



22nd January 2021

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

Dear Sir/ Madam,

Sub: Outcome of Board Meeting - 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., Friday, 22nd January 2021, *inter alia* approved:

The Unaudited Financial Results (UFR) for the third quarter ended 31st December 2020, along with the Statutory Auditors' Limited Review Report thereon.

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

Yours Truly,

For **Artson Engineering Limited**

Deepak Tibrewal
Company Secretary
FCS 8925



Registered Office:

2nd Floor, Transocean House, Lake Boulevard Road,
Hiranandani Business Park, Powai, Mumbai - 400076,
M.H., India. Tel: +91-22-6625 5600, Fax: 6625 5614

ARTSON ENGINEERING LIMITED

(A subsidiary of **TATA PROJECTS LIMITED**)

CIN: L27290MH1978PLC020644

E-mail: artson@artson.net, Website: www.artson.net

Corporate Office:

Ground Floor, Mithona Towers - 1, 1-7-80 to 87,
Prenderghast Road, Secunderabad-500 003,
T.S., India. Tel: +91-40-6601 8175

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 ; Fax: +91 22 6625 5614 ; E-mail: investors@artson.net; Website: www.artson.net

Unaudited financial results for the quarter and nine months ended 31 December 2020 prepared in compliance with the Indian Accounting Standards (Ind -AS)

(₹ Lakhs)

Particulars	Quarter ended			Nine months ended		Year ended
	31 December 2020	30 September 2020	31 December 2019	31 December 2020	31 December 2019	31 March 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income						
a Revenue from operations	2,457.52	3,745.26	3,247.25	8,293.03	11,191.01	16,300.21
b Other income	8.71	47.61	569.64	127.93	657.26	658.66
Total income	2,466.23	3,792.87	3,816.89	8,420.96	11,848.27	16,958.87
2 Expenses						
a Cost of materials consumed	821.59	1,015.39	1,350.06	2,591.34	4,676.19	6,306.73
b Changes in inventories of stock-in-trade and work-in-progress	(202.89)	354.47	(333.64)	227.58	(34.79)	210.81
c Employee benefits expense	331.29	327.48	310.91	951.36	953.01	1,343.85
d Depreciation and amortisation expense	26.53	28.23	47.02	82.89	117.48	181.23
e Project execution expenses	1,236.56	1,829.35	1,804.48	3,955.25	4,441.14	6,306.11
f Finance costs	244.58	244.03	250.39	746.71	747.65	1,002.07
g Other expenses	172.47	85.54	230.64	542.47	714.10	985.41
Total expenses	2,630.13	3,884.49	3,659.86	9,097.60	11,614.78	16,336.21
3 Profit/(loss) from operations before exceptional items and tax (1-2)	(163.90)	(91.62)	157.03	(676.64)	233.49	622.66
4 Exceptional Items	-	-	-	-	-	-
5 Profit/ (loss) before tax (3-4)	(163.90)	(91.62)	157.03	(676.64)	233.49	622.66
6 Tax Expense						
1) Current tax (Note 4)	-	-	-	-	-	-
2) Deferred tax expense/(credit)	(30.56)	1.64	277.15	1.91	490.96	696.37
7 Net Profit/(loss) for the period/ year (5-6)	(133.34)	(93.26)	(120.12)	(678.55)	(257.47)	(73.71)
8 Other comprehensive income						
(i) Items that will not be reclassified subsequently to the statement of profit and loss	1.50	1.50	0.10	4.50	0.29	5.99
9 Total Comprehensive Income (7+8)	(131.84)	(91.76)	(120.02)	(674.05)	(257.18)	(67.72)

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Particulars	Quarter ended			Nine months ended		Year ended
	31 December 2020	30 September 2020	31 December 2019	31 December 2020	31 December 2019	31 March 2020
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
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	-	-	-	-	-	146.71
12 Earnings Per Share (EPS) (for continuing operations, not annualised for quarterly results) (Re.) Basic and Diluted	(0.36)	(0.25)	(0.33)	(1.84)	(0.70)	(0.20)
See accompanying notes to the financial results						

Notes:

