

AARTECH SOLONICS LIMITED

AUDITED FINANCIAL STATEMENTS

(FOR THE YEAR ENDING MARCH 31, 2019)

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

Tel. No. 91-755-4276335/2463693
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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.)
Tel.: 0755-2556641, 9425300141
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INDEPENDENT AUDITORS' REPORT

To the Members of **AARTECH SOLONICS LIMITED**

Report on Financial Statements

We have audited the accompanying Financial Statements of AARTECH SOLONICS LIMITED ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the statement of Profit and Loss Account and the cash flow statement for the 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 the Companies (Indian Accounting Standards) Rules, 2015, as amended. This 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.

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.

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.

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





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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 March 31, 2019, its profit, and its cash flows for the 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;
 - e. On the basis of written representations received from the Directors as on March 31, 2019 and taken on record by the Board Of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of section 164(2) of the Act;





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- 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

Roopak Jain

CA Roopak Jain
Partner
(Membership No.: 410002)



Place: Bhopal
Date: May 29, 2019

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 is in the process of updating its fixed assets register to show 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.
- 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.** According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- b.** In our opinion and according to the information and explanations given to us, the Company has not taken any Loan during the current financial year.
- 4.** In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of the audit, we have not observed any major weakness or continuing failure to correct any major weakness in internal controls system of the Company in respect of these areas.
- 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.
- c. According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
8. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the current and immediately preceding financial year.
9. 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.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
11. In our opinion and according to the information and explanations given to us, the Company has not raised any term loans during the year.
12. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

For **SPARK & Associates**
Chartered Accountants



CA Roopak Jain

Partner

(Membership No.: 410002)



Place : Bhopal

Date: May 29, 2019

AARTECH SOLONICS LIMITED

Balance Sheet as at March 31, 2019

Particulars	Notes	As at 31st March 2019	As at 31st March 2018
EQUITY & LIABILITIES			
Shareholders' Funds			
Share capital	2	7,06,00,940	4,94,00,940
Reserves & Surplus	3	19,75,87,372	12,97,22,026
Non Current Liabilities			
Long term Borrowings		-	-
Deferred Tax Liabilities (Net)	4	5,11,146	4,36,989
Current Liabilities			
Short Term Borrowings		-	-
Trade Payables	5	93,33,564	48,49,104
Other Current Liabilities	6	2,63,479	8,17,922
Short Term Provisions	7	69,06,342	85,80,718
TOTAL		28,52,02,843	19,38,07,698
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible Assets	8	2,10,88,405	2,06,60,242
- Intangible Assets		-	-
- Capital Work-in-Progress		-	-
Non-Current Investments	9	7,64,02,254	2,58,84,594
Deferred Tax Assets (Net)		-	-
Long Term Loans and Advances	10	6,41,69,575	3,19,72,334
Other Non Current Assets		-	-
Current Assets			
Current Investments	11	10,07,117	1,83,82,036
Inventories	12	2,37,87,055	3,88,91,216
Trade Receivables	13	5,02,51,601	3,45,45,075
Cash and Bank Balances	14	4,14,92,604	1,99,58,869
Short Term Loans and Advances	15	13,67,060	18,89,121
Other Current Assets	16	56,37,172	16,24,212
		28,52,02,843	19,38,07,698

Significant accounting policies and notes to financial statements are given in note 1 to 30

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)




Anil A. Raje
Managing Director




Amit A. Raje
Director


Arati Nath
Chief Financial Officer


K.R. Tanuj Reddy
Company Secretary

Place : Bhopal
Date: May 29, 2019

AARTECH SOLONICS LIMITED

Statement of Profit and Loss for the year ended March 31, 2019

	Notes	For the year ended 31st March 2019	For the year ended 31st March 2018
REVENUES			
Revenue from operations	17	14,56,50,996	11,30,27,728
Other income	18	1,27,41,955	78,22,607
TOTAL REVENUE		15,83,92,951	12,08,50,335
EXPENDITURES			
Cost of materials consumed	19	7,27,19,295	5,99,73,749
Change in inventories of finished goods and work in process	20	1,66,07,824	-1,61,438
Employee benefit expenses	21	2,45,93,028	2,33,09,849
Finance costs	22	8,50,903	7,52,234
Depreciation and amortization expenses	23	20,52,726	31,24,972
Other expenses	24	2,02,37,495	2,01,47,356
TOTAL EXPENSES		13,70,61,271	10,71,46,722
Profit before exceptional and extraordinary items and tax		2,13,31,680	1,37,03,613
Exceptional Items		-	-
Profit before extraordinary items and tax		2,13,31,680	1,37,03,613
Extraordinary Items		-	-
Profit before tax		2,13,31,680	1,37,03,613
Tax Expense			
Current Tax	25	42,72,177	22,25,740
Deferred Tax	26	74,157	-2,80,616
Profit for the year		1,69,85,346	1,17,58,489
Earnings per equity share (Par value of ₹ 10 each)			
Basic (₹)		0.24	0.24
Diluted (₹)		0.24	0.24

