

Price Waterhouse & Co Chartered Accountants LLP

INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of Artson Engineering Limited

Report on the Audit of Financial Results

Opinion

1. We have audited the annual financial results of Artson Engineering Limited (hereinafter referred to as the 'Company') for the year ended March 31, 2023 and the statement of assets and liabilities and the statement of cash flows as at and for the year ended on that date, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, ('Listing Regulations').
2. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial results:
 - (i) are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard; and
 - (ii) give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable accounting standards prescribed under Section 133 of the Companies Act, 2013 (the "Act") and other accounting principles generally accepted in India, of net loss and other comprehensive income and other financial information of the Company for the year ended March 31, 2023 and the statement of assets and liabilities and the statement of cash flows as at and for the year ended on that date.

Basis for Opinion

3. We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act and other applicable authoritative pronouncements issued by the Institute of Chartered Accountants of India. Our responsibilities under those Standards are further described in the 'Auditor's Responsibilities for the Audit of the Financial Results' section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence obtained by us is sufficient and appropriate to provide a basis for our opinion.

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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: LLPINAAC-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)

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Board of Directors' Responsibilities for the Financial Results

4. These financial results have been prepared on the basis of the annual financial statements. The Company's Board of Directors are responsible for the preparation and presentation of these financial results that give a true and fair view of the net loss and other comprehensive income and other financial information of the Company and the statement of assets and liabilities and the statement of cash flows in accordance with the recognition and measurement principles laid down in the Indian Accounting Standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. The Board of Directors of the Company are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the financial results by the Directors of the Company, as aforesaid.
5. In preparing the financial results, the Board of Directors of the Company are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.
6. The Board of Directors of the Company are responsible for overseeing the financial reporting process of the Company.

Auditor's Responsibilities for the Audit of the Financial Results

7. Our objectives are to obtain reasonable assurance about whether the financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial results.
9. As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:
 - Identify and assess the risks of material misstatement of the financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
 - Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls. (Refer paragraph 12 below)
 - Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.

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- Conclude on the appropriateness of the Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Company to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
 - Evaluate the overall presentation, structure and content of the financial results, including the disclosures, and whether the financial results represent the underlying transactions and events in a manner that achieves fair presentation.
10. We communicate with those charged with governance of the Company regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

Other Matters

11. The Financial Results include the results for the quarter ended March 31, 2023 (as mentioned in Note 3 of the financial results) being the balancing figures between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year, which are neither subject to limited review nor audited by us.
12. The annual financial results dealt with by this report has been prepared for the express purpose of filing with BSE Limited. These results are based on and should be read with the audited financial statements of the Company for the year ended March 31, 2023 on which we issued an unmodified audit opinion vide our report dated April 19, 2023.

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

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Srikanth Pola
Partner

Membership Number: 220916
UDIN: 23220916BGXUVH3708

Place: Hyderabad
Date: April 19, 2023

Notes:

- 1) The above Financial Results for the year ended 31st March, 2023 have been reviewed by the Audit Committee and approved by the Board of Directors at their meetings held on 19th April, 2023 and the same have been audited 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 audit 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 31st March 2023 are the balancing figures between the audited figures in respect of the full financial year 31st March 2023 and the published unaudited year to date figures up to period ended 31st December 2022.
- 4) The accumulated losses of the Company (including other comprehensive income) as at 31st March 2023 stood at Rs. 7,566.85 Lakhs.
On account of the operating losses incurred during the current year, the previous periods and other indicators, the Management, including the Board of Directors of the Company, performed an assessment of the Company's ability to continue as a going concern. Considering the following aspects, the management and the Board of Directors have assessed that the Company would be able to meet its cash flow requirements for the next twelve months from the date of this financial results and have accordingly, prepared this statement on a going concern basis.
 - a) Tata Projects Limited, Holding Company has provided a letter of support to provide adequate business, financial and operational support to the Company, to enable it to meet its financial obligations and to continue its operations.
 - b) Review of the approved business plan and the future cash flow projections.

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For and on behalf of the Board of Directors

VINAYA
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RATNA
KAR PAI

(Vinayak Pai)
Chairman
Place: Mumbai
Date: 19 April 2023

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

Statement of Assets and Liabilities as at 31st March, 2023

(₹ Lakhs unless otherwise stated)

