



ARTSON ENGINEERING LIMITED

16th October 2021

Corporate Relationship Dept.
BSE Limited
Phiroze Jeejeebhoy Towers,
Dalal Street, Fort,
Mumbai - 400001, Maharashtra

Dear Sir/ Madam,

Sub: Outcome of Board Meeting and Unaudited Financial Results for 2nd quarter ended 30th September 2021 - reg.

Ref: Security Code - 522134

In compliance with Regulation 30 and 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we wish to inform that, the Board of Directors at their Meeting held today i.e., Saturday, 16th October 2021, *inter alia* approved/ took note of the following:

1. The Un-audited Financial Results (UFR) for the second quarter ended 30th September 2021, along with the Statutory Auditors Limited Review Report thereon.
2. Resignation of Mr. K. Satyanarayana, Non-Executive Director, w.e.f. 30th September 2021.
3. Resignation of Mr. S. Balaji, CFO, w.e.f. 16th September 2021.
4. Appointment of Mr. Siva Rama Krishna Kambhampati as the Chief Financial Officer, who would be joining during January 2022.

The aforesaid UFR is enclosed as **Annexure A** for reference and record. The same will also be made available on the Company's website www.artson.net.

Further, the details/disclosures required under Regulation 30 of the SEBI Listing Regulations, read with Schedule III thereto and the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 ("SEBI Circular"), regarding appointment of CFO is enclosed as **Annexure B**.

Kindly take the same on record.

Yours Truly,
For **Artson Engineering Limited**

Sd/-
Deepak Tibrewal
Company Secretary
FCS 8925

ARTSON ENGINEERING LIMITED

Registered Office: Transocean House, Lake Boulevard Road, Hiranandani Business Park, Powai, Mumbai, MH – 400076

Corporate Identity Number: L27290MH1978PLC020644

Tel: +91 22 6625 5600 ; E-mail: investors@artson.net; Website: www.artson.net

Unaudited financial results for the quarter and half year ended 30 September 2021 prepared in compliance with the Indian Accounting Standards (Ind -AS)

(₹ Lakhs unless otherwise stated)

Particulars	Quarter ended			Half year ended		Year ended
	30 September 2021	30 June 2021	30 September 2020	30 September 2021	30 September 2020	31 March 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income						
a Revenue from operations	4,518.06	3,897.63	3,745.26	8,415.69	5,835.51	15,028.21
b Other income	18.27	46.32	47.61	64.59	119.22	203.96
Total income	4,536.33	3,943.95	3,792.87	8,480.28	5,954.73	15,232.17
2 Expenses						
a Cost of materials consumed	2,379.74	1,487.13	1,015.39	3,866.87	1,769.75	6,679.29
b Changes in inventories of stock-in-trade and work-in-progress	(878.00)	(82.88)	354.47	(960.88)	430.47	457.61
c Employee benefits expense	322.51	323.40	327.48	645.91	620.07	1,288.38
d Depreciation and amortisation expense	29.36	27.72	28.23	57.08	56.36	106.16
e Project execution expenses	2,141.80	1,687.92	1,829.35	3,829.72	2,718.69	5,428.14
f Finance costs	312.79	257.87	244.03	570.66	502.13	1,018.17
g Other expenses	155.61	166.77	85.54	322.38	370.00	765.60
Total expenses	4,463.81	3,867.93	3,884.49	8,331.74	6,467.47	15,743.35
3 Profit/(loss) from operations before exceptional items and tax (1-2)	72.52	76.02	(91.62)	148.54	(512.74)	(511.18)
4 Exceptional Items	-	-	-	-	-	-
5 Profit/ (loss) before tax (3-4)	72.52	76.02	(91.62)	148.54	(512.74)	(511.18)
6 Tax Expense						
1) Current tax	-	-	-	-	-	-
2) Deferred tax expense	39.18	20.49	1.64	59.67	32.47	56.70
7 Net Profit/(loss) for the period/ year (5-6)	33.34	55.53	(93.26)	88.87	(545.21)	(567.88)
8 Other comprehensive income						
(i) Items that will not be reclassified subsequently to the statement of profit and loss	1.77	1.77	1.50	3.54	3.00	7.07
9 Total Comprehensive Income (7+8)	35.11	57.30	(91.76)	92.41	(542.21)	(560.81)
10 Paid-up equity share capital						
3,69,20,000 equity shares of Re 1/- each fully paid-up	369.20	369.20	369.20	369.20	369.20	369.20
11 Reserves excluding revaluation reserves	-	-	-	-	-	(357.73)
12 Earnings Per Share (EPS) (for continuing operations, not annualised for quarterly results) (Re.) Basic and Diluted	0.09	0.15	(0.25)	0.24	(1.48)	(1.54)

