

AARTECH SOLONICS LIMITED

CONSOLIDATED FINANCIAL STATEMENT

(FOR THE YEAR ENDING MARCH 31, 2023)

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:

S. Ramanand Aiyar & Co.

Chartered Accountants

51, Ratan Lok Colony

Scheme No. 53,

Vijay Nagar, Indore

E-Mail: indore@sraco.in

S. Ramanand Aiyar & Co.

CHARTERED ACCOUNTANTS

51, Ratna lok Colony, Scheme No. 53, Vijay Nagar, INDORE- 452011 (M.P.)
Tel: 0731-4066810, E-mail : indore@sraco.in, www.sraco.in

INDEPENDENT AUDITOR'S REPORT

To,
The Members,
Aartech Solonics Limited
Bhopal (Madhya Pradesh)
(CIN No.: L31200MP1982PLC002030)

Report On the Consolidated Financial Statements

Opinion

We have audited the accompanying consolidated financial Statements **Aartech Solonics Limited** (here in after referred to as the 'Holding Company") and its subsidiaries (Holding Company and its subsidiaries together referred to as "the Group"), and its associates; (refer attached consolidated financial statements), which comprise the consolidated Balance Sheet as at March 31, 2023, the consolidated Statement of Profit and Loss (including Other Comprehensive Income), and the consolidated cash flow statement for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies and other explanatory information prepared based on the relevant records (hereinafter referred to as "the consolidated financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid consolidated financial statements give the information required by the Companies Act, 2013 ("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 consolidated state of affairs of the Group, and its associates as at March 31, 2023, of consolidated total income (comprising of profit), and its consolidated cash flows for the year then ended.

Basis of Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group and its associates in accordance with the ethical requirements that are relevant to our audit of the consolidated financial statements in India in terms of the Code of Ethics issued by ICAI and the relevant provisions of the Act, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained and the audit evidence obtained by the other auditors in terms of their reports, referred to in Other Matters paragraph below, is sufficient and appropriate to provide a basis for our opinion.



Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We do not have anything to report under Key Audit Matters for the Company relating to financial year ended March 31, 2023.

Information other than the Financial Statements and Auditor's Report Thereon

- The Holding Company's Board of Directors is responsible for the other information. The other information comprises the information included in the Annual report, but does not include the consolidated financial statements and our auditor's report thereon.
- Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.
- In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated. If, based on the work we have performed and the reports of the other auditors as furnished to us, referred to in Other Matters paragraph below, we conclude that there is a material misstatement of this other information, we are required to report that fact.
- We have nothing to report in this regard.

Management's Responsibility for the Consolidated Financial Statements

The Holding Company's Board of Directors is responsible for the preparation and presentation of these consolidated financial statements in term of the requirements of the Act that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows, and changes in equity of the Group including its associates in accordance with the accounting principles generally accepted in India, including the Accounting Standards specified under section 133 of the Act. The respective Board of Directors of the companies included in the Group and of its associates are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Group and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error, which have been used for the purpose of preparation of the consolidated financial statements by the Directors of the Holding Company, as aforesaid.

In preparing the consolidated financial statements, the respective Board of Directors of the companies included in the Group and of its associates are responsible for assessing the ability of the Group and of its associates to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Group or to cease operations, or has no realistic alternative but to do so.



The respective Board of Directors of the companies included in the Group and of its associates are responsible for overseeing the financial reporting process of the Group and of its associates.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Holding company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the ability of the Group and its associates to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group and its associates to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group and its associates to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the audit of the financial statements of such entities included in the consolidated financial statements of which we are the independent auditors. For the other entities included in the consolidated financial statements, which have been audited by other auditors, such other



auditors remain responsible for the direction, supervision and performance of the audits carried out by them. We remain solely responsible for our audit opinion.

We communicate with those charged with governance of the Holding Company and such other entities included in the consolidated financial statements of which we are the independent auditors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide those charged with governance with statement that we have complied with relevant Ethical requirements regarding independence, and to communicate with them all relationships and other Matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matters

- a. We did not audit the financial statements of the subsidiary's, AIC-Aartech Solonics Private Limited & Faradigm Ultracapacitors Private Limited, whose financial statements reflect total assets of Rs. 419.12 Lakhs as at March 31, 2023, total revenue of Rs 116.68 Lakhs, net cash flows amounting to Rs. 7.28 Lakhs for the year ended, as considered in the consolidated financial statements. The share (30%) of profit of associate company Enerqual Technology Private Limited amounting to Rs.1.62 Lakhs has been included in the consolidated financial statement; the amount has not been audited by us. These financial statements have been audited by other auditors whose reports have been furnished to us by the Management and our opinion on the consolidated financial statements insofar as it relates to the amounts and disclosures included in respect of this subsidiary and our report in terms of sub-section (3) of Section 143 of the Act, in so far as it relates to the aforesaid subsidiaries, is based solely on the reports of the other auditors.
- b. The consolidated financial results include the audited financial results of Subsidiary's AIC-Aartech Solonics Private Limited & Faradigm Ultracapacitors Private Limited whose financial statements reflect Group's share of consolidated total assets of Rs. 3660.94 Lakh as at March 31, 2023, Group's share of consolidated total revenue of Rs. 1448.72 Lakh and Group's share of consolidated total net profit after tax of Rs. 176.95 Lakh for the year ended on that date, as considered in the consolidated financial results, which have been audited by us.

Our opinion on the consolidated financial statements, and our report on Other Legal and Regulatory Requirements below, is not modified in respect of the above matters with respect to our reliance on the work done and the reports of the other auditors and the financial information certified by the Management.



Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
 - a. We have sought 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 appears from our examination of those books;
 - c. In our opinion the Balance Sheet, Statement of Profit and 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, with the rule of the Companies (Accounts) Rules, 2014;
 - e. On the basis of written representations received from the directors as on March 31, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2023, from being appointed as a director in terms of Section 164(2) of the Act.
 - f. With respect to the adequacy of the internal financial controls over financial reporting of the company and the operating effectiveness of such controls, refer to our separate report in 'Annexure A'.
 - g. With respect to the 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 has disclosed the impact of pending litigations on its financial position in its financial statements (Refer Note No. 21).
 - ii. The company does not have any long-term contracts including derivative contracts for which there were any material foreseeable losses,
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the company.
 - h.
 - I. The management has represented that, to the best of its knowledge and belief, other than as disclosed in the notes of the accounts, no funds have been advanced or loans or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the company to or in any other person(s) or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or provide any guarantee, security or the like on behalf of ultimate beneficiaries;
 - II. The management has represented that, to the best of its knowledge and belief, no funds have been received by the company from any person(s) or entities, including foreign entities ("Funding Parties"), with the understanding whether recorded in writing or otherwise, that the Company shall, whether directly or indirectly lend or invest in other



persons or entities identified in any manner by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of ultimate beneficiaries; and

III. Based on audit procedures as considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (I) and (II) contain any material misstatement.

- i. As stated in Note 3.d of the consolidated financial statements-
The final dividend proposed in the previous year, declared, and paid by the Company during the year is in accordance with Section 123 of the Act, as applicable.
- j. With respect to the matter to be included in the Auditor's Report under section 197(6) of the Act, as amended.
 - i. In our opinion and according to the information and explanations given to us, the remuneration paid by the company to its managing director during the year is in accordance with the provision of section 197 of the Act.

2. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order"/"CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the CARO reports issued by us for the Company and its subsidiaries included in the consolidated financial statements of the Company, to which reporting under CARO is applicable, we report that there are no qualifications or adverse remarks in these CARO reports.

For S. Ramanand Aiyar & Co.

Chartered Accountants

FRN: -000990N



CA Mayank Saklecha

Partner

(Membership No. 423727)

UDIN: 23423727BGSBWD5022

Place: Bhopal

Date: May 11, 2023

ANNEXURE "A" TO THE INDEPENDENT AUDITOR'S REPORT

Report on the Internal Financial Controls under Clause (i) of subsection 3 of the section 143 of the Companies Act, 2013

We have audited the internal financial controls over financial reporting of **Aartech Solonics Limited**. ("the Company") as of March 31, 2023 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Board of Directors of the Company is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to respective company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditor's Responsibility

Our responsibility is to express an opinion on the internal financial controls over financial reporting of the Company based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") issued by the Institute of Chartered Accountants of India and the Standards on Auditing prescribed under Section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained, is sufficient and appropriate to provide a basis for our audit opinion on the internal financial controls system over financial reporting of the Company.

