



AARTECH SOLONICS LIMITED

41st ANNUAL REPORT 2022-2023

CORPORATE INFORMATION

Board of Directors

Mr. Amit Anil Raje

Chairman & Managing Director
DIN: 00282385

Ms. Arati Nath

CEO & Director
DIN: 08741034

Mr. Anil Anant Raje

Non-executive Director
DIN: 01658167

Mr. Prashant Dattatray Lowlekar

Independent Director
DIN: 08041377

Mr. Kshitij Negi

Independent Director
DIN: 09046425

Ms. Supriya Sunil Chitre

Independent Woman Director
DIN: 09237218

Registered Office

AARTECH SOLONICS LIMITED

CIN: L31200MP1982PLC002030
E-2/57, Ashirwad, Arera Colony,
Bhopal, 462016, Madhya Pradesh
Tel. No. +91 755 4276335
Email : compliance@aartechsolonics.com
Website : www.aartechsolonics.com

Bankers

HDFC Bank

Registrar & Share Transfer Agent

Bigshare Services Pvt. Ltd.
S6-2, 6th Floor, Pinnacle Business Park,
Next to Ahura Centre, Mahakali Caves
Road, Andheri East,
Mumbai – 400093 (MH)
Tel.: +91 22 6263 8200
Email: info@bigshareonline.com
Website: www.bigshareonline.com

CFO

Mr. Pradeep Vasant Narkhede

Company Secretary & Compliance Officer

CS K R Tanuj Reddy

Statutory Auditors

S. Ramanand Aiyar & Co.
Chartered Accountants,
51, Ratna Lok Colony, Scheme No. 53
Vijay Nagar, Indore, 452011, MP

Secretarial Auditor

APVN & Associates
IInd Floor, Bakshi Complex, Plot No. 68,
Zone-II, M.P. Nagar, Bhopal – 462011, MP

Board Committees

• **AUDIT COMMITTEE**

Mr. Prashant Dattatray Lowlekar - Chairman
Mr. Kshitij Negi – Member
Mr. Amit Anil Raje - Member

• **NOMINATION AND REMUNERATION COMMITTEE**

Mr. Kshitij Negi – Chairman
Mr. Prashant Dattatray Lowlekar – Member
Mr. Anil Anant Raje – Member

• **STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. Kshitij Negi – Chairman
Mr. Anil Anant Raje – Member
Mr. Amit Anil Raje - Member

TABLE OF CONTENTS

SR. NO.	PARTICULARS	PAGE NO.
1.	Corporate Information	1
2.	Letter to the Shareholders by Chairman & Managing Director	3-6
3.	From the desk of CEO (Chief Executive Officer)	7-11
4.	Notice to Shareholders	12-32
5.	Director's Report	33-54
6.	Form No. AOC-2	55-56
7.	Statement related to Associate Companies and Joint Ventures	57
8.	Secretarial Audit Report	58-61
9.	Details of remuneration	62-63
10.	Management Discussion and Analysis Report	64-65
11.	CEO/CFO Certification	66-67
12.	Standalone Independent Auditor's Report & Financial Statements alongwith Notes	68-113
13.	Consolidated Independent Auditor's Report & Financial Statements alongwith Notes	114-156

LETTER TO THE SHAREHOLDERS

Dear Members of the Aartech Family,

Namaskar ! I hope you and your near and dear ones are all doing well.

Penning this annual communication never fails to trigger waves of reflection over multiple layers and this year is no exception. As our learning and experience accumulate and translate into action, yesterday's opportunities and challenges becomes today's candid reality. As your company pivots and perseveres in its journey with an eye on the triple bottom-line – people, planet, and profit; it is interesting to observe and acknowledge how we gradually evolve in the process of continuously re-discovering and re-inventing ourselves.

We completed 40 years since our incorporation on Ganesh Chaturthi Day, 24th August 1982. Words fail to express what it truly means for your company to enjoy the continued blessings, unwavering support and visionary guidance of our co-founder promoters, my respected parents - Sh. Anil Raje and Smt. Chhaya Raje.

And so, it gives me great pleasure to share our journey at Aartech through FY 22-23 with all of you here and look forward to your perspectives and feedback to continue together on our way forward.

Board of Directors:

Your company welcomes Squadron Leader Supriya Chitre (Retd) as an independent director. Having served the Indian Air Force with a fruitful tenure of 10 years, she has also pursued her post graduate degree in clinical psychology from S.P. College, Pune, business management from IIM Indore and served National Defence Academy as a psychologist, counselor and instructor. She is currently the Founder and Director of Udaan Foundation which provides support services to develop physically fit and mentally agile youngsters, to raise a responsible, selfless and contributing generation for the country. Your company is privileged to have her onboard and looks forward to her directorial inputs.

I would also like to take this opportunity to acknowledge the rich and wholesome contributions of all my director colleagues on the board in various capacities. Their inputs are very helpful to assist your company in variety of matter and keep all due balance and checks in the interest of corporate governance.

Record Turnover and Highest Ever Order Book:

Your company has achieved a record turnover beating its past record last year. From a distance this may look to be reasonably expected and nothing spectacular; but it would be amiss to not mention the hustle and efforts that go on behind the scenes with an ample dose of creativity, agility, strategy, bold initiatives and sheer hard work that make this happen.

An important metric that we also like to track is our order book. This provides good visibility on the stable performance and outlook of your company, and provides a sound basis to invest our resources towards achieving desirable outcomes. I am happy to share that we have also accomplished a record in terms of our highest order book level ever till date.

Your company has a very interesting product and services mix and this keeps adapting to the tune of present day market opportunities and future potential in a bid to secure the best outcomes.

I take this opportunity to thank all our stakeholders and in particular, appreciate the hard work, dedication and commitment of all the Aartechies to make this happen. In particular, I would like to mention our young and dynamic executive management team led by Arati Nath [AAN] (CEO) consisting of (in alphabetical order) Debasis Barik [DDB] (CRO), Pradeep Vasant Narkhede [PVN] (CFO), Shailendra Singh Raghuvanshi [SSR] (COO), Sohail Hussain [SSH] (CXO) and Vivek Attri [VSA] (CMO). Together, this rock-solid team plans, executes and delivers to the directions of the board and has demonstrated a stellar performance in FY 22-23. More power to them !

Vertical and Horizontal Integration – Capacity Expansion:

Vertical integration with better asset utilization is helping achieve superior operational efficiencies in established product lines. Simultaneously, horizontal integration is opening doors to new vistas and business opportunities which synergize with our existing range of offerings. Investments into Plant & Machinery, Software and Hardware Tools, Equipment and Accessories are continuously taken up on a case-to-case basis to align with the roadmap and plans from time-to-time.

The Mandideep unit has four new areas equipped with modern amenities: Lakshya – for mission oriented jobs, Parakh – for analytics, Zayka – for community dining and Sukoon – to catch some rest and sleep ! If you are interested in a tour of our facilities, please do not hesitate to get in touch and we would be happy to coordinate a visit and interaction with our team.

We are in the process of planning for significant capacity expansion in the near future. Do stay tuned for more developments on this.

Key Breaks:

Your company continues to take new strides in tapping business opportunities with a lot of hunger and passion towards its multi-dimensional growth. Selective mentions are listed below.

Utility Sector:

Your company has secured its first order from its esteemed utility customer MPPTCL at 220kV/400kV EHV level and a Substation Automation System (SAS) order for 132kV from UPPTCL. Besides, new customers have been added to serve large market opportunities in regions of Southern India such as Tamil Nadu against stiff competition.

With these breaks, your company looks forward to new business development from various utility customers and foraying into this lucrative specialty segment in a determined manner.

Defence Sector:

I am happy to share that your company has won a prestigious order for development of a custom-built power supply equipment from Naval Physical & Oceanographic Laboratory (NPOL), a DRDO lab based in Kochi, India amidst stiff competition from large and reputed companies in this sector.

Your company has also bagged a Project Sanction Order for indigenous design and development of a custom-built power supply equipment from Mazgaon Dock Limited, Mumbai for a retrofitting application in a submarine.

This marks Aartech's foray into serving the demanding needs of the Indian Navy and will enhance our capabilities to address emerging as well as import substitution needs of the country.

Industrial Sector:

Your company successfully contributed towards a prestigious system integration project introducing Fault Current Limiter technology at IOCL's Panipat Refinery in collaboration with M/s G&W Electric Co. USA. The safety features of this technology are vital to enable several operating scenarios while preventing catastrophic situations due to electrical faults. This further paves the way for your company to participate in avenues for more widespread adoption of this technology for a large number of petrochemical plants in the time to come.

Your company is serving a large and growing portfolio of innovative customer requirements across various domains for customized cases and enclosures with delightful turn-around time and an eye for detail and quality.

Strategic Overseas Investments:

Your company has made a strategic investment in a promising UK startup working in the field of flywheel energy storage. Energy storage as a field is gaining a lot of attention due to the increased penetration of distributed renewable energy generation as well as the extensive geo-political risks associated with over-dependence on any country dominating the supply chain of precious raw materials. We believe that the flywheel energy storage technology offers some interesting solutions and will strongly enhance and complement our existing portfolio of differentiated energy storage offerings. Risk factors include product realization, product-market fitment and subsequent fund-raising rounds; typically associated with any technology-based startup venture. Our vision with this strategic investment is to leverage and co-create an active manufacturing, marketing and internationalization trajectory in the near future.

Strategic Domestic Business Partnerships:

Your company has made a strategic domestic business partnership with an Indian startup working in the field of Solid Oxide Fuel Cell (SOFC) based offerings with a focus on defence applications. This will strongly enhance and complement our existing portfolio of differentiated energy storage offerings. We believe that the fuel cell technologies have a niche use case which is increasingly attracting customers especially for critical stationary as well as mobile applications requiring high energy density with compact form factors.

Research & Development:

'Saur Stambh' - an R&D Project by Department of Science & Technology (DST), Government of India under its SERD-2019 (Solar Energy Research and Development) scheme is making healthy progress. An interim review by a designated DST panel has recommended trial demonstrations in the states of Madhya Pradesh, Himachal Pradesh, Rajasthan and NCR Region, which are being taken up. The SAUR STAMBH project integrates Low Power, Long Range, Wireless Network enabled Agri-IOT applications with Solar High-Mast Lights.

Your company also went through several qualifying levels for the New Millenium Indian Technology Leadership Initiative (NMITLI) 2022 Program in association with CSIR-AMPRI. NMITLI is a flagship program of the Council of Scientific and Industrial Research (CSIR), Ministry of Science & Technology, Govt of India. A High Powered Committee (HPC) has made several recommendations for our proposal on Indigenous Development of Ultracapacitor Technology which are under investigation by our R&D teams.

Increased Team Strength:

The growth trajectory has added significant momentum in the capabilities of your company to serve upcoming challenging opportunities and has attracted and engaged a very capable pool of experienced and talented employees, associates and consultants to pursue these growth avenues.

Subsidiaries:

Your company's subsidiaries are advancing in their respective objectives.

Paradigm Ultracapacitors Private Limited has progressed in being able to deliver industry ready offerings in energy storage. A variety of problem statements from customers and associated business opportunities are encouraging higher levels of investments in its resource base.

AIC-Aartech Solonics Private Limited, supported by Atal Innovation Mission, NITI AAYOG has continued to engage with the startup ecosystem in India and abroad and focusing on building win-win prospects with all its stakeholders. Now reaching its final year of official association with Atal Innovation Mission, NITI AAYOG; a revised business plan is under preparation to plan and decide its future course.

Re-Branding:

Your company has undertaken a major marketing initiative to engage a marketing firm to assist it in re-branding itself in line with the current and future aspirations that your company represents. Stay tuned for various initiatives to be unleashed in this direction in a systematic and purpose driven manner.

Main Board Listing:

I am pleased to report that your company is steadily progressing in its plans for main board listing on BSE as well as NSE in FY 23-24. I see it as a beginning of a long and value enriching journey which opens the door for participation from the public retail investors at large. In no uncertain terms this milestone will accomplish a long-cherished vision of the promoters of your company and we believe it will unlock tremendous value for all our stakeholders in the time to come.

Your company looks forward to your continued support into the future towards this vision.

Sd/-

Amit Anil Raje
Chairman & Managing Director
Aartech Solonics Limited
DIN: 00282385

06th September, 2023.

FROM THE DESK OF CEO (CHIEF EXECUTIVE OFFICER)

Dear Aartech Shareholders

Jai Hind!

Saathiyon, it gives me great pleasure to write this note on the occasion of the Forty First Annual Report. As we continue unlocking value in each and every business activity, it is definitely an exciting time to continue working in the ecosystem of India.

While the economic situation and geopolitical situation across the world reflects uncertainty, the unstoppable India, the success of Chandrayaan 3 and the G20 summit in India are surely reflecting a prosperous, strong, self-confident and one of the leading nations in the world.

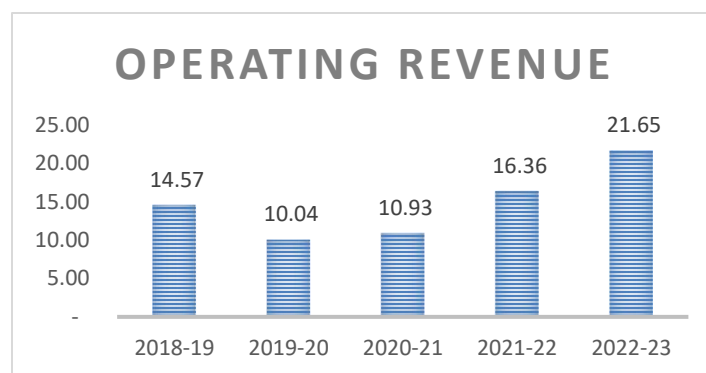
The story of success continues in our company. The company has given a record financial performance consecutively for second time in a row, a proud moment for all of us.

Looking back in the last year and our relentless efforts for last many years, we consistently believe that our financial discipline and constant endeavour to understand our customer's pain point and giving solutions on them through suitable applications is what enabled us to persevere in our steadfast dedication to help our customers throughout the world.

Financials

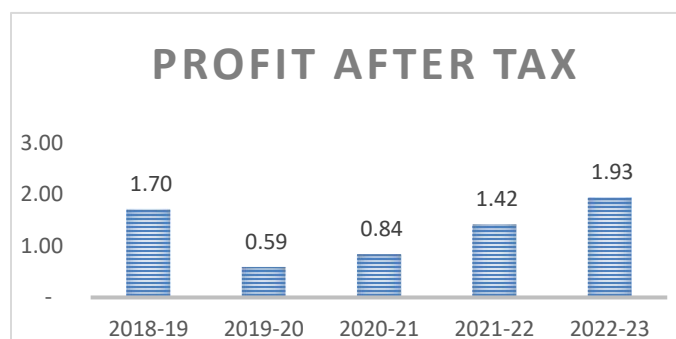
Revenues

On a standalone basis, the operating revenues increased 32.32% Y/Y to a record figure of Rs.21.65 Cr primarily due to the orders executed for BTS, Control and Relay Panel, BestCase and Clip segment along with steady business from other segments. Other income also increased 19% Y/Y to Rs. 2.17 Cr primarily due to disciplined and timely investment in markets.



PAT

PAT increased 36.26% Y/Y to Rs. 1.93 Cr on the backing of higher revenues and consistent high margins maintained on our flagship product coupled with good control over price escalations of procurement of raw materials.



Shareholding Pattern and Capital Structure

The shareholding pattern remains consistent with promoters holding at 52.68% and public shareholding at 47.32%. The company firmly believes that the shareholding is appropriate and the promoters would be keen to increase the shareholding in the times to come as a positive sign for investor confidence. Total general reserves were Rs. 19.78 Cr as of 31/03/2023.

Wholly Owned Subsidiaries

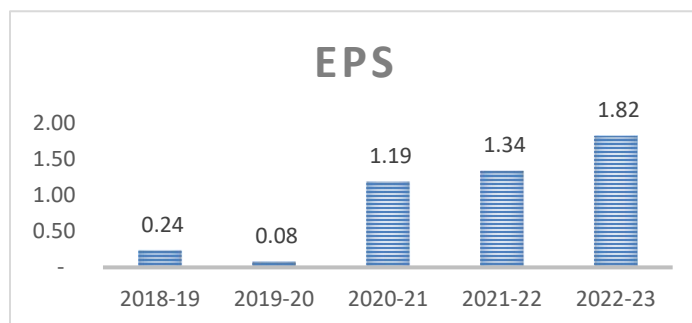
The company has two wholly owned subsidiaries mainly Faradigm Ultracapacitors Private Limited (FUPL) and AIC- Aartech Solonics Private Limited.

While Faradigm Ultracapacitors Private Limited is mainly looking into the energy storage applications, the latter subsidiary looks into the startup ecosystem. This year FUPL has recorded a profit of 3.47 lacs in anticipation of order booking in energy storage applications in this year.

Key Ratios

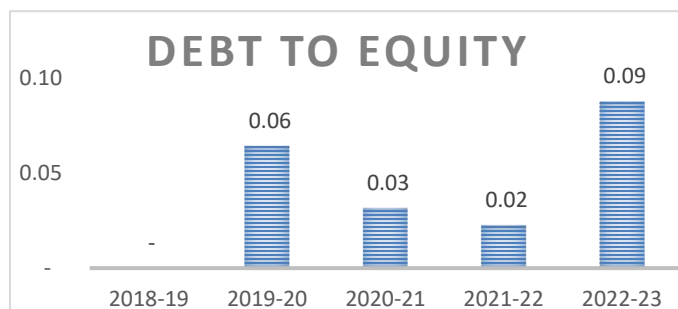
EPS

EPS has increased Y/Y to 1.89x from 1.34x indicating positive returns Y/Y to the shareholders reflecting strong fundamentals.



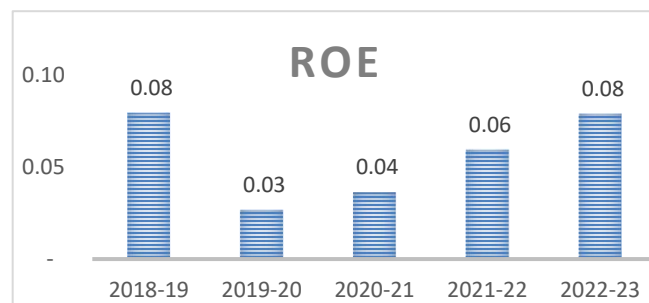
Debt to Equity

D/E ratio increased marginally to 0.09 primarily due to additional exposure in working capital limits for order executions.



Return on Equity

The ROE has increased from 0.06x to 0.08x indicating stronger returns to the shareholders and consistent performance of the company in the diverse segments it has been operating. The company is effectively using the shareholder's funds for improving the profitability of the company.



Other Aspects

- Strategic

Blueprint for Transformation

The company led by its leader and mentor Sh. Amit Anil Rajee (AMR) is trying to meet the vision and mission set by the ex- CMD and promoter Sh. Anil Anant Rajee (AAR). We have initiated a process to co-create a vision statement for the company and it is set to be the compass for the direction which the company would take by having a footprint globally.

The company has also changed its growth trajectory and its speed. We have tried to draw a strategic roadmap which ensures that we periodically re-examine our portfolio through the lens of market realities.

Global Footprint

While our products are catering domestically to many customer pain points, we have realized two things - 1) We need to have inorganic growth by incorporating products that are in the technological competent domains that need entrepreneurial risk and ability to grow worldwide. We are scouting for various opportunities and getting them back to our land. 2) Make Aartech future ready by getting into those markets which are for tomorrow. Also, we have put 'Make in India' into practice much before it became so widely known.

Our efforts are towards developing our presence in UK and US for different applications and services.

Succession Planning

We believe sound succession planning is imperative for the sustainability of organizations. As leaders, we need to constantly focus on it to have the baton passed on. For this, we have created a senior executive management team and middle executive management team for a successful leadership team to be developed. I take this opportunity to thank all my senior leaders of the organization, all executives and operators and their respective families who are supporting to achieve the mission set by the CMD.