See accompanying notes to the financial results

Notes:

- 1) The above Unaudited Financial Results for the quarter and half year ended 30 September 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 16 October 2021 and the same have been subjected to a Limited Review by the Statutory Auditors in compliance with regulation 33 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Statutory Auditors have issued an unqualified review report.
- 2) The Company operates in only one business segment viz. Supply of Equipments, Steel Structures and Site Services for Mechanical Works.
- 3) The accumulated losses of the Company (including other comprehensive income) as at 30 September 2021 stood at Rs. 4,622.19 Lakhs. On account of the operating losses during the previous year and other indicators, the Management, including the Board of Directors of the Company, has performed an assessment on the Company's ability to continue as a going concern. The Board of Directors based on its review of the approved business plan and the future cash flow projections prepared for the next twelve months from the date of the financial results has assessed that the Company would be able to meet its cash flow requirements for the next twelve months from the date of financial results considering the following reasons:
 - a) The Company expects growth in the business, improvement in the operating margins and improvement in the Cash flows in the future by focusing on the following:
 - i. The Company has a pending order book for around Rs. 20,744.01 Lakhs as at 30 September 2021. Additionally, the Company is hopeful of receiving some orders for which it has already submitted its bids.
 - ii. The Company is in the process of bidding for multiple projects for Tata Projects Limited ('TPL'), Holding Company and it is hopeful of receiving orders from TPL in the coming quarters based on competitive bidding and Arm's Length Pricing norms.
 - iii. The Company plans to successfully pursue for customer claims in the next quarters, which would significantly improve its operating margins as well as its cash flows.
 - iv. Some of the major projects of the Company are in the final stages of completion and the Company plans to complete the pending milestones for these projects in the next couple of quarters. This would reduce the unbilled revenue amount which in turn would improve the working capital/Cash flow situation of the Company.
 - v. The Company is also in the process of reviewing its borrowing facilities and is currently renegotiating with lenders for lower interest rates. The Company, through this exercise, is trying to reduce its finance cost, thereby improving the overall margins.
 - vi. During the quarter ended 30 June 2021, the Company converted its Payables to Holding Company amounting to Rs. 1,000 Lakhs into an Interest Free Loan for a period of 10 years. This has improved the overall working capital situation of the Company. Additionally as per the requirements of Ind AS 109, the Company has computed the deemed financial benefit on the interest free borrowing availed and the said benefit has been taken to Other Equity which has improved its net worth position.
 - b) As at 30 September 2021 there are two Directors nominated by TPL on the Board of Company, which demonstrates its continuous operational and business support.

Based on the assessment performed above, the Management has prepared the accompanying financial results on a going concern basis.

- 4) Covid-19 which had spread across the globe, including India, had resulted in decline in economic activities. Though the situation has improved now, the extent to which the business/operations of the Company had impacted will depend on future developments, which are still uncertain. Whilst the Company has a committed order book of Rs. 20,744.01 Lakhs as at 30 September 2021, there is slight uncertainty about the extent of Covid-19 impact on the operations of the Company. Further, the Company has carried out an assessment of "going concern", the recoverability and carrying value of assets, etc. based on certain assumptions, cumulative knowledge and understanding of the business and current indications of future economic conditions and has made adjustments, wherever necessary. However, the actual impact may be different from that estimated as at the date of approval of the financial results.
- 5) The figures of the previous periods have been regrouped / reclassified wherever necessary.

For and on behalf of the Board of Directors

Place: Pune

Date: 16 October 2021

(Vinayak K. Deshpande)

Chairman

Artson Engineering Limited

Registered Office: Transocean House, Lake Boulevard Road, Hiranandani Business Park, Powai, Mumbai, MH – 400076

Corporate Identity Number: L27290MH1978PLCo20644

Tel: +91 22 6625 5600 ; E-mail: investors@artson.net; Website: www.artson.net

Statement of unaudited assets and liabilities as at 30 September, 2021

(₹ Lakhs unless otherwise stated)

