

AARTECH SOLONICS LIMITED

AUDITED FINANCIAL STATEMENTS

(FOR THE HALF YEAR ENDING SEPTEMBER 30, 2019)

Registered Office:
E-2/57, "Ashirvad"
Arera Colony
Bhopal – 462016
Madhya Pradesh

Tel. No. 91-755-4276335/2463693
Fax No. 91-755-2463593
E-mail: info@aartechsolonics.com
Website: www.aartechsolonics.com

Auditors:
SPARK & Associates
Chartered Accountants
F-08, Smruti Towers
159, Zone II, M P Nagar
Bhopal



SPARK & ASSOCIATES CHARTERED ACCOUNTANTS

F-08, Smruti Complex, 159, Zone-II,
MP Nagar, Bhopal - 462011 (M.P.)
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INDEPENDENT AUDITORS' REPORT

To the Members of AARTECH SOLONICS LIMITED

Report on Financial Statements

We have audited the attached Balance Sheet of AARTECH SOLONICS LIMITED ('the Company'), as at September 30, 2019, the statement of Profit and Loss Account and the cash flow statement for the half year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board Of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The responsibility also includes 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 control that were operating effectively for ensuring the 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. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made there under. We conducted our audit in accordance with the Standards on Auditing, issued by the Institute of Chartered Accountants of India, as specified under Section 143(10) of the Act.





SPARK & ASSOCIATES
CHARTERED ACCOUNTANTS

Chartered Accountants
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Bhopal-462 011

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Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at September 30, 2019, its profit, and its cash flows for the half year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act, we give in the Annexure 1 a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account, as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - c. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
 - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;





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- e. On the basis of written representations received from the Directors as on September 30,2019 and taken on record by the Board Of Directors, none of the Directors is disqualified as on September 30,2019 from being appointed as a Director in terms of section 164(2) of the Act;
- f. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules,2014, in our opinion and to the best of our information and according to the explanations given to us:
- I. The Company does not have any pending litigations which would impact its financial position.
 - II. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
 - III. There has been no delay in transferring amounts if any, to the Investor Education and Protection Fund by the Company.

For **SPARK & Associates**
Chartered Accountants



CA Roopak Jain
Partner
(Membership No.: 410002)



Place: Bhopal
Date: November 14, 2019
UDIN: 19410002AAAAQO3760

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Issued under Companies(Auditor's Report) Order, 2016)

Referred to in our Report of even date

- 1a.** The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b.** The Company has carried out physical verification of its fixed assets during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- c.** According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- 2a.** The inventories have been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- b.** In our opinion, the procedures of verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c.** In our opinion, the Company has maintained proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
- 3a.** The Company has granted loans to parties covered in the register maintained under section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations provided to us, the terms and conditions of the grant of such loans are prima facie not prejudicial to the Company's interest.
- b.** The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are regular.
- c.** The Principal and interest are not overdue in respect of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
- 4.** In our opinion and according to the information and explanations provided to us, the Company has not granted any loans or provided any guarantees or security to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.
- 5.** In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with provisions of sections 73 to 76 of the Act and rules framed there under.
- 6.** We have been informed that the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act for any products of the Company.



- 7.a.** According to the information and explanations given to us, the Company is generally regular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Wealth Tax, Goods and Service Tax etc. with appropriate authorities.

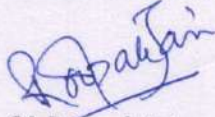
According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Employees State Insurance, Income Tax, Service Tax, Sales Tax, Wealth Tax, Goods and Service Tax and other material statutory dues were outstanding at the year end, for a period of more than six months from the date they became payable.

- b.** According to the records of the Company, no dues of Income Tax, Service Tax, Wealth Tax, Goods and Service Tax, Sales Tax, Value Added Tax etc. are outstanding on account of any dispute.
- 8.** In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution or debentures holders during the year.
- 9.** In our opinion and according to the information and explanations provided by the management, the Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans during the reporting period and hence reporting under this clause is not applicable to the Company.
- 10.** Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- 11.** In our opinion and according to the information and explanations given to us, the Company has paid/provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- 12.** The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.
- 13.** According to the information and explanations provided by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
- 14.** According to the information and explanations provided to us and on an overall examination of the balance sheet, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) of the Order are not applicable to the Company and, not commented upon.
- 15.** According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.



16. According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.

For **SPARK & Associates**
Chartered Accountants



CA Roopak Jain
Partner
(Membership No.: 410002)



Place : Bhopal

Date: November 14, 2019

UDIN: 19410002AAAAQO3760

AARTECH SOLONICS LIMITED

Balance Sheet as at September 30, 2019

Particulars	Notes	As at 30th September 2019	As at 30th September 2018
EQUITY & LIABILITIES			
Shareholders' Funds			
Share capital	2	7,06,00,940	4,94,00,940
Reserves & Surplus	3	20,45,74,105	13,57,30,925
Non Current Liabilities			
Long term Borrowings		-	-
Deferred Tax Liabilities (Net)	4	5,11,146	4,36,989
Current Liabilities			
Short Term Borrowings	5	25,14,054	-
Trade Payables	6	61,21,153	47,20,962
Other Current Liabilities	7	7,60,277	6,81,657
Short Term Provisions	8	28,38,025	31,80,478
TOTAL		28,79,19,700	19,41,51,950
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible Assets	9	2,03,78,303	1,96,22,374
- Intangible Assets		-	-
- Capital Work-in-Progress		-	-
Non-Current Investments	10	2,57,14,451	1,32,35,225
Deferred Tax Assets (Net)		-	-
Long Term Loans and Advances	11	8,52,16,852	2,29,64,072
Other Non Current Assets		-	-
Current Assets			
Current Investments	12	8,62,64,141	6,11,60,867
Inventories	13	3,14,08,318	3,69,14,854
Trade Receivables	14	2,24,27,379	2,03,17,786
Cash and Bank Balances	15	83,68,796	1,40,02,999
Short Term Loans and Advances	16	50,82,890	32,25,843
Other Current Assets	17	30,58,570	27,07,930
		28,79,19,700	19,41,51,950