- **Operational**

Deep Diving

Over the years we have tried to give solutions to some of the complex problems of our existing and new customers in primarily power and utilities, refineries, nuclear power, and defense (on sites and related establishments). We have also tried to enter other industrial solutions through our plastic enclosures products and achieving the mission of Swachh Bharat through Waste to Compost machines.

We continue to also deep dive into continuous new problem sets through our DSIR approved inhouse R&D with projects like Saur Stambh providing solar high mak lights in regions where electricity is a shortfall.

Creating Value

At Aartech, we are constantly looking to understand what value are we offering to our stakeholders, be it in the form of shareholders, customers, or employees. Growth for the sake of growing can lead to cancer like situations and therefore the company strongly believes and maintains the philosophy of creating value together with technical collaborations or single handedly. The company believes in its logo “Dare to go Solo” to create change in the eco system it is sustaining.

Customer Experience

Aartech is known to provide prompt services to its customers at all levels. Service Escalations are carefully maintained and happy to share that there are no customer issues pending at this point and expect the same in future.

In today’s times, customers are experiencing new and dynamic challenges everyday. We are still in our early stages, learning, improving our processes, and finding systemic solutions to every problem. We are quite confident that with this constant process of introspecting, learning, rapid re-learning, willingness to scrap what we built and rebuild, and our willingness to build and collaborate with new technologies, we will improve our services going forward and fill our gaps.

- **Compliance**

Main Board Listing

With immense pleasure, we are glad to announce that your company has now entered the main board of BSE and NSE bringing in greater liquidity and transparency to our shareholders. With this, we have inched one step closer to our promoters wishlist to help our shareholders enjoy their investments on the real time basis.

Corporate Governance

Your Company views corporate governance as a key element in improving economic efficiency and growth, as well as for building confidence of its stakeholders. Being a Listed Company, the company complies with all applicable provisions within its ambit, relating to corporate governance as stipulated under the Companies Act,

2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations. The Company maintains the highest standards of transparency, accountability, and adequate disclosures.

We have an extremely strong Board of Directors with highly capable and reputed professionals. I welcome Retd Sq leader Ms. Supriya Chitre for associating with us as an Independent Director. We have very detailed and rich discussions at the Board on all important matters. I thank every one of them for their thoughtfulness, wisdom, their active participation, and guidance at the Board. To each one of our employees, thank you for being with us and working so hard. I express my sincere thanks to our regulator who monitor us closely, guide us and support us particularly well.

Finally, I thank all our shareholders for your continued trust and confidence on us.

Sd/-
Arati Nath
Chief Executive Officer
Aartech Solonics Limited
DIN: 08741034

06th September 2023

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the Forty-First Annual General Meeting (“AGM”) of the members of **Aartech Solonics Limited** (CIN L31200MP1982PLC002030) will be held on Saturday, the 30th Day of September, 2023 at 12:00 Noon through video conferencing (“VC”)/Other Audio-Visual Means (“OAVM”) to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company situated at E-2/57, Ashirwad, Arera Colony, Bhopal, 462016, Madhya Pradesh, India.

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Board of Directors and Auditors’ thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2023, together with the Report of the Auditors thereon.
2. To declare final dividend on equity shares at the rate 5% [i.e., Re. 0.50/- per Equity Share of Rs. 10/- each] for the financial year ended 31 March, 2023.
3. To appoint a director in place of Mr. Anil Anant Rajee (DIN: 01658167), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Anil Anant Rajee (DIN: 01658167), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as the Director of the Company, liable to rotation.”

4. **To consider and approve appointment of Statutory Auditors of the Company.**

To consider and if thought fit, to pass with or without modification(s), the following resolution as an **ORDINARY RESOLUTION:**

“RESOLVED THAT pursuant to the provisions of Sections 139, 142 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), M/s BANCERS & CO. LLP, Chartered Accountants, Bhopal (ICAI Firm Registration No. C400331), be and is hereby appointed as a Statutory Auditor of the Company, in place of M/s Ramanand Aiyar & Co., Chartered Accountants, Indore (ICAI Firm Registration No. 000990N), be and is hereby appointed as a Statutory Auditor of the Company, to hold office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of 46th Annual General Meeting of the

Company to be held in the year 2028, at a remuneration ₹ 2.50 Lakhs (Rupees Two Lakh Fifty Thousand Only) plus applicable taxes and reimbursement of out of pocket expenses at actuals.”

5. TO AUTHORISE THE BOARD OF DIRECTORS OF THE COMPANY TO ENHANCE THE LIMIT FOR CREATION OF MORTGAGE/CHARGE ON ALL OR ANY OF THE MOVABLE OR IMMOVABLE PROPERTIES OF THE COMPANY UPTO THE LIMIT OF ₹ 40 CRORES

To consider and if thought fit, to pass with or without modification(s), the following as a **SPECIAL RESOLUTION**:

“RESOLVED THAT pursuant to the provisions of Section 180(1)(a) and other applicable provisions of the Companies Act, 2013 (including any amendment thereto or reenactment thereof) and all other provisions of applicable laws, if any, the approval of members be and is hereby accorded to the board of directors of the Company (hereinafter called the “Board”, which term shall be deemed to include any committee thereof, which the Board may have constituted or hereinafter constitute to exercise its powers including the power conferred by this resolution) to create a charge and/or mortgage and/or hypothecation over any of its movable and / or immovable properties and other assets of the Company, wherever situated, whether present and future, or to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create a charge and/ or mortgage, on such terms and conditions, at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion deems fit, on the whole or substantially the whole of the Company’s any one or more of the undertaking(s) of the Company, to or in favour of any bank(s) or other financial institutions, nonbanking financial companies, investment institutions, firms, mutual funds, asset management companies, body(ies) corporate or any other person(s) (the “Lenders”) or trustees of such Lenders or otherwise, to secure non-convertible debentures by way of private placement or public issue or otherwise/rupee term loans/ bonds, commercial paper or other instruments together with interest thereon at the agreed rates, costs, charges, expenses and all other amounts payable by the Company to the Lenders or trustees of the Lenders acting on behalf of and for the benefit of the Lenders under their respective agreements to be entered into by the Company in respect of the said borrowings up to an equivalent aggregate value not exceeding ₹ 40 Crores (Rupees Forty Crores only) at any point of time.

RESOLVED FURTHER THAT the securities to be created by the Company may rank prior/paripassu/ subservient with/to the mortgages, lien, hypothecation and/or charges already created or to be created by the Company as may be agreed to between the concerned parties from time to time”.

RESOLVED FURTHER THAT the approval of members be and is hereby accorded to the Board for the creation of such mortgages, charges, hypothecation and any other securities to or in favour of such Lenders/trustees of the Lenders and the Board be and is hereby authorised to finalize with the Lenders/ trustees of the Lenders all the documents for creating the aforesaid mortgages, charges, hypothecations and/or any other security and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts, deeds, matters and things as may be necessary or ancillary or expedient or incidental thereto and to sign and execute all such documents as may be necessary for giving effect to the above resolution”.

6. TO AUTHORISE BOARD OF DIRECTORS OF THE COMPANY TO BORROW MONEY IN EXCESS OF THE PAID-UP CAPITAL AND FREE RESERVES OF THE COMPANY UPTO THE LIMIT OF ₹ 40 CRORES.

To consider and if thought fit, to pass with or without modification(s), the following as a **SPECIAL RESOLUTION**:

“RESOLVED THAT consent of the members of the Company be and is hereby accorded to the Board of Directors of the Company (hereinafter referred to as “the Board”, which term shall be deemed to include any committee thereof) in terms of provisions of Section 180(1)(c) and all other applicable provisions, if any, of the Companies Act, 2013 and all other provisions of applicable laws, if any, to borrow any sums of money from time to time, at its discretion, from financial and other institutions, banks, non-banking financial companies, foreign institutions, mutual funds, asset management companies, firms, bodies corporate or any other persons or combination thereof whether by way of fund based (cash credit)/ non fund based (inland or foreign letter of credit/ bank guarantee), working capital limits, term loans, overdrafts, advances or deposits, issuance of debentures by way of private placement or public issue or otherwise, bonds, commercial paper or other instruments or bills discounting or otherwise and whether unsecured or secured by way of mortgage, charge, hypothecation, lien or pledge over the Company’s assets and properties and whether in full or in part being movable or immovable, current assets and all or any of the undertakings of the Company, notwithstanding that the monies to be borrowed together with the monies already borrowed by the Company (apart from temporary loans obtained by the Company from its bankers in the ordinary course of business), will or may exceed, at any time, the aggregate of the paid-up capital of the Company and its free reserves, i.e. reserves not set apart for any specific purpose, provided that the total amount so borrowed by the Board shall not at any point in time exceed the limit of ₹ 40 Crores (Rupees Forty Crores only).

RESOLVED FURTHER THAT the Board be and is hereby authorized to finalize with the Lenders/ trustees of the Lenders all the documents for such borrowings and to accept any modifications to, or to modify, alter or vary, the terms and conditions of the aforesaid documents and to do all such acts, deeds, matters and things as may be necessary or ancillary or expedient or incidental thereto and to sign and execute all such documents as may be necessary for giving effect to the above resolution.”

**By Order of the Board of Directors of
Aartech Solonics Limited**

**Place: Bhopal
Dated: 06/09/2023**

Registered Office:
E-2/57, Ashirvad, Arera Colony,
Bhopal- 462016 (MP)

**Sd/-
Amit Anil Rajee
Chairman & Managing Director
DIN: 00282385**

NOTES:

1. The Government of India, Ministry of Corporate Affairs has allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and dispended the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 14/2020 dated 8th April, 2020, Circular No. 17/2020 dated 13th April, 2020, Circular No. 20/2020 dated 5th May, 2020, Circular No. 02/2021 dated 13th January, 2021, Circular No. 20/2021 dated December 8, 2021 and Circular No. 2/2022 dated 5th May, 2022 and latest being 10/2022 dated 28th December, 2022 ("MCA Circulars") ("MCA Circulars") and Circular No. SEBI/HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 and Circular No. SEBI/HO/DDHS/P/CIR/2022/0063 dated 13th May, 2022 and SEBI/HO/CRD/PoD-2/P/CIR/2023/4 dated 5th January, 2023 issued by the Securities Exchange Board of India ("SEBI Circular") prescribing the procedures and manner of conducting the Annual General Meeting through VC/OVAM. In terms of the said circulars, the 41st Annual General Meeting ("AGM") of the members of the Company will be held through VC/ OAVM and permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the members at a common venue. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the AGM through VC/OAVM is set out in this notice of the AGM and also available at the Company's website at www.aartechsolonics.com.
2. **PURSUANT TO THE MCA AND SEBI CIRCULARS RELATED TO HOLD THE ANNUAL GENERAL MEETING OF THE COMPANY THROUGH VIDEO CONFERENCING ("VC") OR OTHER AUDIO-VISUAL MEANS ("OAVM"), PHYSICAL ATTENDANCE OF THE MEMBERS HAS BEEN DISPENSED WITH AND HENCE THERE IS NO REQUIREMENT FOR THE APPOINTMENT OF PROXIES. THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM. THE ATTENDANCE SLIP/ROUTE MAP/PROXY FORM ARE NOT ANNEXED TO THIS NOTICE.**
3. The details of technology provider and helpline number regarding any query/assistance for participation/e-voting in the e-AGM through VC/OAVM are as under:

Name	Mr. Sujit Haldar
Address	Office No S6-2, 6 th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400093, Maharashtra, India
Phone no.	7045571837
Email	sujit@bigshareonline.com

4. The relevant statement pursuant to Section 102(1) of the Companies Act, 2013 related to the Special Business under item no. 5 to 6 of the accompanying notice to be transacted at the AGM is annexed hereto and the relevant details of the directors seeking appointment/ re- appointment at this AGM as required under Regulation 36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ('Secretarial Standards') are annexed hereto. Requisite declarations have been received from the directors of the Company seeking appointment/ reappointment.

5. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives for attending the AGM through VC/OAVM, participating thereat, and cast their votes through e-voting.
6. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body resolution/authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the scrutinizer through its registered email address at apvnpcs@yahoo.com with a copy marked to Registrar and Transfer Agent i.e. Bigshare Services Private Limited, ivote@bigshareonline.com and to the company at compliance@aartechsolonics.com.
7. In terms of the provisions of Section 152 of the Act, Mr. Anil Anant Raje (DIN: 01658167), Non-executive Director of the Company, liable to retire by rotation at the ensuing Annual General Meeting and being eligible and offers himself for the re-appointment. The information required to be provided under the SEBI (LODR) Regulations, 2015 and the Secretarial Standards on General Meetings, regarding the directors whose appointment/reappointment/variation in the terms of appointment are proposed and the relevant information in respect of the business under item No. 3 as set out below are annexed hereto.
8. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
9. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is Bigshare Services Private Limited having office at Office No S6-2, 6th Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400093.
10. Copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements shall therefore be sent only by email to the members and to all other persons so entitled. Further, the notice for AGM shall be given only through emails registered with the Company, RTA and email ids provided by the depositories.
11. In terms of the MCA Circulars and in the view of the Board of Directors, all matters included in this Notice are unavoidable and hence are proposed for seeking approval at this AGM. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members upto the date of the AGM. All documents referred to in the accompanying Notice and the explanatory statement have been uploaded on the website of the Company at **www.aartechsolonics.com**. All shareholders will be able to inspect all documents referred to in the Notice electronically without any fee from the date of circulation of this notice up to the date of AGM. Any member who seek to inspect such documents can send an email to compliance@aartechsolonics.com.
12. The Members can join the AGM, 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure as mentioned in the notice of AGM.

13. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on a first come first served basis as per the MCA Circulars. However, this restriction shall not apply to large shareholders (shareholders holding 2% or more shareholding), Promoter/Promoter Group, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
14. In line with aforesaid circulars of the MCA and the SEBI, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories/ RTA.
15. As per the MCA Circular, members attending the AGM through VC/OAVM shall be reckoned for the purpose of quorum under Section 103 of the Act. Hence, the members who log-in to the video conferencing platform using the remote e-voting credentials shall be considered for record of attendance of such member for the AGM and such member attending the meeting will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
16. **DISPATCH OF ANNUAL REPORT THROUGH ELECTRONIC MODE:** In compliance with the MCA Circulars and SEBI Circulars, Notice of the AGM along with the Annual Report 2022-23 is being sent only through electronic mode to those members whose email addresses are registered with the Company/Depositories/RTA. Members may note that the Notice and Annual Report 2022-23 will also be available on the Company's website www.aartechsolonics.com, websites of the Stock Exchanges, i.e., BSE Limited and National Stock Exchange of India Limited at www.bseindia.com and www.nseindia.com respectively, and Company's Registrar and Transfer Agent, Bigshare Services Private Limited at [http:// ivote@bigshareonline.com](http://ivote@bigshareonline.com).
17. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations read with SEBI circular dated December 9, 2020 and aforesaid MCA and SEBI Circulars, the Company is providing facility of remote e-voting to its Member through Company's Registrar and Transfer Agent i.e. Bigshare Services Private Limited.
18. **Joining/Attending AGM through Cisco Webex:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by Bigshare Services Private Limited. Members may access the shareholder's/ member's login by using the remote e-voting credentials.
19. **Voting during the AGM through Cisco Webex:** Members who are present at the AGM through VC/OAVM and have not cast their vote on resolutions through remote e-voting may cast their vote during the AGM through the e-voting system provided by the Bigshare Services Private Limited during the AGM. Facility to cast vote will be made available on the Video Conferencing screen and will be activated once the Poll is announced at the Meeting.
20. **To speak during the AGM through Cisco Webex:** Members will be provided with a facility to attend the AGM through video conferencing platform provided by Bigshare Services Private Limited.
21. **Submission of questions/queries prior to the AGM:**

- a) Members desiring any additional information with regard to Accounts/Annual Reports or has any question or query are requested to write to the Company Secretary on the Company's email-id i.e. compliance@aartechsolonics.com **at least 10 days before the date of the AGM**, so as to enable the Management to keep the information ready. Please note that, members questions will be answered only if they continue to hold the shares as of cut-off date.
 - b) In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") available at <https://ivote.bigshareonline.com>, under download section or send an email to ivote@bigshareonline.com or Call at :- Tel : 1800 22 54 22.
22. The Company has fixed Friday, September 22, 2023 **as cut-off date** for identifying the members who shall be eligible to vote through remote e-voting facility or for participation and voting at the AGM. A person whose name is recorded in the Register of Members or in the Register of Beneficial Owners maintained by the depositories as on cut-off date shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote at the AGM.
 23. The Register of Members and the Share Transfer Books of the Company shall remain closed from Saturday, September 23, 2023 to Saturday, September 30, 2023 (**both day inclusive**) for the purpose of 41st AGM and eligibility to participate in distribution of Dividend for the Financial Year 2022-23, if approved at this AGM.
 24. The Board of Directors have recommended a final dividend of 0.50 /- (Fifty Paise) i.e. 5 % per equity share of ₹10/- each for the financial year 2022-23. The dividend on equity shares for the financial year 2022-23, if declared by the shareholder of the Company, will be paid within a period of 30 days from the date of the declaration at the Annual General Meeting.
 25. If the final dividend is approved at the AGM, payment of such dividend will be paid to those members whose names appears in the company's Register of Members and as beneficial owner as per the details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the close of business hours on Friday, September 22, 2023, after giving effect to all valid transmission in physical form lodged on or before Friday, September 22, 2023 with the Company and/or its Registrar and Share Transfer Agent.
 26. Payment of dividend shall be made through electronic mode to the shareholders who have updated their bank account details. Dividend Warrants/Demand Drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details. To avoid delay in receiving dividend, shareholders are requested to update their bank details with their Depository Participants (where shares are held in dematerialised mode) and with Registrar and Transfer Agent i.e. Bigshare Services Private Limited (where the shares are registered in physical mode).
 27. Pursuant to Finance Act, 2020 and press release of Central Board of Direct Taxes, if the company declared the dividend, the company is not required to pay the Dividend Distribution Tax but the dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the

shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/R&T Agent i.e. Bigshare Services Pvt. Ltd. (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). No communication on the tax determination/ deduction shall be considered after cut-off date i.e Friday, September 22, 2023. All communications/queries in this respect should be addressed to our RTA, Bigshare Services Private Limited.

For Resident Members, tax shall be deducted at source under Section 194 of the Income Tax Act, 1961.

Members having a valid PAN	10% or as notified by the Government of India
Members not having PAN/ valid PAN	20% or as notified by the Government of India

No tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by the resident shareholders during the financial year 2023-24 does not exceed ₹ 5,000/-. In case where the shareholder provides Form 15G/Form 15H and provided that all the required eligibility conditions are met, no tax will be deducted at source.

Apart from above cases following categories of shareholders are exempt from tax deduction at source:

- Life Insurance Corporation of India [clause (a) to 2nd proviso to section 194]
- General Insurance Corporation of India/The New India Assurance Company Ltd/United India Insurance Company Ltd. / The Oriental Insurance Company Ltd./National Insurance Company Ltd. [clause (b) to 2nd proviso to section 194]
- any other insurer in respect of any shares owned by it or in which it has full beneficial interest [clause (c) to 2nd proviso to section 194].

The following payees are also not subject to TDS in view of the provisions of sections 196, 197A of the Income Tax Act, 1961 and CBDT notification:

- Government [section 196(i)];
- Reserve Bank of India [section 196(ii)];
- a corporation established by or under a Central Act which is, under any law for the time being in force, exempt from Income-tax on its income [section 196(iii)];
- Mutual Fund [section 196(iv)];
- any person for, or on behalf of, the New Pension System Trust referred to in section 10(44)[sub section 1E to section 197A].
- Category I or a Category II Alternative Investment Fund (registered with SEBI as per section 115UB) as per Notification 51/2015 since their income, other than profits and gains of business and profession.

For Foreign Portfolio Investor (FPI) category Shareholders, taxes shall be deducted at source under Section 196D of the Income Tax Act, 1961 at 20% (plus applicable surcharge and cess) on the amount of dividend payable.

