76)*	(0.26)*	0.94*	(4.82)*	0.60*	0.35
	b. Diluted EPS (in Rs.)	(1.76)*	(0.26)*	0.94*	(4.82)*	0.60*	0.35
	(* Not annualised)						



NOTES FOR STANDALONE

- 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 February, 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 with transition date of April 01, 2017.
- 3 The IND AS compliant financial results, pertaining to period ended December 31,2016 have not been subject to limited review or audit. However, the management has exercised necessary due diligence to ensure that such financial results provide a true and fair view of affairs.
- 4 The Statement does not include IND-AS compliant results for the previous year ended 31st March, 2017, as the same is not mandatory as per SEBI's Circular dated 5th July, 2016.
- 5 The auditor's in their report on the financial statements of the Company for the period ended 31st December 2017 have expressed their inability to comment on the recoverability of the trade receivables outstanding for more than 6 months amounting to Rs 1092.69Lacs, having regard to the age of those receivables and non-availability of balance confirmations and reconciliations.As per management the Debtors outstanding for more than 6 months on the basis of Clause No. 6.4(C) & 6.4(D) of the consultancy contract amounts to Rs. 303.93 lacs only. Since 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 in the Review Report on the financial results for the quarter ended 30th June, 2016, 30th Sep, 2016, 31st Dec, 2016, 30th June, 2017 and 30th Sep 2017.
- 6 Pending reconciliation of service tax collected and paid, the company has not paid Rs 365 Lacs (net of Cenvat) and filed the service tax returns since April 2016. The company has recognised the interest on default in payment of service tax in the 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 service tax. This was also a subject to qualification in the Independent Auditor's Report for the year ended March 31, 2017 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 and 30th Sep 2017.
- 7 The Commissioner of Service Tax, Nagpur vide order dated 14.12.17 has upheld demand of Service Tax of rs 1.88 Cr and penalty of Rs 1.88 Cr against which appeal has been filed before the CESTAT. No provision for this has been made in the books as the management is confident of getting substantial relief.
- 8 The Company has not paid GST of Rs 181.49 Lacs and filed returns from August 2017 Onwards.The interest for delay in payment of GST has been provided in the results.
- 9 The filing of TDS Returns and payment of TDS of Rs. 73.70 lacs is pending since April, 2017. 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 filling of returns of TDS.
- 10 The Company has received Notices From Income Tax Department regarding default in making payment of Interest on TDS for FY 13-14, 14-15, and 15-16 Total Outstanding Interest on TDS Late Filing Fees as per Traces As On Date Stands Rs 58.12 lacs..
- 11 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 suppose to join company for 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 2 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.
- 12 Advance to creditors of Rs.34.56 lacs outstanding, since expenses not booked for want of bills from respective parties.
- 13 Other Income includes Interest of Rs 55.92 lacs received from Airport Authority of India against long Outstanding dues,as per the judgement of Arbitrator & Honourable Delhi High Court.
- 14 The figures for the corresponding previous periods/year have been restated /regrouped wherever necessary,to make them comparable.
- 15 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


Sanjay Khare
Chief Financial Officer

Place : Nagpur
Date : 14th Feb, 2018

The Reconciliation of net profit or loss reported in accordance with Indian GAAP to total comprehensive income in accordance with IND AS is given below:

(Rs. in Lacs)

Description	Nine Months ended 31st December 2016 Unaudited
Net Profit or Loss as per previous GAAP (Indian GAAP)	68.39
Add: Adjustment	-
Gain / Loss on Fair Valuation of Investment	-
Net Profit as per IND AS	68.39
Other Comprehensive income, net of income tax	-
Total Comprehensive income for the period	68.39



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, 2017 which are included in the accompanying "Statement of Unaudited Financial Results for the Nine months and Quarter ended December 31, 2017" 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. 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 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.



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3. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides 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. 5 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. 1,092.69 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. 6 to the accompanying Statement of Unaudited Financial Results, regarding non-payment of Service Tax of Rs. 365 Lacs (net of Cenvat Credit Claimed), reconciliation of Service Tax and non-filing of Service Tax Returns since April, 2016. Provision for the interest on delayed payment 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.
- c) Note No. 7 to the accompanying Statement of Unaudited Financial Results, regarding non provision of Service Tax demand of Rs.188 Lacs and penalty of Rs.188 Lacs. As explained the company has contested the demand in appeal before Appellate Tribunal and the management expects to get substantial relief and hence no provision is considered necessary at this stage.



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- d) Note no. 8 to the accompanying Statement of Unaudited Financial Results, regarding non payment of GST liability of Rs.181.49 Lacs and non-filing of returns since August 2017. The interest for delay in payment of GST has been provided in the results.
- e) Note no. 9 to the accompanying Statement of Unaudited Financial Results, regarding non-payment of TDS of Rs.73.70 Lacs and non-filing of TDS Returns since April, 2017. Provision for the interest on delayed payment 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.
- f) Note no. 11 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.
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.



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6. We draw attention to the following matters
- Note no. 2 to the Statement which states that the Company has adopted Ind AS for the financial year commencing from April 1, 2017, and accordingly, the Statement has been prepared by the Company's Management in compliance with Ind AS.
 - We were neither engaged to review, nor have we reviewed the comparative figures for the nine months and quarter ended on December 31, 2016 and accordingly, we do not express any conclusion on the results in the Statement for the said quarters. These figures have been furnished by the Management.
 - The financial statements of the Company for the year ended March 31, 2017 prepared in accordance with Companies (Accounting Standards) Rules, 2006, were audited by another firm of Chartered Accountants under the Companies Act, 2013 who, vide their report dated May 23, 2017, expressed an modified opinion on these financial statements.

For Bantia Damani & Associates

Chartered Accountants

FRN- 126132W

Place: Nagpur

Date: 14.02.2018



Sudesh Bantia

Partner

M.No. 041344