Meaning of Internal Financial Controls over Financial Reporting

A company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.



Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Group and its associates, which are companies incorporated in India, have, maintained in all material respects, adequate internal financial controls with reference to Consolidated Financial Statements and such internal financial controls with reference to consolidated financial statements were operating effectively as at March 31, 2023, based on the internal control over financial reporting criteria established by the Holding Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For S. Ramanand Aiyar & Co.
Chartered Accountants
FRN: -000990N



CA Mayank Saklecha
Partner
(Membership No. 423727)
UDIN: 23423727BGSBWD5022
Place: Bhopal
Date: May 11, 2023

AARTECH SOLONICS LIMITED

Consolidated Balance Sheet as at March 31, 2023

Particulars	Notes	(₹ in Lakhs)	
		As at 31st March 2023	As at 31st March 2022
EQUITY & LIABILITIES			
Shareholders' Funds			
Share capital	2	1,059.01	1,059.01
Reserves & Surplus	3	1,814.33	1,678.72
Minority Interest	4	0.26	0.19
Non Current Liabilities			
Long term Borrowings		-	-
Deferred Tax Liabilities (Net)	5	18.47	16.30
Government Grant	6	17.26	47.76
Current Liabilities			
Short Term Borrowings	7	265.89	65.18
Trade Payables			
- Total outstanding dues of MSMEs	8	114.13	15.88
- Total outstanding dues of creditors other than MSMEs	8	295.20	204.60
Other Current Liabilities	9	4.47	7.91
Short Term Provisions	10	71.93	109.62
TOTAL		3,660.94	3,205.16
ASSETS			
Non-Current Assets			
Property Plant & Equipment & Intangible Assets			
- Property Plant & Equipment	11	379.83	379.55
Non-Current Investments	12	603.97	159.77
Deferred Tax Assets (Net)		-	-
Long Term Loans and Advances	13	-	602.23
Other Non Current Assets	14	55.41	47.49
Current Assets			
Current Investments	15	604.79	783.45
Inventories	16	512.89	275.54
Trade Receivables	17	1,099.95	718.41
Cash and Bank Balances	18	139.10	120.34
Short Term Loans and Advances	19	186.03	62.76
Other Current Assets	20	78.97	55.61
TOTAL		3,660.94	3,205.16

Significant accounting policies and notes to financial statements are given in note 1 to 37

The accompanying notes are integral part of the Financial Statements

Signed in terms of our report of even date

For S. Ramanand Aiyar & Co.
Chartered Accountants

For and on behalf of the Board of Directors


CA Mayank Saklecha
Partner
(Membership No. 423727)
UDIN:23423727BGSBWD5022
Place : Bhopal
Date : May 11, 2023


Amit A. Rajee
Chairman &
Managing Director


Arati Nath
Chief Executive
Officer


Pradeep V. Narkhede
Chief Financial Officer


K.R. Tanuj Reddy
Company Secretary



AARTECH SOLONICS LIMITED

Consolidated Statement of Profit and Loss for the year ended March 31, 2023

(₹ in Lakhs)

	Notes	For the year ended 31st March 2023	For the year ended 31st March 2022
REVENUES			
Revenue from operations	22	2,168.80	1,633.64
Other income	23	187.19	145.17
TOTAL INCOME		2,356.00	1,778.81
EXPENDITURES			
Cost of materials consumed	24	1,410.58	833.29
Change in inventories of finished goods and work in process	25	-139.88	-1.85
Employee benefit expenses	26	392.55	277.33
Finance costs	27	26.96	17.79
Depreciation and amortization expenses	28	38.02	34.36
Other expenses	29	392.67	275.48
TOTAL EXPENSES		2,120.90	1,436.40
Profit before exceptional and extraordinary items and tax		235.10	342.41
Exceptional Items		-	-
Extraordinary Items		-	-
Profit before tax		235.10	342.41
Tax Expense			
Current Tax		47.10	59.25
Deferred Tax	30	2.17	3.41
Profit for the year		185.83	279.75
Earnings per equity share (Par value of ₹ 10 each)			
Basic (₹)	31	1.75	2.64
Diluted (₹)		1.75	2.64

Significant accounting policies and notes to financial statements are given in note 1 to 37

The accompanying notes are integral part of the Financial Statements

Signed in terms of our report of even date

For S. Ramanand Aiyar & Co.
Chartered Accountants

CA Mayank Saklecha
Partner
(Membership No. 423727)
UDIN:23423727BGSBWD5022
Place : Bhopal
Date : May 11, 2023



For and on behalf of the Board of Directors

Amit A. Raje
Chairman &
Managing Director

Arati Nath
Chief Executive
Officer

Pradeep V. Narkhede
Chief Financial Officer

K.B. Tanuj Reddy
Company Secretary



AARTECH SOLONICS LIMITED

Consolidated Statement of Cash Flow for the year ended March 31, 2023

(₹ in Lakhs)

Particulars	For the year ended 31st March 2023	For the year ended 31st March 2022
1. Cash Flows from Operating Activities		
Net Profit and Loss a/c (as per profit and loss account)	185.83	279.75
Provision for tax made during the year	47.10	59.25
Deferred Tax	2.17	3.41
Depreciation during the year	38.02	34.36
Interest Income	-66.00	-2.13
Rental Income	-3.19	-2.59
Net gain/(- loss) on sale of investments	-75.56	-112.74
Other non-operating income (-0.61	-0.87
Government Grant for DST Project - "Saur Stambh"	-21.47	-3.39
Deferred Income of Grant received from NITI Aayog	-9.02	-
Grant from Defence Innovation Organisation for Disc5	-10.00	-22.56
Loss on Sale of Fixed Assets	14.15	-
Operating Profit Before Working Capital Changes	101.41	232.48
Working Capital Changes		
Decrease/(Increase) in Inventory	-237.35	-58.41
Decrease/(Increase) in Account Receivable	-381.54	-79.58
Decrease/(Increase) in Short term Loans and Advances	-123.26	26.10
Decrease/(Increase) in Other Current Assets	-23.36	1.77
Increase/(Decrease) in Short term borrowings	200.71	-22.38
Increase/(Decrease) in Trade Payables	188.85	80.07
Increase/(Decrease) in Short Term Provisions	5.84	4.49
Increase/(Decrease) in Other Current Liabilities	-3.44	0.05
Cash generated from Operations	-272.15	184.60
Income tax paid during the year	89.45	18.80
Net cash generated from operational activity	-361.59	165.80
2. Cash Flows from Investing Activities		
Interest Income	66.00	2.13
Rental Income	3.19	2.59
Net gain/(- loss) on sale of investments	75.56	112.74
Other non-operating income	0.61	0.87
Government Grant for DST Project - "Saur Stambh"	-	3.39
Grant from Defence Innovation Organisation for Disc5	10.00	21.47
Proceeds from marketable securities (Net)	178.66	-
Investment made in marketable securities during the year (Net)	-	-194.92
Investment made in Equity Shares	-442.58	-
Proceeds from Convertible Debentures (Net)	-	-
Purchase of new assets (net of sale proceed)	-52.45	-21.43
Decrease/(Increase) Long Term Loans & Advances	602.23	-38.40
Decrease/(Increase) in Security deposits	-7.92	-15.57
Net cash generated from Investment activity	433.31	-127.12
3. Cash Flows from Financing Activities		
Increase/(Decrease) in long term borrowing	-	-23.12
Proceeds from issue of equity shares	-	-
Dividend Paid	-52.95	-
Net cash generated from Financing activity	-52.95	-23.12
4. Net Increase/(Decrease) in Cash (1+2+3)	18.76	15.57
Cash and cash equivalents at the beginning of the year	120.34	104.78
5. Cash and cash equivalents at the end of the year	139.10	120.34

Signed in terms of our report of even date

For S. Ramanand Aiyar & Co.