For other Non-resident Shareholders, taxes are required to be deducted in accordance with the provisions of Section 195 of the Income tax Act, 1961, at the rates in force. As per the relevant provisions of the Income tax Act, 1961, the tax shall be deducted at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90(2) of the Income tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. To avail benefit of rate of deduction of tax at source under DTAA, such non-resident shareholders will have to provide the following:

1. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;
2. Tax residency certificate from the jurisdictional tax authorities confirming residential status [for the dividend declared in FY 2023-24] – TRC
3. Declaration by the non- resident in prescribed form 10F
4. Self-declaration by the non-resident shareholder as to:
 - Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India;
 - No Permanent Establishment/fixed base in India in accordance with the applicable tax treaty;
 - Shareholder being the beneficial owner of the dividend income to be received on the equity shares.

Further the finance Act, 2021 has inserted the provisions of Section 206AB of the Act with effect from July 1, 2021. The provisions of Section 206AB of the Act require the Company to deduct tax at higher rates, as mentioned, from dividend amount paid/credited to Members who (a) have not filed return of income for two previous assessment years; and (b) are subjected to tax deduction/collection at source, in aggregate, amounting to ₹ 50,000 or more in each of such two years.

In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income tax Act, 1961, we request you to upload the abovementioned details and documents in the format as provided by the Bigshare Services Private Limited on the email id compliance@aartechsolonics.com by 05.00 p.m. IST on or before Friday, September 22, 2023.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by Non-Resident shareholder.

Shareholders who are exempted from TDS provisions through any circular or notification may provide documentary evidence in relation to the same, to enable the Company in applying the appropriate TDS on Dividend payment to such shareholder.

A Resident individual member having valid PAN, subject to fulfilment of conditions specified in the Income Tax Act, 1961 can provide Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. Resident shareholders may also submit any other document(s) as prescribed under the Income Tax Act, 1961 to claim a lower/Nil withholding tax. Mentioning PAN is mandatory for Members who will be providing Form 15G/15H or any other documents to claim a lower/Nil withholding tax. No tax shall be

deducted on the dividend payable to a resident individual shareholder if the total dividend to be received by them during Financial Year 2023-24 does not exceed ₹ 5000/-.

For Non-Resident members, taxes are required to be withheld in accordance with the provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess). Certain nonresident members may be eligible to avail the benefit conferred by the Double Tax Avoidance Agreement (DTAA) between India and the Country of residence of shareholder, subject to fulfilment of conditions attached thereto. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident members. To avail beneficial rates under DTAA, the Non-Resident members will have to provide certain documents viz; Tax Residency Certificate for FY 2023-24 from the jurisdictional tax authorities confirming residential status, Form 10F as prescribed under Income tax rules, self-attested copy of Permanent Account Number ('PAN') card, self-declaration in the format prescribed by the Company. In order to enable the Company to determine the appropriate tax rate at which tax must be deducted at source under the respective provisions of the Income tax Act, 1961, members are requested to upload the above-mentioned details and documents in the format as provided by the Bigshare Services Private Limited on the email id compliance@aartechsolonics.com by 05.00 p.m. IST on or before Friday, September 22, 2023.

28. In terms of section 72 of the Companies Act, 2013, Nomination facility is available to individual members holding shares in the physical form. The members who are desirous of availing this facility, may kindly write to the Company, R&T Agent i.e. Bigshare Services Pvt. Ltd. for nomination form by quoting their folio number.
29. Pursuant to Section 124 of the Companies Act, 2013, the Company has unpaid or unclaimed dividends declared for the financial year 2019-20, 2020-21 and 2021-22.
30. Further pursuant to section 124(5) the amount in the unpaid dividend account if remains unclaimed or unpaid for a period of seven years, then such amount along with interest accrued be liable to be transferred to the Investors Education and Protection Fund.
31. **Investor Grievance Redressal:** The Company has designated an e-mail ID viz. compliance@aartechsolonics.com to enable the Investors to register their complaints, if any.
32. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts. Members holding shares in physical form should submit their PAN to the Registrar and Transfer Agent/Company.
33. Pursuant to the amendment in Regulation 40 of SEBI (LODR) Regulations, 2015, vide Gazette notification dated June 8, 2018, effective from April 1, 2019, barred physical transfer of shares of listed companies and mandated transfer only through demat. However, the investors are not barred from holding shares in physical form.

34. PROCEDURE AND INSTRUCTION FOR REMOTE E-VOTING.

- i. The voting period begins on Wednesday, September 27, 2023 (09.00 a.m. IST) and ends on Friday, September 29, 2023 (05.00 p.m. IST). During this period shareholders of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e., Friday, September 22, 2023 may cast their vote electronically. The e-voting module shall be disabled by Bigshare for voting thereafter.
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of SEBI circular no. SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in Demat mode with CDSL	<ol style="list-style-type: none"> 1. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or visit www.cdslindia.com and click on Login icon and select New System Myeasi. 2. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of BIGSHARE the e-Voting

Individual Shareholders
holding securities in demat
mode with **NSDL**

service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. BIGSHARE, so that the user can visit the e-Voting service providers' website directly.

3. If the user is not registered for Easi/Easiest, option to register is available at <https://web.cdslindia.com/myeasi/Registration/EasiRegistration>.
4. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.
1. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
2. If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select "Register Online for IDeAS" "Portal" or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>
3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name BIGSHARE and you will be redirected to i-Vote website for casting your vote during the remote e-

<p>Individual Shareholders (holding securities in demat mode) login through their Depository Participants</p>	<p>Voting period or joining virtual meeting & voting during the meeting.</p> <p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.</p>
--	--

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 and 22-23058542-43.
Individual Shareholders holding securities in Demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30

1. Login method for e-Voting for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>.
- Click on “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.
- Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.
 - Shareholders holding shares in **CDSL demat account should enter 16 Digit Beneficiary ID** as user id.
 - Shareholders holding shares in **NSDL demat account should enter 8 Character DP ID followed by 8 Digit Client ID** as user id.

- Shareholders holding shares in **physical form should enter Event No + Folio Number** registered with the Company as user id.

Note: If you have not received any user id or password please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

- Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

NOTE: If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

- If you have forgotten the password: Click on 'LOGIN' under 'INVESTOR LOGIN' tab and then Click on 'Forgot your password?'
- Enter "User ID" and "Registered email ID" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on 'Reset'.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

2. Voting method for shareholders on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.
- Click on "**VIEW EVENT DETAILS (CURRENT)**" under '**EVENTS**' option on investor portal.
- Select event for which you are desire to vote under the dropdown option.
- Click on "**VOTE NOW**" option which is appearing on the right-hand side top corner of the page.
- Cast your vote by selecting an appropriate option "**IN FAVOUR**", "**NOT IN FAVOUR**" or "**ABSTAIN**" and click on "**SUBMIT VOTE**". A confirmation box will be displayed. Click "**OK**" to confirm, else "**CANCEL**" to modify. Once you confirm, you will not be allowed to modify your vote.
- Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
- Shareholder can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on investor portal.

3. Custodian registration process for i-Vote E-Voting Website:

- You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>.
- Click on "**REGISTER**" under "**CUSTODIAN LOGIN**", to register yourself on Bigshare i-Vote e-Voting Platform.
- Enter all required details and submit.

- After Successful registration, message will be displayed with “**User id and password will be sent via email on your registered email id**”.
 - NOTE: If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.
 - If you have forgotten the password: Click on ‘LOGIN’ under ‘CUSTODIAN LOGIN’ tab and further Click on ‘Forgot your password?’
 - Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**RESET**’.
- (In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).*

Voting method for Custodian on i-Vote E-voting portal:

- After successful login, **Bigshare E-voting system** page will appear.

Investor Mapping:

- First you need to map the investor with your user ID under “**DOCUMENTS**” option on custodian portal.
 - Click on “**DOCUMENT TYPE**” dropdown option and select document type power of attorney (POA).
 - Click on upload document “**CHOOSE FILE**” and upload power of attorney (POA) or board resolution for respective investor and click on “**UPLOAD**”.
- Note:** The power of attorney (POA) or board resolution has to be named as the “**InvestorID.pdf**” (Mention Demat account number as Investor ID.)
- Your investor is now mapped and you can check the file status on display.

Investor vote File Upload:

- To cast your vote select “**VOTE FILE UPLOAD**” option from left hand side menu on custodian portal.
- Select the Event under dropdown option.
- Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on “**UPLOAD**”. Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
- Custodian can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on custodian portal.

Helpdesk for queries regarding e-voting:

Login type	Helpdesk details
Shareholder’s other than individual shareholders holding shares in Demat mode	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions (‘FAQs’) and i-Vote e-Voting module available at

& Physical mode.	https://ivote.bigshareonline.com , under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.
------------------	--

4. Procedure for joining the AGM/EGM through VC/ OAVM

For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:

- The Members may attend the AGM through VC/ OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-voting credentials (i.e., User ID and Password).
- After successful login, **Bigshare E-voting system** page will appear.
- Click on **“VIEW EVENT DETAILS (CURRENT)”** under **‘EVENTS’** option on investor portal.
- Select event for which you are desire to attend the AGM/EGM under the dropdown option.
- For joining virtual meeting, you need to click on **“VC/OAVM”** link placed beside of **“VIDEO CONFERENCE LINK”** option.
- Members attending the AGM/EGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

The instructions for Members for e-voting on the day of the AGM/EGM are as under:-

- The Members can join the AGM/EGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM/EGM is same as the instructions mentioned above for remote e-voting.
- Only those members/shareholders, who will be present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM/EGM.
- Members who have voted through Remote e-Voting will be eligible to attend the AGM/EGM. However, they will not be eligible to vote at the AGM/EGM.

Helpdesk for queries regarding virtual meeting:

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions (‘FAQs’) available at <https://ivote.bigshareonline.com>, under download section or you can email us to ivote@bigshareonline.com or call us at: 1800 22 54 22.

35. OTHER INSTRUCTIONS RELATED TO REMOTE E-VOTING.

- i. Further in Compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (‘Listing Regulations’) and pursuant to the provisions of Section 108

of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their votes electronically. The Company has engaged the services of Bigshare Services Private Limited for conducting of the e-AGM and providing e-voting facility to all its members.

- ii. Members who are present at the e-AGM through VC/ OAVM and have not cast their vote on resolutions through remote e-voting, may cast their vote during the e-AGM through e-voting system provided by Bigshare Services Private Limited during the e-AGM. The members who had cast their vote by remote e-voting prior to the meeting may also attend the e-AGM but shall not be entitled to cast their vote again during the e-AGM.
- iii. The e-voting period commences on Wednesday, September 27, 2023 (09.00 a.m. IST) and ends on Friday, September 29, 2023 (05.00 p.m. IST). The e- voting module shall be disabled by Bigshare Services Private Limited for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast their vote again.
- iv. Voting rights of a member /beneficial owner (in case of electronic shareholding) shall be in proportion to his share in the paid-up equity share capital of the Company as on the cut-off date. As per the Secretarial Standard SS-2 on General Meetings 'cut-off date' means a date not earlier than 7 days before the date of general meeting.
- v. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on the cut-off date i.e. September 22, 2023 may obtain the login ID and password by contacting Bigshare Services Private Limited.
- vi. CS Avadhesh Parashar, Practicing Company Secretary, Partner of M/s APVN & Associates, Company Secretaries (Membership No. FCS 11543; CP No. 9067) having office address at IInd Floor, Bakshi Complex, Plot no. 68, Zone -II, M.P. Nagar, Bhopal - 462011 has been appointed as the Scrutiniser to scrutinise the Remote e- voting and e-voting process during e-AGM in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and make a Consolidated Scrutiniser's Report and submit to the Chairman or a person authorised by him in writing who shall countersign the same. The results declared along with the Scrutiniser's Report shall be placed on the Company's website www.aartechsolonics.com and website of the Bigshare Services Private Limited, ivote.bigshareonline.com. The result will simultaneously be communicated to the stock exchanges where the shares of the Company are listed within two working days of conclusion of the Annual General Meeting of the Company.

DETAILS OF THE DIRECTORS SEEKING APPOINTMENT/ RE-APPOINTMENT, PURSUANT TO REGULATION 36(3) OF SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 AND SECRETARIAL STANDARD-2:

Particulars	Mr. Anil Anant Raje
DIN	01658167
Date of first appointment at the Board	24/08/1982
Date of Birth	12/05/1945
Qualification	Bachelor of Engineering (Electrical)
Nature of expertise in specific functional areas	Management
Directorship in the Boards of other Indian listed entities	Nil
Membership/ Chairmanship in Committees of other Indian listed entities	Nil
Number of shares held in the Company	23,38,000

Annexure to the notice of Annual General Meeting

(Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013)

As required by Section 102 of the Act, the following explanatory statement sets out all material facts relating to the businesses mentioned under Item Nos. IV to V of the accompanying Notice.

Item No. 4

This explanatory statement is provided voluntarily, as a good corporate governance practice, though not required as per Section 102 of the Act.

Due to the expiration of term of M/s Ramanand Aiyar & Co., Indore as the Statutory Auditors of the company in this Annual General Meeting, in accordance with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Audit Committee and Board has recommended the appointment of M/s BANCERS & CO. LLP (ICAI Firm Registration No. C400331), as the Statutory Auditors of the Company, to hold an office for a term of five years from the conclusion of this Annual General Meeting till the conclusion of the 46th Annual General Meeting of the Company to be held in the year 2028, at a remuneration of ₹2.50 Lakhs (Rupees Two Lakh Fifty Thousand Only) which includes Audit Fee, Consolidation of Accounts, Limited Review Report plus applicable taxes and reimbursement of out of pocket expenses at actuals.

Further M/s BANCERS & CO. LLP, Chartered Accountants, Bhopal (ICAI Firm Registration No. C400331), have confirmed the compliance of the statutory requirements under the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Board of Directors of the Company recommends the appointment of M/s BANCERS & CO. LLP, Chartered Accountants, Bhopal (ICAI Firm Registration No. C400331), as the Statutory Auditors of the Company for the approval of the members.

Further pursuant to regulation 36(5) of SEBI (LODR) Regulations, 2015, the details and credentials of the Statutory Auditors are as under:

M/s BANCERS & CO. LLP is a firm of Chartered Accountants established in the year 2022. The firm is engaged in providing services in Audit, Accounting, Taxation and Advisory services. The firm is an empanelled Auditors having 5 Partners and 15 plus staff.

The firm has been awarded the Peer Review Certificate issued by the Institute of Chartered Accountants of India pursuant to the Statement on Peer Review. The firm has large team of professionals including Chartered Accountants, CWA's, DISA, CS, amongst others.

M/s BANCERS & CO. LLP, Chartered Accountants, Bhopal (ICAI Firm Registration No. C400331), has fulfilled and complied all the conditions as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has submitted their eligibility certificate to the Company and also meets the criteria as specified in section 141 of the Companies Act, 2013.

The Board recommends to pass as an Ordinary Resolution set forth in Item No. 4 of the accompanying notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company and their relatives are in anyway concerned or interested financially or otherwise in the Resolution as set out at Item No.4 as an **Ordinary Resolution**.

Item No. 5

The Members of the Company has authorized the Board, to create such mortgage and/or charges and/or hypothecation by way of first charge and/or second charge/subservient charge and/or pari-passu, in addition to the mortgage/charges/hypothecation created/to be created by the Company in such form and manner and with such ranking in consultation with the lender(s) and on such terms and conditions as the Board may deem it, on all or any of the movable and/or immovable(both tangible and intangible) properties of the Company, wherever situated, whether present and future or to sell, lease or otherwise dispose off the whole or substantially the whole of the undertaking of the Company or where the Company owns more than one undertaking, of the whole or substantially the whole of any such undertaking(s) and to create a mortgage and/or charge, on such terms and conditions at such time(s) and in such form and manner, and with such ranking as to priority as the Board in its absolute discretion thinks fit on the whole or substantially the whole of the Company's anyone or more of the undertakings or all of the undertakings of the Company in favour of any bank(s) or body(ies) corporate or person(s), whether shareholders of the Company or not, together with interest, cost, charges and expenses thereon for amount not exceeding ₹40 Crores (Rupees Forty Crores only) at any point of time.

However, considering the Company's future growth, business expansion plans and to support the financial requirements, the Company would require additional credit facilities from various Banks and/or Financial Institutions and/or any other lending institutions and/or Bodies Corporate and issuance of Debentures, Bonds, Commercial Papers, and other instruments. Hence, the consent of the members is sought in accordance with the provisions of Section 180(1)(a) of the Companies Act, 2013, to secure the borrowings made by the Company, it would be necessary to enhance the limit to ₹40.00 Crores (Rupees Forty Crores only) to create charge/on the assets (movable or immovable), hypothecation or mortgage on the assets of the Company or whole of the undertaking of the Company in favour of the lenders.

None of the Promoters, Directors or Key Managerial Personnel of the Company and their relatives are in anyway concerned or interested, Financially or otherwise, in the resolution as set out at Item No. 5 as **Special Resolution**.

The Board of Directors therefore, recommend passing of the Special Resolution as set out in Item No. 5 of this notice for the approval of the members.

Item No. 6

The Members of the Company has authorized the Board, for borrowing any sum or sums of monies for and on behalf of the Company, from time to time from anyone or more persons, firms, bodies corporate, bankers, financial institutions, or from others by way of advances, deposits, loans or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties, whether movable or immovable or stock-in process and debts, and advances notwithstanding that the sum or sums of moneys so borrowed together with moneys, if any, already borrowed by the Company (apart from the temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid up capital of the Company and its free reserves which have not been set apart for any specific purpose, provided that the total amount upto which the moneys may be borrowed shall not exceed ₹40 Crores (Rupees Forty Crores only) at any point of time on account of the principal.

However, considering the Company's future growth, business expansion plans and to support the financial requirements, the Company would require additional credit facilities from various banks and/or financial institutions and/or any other lending institutions and/or bodies corporate and issuance of Debentures, Bonds, Commercial Papers, and other instruments. The Board of Directors of your Company considered that the quantum of present borrowing limit of the Company be increased to ₹40.00 Crores (Rupees Forty Crores only).

None of the Promoters, Directors or Key Managerial Personnels of the Company and their relatives are in anyway concerned or interested, financially or otherwise, as set out at Item No. 6 as **Special Resolution**.

The Board of Directors therefore, recommend passing of the Special Resolution as set out in Item No. 6 of this notice for the approval of the members.

**By Order of the Board of Directors of
Aartech Solonics Limited**

**Sd/-
Amit Anil Raje
Managing Director
DIN: 00282385**

**Place: Bhopal
Dated: 06/09/2023**

**Registered Office:
E-2/57, Ashirvad, Arera Colony,
Bhopal- 462016 (MP)
CIN: L31200MP1982PLC002030
Tel No: 9993091168
Email Id: compliance@aartechsolonics.com
Website: www.aartechsolonics.com**

DIRECTORS' REPORT

**To,
The Members,
Aartech Solonics Limited**

Your directors are pleased in presenting their 41st Annual Report on the business performance and operations along with the Audited Financial Statements with the consolidated financial statements of the company and the Auditor's Report for the financial year ended March 31, 2023.

1. FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY:

The summary of the Standalone and Consolidated performance are set out below: -

(₹ In Lakhs)

	Standalone		Consolidated	
PARTICULARS	Year ended 31st March 2023	Year ended 31st March 2022	Year ended 31st March 2023	Year ended 31st March 2022
Revenue from Operations	2,164.67	1,635.96	2,168.80	1,633.64
Other Income	213.39	181.98	187.19	145.17
Total Revenue	2,378.07	1,818.00	2,356.00	1,778.81
Less: Expenses	(2,138.07)	(1,645.99)	(2,120.90)	(1,436.40)
Profit before Finance Cost, Depreciation/ Amortisation Expenses & Tax	239.99	172.01	235.10	342.41
Exceptional Items	-	-	-	-
Profit before Depreciation/ Amortisation Expenses & Tax	239.99	172.01	235.10	342.41
Less: Depreciation/ Amortisation Expenses	-	-	-	-
Profit/ (Loss) before tax	239.99	172.01	235.10	342.41
Current Tax	46.26	28.70	47.10	59.25
Deferred Tax	0.61	1.52	2.17	3.41

Net Profit/ (Loss) after tax	193.12	141.79	185.83	279.75
-------------------------------------	---------------	---------------	---------------	---------------

2. BRIEF DESCRIPTION OF THE COMPANY'S OPERATIONS DURING THE YEAR / STATE OF COMPANY'S AFFAIR

STANDALONE

At Standalone level, the Revenue from operations amounted to ₹ 2,164.67 Lakhs as against ₹ 1,635.96 Lakhs in the previous year. The Profit before Tax amounted to ₹ 239.99 Lakhs as against ₹ 172.01 Lakhs in the previous year. The Net Profit for the year amounted to ₹ 193.12 Lakhs as against Net Profit of ₹ 141.79 Lakhs reported in the previous year.

CONSOLIDATED

The Consolidated Revenue from Operations amounted to ₹ 2,168.80 Lakhs as against ₹ 1,633.64 Lakhs in the previous year. The Consolidated Profit before Tax amounted to ₹235.10 Lakhs as against Consolidated Profit before Tax amounted to ₹342.41 Lakhs in the previous year. The Consolidated Net Profit after Tax amounted to ₹185.83 Lakhs as against Consolidated Net Profit after Tax amounted to ₹279.75 Lakhs in previous year.

3. CHANGE IN NATURE OF BUSINESS

There was no change in business of the Company during the year under review.

4. DIVIDEND

Based on the Company's performance and considering the accumulated profit of the previous years, your directors have recommended a dividend of ₹ 0.50/- (Fifty Paise) i.e. 5% per equity share of Face Value ₹10.00 (Rupees Ten only) each (previous year ₹ 0.50/- per equity share i.e. 5% on the equity share of ₹10/- each) for the financial year 2022-23 subject to the TDS as may be applicable. The dividend payment is subject to the approval of members at the ensuing Annual General Meeting and will be paid to those members whose names appear in the Company's Register of Members and are beneficial owners as per the details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited. (CDSL) as on the date of book closure date and shall be paid within the period of 30 days from the date of declaration at the Annual General Meeting.

Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the members w.e.f. April 1, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the members at prescribed rates as per the Income-tax Act, 1961.

The Register of Members and Share Transfer Books of the Company shall remain closed from Saturday, September 23, 2023 to Saturday, September 30, 2023 (both days inclusive) for the purpose of ascertainment for eligibility for participation in payment of dividend for the financial year ended March 31, 2023.

5. SHARE CAPITAL

During the period under review, there has been no change in the Authorized Share Capital of the Company which stand at ₹15,00,00,000/- (Rupees Fifteen Crores Only) divided into 15000000 (One Crore Fifty Lakh) equity shares of ₹10/- (Rupees Ten only) each.

The paid-up equity share capital as at March 31, 2023 is Rs. 10,59,01,250/- (Rupees Ten Crore Fifty-Nine Lakh One Thousand Two Hundred Fifty only) divided into 10590125 (One Crore Five Lakh Ninety Thousand One Hundred and Twenty Five) equity shares of ₹10/- (Rupees Ten only) each.

6. RESERVES

Your directors proposed to transfer ₹193.12 Lakhs to the general reserve out of the profits available with the Company for appropriations.

7. DEPOSITS

During the year under review, the Company has not accepted or renewed any deposits falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with The Companies (Acceptance of Deposits) Rules, 2014.

8. CORPORATE GOVERNANCE

The Corporate Governance Report pursuant to the SEBI (LODR) Regulations, 2015 is not applicable for the year under review.

9. ANNUAL RETURN

The copy of annual return is prepared in form MGT-7 as per the provisions of the companies Act, 2013 and will be placed on the Company website at www.aartechsolonics.com.

10. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

The Company has two subsidiary companies namely AIC-Aartech Solonics Private Limited and Faradigm Ultracapacitors Private Limited.

11. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of section 203 of the Companies Act, 2013 and the rules made their under, following are the Board of Directors and Key Managerial Personnel of the Company as on March 31, 2023:

S. No.	Name of Directors/ KMPs	Current Designation	Original date of appointment	Nature of changes	Date of Cessation	DIN/PAN
1	Mr. Amit Anil	Chairman &	01.04.2007	-	-	00282385

	Raje	Managing Director				
2	Mrs. Arati Nath	Woman Director & CEO	12.05.2020	-	-	08741034
3	Mr. Anil Anant Raje	Non-executive director	24.08.1982		-	01658167
4	Mr. Prashant Dattatray Lowlekar	Independent Director	27.02.2018		-	08041377
5	Mr. Kshitij Negi	Independent Director	08.02.2021		-	09046425
6	Ms. Supriya Sunil Chitre	Independent Director	23.03.2023	Appointed as Independent Director	-	09237218
7	Mr. Pradeep Vasant Narkhede	Chief Financial Officer	12.05.2020	-	-	ADIPN4506H
8	Mr. K R Tanuj Reddy	Company Secretary & Compliance Officer	08.06.2018	-	-	APIPT5347Q

(a) Directors seeking appointment/ re-appointment

In terms of the provisions of the Companies Act, 2013, Mr. Anil Anant Raje (01658167), Non-executive Director of the Company will retire by rotation and being eligible, offer himself for re-appointment at the ensuing Annual General Meeting.

The Board recommends his re-appointment for the consideration of the members of the Company at the ensuing Annual General Meeting.

In case of appointment/re-appointment of Directors, the details of respective Directors as stipulated under Regulation 36(3) of the Listing Regulations are included in the Notice of Annual General Meeting.

(b) Woman Director

Mrs. Arati Nath (DIN: 08741034) was appointed as Woman Director & CEO and Ms. Supriya Sunil Chitre (DIN: 09237218) was appointed as a Woman Independent Director on the Board as required under the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015.

(c) Independent Directors and their Declaration

The Company is having 3 (Three) Independent Directors which are in accordance with the requirement of the SEBI (LODR) Regulations, 2015 as well as under the Companies Act, 2013. The terms and conditions of appointment of the Independent Directors are placed on the website of the Company.

All the Independent Directors have confirmed that they meet the criteria as mentioned under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013. As per the SEBI (LODR) Regulations 25 (8) states that every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, or whenever there is any change in the circumstances which may affect his status as an independent director, submit a declaration that he meets the criteria of independence as provided in clause of sub-regulation (1) of regulation 16 and that he is not aware of any circumstance or situation, which exist or may be reasonably anticipated, that could impair or impact his ability to discharge his duties with an objective independent judgment and without any external influence and the board of directors of the company shall take on record the declaration and confirmation submitted by the independent director under sub-regulation (8) after undertaking due assessment of the veracity of the same.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience (including the proficiency of the independent director as ascertained from the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs notified under sub-section (1) of section 150 of the Companies Act, 2013 and are the persons of high integrity and repute. They fulfill the conditions specified in the Companies Act, 2013 and SEBI (LODR) Regulations, 2015 and the Rules made thereunder and are independent of the management.

The Independent Directors have registered their names in the data bank maintained with the Indian Institute of Corporate Affairs. As per the proviso to Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all the Independent Directors of the Company have passed or are exempted from undertaking the online proficiency self-assessment test. These confirmations have been placed before the Board. None of the Independent Directors hold office as an Independent Director in more than seven listed companies as stipulated under Regulation 17A of the Listing Regulations. The maximum tenure of Independent Directors is determined in accordance with the Act and rules made thereunder, in this regard, from time to time.

(d) Programme for familiarization of Directors

The Company conducts familiarization programme for all the directors at the time of their appointment and also at regular intervals to enlighten the directors regarding their roles, rights and responsibilities in the Company and the nature of the industry in which the Company operates, the business model of the Company etc. The details regarding the familiarization programme conducted during the year are put up on the website of the company.

12. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY UNDER SECTION 186

The Company has not granted any loan, guarantee, or made any investments during the year ended 31st March 2023 under Section 186 of the Companies Act, 2013 and rule made there under. Pursuant to Section 186 (4) read with rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), disclosure on particulars relating to Loans, advances and investments are provided as part of the financial statements.

13. CONSTITUTION OF THE BOARD OF DIRECTORS AND THEIR MEETINGS

a) Constitution of the Board

The composition of the Board is in conformity with Regulation 17 of the SEBI (LODR) Regulations, 2015 and Section 149 of the Companies Act, 2013. The Company's policy is to maintain optimum combination of Executive and Non-Executive Directors. As on March 31, 2023, the Company has 6 (Six) Directors. Out of the 6 (Six) Directors, 2 (Two) are Executive Directors; 1 (One) Non-executive Director and 3 (Three) are Non-Executive, Independent Directors.

Mr. Amit Anil Raje, Chairman & Managing Director and Mr. Anil Anant Raje, Non-executive Director of the Company, are the Promoters of the Company and Mrs. Arati Nath, Director & CEO comes into the category of Promoter Group of the Company. The Members of the Board are highly qualified and having varied experience in their respective field and they assist the Board to discharge their functions from time to time.

b) Meetings of the Board

The Company prepares the schedule of the Board Meeting in advance to assist the Directors in scheduling their programme. The agenda of the meeting is circulated to the members of the Board well in advance along with necessary papers, reports, recommendations and supporting documents so that each Board member can actively participate on agenda items during the meeting.

The Board met 7 (seven) times during the Financial Year 2022-23. The maximum interval between any two meetings did not exceed 120 days. The details of Board meetings held during the financial year 2022-23 are as follows:

S. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	12.05.2022	5	5
2.	29.06.2022	5	5
3.	16.08.2022	5	4
4.	13.10.2022	5	4
5.	12.11.2022	5	4
6.	11.01.2023	5	3
7.	23.03.2023	5	5

Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)

Name of the Directors	Number of board meetings during the year 2022-23		Whether attended last AGM
	Held	Attended	
Mr. Amit Anil Raje	7	7	Yes
Mrs. Arati Nath	7	7	Yes
Mr. Anil Anant Raje	7	6	Yes
Mr. Prashant Dattatray Lowlekar	7	6	Yes
Mr. Kshitij Negi	7	4	Yes
Ms. Supriya Sunil Chitre	0	0	NA

c) Information available for the members of the Board

The Board has complete access to any information within the Company. The Company has provided inter alia following information.

- Financial results of the Company, its Subsidiaries;
- Minutes of meetings of the Board, Committees, resolutions passed by circulations and minutes of the meetings of the Board of Subsidiary Companies;
- Periodic compliance/reports which includes non-compliance, if any;
- Disclosures received from Directors;
- Related party transactions;
- Regular business updates;
- Action Taken Report on decisions of previous Board Meetings;
- Various Policies of the Board;
- Code of Conduct for the members of the Board;
- Discussion with the Auditors and the audit committee members.

18. COMMITTEES OF THE BOARD

The Board of Directors has constituted various mandatory and non-mandatory committees to deal with specific areas and activities. The Committees are formed with approval of the Board and function under their respective Charters.

These Committees play an important role in the overall management of day-to-day affairs and governance of the Company. The Board Committees meet at regular intervals and take necessary steps to perform its duties entrusted by the Board. The Minutes of the Committee Meetings are placed before the Board for noting. The Board currently has the following Committees:

a) Audit Committee

The Audit Committee was constituted by our Board in accordance with Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (LODR) Regulations, 2015. Its purpose is to assist the Board in fulfilling its oversight responsibilities of monitoring financial reporting processes, reviewing the Company's established systems and processes for internal financial controls, governance and reviewing the Company's statutory and internal audit activities.

As on March 31, 2023, the Audit Committee is headed by Mr. Prashant Dattatray Lowlekar and has Mr. Kshitij Negi and Mr. Amit Anil Raje as its members. All the members of the Committee have relevant experience in financial matters.

The Board assures that the members of the Committee are financially literate. In addition to the Audit Committee members, Statutory Auditors, the Chief Financial Officer, Head – Internal Auditors, are also invited to the Audit Committee Meetings, on need basis. The Company Secretary of the Company is the Secretary of the Committee.

The Audit Committee member meets at least four times a year with maximum interval of four months between two meetings and reports to the Board if required. During the year 2022-23, seven meeting

of the Audit Committee were held i.e., 12.05.2022, 29.06.2022, 16.08.2022, 13.10.2022, 12.11.2022, 11.01.2023 and 23.03.2023.

The Composition of the Audit Committee and the details of the meetings attended by its members held during the financial year 2022-23 are stated below:

Sr. No.	Name of the Director(s)	Category	Position held	No. of Meeting	
				Held	Attended
1.	Mr. Prashant Dattatray Lowlekar	Non-Executive & Independent Director	Chairperson	7	6
2.	Mr. Kshitij Negi	Non-Executive & Independent Director	Member	7	5
3.	Mr. Amit Anil Raje	Executive Director	Member	7	7

The terms of reference of Audit Committee Inter-alia, includes the following:

- Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient, and credible.
- Recommending to the Board, the appointment, remuneration and terms of appointment of the Statutory Auditor of the Company.
- Approving payments to Statutory Auditors for any other services rendered by them.
- Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
 - Matters required to be included in the Director's Responsibility Statement to be included in the Board's Report in terms of Section 134 (3)(c) of the Companies Act, 2013;
 - Changes, if any, in accounting policies and practices and reasons for the same;
 - Major accounting entries involving estimates based on the exercise of judgment by management;
 - Significant adjustments made in the financial statements arising out of audit findings;
 - Compliance with listing and other legal requirements relating to financial statements;
 - Disclosure of any related party transactions;
 - Modified opinion(s) in the draft Audit Report.
- Reviewing, with the management, the quarterly, half-yearly and Annual Financial Statements before submission to the Board for approval;

- Reviewing, with the management, the statement of uses / application of funds raised through an issue (preferential issue, rights issue etc.), the statement of funds utilized for purposes other than those stated in the offer document/ prospectus/notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter. This also includes monitoring the use or application of the funds raised through the proposed initial public offering by our Company;
- Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- Approving of any subsequent modification of transactions of the Company with related parties;
- Scrutinizing inter-corporate loans and investments;
- Valuing undertakings or assets of the Company, wherever it is necessary;
- Evaluating internal financial controls and risk management systems;
- Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- Discussing with internal auditors any significant findings and follow up thereon;
- Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- Discussing with statutory auditors, internal auditors, secretarial auditors, and cost auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- To investigate the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- To review the functioning of the whistle blower mechanism;
- Establishing a vigil mechanism policy for directors and employees to report their genuine concerns and grievances;
- Approval of appointment of the CFO (i.e., any person heading the finance function or discharging that function) after assessing the qualifications, experience, and background, etc. of the candidate;

- Review and monitor the process for compliance with laws, regulations and the code of conduct as per SEBI Insider Trading Regulations, 2015, and all other applicable Laws, rules and regulations, if any;
- Review all the provisions as per the Companies Act, 2013 and Securities and Exchange Board of India (LODR) Regulations, 2015 as amended from time to time; and
- Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

The Audit Committee also mandatorily review the following information:

- i. Management discussion and analysis of financial condition and result of operations;
- ii. Statement of significant related party transactions (as defined by the Audit Committee), submitted by management;
- iii. Management letters/ letters of internal control weaknesses issued by the Statutory Auditor;
- iv. Internal audit reports relating to internal control weaknesses;
- v. Statement of deviations:
 - Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of the Securities and Exchange Board of India (LODR) Regulations, 2015; and
 - Annual statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice in terms of the Securities and Exchange Board of India (LODR) Regulations, 2015.

The Board considered and approved the same and instructed to forward the matter to the audit committee for its noting and record.

The powers of the Audit Committee include the following:

- a. To investigate any activity within its terms of reference;
- b. To seek information from any employee;
- c. To obtain outside legal or other professional advice; and
- d. To secure attendance of outsiders with relevant expertise, if it considers necessary.

Details of establishment of vigil mechanism for directors and employees

The Company has formulated the Vigil Mechanism and Whistle Blower Policy. The policy aims for conducting the affairs in a fair and transparent manner by adopting highest standards of professionalism, honesty, integrity, and ethical behavior. All permanent employees of the Company are covered under the Vigil Mechanism Policy.

A mechanism has been established for employees to report concerns about unethical behavior, actual or suspected fraud or violation of Code of Conduct and Ethics. It also provides for adequate safeguards against the victimization of employees who avail the mechanism and allows direct access to the Chairperson of the Audit Committee in exceptional cases. Further, during the financial year 2022-23, no whistle blower complaint has been received against any Promoter, Directors and employees of the Company. The Policy is available on the website of the Company.

b) Stakeholder's Relationship Committee

Stakeholder's Relationship Committee has been constituted by the Board in accordance with Section 178 of the Companies Act, 2013. The Committee specifically looks into the redressal of shareholders and investors complaints such as transfer of shares, non-receipt of Balance Sheet, non-receipt of declared dividends, payment of unclaimed dividends etc.

In addition, the Committee also investigated matters that can facilitate better investor services and relations. The Board was kept apprised of all the major developments on investors' issues through various reports and statements furnished to the Board from time to time throughout the year. As on March 31, 2023, the Company's Stakeholders Relationship Committee was headed by Mr. Kshitij Negi and other members of the Committee are –Mr. Anil Anant Raje and Mr. Amit Anil Raje.

In order to act in compliance with Regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Stakeholders Relationship Committee reports to the Board as and when need arise, with respect to the status of redressal of complaints received from the shareholders of the Company. During the year 2022-23, five meeting of the committee were held on 12.05.2022, 16.08.2022, 13.10.2022, 11.01.2023 and 23.03.2023. The requisite quorum was present in the meeting.

The Composition of the Stakeholders Relationship Committee and the details of the meetings attended by its members held during the financial year 2022-23 is stated below:

Sr. No.	Name of the Director(s)	Category	Position held	No. of Meeting	
				Held	Attended
1.	Mr. Kshitij Negi	Non-Executive & Independent Director	Chairperson	5	4
2.	Mr. Anil Anant Raje	Non-Executive Director	Member	5	4
3.	Mr. Amit Anil Raje	Executive Director	Member	5	5

The terms of reference of the Stakeholder's Relationship Committee of the Company includes the following:

- Consider and resolve grievances of the security holders of the Company, including complaints related to the transfer of shares, non-receipt of Annual Report and non-receipt of declared dividends; and
- Carrying out any other function as prescribed under the SEBI (LODR) Regulations, 2015.

c) Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board in accordance with section 178 of Companies Act, 2013 and Regulation 19 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. This policy is applicable to all Directors, Key Managerial Personnel (KMP), Senior Management team and other employees of Aartech Solonics Limited ("Company"). During the year 2022-23, seven meeting of the committee were held on 12.05.2022, 29.06.2022, 16.08.2022, 13.10.2022, 12.11.2022, 11.01.2023 and 23.03.2023. The requisite quorum was present in the meeting.

The Composition of the Nomination and Remuneration Committee and the details of the meetings attended by its members held during the financial year 2022-23 is stated below:

Sr. No.	Name of the Director(s)	Category	Position held	No. of Meeting	
				Held	Attended
1.	Mr. Kshitij Negi	Non-Executive & Independent Director	Chairperson	7	5
2.	Mr. Prashant Dattatray Lowlekar	Non-Executive & Independent Director	Member	7	6
3.	Mr. Anil Anant Raje	Non-Executive Director	Member	7	7

The Nomination and Remuneration policy was adopted by the Board on the recommendation of Nomination & Remuneration Committee. The Policy is available on the website of the Company.

Brief description of terms of reference:

- Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel, and other employees;
- Formulation of criteria for evaluation of performance of independent Directors and the Board;
- Devising a policy on Board diversity;
- Identifying persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down and recommend to the Board their appointment and removal and evaluation of Director's performance;
- Determining whether to extend or continue the term of appointment of the Independent Director, on the basis of report of performance evaluation of independent directors;
- Carrying out any other function as prescribed under the SEBI Listing Regulations;
- recommend to the board, all remuneration, in whatever form, payable to senior management; and

- Performing such other activities as may be delegated by the Board of Directors and/or are statutorily prescribed under any law to be attended by the Nomination and Remuneration Committee.