Significant accounting policies and notes to financial statements are given in note 1 to 30

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: May 29, 2019



For and on behalf of the Board of Directors

Anil A. Raje

Managing
Director

Amit A. Raje

Director

Araji Nath

Chief Financial Officer

K.R. Tanuj Reddy

Company Secretary



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 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 year ended 31 March 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. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

PREVIOUS YEAR NUMBERS

The previous year's figures have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

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.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

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.

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.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

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.

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 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 Year ended 31st March, 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 RESEARCH AND DEVELOPMENT

The Company maintains an in house Research & Development Facility which has been recognized by the Department of Scientific & Industrial Research, Ministry of Science & Technology, and Government of India during the current financial year. The Company accounts for the Revenue Expenditure on research and development facility including salaries, consumables and power & fuel separately and the same is disclosed separately under respective heads of expenditure in the Statement of Profit and Loss. Capital expenditure to the research & development facility is shown as addition to fixed assets and disclosed separately.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

1.13 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.

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.

1.14 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.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

1.15 TAXES ON INCOME

Tax expense comprises of current and deferred. Provision for Current Tax is made in accordance with the provisions of Income Tax Act, 1961.

In accordance with Accounting Standard AS-22 'Accounting for Taxes on Income' as notified by Companies Accounting Standard Rules, 2006, Deferred Tax Liability/ Asset arising from timing differences between book and income tax profits is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years. However, deferred Tax Assets are recognized only if there is a reasonable/ virtual certainty of realization thereof.

Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

Tax on distribution of dividend is recognized on the basis of proposed dividend and the provision is made in the books of accounts.

1.16 GOVERNMENT GRANTS AND SUBSIDIES

Grants and subsidies from the government are recognized when there is reasonable assurance that the grant/subsidy will be received and all attaching conditions will be complied with.

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate.

Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

1.17 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.

1.18 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



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

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.

1.19 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.

1.20 EXCISE DUTY / SERVICE TAX AND SALES TAX / VALUE ADDED TAX

Excise duty / Service tax is accounted on the basis of both, payments made in respect of goods cleared / services provided as also provision made for goods lying in bonded warehouses. Excise duty, service tax, sales tax / Value added tax collected is accounted as a current liability and paid thereafter. Excise duty, service tax sales tax / value added tax on purchases and other expenses is accounted as current asset only when there is reasonable certainty that the amount can be utilized for the payment of such duties taxes or cess, otherwise the same is accounted along with the expense for which the same has been paid and charged to Profit and Loss account.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

2. SHARE CAPITAL

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 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 31st March 2019	As at 31st March 2018
Equity Shares at the beginning of the year	49,40,094	49,40,094
Add : Equity shares issued during the year		
– as fully paid up bonus shares	-	-
– as fully paid up shares for cash	21,20,000	-
Less : Shares cancelled on buy back of Equity Shares	-	-
Equity Shares at the end of the 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 Company made public issue of 21,20,000 equity shares of face value of ₹ 10 each of for cash at a price of ₹ 34 per equity share including a share premium of ₹ 24 per equity shares aggregating to ₹ 7,20,80,000.

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

Name of Share Holders	No. of Shares	% held
As at March 31, 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 March 31, 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 Year ended 31st March, 2019

3. RESERVES AND SURPLUS

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 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	40,000	40,000
Add : Received during the year on issue on share	5,08,80,000	-
Closing Balance	5,09,20,000	40,000
e) Surplus / (deficit) balance in statement of profit and loss during the year		
Balance as per last Financial Statements	2,92,14,276	1,77,58,289
Add : Profit for the year	1,69,85,346	1,17,58,489
Less: Appropriations:		
– Transferred to Capital Grant (DST Uplift Project)	-	3,02,502
– Proposed Dividend on Equity Shares	-	-
– Provision for Dividend Distribution Tax	-	-
Closing Balance	4,61,99,622	2,92,14,276
Total	19,75,87,372	12,97,22,026