Significant accounting policies and notes to financial statements are given in note 1 to 26


The accompanying notes are integral part of the Financial Statements

Signed in terms of our report of even date

For SPARK & Associates
Chartered Accountants


CA Roopak Jain
Partner
(Membership No. 410002)

For and on behalf of the Board of Directors

   
Anil A. Raje Amit A. Raje Arati Nath K.R. Tanuj Reddy
Managing Director Director Chief Financial Officer Company Secretary

Place : Bhopal
Date: 14/11/2019



AARTECH SOLONICS LIMITED

Statement of Profit and Loss for the Half year ended September 30, 2019

	Notes	For the half year ended 30th September 2019	For the half year ended 30th September 2018
REVENUES			
Revenue from operations	18	4,60,91,961	3,46,27,152
Other income	19	17,92,881	70,41,883
TOTAL REVENUE		4,78,84,842	4,16,69,035
EXPENDITURES			
Cost of materials consumed	20	2,42,81,322	91,49,111
Change in inventories of finished goods and work in process	21	-53,92,037	34,98,479
Employee benefit expenses	22	1,19,18,125	1,28,57,527
Finance costs	23	3,01,495	5,63,280
Depreciation and amortization expenses	24	9,37,500	11,21,677
Other expenses	25	72,71,705	84,70,064
TOTAL EXPENSES		3,93,18,110	3,56,60,137
Profit before exceptional and extraordinary items and tax		85,66,732	60,08,898
Exceptional Items		-	-
Profit before extraordinary items and tax		85,66,732	60,08,898
Extraordinary Items	26	15,80,000	-
Profit before tax		69,86,732	60,08,898
Tax Expense			
Current Tax		-	-
Deferred Tax		-	-
Profit for the year		69,86,732	60,08,898
Earnings per equity share (Par value of ` 10 each)			
Basic (`)		0.10	0.12
Diluted (`)		0.10	0.12

Significant accounting policies and notes to financial statements are given in note 1 to 26

The accompanying notes are integral part of the Financial Statements

Signed in terms of our report of even date

For SPARK & Associates
Chartered Accountants

CA Roopak Jain
Partner
(Membership No. 410002)

Place : Bhopal
Date: 14/11/2019

For and on behalf of the Board of Directors

Anil A. Raje
Managing
Director

Amit A. Raje
Director

Arati Nath
Chief Financial Officer

K.R. Tanuj Reddy
Company Secretary



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

The financial statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The financial statements have been prepared to comply in all material respects with the accounting standards notified under the Companies (Accounting Standards) Rules, 2006, (as amended and as applicable from time to time) and the relevant provisions of the Companies Act, 2013. The financial statements have been prepared on an accrual basis and under the historical cost convention on Going Concern basis.

The accounting policies and estimates adopted in the preparation of financial statements are consistent with those of previous year, except for the change in accounting policy explained below (if any).

1.2 PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS

During the half year ended 30 September 2019, the Schedule III notified under the Companies Act, 2013, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of these financial statements. However, it has significant impact on presentation and disclosures made in the financial statements.

1.3 USE OF ESTIMATES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period.

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognised in the period in which the results are known / materialised.

1.4 REVENUE RECOGNITION

Revenue on sale of goods is recognized when property in the goods is transferred to the buyer for a price, or when all significant risks and rewards of ownership have been transferred to the buyer and no effective control is retained by the Company in respect of the goods transferred, to a degree usually associated with ownership, and no significant uncertainty exists regarding the amount of consideration that will be derived from the sale of goods.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

Revenue on transactions of rendering services is recognized under the completed service contract method. Contract is regarded as completed when no significant uncertainty exists regarding the amount of consideration that will be derived from rendering the services.

1.5 INVENTORIES

- i. Finished goods and work in progress are valued at lower of historical cost or net realizable value. Cost of inventories comprises of cost of purchase, cost of conversion and other costs incurred in bringing them to their respective present location and condition. By products are valued at net realizable value. Cost of finished goods and by- products includes excise duty. Cost is determined on a weighted average basis.
- ii. Stores, Spares and Raw Materials are valued at lower of historical cost or net realizable value. However materials & other items held for use in the production of inventories are not written below cost if the finished products in which they will be incorporated are expected to be sold at or above cost. Cost is determined on a weighted average basis.
- iii. Historical cost is determined on the basis of weighted average method.
- iv. Obsolete stocks are identified once every year on the basis of technical evaluation and are charged off to revenue.
- v. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

1.6 INVESTMENTS

Investments that are readily realizable and intended to be held for not more than a year are classified as current investments. All other investments are classified as long-term investments. Current investments are carried at lower of cost and fair value. Long-term investments are carried at cost individually. However, provision for diminution in value is made to recognize a decline other than temporary in the value of the investments in case of long term investments.

1.7 FIXED & INTANGIBLE ASSETS

Tangible Fixed Assets

Fixed assets are stated at historical cost less accumulated depreciation and impairment loss if any. While arriving at the historical cost, all costs, including net charges on foreign exchange contracts and adjustments arising from exchange rate variations attributable to the fixed assets, and including financing costs till commencement of commercial production or the date the asset is put to use or bringing the asset to its working condition for intended use, are capitalized.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

Intangible Fixed Assets

Capital Expenditure on purchase and development of identifiable non-monetary assets without physical substance is recognized as Intangible Assets in accordance with principles given under AS-26 – Intangible Assets issued by the Institute of Chartered Accountants of India. These are grouped and separately shown under the schedule of Fixed Assets. These are amortized over their respective expected useful lives. Intangible assets are stated at cost less accumulated amortization and impairment loss, if any.

1.8 EXPENSES INCURRED DURING CONSTRUCTION PERIOD

Direct expenditure on projects or assets under construction or development is shown under capital work-in-progress.