19. MECHANISM FOR EVALUATION OF BOARD, COMMITTEES, CHAIRPERSON AND INDIVIDUAL DIRECTORS

The Nomination and Remuneration Committee and the Board have laid down the manner in which formal annual evaluation of the performance of the Board, Committees, Individual Directors, CEO & MD and the Chairman has to be made. Pursuant to the provisions of the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015, a structured questionnaire was prepared after taking into consideration the various aspects of the Board's functioning, composition of the Board and its Committees, culture, execution and performance of specific duties, obligations and governance. All Directors responded through a structured questionnaire giving feedback about the performance of the Board, its Committees, Individual Directors, CEO & MD and the Chairman.

As per Section 134(3) read with Rule 8(4) of the Companies (Accounts) Rules, 2014, the evaluation is done by the Independent Directors of the Board for the performance of the executive directors with specific focus on the performance and effective functioning of the Board and Individual Directors, areas of improvement for the Directors and for the aforesaid purpose, Independent Directors of the Company have conducted their separate meeting on December 05, 2022. The Board of Directors expressed their satisfaction with the evaluation process.

Criteria for evaluation of Board as a whole

- i. Board Composition & Quality;
- ii. Board Meetings;
- iii. Committees;
- iv. Core Governance & Compliance; and
- v. Risk Management.

Criteria for evaluation of Committees

- i. Structure of committees;
- ii. Appropriateness of delegation of responsibilities by the Board to its committees;
- iii. Composition of the committees;
- iv. The meetings are conducted in a manner that ensures open communication and meaningful participation;
- v. The amount of information received is appropriate for discussion and decision-making purposes;
- vi. The reporting by each of the Committees to the Board is sufficient;
- vii. Committees takes effective and proactive measures to perform its functions; and
- viii. The frequency of the Committee meetings is adequate.

Criteria for evaluation of Chairperson

- i. Leadership; and
- ii. Managing Relationships.

Criteria for evaluation of the Executive Directors

- i. Strategy Formulation & Execution;
- ii. Board Meetings;
- iii. Interpersonal Skills;
- iv. Leadership;
- v. Diligence; and
- vi. Knowledge & Expertise.

Criteria for evaluation of the Independent Directors

- i. Knowledge & Expertise;
- ii. Participation in Board Meetings;
- iii. Interpersonal Skills;
- iv. Professional Conduct & Independence;
- v. Diligence;
- vi. Roles & Responsibilities; and Disclosure & Reporting.

20. VIGIL MECHANISM (WHISTLE BLOWER POLICY)

In terms of the Section 177(9) of Companies Act, 2013 and rules framed there under, your Company has established a 'Whistle Blower Policy and Vigil Mechanism' for directors and employees it provides a channel to the employees to report to the appropriate authorities concerns about unethical behavior, actual or suspected, fraud or violation of the Company's code of conduct policy and provides safeguards against victimization of employees who avail the mechanism and also provide for direct access to the Chairman of the Audit Committee in exceptional cases. Protected disclosures can be made by whistle blower through an e-mail, or dedicated telephone line or a letter to the concerned authorities.

21. GOVERNANCE CODES**a) Code of Business Conduct & Ethics**

The Company has adopted Code of Conduct for Board of Directors and Senior Management ("the Code") which is applicable to the Board of Directors and all Employees of the Company. The Board of Directors and the members of Senior Management Team of the Company are required to affirm Compliance of this Code. The Company has received the annual affirmation declaration from the Board of Directors and Senior Management. The Code requires Directors and Employees to act honestly, fairly, ethically and with integrity, conduct themselves in professional, courteous and respectful manner. The Code is displayed on the Company's website.

b) Conflict of Interests

Each Director informs the Company on an annual basis about the Board and the Committee positions they occupies in other Companies including Chairmanships and notify changes during the year. The Members of the Board while discharging their duties, avoid conflict of interest in the decision-making process. The Members of Board restrict themselves from any discussions and voting in transactions in which they have concern or interest.

c) Insider Trading Code

The Company has adopted a Code of conduct for prevention of Insider Trading ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, amended time to time (the PIT Regulations). This Code is displayed on the Company's website.

The code shall be applicable to the insiders of the Company which includes all insiders, designated persons and their immediate relatives, connected persons, fiduciaries and intermediaries and shall come into effect from the date of listing of equity shares of the Company on a Stock Exchange in India subsequent to an initial public offering of the equity shares of the Company. The Chief Financial Officer of the Company is the Compliance Officer for monitoring adherence to the said PIT Regulations.

The Company has also formulated 'The Code of Practices and Procedures for Fair Disclosure of Unpublished Price Sensitive Information (UPSI)' in compliance with the PIT Regulations. This Code is displayed on the Company's website.

22. DIRECTOR'S RESPONSIBILITY STATEMENT

Pursuant to the provisions of Sec. 134 (5) of the Companies Act, 2013, the Directors confirm that:

- i. in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- ii. the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit of the company for that period;
- iii. the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.
- iv. that the directors had prepared the annual accounts for the Financial Year ended March 31, 2023 on a going concern basis;
- v. that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively; and
- vi. that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

23. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES REFERRED TO SECTION 188(1)

All transactions entered with Related Parties for the year under review were entered on arm's length basis and in the ordinary course of business and that the provisions of Section 188(1) of the Companies Act, 2013 and the Rules made there under were not attracted. The particulars of contracts

or arrangements with related parties referred to in Section 188(1) is prepared in Form AOC-2 pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014 and the same is annexed to the Board's Report as **Annexure-A**.

All Related Party Transactions are placed before the Audit Committee and the Board for approval. The Company has a process in place to periodically review and monitor Related Party Transactions. Omnibus approval was obtained on a yearly basis for transactions which are of repetitive nature. All the related party transactions were in the ordinary course of business and at arm's length.

24. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY

Your Company has an effective internal control and risk mitigation system, which are constantly assessed and strengthened with new/revised standard operating procedures. The Company's internal control system is commensurate with its size, scale and complexities of its operations.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control systems and suggests improvements to strengthen the same. The Company has a robust Management Information System, which is an integral part of the control mechanism.

25. RISK MANAGEMENT

For your Company, Risk Management is an integral and important component of Corporate Governance. Your Company believes that a robust Risk Management ensure adequate controls and monitoring mechanisms for a smooth and efficient running of the business. A risk-aware organization is better equipped to maximize the shareholder value. Your Company has a well-defined risk management framework in place. The risk management framework works at various levels across the Company. These levels form the strategic defense cover of the Company's risk management. The Company has a robust organizational structure for managing and reporting on risks. The Company follows well established and detailed risk assessment and minimization procedures, which are periodically reviewed by the Board. The Company's Business Risk Management Framework helps in identifying risks and opportunities that may have a bearing on the organization's objectives, assessing the terms of likelihood and magnitude of impact and determining response strategy.

26. CONSERVATION OF ENERGY, TECHNICAL ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

The Conservation of Energy, Technology Absorption, Foreign Exchange Earning and Outgo pursuant to provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of Companies (Account) Rules, 2014:

A. Conservation of Energy

While continuing to believe in philosophy of Energy saved is Energy produced, adequate measures commensurate with the business operations have been taken to reduce and conserve the energy consumption by utilizing energy efficient equipment whenever required.

B. Technology Absorption

The Company is doing its business by ensuring optimum utilization of its available resources. Your company has not taken any research & development activity so far.

C. Foreign Exchange Earnings and Outgo

Foreign Exchange Earnings: ₹30.93 Lakhs.

Outgo: ₹2.67 Lakhs.

27. POLICIES:

SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, mandated the formulation of certain policies for all listed companies. In compliance with the same, the Company has formulated the policies.

POLICY ON NOMINATION AND REMUNERATION POLICY

The policy of the Company on director's appointment and remuneration, including criteria for determining qualification, positive attributes, independence of a director and other matters provided under sub - section (3) of Section 178 of the Companies Act, 2013 was framed on the recommendation of Nomination and Remuneration Committee and approved by the Board.

The key objective of this policy is selection, appointment of and remuneration to Key Managerial Personnel, Directors and Senior Management Personnel.

RELATED PARTY TRANSACTIONS AND POLICY

The Company has developed a related party transactions framework through standard operating procedures for the purpose of identification and monitoring of transactions with the related parties.

None of the Directors has any pecuniary relationship or transactions vis-a-vis the Company.

CODE OF CONDUCT

In Compliance with Regulation 26(3) of the SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013, The Company has laid down the Code of Conduct for all Board members and senior management of the Company.

All the Board members and senior management of the Company have affirmed compliance with their Code of Conduct for the financial year ended March 31, 2023. The Managing Director has also confirmed and certified the same. The certification is annexed at the end of this report.

VIGIL MECHANISM AND WHISTLE BLOWER POLICY

The Company has implemented a vigil mechanism policy (Whistle blower policy), whereby the employees can raise their concerns on any violation of legal or regulatory requirements, suspicious fraud, misfeasance, misrepresentation of any financial statements and reports. The policy safeguards the whistle blower and also provides a direct access to the Chairman of Audit Committee. During this year no complaints were received under this mechanism nor has any personnel been denied access to the Audit Committee.

28. CORPORATE SOCIAL RESPONSIBILITY

The provisions of Section 135 of the Companies Act, 2013 are not applicable to the Company.

29. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS

There are no significant and material orders passed by the Regulators/Courts that would impact the going concern status of the Company and its future operations.

30. AFFIRMATION ON COMPLIANCE OF SECRETARIAL STANDARDS

The Company hereby affirms that during the year under review the Company has complied with all the applicable mandatory secretarial standards (including any modifications or amendments thereto) issued by the Institute of Company Secretaries of India.

31. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013 read with Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014, the Board is of the opinion that the Company has sound Internal Financial Control commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations. This process includes the design, implementation and maintenance of adequate Internal Financial Control that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

During the period under review, the Company has appointed independent audit firm as Internal Auditors to observe the Internal Control system.

The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Vigil Mechanism Policy, Policy to determine Material Subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for 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.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same. The Company has robust management information system, which is an integral part of the control mechanism.

32. AUDIT REPORT AND AUDITORS**Statutory Auditors & their Reports**

M/s S. Ramanand Aiyar & Co., Chartered Accountants, Indore (ICAI Firm Registration No. 000990N) were appointed as Statutory Auditor of the Company for a term of three years (3) in the Annual General Meeting of the Company held on September 24, 2020.

M/s S. Ramanand Aiyar & Co., Chartered Accountants, Indore have audited the books of accounts of the Company for the financial year ended March 31, 2023 and have issued the Auditor's Report there on. There are no qualifications or reservations or adverse remarks or disclaimers in the said report. Further, no fraud has been reported by the Auditors to the Audit Committee or the Board during the period under review.

The Auditor's Report, read together with the notes on financial statements are self-explanatory and hence do not call for any further comments under section 134 of the Act.

The term of M/s S. Ramanand Aiyar & Co., Indore will culminate at the conclusion of the ensuing Annual General Meeting of the Company. Due to the expiration of terms as mentioned above for Statutory provisions of the Companies Act, 2013 and other applicable provisions, if any, and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force), the Audit Committee and Board has recommended the appointment of M/s BANCERS & CO. LLP, Chartered Accountants, Bhopal (ICAI Firm Registration No. C400331), as the Statutory Auditors of the Company, to hold an office for a term of Five (5) years from the conclusion of this Annual General Meeting till the conclusion of 46th Annual General Meeting of the Company to be held in the year 2028, at a remuneration of ₹2.50 Lakhs (Rupees Two Lakh Fifty Thousand Only) which includes Audit Fee, Consolidation of Accounts, Limited Review Report plus applicable taxes and reimbursement of out-of-pocket expenses at actuals.

Further M/s BANCERS & CO. LLP, Chartered Accountants, Bhopal (ICAI Firm Registration No. C400331), have confirmed the compliance of the statutory requirements under the Companies Act, 2013 and of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Further pursuant to regulation 36(5) of SEBI (LODR) Regulations, 2015, the details and credentials of the statutory auditor are as under :

M/s BANCERS & CO. LLP is a firm of Chartered Accountants established in the year 2022. The firm is engaged in providing services in Audit, Accounting, Taxation and Advisory services. The firm is an empanelled Auditors having 5 Partners and 15 plus staff.

The firm has been awarded the Peer Review Certificate issued by the Institute of Chartered Accountants of India pursuant to the Statement on Peer Review. The firm has large team of professionals including Chartered Accountants, CWA's, DISA, CS, amongst others.

M/s BANCERS & CO. LLP, Chartered Accountants, Bhopal (ICAI Firm Registration No. C400331), has fulfilled and complied all the conditions as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has submitted their eligibility certificate to the Company and also meets the criteria as specified in section 141 of the Companies Act, 2013 and resolution seeking member's approval for appointment of Statutory Auditor forms part of the Notice convening the Annual General Meeting.

Secretarial Auditors

Secretarial Audit Report for the Financial Year 2022-23 issued by M/s APVN & Associates, Practicing Company Secretaries, Bhopal in Form MR-3 which is annexed to the Board's Report as **Annexure-C** which is self-explanatory and do not call for any further explanation of the Board.

Internal Auditors

As per the provisions of Section 138 of the Companies Act, 2013, the Board of Directors had appointed M/s Prem Chand Jain & Co., Chartered Accountants, Bhopal (ICAI Firm Registration No. 000066C), as an Internal Auditor to conduct internal audit of the Company for the Financial Year 2022-23.

33. DISCLOSURE WITH RESPECT TO MAINTENANCE OF COST RECORDS

Your Company doesn't fall within the scope of Section 148(1) of the Companies Act, 2013 and hence does not require to maintain cost records as specified by the Central Government.

34. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATED AND THE DATE OF REPORT

During the year under review and as on the date of report, there is no material change and commitments made which affect the financial position of the Company.

35. PARTICULARS OF EMPLOYEES

Disclosures under section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 respectively, is annexed to the Board's report as **Annexure-D**

36. MANAGEMENT DISCUSSION AND ANALYSIS

In terms of the provisions of Regulation 34(2)(e) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Management Discussion and Analysis Report on the financial condition and result of operations of the Company for the year under review is presented in a separate section forming part of the Annual Report.

37. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

Your Company is committed to provide a work environment that ensures everyone is treated with dignity and respect. The Company is also committed to promote equality at work and an environment that is conducive to the professional growth for all employees and encourages equal opportunity. Your Company does not tolerate any form of sexual harassment and is committed to take all necessary

steps to ensure that its employees are not subjected to any form of harassment including sexual harassment. The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder. All employees (permanent, contractual, temporary, trainees) are covered under this policy. During the Financial Year ended March 31, 2023, the Company has not received any Complaints pertaining to Sexual Harassment.

38. GENERAL DISCLOSURES

During the year under review, the Company has not entered into any transactions which covered under the following provisions and no disclosure or reporting is required :

- a) Details relating to deposits covered under Chapter V of the Act and rules made there under.
- b) As per rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
- c) As per rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme.
- d) As per rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares under the scheme of employee stock option.
- e) As per rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014, there are no voting rights exercised directly or indirectly by the employees in respect of shares held by them. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- f) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- g) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the Company's going concern status and operations in future.
- h) No fraud has been reported by the Auditors to the Audit Committee or the Board.
- i) There is no amount of unpaid/unclaimed dividend and shares which are required to be transferred in IEPF (Investor Education and Protection Fund) as per the provisions of the Companies Act, 2013.
- j) There is no Corporate Insolvency Resolution Process initiated by and against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC).
- k) There is no one time settlement of loans taken from banks and financial Institution.

39. REPORTING OF FRAUDS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor has reported to the Audit Committee under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in boards report.

40. ENHANCING SHAREHOLDERS VALUE

Your Company believes that its members are among its most important stakeholders. Accordingly, your Company's operations are committed to the pursuit of achieving high levels of operating performance and cost competitiveness, consolidating, and building for growth, enhancing the productive asset and resource base, and nurturing overall corporate reputation.

41. CAUTIONARY STATEMENT

Statements in this Board's Report and Management Discussion and Analysis describing the Company's objectives, projections, estimates, expectations or predictions may be "forward-looking statements" within the meaning of applicable securities laws and regulations. Actual results could differ materially from those expressed or implied. Important factors that could make difference to the Company's operations include raw material availability and its prices, cyclical demand and pricing in the Company's principle markets, changes in Government regulations, tax regimes, economic developments in the Country and other ancillary factors.

42. APPRECIATIONS AND ACKNOWLEDGMENTS

Your Company's organizational culture upholds professionalism, integrity and continuous improvement across all functions, as well as efficient utilization of the Company's resources for sustainable and profitable growth. Your directors acknowledge with gratitude and wishes to place on record its appreciation for the dedication and commitment of your Company's employees at all levels which has continued to be our major strength. Your directors also thank the shareholders, investors, customers, visitors to our websites, business partners, bankers and other stakeholders for their confidence in the Company and its management and look forward for their continuous support.

**For and on behalf of the Board
Aartech Solonics Limited**

**Place: Bhopal
Dated: 06/09/2023**

**Sd/-
Amit Anil Raje
Managing Director
(DIN: 00282385)**

**Sd/-
Arati Nath
Director
(DIN: 08741034)**

ANNEXURE A

Particulars of contracts/arrangements entered into by the company with related parties Form No. AOC-2
(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies
(Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related
parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's
length transactions under third proviso thereto

Details of contracts or arrangements or transactions not at arm's length basis: Nil

a.	Name(s) of the related party and nature of relationship	N A
b.	Nature of contract /arrangements/transaction	N A
c.	Duration of contract /arrangements/transaction	N A
d.	Salient terms of contract /arrangements/transaction including the value, if any,	N A
e.	Justification for entering into such contract / arrangements/ transaction	N A
f.	Date(s) of approval by the Board	N A
g.	Amount paid as advances , if any	N A
h.	Date on which special resolution was passed in general meeting as required under first proviso to Section 188	N A

Details of material contracts or arrangements or transactions at arm's length basis:

(₹ in lakhs)

S. No.	Name of Related Party	Nature of Transaction	As at 31 st March 2023	As at 31 st 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	Other Services (Expenses)	25.00	-
5.	AIC- Aartech Solonics Private Limited	Job Work Service (Revenue)	8.43	6.19
6.	Faradigm Ultracapacitors Private Limited	Interest paid on Unsecured Loan	-	0.72
7.	Faradigm Ultracapacitors Private Limited	Repayment of Unsecured Loan	-	9.02
8.	Faradigm Ultracapacitors Private Limited	Interest on Convertible Debentures	20.45	21.25
9.	Faradigm Ultracapacitors Private Limited	Sales	79.13	421.41

10.	Faradigm Ultracapacitors Private Limited	Purchases	-	11.28
11.	Faradigm Ultracapacitors Private Limited	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

**For and on behalf of the Board
Aartech Solonics Limited**

**Place: Bhopal
Dated: 06/09/2023**

**Sd/-
Amit Anil Raje
Managing Director
(DIN: 00282385)**

**Sd/-
Arati Nath
Director
(DIN: 08741034)**

ANNEXURE B

Form AOC-1

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures

Part “B”: Subsidiaries Company

Statement pursuant to Section 129 (3) of the Companies Act, 2013 related to Associate Companies and Joint Ventures

Name of associates/Joint Ventures	AIC-Aartech Solonics Private Limited	Faradigm Ultracapacitors Private Limited
1. Latest audited Balance Sheet Date	08/05/2023	08/05/2023
2. Shares of Associate/Joint Ventures held by the company on the year end		
- No.	9900	9500
- Amount of Investment in Associates/Joint Venture	Rs. 99,000.00/-	Rs. 95,000.00/-
- Extend of Holding%	99.00%	95.00%
3. Description of how there is significant influence	The Company is holding 99.00% shares of AIC-Aartech Solonics Private Limited	The Company is holding 95.00% shares of Faradigm Ultracapacitors Private Limited
4. Reason why the associate/joint venture is not consolidated	--	--
5. Net worth attributable to shareholding as per latest audited Balance Sheet	Rs. 0.00/-	Rs. 42,05,815.00/-
6. Profit/Loss for the year		
i. Considered in Consolidation	Rs. (10,76,559.00)/-	Rs. 3,47,349.00
ii. Not Considered in Consolidation	--	--

ANNEXURE C**Form No. MR-3
SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023**

[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the Companies (Appointment and remuneration of managerial personnel) Rule, 2014]

**To,
The Members,
AARTECH SOLONICS LIMITED**

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AARTECH SOLONICS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our Opinion thereon. Based on our verification of the AARTECH SOLONICS LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2023 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by AARTECH SOLONICS LIMITED for the financial year ended on 31st March, 2023, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
3. The Depositories Act, 1996 and the Regulations and Bye-laws Framed there under;
4. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial borrowing.
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
 - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
 - d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2014;

- e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;

6. Other Laws applicable to the Company;

- i. Factories Act, 1948 and Rules made there under
- ii. Payment of Bonus Act 1965, & Rules, 1965
- iii. Maternity Benefit Act 1961 & Rules
- iv. Employees Compensation Act, 1923 & Rules.
- v. Minimum Wages Act, 1948, Minimum Wages Act Central Rules 1950
- vi. Child Labour (P&R) Act 1986 & Rules.
- vii. Payment of Wages Act 1936
- viii. Employees State Insurance Act 1948
- ix. Employees PF & Miscellaneous Provisions Act 1952
- x. Contract Labour (Regulation & Abolition) Act 1970
- xi. Indian Contract Act, 1872
- xii. Payment of Gratuity Act, 1972
- xiii. Industrial Employment (Standing Orders) Act, 1946
- xiv. Equal Remuneration Act, 1976
- xv. Workmen's Compensation Act, 1923
- xvi. Apprentices Act 1961
- xvii. The Competition Act, 2002
- xviii. Consumer Protection Act, 2019
- xix. Transfer of Property Act 1882
- xx. Indian Stamp Act, 1899
- xxi. Registration Act, 1908
- xxii. Specific Relief Act, 1963
- xxiii. Negotiable Instruments Act, 1881
- xxiv. Trade Marks Act, 1999

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards with respect to Meetings of Board of Directors (SS-1) and General Meetings (SS-2) issued by The Institute of Company Secretaries of India.
- (ii) The Listing Agreements entered into by the Company with BSE Limited (BSE SME).

