



ARTSON ENGINEERING LIMITED

23rd July 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, 23rd July 2021, *inter alia* approved the following:

1. Un-audited Financial Results (UFR) for the first quarter ended 30th June 2021, along with the Statutory Auditors Limited Review Report thereon.
2. Cost Audit Report for the financial year ended 31st March 2021.
3. Notice convening 42nd Annual General Meeting of the Company along with the Board's Report for the financial year ended 31st March 2021.
4. Fixed that the 42nd Annual General Meeting of the Company to be held on Wednesday, 15th September 2021 through Video Conference (VC) / Other Audio-Visual Means (OAVM).
5. Approved that the Register of Members and Share Transfer Books of the Company shall remain closed from Thursday, 9th September 2021 to Wednesday, 15th September 2021 (both days inclusive).

The aforesaid UFR is enclosed for reference and record. The same will also 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

Price Waterhouse & Co Chartered Accountants LLP

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

To,
The Board of Directors
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 June 30, 2021 which are included in the accompanying Statement of Unaudited financial results for the quarter ended June 30, 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 4 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 June 30, 2021 stood at Rs. 4,714.60 lakhs and Rs. 4,657.31 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.

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Price Waterhouse & Co Chartered Accountants LLP

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

Sunit Kumar Basu
Partner
Membership Number: 55000
UDIN: 21055000AAAAIR6474

Place: Kolkata
Date: July 23, 2021

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 ended 30 June 2021 prepared in compliance with the Indian Accounting Standards (Ind -AS)

(₹ Lakhs unless otherwise stated)

Particulars	Quarter ended			Year ended
	30 June 2021	31 March 2021	30 June 2020	31 March 2021
	(Unaudited)	(Audited)	(Unaudited)	(Audited)
1 Income				
a Revenue from operations	3,897.63	6,735.18	2,090.25	15,028.21
b Other income	46.32	76.03	71.61	203.96
Total income	3,943.95	6,811.21	2,161.86	15,232.17
2 Expenses				
a Cost of materials consumed	1,487.13	4,087.95	754.36	6,679.29
b Changes in inventories of stock-in-trade and work-in-progress	(82.88)	230.03	76.00	457.61
c Employee benefits expense	323.40	337.02	292.59	1,288.38
d Depreciation and amortisation expense	27.72	23.27	28.13	106.16
e Project execution expenses	1,687.92	1,472.89	889.34	5,428.14
f Finance costs	257.87	271.46	258.10	1,018.17
g Other expenses	166.77	223.13	284.46	765.60
Total expenses	3,867.93	6,645.75	2,582.98	15,743.35
3 Profit/(loss) from operations before exceptional items and tax (1-2)	76.02	165.46	(421.12)	(511.18)
4 Exceptional Items	-	-	-	-
5 Profit/ (loss) before tax (3-4)	76.02	165.46	(421.12)	(511.18)
6 Tax Expense				
1) Current tax	-	-	-	-
2) Deferred tax expense	20.49	54.79	30.83	56.70
7 Net Profit/(loss) for the period/ year (5-6)	55.53	110.67	(451.95)	(567.88)
8 Other comprehensive income				
(i) Items that will not be reclassified subsequently to the statement of profit and loss	1.77	2.57	1.50	7.07
9 Total Comprehensive Income (7+8)	57.30	113.24	(450.45)	(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
11 Reserves excluding revaluation reserves	-	-	-	(357.73)
12 Earnings Per Share (EPS) (for continuing operations, not annualised for quarterly results) (Re.)				
Basic and Diluted	0.15	0.30	(1.22)	(1.54)
See accompanying notes to the financial results				

Notes:

- 1) The above Unaudited Financial Results for the quarter ended 30 June 2021 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 23 July 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 figures for the quarter ended 31 March 2021 are the balancing figures between the audited figures in respect of the full financial year 31 March 2021 and the published unaudited year to date figures up to period ended 31 December 2020.
- 4) The accumulated losses of the Company (including other comprehensive income) as at 30 June 2021 stood at Rs. 4,657.31 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. 24,948.15 Lakhs as at 30 June 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 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.
 - vi. 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.
 - vii. During the current quarter, 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 June 2021 there are three 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.

- 5) 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. 24,948.15 Lakhs as at 30 June 2021, 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", the recoverability and carry 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.
- 6) The figures of the previous periods have been regrouped / reclassified wherever necessary.

For and on behalf of the Board of Directors

Place: Pune

Date: 23 July 2021

(Vinayak K. Deshpande)

Chairman