4. DEFERRED TAX LIABILITIES (Net)

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 2018
Deferred tax liability as on March 31, 2018		4,36,989
Less: Deferred tax asset arising on account of difference in Depreciation as per Companies Act and as per Income Tax Act		21,266
Add: Deferred tax liability arising on account of section 43B of Income Tax Act		95,423
Deferred tax liability as on March 31, 2019		5,11,146

- 4.1 The deferred tax assets and liabilities have been recognised in accordance with the provisions of Accounting Standard 22 on Accounting for Taxes on Income issued by the Institute of Chartered Accountants of India for giving effects for the timing differences between the taxable income and the accounting income for the period that originate in one period and are capable of reversal in one or more subsequent periods.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

5. TRADE PAYABLES

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 2018
Micro, Small and Medium Enterprises (Refer Note No. 5.2)	11,48,643	4,488
Other (Refer Note No. 5.1)	81,84,921	48,44,616
Total	93,33,564	48,49,104

5.1 Trade payable represents amounts payable to creditors for material ₹ 75,62,298 and creditors for other expenses and services ₹ 17,71,266.

5.2 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 ₹ 11,48,643 (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 31st March 2019	As at 31st March 2018
Principal amount due and remaining unpaid	11,48,643	4,488
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the 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	11,48,643	4,488







AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

6. OTHER CURRENT LIABILITIES

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 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	1,542	14,712
Application money received for allotment of securities and due for refund	-	-
Unpaid matured Deposits and Interest accrued thereon	-	-
Unpaid matured Debentures and Interest accrued thereon	-	-
Other Payables (Refer Note No. 6.1)	2,61,937	8,03,210
Total	2,63,479	8,17,922

- 6.1 Other payables include advances received from customers amounting to ₹ 27,408 and deposit against road construction ₹ 47,389, audit fees amounting to ₹ 90,000, travelling expenses amounting to ₹ 78,565, electricity expenses amounting to ₹ 5,323 and other office expenses amounting to ₹ 13,252.

7. SHORT TERM PROVISIONS

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 2018
Provision for Employee Benefits:		
- Salary and Reimbursements	17,828	61,68,029
- Contribution to ESIC and Provident Fund	1,46,771	1,58,690
- Leave encashment	-	-
- Superannuation	-	-
- ESOP/ESOS	-	-
Others (Refer Note No. 7.1)	67,41,743	22,53,998
Total	69,06,342	85,80,718

- 7.1 Other Short Term Provision includes:
- Tax deducted at source payable amounting to ₹ 3,14,853.
 - GST payable in Parwanoo Unit amounting to ₹ 21,46,590.
 - Professional Tax payable amounting to ₹ 8,123.
 - Provision for income tax amounting to ₹ 42,72,177.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended March 31, 2019

8. FIXED ASSETS

Particulars	Gross Block				Rate of Depreciation	Depreciation/Amortisation			Net Block	
	As at 01/04/2018	Addition/(Deduction)	As at 31/03/2019	As at 01/04/2018		For the year	As at 31/03/2019	As at 01/04/2018	As at 31/03/2019	
	(Amount in ₹)									
Tangible Assets:										
Land	17,90,732		17,90,732		0.00%	-		17,90,732		17,90,732
Building	1,86,99,167	12,36,865	1,99,36,032		3.17%	6,01,722	55,74,292	1,31,24,875	61,76,014	1,37,60,018
Plant & Machinery	49,18,359	7,210	49,25,569		6.33%	8,584	48,51,794	66,565	48,60,378	65,191
Electrification	18,64,093	6,14,360	24,78,453		9.50%	1,70,347	13,06,475	5,57,618	14,76,822	10,01,631
Office Equipment	33,15,797	54,608	33,70,405		19.00%	19,383	32,98,027	17,770	33,17,410	52,995
Computer & Accessories	52,01,258	50,253	52,51,511		31.67%	12,139	52,01,258	-	52,13,397	38,114
Testing Equipment	31,48,745	-	31,48,745		6.33%	1,99,315	14,95,128	16,53,617	16,94,443	14,54,302
Furniture & Fixtures	60,19,821	-	60,19,821		9.50%	5,71,884	39,43,679	20,76,142	45,15,563	15,04,258
Vehicles	48,61,308	-63,662	47,97,646		11.88%	3,81,474	43,18,387	5,42,921	41,49,861	6,47,785
Tools	13,65,071	31,255	13,96,326		6.33%	87,878	5,35,069	8,30,002	6,22,947	7,73,379
Total	5,11,84,351	19,30,889	5,31,15,240			20,52,726	3,05,24,109	2,06,60,242	3,20,26,835	2,10,88,405