Particulars	As at 30th September, 2021 (Unaudited)	As at 31st March, 2021 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	936.95	881.28
(b) Capital work-in-progress	20.68	26.96
(c) Intangible assets	8.91	11.68
(d) Right of use assets	57.81	69.47
(e) Financial assets		
(i) Trade receivables	288.77	226.96
(ii) Other financial assets	37.31	37.31
(f) Deferred tax assets (net)	65.80	424.16
(g) Non-current tax assets (net)	264.39	351.60
(h) Other non-current assets	217.34	244.10
Total non-current assets	1,897.96	2,273.52
Current assets		
(a) Inventories	2,329.64	1,160.11
(b) Financial assets		
(i) Trade receivables	4,266.26	6,380.09
(ii) Cash and cash equivalents	12.77	51.17
(iii) Bank balances other than (ii) above	102.08	131.82
(iv) Other financial assets	6,196.49	5,832.21
(c) Other current assets	1,721.26	1,624.39
Total current assets	14,628.50	15,179.79
Total assets	16,526.46	17,453.31
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	369.20	369.20
(b) Other equity	271.25	(357.73)
Total equity	640.45	11.47
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	639.69	1,117.67
(ii) Lease liabilities	35.68	47.06
(b) Provisions	59.04	55.66
Total non-current liabilities	734.41	1,220.39
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	5,344.62	4,185.83
(ii) Lease liabilities	29.99	29.99
(iii) Trade payables		
- total outstanding dues of micro enterprises and small enterprises	233.14	447.30
- total outstanding dues of creditors other than micro enterprises and small enterprises	7,182.78	8,536.96
(iv) Other financial liabilities	198.63	196.23
(b) Provisions	8.54	8.54
(c) Other current liabilities	2,153.90	2,816.60
Total current liabilities	15,151.60	16,221.45
Total liabilities	15,886.01	17,441.84
Total equity and liabilities	16,526.46	17,453.31

For and on behalf of the Board of Directors

Place: Pune

Date: 16 October 2021

(Vinayak K. Deshpande)

Chairman

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Statement of unaudited cash flows for the half year ended 30 September, 2021

(₹ Lakhs unless otherwise stated)

Particulars	For the half year ended 30th September, 2021 (Unaudited)	For the half year ended 30th September, 2020 (Unaudited)	For the year ended 31st March, 2021 (Audited)
Cash flows from operating activities			
Profit/(Loss) before tax for the period/year	148.54	(512.74)	(511.18)
Adjustments for :			
Finance costs	570.66	502.13	1,018.17
Interest income	(29.15)	(29.98)	(50.51)
(Gain)/Loss on disposal of property, plant and equipment	-	-	4.69
Provision for onerous contracts	4.34	-	6.01
Depreciation and amortisation expense	57.08	56.36	106.16
Liabilities/provisions no longer required written back	(22.04)	(45.42)	(106.20)
Provision for doubtful debts no longer required written back	-	-	(0.40)
Provision for doubtful debts on trade receivables	16.03	0.47	34.00
Provision for doubtful debts on unbilled revenue	2.82	-	(2.51)
Actuarial gain on defined benefit plan (Net)	3.54	3.00	7.07
Unrealised (gain)/loss on foreign currency transactions	(0.34)	(11.44)	(11.08)
	751.48	(37.62)	494.22
Movements in working capital			
(Increase)/decrease in Trade Receivables	2,036.33	230.72	(3,157.82)
(Increase)/decrease in Inventories	(1,169.53)	620.05	560.73
(Increase)/decrease in Other Financial Assets	(352.76)	1,112.26	1,311.87
(Increase)/decrease in Other Assets	(78.37)	273.59	(261.01)
Increase/(decrease) in Trade Payables	(546.59)	(715.09)	2,307.53
Increase/(decrease) in Provisions	3.38	25.18	(29.55)
Increase/(decrease) in Other Financial Liabilities	(26.89)	(2.91)	(22.10)
Increase/(decrease) in Other Liabilities	(667.04)	(838.19)	383.69
Cash (used in)/generated from operations	(49.99)	667.99	1,587.56
Less: Income Taxes (refund)/paid	(87.21)	(80.65)	(1.38)
Net cash (used in)/generated from operating activities	37.22	748.64	1,588.94
Cash flows from investing activities			
Payments for property, plant and equipment and Intangible assets	(98.32)	(120.18)	(199.43)
(Increase)/Decrease in other bank balances	29.74	19.54	(51.61)
Interest received	14.81	8.50	9.85
Net Cash used in investing activities	(53.77)	(92.14)	(241.19)
Cash flows from financing activities			
Proceeds from Short Term Borrowings	-	-	1,600.00
Finance Costs paid	(430.89)	(476.56)	(853.17)
Principal Payment of lease liabilities	(7.76)	(10.30)	(12.25)
Interest Payment of lease liabilities	(3.62)	(4.70)	(8.87)
Net Cash used in financing activities	(442.27)	(491.56)	725.71
Net increase/(decrease) in cash and cash equivalents	(458.82)	164.94	2,073.46
Cash and cash equivalents at the beginning of the period/year	(1,776.62)	(3,850.08)	(3,850.08)
Effects of exchange rate changes on the balance of cash and cash equivalents held in foreign currencies	-	0.01	-
Cash and cash equivalents at the end of the period/year	(2,235.44)	(3,685.13)	(1,776.62)
Cash and cash equivalents at the end of the period/year	12.77	23.27	51.17
Bank overdraft	(2,248.21)	(3,708.40)	(1,827.79)
Cash and cash equivalents (including Bank overdraft) at the end of the period/year	(2,235.44)	(3,685.13)	(1,776.62)