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above subject to the following observations:

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent at least seven days in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes.

We further report that there are adequate systems and processes in the company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations, and guidelines.

For APVN & ASSOCIATES

Date: 31/08/2023

Place: Bhopal

UDIN: F011543E000885988

Sd/-
CS AVADHESH PARASHAR
FCS No. 11543
C.P. No.: 9067

**To,
The Members,
AARTECH SOLONICS LIMITED
E-2/57, ARERA COLONY BHOPAL MP 462016**

Our Secretarial Audit Report of even date, for the financial year ended on 31st March, 2023 is to be read along with this letter.

Management's Responsibility

1. It is the responsibility of the management of the company to maintain secretarial records, devise proper system to ensure compliance with the provision of all applicable laws and regulation and to ensure that the system are adequate and operate effectively.

Auditor's Responsibility

2. Our responsibility is to express an opinion on these secretarial records, standards and procedures followed by the company with respect to secretarial compliances.
3. We believe that audit evidence and information obtained from the company's management is adequate and appropriate for us to provide a basis for our opinion.
4. Wherever required, we have obtained the management's representation about the compliance of laws, rules and regulations and happening of events etc.

Disclaimer

5. The Secretarial Audit Report is neither an assurance as to the future viability of the company nor of the efficacy or effectiveness with which the management has conducted the affair of the company.
6. We have not verified the correctness and appropriateness of financial records and books of account of the Company.

For APVN & ASSOCIATES

**Date: 31/08/2023
Place: Bhopal
UDIN: F011543E000885988**

**Sd/-
CS AVADHESH PARASHAR
FCS NO. 11543
C.P. No.: 9067**

ANNEXURE D

DETAILS OF REMUNERATION

{Details pertaining to remuneration as required under section 197(12) read with Rule 5(1) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014}

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2022-23, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2022-23, are as under:

TABLE I

S. No.	Name of Directors/KMP	Designation	Remuneration of Directors/KMP for the Financial Year 2022-23 (in ₹)	% increase in Remuneration in the Financial Year 2022-23	Ratio of Remuneration of each Director to median remuneration
A	B	C	D	E	F
1.	Mr. Amit Anil Raje	Chairman & Managing Director	26,39,000	23	12.30
2.	Mrs. Arati Nath	Director & CEO	24,86,145	23	11.59
3.	Mr. Anil Anant Raje	Non-executive Director	45,000	0	0.21
4.	Mr. Prashant Dattatray Lowlekar	Independent Director	60,000	0	0.28
5.	Mr. Kshitij Negi	Independent Director	30,000	0	0.14
6.	Ms. Supriya Sunil Chitre	Independent Director	NA	NA	NA
7.	Mr. Pradeep Vasant Narkhede	Chief Financial Officer	10,20,000	39	4.75
8.	Mr. K R Tanuj Reddy	Company Secretary	7,20,000	16	3.35

A. The ratio of remuneration of each director to the median remuneration of the employees of the company for the financial year:

The median remuneration of employees of the Company during the Financial Year was ₹ 2,14,503.50 per annum and ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year is provided in the column F of table I given above.

B. Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Details provided in the column E of table I given above.

C. The percentage increase in the median remuneration of Employees in the financial year 2022-23:

The median remuneration of employees of the Company during the Financial Year 2022-23 was ₹2,14,503.50 per annum as compare to previous year where the median remuneration of employee was ₹1,59,111 per annum.

Hence there is a increase by 34.81% in the median remuneration of employees as compared to previous financial year 2021-22.

D. The number of permanent Employees on the rolls of the Company as on March 31, 2023:

The number of permanent Employees on the rolls of the Company as on March 31, 2023 is 66.

E. Affirmation that the remuneration is as per the remuneration policy of the Company:

It is hereby affirmed that the remuneration paid is as per the Policy for Remuneration of the Directors, Key Managerial Personnel, and other Employees.

MANAGEMENT DISCUSSION AND ANALYSIS REPORT

Our Company was originally incorporated as “Aartech Solonics Private Limited” on August, 24th, 1982 under the provisions of the Companies Act, 1956 vide Certificate of Incorporation issued by the Registrar of Companies, Gwalior, Madhya Pradesh. Later on, the company got converted into public limited company and the name of the company was changed to – “Aartech Solonics Limited” and fresh certificate of incorporation dated April 23rd, 1992 was issued by the Registrar of the companies, Gwalior, Madhya Pradesh.

Aartech Solonics Limited is a system solution-oriented R&D enterprise in the field of specialized and selected energy appliances. The company is involved in the manufacturing of electricity distribution & control apparatus [electrical apparatus for switching or protecting electrical circuits (e.g. switches, fuses, voltage limiters, surge suppressors, junction boxes etc.) for a voltage exceeding 1000 volts; similar apparatus (including relays, sockets etc.) for a voltage not exceeding 1000 volts; boards, panels, consoles, cabinets and other bases equipped with two or more of the above apparatus for electricity control or distribution of electricity including power capacitors

Our history of being in the Energy sector goes back to 1982, and as a Limited company, it was registered in the year 1992. Since then, we have been providing technical expertise to all our customers in expanding energy market across the globe. The company is known for its rich credentials in the highly specialized field of fast bus transfer systems for medium voltage installations in power plant & process industries. Aartech BTS – 2000 Microprocessor based fast bus transfer system, sets the highest international benchmarks for providing critical process continuity solutions to the industry.

We aim to be a multi-product, multi-technologist company which provides a platform for technologists to step on and contribute effectively to technology development without having to inordinately deal with business setup issues. Also, to be an efficiently structured, IT enabled, delegated and organized outfit. To be optimally resourced for growth, and to use resources optimally for growth. To maintain an ethical corporate environment both within and without. To be a responsible corporate citizen and follow universally accepted ideals.

"Revised Vision & Mission Statement of Aartech Solonics Limited 2019"

VISION:

To be a leading Financially stable & strong group of enterprising companies operating in the field of either selected or specialized or Innovative Engineered products or services or solutions in a wide arena comprising of Technology based Multi Domain Business Activities.

MISSION:

To develop and run profitably a strong & resilient, multilevel, multi locational, multi structured, multi-cultural, multinational, Aartech promoted & Aartech inspired, group of companies, carrying Aartech values to achieve & excel the Aartech Vision.

The first leg of the Vision & Mission Statement will have a period of 6 years starting 1st April 2019 finishing at 31st March 2025 and shall comprise of following major Goal Posts.

1. Net Turnover of Group companies: Excess of Rs. 100 Cr.
2. Net profits of Group companies: Excess of 20 Cr growing @ an average rate of 15-25% year on year.
3. Aartech becomes an established Small / Medium level script on the Main stock exchanges in India and attempts to list at least on one of the exchanges abroad.
4. The listed average script price quotes around a multiple of 10 times the initial listed price of Rs. 34 per share.
5. Aartech establishes on its own or in partnership at least one manufacturing set up and at least two or more sales and services setups abroad.
6. Establishes a sound Board of Directors including Independent Directors, with at least 3 -5 eminent personalities from different facets of society comprising of Industry, Startups, Incubation, Social Innovation, Cultural, Finance, Economics, Advertising, Arts, Armed Forces, Judiciary etc.
7. Establish a practise of at least one Employee representation on a rotational basis based on the Best Employee of the year as selected by a committee consisting of a Director, CEO, CFO, COO & a Departmental head selected by the M.D. The committee shall be headed by an Independent Director of the company.

Tenure of the Vision & Mission Statement:

The tenure of this Vision & Mission statement shall remain unchanged till 31st March 2025, except for minor modifications additions etc.

COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT

As provided under Regulation 26(3) of the SEBI (LODR) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed the compliances to the Code of conduct of Board of Directors and Senior Management for the year ended March 31, 2023.

For Aartech Solonics Limited

Arati Nath
Chief Executive Officer

Place: Bhopal
Dated: 06/09/2023

Registered Office:

E-2/57, Ashirvad, Arera Colony, Bhopal,
462016, Madhya Pradesh

CEO/CFO CERTIFICATION TO THE BOARD

[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of Aartech Solonics Limited ("the Company") to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2023 and that to the best of our knowledge and belief, we state that:
 - i. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - ii. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

d) We have indicated to the Auditors and the Audit Committee:

- Significant changes, if any, in internal control over financial reporting during the year.
- Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

For and on behalf of

Aartech Solonics Limited

Arati Nath

Director & CEO

DIN: 08741034

Pradeep Vasant Narkhede

CFO

Place: Bhopal

Date: September 06, 2023

INDEPENDENT AUDITORS' REPORT

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

Report on the Audit of the Standalone Financial Statements

We have audited the accompanying Financial Statements of **Aartech Solonics Limited** ('A Company'), Registered Address **E-2/57, "Ashirwad" Arera Colon, Bhopal – 462016, M.P.** which comprise the Balance Sheet as at March 31, 2023, and the Statement of Profit and Loss and Cash Flow Statement for the year ended March 31, 2023 and a summary of significant accounting policies and other explanatory information of the company.

Unqualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- a) In the case of the Balance Sheet, of the state of affairs of the company as at March 31, 2023;
- b) In the case of the Statement of Profit and Loss of the profit, for the year ended on that date; and
- c) In the case of the Cash Flow Statement, for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Companies Act, 2013 (the Act). Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Results section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial results under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Key Audit Matters

Key audit matters are those matters that, in our professional judgement, 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 financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. There is no key audit matter to be communicated in our report.

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

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexure to Board's Report and Business Responsibility Report, but does not include the financial statements and our auditor's report thereon.

Our opinion on the 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 financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, prescribed under Section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records; relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability 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 Company or to cease operations, or has no realistic alternative but to do so.

The Board of directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the 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 it is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

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

- Identify and assess the risks of material misstatement of the 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also

responsible for expressing our opinion on whether the Company has adequate internal financial controls systems 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.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the 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.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "**Annexure A**" statement on the matters specified in paragraph 3 and 4 of the Order, to the extent applicable.
2. As required by section 143(3) of the Act, we report that:
 - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account, as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - c. In our opinion, the Balance Sheet, Statement of Profit & Loss and Cash Flow Statement, dealt with by this Report are in agreement with the books of account;

- d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with the rule of the Companies (Accounts) Rules, 2014;
- e. On the basis of written representations received from the directors as on 31st March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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 B.**'
- 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. 20).
 - 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 standalone 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.

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

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

ANNEXURE 'A' TO THE INDEPENDENT AUDITOR'S REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report to the Members of Aartech Solonics Limited of even date)

- I.
 - a)
 - i. The said Company has generally maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.
 - ii. The company does not have any intangible assets hence, reporting under this clause is not applicable.
 - b) The Property, Plant and Equipment referred to in Note no. 10 of financial statements have been physically verified by the management at reasonable intervals (covering all the assets in a period of three years), which in our opinion is reasonable, having regard to the size of the said Company and nature of its assets. As informed to us, no material discrepancy was noticed on such physical verification.
 - c) According to the information and explanation given to us and on the basis of our examination of the records of the corporation, the title deeds of immovable property disclosed in the financial statement are held in the name of the Company.
 - d) According to the information and explanations given to us, the said company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
 - e) There are no proceedings 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 as details provided by management.
- II.
 - a) As explained to us the physical verification of certain inventory has been conducted at reasonable intervals by the management and no material discrepancies were notice on such verification. There are so many items spread out at the site so it is very difficult to maintain the quantitative records of each and every item.
 - b) As explained to us, and information provided to us, the company has not been sanctioned working capital limits in excess of 5 crore rupees in previous years, in aggregate from banks or financial institution on the basis of security of current asset, and the monthly statement filled by the company with such bank of financial institute are in agreement with the books of account.
- III.
 - a) During the year, the company has Redeemed its fully Convertible Debentures of M/s Faradigm Ultracapacitors Pvt Ltd and had not made any other investments through equity shares and has not provided any guarantee or security or granted Loans & advances in the nature Loans secured or unsecured to companies, firms, Limited Liability Partnership to or any other Party. The details are as follows:

(in Lakhs)

Aggregate Amount during the year	Investment in F.Y. 2022-23
- Subsidiaries	(30.00)
- Associates	-
- Others	393.10

(in Lakhs)

Balance as on balance sheet date:	Investment As at 31st March 2023
a. Subsidiaries	421.95
b. Associates	3.00
c. Others	418.10

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, we are of the opinion that the terms and conditions on which investments have been made by the company during the year are not prejudicial to the Company's interest.
- c) The Company has not granted loans during the year to companies, firms, Limited Liability Partnerships or any other parties where the schedule of repayment of principal and payment of interest has been stipulated and the repayment or receipts are regular.
- d) There are no amounts of loans granted to companies, firms, limited liability partnerships or any other parties which are overdue for more than ninety days.
- e) There were no loans granted to companies, Limited Liability Partnerships or any other parties which was fallen due during the year, that have been renewed or extended or fresh loans granted to settle the overdue of existing loans given to the same parties.
- f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment.

IV. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Section 185 and 186 of the Act, with respect to the loans and investments made.

V. The Company has not accepted any deposits from the public as governed by the provision of section 73 to 76 or any other relevant provision of the Companies Act, 2013 and rules framed there under.

VI. The provisions of section 148(1) of the Companies Act, 2013 with regards to maintenance of cost records are not applicable to the Company.

VII. a) According to the information and explanations given to us and on the basis of our examination of records of the company, the company is regular in depositing undisputed statutory dues including Goods and Services Tax, Provident fund, Employee's state

insurance, Income Tax, Sales tax, Duty of customs, Duty of Excise, Value added tax, Cess and any other statutory dues to the appropriate authorities.

- b) According to the information and explanations given to us, there are no dues of GST, Provident Fund, Employees' State Insurance, Income-tax, Sales tax, Service Tax, Duty of Customs, Value added tax, Cess or other statutory dues which have not been deposited by the Company on account of disputes.

VIII. According to the information and explanations given to us, there are no transaction that are not recorded in books of accounts have been surrendered or disclosed as income during the year in the tax assessment under income tax act, 1961 (43 of 1961). Hence, this clause is not applicable.

IX. a) According to the records of the Company examined by us and the information and explanations given to us, the Company has not defaulted in repayment of loans or borrowings from lender during the year.

- b) According to the information and explanations given to us, Company is not declared as willful defaulter by bank or financial institution or another lender;

- c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, reporting under the clause is not applicable.

- d) According to the information and explanations given to us and on an overall examination of the balance sheet of the Company, we report that Company has raised a Cash Credit Limit on short-term basis which has not been utilized for any long term purpose.

- e) In our opinion and according to the information and explanations given to us, the company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates, or joint ventures.

- f) In our opinion and according to the information and explanations given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures, or associate companies.

X. a) The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Accordingly, paragraph (x) of the order is not applicable.

- b) The company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year.

XI. a) Based on examination of the books and records of the Company and according to the information and explanations given to us, we report that no fraud by the Company or on the Company has been noticed or reported during the course of the audit.

- b) According to the information and explanations given to us, no report under subsection

(12) of Section 143 of the Companies Act, 2013 has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.

- c) As represented to us by the management, there are no whistleblower complaints received by the Company during the year.

XII. In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph (xii) of the order is not applicable.

XIII. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with Sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

XIV. a) In our opinion, the company has an internal audit system commensurate with the size and nature of its business.

- b) The reports of the Internal Auditors for the period under audit were considered by the statutory auditor.

XV. On the basis of information and explanation given to us, the Company has not entered into any non-cash transactions with directors or persons connected with him during the financial year.

XVI. a) According to the information and explanations provided to us, the company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934 and hence this clause is not applicable to the Company.

- b) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, the clause is not applicable.

c) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, the clause is not applicable.

- d) According to the information and explanations provided to us during the course of audit, the Company does not have any CIC. Accordingly, the clause is not applicable.

XVII. Based on our examination the company has not incurred cash losses in the financial year 2022-23 and in the immediately preceding financial year, and hence reporting under this clause is not required.

XVIII. There is no resignation of the statutory auditors during the year. Accordingly, the clause is not applicable.

XIX. On the basis of the financial ratios, ageing and expected dates of realization of financial

assets and payment of financial liabilities, other information accompanying the financial statements, the auditor's knowledge of the Board of Directors and management plans. Nothing has come to our attention, which causes us to believe that any material uncertainty found as on the date of the audit report that company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

- XX. a) According to the information and explanations given to us, in respect of other than ongoing projects, and transferred unspent amount to a Fund specified in Schedule VII to the Companies Act within a period of six months of the expiry of the financial year in compliance with second proviso to sub-section (5) of section 135 of the said Act are not applicable to the company.
- b) According to the information and explanations given to us, the company is not required to transfer any amount to special account in compliance with provision of sub-section (6) of section 135 of the said Act.

For S. Ramanand Aiyar & Co.

Chartered Accountants

FRN: 000990N

Sd/-

CA Mayank Saklecha

Partner

(Membership No.: 423727)

UDIN: 23423727BGSBWD5022

Place: Bhopal

Date: May 11, 2023

ANNEXURE 'B' 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 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 too 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 judgement, 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 Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For S. Ramanand Aiyar & Co.