The progress / milestone based payments made under the contracts for projects and assets under construction or development and other capital advances are considered as advances on capital account until the same are allocated to fixed assets, capital work-in-progress, and expenditure during construction and other relevant accounts, as applicable.

Expenditure incidental to the construction of projects or assets under construction or development that take substantial period of time to get ready for their intended use is accumulated as expenditure during construction, pending allocation to fixed assets and other relevant accounts, as applicable.

1.9 DEPRECIATION & AMORTISATION

Depreciation on fixed assets is provided as per straight line method. Depreciation is computed as per Part "C" of Schedule II of The Companies Act 2013.

Depreciation on additions / deductions to fixed assets made during the half year is provided on a pro-rata basis from / up to the date of such additions / deductions, as the case may be.

Intangible assets are amortized over the best estimate of their useful lives; subject to a rebuttable presumption that such useful lives will not exceed ten years.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

1.10 IMPAIRMENT OF ASSETS

The Company assesses at each balance sheet date whether there is any indication that an asset may be impaired. If any such indication exists, the Company estimates the recoverable amount of the asset. If such recoverable amount of the asset is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The reduction is treated as an impairment loss and is recognized in the statement of profit and loss.

If at the balance sheet date, there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount but limited to the carrying amount that would have been determined (net of depreciation/amortization) had no impairment loss been recognized in prior accounting periods.

1.11 FOREIGN CURRENCY TRANSACTIONS

- i. Transactions denominated in foreign currencies are recorded at the exchange rate prevailing on the date of the transaction or that approximates the actual rate at the date of the transaction.
- ii. Monetary items denominated in foreign currencies at the year-end are restated at year end rates. In case of items which are covered by forward exchange contracts, the difference between the year-end rate and rate on the date of the contract is recognized as exchange difference and the premium paid on forward contracts is recognized over the life of the contract.
- iii. Non-monetary foreign currency items are carried at cost.
- iv. Any income or expense on account of exchange difference either on settlement or on translation is recognized in the Profit and Loss account except in case of long term liabilities, where they relate to acquisition of fixed assets, in which case they are adjusted to the carrying cost of such assets.

1.12 EMPLOYEES BENEFITS

Expenses and liabilities in respect of employee benefits are recorded as under.

i) *Provident Fund & ESI*

The Company makes contribution to statutory provident fund and Employee State Insurance in accordance with Employees Provident Fund and Miscellaneous Provisions Act, 1952 and Employee State Insurance Act, 1948 which is a defined contribution plan and contribution paid or payable is recognized as an expense in the period in which services are rendered by the employee.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

ii) **Gratuity**

Gratuity is a post-employment benefit. The Company has formed a gratuity trust with Life Insurance Corporation of India during the year ending March 31, 2013. The annual provision is determined by the Life Insurance Corporation and the same is paid by the Company to be used as Gratuity Fund. Before April 1, 2012, the Company did not make any provisions in the books of accounts for future liability on account of gratuity payable in the event of retirement of any of its employees or directors. The amount of gratuity due and payable was recorded as an expense in the year in which the liability to pay the same arises.

iii) **Leave Encashment**

Leave encashment is recorded in the books of the Company as and when the same arises and becomes payable. The Company does not make any provisions in the books of account for leave encashment becoming due or expected after the balance sheet date.

iv) **Short-term employee benefits** are recognized as an expense at the undiscounted amount in the profit and loss account of the year in which the related service is rendered.

v) **Post-employment and other long term employee benefits** are recognized as an expense in the Profit and Loss account in the year in which the employee has retired / resigned and the amount has become payable.

1.13 LEASES

Leases, where the lessor effectively retains substantially all the risks and benefits of the ownership of the leased item, are classified as operating leases. Operating lease payments are recognized as an expense in the Statement of Profit and Loss on a straight-line basis over the lease term.

In case of finance leases, the lower of the fair value of the assets and present value of the minimum lease rentals is capitalized as fixed assets with corresponding amount shown as lease liability. The principal component in the lease rental is adjusted against the lease liability and the interest component is charged to Profit and Loss account.

1.14 BORROWING COST

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset. All other borrowing costs are expensed in the period they occur. Borrowing costs consist of interest and other costs that an entity incurs in connection with the borrowing of funds.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

1.15 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

A **provision** is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation.

A **contingent liability** is recognized for:

- i. A present obligation that arises from past events but is not recognized as a provision because either the possibility that an outflow of resources embodying economic benefits will be required to settle the obligation is remote or a reliable estimate of the amount of the obligation cannot be made.
- ii. A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

Contingent assets are neither accounted for nor disclosed in the financial statements.

1.16 EARNINGS PER SHARE

Basic earnings per share are calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting preference dividends and attributable taxes) by the weighted average number of equity shares outstanding during the period. Partly paid equity shares are treated as a fraction of an equity share to the extent that they were entitled to participate in dividends relative to a fully paid equity share during the reporting period. The weighted average number of equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

For the purpose of calculating diluted earnings per share, the net profit or loss for the period attributable to equity shareholders and the weighted average number of shares outstanding during the period are adjusted for the effects of all dilutive potential equity shares.

Current investments are carried at lower of cost and quoted/fair value, computed category wise. Long Term Investments are stated at cost. Provision for diminution in the value of long-term investments is made only if such a decline is other than temporary. Any loss or gain on sale / redemption of investments is recognized in the profit and loss account.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

2. SHARE CAPITAL

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Authorized Share Capital:		
100,00,000 Equity shares of ₹10 each	10,00,00,000	10,00,00,000
Total	10,00,00,000	10,00,00,000
Issued, subscribed and Paid up:		
70,60,094 Equity shares of ₹10 each fully paid	7,06,00,940	4,94,00,940
Total	7,06,00,940	4,94,00,940

2.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period is set out below:

Particulars	(Number of equity shares)	
	As at 30th September 2019	As at 30th September 2018
Equity Shares at the beginning of the year	70,60,094	49,40,094
Add : Equity shares issued during the half year		
- as fully paid up bonus shares	-	-
- as fully paid up shares for cash	-	-
Less : Shares cancelled on buy back of Equity Shares	-	-
Equity Shares at the end of the half year	70,60,094	49,40,094