Chartered Accountants

CA Mayank Saklecha

Partner

(Membership No. 423727)

UDIN:23423727BGSBWD5022

Place : Bhopal

Date : May 11, 2023



For and on behalf of the Board of Directors


 Amit A. Raje
 Chairman &
 Managing Director


 Arati Nath
 Chief Executive
 Officer


 Pradeep V. Narkhede
 Chief Financial Officer


 K.R. Tanuj Reddy
 Company Secretary



AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 CORPORATE INFORMATION:

The Consolidated Financial Statements comprise financial statements of "Aartech Solonics Limited" ("the Holding Company") and its subsidiaries "AIC- Aartech Solonics Private Limited & Faradigm Ultracapacitors Private Limited (collectively referred to as "the Group") for the year ended 31st March 2023. AIC-Aartech Solonics Private Limited & Faradigm Ultracapacitors Private Limited is wholly owned subsidiaries of Aartech Solonics Limited.

1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

The Consolidated Financial Statements of the Company have been prepared in accordance with generally accepted accounting principles in India (Indian GAAP). The Consolidated 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).

1.3 PRINCIPLES OF CONSOLIDATION:

The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.

Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.

The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.

The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.

Minority Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.

1.4 PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS:

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.

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.



AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

1.5 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.

1.6 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.

1.7 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.

1.8 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 Consolidated Financial Statements for the Year ended 31st March, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

1.9 PROPERTY, PLANT & EQUIPMENTS:

Property, Plant and Equipment 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.

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.

1.10 EXPENSES INCURRED DURING CONSTRUCTION PERIOD:

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.

1.11 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.

1.12 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.



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AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

1.13 FOREIGN CURRENCY TRANSACTIONS:

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. 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. Non-monetary foreign currency items are carried at cost. 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.

1.14 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.

1.15 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.



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AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

(ii) Leave Encashment

Leave encashment is a post-employment benefit. The Company has taken a Leave encashment policy with Life Insurance Corporation of India during the year ending March 31, 2023. The annual provision is determined by the Life Insurance Corporation and the same is paid by the Company. Before April 01, 2022, the company did not make any provisions in the books of accounts for future liability on account of leave encashment payable in the event of retirement of any of its employees or directors. The amount of leave encashment due and payable was recorded as an expense in the year in which the liability to pay the same arises.

(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.

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

1.16 LEASE:

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.

1.17 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

1.18 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.



AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

1. SIGNIFICANT ACCOUNTING POLICIES

1.19 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.

1.20 PROVISIONS AND CONTINGENCIES:

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. Provisions are not discounted and are determined based on best estimate required to settle the obligation at each balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to effect the current best estimation.

A contingent liability is recognized for:

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.

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.

1.21 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 Consolidated Financial Statements for the Year ended 31st March, 2023

2. SHARE CAPITAL

Particulars	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Authorized Share Capital:		
1,50,20,000 Equity shares of ₹10 each	1,502.00	1,502.00
[Previous Year : 1,50,00,000 Equity Shares of Rs. 10/- each]		
Total	1,502.00	1,502.00
Issued, subscribed and Paid up:		
1,05,90,125 Equity shares of ₹10 each fully paid	1,059.01	1,059.01
[Previous Year : 1,05,90,125 Equity Shares of Rs.10/- each]		
Total	1,059.01	1,059.01

2.1 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, 2023		
Aartech Solonics Limited		
Mr. Anil Anant Rajee	23,38,000	22.08%
Mrs. Chhaya Anil Rajee	13,99,999	13.22%
Mr. Amit Anil Rajee	15,63,600	14.76%
Kailash Kabra	10,60,000	10.01%
Faradigm Ultracapacitors Private Limited		
Aartech Solonics Limited	9,500	0.09%
Mr. Anil Anant Rajee (Minority Interest)	500	0.005%
AIC-Aartech Solonics Private Limited		
Aartech Solonics Limited	9,900	0.09%
As at March 31, 2022		
Aartech Solonics Limited		
Mr. Anil Anant Rajee	23,38,000	22.08%
Mrs. Chhaya Anil Rajee	13,99,999	13.22%
Mrs. Prajakta Shashikant Kulkarni	16,38,000	15.47%
Mr. Amit Anil Rajee	15,31,600	14.46%
Ashtamangal Projects Limited	9,18,000	8.67%
Faradigm Ultracapacitors Private Limited		
Aartech Solonics Limited	9,500	0.09%
Mr. Anil Anant Rajee (Minority Interest)	500	0.005%
AIC-Aartech Solonics Private Limited		
Aartech Solonics Limited	9,900	0.09%

2.2 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 2023	As at 31st March 2022
Equity Shares at the beginning of the year	1,05,90,125.00	70,60,094.00
Add : Equity shares issued during the year		-
- as fully paid up bonus shares	-	35,30,031
- as fully paid up shares for cash	-	-
Less : Shares cancelled on buy back of Equity Shares	-	-
Equity Shares at the end of the year	1,05,90,125.00	1,05,90,125.00

2.3 Terms / rights attached to Equity

- (a) 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.
- (b) The bonus share was allotted on 23rd november 2021 in the ratio of 1:2 i.e. one share for every two share.



AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

2.4 The details of shares held by promoters in the Company:

Name of Promoters	No. of Shares	% held	% Change during
As at March 31, 2023			
<u>Aartech Solonics Limited</u>			
Mr. Anil Anant Rajee	23,38,000	22.08%	Nil
Mrs. Chhaya Anil Rajee	13,99,999	13.22%	Nil
<u>Faradigm Ultracapacitors Private Limited</u>			
Aartech Solonics Limited	9,500	0.09%	Nil
Mr. Anil Anant Rajee - Minority Interest (refer note 2.6)	500	0.005%	Nil
<u>AIC-Aartech Solonics Private Limited</u>			
Aartech Solonics Limited	9,900	0.09%	Nil
Mr. Anil Anant Rajee - Minority Interest (refer note 2.7)	100	0.001%	Nil
As at March 31, 2022			
<u>Aartech Solonics Limited</u>			
Mr. Anil Anant Rajee	23,38,000	22.08%	Nil
Mrs. Chhaya Anil Rajee	13,99,999	13.22%	Nil
<u>Faradigm Ultracapacitors Private Limited</u>			
Aartech Solonics Limited	9,500	0.09%	Nil
Mr. Anil Anant Rajee - Minority Interest (refer note 2.6)	500	0.005%	Nil
<u>AIC-Aartech Solonics Private Limited</u>			
Aartech Solonics Limited	9,900	0.09%	Nil
Mr. Anil Anant Rajee - Minority Interest (refer note 2.7)	100	0.001%	Nil

2.5 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.

2.6 Since, Mr. Anil Anant Rajee does not have any beneficial interest in the shares, the company Faradigm Ultracapacitors Private Limited is a wholly owned subsidiary of Aartech Solonics Ltd as it is having 100% beneficial interest in the shares of Faradigm Ultracapacitors Private Limited.

