



BANCRS & Co. LLP
Chartered Accountants

Independent Auditor's Report on Audit of the Annual Standalone Financial Results of Aartech Solonics Limited ("the Company") pursuant to the requirements of Regulations 33 of the SEBI (Listing Obligation and Disclosure Requirements) Regulation 2015, as amended

To the Board of Directors of Aartech Solonics Limited

Opinion

We have audited the accompanying standalone annual financial results of **Aartech Solonics Limited** (hereinafter referred to as the "Company") for the year ended 31 March 2024, attached herewith, being submitted by the Company pursuant to the requirement of Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("Listing Regulations").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid standalone annual financial results:

- a. are presented in accordance with the requirements of Regulation 33 of the Listing Regulations in this regard;
- b. and give a true and fair view in conformity with the recognition and measurement principles laid down in the applicable Indian Accounting Standards, and other accounting principles generally accepted in India, of the net profit and total comprehensive income and other financial information for the year ended 31 March 2024.

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 SAs are further described in the Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results section of our report. We are independent of the Company, in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act, and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics, We believe that the audit evidence obtained by us, is sufficient and appropriate to provide a basis for our opinion on the standalone annual financial results.

Emphasis of Matter

We would like to draw your attention towards Note No. 4 relating to investment in Enerqual Technology Private Limited entity ("Associate"). We have noted that there have been ongoing dispute between both the managements of the companies due to which the Company doesn't get any sufficient and appropriate information regarding the financial results of Enerqual Technologies Pvt. Ltd, due to which the investment in Associate is valued at cost and no impairment testing has been performed. Considering the probable impact of the same our opinion is not modified in respect to this matter.

Management's and Board of Directors' Responsibilities for the Standalone Annual Financial Results

These standalone annual financial results have been prepared on the basis of the standalone annual financial statements.

The Company's Management and the Board of Directors are responsible for the preparation and presentation of these standalone annual financial results that give a true and fair view of the net profit and other comprehensive income/(loss) and other financial information in accordance with the recognition and measurement principles laid down in Indian Accounting Standards prescribed under Section 133 of the Act and other accounting principles generally accepted in India and in compliance with Regulation 33 of the Listing Regulations. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities: selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent: and the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring accuracy and completeness of the accounting records, relevant to the preparation and presentation of the standalone annual financial results that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the standalone annual financial results, the Management and the Board of Directors are 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 the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

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

Auditor's Responsibilities for the Audit of the Standalone Annual Financial Results

Our objectives are to obtain reasonable assurance about whether the standalone annual financial results as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but



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

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

- Identify and assess the risks of material misstatement of the standalone annual financial results, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under Section 143(3) (i) of the Act, we are also responsible for expressing our opinion through a separate report on the complete set of financial statements on whether the 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 in the standalone annual financial results made by the Management and Board of Directors.
- Conclude on the appropriateness of the Management and Board of Directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the appropriateness of this assumption. 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 standalone annual financial results or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone annual financial results, including the disclosures, and whether the standalone annual financial results represent the underlying transactions and events in a manner that achieves fair presentation.

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.

Other Matters

- a. The standalone annual financial results include the results for the quarter ended 31 March 2024 being the balancing figure between the audited figures in respect of the full financial year and the published unaudited year to date figures up to the third quarter of the current financial year which were subject to limited review by us.
- b. The financial statements of the Company for the year ended March 31, 2023, included in these standalone financial statements, have been audited by the predecessor auditor whose report dated 11, May 2023 expressed an unmodified opinion on those statements.

For B A N C R S & Co. LLP (FRN: C400331)
Chartered Accountants



CA. Anmol Chhabra
Partner
M. No. 434305
UDIN: 24434305BKEQOR3339



Place: Bhopal
Date: 30/05/2024

AARTECH SOLONICS LIMITED

Registered Address: E-2/57, Ashirwad, Arera Colony, Bhopal - 462016 (MP)
CIN: L31200MP1982PLC002030