2.2 Terms / rights attached to Equity Shares

Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.3 The details of shareholders holding more than 5% equity shares in the Company:

Name of Share Holders	No. of Shares	% held
As at September 30, 2019		
Mr. Anil Anant Raje	15,58,667	22.08%
Mrs. Chhaya Anil Raje	9,33,333	13.22%
Mrs. Prajakta Shashikant Kulkarni	10,92,000	15.47%
Mr. Amit Anil Raje	10,21,067	14.46%
As at September 30, 2018		
Mr. Anil Anant Raje	15,58,667	31.55%
Mrs. Chhaya Anil Raje	9,33,333	18.89%
Mrs. Prajakta Shashikant Kulkarni	10,92,000	22.10%
Mr. Amit Anil Raje	10,21,067	20.67%

As per the records of the Company, including its register of shareholders / members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

2. SHARE CAPITAL

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Authorized Share Capital:		
100,00,000 Equity shares of ₹10 each	10,00,00,000	10,00,00,000
Total	10,00,00,000	10,00,00,000
Issued, subscribed and Paid up:		
70,60,094 Equity shares of ₹10 each fully paid	7,06,00,940	4,94,00,940
Total	7,06,00,940	4,94,00,940

2.1 The reconciliation of the number of shares outstanding at the beginning and at the end of the reporting period is set out below:

Particulars	(Number of equity shares)	
	As at 30th September 2019	As at 30th September 2018
Equity Shares at the beginning of the year	70,60,094	49,40,094
Add : Equity shares issued during the half year		
- as fully paid up bonus shares	-	-
- as fully paid up shares for cash	-	-
Less : Shares cancelled on buy back of Equity Shares	-	-
Equity Shares at the end of the half year	70,60,094	49,40,094

2.2 Terms / rights attached to Equity Shares

Company has only one class of equity shares having a par value of ₹ 10 each. Each holder of equity shares is entitled to one vote per share. The dividend proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting. In the event of liquidation of the Company, the holders of equity shares will be entitled to receive remaining assets of the Company, after distribution of the preferential amounts. The distribution will be in proportion to the number of equity shares held by the shareholders.

2.3 The details of shareholders holding more than 5% equity shares in the Company:

Name of Share Holders	No. of Shares	% held
As at September 30, 2019		
Mr. Anil Anant Raje	15,58,667	22.08%
Mrs. Chhaya Anil Raje	9,33,333	13.22%
Mrs. Prajakta Shashikant Kulkarni	10,92,000	15.47%
Mr. Amit Anil Raje	10,21,067	14.46%
As at September 30, 2018		
Mr. Anil Anant Raje	15,58,667	31.55%
Mrs. Chhaya Anil Raje	9,33,333	18.89%
Mrs. Prajakta Shashikant Kulkarni	10,92,000	22.10%
Mr. Amit Anil Raje	10,21,067	20.67%

As per the records of the Company, including its register of shareholders / members and other declarations received from the shareholders regarding beneficial interest, the above shareholding represents both legal and beneficial ownerships of shares.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

3. RESERVES AND SURPLUS

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
a) Capital Reserve		
Balance as per last Financial Statements	35,52,358	35,52,358
Add : Transferred from the statement of profit and loss	-	-
Closing Balance	35,52,358	35,52,358
b) General Reserve		
Balance as per last Financial Statements	9,69,15,392	9,69,15,392
Add : Transferred from the statement of profit and loss	-	-
Add : Transferred from Investment allowance reserve	-	-
Closing Balance	9,69,15,392	9,69,15,392
c) Securities Premium		
Balance as per last Financial Statements	5,09,20,000	40,000
Add : Received during the half year on issue on share	-	-
Closing Balance	5,09,20,000	40,000
e) Surplus / (deficit) balance in statement of profit and loss during the half year		
Balance as per last Financial Statements	4,61,99,623	2,92,14,277
Add : Profit for the half year	69,86,732	60,08,898
Less: Appropriations:		
- Proposed Dividend on Equity Shares	-	-
- Provision for Dividend Distribution Tax	-	-
Closing Balance	5,31,86,355	3,52,23,175
Total	20,45,74,105	13,57,30,925

4. DEFERRED TAX LIABILITIES (Net)

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2019
Deferred tax liability as on March 31, 2019		5,11,146
Less: Deferred tax asset arising on account of difference in Depreciation as per Companies Act and as per		
Add: Deferred tax liability arising on account of section 43B of Income Tax Act		
Deferred tax liability as on September 30, 2019		5,11,146

5. SHORT TERM BORROWINGS

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
- HDFC Bank CC Account	25,14,054	-
Total	25,14,054	-



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

6. TRADE PAYABLES

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Micro, Small and Medium Enterprises (Refer Note No. 6.2)	7,05,376	-
Other (Refer Note No. 6.1)	54,15,777	47,20,962
Total	61,21,153	47,20,962

6.1 Trade payable represents amounts payable to creditors for material ₹ 48,32,395 and creditors for other expenses and services ₹ 12,88,758.