- The above Unaudited Financial Results for the quarter and nine months ended 31 December 2020 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 22 January 2021 and the same have been subjected to a Limited Review by the Statutory Auditors in compliance with regulation 33 of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015. The Statutory Auditors have issued an unqualified review report.
- The Company operates in only one business segment viz. Supply of Equipments, Steel Structures and Site Services for Mechanical Works.
- The Company has changed the depreciation method from written down value to straight line with effect from 1 April, 2020 to ensure consistency with the policies followed by the Holding Company, practises followed by the entities in the Construction industry and to reflect the expected pattern of consumption of the future economic benefits based on internal technical and commercial assessment. This change has resulted in decrease in depreciation expense amounting to Rs. 28.99 lakhs and Rs. 76.95 lakhs for the quarter and nine months ended 31 December 2020 respectively.
- Provision for current tax is not made in the absence of taxable profit. The Company has been advised that since it continues to have negative net worth for computation of income tax, in line with erstwhile BIFR order dt. 20.06.2013, provision in respect of MAT u/s 115JB of Income tax Act, 1961 is not applicable and hence the same is not provided.
- Covid-19 which continues to spread across the globe, including India, has contributed to a significant decline in economic activities and volatility in the businesses. Post announcement by WHO as a global pandemic, numerous steps have been taken by the Government and companies to contain the spread of the virus. The extent to which the business/operations of the Company will be impacted will depend on future developments which are highly uncertain. Whilst the Company has a committed order book of Rs.30,722.76 Lakhs as at 31 December 2020, there is considerable uncertainty regarding the extent that Covid-19 will affect the business and operations of the Company. Further, the Company has carried out an assessment of "going concern" 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 statements.
- The company during the nine months ended 31 December 2020 has incurred a net loss of Rs. 678.55 lakhs and as at 31 December 2020 the accumulated losses of the company stood at Rs. 4,827.84 lakhs, consequently the networth became negative and stood at Rs (108.99) lakhs as on 31 December 2020. On account of the significant operating loss during the nine months and other indicators, the management including the board of directors of the Company, have performed an assessment on their ability to continue as a going concern. The board of directors based on their 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 it would be able to meet its cash flow requirements for the next twelve months from the date of financial results considering the following reasons
 - Company has incurred cash loss during the nine months ended 31 December 2020 mainly on account of certain projects turning onerous due to increase in costs to complete them and on account of the impact on the business operations during the nine months attributable to Covid 19.
 - The company expects a growth in the business, improvements in the operating margins and improvement in the Cash flows in the future by focusing on the following:
 - The company has a pending order book for around Rs 30,722.76 lakhs as at 31 December 2020. Additionally, the company is hopeful of receiving some orders for which they have already submitted their bids.
 - The company is in the process of bidding for multiple projects for M/s Tata Projects Limited ("TPL"), Holding Company and they are hopeful of receiving orders from TPL in the coming quarters based on competitive bidding and Arm's Length Pricing norms.
 - The company has adopted claim assessment and claim management framework of TPL in Q1 FY 21 and lodged claims. Accordingly, the company plans to successfully pursue for these claims in the next quarters, which would significantly improve their operating margins as well as their cash flows.
 - 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 quarter. This would reduce the unbilled revenue amount which in turn would improve the working capital/Cash flow situation of the company.
 - The company has registered itself as a Medium Enterprise as per the requirements of the Micro, Small and Medium Enterprises Development Act, 2006. This would significantly improve the working capital situation/Cash flow situation of the company as the customers would be obligated to make the payment to the company within the stipulated timelines under the Act.
 - The company is also in the process of reviewing its borrowing facilities and currently renegotiating with lenders for lower interest rates. The company through this exercise are trying to reduce their finance cost thereby improving the overall margins.
 - TPL has nominated two more directors on the board of company during Q1 FY 21 which demonstrates continuous operational and business supports. Based on the assessment performed above, management has prepared the accompanying financial results on a going concern basis.
- The figures of the previous periods have been regrouped / reclassified wherever necessary.

Place: Pune
Date: 22 January 2021

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For and on behalf of the Board of Directors

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Chairman
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Price Waterhouse & Co Chartered Accountants LLP

Review Report

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 ended December 31, 2020 and the year to date results for the period April 01, 2020 to December 31, 2020 which are included in the accompanying ‘Statement of Unaudited financial results for the quarter and nine months ended December 31, 2020’ (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 initialled 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.

*Price Waterhouse & Co Chartered Accountants LLP, Unit - 2B, 8th Floor, Octave Block, Block El, Parcel - 4
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5. We draw your attention to Note 6 to the financial results, regarding the preparation of the Statement on going concern basis. The Company has incurred a net loss of Rs. 678.55 lakhs during the nine months ended December 31, 2020 and, as of that date, the Company's accumulated losses and negative net worth stood at Rs. 4,827.84 lakhs and (108.99) lakhs respectively. 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.

6. We draw your attention to Note 5 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

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Sunit Kumar Basu
Membership Number: 55000
Partner
UDIN: 21055000AAAAAF8192

Place: Hyderabad
Date: January 22, 2021