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AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

9. NON CURRENT INVESTMENT

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Investment in property	1,30,74,551	1,29,70,892
Investment in subsidiary		
– AIC- AARTECH SOLONICS PVT LTD	1,00,000	1,00,000
– FARADIGM ULTRACAPACITORS PVT LTD	95,000	95,000
Investments in equity instruments:		
Dena Bank Equity	54,640	54,640
Investments in mutual funds (Instrument wise):		
– Nil (Previous year 928.901) SBI Magnum Tax gain Scheme	-	52,186
– Nil (Previous year 9,455.809) SBI Magnum Balanced Fund	-	10,00,000
– Nil (Previous year 10,782.06) Sundaram BNP Paribas Tax Saver	-	1,12,076
– 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 26,693.508) Axis Long Term Equity Fund	-	4,99,900
– Nil (Previous year 8,29,861.36) Kotak Equity Saving Fund	-	99,99,900
– 1,02,963.45 (Previous year Nil) Axis Multi Cap Fund Growth	11,03,768	-
– 1,92,164 (Previous year Nil) DSP Equity Fund Regular Plan Growth	92,05,630	-
– 1,680.04 (Previous year Nil) HDFC Capital Fund Growth	10,30,547	-
– 7,486.89 (Previous year Nil) TATA Equity Fund Regular Growth	9,99,900	-
– 1,842.57 (Previous year Nil) ICICI Prudential Floating Interest Fund	5,00,000	-
– 1,526.48 (Previous year Nil) Aditya Birla Sunlife Equity Advantage Fund	6,00,000	-
– 43,173.83 (Previous year Nil) Aditya Birla Sunlife Frontline Equity Fund	96,38,218	-
– 17,502.77 (Previous year Nil) Kotak Low duration Fund Growth	4,00,00,000	-
Total	7,64,02,254	2,58,84,594
Quoted Investments – Book Value	6,31,32,703	1,27,18,702
Quoted Investments – Market Value	6,45,21,440	1,58,52,594
Unquoted Investments – Book Value	1,32,69,551	1,31,65,892
Total book value of non-current investments	7,64,02,254	2,58,84,594



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

10. LONG TERM LOANS & ADVANCES

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 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	1,03,97,666	1,52,90,209
Other Loans and Advances (Unsecured, considered good)	3,41,29,600	-
Security Deposits (Unsecured Considered Good)	36,54,377	42,48,703
Total	6,41,69,575	3,19,72,334

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

10.2 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 .

10.3 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 .

11. CURRENT INVESTMENT

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 2018
Investments in mutual funds (Instrument wise):		
– Nil (Previous year 88,966.02) Birla Sun Life Daily Dividend	-	1,71,66,999
– 349.77 (Previous year 288.27) Reliance Ultra Short Duration Fund	10,07,117	12,15,036
Total	10,07,117	1,83,82,036

12. INVENTORIES

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 2018
Raw Materials and components	1,71,22,907	1,56,19,243
Work-in-progress	8,76,865	2,32,71,973
Finished Goods	13,41,353	-
Stock in trade	44,45,931	-
Total	2,37,87,055	3,88,91,216



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

13. TRADE RECEIVABLES

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 2018
Outstanding for less than 6 months from the due date (Unsecured, considered good)	4,38,00,718	2,75,46,767
Outstanding for more than 6 months from the due date (Unsecured, considered good)	64,50,883	69,98,308
Total	5,02,51,601	3,45,45,075

13.1 The amount of trade receivables outstanding for more than 6 months include an amount of ₹ 5,71,515 receivable from M/s GET Power Pvt Ltd. The Company has appealed for the recovery of the above amount under section 20 read with section 30 of the MSME Act, 2006. The Company is fairly optimistic that they will be able to recover the amount from the debtor and hence no provision has been proposed by the management.