Particulars	As at 31st March, 2023 (Audited)	As at 31st March, 2022 (Audited)
ASSETS		
Non-current assets		
(a) Property, plant and equipment	1,195.88	1,055.45
(b) Intangible assets	2.99	6.15
(c) Right-of-use assets	22.81	46.14
(d) Financial assets		
(i) Trade receivables	564.40	385.35
(ii) Other financial assets	33.53	33.53
(e) Deferred tax assets (net)	-	2.68
(f) Non-current tax assets (net)	488.28	364.52
(g) Other non-current assets	122.89	217.30
Total non-current assets	2,430.78	2,111.12
Current assets		
(a) Inventories	3,086.75	915.88
(b) Financial assets		
(i) Trade receivables	5,352.01	5,720.65
(ii) Cash and cash equivalents	42.92	14.38
(iii) Bank balances other than (ii) above	128.39	89.14
(iv) Other financial assets	3,046.62	4,055.61
(c) Other current assets	1,519.30	1,146.49
Total current assets	13,175.99	11,942.15
Total assets	15,606.77	14,053.27
EQUITY AND LIABILITIES		
Equity		
(a) Equity share capital	369.20	369.20
(b) Other equity	(1,888.16)	(319.66)
Total equity	(1,518.96)	49.54
Liabilities		
Non-current liabilities		
(a) Financial liabilities		
(i) Borrowings	1,592.74	687.79
(ii) Lease liabilities	10.83	23.73
(b) Employee benefit obligations	72.99	58.97
(c) Deferred tax liabilities (net)	553.25	-
Total non-current liabilities	2,229.81	770.49
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	4,295.75	4,536.72
(ii) Lease liabilities	17.11	29.99
(iii) Trade payables		
- total outstanding dues of micro enterprises and small enterprises	151.85	320.31
- total outstanding dues of creditors other than micro enterprises and small enterprises	6,777.60	6,587.36
(iv) Other financial liabilities	7.02	7.02
(b) Employee benefit obligations	14.40	10.29
(c) Other current liabilities	3,632.19	1,741.55
Total current liabilities	14,895.92	13,233.24
Total liabilities	17,125.73	14,003.73
Total equity and liabilities	15,606.77	14,053.27

For and on behalf of the Board of Directors

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VINAYAK
RATNAKAR PAI

(Vinayak Pai)
Chairman
Place: Mumbai
Date: 19 April 2023

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

Statement of Cash flows for the year ended 31st March, 2023

(₹ Lakhs unless otherwise stated)

Particulars	For the year ended 31st March, 2023 (Audited)	For the year ended 31st March, 2022 (Audited)
Cash flows from operating activities		
Loss before tax for the year	(2,097.24)	(437.06)
Adjustments for :		
Finance costs	1,017.25	1,076.91
Interest income	(20.21)	(35.05)
Profit on disposal of property, plant and equipment	(12.89)	-
Provision for onerous contracts	64.04	8.22
Depreciation and amortisation expense	121.06	117.37
Liabilities/provisions no longer required written back	(63.44)	(35.45)
Provision for doubtful debts no longer required written back	-	(0.90)
Provision for doubtful debts on trade receivables	23.36	43.20
Provision for doubtful debts on unbilled revenue	(2.00)	(0.59)
Unrealised gain on foreign currency transactions	(2.40)	(0.91)
	(972.47)	735.74
Movements in working capital		
Decrease in Trade Receivables	168.63	457.37
(Increase)/decrease in Inventories	(2,170.87)	244.23
Decrease in Other Financial Assets	1,010.99	1,795.43
(Increase)/decrease in Other Assets	(285.87)	486.58
Increase/(decrease) in Trade Payables	85.22	(1,041.15)
Increase/(decrease) in Employee benefit obligations	17.92	6.66
Increase/(decrease) in Other Liabilities	1,826.52	(1,251.46)
Cash generated from/(used in) operations	(319.93)	1,433.40
Less: Income Taxes (refund)/paid	123.76	12.92
Net cash generated from/(used in) operating activities	(443.69)	1,420.48
Cash flows from investing activities		
Payments for property, plant and equipment and Intangible assets	(250.54)	(235.72)
(Increase)/Decrease in other bank balances	(39.25)	46.46
Proceeds from disposal of property, plant and equipment	28.42	-
Interest received	20.21	16.81
Net Cash used in investing activities	(241.16)	(172.45)
Cash flows from financing activities		
Proceeds from Long Term Borrowings	3,850.00	-
Repayment of Long Term Borrowings	(2,349.39)	(750.00)
Finance Costs paid	(760.38)	(862.99)
Principal Payment of lease liabilities	(25.78)	(16.68)
Interest Payment of lease liabilities	(4.21)	(6.65)
Net Cash generated from/(used in) financing activities	710.24	(1,636.32)
Net increase/(decrease) in cash and cash equivalents	25.39	(388.29)
Cash and cash equivalents at the beginning of the year	(2,164.91)	(1,776.62)
Cash and cash equivalents at the end of the year	(2,139.52)	(2,164.91)
Cash and cash equivalents at the end of the year	42.92	14.38
Bank overdraft	(2,182.44)	(2,179.29)
Cash and cash equivalents (including Bank overdraft) at the end of the year	(2,139.52)	(2,164.91)

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For and on behalf of the Board of Directors

VINAYA
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RATNAK
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(Vinayak Pai)
Chairman
Place: Mumbai
Date: 19 April 2023



ARTSON ENGINEERING LIMITED

19th April 2023

To

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

Sub: Declaration as per Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to Audit Report with unmodified opinion.

Ref: Security Code: 522134

In compliance with Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and SEBI circular No. CIR/CFD/CMD/56/2016, we confirm that M/s. Price Waterhouse & Co Chartered Accountants LLP (PwC) (Firm Registration Number - 304026E/E-300009), the Statutory Auditors of the Company have issued the Audit Report with unmodified opinion with respect to the Financial Statements of the Company for the financial year ended 31st March 2023.

This is for your information and records.

Thanking You

Yours Truly
For **Artson Engineering Limited**
DEEPAK
TIBREWAL
Deepak Tibrewal
Company Secretary
FCS 8925

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