6.2 The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 ("the Act") has been determined to the extent such parties have been identified by the Company, on the basis of information and records available with them. This information has been relied upon by the auditors. Based on available information with the Company, there is amounting to ₹ 7,05,376 (principal) and no interest thereon outstanding to the micro, small and medium enterprises, as defined under section 7 of The Micro, Small and Medium Enterprises Development Act, 2006. Disclosure as required under section 22 of the Act is as under:

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Principal amount due and remaining unpaid	7,05,376	-
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the half year	-	-
Interest due and payable for the period of delay	-	-
Interest due and payable for the period of delay	-	-
Amount of further interest remaining due and payable	-	-
Total	7,05,376	-





AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

7. OTHER CURRENT LIABILITIES

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Current Maturities of Long-Term Debt	-	-
Current Maturities of Finance Lease Obligations	-	-
Interest Accrued but not due on Borrowings	-	-
Interest Accrued and due on Borrowings	-	-
Income Received in Advance	-	-
Unpaid Dividends	-	-
Director's Sitting Fees Payable	-	7,142
Gratuity Payable	-	5,000
Application money received for allotment of securities and due for refund and	-	97,543
Unpaid matured Deposits and Interest accrued thereon	-	-
Unpaid matured Debentures and Interest accrued thereon	-	-
Other Payables (Refer Note No. 7.1)	7,60,277	5,71,972
Total	7,60,277	6,81,657

7.1 Other payables includes:

- Advances received from customers amounting to ₹ 4,41,576.
- Deposit against road construction amounting to ₹ 32,389.
- Water charges payable amounting to ₹ 7647.
- Travelling expenses payable amounting to ₹ 60,866.
- Rent payable amounting to ₹ 1,35,000.
- Other expenses payable amounting to ₹ 82,799.

8. SHORT TERM PROVISIONS

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Provision for Employee Benefits:		
- Salary and Reimbursements	13,50,529	21,85,670
- Contribution to ESIC and Provident Fund	1,33,407	1,59,268
- Leave encashment	-	-
- Superannuation	-	-
- ESOP/ESOS	-	-
Others (Refer Note No. 8.1)	13,54,089	8,35,540
Total	28,38,025	31,80,478

8.1 Other Short Term Provision includes:

- Tax deducted at source payable amounting to ₹ 2,31,831.
- GST payable in Parwanoo Unit amounting to ₹ 11,19,052.
- Professional Tax payable amounting to ₹ 3,206.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended September 30, 2019

9. FIXED ASSETS

Particulars	Gross Block		Rate of Depreciation	Depreciation/Amortisation		Net Block	
	As at 01/04/2019	Addition/(Deduction)		As at 01/04/2019	For the half year	As at 01/04/2019	As at 30/09/2019
Tangible Assets:							
Land	17,90,732	-	0.00%	-	-	17,90,732	17,90,732
Building	1,99,36,032	-	3.17%	61,76,014	3,15,986	1,37,60,018	1,34,44,032
Plant & Machinery	49,25,569	-	6.33%	48,60,378	4,484	65,191	60,707
Electrification	24,78,453	-	9.50%	14,76,822	1,12,659	10,01,631	8,88,972
Office Equipment	33,70,405	55,690	19.00%	33,17,410	8,506	52,995	1,00,179
Computer & Accessories	52,51,511	1,59,294	31.67%	52,13,397	14,177	38,114	1,83,231
Testing Equipment	31,48,745	-	6.33%	16,94,443	99,658	17,94,101	13,54,644
Furniture & Fixtures	60,19,821	-	9.50%	45,15,563	2,85,941	48,01,504	12,18,317
Vehicles	47,97,646	-3,60,000	11.88%	41,49,861	51,674	38,41,535	5,96,111
Tools	13,96,326	12,414	6.33%	6,22,947	44,415	7,73,379	7,41,378
Total	5,31,15,240	-1,32,602		3,20,26,835	9,37,500	2,10,88,405	2,03,78,303



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AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

10. NON CURRENT INVESTMENT

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Investment in Property	1,30,64,811	1,29,75,941
Investment in Silver Coin	-	9,644
Investment in Subsidiary		
- AIC-Aartech Solonics Private Limited	1,00,000	1,00,000
- Faradigm Ultracapacitors Private Limited	95,000	95,000
Investments in Equity Instruments:		
- Dena Bank Equity	54,640	54,640
- Enerqual Technology Private Limited	3,00,000	-
- Umang Shridhar Design Private Limited	21,00,000	-
Investments in Debenture:		
- Faradigm Ultracapacitors Private Limited	1,00,00,000	-
Total	2,57,14,451	1,32,35,225

11. LONG TERM LOANS & ADVANCES

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Loans & Advances to related parties (unsecured considered good)		
- AIC- AARTECH SOLONICS PVT LTD	1,59,87,932	1,24,33,422
- FARADIGM ULTRACAPICITORS PVT LTD	1,13,65,893	68,26,076
Other Loans and Advances (Unsecured, considered good)	5,46,29,600	-
Security Deposits (Unsecured Considered Good)	32,33,427	37,04,574
Total	8,52,16,852	2,29,64,072

11.1 Security deposits represents amount of EMD and security deposits for electricity, rent and telephone.

11.2 AIC- Aartech Solonics Private Limited is wholly owned subsidiary company of Aartech Solonics Limited Interest is charged @ 8.5% per annum compounding annually on this unsecured loan .

11.3 Faradigm Ultracapacitors Private Limited is wholly owned subsidiary company of Aartech Solonics Limited Interest is charged @ 8.5% per annum compounding quarterly basis on this unsecured loan .



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

12. CURRENT INVESTMENT

(Amount in ₹)