2.7 Nominee shareholder holding shares on behalf of Aartech Solonics Ltd U/s 187 of Companies Act 2013. Hence, AIC- Aartech Solonics Pvt Ltd is a wholly owned subsidiary of Aartech Solonics Ltd as per the said section

3. RESERVES AND SURPLUS

Particulars	₹ in Lakhs	
	As at 31st March 2023	As at 31st March 2022
a) Capital Reserve		
Balance as per last Financial Statements	35.52	35.52
Add : Transferred from the statement of profit and loss	-	-
Closing Balance	35.52	35.52
b) General Reserve		
Balance as per last Financial Statements	616.15	969.15
Less : Bonus Shares Issued	-	353.00
Closing Balance	616.15	616.15
c) Securities Premium		
Balance as per last Financial Statements	509.20	509.20
Add : Received during the year on issue on share	-	-
Closing Balance	509.20	509.20
d) Surplus / (deficit) balance in statement of profit and loss during the year		
Balance as per last Financial Statements	518	280.16
Add : Profit for the year	186	279.75
Add : Provision of Income Tax	1.18	0.92
Add : Profit /(Loss) of Associate Company (Enerqual Technology Private Limited) - Unaudited	1.62	-
Less: Appropriations:		
- Share of Minority Interest (Refer note 4)	0.07	7.68
- Transferred to General Reserve	-	-
- Dividend paid on Equity Shares	52.95	35.30
Closing Balance	653.46	517.84
Total	1,814.33	1,678.72



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AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

4. MINORITY INTEREST

Particulars	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
AIC - AARTECH SOLONICS PRIVATE LIMITED		
- Share Capital of AIC-Aartech Solonics Pvt Ltd	0.01	0.01
- Profit & Loss of AIC-Aartech Solonics Pvt Ltd	-1.86	-1.75
	-1.85	-1.74
FARADIGM ULTRACAPACITORS PRIVATE LIMITED		
- Share Capital of Faradigm Ultracapacitors Pvt Ltd	0.05	0.05
- Profit & Loss of Faradigm Ultracapacitors Pvt Ltd	2.05	1.88
	2.10	1.93
Total	0.26	0.19

5. DEFERRED TAX LIABILITIES (Net)

Particulars	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Opening Balance	16.30	12.89
Add: Deferred tax Liability arising on account of difference in Depreciation as per Companies Act and as per Income Tax Act	1.97	2.41
Add: Deferred tax Liability arising on account of section 43B of Income Tax Act	0.20	0.97
Add: Deferred tax Liability arising on account of section 35D of Income Tax Act	-	0.03
Closing Balance	18.47	16.30

5.1 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.

6. GOVERNMENT GRANT

Particulars	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
- Grant Received from Niti Aayog	17.26	26.28
- Unspent Capital Grant for DST Project	-	14.38
- Unspent Revenue Grant for DST	-	7.10
Total	17.26	47.76



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AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

7. SHORT TERM BORROWINGS

(₹ in Lakhs)

Particulars	As at	As at
	31st March 2023	31st March 2022
Secured		
Loans Repayable On Demand		
From Bank		
– HDFC Bank CC Account	265.89	65.18
Total	265.89	65.18

7.1 Interest charged by HDFC Bank @ 8.5% (Floating Rate) on CC Account.

7.2 **Primary Securities:-** Hypothecation of Stocks and Debtors.

7.3 **Collateral Securities:-** Industrial property approx. 14,779 sq. feet at plot no. 35A/36, Sector-B, Industrial area, Mandideep, District Raichur, pledged as security for CC account with HDFC Bank amounting to ₹ 5,12,00,000 and 8 no. Flat at Indus Mandideep approx. 450 sq. feet each pledged as security for CC account with HDFC Bank amounting to ₹ 67,25,000.

7.4 Details of monthly stock and book debts statement submitted to Bank:

S. No.	Particulars of Securities Provided	Name of Bank	Period	Amount as per books of account	Amount as reported in the statement	Amount of Difference
1	Inventory	HDFC Bank Limited	Jun-22	404.05	404.05	-
2	Trade Receivables	HDFC Bank Limited	Jun-22	394.74	394.74	-
3	Trade Payables	HDFC Bank Limited	Jun-22	411.80	411.80	-
4	Advance from Customer	HDFC Bank Limited	Jun-22	1.54	1.54	-
5	Advance to Suppliers	HDFC Bank Limited	Jun-22	47.56	47.56	-
6	Sales	HDFC Bank Limited	Jun-22	153.52	153.52	-
7	Inventory	HDFC Bank Limited	Sep-22	391.90	366.79	25.11
8	Trade Receivables	HDFC Bank Limited	Sep-22	466.55	504.55	-38.00
9	Trade Payables	HDFC Bank Limited	Sep-22	512.65	498.90	13.75
10	Advance from Customer	HDFC Bank Limited	Sep-22	1.71	1.72	-0.02
11	Advance to Suppliers	HDFC Bank Limited	Sep-22	77.24	79.61	-2.37
12	Sales	HDFC Bank Limited	Sep-22	146.81	146.81	-
13	Inventory	HDFC Bank Limited	Dec-22	611.00	611.00	-
14	Trade Receivables	HDFC Bank Limited	Dec-22	643.58	643.58	-
15	Trade Payables	HDFC Bank Limited	Dec-22	455.01	455.01	-
16	Advance from Customer	HDFC Bank Limited	Dec-22	1.16	1.16	-
17	Advance to Suppliers	HDFC Bank Limited	Dec-22	49.23	49.23	-
18	Sales	HDFC Bank Limited	Dec-22	216.87	216.87	-
19	Inventory	HDFC Bank Limited	Mar-23	447.64	494.22	-46.58
20	Trade Receivables	HDFC Bank Limited	Mar-23	1,101.52	1,108.98	-7.47
21	Trade Payables	HDFC Bank Limited	Mar-23	463.24	450.52	12.71
22	Advance from Customer	HDFC Bank Limited	Mar-23	0.74	1.06	-0.32
23	Advance to Suppliers	HDFC Bank Limited	Mar-23	168.17	169.28	-1.11
24	Sales	HDFC Bank Limited	Mar-23	493.18	493.18	-

7.4 The above differences are due to late booking of Purchases/payment to suppliers and amount received from customer after the submission of stock and debtors statement to Bank.



AARTECH SOLONICS LIMITED**Notes on Consolidated Financial Statements for the Year ended 31st March, 2023****8. TRADE PAYABLES**

(₹ in Lakhs)

Particulars	As at	As at
	31st March 2023	31st March 2022
Micro, Small and Medium Enterprises	114.13	15.88
Others	295.20	204.60
Total	409.33	220.48

8.1 Steps have been taken to identify the suppliers who qualify under the definition of micro and small enterprises, as defined under the Micro, Small and Medium Enterprises Development Act 2006. Disclosures relating to amounts unpaid as at the year end, have been furnished. In the opinion of the management, the impact of interest, if any, that may be payable in accordance with the provisions of the Act, is not expected to be material.

8.2 Trade Payables ageing schedule: As at 31st March, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
MSME	114.13	-	-	-	114.13
Others	293.57	0.05	0.68	0.90	295.20
MSME - Disputed Dues	-	-	-	-	-
Others - Disputed Dues	-	-	-	-	-

8.3 Trade Payables ageing schedule: As at 31st March, 2022

(Amount in ₹)

Particulars	Outstanding for following periods from due date of payment				Total
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	
MSME	15.88	-	-	-	15.88
Others	203.02	0.68	-	0.90	204.60
MSME - Disputed Dues	-	-	-	-	-
Others - Disputed Dues	-	-	-	-	-

9. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at	As at
	31st March 2023	31st March 2022
Electricity Expenses Payable	-	0.57
Professional Fees Payable	0.30	0.81
Expenses Payable	3.43	3.23
Advance from Customers	0.74	3.29
Total	4.47	7.91

10. SHORT TERM PROVISIONS

(₹ in Lakhs)

Particulars	As at	As at
	31st March 2023	31st March 2022
Provision for Employee Benefits:		
- Salary and Reimbursements	34.96	35.70
- Statutory Bonus	4.47	3.75
- Contribution to ESIC and Provident	1.60	1.39
Duties & Taxes Payable		
- Tax Deducted at source Payable	21.74	16.24
- GST Payable	-	-
- Professional Tax Payable	0.09	0.05
- Provision for Income Tax	7.86	51.39
Other Provisions:		
- Audit Fees	1.20	1.10
Total	71.93	109.62



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AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

11. PROPERTY, PLANT & EQUIPMENT

(₹ in Lakhs)

Particulars	Gross Block				Rate of Depreciation
	As at 01/04/2022	Addition	(Deduction)	As at 31/03/2023	
Land	17.91	-	-	17.91	0.00%
Building	234.18	-	-	234.18	3.17%
Plant & Machinery	192.94	24.39	(29.72)	187.61	6.33%
Electrification	32.38	0.97	-	33.34	9.50%
Office Equipment	36.04	16.71	-	52.75	19.00%
Computer & Accessories	41.85	12.26	-	54.11	31.67%
Testing Equipment	8.19	0.15	-	8.34	6.33%
Furniture & Fixtures	72.85	11.00	-	83.85	9.50%
Vehicles	33.82	-	-	33.82	11.88%
Tools	29.35	0.12	-	29.47	6.33%
Total	699.50	65.60	-29.72	735.38	
Previous Year	695.03	27.83	-23.36	699.50	