Audited Standalone Statement of Financial Results for the quarter and year ended 31 March 2024 (All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Quarter Ended			Year Ended	Year Ended
	31-Mar-24	31-Dec-23	31-Mar-23	31-Mar-24	31-Mar-23
1. Income from operations	1,000.34	734.36	1,049.88	3,269.25	2,164.67
2. Other income	34.30	145.59	60.50	327.24	229.33
3. Total Income (1 + 2)	1,034.64	879.95	1,110.38	3,596.49	2,394.00
4. Expenses					
Cost of materials consumed	665.00	521.56	726.42	2,194.77	1,466.25
Changes in Inventories	(51.43)	(25.65)	16.32	(24.82)	(139.88)
Employee benefits expense	148.34	87.96	143.33	415.86	370.01
Finance costs	15.47	14.05	8.77	56.19	27.96
Depreciation and amortisation expense	11.07	8.76	27.35	35.24	31.78
Other expenses	184.98	207.89	116.87	643.89	438.07
Total Expenses	973.43	814.57	1,039.06	3,321.13	2,194.19
5. Profit before exceptional item and tax (3 - 4)	61.21	65.38	71.32	275.36	199.81
6. Exceptional Item	-	-	-	-	-
7. Profit before tax (5-6)	61.21	65.38	71.32	275.36	199.81
8. Tax Expense					
(1) Current Tax	34.31	57.45	29.82	117.29	60.74
(2) Earlier Tax	5.76	-	-	5.76	-
(2) Deferred Tax	7.28	(4.11)	2.14	8.01	0.95
9. Profit for the period (7-8)	13.86	12.04	39.36	144.29	138.12
10. Other comprehensive income					
A. Items that will not be reclassified to profit or loss					
-Remeasurement of net defined benefit obligation (net of taxes)	3.58	(1.65)	(1.61)	(1.29)	(6.44)
Total comprehensive income	17.46	10.39	37.75	143.00	131.68
11. Paid-up equity share capital (Face value per share of Re 10/- each)	1,059.01	1,059.01	1,059.01	1,059.01	1,059.01
12. Other Equity	2,060.03	2,042.63	1,969.98	2,060.03	1,969.98
13. Earnings per equity share (not annualised for quarter)					
(1). Basic	0.13	0.11	0.37	1.36	1.30
(2). Diluted	0.13	0.11	0.37	1.36	1.30

Notes:

- The above audited standalone financial results were reviewed by the audit committee and thereafter approved at the meeting of the Board of Directors held on 30th May, 2024. The auditors have issued unqualified audit opinion on these results. The Ind AS compliant financial results pertaining to corresponding quarter and year ended 31 March 2023, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affair.
- The above Standalone financial results of the Company have been prepared in accordance with the Indian Accounting Standards ("Ind AS") as prescribed under section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standard) Rules, 2015, as amended.
- In accordance with Ind AS 108, the Board of directors, being the Chief operating decision maker of the Company, has determined that the Company's primary business segment is manufacturer of Electrical Items; Control & Relay Panel, Bus Transfer System, Ultracapacitors, Waste to Compost Machine etc and there are no separate reportable segments as per Ind AS 108. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the financial statements. The Company's operations are such that all activities are confined only to India.
- The Company is currently involved in a ongoing dispute concerning its ownership of shares in Enerqual Technology Private Limited entity (Associate Entity). The nature of the litigation precludes us from disclosing specific details at this time. While the outcome remains uncertain, the dispute is not expected to have a material impact the Company's financial statements. Due to the ongoing nature of the litigation, it is not currently possible to determine the extent of this impact.
- The previous period figures have been regrouped/ reclassified, wherever necessary to conform to the current period presentation.

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


Amit Anil Raje
Chairman and Managing Director



DIN: 00282385

Place: Bhopal
Date : May 30, 2024

AARTECH SOLONICS LIMITED

CIN: L31200MP1982PLC002030

Audited Standalone Balance Sheet as at 31 March 2024

(All amounts in ₹ lakhs)