Particulars	As at 30th September 2019	As at 30th September 2018
Investments in mutual funds (Instrument wise):		
- 251 (Previous year Nil) DSP Ultra Short Fund Regular Plan	-	6,00,000
- 10,209.16 (Previous year Nil) Kotak Emerging Equity Regular Plan	-	4,00,000
- 5,00,000 (Previous year Nil) Kotak Balance Advantage Fund Growth	-	50,00,000
- 17,523.88 (Previous year Nil) Kotak Equity Opportunity Fund Growth	-	20,00,000
- 16,130.66 (Previous year Nil) Kotak India EQ Contra Fund Growth	-	8,00,000
- 835.61 (Previous year Nil) Kotak Liquid Regular Plan Growth	-	30,00,000
- 4,983.808 (Previous year 2,290.47) Kotak Low duration Fund Growth	1,14,33,967	50,00,000
- 1,38,391.377 (Previous year 1,55,705.03) Kotak Standard Multicap Fund Grow	50,50,000	50,00,000
- 88,966.02 (Previous year Nil) Birla Sunlife Frontline Equity Growth Fund	-	1,98,60,967
- 484.50 (Previous year Nil) Birla Sunlife Equity Advantage Fund	-	2,00,000
- Nil (Previous year 49,990) Axis Small Cap Fund – Dividend Option	-	5,00,000
- Nil (Previous year 50,000) Axis Hybrid Fund Series 22	-	5,00,000
- Nil (Previous year 8,29,861.36) Kotak Equity Saving Fund	-	95,99,900
- 1,02,963.45 (Previous year 1,02,963.45) Axis Multi Cap Fund Growth	11,03,768	-
- 2,58,658.56 (Previous year 1,92,164) DSP Equity Fund Regular Plan Growth	1,00,07,100	78,00,000
- 4,169.512(Previous year 1,680.04) HDFC Capital Fund Growth	12,30,547	4,00,000
- 9,796.829 (Previous year 7,486.89) TATA Equity Fund Regular Growth	12,99,900	5,00,000
- 1,842.57 (Previous year Nil) ICICI Prudential Floating Interest Fund	5,00,000	-
- 3,046.864 (Previous year 1,526.48) Aditya Birla Sunlife Equity Advantage	12,00,000	-
- 43,173.83 (Previous year 43,173.83) Aditya Birla Sunlife Frontline Equity Fund	96,38,218	-
- 34,071.55(Previous year Nil)Aditya Birla Sun Life Banking and Financial	10,00,000	-
- 33,381.737(Previous Year Nil)Aditya Birla Sunlife Focused equity Fund	20,00,000	-
- 6,964.846(Previous year Nil) Aditya Birla Sunlife Low Duration Fund	31,35,810	-
- 7,305.743(Previous year Nil) HDFC Small CAP Fund-Regular Plan	3,00,000	-
- 500.635(Previous year Nil) HDFC Top 100 Fund Regular Plan	2,50,000	-
- 26,249.613(Previous year Nil) ICICI Prudential Ultra Short Term Growth	5,00,000	-
- 25,018.514(Previous year Nil)ICICI Prudential Ultra Short Term Fund Direct	5,00,000	-
- 41,723.167(Previous year Nil) IDFC Arbitage Fund Growth Regular Plan	10,00,000	-
- 30,556.557(Previous year Nil) IDFC Banking & PSU Debt Fund regular Plan	5,00,000	-
- 18,608.414(Previous year Nil) IDFC Large Cap Fund Growth	6,05,518	-
- 46,078.636(Previous year Nil) IDFC Ultra Short Term Fund Regular Plan	5,00,000	-
- 46,276(Previous year Nil) INVESCO Mutual Fund	1,00,000	-
- 4,69,571.751(Previous year Nil)Kotak Balanced Advantage Fund Growth	50,00,000	-
- 15,304.748(Previous year Nil)Kotak Emerging Equity Scheme Growth Regular	5,50,000	-
- 434.118(Previous year Nil) Kotak Equity opportunities Fund growth regular	50,000	-
- 1,00,000 (Previous year Nil) Kotak Focused Equity Fund Growth	1,00,00,000	-
- 1,27,983.946(Previous year Nil)NIPPON India Arbitage Growth Fund	25,00,000	-
- 16,298.167(Previous year Nil)NIPPON India Balanced Advantage Growth Fund	15,00,521	-
- 8,463.281(Previous year Nil) NIPPON India Banking Fund Growth Plan	24,48,000	-
- 7,087(Prevoius year Nil) NIPPON India CPSE ETF Fund	1,75,004	-
- 36,957.063 (Previous year Nil)NIPPON India GILT Securities Fund	9,94,850	-
- 460.053 (Previous year Nil) NIPPON India Growth Fund Plan	5,00,000	-
- 10,491.938(Prevoius year Nil) NIPPON India Junior Bees FOF -Growth Plan	1,05,575	-
- 93.48(Previous year Nil)NIPPON India Multi CAP Fund Growth Plan	24,23,000	-
- 24,237.67(Previous Year Nil)NIPPON India Oovernight Fund Growth Plan	25,34,344	-
- 66,605.573(Previous year Nil)NIPPON India Short Term Fund Growth Plan	24,16,237	-
- 8249.19(Previous year Nil) NIPPON India Small CAP Fund Growth Plan	3,00,000	-
- 956.12(Previous year Nil) NIPPON India Ultra Short Duration Fund	28,11,782	-
- 3,060.369(Previous year Nil)NIPPON IND Large CAP Fund Growth Plan	1,00,000	-
Total	8,62,64,141	6,11,60,867

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AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

13. INVENTORIES

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Raw Materials and components	1,93,52,132	1,71,41,360
Work-in-progress	63,87,376	1,97,73,494
Finished Goods	53,867	-
Stock in trade	56,14,943	-
Total	3,14,08,318	3,69,14,854

14. TRADE RECEIVABLES

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Outstanding for less than 6 months from the due date (Unsecured, considered good)	1,49,19,390	1,73,91,602
Outstanding for more than 6 months from the due date (Unsecured, considered good)	75,07,989	29,26,184
Total	2,24,27,379	2,03,17,786

15. CASH AND CASH EQUIVALENTS

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Balances with banks:		
- Earmarked Balances	3,59,500	2,25,000
- Margin Money	-	-
- Security Against Borrowings	-	-
- Guarantees (refer note no. 15.1)	39,54,170	-
- Other Commitments (refer note no. 15.2)	36,98,919	1,34,74,504
- Bank deposits with more than 12 months maturity	-	-
Cheques, drafts on hand	-	-
Cash on hand	7,241	15,197
Others (refer note no. 15.3)	3,48,966	2,88,298
Total	83,68,796	1,40,02,999

15.1 Guarantees represent fixed deposits pledged with banks for bank guarantees.

15.2 Other commitments represent balances with banks.

15.3 Others represent imprest given to employees for incurring expenses.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

16. SHORT TERM LOANS AND ADVANCES

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Loans and Advances to Related Parties		-
Other Loans and Advances	50,82,890	32,25,843
Total	50,82,890	32,25,843