Particulars	Depreciation & Amortisation			Net Block		
	As at 01/04/2022	For the year	As at 31/03/2023	As at 01/04/2022	As at 31/03/2023	
Land	-	-	-	17.91	17.91	
Building	84.44	7.42	91.86	149.73	142.31	
Plant & Machinery	47.32	13.39	58.28	145.62	129.33	
Electrification	21.66	1.41	23.07	10.72	10.27	
Office Equipment	30.26	3.99	34.25	5.78	18.50	
Computer & Accessories	35.44	5.07	40.51	6.42	13.60	
Testing Equipment	6.55	0.30	6.85	1.64	1.49	
Furniture & Fixtures	58.37	3.03	61.40	14.47	22.45	
Vehicles	27.02	1.55	28.56	6.81	5.26	
Tools	8.90	1.86	10.76	20.45	18.71	
Total	319.95	38.02	355.55	379.55	379.83	
Previous Year	319.19	16.75	319.95	369.92	379.55	



AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

12. NON CURRENT INVESTMENT

Particulars	(₹ In Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Investment in property	130.65	130.65
Other Investment	0.01	0.01
Investment in Associate		
In Unquoted Securites		
– Enerqual Technology Private Limited	4.62	3.00
Investments in equity instruments:		
In Quoted Securites		
– Dena Bank Equity	-	0.55
– Rudra Global Infra Products Limited	50.01	-
– Bandhan Bank Limited	0.02	-
In UnQuoted Securites (related parties)		
– Epsilon Ten Ltd	393.10	-
– Umang Shridhar Design Private Limited	25.00	25.00
– Ansheo Nutrawaew Private Limited	0.25	0.25
– Bozobaka Labs Private Limited	0.32	0.32
Total	603.97	159.77
Quoted Investments – Book Value	50.03	0.55
Quoted Investments – Market Value	36.97	0.55

13. LONG TERM LOANS & ADVANCES

Particulars	(₹ In Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Other Loans and Advances (Unsecured Considered Good)	-	602.23
Total	-	602.23

14. OTHER NON CURRENT ASSETS

Particulars	(₹ In Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Security Deposits (Unsecured Considered Good)	55.41	47.49
Total	55.41	47.49



AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

15. CURRENT INVESTMENT

Particulars	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Investments in mutual funds (Instrument wise):		
- Aditya Birla Sunlife Equity Advantage Growth Fund	13.00	1.00
- Nippon India Ultra Short Duration Fund Growth Plan	55.00	394.49
- Aditya Birla Sun Life Banking and Financial Services	-	5.38
- Aditya Birla Sun Life India Gen Next Fund Growth	-	10.00
- Aditya Birla Sun Life MNC Fund Growth Plan	-	10.00
- Aditya Birla Sun Life Overnight Fund Growth Plan	0.01	0.01
- DSP Mid Cap Fund Regular Plan Growth	6.00	1.00
- HDFC Small Cap Fund Regular Plan	4.00	8.50
- HDFC Top 100 Fund Regular Growth Plan	3.50	9.48
- Bandhan Bond Fund Medium Term Plan Growth	8.00	1.00
- Bandhan Ultra Short Term Fund Regular Plan	8.00	1.00
- Invesco India Gilt Fund Growth Plan	1.00	1.00
- Kotak Balanced Advantage Fund Growth	-	9.30
- Kotak Emerging Equity Scheme Growth Regular Plan	4.50	8.50
- Kotak Equity Opportunities Fund Growth Regular Plan	9.00	3.00
- Kotak Pioneer Fund Growth Regular Plan	-	13.49
- Kotak Nifty Next 50 Index Fund Growth Regular Plan	1.75	1.75
- Kotak Global Innovation Fund Growth Regular Plan	0.10	0.10
- Nippon India Banking & Financial Services Fund Growth	8.30	18.25
- Nippon India CPSE ETF Fund	-	1.75
- Nippon India Growth Fund Growth Plan	1.93	-
- Nippon India Income Fund Growth Plan	8.04	-
- Nippon India Large Cap Fund Growth Plan	92.62	58.21
- Nippon India Multi Cap Fund Growth Plan	2.20	14.25
- Nippon India Overnight Fund Growth Plan	10.00	0.05
- Nippon India Short Term Fund Growth Plan	10.07	0.10
- Nippon India Floating Rate Fund Growth Plan	15.00	-
- Nippon India Index Fund Nifty 50 Plan Growth Option	20.00	-
- Nippon India Small Cap Fund-Growth Plan	4.93	3.19
- Nippon India Value Fund Growth Plan	1.10	8.00
- Nippon India Gold Savings Fund Growth Plan	2.20	-
- Bandhan Sterling Value Fund Growth Regular Plan	-	5.03
- Bandhan Balanced Advantage Fund Regular Plan Growth	-	3.21
- Nippon India Pharma Fund Growth Plan	2.00	4.83
- DSP Flexi Cap Fund Regular Plan Growth	-	15.64
- Tata Balances Advantage Fund Regular Plan Growth	5.96	5.96
- Nippon India Flexi Cap Fund Growth Plan	-	3.23
- Tata Resources & Energy Fund Regular Plan Growth	5.00	100.00
- Nippon India Multi Cap Fund Growth (466218393367)	-	5.00
- Nippon India Ultra Short Duration Fund (466218393367)	-	1.99
- Nippon India Taiwan Equity Fund Growth Plan	45.27	4.77
- Nippon India Power & Infra Fund Growth Plan	-	45.00
- Nippon India Floating Rate Fund Growth Plan	0.21	6.00
- Nippon India Large Cap Fund Growth (466218393367)	84.97	-
- Nippon India Nifty AAA PSU Bond Plus SDL 50:50 Index	0.20	-
- Nippon India Equity Saving Fund Growth (466218393367)	60.00	-
- Nippon India Overnight Fund Growth (466218393367)	53.22	-
- Nippon India Nifty SDL Plus G-SEC 70:30 Index Fund	26.02	-
- Nippon India Small Cap Fund Growth (466218393367)	1.70	-
- Nippon India Fixed Horizon Fund XI V Series 5 Growth	30.00	-
Total	604.79	783.45
Quoted Investments – Book Value	604.79	783.45
Quoted Investments – Market Value	596.55	820.56
Total	604.79	783.45



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AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

16. INVENTORIES

(₹ in Lakhs)

Particulars	As at	As at
	31st March 2023	31st March 2022
Raw Materials and components	362.45	264.98
Work-in-progress	119.03	10.25
Finished Goods	31.40	0.31
Total	512.89	275.54

17. TRADE RECEIVABLES

(₹ in Lakhs)

Particulars	As at	As at
	31st March 2023	31st March 2022
Outstanding for more than 6 months		
– Secured, considered good		
– Unsecured, considered good	149.64	171.27
– Doubtful		
Others		
– Secured, considered good		
– Unsecured, considered good	950.32	547.14
– Doubtful		
Total	1,099.95	718.41

17.1 Trade Receivables ageing schedule: As at 31st March, 2023

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
Undisputed Considered Good	950.32	89.00	17.81	21.18	21.65
Undisputed Considered Doubtful	-	-	-	-	-
Disputed Considered Good	-	-	-	-	-
Disputed Considered Doubtful	-	-	-	-	-

17.2 Trade Receivables ageing schedule: As at 31st March, 2022

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 6 months	6 months -1 year	1-2 years	2-3 years	More than 3 years
Undisputed Considered Good	547.14	31.96	82.74	27.40	29.16
Undisputed Considered Doubtful	-	-	-	-	-
Disputed Considered Good	-	-	-	-	-
Disputed Considered Doubtful	-	-	-	-	-