Chartered Accountants

FRN: 000990N

Sd/-

CA Mayank Saklecha

Partner

(Membership No.: 423727)

UDIN: 23423727BGSBWD5022

Place: Bhopal

Date: May 11, 2023

BALANCE SHEET AS AT 31st MARCH, 2023

(₹ in Lakhs)

Particulars	Notes	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	1,978.03	1,837.86
Non-Current Liabilities			
Long term Borrowings		-	-
Deferred Tax Liabilities (Net)	4	8.78	8.17
Government Grant	5	-	21.47
Current Liabilities			
Short Term Borrowings	6	265.89	65.18
Trade Payables			
- Total outstanding dues of MSMEs	7	114.13	15.88
- Total outstanding dues of creditors other than MSMEs	7	349.10	401.37
Other Current Liabilities	8	4.46	7.56
Short Term Provisions	9	68.44	73.35
TOTAL		3,847.85	3,490.00
ASSETS			
Non-Current Assets			
Property Plant & Equipment & Intangible Assets			
- Property Plant & Equipment	10	255.81	243.38
Non-Current Investments	11	1,023.73	611.14
Deferred Tax Assets (Net)		-	-
Long Term Loans and Advances	12	-	612.35
Other Non-Current Assets	13	55.41	47.49
Current Assets			
Current Investments	14	515.12	778.37
Inventories	15	447.64	244.78
Trade Receivables	16	1,101.52	708.46
Cash and Bank Balances	17	131.82	104.92
Short Term Loans and Advances	18	172.27	55.06
Other Current Assets	19	144.53	83.89
TOTAL		3,847.85	3,490.00

Significant accounting policies and notes to financial statements are given in note 1 to 36

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

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

 Sd/-
Amit A. Raje
Chairman &
Managing
Director

 Sd/-
Arati Nath
Chief Executive
Officer

 Sd/-
Pradeep V. Narkhede
Chief Financial Officer

 Sd/-
K.R. Tanuj Reddy
Company Secretary

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	Note	For the year ended 31 st March 2023	For the year ended 31 st March 2022
REVENUES			
Revenue from operations	21	2,164.67	1,635.96
Other Income	22	213.39	181.98
TOTAL REVENUE		2,378.07	1,818.00
EXPENDITURES			
Cost of materials consumed	23	1,466.25	1,065.92
Change in inventories of finished goods and work in process	24	-139.88	-1.85
Employee benefit expenses	25	368.17	271.59
Finance costs	26	26.79	17.08
Depreciation and amortization expenses	27	25.89	19.96
Other expenses	28	390.85	273.28
TOTAL EXPENSES		2,138.07	1,645.99
Profit before exceptional and extraordinary items and tax		239.99	172.01
Exceptional Items		-	-
Profit before extraordinary items and tax		239.99	172.01
Extraordinary Items		-	-
Profit before tax		239.99	172.01
Tax Expense			
Current Tax		46.26	28.70
Deferred Tax	29	0.61	1.52
Profit for the year		193.12	141.79
Earnings per equity share (Par value of Rs. 10 each)	30		
Basic (₹)		1.82	1.34
Diluted (₹)		1.82	1.34

Significant accounting policies and notes to financial statements are given in note 1 to 36

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

Sd/-
CA Mayank Saklecha
Partner
(Membership No. 423727)
Place: Bhopal
Date: May 11, 2023
UDIN: 23423727BGSBWD5022
Sd/-
Amit A. Raje
Chairman &
Managing
Director

Sd/-
Arati Nath
Chief Executive
Officer

Sd/-
Pradeep V.Narkhede
Chief Financial Officer

Sd/-
K.R. Tanuj Reddy
Company Secretary

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

1. SIGNIFICANT ACCOUNTING POLICIES

1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

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

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

1.2 PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS:

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.

1.3 USE OF ESTIMATES:

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are recognized in the period in which the results are known /materialized.

1.4 REVENUE RECOGNITION:

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

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

1.5 INVENTORIES:

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

1.6 INVESTMENTS

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

1.7 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.

1.9 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.

1.10 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.

1.11 IMPAIRMENT OF ASSETS:

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

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

1.12 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.

1.13 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.

1.14 EMPLOYEES BENEFITS:

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

i. Provident Fund & ESI

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

ii. Gratuity

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

iii. Leave Encashment

Leave encashment is 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, 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.

1.15 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.

1.16 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.

1.17 GOVERNMENT GRANTS AND SUBSIDIES:

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

When the grant or subsidy relates to an expense item, it is recognized as income over the periods necessary to match them on a systematic basis to the costs, which it is intended to compensate. Where the grant or subsidy relates to an asset, its value is deducted from the gross value of the asset concerned in arriving at the carrying amount of the related asset.

1.18 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.

1.19 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.

1.20 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.

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

2. SHARE CAPITAL

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Authorized Share Capital:		
1,50,00,000 Equity shares of ₹10 each	1,500.00	1,500.00
[Previous Year: 1,50,00,000 Equity Shares of Rs. 10/- each]		
Total	1,500.00	1,500.00
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		
Mr. Anil Anant Raje	23,38,000	22.08%
Mrs. Chhaya Anil Raje	13,99,999	13.22%
Mr. Amit Anil Raje	15,63,600	14.76%
Kailash Kabra	10,60,000	10.01%
As at March 31, 2022		
Mr. Anil Anant Raje	23,38,000	22.08%
Mrs. Chhaya Anil Raje	13,99,999	13.22%
Mrs. Prajakta Shashikant Kulkarni	16,38,000	15.47%
Mr. Amit Anil Raje	15,31,600	14.46%
Ashtamangal Projects Limited	9,18,000	8.67%

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

Particulars	(Number of equity shares)	
	As at 31 st March 2023	As at 31 st March 2022
Equity Shares at the beginning of the year	1,05,90,125	70,60,094
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	1,05,90,125

2.3 Terms / rights attached to Equity Shares

- 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.

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			
Mr. Anil Anant Rajee	23,38,000	22.08%	Nil
Mrs. Chhaya Anil Rajee	13,99,999	13.22%	Nil
As at March 31, 2022			
Mr. Anil Anant Rajee	23,38,000	22.08%	Nil
Mrs. Chhaya Anil Rajee	13,99,999	13.22%	Nil

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 ownership of shares.

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

e) Surplus/ (deficit) balance in statement of profit and loss during the year

Balance as per last Financial Statements	676.98	569.64
Add: Profit for the year	193.12	141.73
Add: Provision of Income Tax	-	0.92
Less: Appropriations:		
- Dividend paid on Equity Shares	52.95	35.30
- Transferred to General Reserve	-	-
Closing Balance	817.15	676.98
Total	1,978.03	1,837.86

4. DEFERRED TAX LIABILITIES (Net)

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Opening Balance	8.17	6.65
Add: Deferred tax liability arising on account of difference in Depreciation as per Companies Act and as per Income Tax Act	0.41	0.55
Add: Deferred tax liability arising on account of Section 43B of Income Tax Act	0.20	0.97
Closing Balance	8.78	8.17

4.1 The deferred tax assets and liabilities have been recognized 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.

5. GOVERNMENT GRANT – DST

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
- Unspent Capital Grant for DST Project	-	14.38
- Unspent Revenue Grant for DST	-	7.10
Total	-	21.47

6. SHORT TERM BORROWINGS
(₹ in Lakhs)

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

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

6.2 Primary Securities: Hypothecation of Stocks and Debtors.

6.3 Collateral Securities: Industrial property approx. 14,779 sq. feet at plot no. 35A/36, Sector-B, Industrial Area, Mandideep, District Raisen, 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.

6.4 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	153.56	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	-

- 6.4** 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.

7. TRADE PAYABLES

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Micro, Small and Medium Enterprises	114.13	15.88
Others	349.10	401.37
Total	463.24	417.26

- 7.1** 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.

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

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
MSME	114.13	-	-	-	114.13
Others	347.52	-	0.68	0.90	349.10
MSME – Disputed Dues	-	-	-	-	-
Others – Disputed Dues	-	-	-	-	-

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

(₹ in Lakhs)

Particulars	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
MSME	15.88	-	-	-	15.88
Others	399.79	0.68	-	0.90	401.37
MSME – Disputed Dues	-	-	-	-	-
Others – Disputed Dues	-	-	-	-	-

8. OTHER CURRENT LIABILITIES

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Electricity Expenses Payable	-	0.57
Professional Fees Payable	0.30	0.81

Expenses Payable	3.42	2.89
Advance from Customers	0.74	3.29
Total	4.46	7.56

9. SHORT TERM PROVISIONS

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Provision for Employee Benefits:		
- Salary and Reimbursements	34.48	34.17
- Statutory Bonus	4.47	3.75
- Contribution to ESIC and Provident	1.60	1.39
Duties & Taxes Payable:		
- Tax Deducted by Source Payable	19.81	12.24
- GST Payable	-	-
- Professional Tax Payable	0.09	0.05
- Provision for Income Tax	7.09	20.84
Other Provisions:		
- Audit Fees	0.90	0.90
Total	68.44	73.35

10. 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	208.35	-	-	208.35	3.17%
Plant & Machinery	63.99	24.39	-29.72	58.66	6.33%
Electrification	29.18	0.97	-	30.15	9.50%
Office Equipment	31.66	16.71	-	48.37	19.00%
Computer & Accessories	26.63	12.26	-	38.89	31.67%
Testing Equipment	8.19	0.15	-	8.34	6.33%
Furniture & Fixtures	65.35	11.00	-	76.35	9.50%
Vehicles	33.82	-	-	33.82	11.88%
Tools	29.31	0.14	-	29.45	6.33%
Total	514.38	65.62	-29.72	550.28	-
Previous Year	486.95	50.80	-	514.38	-

Particulars	Depreciation & Amortization			Net Block	
	As at 01/04/2022	For the year	As at 31/03/2023	As at 31/03/2022	As at 31/03/2023
Land	-	-	-	17.91	17.91
Building	81.21	6.60	87.82	127.13	120.53
Plant & Machinery	23.77	3.92	25.26	40.23	33.40
Electrification	20.48	1.11	21.58	8.71	8.57
Office Equipment	27.11	3.16	30.26	4.55	18.10
Computer & Accessories	20.21	5.07	25.29	6.42	13.60
Testing Equipment	6.55	0.30	6.85	1.64	1.49
Furniture & Fixtures	55.77	2.32	58.08	9.59	18.27
Vehicles	27.02	1.55	28.56	6.81	5.26
Tools	8.89	1.86	10.76	20.41	18.69
Total	271.00	25.89	294.47	243.38	255.81
Previous Year	267.03	19.96	271.00	219.92	243.38

10.1 Accumulated depreciation on plant and machinery sold during the year amounting to ₹2.43 lakhs.

11. NON CURRENT INVESTMENT

(₹ in Lakhs)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Investment in property	130.65	130.65
Investment in subsidiary		
In Unquoted Securities	-	-
Investments in equity instruments:	-	-
- AIC-AARTECH SOLONICS PVT LTD	1.00	1.00
- FARADIGM ULTRACAPACITORS PVT LTD	0.95	0.95
Investments in Fully Convertible Debenture:		
- Faradigm Ultracapacitors Private Limited	220.00	250.00
- AIC- Aartech Solonics Private Limited	200.00	200.00
Equity Investment in Associate		
In Unquoted Securities		
- Enerqual Technology Private Limited	3.00	3.00
Investments in equity instruments:		
In Quoted Securities		
- Dena Bank Equity	-	0.55
- Rudra Global Infra Products Limited	50.01	-
- Bandhan Bank Limited	0.02	-
In Unquoted Securities (related parties)		
Epsilon Ten Ltd	393.10	-
Umang Shridhar Design Private Limited	25.00	25.00
Total	1,023.73	611.14
Quoted investments – Book Value	50.03	0.55
Quoted investments – Market Value	36.97	0.55

12. LONG TERM LOANS & ADVANCES

(₹ in Lakhs)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Loans & Advances to related parties		
(unsecured considered good)		
- AIC-AARTECH SOLONICS PVT LTD	-	10.12
Other Loans and Advances		
(Unsecured considered good)	-	602.23
Total	-	612.35

13. OTHER NON CURRENT ASSETS

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

14. CURRENT INVESTMENT

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st 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 Plan Growth	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
- 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	49.87	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	-	0.10
- 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	-	100.00
- Tata Resources & Energy Fund Regular Plan Growth	5.00	5.00
- Nippon India Multi Cap Fund Growth Plan (466218393367)	-	1.99
- Nippon India Ultra Short Duration Fund (466218393367)	-	4.77
- Nippon India Taiwan Equity Fund Growth Plan	45.27	45.00
- Nippon India Power & Infra Fund Regular Plan	-	6.00
- Nippon India Floating Rate Fund Growth Plan	0.21	-
- Nippon India Large Cap Fund Growth (466218393367)	60.00	-
- Nippon India Nifty AAA PSU Bond Plus SDL 50:50 Index Fund Growth Plan	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 Growth Plan	26.02	-
- Nippon India Small Cap Fund Growth (466218393367)	1.70	-
- Nippon India Fixed Horizon Fund XI V Series S Fund Growth Plan	30.00	-
Total	515.12	778.37
Quoted Investments – Book Value	515.12	778.37
Quoted Investments – Market Value	511.01	815.09
Total	515.12	778.37

15. INVENTORIES

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Raw Materials and components	297.21	234.22
Work-in-progress	119.03	10.25
Finished Goods	31.40	0.31
Total	447.64	244.78

* Valued at cost or market value whichever is lower.

16. TRADE RECEIVABLES

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Outstanding for more than 6 months		
- Secured, considered good	-	-

- Unsecured, considered good	159.62	162.38
- Doubtful	-	-
Others		
- Secured, considered good	-	-
- Unsecured, considered good	941.90	546.18
- Doubtful	-	-
Total	1,101.52	708.46

16.1 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	941.90	100.99	17.81	19.17	21.65
Undisputed Considered Doubtful	-	-	-	-	-
Disputed Considered Good	-	-	-	-	-
Disputed Considered Doubtful	-	-	-	-	-

16.2 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	546.18	31.96	73.75	27.40	29.16
Undisputed Considered Doubtful	-	-	-	-	-
Disputed Considered Good	-	-	-	-	-
Disputed Considered Doubtful	-	-	-	-	-

17. CASH AND CASH EQUIVALENTS
(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st March 2022
Balances with banks:		
- In Current Accounts	12.15	45.95
Cash on hand	0.02	0.23
Balances with banks held as margin money (Refer note 17.1)	118.33	56.69
Others (refer note no. 17.2)	1.31	2.06
Total	131.82	104.92

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

17.2 Others represent imprest given to employees for incurring expenses.

18. SHORT TERM TOANS AND ADVANCES

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Unsecured Loans and Advances: (Unsecured, considered good)		
Advance to Suppliers	168.17	34.96
Advance to Employees	-	16.79
Prepaid Expenses	4.10	3.30
Total	172.27	55.06

19. OTHER CURRENT ASSETS

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Income Tax Refund Receivable AY 2020-21	-	2.22
Accrued Interest	98.61	65.25
GST Receivable	45.92	16.42
Total	144.53	83.89

20. CONTINGENT LIABILITIES & COMMITMENTS

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

20.1 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 recognized.

21. REVENUE FROM OPERATIONS

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Sale of Products	2,028.34	1,521.95
Sale of Services	136.33	114.01

Total	2,164.67	1,635.96
--------------	-----------------	-----------------

21.1 GSTIN wise Turnover details:
(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
23AACCA5369B1Z4	1,371.33	1,109.93
02AACCA5369B1Z8	793.34	526.02
Total	2,164.67	1,635.96

22. OTHER INCOME
(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 31st March 2022
- Interest Income	104.23	41.90
- 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	-
- Net gain/(- loss) on sale of investments	72.55	110.67
- Net gain on foreign currency transaction and translation	1.39	-
- Other non-operating income	0.57	0.87
- Profit on sale of Fixed Assets	-	22.56
Total	213.39	181.98

22.1 Receipts in foreign currency during the year & previous year:
(₹ in Lakhs)

Particulars	As at 31 st March, 2023		As at 31 st 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.

23. COST OF MATERIALS CONSUMED

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Purchase of Raw Materials	1,529.24	1,106.04
Opening Balance of Raw Materials	234.22	194.10
Less: Closing Balance of Raw Materials	297.21	234.22
Total	1,466.25	1,065.92

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

(₹ in Lakhs)				
S. No.	Particulars	Imported Raw Material	Indigenous Raw Material	Total
1	Purchases of Raw Material	393.752	1,135.48	1,529.24
2	Opening Balance of Raw Material	109.53	124.69	234.22
3	Closing Stock of Raw Material	62.71	234.49	297.21

24. CHANGE IN INVENTORIES

(₹ in Lakhs)		
Particulars	As at 31 st March 2023	As at 31 st 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

25. EMPLOYEE BENEFIT EXPENSES

(₹ in Lakhs)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Salaries and Wages:		
- Directors Remuneration	63.69	41.52
- Staff Salary	244.16	192.27
- 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	14.66	11.41
Total	368.17	271.59

25.1 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:

(₹ in Lakhs)

Particulars	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 Employees’ Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for eligible employees. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations.

Gratuity:

Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	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):

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Present value of obligations as at the 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%	-

26. FINANCE COST

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Interest Expenses (Refer Note No. 26.1)	18.37	12.39
Other borrowing costs (Refer Note No. 26.2)	8.42	4.69
Total	26.79	17.08

26.1 Interest Expenses shown interest on CC/OD Account.

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

27. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Depreciation of tangible assets	25.89	19.96
Amortisation of intangible assets	-	-
Total	25.89	19.96

27.1 Refer note 10 for assets wise details of depreciation charge and note 1.10 for depreciation policy and rates of depreciation.

28. OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Administrative Expenses		
Audit fees	1.00	1.00
Director Sitting Fees	1.35	0.90
Membership & Registration Fees	1.55	1.73
Insurance Expenses	1.53	1.97
Internet expenses	4.27	2.86
Legal Expenses	6.42	8.72
Professional & consultancy expenses	57.12	51.58
Electricity Expenses	0.31	0.74
Office Expenses	4.30	2.16
Postage & Courier Expenses	0.52	0.24
Printing & Stationery Expenses	1.78	1.30
Rates and taxes	8.29	0.61
Rent Office	18.00	18.00

Repairs & Maintenance	19.28	7.60
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	-
Miscellaneous administrative expenses	12.75	11.98
Total (A)	166.86	124.79
Manufacturing Expenses		
Power and Fuel	14.47	9.20
Rent Factory	3.78	3.67
Job Work Expenses	35.44	31.34
Site Development expenses	6.99	8.83
Repairs to machinery	2.33	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	4.27	2.69
Total (B)	82.24	70.35
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)	-	0.18
Total Other Expenses (A+B+C+D+E)	390.85	273.28

29. 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:

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

	(₹ in Lakhs)
- Depreciation as per Income Tax Act, 1961	: ₹ 27.37
- Depreciation as per Companies Act, 2013	: ₹ 25.89
- Difference	: ₹ 1.48
- Deferred tax Expense/(Income)	: ₹ 0.41

29.2 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

29.3 Net deferred tax expense debited to statement of profit and loss for the period is ₹ 0.61 Lakhs

30. EARNING PER SHARE

	(₹ in Lakhs)	
Particulars	As at 31 st March 2023	As at 31 st March 2022
Net profit after tax	193	142
Weighted average number of equity shares	1,05,90,125	1,05,90,125
Total	1.82	1.34

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

32. 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 they are stated in the Balance Sheet. Also, there is no impairment of fixed assets.