14. CASH AND CASH EQUIVALENTS

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 2018
Balances with banks:		
– Earmarked Balances	2,25,000	2,25,000
– Margin Money	-	-
– Security Against Borrowings	-	-
– Guarantees (refer note no. 14.1)	37,532	11,82,652
– Other Commitments (refer note no. 14.2)	4,10,92,538	1,83,73,257
– Bank deposits with more than 12 months maturity	-	-
Cheques, drafts on hand	-	-
Cash on hand	19,404	75,240
Others (refer note no. 14.3)	1,18,130	1,02,720
Total	4,14,92,604	1,99,58,869

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

14.2 Other commitments represent balances with banks.

14.3 Others represent imprest given to employees for incurring expenses.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

15. SHORT TERM LOANS AND ADVANCES

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Loans and Advances to Related Parties	-	-
Other Loans and Advances	13,67,060	18,89,121
Total	13,67,060	18,89,121

15.1 Other Loans and Advances (unsecured and considered good) includes the following major advances:

- An amount of ₹ 1,81,874 as advances given to employees.
- An amount of ₹ 8,93,739 as advances given to Suppliers.
- An amount of ₹ 2,91,447 as prepaid expenses.

16. OTHER CURRENT ASSETS

(Amount in ₹)

Particulars	As at	
	31st March 2019	31st March 2018
Income Tax Refund Receivable AY 2016-2017	4,21,004	4,21,004
TDS Receivable	14,55,903	-
Advance Income Tax AY 2019-20	20,90,000	-
Excise Duty Receivables	1,32,442	1,32,442
Accrued Interest	6,07,758	6,80,891
GST Receivable	9,30,065	3,89,875
Total	56,37,172	16,24,212



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

17. REVENUE FROM OPERATIONS

(Amount in ₹)

Particulars	As at	As at
	31st March 2019	31st March 2018
Sale of Products	13,79,58,001	10,48,19,059
Sale of Services	76,92,995	82,08,669
Total	14,56,50,996	11,30,27,728

18. OTHER INCOME

(Amount in ₹)

Particulars	As at	As at
	31st March 2019	31st March 2018
- Interest Income	26,93,627	17,05,242
- Dividend Income	1,93,968	8,81,017
- Rental Income	48,24,000	-
- Revenue Government Grant for DST Uplift Project	8,00,000	-
- Net gain/(- loss) on sale of investments	31,88,904	20,20,902
- Other non-operating income(Refer note no. 18.1)	9,31,456	32,15,447
- Profit on sale of Fixed Assets	1,10,000	-
Total	1,27,41,955	78,22,607

18.1 Other Non-Operating Income includes:

- Transportation cost recovered ₹ 6,56,524.
- Rent received on flats and bungalow given to employees ₹ 1,43,400.
- Bus rent received from employees ₹ 3,000.
- Other miscellaneous income ₹ 1,28,532.

19. COST OF MATERIALS CONSUMED

(Amount in ₹)

Particulars	As at	As at
	31st March 2019	31st March 2018
Purchase of Raw Materials	7,42,22,958	6,06,64,832
Opening Balance of Raw Materials	1,56,19,243	1,49,28,160
Less : Closing Balance of Raw Materials	1,71,22,907	1,56,19,243
Total	7,27,19,295	5,99,73,749

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

- Purchase of Raw Material includes Imported raw material of ₹ 1,55,99,239 and Indigenous raw material of ₹ 5,86,23,719.
- Opening Balance of Raw Material includes Imported raw material of ₹ 1,24,44,048 and Indigenous raw material of ₹ 31,75,195.
- Closing Balance of Raw Material includes Imported raw material of ₹ 1,10,14,059 and Indigenous raw material of ₹ 61,08,848.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

20. CHANGE IN INVENTORIES

(Amount in ₹)

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 2018
Finished goods:		
Opening Balance	-	-
Less: Closing Balance	57,87,284	-
	-57,87,284	-
Work-in-Progress:		
Opening Balance	2,32,71,973	2,31,10,535
Less: Closing Balance	8,76,865	2,32,71,973
	2,23,95,108	-1,61,438
Total	1,66,07,824	-1,61,438

21. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹)

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 2018
Salaries and Wages (Refer Note No. 21.1)	2,22,70,449	2,11,26,983
Contribution to Provident Fund and Other Funds	10,49,938	10,85,998
Staff Welfare Expenses	12,72,641	10,96,868
Total	2,45,93,028	2,33,09,849

21.1 Salaries and Wages include:

- Director's Remuneration amounting to ₹ 34,37,784 (Previous Year ₹ 34,38,084).
- Director's Sitting Fees amounting to ₹ 30,000 (Previous Year ₹ Nil).
- Staff Salary amounting to ₹ 1,88,02,665 (Previous Year ₹ 1,93,00,191).
- Out of the above staff salary, salary amounting to ₹ 4,09,045 (Previous Year ₹ 9,59,431) relates to Recognised Research & Development Facility.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