For and on behalf of the Board of Directors

Place: Pune
Date: 16 October 2021

(Vinayak K. Deshpande)
Chairman

Price Waterhouse & Co Chartered Accountants LLP

Independent Auditors' Review Report on the Statement of Unaudited Financial Results

To
The Board of Directors
M/s. Artson Engineering Limited
Transocean House, Lake Boulevard Road,
Hiranandani Business Park, Powai,
Mumbai, Maharashtra – 400 076

1. We have reviewed the unaudited financial results of Artson Engineering Limited (the “Company”) for the quarter and the half year ended September 30, 2021 which are included in the accompanying “Statement of Unaudited financial results for the quarter and the half year ended 30 September 2021”, “the statement of unaudited assets and liabilities as at 30 September 2021” and “the statement of unaudited cash flows for the half year ended 30 September 2021” (the “Statement”). The Statement has been prepared by the Company pursuant to Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended (the “Listing Regulations, 2015”), which has been digitally signed 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 Engagement (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 provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as 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 the applicable Accounting Standards prescribed under Section 133 of the Companies Act, 2013 and other recognised accounting practices and policies and has not disclosed the information required to be disclosed in terms of Regulation 33 of the Listing Regulations, 2015 including the manner in which it is to be disclosed, or that it contains any material misstatement.
5. We draw your attention to Note 3 to the financial results, regarding the preparation of the Statement on going concern basis. The Company’s accumulated losses (including other comprehensive income) as of March 31, 2021 and September 30, 2021 stood at Rs. 4,714.60 lakhs and Rs. 4,622.19 lakhs, respectively, including net loss of Rs. 567.88 lakhs for the year ended March 31, 2021. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company’s ability to continue as a going concern. However, based on the detailed assessment shared by the management and other factors mentioned in the aforementioned Note, this Statement has been prepared on a going concern basis and no adjustment has been made to the carrying value of the assets and liabilities of the Company as at the reporting date. Our conclusion is not modified in respect of this matter.

*Price Waterhouse & Co Chartered Accountants LLP, Unit - 2B, 8th Floor, Octave Block, Block El, Parcel - 4
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T: +91 (40) 4424 6000, F: +91 (40) 4424 6300*

Registered office and Head office: Plot No. Y-14, Block EP, Sector V, Salt Lake Electronic Complex, Bidhan Nagar, Kolkata 700 091

Price Waterhouse & Co. (a Partnership Firm) converted into Price Waterhouse & Co Chartered Accountants LLP (a Limited Liability Partnership with LLP identity no: LLPIN AAC-4362) with effect from July 7, 2014. Post its conversion to Price Waterhouse & Co Chartered Accountants LLP, its ICAI registration number is 304026E/E-300009 (ICAI registration number before conversion was 304026E)

Price Waterhouse & Co Chartered Accountants LLP

6. We draw your attention to Note 4 to the financial results, which describes the management's assessment of the impact of the outbreak of Coronavirus (COVID-19) on the business operations of the Company. In view of the uncertain economic environment, a definitive assessment of the impact on the subsequent periods is highly dependent upon circumstances as they evolve. Our conclusion is not modified in respect of this matter.

For Price Waterhouse & Co Chartered Accountants LLP
Firm Registration Number: 304026E/E-300009

Place: Kolkata
Date: October 16, 2021

Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN : 21055000AAAAKF8732



ARTSON ENGINEERING LIMITED

Annexure B

The details/disclosures required under Regulation 30 of the SEBI Listing Regulations, read with Schedule III thereto and the SEBI Circular No. CIR/CFD/CMD/4/2015 dated September 9, 2015 ("SEBI Circular"), are provided below:

S.No.	Particulars	Details
1	Reason for change viz. appointment, resignation, removal, death or otherwise;	Appointment of Mr. Siva Rama Krishna Kambhampati, as the Chief Financial Officer and a Key Managerial Personnel of the Company.
2	Date of appointment/ cessation (as applicable) & term of appointment	January 2022
3	Brief profile (in case of appointment);	Mr. Siva Rama Krishna Kambhampati is Chartered Accountant and a Cost accountant with over 12 years of experience in Financial Planning & Analysis, Accounting, Pricing, Costing, Project costing and MIS.
4	Disclosure of relationships between directors (in case of appointment of a director)	Not Applicable

For Artson Engineering Limited

Sd/-

Deepak Tibrewal

Company Secretary

FCS 8925