Particulars	As at 31st March 2024	As at 31st March 2023
ASSETS		
Non-Current Assets		
(a) Property Plant & Equipment & Intangible Assets	337.98	306.25
(b) Capital work-in-progress		
(c) Right-of-use-assets	7.72	11.04
(d) Financial Assets		
(i) Investments	545.77	929.33
(i) Loans & Advances	438.90	-
(ii) Other financial assets	69.52	55.18
(e) Deferred tax assets (net)	14.11	93.42
(f) Non-current tax assets (net)	-	-
Current assets		
(a) Inventories	682.10	447.64
(b) Financial assets		
(i) Investments	873.16	511.28
(ii) Trade receivables	943.26	1,059.68
(iii) Cash and cash equivalents	226.19	131.82
(iv) Other financial assets	2.75	98.61
(c) Other current assets	122.30	218.19
TOTAL ASSETS	4,263.76	3,862.44
EQUITY & LIABILITIES		
Equity		
(a) Equity share capital	1,059.01	1,059.01
(b) Other equity	2,060.03	1,969.98
Non-current liabilities		
(a) Financial liabilities		
(i) Lease liabilities	5.56	8.80
(b) Deferred tax liabilities (net)	-	-
(c) Provisions	24.28	25.49
Current liabilities		
(a) Financial liabilities		
(i) Borrowings	410.94	265.89
(ii) Lease liabilities	3.52	3.32
(iii) Trade payables		
- Total outstanding dues of MSME	43.87	114.14
- Total outstanding dues of creditors other than MSME	512.31	349.10
(iv) Other financial liabilities	64.33	42.28
(b) Other current liabilities	54.76	23.53
(c) Current tax liabilities (Net)	25.14	0.91
TOTAL EQUITY & LIABILITIES	4,263.76	3,862.44

Significant accounting policies and notes to accounts are integral part of the Financial Statements.

For and on behalf of the Board of Directors

Amit Anil Rajee

Chairman & Managing Director

Place : Bhopal

Date : May 30, 2024

AARTECH SOLONICS LIMITED

CIN: L31200MP1982PLC002030

Audited Standalone Statement of Cash Flow for the year ended 31 March 2024

(All amounts in ₹ lakhs)

Particulars	For the year ended 31st March 2024	For the year ended 31st March 2023
1 Cash Flows from Operating Activities		
Net Profit and Loss a/c (as per profit and loss account)	144.29	138.11
Adjustments for:		
Provision for tax made during the year	123.05	60.74
Deferred Tax	8.01	0.95
Depreciation for the year	35.24	31.78
Interest expense on bank overdraft	27.35	14.37
Interest expense on other loans	3.10	4.00
Interest on lease liabilities	0.93	1.17
Interest income on debentures	-27.38	-37.90
Interest Income on Bank Deposit	-10.05	-2.77
Interest Income Others	-10.31	-63.56
Interest Income on Security Deposit	-0.06	-0.06
Net Gain/Loss on Sale of Investment	-149.13	-72.55
Gain on investments measured at FVTPL	-72.39	51.01
Reversal of expected credit loss	-	-15.88
Grant Income	-39.63	-31.47
Loss on sale of property, plant and equipment	0.09	14.15
Other non-operating income	-12.01	-0.06
Operating Profit Before Working Capital Changes	21.10	92.04
Working Capital Changes		
Decrease/(Increase) in Trade Receivable	116.43	-393.06
Decrease/(Increase) in Inventories	-234.46	-202.86
Decrease/(Increase) in Other Financial Assets	95.86	-7.92
Decrease/(Increase) in Other Current Assets	95.88	-163.51
Increase/(Decrease) in Provisions	-1.21	-3.16
Increase/(Decrease) in Trade Payable	92.94	45.98
Increase/(Decrease) in Other Financial Liabilities	22.05	7.27
Increase/(Decrease) in Other Current Liabilities	29.29	3.48
Income tax paid during the year	-14.86	-57.74
Net cash generated from operational activity	223.02	-679.48
2 Cash Flows from Investing Activities		
Interest Income	47.81	70.87
Grant Income	39.63	10.00
Non Current Investment (Net)	383.56	-399.52
Proceeds from disposal of property, plant and equipment (Net)	-	-
Purchase of property, plant and equipment (Net)	-63.73	-52.47
Purchase & Realisation of marketable securities (Net)	-361.87	322.74
Net Gain/Loss on Sale of Investment	221.52	-
Loans & Advances	-438.90	612.35
Security deposit paid	-14.34	-
Net cash generated from Investment activity	-186.33	563.97
3 Cash Flows from Financing Activities		
Proceeds from short-term borrowings (net)	145.06	200.71
Dividend paid	-52.95	-52.95
Interest paid	-31.38	-18.37
Payment of Lease Liabilities	-3.04	-3.78
Net cash generated from Financing activity	57.69	125.61
4 Net Increase/(Decrease) in Cash (1+2+3)	94.37	10.10
Cash and cash equivalents at the beginning of the year	131.82	121.72
5 Cash and cash equivalents at the end of the year	226.19	131.82

For and on behalf of the Board of Directors

Place : Bhopal
Date : May 30, 2024


Amit Anil Rajee
Chairman & Managing Director