22. FINANCE COST

(Amount in ₹)

Particulars	As at	As at
	31st March 2019	31st March 2018
Interest Expenses (Refer Note No. 22.1)	50,522	13,085
Other borrowing costs (Refer Note No.22.2)	8,00,381	7,39,148
Applicable loss on foreign currency transactions and translation	-	-
Total	8,50,903	7,52,234

22.1 Interest Expenses shown interest on CC/OD Account.

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

23. DEPRECIATION AND AMORTISATION EXPENSES

(Amount in ₹)

Particulars	As at	As at
	31st March 2019	31st March 2018
Depreciation of tangible assets	20,52,726	31,24,972
Amortisation of intangible assets	-	-
Total	20,52,726	31,24,972

23.1 Refer note 8 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 Year ended 31st March, 2019

24. OTHER EXPENSES

(Amount in ₹)

Particulars	As at 31st March 2019	As at 31st March 2018
Administrative Expenses		
Audit fees	1,40,000	90,000
Membership & Registration Fees (Refer Note no. 24.1)	9,50,094	80,816
Insurance Expenses	4,25,309	1,42,325
Internet Expenses	2,57,316	1,91,784
Legal expenses	1,63,029	6,86,113
Professional & consultancy expenses	11,43,787	13,90,689
Electricity Expenses	1,13,546	72,622
Office Expenses	2,04,254	1,26,767
Petrol & Diesel	1,57,131	1,47,215
Postage & Courier Expenses	2,37,187	2,14,740
Printing & Stationery Expenses	2,25,967	62,144
Rates and taxes (excluding taxes on income)	2,93,914	8,70,907
Rent Office	18,00,000	10,76,345
Repairs & Maintenance	2,14,764	1,27,600
Vehicle Repairs & Maintenance	1,17,873	1,02,298
Security Expenses	1,45,499	1,84,750
Telephone & Mobile expenses	2,48,069	3,35,260
Miscellaneous administrative expenses	22,80,768	15,08,413
Total (A)	91,18,508	74,10,789
Manufacturing Expenses		
Power and Fuel	5,89,186	5,67,106
Rent Factory	2,70,532	2,30,697
Repairs to machinery	4,72,808	2,03,249
Testing Charges	5,82,381	2,75,176
Job Work Expenses	8,22,385	-
Miscellaneous manufacturing expenses	4,33,091	9,47,776
Total (B)	31,70,383	22,24,004
Selling and Marketing Expenses		
Advertisement and business promotion expenses	8,38,120	5,44,712
Sales Commission	16,11,139	30,21,687
Travelling Expenses (Refer Note No. 24.2)	33,70,963	27,62,362
Late Delivery	10,45,560	24,12,664
Transportation Outward	6,39,472	8,93,411
Total (C)	75,05,254	96,34,836
Research & Development Expenses		
Material Consumed	4,10,290	1,67,827
Travelling Expenses	53,310	17,109
Other Expenses	4,30,975	6,54,009
Total (D)	8,94,575	8,38,945
Loss due to Foreign Currency Fluctuation (E)	-4,51,225	38,783
Total Other Expenses (A+B+C+D+E)	2,02,37,495	2,01,47,356

24.1 Membership & Registration Expenses includes amounting to ₹ 4,94,077 paid to NSDL, CDSL & BSE for registration and membership fees.

24.2 Travelling Expenses include ₹ 5,79,857 (Previous Year ₹ 5,83,219) spent on foreign travel.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

25. CURRENT TAX

Provision for current tax is made in the statement of profit and loss for the year ending March 31, 2019 after taking into consideration the provisions of Income Tax Act, 1961 including provisions of Minimum Alternate Tax under section 115JB (Chapter XII-B) including various benefits available under the Income Tax Act.

For the year ending March 31, 2019 (assessment year 2019 - 20), the income tax computed under the other provisions (provisions of the Income Tax Act other than Chapter XII-B) amounts to ₹ 48,82,845 and income tax computed under the provisions of chapter XII-B of Income Tax Act amounts to ₹ 42,72,177. The provision of ₹ 42,72,177 has been made after utilising MAT credit.