17. OTHER CURRENT ASSETS

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Income Tax Refund Receivable AY 2016-2017	4,21,004	4,21,004
TDS Receivable	5,23,100	7,67,375
Income Tax Refund Receivable AY 2019-20	60	-
Excise Duty Receivables	1,32,442	1,32,442
Accrued Interest	4,34,692	6,31,938
GST Receivable	15,47,272	7,55,171
Total	30,58,570	27,07,930



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

18. REVENUE FROM OPERATIONS

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Sale of Products	4,27,53,937	3,44,52,152
Sale of Services	33,38,024	1,75,000
Total	4,60,91,961	3,46,27,152

19. OTHER INCOME

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
- Interest Income	4,66,837	8,87,858
- Dividend Income	-	1,93,968
- Rental Income	-	48,24,000
- Net gain/(- loss) on sale of investments	7,89,946	4,27,732
- Other non-operating income(Refer note no. 19.1)	1,23,443	7,03,536
- Net gain on foreign currency transaction and translation (other than considered for finance cost)	52,655	4,789
- Profit on sale of Fixed Assets	3,60,000	-
Total	17,92,881	70,41,883

19.1 Other Non-Operating Income includes:

- Rent received on flats and bungalow given to employees Rs. 82,100.
- Other miscellaneous income Rs. 41,343.

20. COST OF MATERIALS CONSUMED

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Purchase of Raw Materials	2,65,10,548	1,06,71,228
Opening Balance of Raw Materials	1,71,22,907	1,56,19,243
Less : Closing Balance of Raw Materials	1,93,52,132	1,71,41,360
Total	2,42,81,322	91,49,111

20.1 Details of Imported Raw Materials stated on C.I.F.basis:

- Purchase of Raw Material includes Imported raw material of ₹ 64,07,695 and Indigenous raw material of Rs.2,11,18,153.
- Opening Balance of Raw Material includes Imported raw material of ₹ 1,10,14,059 and Indigenous raw material of ₹ 61,08,848 .
- Closing Balance of Raw Material includes Imported raw material of ₹ 1,18,56,464 and Indigenous raw material of ₹ 74,95,668 .



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

21. CHANGE IN INVENTORIES

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Finished goods:		
Opening Balance	57,87,284	-
Less: Closing Balance	56,68,810	-
	1,18,474	-
Work-in-Progress:		
Opening Balance	8,76,865	2,32,71,973
Less: Closing Balance	63,87,376	1,97,73,494
	-55,10,511	34,98,479
Total	-53,92,037	34,98,479

22. EMPLOYEE BENEFIT EXPENSES

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Salaries and Wages	1,12,30,343	1,10,70,835
Contribution to Provident Fund and Other Funds	4,73,007	5,38,485
Staff Welfare Expenses	2,14,775	12,48,207
Total	1,19,18,125	1,28,57,527

21.1 Salaries and Wages include:

- Director's Remuneration amounting to ₹ 13,53,192 (Previous Year ₹ 17,19,042).
- Staff Salary amounting to ₹ 98,77,151 (Previous Year ₹ 93,51,793).
- Out of the above staff salary, salary amounting to ₹ 2,71,707 (Previous Year ₹ 3,49,766) relates to Recognised Research & Development Facility.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

23. FINANCE COST

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Interest Expenses (Refer Note No. 23.1)	1,34,666	17,279
Other borrowing costs (Refer Note No.23.2)	1,66,829	5,46,001
Total	3,01,495	5,63,280

23.1 Interest Expenses shown interest on CC/OD Account.

23.2 Other borrowing costs include bank charges and bank commission paid during the year for bank guarantees.

24. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Depreciation of tangible assets	9,37,500	11,21,677
Amortisation of intangible assets	-	-
Total	9,37,500	11,21,677

24.1 Refer note 9 for assets wise details of depreciation charge and note 1.9 for depreciation policy and rates of depreciation.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

25. OTHER EXPENSES

Particulars	(Amount in ₹)	
	As at 30th September 2019	As at 30th September 2018
Administrative Expenses		
Audit fees	10,000	-
Bad Debt	877	6,37,744
Insurance	12,832	2,572
Director's sitting fees	-	20,000
MPAKVN Development Charges	70,637	78,782
Membership & Registration Fees	68,320	5,61,303
Internet Expenses	1,28,768	1,30,699
Legal Expenses & Professional Consultance Fees	1,26,541	8,78,057
Office Expenses	94,491	88,511
Electricity Expenses	1,10,775	48,052
Petrol & Diesel	1,14,108	77,901
Postage & Courier Expenses	1,10,193	79,696
Printing & Stationery Expenses	30,923	25,718
Rates and taxes (excluding taxes on income)	2,25,323	1,29,699
Rent Office	9,00,000	9,00,000
Repairs & Maintenance	3,88,031	1,45,144
Security Expenses	79,581	80,129
TCS ERP Solution	4,55,000	-
Telephone & Mobile expenses	86,170	1,58,695
Water charges	-	6,000
Miscellaneous administrative expenses	2,53,238	2,75,957
Total (A)	32,65,809	43,24,658
Manufacturing Expenses		
Power and Fuel	3,41,392	2,84,698
Rent Factory	1,52,474	1,29,610
Repairs to Machinery	10,720	27,520
Testing Charges	-	1,38,896
Job Work Expenses	3,96,400	6,31,500
Miscellaneous manufacturing expenses	1,85,622	4,28,297
Total (B)	10,86,608	16,40,521
Selling and Marketing Expenses		
Advertisement and business promotion expenses	4,17,540	1,52,027
Sales Commission	8,94,587	4,81,691
Travelling Expenses	11,37,005	15,35,373
Tender & Inspection Fees	35,738	43,261
Transportation Outward	3,97,345	2,92,532
Total (C)	28,82,215	25,04,884
Research & Development Expenses		
Material Consumed	-	-
Travelling Expenses	37,072	-
Other Expenses	-	-
Total (D)	37,072	-
Loss due to Foreign Currency Fluctuation (E)	-	-
Total Other Expenses (A+B+C+D+E)	72,71,705	84,70,064



