



ARTSON ENGINEERING LIMITED

17th January 2022

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 3rd quarter ended 31st December 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., Monday, 17th January 2022, *inter alia* approved:

- The Un-audited Financial Results (UFR) for the third quarter ended 31st December 2021, 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.

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: L27290MH1978PLCo20644

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

Unaudited financial results for the quarter and nine months ended 31 December 2021 prepared in compliance with the Indian Accounting Standards (Ind -AS)

(₹ Lakhs unless otherwise stated)

Particulars	Quarter ended			Nine months ended		Year ended
	31 December 2021	30 September 2021	31 December 2020	31 December 2021	31 December 2020	31 March 2021
	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Unaudited)	(Audited)
1 Income						
a Revenue from operations	4,192.49	4,518.06	2,457.52	12,608.18	8,293.03	15,028.21
b Other income	3.30	18.27	8.71	67.89	127.93	203.96
Total income	4,195.79	4,536.33	2,466.23	12,676.07	8,420.96	15,232.17
2 Expenses						
a Cost of materials consumed	1,011.10	2,379.74	821.59	4,877.97	2,591.34	6,679.29
b Changes in inventories of stock-in-trade and work-in-progress	866.87	(878.00)	(202.89)	(94.01)	227.58	457.61
c Employee benefits expense	340.85	322.51	331.29	986.76	951.36	1,288.38
d Depreciation and amortisation expense	35.99	29.36	26.53	93.07	82.89	106.16
e Project execution expenses	1,788.29	2,141.80	1,236.56	5,618.01	3,955.25	5,428.14
f Finance costs	263.50	312.79	244.58	834.16	746.71	1,018.17
g Other expenses	289.90	155.61	172.47	612.28	542.47	765.60
Total expenses	4,596.50	4,463.81	2,630.13	12,928.24	9,097.60	15,743.35
3 Profit/(loss) from operations before exceptional items and tax (1-2)	(400.71)	72.52	(163.90)	(252.17)	(676.64)	(511.18)
4 Exceptional Items	-	-	-	-	-	-
5 Profit/ (loss) before tax (3-4)	(400.71)	72.52	(163.90)	(252.17)	(676.64)	(511.18)
6 Tax Expense						
1) Current tax	-	-	-	-	-	-
2) Deferred tax expense	(4.50)	39.18	(30.56)	55.17	1.91	56.70
7 Net Profit/(loss) for the period/ year (5-6)	(396.21)	33.34	(133.34)	(307.34)	(678.55)	(567.88)
8 Other comprehensive income						
(i) Items that will not be reclassified subsequently to the statement of profit and loss	1.76	1.77	1.50	5.30	4.50	7.07
9 Total Comprehensive Income (7+8)	(394.45)	35.11	(131.84)	(302.04)	(674.05)	(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	(1.07)	0.09	(0.36)	(0.83)	(1.84)	(1.54)

See accompanying notes to the financial results

Notes:

- 1) The above Unaudited Financial Results for the quarter and nine months ended 31 December 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 17 January 2022 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 31 December 2021 stood at Rs. 5,016.64 Lakhs.
On account of the operating losses during the current period and 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. 23,316.53 Lakhs as at 31 December 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 31 December 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) The Company has taken into account all the possible impacts of COVID-19 in preparation of these financial results, including but not limited to its assessment of, liquidity and going concern assumption, recoverable values of its financial and non-financial assets and impact on revenue recognition owing to changes in cost budgets of fixed price contracts. The Company has carried out this assessment based on available internal and external sources of information upto the date of approval of these financial results and believes that the impact of COVID-19 is not material to these financial results and expects to recover the carrying amount of its assets. The impact of COVID-19 on the financial results may differ from that estimated as at the date of approval of these financial results owing to the nature and duration of COVID-19.
- 5) The figures of the previous periods have been regrouped / reclassified wherever necessary.

**Sunit
Kumar
Basu**

Place: Pune

Date: 17 January 2022

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For and on behalf of the Board of Directors

VINAYAK
KASHINATH
DESHPANDE

(Vinayak K. Deshpande)

Chairman

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, 2021 and the year to date results for the period April 01, 2021 to December 31, 2021, which are included in the accompanying ‘Statement of Unaudited financial results for the quarter and nine months ended 31 December 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.

Price Waterhouse & Co Chartered Accountants LLP, Unit - 2B, 8th Floor, Octave Block, Block El, Parcel -
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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/E300009 (ICAI registration number before conversion was 304026E)

Price Waterhouse & Co Chartered Accountants LLP

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 December 31, 2021 stood at Rs. 4,714.60 lakhs and Rs. 5,016.64 lakhs, respectively, including net loss of Rs. 567.88 lakhs and Rs. 307.34 lakhs for the year ended March 31, 2021 and for the period ended December 31, 2021 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.

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

Sunit
Kumar Basu

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Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN : 22055000AAAAAC8021

Place: Hyderabad
Date: January 17, 2022