26. DEFERRED TAX EXPENSE

The deferred tax expense debited to the statement of profit and loss for the period has been recognised for the tax effect of the timing difference accounting income and taxable for the year and quantified using the tax rates and laws enacted pertaining to the period during which the difference arises. The deferred tax expense as debited in the statement of profit and loss has been computed as under:

26.1 Deferred tax impact of the timing difference in depreciation as per the Companies Act, 2013 and depreciation as per the Income Tax Act, 1961 –

– Depreciation as per Income Tax Act, 1961	:	₹	19,76,283
– Depreciation as per Companies Act, 2013	:	₹	20,52,726
– Difference	:	₹	-76,443
– Deferred tax impact (Income)	:	₹	-21,266

26.2 Deferred tax impact of the timing difference due to the unpaid bonus to employees debited in the statement of profit and loss for the period disallowed under section 43B of Income Tax Act, 1961 –

– Unpaid bonus not deductible under section 43B of Income Tax Act for the previous year paid in the current year	:	₹	3,43,000
– Unpaid bonus not deductible under section 43B of Income Tax Act	:	₹	-
– Difference	:	₹	3,43,000
– Deferred tax impact (Income)	:	₹	95,423

26.3 Net deferred tax expense debited to statement of profit and loss for the period is ₹ 74,157.

27. CONTINGENT LIABILITY

AIC - Aartech Solonics Private Limited is an Atal Incubation Center (AIC) supported by Atal Innovation Mission, a flagship mission of Niti Aayog, Government of India. AIM has raised objections to the rent charged by Aartech Solonics Limited to AIC-Aartech Solonics Private Limited. The company is pursuing the matter with AIM and is hopeful of getting a favorable response. If AIM does not agree to the rent paid to Aartech Solonics Limited, Aartech Solonics Limited will have to return the amount received as rent. The total of rent received is Rs. 75,00,000.



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended 31st March, 2019

28. RESEARCH & DEVELOPMENT EXPENSES

The Company has maintained a recognised in-house research and development facility which is registered with the Department of Scientific & Industrial Research (DSIR) under Ministry of Science & Technology, Government of India. The Company maintains details of all expenses incurred specifically for Research & development purposes.

The expenses incurred during the year specifically for Research & Development purposes are:

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 2018
1 Salary to research staff (refer note 21.1)	4,09,045	9,59,431
2 Material purchased	-	1,67,827
3 Travelling expenses	-	17,109
4 Other Expenses	-	34,953
Total	4,09,045	11,79,319

29. DST UPLIFT PROJECT

The expenses incurred during the year for DST Uplift Project purposes are:

Particulars	(Amount in ₹)	
	As at 31st March 2019	As at 31st March 2018
(A) Capital Expenditure :		
<i>Permanent Equipment</i>	-	8,54,826
<i>Fabrication system</i>	4,10,290	-
Total (A)	4,10,290	8,54,826
(B) Revenue Expenses:		
<i>Consumables</i>	89,196	27,602
<i>Salary to staff</i>	3,00,000	1,50,000
<i>Travelling Expenses</i>	53,310	8,513
<i>Other Expenses</i>	2,71,598	2,054
Total (B)	7,14,104	1,88,169
Grand Total (A+B)	11,24,394	10,42,995



AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended March 31, 2019

30. RELATED PARTY DISCLOSURE

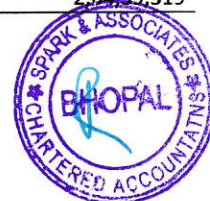
S.No.	Name of Related Party	Related Party Category	Nature of Transaction	Amount in ₹
1	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Unsecured Loan	1,59,87,932
2	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Interest received on Unsecured Loan	10,60,567
3	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Rent received for Utility & maintenance Services	5,00,000
4	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Rent Received	75,00,000
5	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Rent received for providing administrative services	3,75,000
6	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Job Work on Contract Basis	21,150
7	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Trade Purchase	66,557
8	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Trade Sales	61,218
9	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Other Expenses	3,600
10	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Interest received on Unsecured Loan	9,18,428
11	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Trade Sales	2,60,042
12	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Unsecured Loan	1,03,97,666
13	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Income received for Utility & Maintenance services	96,000
14	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Trade Purchase	9,13,696
15	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Rent Received	15,00,000
16	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Income received for Administrative services	72,000