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AARTECH SOLONICS LIMITED**Notes on Consolidated Financial Statements for the Year ended 31st March, 2023****18. CASH AND CASH EQUIVALENTS**

Particulars	(₹ in Lakhs)	
	As at	As at
	31st March 2023	31st March 2022
Balances with banks:		
– In Current Accounts	15.48	61.35
Cash on hand	0.16	0.27
Balances With banks held as margin money(Refer note 18.1)	121.83	56.69
Others (refer note no. 18.2)	1.63	2.03
Total	139.10	120.34

18.1 This represent fixed deposits pledged with banks for bank guarantees.

18.2 Others represent imprest given to employees for incurring expenses.

19. SHORT TERM LOANS AND ADVANCES

Particulars	(₹ in Lakhs)	
	As at	As at
	31st March 2023	31st March 2022
Unsecured Loans and Advances: (Unsecured, considered good)		
Advance to Suppliers	181.93	42.67
Advance to Employees	-	16.79
Prepaid Expenses	4.10	3.30
Total	186.03	62.76

20. OTHER CURRENT ASSETS

Particulars	(₹ in Lakhs)	
	As at	As at
	31st March 2023	31st March 2022
Income Tax Refund Receivable AY 2020-21	-	2.22
TDS Receivable	3.07	1.21
Accrued Interest	0.40	0.75
GST Receivable	75.50	51.43
Total	78.97	55.61

20. CONTINGENT LIABILITIES & COMMITMENTS

Particulars	(₹ in Lakhs)	
	As at	As at
	31st March 2023	31st March 2022
Contingent liabilities:		
– Claims against the company not acknowledged ad debt;	-	-
– Guarantees;	344.85	317.59
– Interest On MSME creditors outstanding for more than 45 days	0.92	-
Total	345.77	317.59

21.1 There is no litigation pending against the company involving actions by Tax Liabilities, Statutory/Regulatory Authorities and Others. In the opinion of the management, there is no present obligation that probably required an outflow of resources and a reliable estimate cannot be made of the amount of obligation, therefore no provision is recognised.



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AARTECH SOLONICS LIMITED**Notes on Consolidated Financial Statements for the Year ended 31st March, 2023****22. REVENUE FROM OPERATIONS**

(₹ in Lakhs)

Particulars	As at	
	31st March 2023	31st March 2022
Sale of Products	1,994.98	1,510.93
Sale of Services	173.82	122.71
Total	2,168.80	1,633.64

23. OTHER INCOME

(₹ in Lakhs)

Particulars	As at	
	31st March 2023	31st March 2022
- Interest Income	66.00	2.13
- Rental Income	3.19	2.59
- Government Grant for DST Project - "Saur Stambh"	21.47	3.39
- Grant from Defence Innovation Organisation for Disc5	10.00	-
- Deferred Income of Grant received from NITI Aayog	9.02	-
- Net gain/(- loss) on sale of investments	75.56	112.74
- Net gain on foreign currency transaction and translation	1.33	0.89
- Other non-operating income	0.61	0.87
- Profit on sale of Fixed Assets	-	22.56
Total	187.19	145.17

23.1 Receipts in foreign currency during the year & previous year:

(₹ in Lakhs)

Particulars	As at 31st March 2023		As at 31st March 2022		
	Foreign Currency	Amount in ₹	Foreign Currency	Amount in ₹	
(a) Earning in foreign exchange on FOB Basis (Sales):					
- Service Invoice	USD	\$ 0.40	30.93	\$ 0.86	50.24
- Export		-	-	-	-
(b) Expenditure in foreign currency on account of:					
- Travelling Expenses	GBP	£ 0.03	2.47	-	-
- Travelling Expenses	USD	\$ 0.00	0.20	-	-
- Visa		-	-	-	-
Total		0.42	33.60	0.86	50.24

*Investment in Epsilon Ten Ltd is done in foreign currency since the company is UK Based



AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

24. COST OF MATERIALS CONSUMED

(₹ in Lakhs)

Particulars	As at	
	31st March 2023	31st March 2022
Purchase of Raw Materials	1,508.04	889.85
Opening Balance of Raw Materials	264.98	208.42
Less : Closing Balance of Raw Materials	362.45	264.98
Total	1,410.58	833.29

24.1 Details of Imported Raw Material stated on C.I.F. basis:

S.No.	Particulars	Imported Raw Material	Indigenous Raw Material	Total
1	Purchases of Raw Material	431.34	1,076.71	1,508.04
2	Opening Balance of Raw Material	116.74	148.24	264.98
3	Closing Stock of Raw Material	91.70	270.75	362.45

25. CHANGE IN INVENTORIES

(₹ in Lakhs)

Particulars	As at	
	31st March 2023	31st March 2022
Finished goods:		
Opening Balance	0.31	0.11
Less: Closing Balance	31.40	0.31
	-31.10	-0.20
Work-in-Progress:		
Opening Balance	10.25	8.60
Less: Closing Balance	119.03	10.25
	-108.78	-1.65
Total	-139.88	-1.85



AARTECH SOLONICS LIMITED**Notes on Consolidated Financial Statements for the Year ended 31st March, 2023****26. EMPLOYEE BENEFIT EXPENSES**

Particulars	(₹ in Lakhs)	
	As at	As at
	31st March 2023	31st March 2022
Salaries and Wages:		
– Directors Remuneration	63.69	41.52
– Staff Salary	268.49	198.00
– Salary relates to Recognised Research & Development Facility	30.65	9.53
– Statutory Bonus	4.47	7.48
Contribution to Provident Fund and Other Funds	10.54	9.38
Staff Welfare Expenses	14.71	11.42
Total	392.55	277.33

26.1 As per Accounting Standard 15 "Employee benefits", the disclosures as defined in the Accounting Standard are given below :

Defined Benefit Plans :

Contribution to Defined Contribution Plans, recognized as expense for the year is as under :

Particulars	(₹ in Lakhs)	
	2022-2023	2021-2022
Employer's Contribution to Provident Fund	9.04	7.84
Employer's Contribution to ESIC	1.50	1.55
Total	10.54	9.38

Defined Benefit Plans :

Company has made an arrangement with Life Insurance Corporation for Gratuity Benefits. Now the company makes annual contributions to the

Gratuity:**Reconciliation of opening and closing balances of Defined Benefit Obligation**

Particulars	(₹ in Lakhs)	
	2022-2023	2021-2022
Defined Benefit Obligation at beginning of the year	37.21	44.67
Current Service Cost	3.84	4.04
Benefits Paid	(5.87)	(3.89)
Actuarial Assumptions :		
Particulars	2022-2023	2021-2022
Discount rate	7.00%	7.00%
Salary Escalation	8.00%	7.00%

Leave Encashment:**Key results (The amount to be recognized in the Balance Sheet):**

Particulars	(₹ in Lakhs)	
	2022-2023	2021-2022
Present value of obligations as at end of year	19.70	-
Current Service Cost	1.11	-
Benefits Paid	-	-
The assumptions employed for the calculations are tabulated:		
Discount Rate	7.25%	-
Salary Growth Rate	7.00%	-



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AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

27. FINANCE COST

Particulars	(₹ in Lakhs)	
	As at	As at
	31st March 2023	31st March 2022
Interest Expenses (Refer Note No. 27.1)	18.37	12.82
Other borrowing costs (Refer Note No.27.2)	8.59	4.97
Total	26.96	17.79

27.1 Interest Expenses shown interest on CC/OD Account.

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

28. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	(₹ in Lakhs)	
	As at	As at
	31st March 2023	31st March 2022
Depreciation of tangible assets	38.02	34.36
Amortisation of intangible assets	-	-
Total	38.02	34.36

28.1 Refer Note 11 for assets wise details of depreciation charge and Note 1.11 for depreciation policy and rates of depreciation.



AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

29. OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Administrative Expenses		
Audit fees	1.40	1.20
Director Sitting Fees	1.35	0.90
Membership & Registration Fees	1.55	1.73
Insurance Expenses	1.53	2.12
Internet Expenses	4.27	2.86
Legal expenses	6.43	8.72
Professional & consultancy expenses	57.64	52.04
Electricity Expenses	0.31	0.74
Office Expenses	4.40	2.27
Postage & Courier Expenses	0.52	0.24
Printing & Stationery Expenses	2.23	1.33
Rates and taxes	14.11	0.61
Rent Office	18.00	18.00
Repairs & Maintenance	19.85	7.95
Vehicle Repairs & Maintenance	4.92	6.16
TCS ERP Solution	4.78	2.95
Security Expenses	1.74	1.28
Telephone & Mobile expenses	1.58	1.67
Water Charges	1.24	1.34
Loss on Sale of Fixed Assets	14.15	-
Incubation Centre Expenses	0.52	2.64
Miscellaneous administrative expenses	12.75	12.80
Total (A)	175.26	129.56
Manufacturing Expenses		
Power and Fuel	14.47	9.20
Rent Factory	3.78	3.67
Job Work Expenses	28.66	28.89
Site Development expenses	6.99	8.83
Repairs to machinery	2.34	3.00
Testing & Calibration Charges	10.93	3.03
MPIDC Annual Maintenance Charges	0.87	0.88
Labour Charges	3.15	7.72
Miscellaneous manufacturing expenses	4.47	2.76
Total (B)	75.67	67.96
Selling and Marketing Expenses		
Advertisement and business promotion expenses	9.37	4.13
Sales Commission	22.30	16.86
Travelling Expenses	23.78	19.08
Travelling Expenses - Foreign	6.52	-
Late Delivery	15.94	11.09
Transportation Outward	26.89	20.85
Tender Fees	1.06	1.42
Other Selling Expenses	6.59	3.56
Total (C)	112.44	76.99
Research & Development Expenses		
Material Consumed	6.24	0.73
Travelling Expenses	7.87	0.22
Other Expenses	15.20	0.02
Total (D)	29.30	0.96
Loss due to Foreign Currency Fluctuation (E)	-	-
Total Other Expenses (A+B+C+D+E)	392.67	275.48



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AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

30. 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:

			(₹ in Lakhs)
30.1	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	:	₹ 45.48
	– Depreciation as per Companies Act, 2013	:	₹ 38.02
	– Difference	:	₹ 7.46
	– Deferred Tax Expense/(Income)	:	₹ 1.97
30.2	Deferred tax impact on Unpaid bonus not deductible u/s 43B of Income Tax Act		
	– Unpaid bonus not deductible u/s 43B of Income Tax Act	:	₹ 4.47
	– Unpaid bonus paid during the year	:	₹ 3.75
	– Difference	:	₹ 0.73
	– Deferred Tax Expense/(Income)	:	₹ 0.20
30.3	Net deferred tax expense debited to statement of profit and loss for the period is ₹		2.17

31. EARNING PER SHARE

Particulars	(₹ in Lakhs)	
	As at 31st March 2023	As at 31st March 2022
Net profit after tax	185.83	279.75
Weighted average number of equity shares	1,05,90,125.00	1,05,90,125.00
Earning Per Share (Face value of Rs. 10/- fully paid)	1.75	2.64

32 Previous year's figures have been reclassified regrouped and rearranged wherever found necessary to make them comparable with current year.

33 In the opinion of the management, all current assets, loans and advances would be realizable at least an amount equal to the amount at which

34. RELATED PARTY DISCLOSURE

34.1 Names of related parties and description of relationship :

S.No.	Name of Related Party	Relation
1	AIC-Aartech Solonics Private Limited	Subsidiary Company
2	Faradigm Ultracapacitors Private Limited	Subsidiary Company
3	Anil Anant Raje	Non-Executive Director
4	Amit Anil Raje	Chairman & Managing Director
5	Arati Nath	CEO & Director
6	Prashant Dattatray Lowlekar	Independent Director
7	Kshitij Negi	Independent Director
8	Supriya Sunil Chitre	Independent Director
9	Pradeep Vasant Narkhede	Chief Financial Officer
10	Epsilon Ten Ltd	Enterprises where key management personnel exercise significant influence
11	Umang Shridhar Design Private Limited	
12	Enerqual Technology Private Limited	Associate Company
13	K. R. Tanuj Reddy	Company Secretary



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AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

34.2 Transactions with related parties for the year ended:

(₹ In Lakhs)

S.No.	Name of Related Party	Nature of Transaction	As at	
			31st March 2023	31st March 2022
1	AIC-Aartech Solonics Private Limited	Interest paid on Unsecured Loan	0.84	0.80
2	AIC-Aartech Solonics Private Limited	Repayment of Unsecured Loan	10.87	-
3	AIC-Aartech Solonics Private Limited	Interest on Debentures	17.00	17.00
4	AIC-Aartech Solonics Private Limited	Others Services (Expenses)	25.00	-
5	AIC-Aartech Solonics Private Limited	Job Work Service (Revenue)	8.43	6.19
6	Faradigm Ultracapacitors Pvt Ltd	Interest paid on Unsecured Loan	-	0.72
7	Faradigm Ultracapacitors Pvt Ltd	Repayment of Unsecured Loan	-	9.02
8	Faradigm Ultracapacitors Pvt Ltd	Interest on Convertible Debentures	20.45	21.25
9	Faradigm Ultracapacitors Pvt Ltd	Sales	79.13	421.41
10	Faradigm Ultracapacitors Pvt Ltd	Purchases	-	11.28
11	Faradigm Ultracapacitors Pvt Ltd	Repayment of Convertible Debentures	0.00	-
12	Anil Anant Raje	Rent for Head Office	18.00	18.00
13	Anil Anant Raje	Exgratia	15.00	23.23
14	Anil Anant Raje	Sitting Fees	0.45	-
15	Amit Anil Raje	Directors Remuneration	32.67	21.34
16	Arati Nath	Directors Remuneration	31.02	20.19
17	Prashant Dattatray Lowlekar	Sitting Fees	0.60	0.45
18	Kshitij Negi	Sitting Fees	0.30	0.45
19	Pradeep Vasant Narkhede	Salaries	12.51	7.71
20	Epsilon Ten Ltd	Investment	393.00	-
21	K. R. Tanuj Reddy	Salaries	7.20	6.20

34.3 Balance with related parties for the year ended 31st march 2023

(₹ In Lakhs)

S.No.	Name of Related Party	Relation	As at	
			31st March 2023	31st March 2022
Investments in Fully Convertible Debenture:				
1	Faradigm Ultracapacitors Private Limited	Subsidiary Company	220.00	250.00
2	AIC- Aartech Solonics Pvt Ltd	Subsidiary Company	200.00	200.00
Total			420.00	450.00
Trade Payables				
1	Faradigm Ultracapacitors Pvt Ltd	Subsidiary Company	53.98	202.45
2	AIC-Aartech Solonics Private Limited	Subsidiary Company	12.00	-
Total			65.98	202.45
Trade Receivables				
1	AIC-Aartech Solonics Private Limited	Subsidiary Company	-	1.05
Total			-	1.05
Investment				
1	Umang Shridhar Design Private Limited	KMP has significant influence	25.00	25.00
2	Enerqual Technology Private Limited	Associate Company	3.00	3.00
3	Epsilon Ten Ltd	KMP has significant influence	393.00	-
Total			421.00	28.00



AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

35. ADDITIONAL REGULATORY INFORMATION:

S.No. Particulars

- 1 All the Title Deed of the Immovable Properties is registered in the name of the Company; therefore, no disclosure required.
- 2 As per the information and declaration given by the management, during the financial year under review, Company has not revalued its Property, Plant and Equipment (including Right-of-Use Assets), therefore, no disclosure required for revaluation of Property, Plant and Equipment's and its valuation by a registered valuer.
- 3 Company has not granted any Loans or Advances in the nature of loans to its promoters, directors, KMPs and the related parties (as defined under Companies Act, 2013), either severally or jointly with any other person, that are repayable on demand or repayable on any terms or periods.
- 4 As per the information and declaration given by the management, Company has not any intangible Assets under development ; therefore, no disclosure required.
- 5 As per the information and declaration given by the management, Company has not any Capital work-in-progress; therefore, no disclosure required.
- 6 **Details of Benami Property held:** During the Period under review, No Proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 7 The Company has borrowings from banks or financial institutions on the basis of security of current assets and liabilities, it shall disclose the following:-
(a) monthly statements of current assets and liabilities filed by the Company with banks or financial institutions are in agreement with book of accounts.(except in the month of Sep-22 & Mar-23).
(b) refer note 6.3 for summary of reconciliation and reasons of material discrepancies.
- 8 **Wilful Defaulter:** During the Period under review, Company has not declared wilful defaulter by any bank or financial Institution or other lender.
- 9 **Relationship with Struck off Companies:** During the Period under review, Company has not entered into any the company has any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.
- 10 **Registration of charges or satisfaction with Registrar of Companies (ROC):** As per information & declaration given by the management, No charges or satisfaction yet to be registered with ROC during the Period under review.
- 11 **Compliance with number of layers of companies:** As per the information and declaration given by the management, Company has not made any investment; therefore, this clause is not applicable.
- 12 **Ratios:** refer note no. 36
- 13 **Undisclosed income:** There is no income surrendered or disclosed as income during the current or previous year in the tax assessments under the Income Tax Act, 1961.
- 14 **Details of crypto currency or virtual currency:** The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- 15 **Compliance with approved Scheme(s) of Arrangements:** NA
- 16 **CSR :**The provision of CSR as per section 135 of Companies Act 2013 is not applicable to the company
- 17 **Utilisation of Borrowed funds and share premium:** During the Period under Review, Company has neither advanced, loaned or invested funds (either borrowed funds, Share Premium or any other sources or kind of funds) to any other person(s) or entity including foreign entities (intermediaries) nor received any funds from any person(s) or entity(is) including foreign entities(funding party).

18 Disclosure related to subsidiary/Associate Company

S.No.	Name of the entity in parent Subsidiaries	Net Assets, i.e., total assets minus total liabilities		Share in profit or loss	
		As % of consolidated net assets	Amount	As % of consolidated profit or loss	Amount
1	<u>Parent Subsidiaries Indian</u>				
	AIC-Aartech Solonics Private Limited	-6.25%	-181.84	-5.74%	-10.66
	Faradigm Ultracapacitors Private Limited	1.68%	48.92	1.78%	3.30
2	<u>Minority Interest in all Subsidiaries & Associate</u>				
	AIC-Aartech Solonics Private Limited	-0.06%	-1.85	-0.06%	-0.11
	Faradigm Ultracapacitors Private Limited	0.07%	2.10	0.09%	0.17
	Enerqual Technology Private Limited	0.16%	4.62	0.87%	1.62



AARTECH SOLONICS LIMITED**Notes on Consolidated Financial Statements for the Year ended 31st March, 2023****36. RATIO ANALYSIS**

(₹ in Lakhs)

S.No.	Particulars	As at 31st March 2023	As at 31st March 2022	Changes in %	Remarks
1	<u>Current Ratio</u>	348.81%	500.05%	151.24%	Refer note 36.1
	Numerator - Current Assets	2,621.73	2,016.11		
	Denominator - Current Liabilities	751.61	403.18		
2	<u>Debt Equity Ratio</u>	26.16%	14.73%	-11.43%	
	Numerator - Total Outside Liabilities	751.61	403.18		
	Denominator - Total Shareholders Equity	2,873.34	2,737.73		
3	<u>Debt Service Coverage Ratio</u>	91.10%	501.61%	410.51%	Refer note 36.2
	Numerator - Net Operating Income	242.22	326.93		
	Denominator - Debt Service	265.89	65.18		
4	<u>Return on Equity Ratio</u>	6.62%	10.68%	4.06%	
	Numerator - Profit for the period	185.83	279.75		
	Denominator - Avg. Shareholders Equity	2,805.54	2,618.89		
5	<u>Inventory Turnover Ratio</u>	322.34%	337.52%	15.18%	
	Numerator - Cost of Goods sold	1,271	831		
	Denominator - Average Inventory	394	246		
6	<u>Trade Receivables Turnover Ratio</u>	238.54%	240.73%	2.19%	
	Numerator - Net Credit Sales	2,169	1,634		
	Denominator - Average Trade Receivables	909	679		
7	<u>Trade Payables Turnover Ratio</u>	478.89%	493.15%	14.26%	
	Numerator - Total Purchases	1,508	890		
	Denominator - Average Trade Payables	315	180		
8	<u>Net Capital Turnover Ratio</u>	124.53%	107.39%	-17.14%	
	Numerator - Net Sales	2,169	1,634		
	Denominator - Average Working Capital	1,742	1,521		
9	<u>Net Profit Ratio</u>	8.57%	17.12%	8.56%	
	Numerator - Profit After Tax	185.83	279.75		
	Denominator - Sales	2,168.80	1,633.64		
10	<u>Return on Capital employed</u>	8.82%	12.98%	4.15%	
	Numerator - Profit before Interest and Taxes	253	355		
	Denominator - Capital Employed	2,873	2,738		
11	<u>Return on Investment</u>	14.80%	25.89%	11.09%	
	Numerator - Return/Profit/Earnings	235	342		
	Denominator - Investment	1,589	1,323		

36.1 Due to increase in Working capital loan

36.2 Due to increase in Working capital loan



AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2023

37. OPERATING SEGMENT

The Company has identified business segments as reportable segments:

- 1 Electrical Items; Control & Relay Panel, Bus Transfer System, Ultracapacitors, Waste to Compost Machine etc.
- 2 Others (AIC-Aartech Solonics Private Limited)

Revenue and expenses directly attributable to segments are reported under each reportable segment. Expenses which are not directly identifiable to each reporting segment have been allocated on the basis of associated revenue of the segment or manpower efforts. All other expenses which are not attributable or allocable to segment have been disclosed as unallocable expenses.

Assets and liabilities that are directly attributable or allocable to segments are disclosed under each reportable segment. All other assets and liabilities are disclosed as unallocable. Property, plant & equipment that are used interchangeably among segments are not allocated to reportable segments.

Segment assets are measured in the same way as in the financial statements. Investment & financial instruments held by the group are not considered to be segment assets, but are managed by the treasury function.

Segment liabilities are measured in the same way as in the financial statements. The group's borrowing and financial instruments held by the group are not considered to be segment liabilities, but are managed by the treasury function.

(₹ in Lakhs)

	For the year ended 31st March 2023		
	Segment - 1	Others	Total
1. SEGMENT REVENUE			
External Turnover	2,139.67	29.13	2,168.80
Inter Segment Turnover	-8.43	8.43	-
Value of Sales & Services	2,131.24	37.56	2,168.80
2. SEGMENT RESULTS			
Profit before Interest & Tax	263.78	-10.31	253.47
Interest Expenses	-18.37	-	-18.37
Current Tax	-47.10	-	-47.10
Deferred Tax	-1.71	-0.45	-2.17
Profit after tax	196.59	-10.77	185.83
3. OTHER INFORMATION			
Segment Assets	3,570.89	90.05	3,660.94
Segment Liabilities	479.72	271.89	751.61
Capital Expenditure	65.60	-	65.60
Depreciation and amortization expenses	33.68	4.35	38.02

(₹ in Lakhs)

	For the year ended 31st March 2022		
	Segment - 1	Others	Total
1. SEGMENT REVENUE			
External Turnover	1,624.71	8.93	1,633.64
Inter Segment Turnover	-6.19	6.19	-
Value of Sales & Services	1,618.52	15.12	1,633.64
2. SEGMENT RESULTS			
Profit before Interest & Tax	372.97	-17.74	355.23
Interest Expenses	-12.82	-	-12.82
Current Tax	-59.25	-	-59.25
Deferred Tax	-3.18	-0.23	-3.41
Profit after tax	297.72	-17.97	279.75
3. OTHER INFORMATION			
Segment Assets	3,112.79	92.37	3,205.16
Segment Liabilities	165.56	237.62	403.18
Capital Expenditure	50.26	0.54	50.80
Depreciation and amortization expenses	27.74	6.62	34.36