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the half Year ended 30th September, 2019

26. EXTRAORDINARY EXPENSES

Particulars	(Amount in `)	
	As at 30th September	As at 30th September
Rent Received from AIC-Aartech Solonics Private Limited an Atal Incubation Center (AIC) supported by Atal Innovation Mission a flagship Mission of NITI Ayog, Government of India during the year 2018-19 amounting to ` 75,00,000 has to be reversed due to the objection raised by AIM on account of Rent paid to Aartech Solonics Limited by AIC-Aartech Solonics Private Limited. However, Rent amounting to Rs.15,80,000 has been paid during the FY 2019-20 which is treated as extraordinary expense.	15,80,000	-
Total	15,80,000	-



A handwritten signature in blue ink is written over a circular blue stamp. The stamp contains the text "AARTECH SOLONICS LTD." around the perimeter and a small star at the bottom.



A blue circular stamp for "SPARK & ASSOCIATES Chartered Accountants". The stamp includes the text "SPARK & ASSOCIATES" at the top, "Chartered Accountants" at the bottom, and a registration number "IN-005313C" in the center. A handwritten signature is also present within the stamp.

AARTECH SOLONICS LIMITED

Statement of Cash Flow for the year half ended September 30, 2019

Particulars	For the half year ended	For the half year ended
	30th September 2019	30th September 2018
1. Cash Flows from Operating Activities		
Net Profit and Loss a/c (as per profit and loss account)	69,86,732	60,08,898
Add : (A) Apportionment of Fund :		
Provision for tax made during the half year	-	-
Deferred Tax	-	-
Net Profit before taxation and extra ordinary items	69,86,732	60,08,898
Add : (B) Non operating Expenses :		
Depreciation during the half year	9,37,500	11,21,677
Sub Total	9,37,500	11,21,677
Less : (C) Non operating Income :		
Interest Income (refer note 18)	4,66,837	8,87,859
Dividend Income (refer note 18)	-	1,93,968
Net gain/(- loss) on sale of investments (refer note 18)	7,89,946	4,27,732
Other non-operating income (refer note 18)	1,23,443	7,03,536
Net gain on foreign currency transaction and translation (other than considered for finance cost)	52,655	4,789
Profit on sale of Fixed Assets (refer note 18)	3,60,000	-
Sub Total	17,92,881	22,17,884
(D) Operating Profit Before Working Capital Changes (A+B-C)	61,31,351	49,12,691
Add : (E) Increase in current liabilities and decrease in current assets:		
Decrease in inventory	-	19,76,362
Decrease in other current assets	31,01,703	-
Increase in Short term provisions	-	-
Increase in Trade Payables	-	-1,28,142
Increase in other current liabilities	4,96,798	-1,36,265
Increase in Short Term Borrowings	25,14,054	-
Decrease in Trade receivable	2,78,24,222	1,42,27,289
Sub Total	3,39,36,777	1,59,39,244
Less : (F) Increase in current assets and decrease in current liabilities:		
Increase in Trade receivable	-	-
Increase in short term loans and advances	37,15,830	13,36,722
Increase in other current assets	-	3,16,343
Increase in inventory	76,21,263	-
Decrease in other current liabilities	-	-
Decrease in Trade Payable	32,12,411	-
Decrease in Short Term Borrowings	-	-
Decrease in short term provisions	40,68,317	54,00,240
Sub Total	1,86,17,821	70,53,305
(G) Cash generated from Operations (D+E-F))	2,14,50,307	1,37,98,630
(H) Income tax paid during the half year:	5,23,100	7,67,375
(I) Net cash generated from operational activity (G-H)	2,09,27,207	1,30,31,255
2. Cash Flows from Investing Activities		
(A) Net cash inflow from investment activity		
Interest Income (refer note 18)	4,66,837	8,87,859
Dividend Income (refer note 18)	-	1,93,968
Net gain/(- loss) on sale of investments (refer note 18)	7,89,946	4,27,732
Other non-operating income (refer note 18)	1,23,443	7,03,536
Net gain on foreign currency transaction and translation (other than considered for finance cost)	52,655	4,789
Proceeds from marketable securities	-	3,00,46,099
Proceeds from sale of fixed assets	3,60,000	-
Realisation of security deposit	-	5,44,130
Long Term Loans & Advances	-	84,64,133
Maturity of fixed deposit during the half year	46,91,054	19,23,931
Sub Total	64,83,935	4,31,96,177



AARTECH SOLONICS LIMITED**Statement of Cash Flow for the year half ended September 30, 2019**

Particulars	For the half year ended	For the half year ended
	30th September 2019	30th September 2018
(B) Net cash outflow from investment activity		
<i>Investment made in marketable securities during the half year</i>	2,21,78,961	6,01,75,561
<i>Investment made in Debentures of Subsidiary Company</i>	1,00,00,000	-
<i>Investment made in Property</i>	23,90,260	-
<i>Long Term Loans & Advances</i>	2,10,47,277	-
<i>Purchase of new assets</i>	2,27,398	83,809
<i>Security deposit paid</i>	-	-
Sub Total	5,58,43,896	6,02,59,370
(C) Net cash generated from Investment activity (a-b)	-4,93,59,961	-1,70,63,193
3. Cash Flows from Financing Activities		
(A) Net cash inflow from financing activity		
<i>Increase in long term borrowing</i>	-	-
<i>Proceeds from issue of equity shares</i>	-	-
Sub Total	-	-
(B) Net cash outflow from investment activity		
<i>Decrease in long term borrowing</i>	-	-
Sub Total	-	-
(C) Net cash generated from Financing activity (a-b)	-	-
4. Net Increase/(Decrease) in Cash (1+2+3)	-2,84,32,754	-40,31,938
Cash and cash equivalents at the beginning of the year	3,24,87,880	92,43,382
5. Cash and cash equivalents at the end of the half year	40,55,126	52,11,444