AARTECH SOLONICS LIMITED

Statement of Cash Flow for the year ended March 31, 2019

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
1. Cash Flows from Operating Activities		
<i>Net Profit and Loss a/c (as per profit and loss account)</i>	1,69,85,346	1,17,58,489
Add : (A) Apportionment of Fund :		
<i>Provision for tax made during the year</i>	42,72,177	22,25,740
<i>Deferred Tax</i>	74,157	-2,80,616
Net Profit before taxation and extra ordinary items	2,13,31,680	1,37,03,613
Add : (B) Non operating Expenses :		
<i>Depreciation during the year</i>	20,52,726	31,24,972
Sub Total	20,52,726	31,24,972
Less : (C) Non operating Income :		
<i>Interest Income (refer note 18)</i>	26,93,627	17,05,242
<i>Dividend Income (refer note 18)</i>	1,93,968	8,81,017
<i>Net gain/(- loss) on sale of investments (refer note 18)</i>	31,88,904	20,20,902
<i>Other non-operating income (refer note 18)</i>	9,31,456	32,15,446
<i>Revenue Grant for DST Uplift Project (refer note 18)</i>	8,00,000	-
<i>Profit on sale of Fixed Assets (refer note 18)</i>	1,10,000	-
Sub Total	79,17,955	78,22,607
(D) Operating Profit Before Working Capital Changes (A+B-C)	1,54,66,451	90,05,978
Add : (E) Increase in current liabilities and decrease in current assets:		
<i>Decrease in inventory</i>	1,51,04,161	-8,52,521
<i>Decrease in other current assets</i>	-	21,47,401
<i>Increase in Short term provisions</i>	5,22,061	29,56,277
<i>Increase in Trade Payables</i>	44,84,460	-
<i>Increase in other current liabilities</i>	-	-
<i>Decrease in Short term loan and advances</i>	-	77,33,797
<i>Decrease in account receivable</i>	-	-
Sub Total	2,01,10,682	1,19,84,954
Less : (F) Increase in current assets and decrease in current liabilities:		
<i>Increase in account receivable</i>	1,57,06,526	28,83,615
<i>Increase in short term loans and advances</i>	-	-
<i>Increase in other current assets</i>	40,12,960	-
<i>Decrease in other current liabilities</i>	5,54,443	33,222
<i>Decrease in Trade Payable</i>	-	1,00,39,363
<i>Decrease in Short Term Borrowings</i>	-	49,57,702
<i>Decrease in short term provisions</i>	24,00,650	-
Sub Total	2,26,74,579	1,79,13,902
(G) Cash generated from Operations (D+E-F))	1,29,02,554	30,77,030
(H) Income tax paid during the year:	35,45,903	12,54,394
(I) Net cash generated from operational activity (G-H)	93,56,651	18,22,636
2. Cash Flows from Investing Activities		
(A) Net cash inflow from investment activity		
<i>Interest Income (refer note 18)</i>	26,93,627	17,05,242
<i>Dividend Income (refer note 18)</i>	1,93,968	8,81,017
<i>Net gain/(- loss) on sale of investments (refer note 18)</i>	31,88,904	20,20,902
<i>Other non-operating income (refer note 18)</i>	9,31,456	32,15,446
<i>Revenue Grant for DST Uplift Project (refer note 18)</i>	8,00,000	-
<i>Proceeds from marketable securities</i>	3,00,38,980	1,39,46,395
<i>Proceeds from sale of fixed assets</i>	1,10,000	26,89,364
<i>Realisation of security deposit</i>	-	-
<i>Maturity of fixed deposit made the year</i>	17,10,763	19,80,953
Sub Total	3,96,67,698	2,64,39,319



AARTECH SOLONICS LIMITED**Statement of Cash Flow for the year ended March 31, 2019**

Particulars	For the year ended 31st March 2019	For the year ended 31st March 2018
(B) Net cash outflow from investment activity		
<i>Investment made in marketable securities during the year</i>	6,30,78,063	1,690
<i>Investment made in Subsidiary Company</i>	-	1,95,000
<i>Investment made in Property</i>	1,03,659	-
<i>Long Term Loans & Advances</i>	3,21,97,241	2,77,23,631
<i>Utilisation of Grant for DST Uplift Project</i>	-	9,71,774
<i>Purchase of new assets (net of sale proceed)</i>	24,80,889	19,15,670
<i>Security deposit paid</i>	-	9,38,900
Sub Total	9,78,59,851	3,17,46,665
(C) Net cash generated from Investment activity (a-b)	-5,81,92,153	-53,07,346
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>	7,20,80,000	-
Sub Total	7,20,80,000	-
(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)	7,20,80,000	-
4. Net Increase/(Decrease) in Cash (1+2+3)	2,32,44,498	-34,84,710
Cash and cash equivalents at the beginning of the year	92,43,382	1,27,28,092
5. Cash and cash equivalents at the end of the year	3,24,87,880	92,43,382