33. RELATED PARTY DISCLOSURE

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 Designs Private Limited	
12	Enerqual Technology Private Limited	Associate Company
13	K R Tanuj Reddy	Company Secretary

33.1 Transactions with related parties for the year ended:

S. No.	Name of related party	Nature of Transaction	As at	As at
			31 st March 2023	31 st 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	Other 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

33.2 Balance with related parties for the year ended 31st March, 2023

(₹ in Lakhs)				
S. No.	Name of Related Party	Relation	As at 31 st March, 2023	As at 31 st March, 2022
	Investments in Fully Convertible Debenture:			
1	Faradigm Ultracapacitors Private Limited	Subsidiary Company	220.00	250.00
2	AIC- Aartech Solonics Private Limited	Subsidiary Company	200.00	200.00
	Total		420.00	450.00
	Trade Payables			
1	Faradigm Ultracapacitors Private Limited	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 Designs 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

34. RESEARCH & DEVELOPMENT EXPENSES

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

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

(₹ in Lakhs)		
Particulars	As at 31 st March, 2023	As at 31 st March, 2022
1 Salary to research staff (refer note 25)	30.65	9.53
2 Material purchased	6.24	0.73
3 Travelling expenses	7.87	0.22
4 Other Expenses	15.20	0.02

Total	59.95	10.49
--------------	--------------	--------------

35. DST PROJECT – “SAUR STAMBH”

The expenses incurred during the year for DST Saur Stambh Project are:

(₹ in Lakhs)		
Particulars	As at 31st March, 2023	As at 31st March, 2022
(A) Capital Expenditure:		
Permanent Equipment	14.34	-
Fabricated system	1.12	3.44
Total (A)	15.47	3.44
(B) Revenue Expenses:		
Manpower Expenses (Salary to staff)	6.50	3.39
Consumables	1.10	-
Travelling Expenses	0.09	-
Other Expenses	3.08	-
Total (B)	10.77	3.39
Grand Total (A+B)	26.24	6.83

36. ADDITIONAL REGULATORY INFORMATION:

S.No.	Particulars
1	All the Title Deed of the Immovable Properties is registered in the name of the Company, 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 **Willful Defaulter:** During the Period under review, Company has not declared willful 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 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 arrangement:** NA
- 16 **CSR:** The provision of CSR as per section 135 of the Companies Act, 2013 is not applicable to the company.
- 17 **Utilization 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(s) including foreign entities (funding party).

37. RATIO ANALYSIS

S. No.	Particulars	As at 31 st March, 2023	As at 31 st March, 2022	Changes in %	Remarks
1	<u>Current Ratio</u>	313.32%	350.67%	37.35%	Refer note 35.1
	Numerator – Current Assets	2,512.90	1,975.48		
	Denominator – Current Liabilities	802.02	563.34		
2	<u>Debt Equity Ratio</u>	26.41%	19.45%	-6.96%	
	Numerator – Total Outside Liabilities	802.02	563.34		
	Denominator – Total Shareholders Equity	3,037.04	2,896.87		
3	<u>Debt Service Coverage Ratio</u>	89.28%	267.19%	177.91%	Refer note 35.2
	Numerator – Net Operating Income	237.38	174.14		
	Denominator – Debt Service	265.89	65.18		
4	<u>Return on Equity Ratio</u>	6.51%	4.99%	-1.52%	
	Numerator – Profit for the period	193.12	141.79		
	Denominator – Avg. Shareholders Equity	2,966.96	2,843.20		
5	<u>Inventory Turnover Ratio</u>	383.11%	475.46%	92.35%	Refer note 35.3
	Numerator – Cost of Goods sold	1,326.37	1,064.07		
	Denominator – Average inventory	346.21	223.80		
6	<u>Trade Receivables Turnover Ratio</u>	239.19%	243.54%	4.35%	
	Numerator – Net Credit Sales	2,164.67	1,635.96		
	Denominator – Average Trade Receivables	904.99	671.73		
7	<u>Trade Payables Turnover Ratio</u>	347.36%	390.92%	43.57%	Refer note 35.4
	Numerator – Total Purchases	1,529.24	1,106.04		
	Denominator – Average Trade Payables	440.25	282.93		
8	<u>Net Capital Turnover Ratio</u>	138.63%	119.32%	-19.30%	
	Numerator – Net Sales	2,164.67	1,635.96		
	Denominator – Average Working Capital	1,561.51	1,371.01		
9	<u>Net Profit Ratio</u>	8.92%	8.67%	-0.25%	
	Numerator – Profit After Tax	193.12	141.79		
	Denominator – Sales	2,164.67	1,635.96		

10	<u>Return on Capital employed</u>	8.51%	6.37%	-2.14%
	Numerator–Profit before Interest and Taxes	258.36	184.41	
	Denominator – Capital Employed	3,037.04	2,896.87	
11	<u>Return on Investment</u>	13.37%	10.53%	-2.84%
	Numerator – Return/ Profit/ Earnings	239.99	172.01	
	Denominator - Investment	1,794.66	1,632.90	

36.1 Due to increase in Working capital loan

36.2 Due to increase in Working capital loan

36.3 Due to increase in business activity of the company

36.4 Due to increase in business activity of the company

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

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

Sd/-
Amit A. Raje
Chairman &
Managing
Director

Sd/-
Arati Nath
Chief Executive
Officer

Sd/-
Pradeep V.Narkhede
Chief Financial Officer

Sd/-
K.R. Tanuj Reddy
Company Secretary

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

Particulars	(₹ in Lakhs)	
	For the year ended 31 st March 2023	For the year ended 31 st March 2022
1. Cash Flows from Operating Activities		
Net Profit and Loss A/c (as per profit and loss account)	193.12	141.73
Provision for tax made during the year	46.26	28.70
Deferred Tax	0.61	1.52
Depreciation during the year	25.89	19.96
Interest Income	-104.23	-41.90
Rental Income	-3.19	-2.59
Net gain/(-loss) on sale of investments	-72.55	-110.67
Other non-operating income	-0.57	-0.87
Loss on Sale of Fixed Assets	14.15	-
Government Grant for DST Project – “Saur Stambh”	-21.47	-3.39
Grant from Defence innovation Organisation for Disc5	-10.00	-22.56
Operating Profit Before Working Capital Changes	68.03	9.93
Working Capital Changes		
Decrease/(Increase) in Inventory	-202.86	-41.97
Decrease/(Increase) in Account Receivable	-393.06	-73.46
Decrease/(Increase) in Short Term Loans and Advances	-117.21	28.26
Decrease/(Increase) in Other Current Assets	-60.64	-48.07
Increase/(Decrease) in Short term borrowings	200.71	-22.38
Increase/(Decrease) in Trade Payables	45.98	268.65
Increase/(Decrease) in Short Term Provisions	8.85	-7.18
Increase/(Decrease) in Other Current Liabilities	-3.10	-0.22
Cash generated from Operations	-453.31	113.57
Income tax paid during the year	60.01	18.80
Net cash generated from operational activity	-513.32	94.77
2. Cash Flows from Investing Activities		
Interest Income	104.23	41.90
Rental Income	3.19	2.59
Net gain/(-loss) on sale of investments	72.55	110.67
Other non-operating income	0.57	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)	263.25	-
Investment made in marketable securities during the year (Net)	-	-189.46
Investment made in Equity Shares	-442.58	-

<i>Proceeds from Convertible Debentures (Net)</i>	30.00	-
<i>Purchase of new assets (net of sale proceed)</i>	-52.47	-20.86
<i>Decrease/(Increase) Long Term Loans & Advances</i>	612.35	-9.04
<i>Decrease/(Increase) in Security deposits</i>	-7.92	-15.57
Net cash generated from Investment activity	593.17	-54.04
3. Cash Flows from Financing Activities		
<i>Increase/(Decrease) in long term borrowing</i>	-	-
<i>Proceeds from issue of equity shares</i>	-	-
<i>Dividend Paid</i>	-52.95	-35.30
Net cash generated from Financing activity	-52.95	-35.30
4. Net Increase/ (Decrease) in Cash (1+2+3)	26.90	5.43
Cash and cash equivalents at the beginning of the year	104.92	99.49
5. Cash and cash equivalents at the end of the year	131.82	104.92

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

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

Sd/-
Amit A. Raje
Chairman &
Managing
Director

Sd/-
Arati Nath
Chief Executive
Officer

Sd/-
Pradeep V. Narkhede
Chief Financial Officer

Sd/-
K.R. Tanuj Reddy
Company Secretary

INDEPENDENT AUDITORS' 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 of **Aartech Solonics Limited** (hereinafter 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 for 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 Results 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 judgement, 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 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 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 judgements 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 Company 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 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 it 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 exercised professional judgement 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 Lakhs 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 and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. In our opinion, proper books of account, as required by law have been kept by the Company, so far as it appears from our examination of those books;
 - c. 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, read with the rule of the Companies (Accounts) Rules, 2014;

- e. On the basis of written representations received from the directors as on 31st March, 2023, taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 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

Sd/-
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 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 too 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 judgement, 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 Company has, in all material respects, adequate internal financial controls with reference to standalone financial statements and such internal financial controls with reference to standalone financial statements were operating effectively as at March 31, 2023, 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 issued by the ICAI.

For S. Ramanand Aiyar & Co.

Chartered Accountants

FRN: 000990N

Sd/-

CA Mayank Saklecha

Partner

(Membership No.: 423727)

UDIN: 23423727BGSBWD5022

Place: Bhopal

Date: May 11, 2023

CONSOLIDATED BALANCE SHEET AS AT 31st MARCH, 2023

(₹ in Lakhs)

Particulars	Notes	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

Sd/-

CA Mayank Saklecha

Partner

(Membership No. 423727)

Place: Bhopal

Date: May 11, 2023

UDIN: 23423727BGSBWD5022

For and on behalf of the Board of Directors

Sd/-

Amit A. Raje

Chairman &

Managing

Director

Sd/-

Arati Nath

Chief Executive

Officer

Sd/-

Pradeep V. Narkhede

Chief Financial Officer

Sd/-

K.R. Tanuj Reddy

Company Secretary

CONSOLIDATED STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023
(₹ in Lakhs)

Particulars	Note	For the year ended 31 st March 2023	For the year ended 31 st March 2022
REVENUES			
Revenue from operations	22	2,168.80	1,633.64
Other Income	23	187.19	145.17
TOTAL REVENUE		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		-	-
Profit before extraordinary items and tax		235.10	342.41
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 Rs. 10 each)	31		
Basic (₹)		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

For and on behalf of the Board of Directors

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

Sd/-
Amit A. Rajee
Chairman &
Managing
Director

Sd/-
Arati Nath
Chief Executive
Officer

Sd/-
Pradeep V.Narkhede
Chief Financial Officer

Sd/-
K.R. Tanuj Reddy
Company Secretary

Notes on 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 recognized 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.

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 recognized in the period in which the results are known /materialized.

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.

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.

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.

iii. 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, 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.

1.16 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.

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.

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

2. SHARE CAPITAL

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Authorized Share Capital:		
1,50,20,000 Equity shares of ₹10 each	1,502.00	1,502.00
[Previous Year: 1,50,20,000 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		
<u>Aartech Solonics Limited</u>		
Mr. Anil Anant Raje	23,38,000	22.08%
Mrs. Chhaya Anil Raje	13,99,999	13.22%
Mr. Amit Anil Raje	15,63,600	14.76%
Kailash Kabra	10,60,000	10.01%
<u>Faradigm Ultracapacitors Private Limited</u>		
Aartech Solonics Limited	9,500	0.09%
Mr. Anil Anant Raje (Minority interest)	500	0.005%
<u>AIC- Aartech Solonics Private Limited</u>		
Aartech Solonics Limited	9,900	0.09%
As at March 31, 2022		
<u>Aartech Solonics Limited</u>		
Mr. Anil Anant Raje	23,38,000	22.08%
Mrs. Chhaya Anil Raje	13,99,999	13.22%
Mrs. Prajakta Shashikant Kulkarni	16,38,000	15.47%
Mr. Amit Anil Raje	15,31,600	14.46%
Ashtamangal Projects Limited	9,18,000	8.67%
<u>Faradigm Ultracapacitors Private Limited</u>		
Aartech Solonics Limited	9,500	0.09%
Mr. Anil Anant Raje (Minority interest)	500	0.005%
<u>AIC- Aartech Solonics Private Limited</u>		
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 below:

Particulars	(Number of equity shares)	
	As at 31 st March 2023	As at 31 st 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

- 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.
- The bonus share was allotted on 23rd November, 2021 in the ratio of 1:2 i.e., one share for every two share.

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 Raje	23,38,000	22.08%	Nil
Mrs. Chhaya Anil Raje	13,99,999	13.22%	Nil
<u>Faradigm Ultracapacitors Private Limited</u>			
Aartech Solonics Limited	9,500	0.09%	Nil
Mr. Anil Anant Raje – Minority Interest (refer note 2.6)	500	0.001%	Nil
<u>AIC- Aartech Solonics Private Limited</u>			
Aartech Solonics Limited	9,900	0.09%	Nil
Mr. Anil Anant Raje – Minority Interest (refer note 2.7)	100	0.001%	Nil
As at March 31, 2022			
<u>Aartech Solonics Limited</u>			
Mr. Anil Anant Raje	23,38,000	22.08%	Nil
Mrs. Chhaya Anil Raje	13,99,999	13.22%	Nil
<u>Faradigm Ultracapacitors Private Limited</u>			
Aartech Solonics Limited	9,500	0.09%	Nil
Mr. Anil Anant Raje – Minority Interest (refer note 2.6)	500	0.001%	Nil

AIC- Aartech Solonics Private Limited

Aartech Solonics Limited	9,900	0.09%	Nil
Mr. Anil Anant Raje – 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 ownership of shares.
- 2.6 Since, Mr. Anil Anant Raje 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 Limited U/s 187 of the Companies Act, 2013. Hence, AIC- Aartech Solonics Private Limited is a wholly owned subsidiary of Aartech Solonics Ltd as per the said section.

3. RESERVES AND SURPLUS

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st 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
e) 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
- Dividend paid on Equity Shares	52.95	35.30

- Transferred to General Reserve	-	-
Closing Balance	653.46	517.84
Total	1,814.33	1,678.72

4. MINORITY INTEREST

(₹ in Lakhs)		
Particulars	As at 31 st March 2023	As at 31 st 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)

(₹ in Lakhs)		
Particulars	As at 31 st March 2023	As at 31 st 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 recognized 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 – DST

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st 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

7. SHORT TERM BORROWINGS

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st 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 Raisen, 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	153.56	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.

8. TRADE PAYABLES

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st 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

Particulars	(₹ in Lakhs)				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total
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

Particulars	(₹ in Lakhs)				
	Outstanding for following periods from due date of payment				
	Less than 1 year	1-2 Years	2-3 Years	More than 3 years	Total

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 31 st March 2023	As at 31 st 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 31 st March 2023	As at 31 st 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 by 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

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 & Amortization			Net Block	
	As at 01/04/2022	For the year	As at 31/03/2023	As at 31/03/2022	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

12. NON CURRENT INVESTMENT

(₹ in Lakhs)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Investment in property	130.65	130.65
Other Investment	0.01	0.01
Investments in Associate		
In Unquoted Securities		
- Enerqual Technology Private Limited	4.62	3.00
Investments in equity instruments:		
In Quoted Securities		
- Dena Bank Equity	-	0.55
- Rudra Global Infra Products Limited	50.01	-
- Bandhan Bank Limited	0.02	-
In Unquoted Securities (related parties)		
Epsilon Ten Ltd	393.10	-
Umang Shridhar Design Private Limited	25.00	25.00
Ansheo Nutraware 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

(₹ in Lakhs)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Other Loans and Advances		
(Unsecured considered good)	-	602.23
Total	-	602.23

14. OTHER NON CURRENT ASSETS

(₹ in Lakhs)		
Particulars	As at 31 st March 2023	As at 31 st March 2022
Secured Deposits		
(Unsecured Considered Good)	55.41	47.49

Total	55.41	47.49
--------------	--------------	--------------

15. CURRENT INVESTMENT

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st 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 Plan Growth	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	-	18.25
- 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 Plan (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 Regular 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 Fund Growth Plan	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 Growth Plan	26.02	-
- Nippon India Small Cap Fund Growth (466218393367)	1.70	-
- Nippon India Fixed Horizon Fund XI V Series S Fund Growth Plan	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

16. INVENTORIES

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st 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

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st 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	-	-	-	-	-

18. CASH AND CASH EQUIVALENTS
(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st 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 17.1)	121.83	56.69
Others (refer note no. 17.2)	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 TOANS AND ADVANCES

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st 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 31 st March 2023	As at 31 st 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

21. CONTINGENT LIABILITIES & COMMITMENTS

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st March 2022
Contingent liabilities:		
- Claims against the company not acknowledged as 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 recognized.

22. REVENUE FROM OPERATIONS

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st 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

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st 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:

Particulars	(₹ in Lakhs)			
	As at 31 st March, 2023		As at 31 st 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.

24. COST OF MATERIALS CONSUMED

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st 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:
(₹ in Lakhs)

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	As at 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

26. EMPLOYEE BENEFIT EXPENSES
(₹ in Lakhs)

Particulars	As at 31st March 2023	As at 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:

(₹ in Lakhs)

Particulars	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 Employees' Group Gratuity-cum-Life Assurance Scheme of the Life Insurance Corporation of India, a funded defined benefit plan for eligible employees. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations.

Gratuity:

Reconciliation of opening and closing balances of Defined Benefit Obligation

(₹ in Lakhs)

Particulars	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):

(₹ in Lakhs)

Particulars	2022-2023	2021-2022
Present value of obligations as at the 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%	-

27. FINANCE COST

(₹ in Lakhs)

Particulars	As at 31 st March 2023	As at 31 st 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 31 st March 2023	As at 31 st 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.

29. OTHER EXPENSES

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st 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)	-	0.18
Total Other Expenses (A+B+C+D+E)	392.67	275.48

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:

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-

	(₹ in Lakhs)
- 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 Lakhs

31. EARNING PER SHARE

Particulars	(₹ in Lakhs)	
	As at 31 st March 2023	As at 31 st 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 they are stated in the Balance Sheet. Also, there is no impairment of fixed assets.

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 Designs Private Limited	
12	Enerqual Technology Private Limited	Associate Company
13	K R Tanuj Reddy	Company Secretary

34.2 Transactions with related parties for the year ended:

S. No.	Name of related party	Nature of Transaction	As at	As at
			31 st March 2023	31 st 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	Other 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 31 st March, 2023	As at 31 st March, 2022
	Investments in Fully Convertible Debenture:			
1	Faradigm Ultracapacitors Private Limited	Subsidiary Company	220.00	250.00
2	AIC- Aartech Solonics Private Limited	Subsidiary Company	200.00	200.00
	Total		420.00	450.00
	Trade Payables			
1	Faradigm Ultracapacitors Private Limited	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 Designs 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

35. ADDITIONAL REGULATORY INFORMATION:

S.No.	Particulars
1	All the Title Deed of the Immovable Properties is registered in the name of the Company, 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.

Willful Defaulter: During the Period under review, Company has not declared willful defaulter by any bank or financial institution or other lender.

Relationship with Struck Off Companies: During the Period under review, Company has not entered into any transactions with companies struck off under section 248 of the Companies Act, 2013 or section 560 of Companies Act, 1956.

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.

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.

Ratios: refer note no. 36

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.

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.

Compliance with approved Scheme(s) of arrangement: NA

CSR: The provision of CSR as per section 135 of the Companies Act, 2013 is not applicable to the company.

Utilization 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(s) including foreign entities (funding party).

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

36. RATIO ANALYSIS
(₹ in Lakhs)

S. No.	Particulars	As at 31 st March, 2023	As at 31 st 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

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 31 st 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

CONSOLIDATED STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)		
Particulars	For the year ended 31 st March 2023	For the year ended 31 st 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	-

<i>Proceeds from Convertible Debentures (Net)</i>	-	-
<i>Purchase of new assets (net of sale proceed)</i>	-52.45	-21.43
<i>Decrease/(Increase) Long Term Loans & Advances</i>	602.23	-38.40
<i>Decrease/(Increase) in Security deposits</i>	-7.92	-15.57
Net cash generated from Investment activity	433.31	-127.12
3. Cash Flows from Financing Activities		
<i>Increase/(Decrease) in long term borrowing</i>	-	-23.12
<i>Proceeds from issue of equity shares</i>	-	-
<i>Dividend Paid</i>	-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

For and on behalf of the Board of Directors

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

Sd/-
Amit A. Raje
Chairman &
Managing
Director

Sd/-
Arati Nath
Chief Executive
Officer

Sd/-
Pradeep V. Narkhede
Chief Financial Officer

Sd/-
K.R. Tanuj Reddy
Company Secretary

If undelivered please return to:

CIN: L31200MP1982PLC002030

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

Tel No +91 755 4276335, **E-mail id:** treddy@aartechsolonics.com

Website: www.aartechsolonics.com