

**AARTECH SOLONICS LIMITED**  
**37th ANNUAL REPORT**



**2018-2019**

## CORPORATE INFORMATION

### BOARD OF DIRECTORS

Mr. Anil Anant Rajе	:	Chairman & Managing Director
Mr. Amit Anil Rajе	:	Whole-time Director
Mrs. Poonam Jaideep Mulherkar	:	Non-Executive Director
Mr. Prashant Dattatray Lowlekar	:	Non-Executive & Independent Director
Mr. Ravindra Kumar Shingwekar	:	Non-Executive & Independent Director

### KEY MANAGERIAL PERSONNEL

Mr. Anil Anant Rajе	:	Managing Director
Mrs. Arati Nath	:	Chief Financial Officer
Mr. K R Tanuj Reddy	:	Company Secretary & Compliance Officer

### BOARD COMMITTEES

#### • AUDIT COMMITTEE

Mr. Prashant Dattatray Lowlekar	:	Chairman
Mr. Ravindra Kumar Shingwekar	:	Member
Mr. Amit Anil Rajе	:	Member

#### • NOMINATION AND REMUNERATION COMMITTEE

Mr. Prashant Dattatray Lowlekar	:	Chairman
Mr. Ravindra Kumar Shingwekar	:	Member
Mrs. Poonam Jaideep Mulherkar	:	Member

#### • STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Ravindra Kumar Shingwekar	:	Chairman
Mr. Anil Anant Rajе	:	Member
Mr. Amit Anil Rajе	:	Member

### BANKERS

HDFC Bank

### STATUTORY AUDITOR

M/s SPARK & Associates (FRN: 005313C)  
Chartered Accountants

### SECRETARIAL AUDITOR

M/s APVN & Associates  
Company Secretaries

### REGISTRAR AND TRANSFER AGENT

#### Bigshare Services Pvt. Ltd.

1<sup>st</sup> Floor, Bharat Tin Works Building,  
Opp. Vasant Oasis, Makwana Road  
Marol, Andheri East,  
Mumbai – 400 059 (MH)

Tel.: +91 22 6263 8200

Email: info@bigshareonline.com

Website: www.bigshareonline.com

### REGISTERED OFFICE

E-2/57, Ashirvad, Arera Colony, Bhopal –  
462016 (MP)

Tel.: +91 755 4276335

Email : treddy@aartechsolonics.com

Website : www.aartechsolonics.com

CIN : U31200MP1982PLC002030

ISIN : INE01C001018

BSESME SCRIP ID/CODE: AARTECH/  
542580

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## LETTER TO THE SHAREHOLDERS

Dear Shareholders,

It gives me great pleasure personally to communicate with all of you, to present to our Shareholders a brief on the important events during the last financial year (2018-19) ending on 31st March 2019.

1. Most importantly our company Aartech Solonics Limited is now listed on Bombay Stock Exchange on their SME Platform (BSE-SME -542580) since 27th March 2019.

Thanks to our compliance team led by our CFO Mrs. Arati Nath & our Company Secretary Mr. Tanuj Reddy along with the team from our Merchant Bankers M/s Swastika Investmart Limited Indore, we could finish the formalities related to company records from August 1982 onwards till date meticulously to list the company before our self set deadline of 31st March 2019. Thanks are also due to the Bombay Stock Exchange, SEBI, Registrar of Companies Gwalior, Secretarial firms M/s P.K.Rai & Associates & M/s APVN & Associates & our Auditors M/s SPARK & Associates & Peer Auditors M/s Baheti & Company for their timely guidance and support to bring the issue within the deadline of 31st March 2019.

The Shares of Face value of Rs. 10 each were offered @ Rs. 34 each including a premium of Rs. 24 per share for a lot size of 4000 shares totalling to Rs. 1,36,000 per lot. The share price has remained relatively stable between Rs. 33.10 to Rs. 36.00 each during the past five months. The Full Market cap of the company is currently valued at Rs. 24.78 Cr.

I am happy to state that despite the current bleak economic scenario our Share prices have remained stable and the Market cap is steady and expected to rise slowly but surely.

2. Our Parwanoo Unit manufacturing Bus Transfer Systems has now switched successfully its hardware platform to TOR 300 (A Numerical Microprocessor based advanced Relay platform from Relemetika Russia) with many specialised features & many Input- Output combinations with latest IEC 61850 Communication protocol. The unit has executed orders for over 100 Bus Transfer Systems during the year under review and earned a record profit of over Rs. 4 Crores. Further developments of new features are under active discussions with Relemetika management for development of Relays suitable for Indian Market.
3. Our Control & Relay Panel division is now on a stabilised path and selectively quoting for good profitable jobs. Efforts are on to get selected profitable jobs for SCADA panels. This division will pick up pace once we settle the Relay manufacturing facility in India with Relemetika Russia.
4. During the year a developmental order for Fault limiter panels was taken from our US associate M/S G & W for designing and executing Fault Limiter Panels that are specified to be Arc Fault tolerant for 40 KA 0.1 Second fault level, apart from other type tests applicable to 33KV systems. The order is currently under execution and while some tests are successfully completed we await further test dates from Testing Authority at CPRI Bhopal.

After successful execution of this order we expect selected orders from G & W for these speciality panels incorporating Fault Limiters that are manufactured world wide only by them apart from ABB Germany and no one else worldwide. This product line is expected to give good profits during the time to come.

5. Aartech has diversified into manufacturing a large variety of Automatic Organic Waste to Manure machines to process 25 to 1000 Kg Organic waste per batch in a cycle time of 24 hours. These are being increasingly specified under "Swatchha Bharat Yojana" by both Government & Private Sectors in large numbers. We are getting reasonable response locally and from states of Haryana, Himachal & Rajasthan apart from M.P. & Chhattisgarh. Other associate products such as chip producers from empty Plastic Bottle and Incinerators are being developed considering regular demands from customers all over.
6. Our Start up Incubator backed up by NITI Aayog AIC- Aartech Solonics Private Limited ( our 100% owned subsidiary) is now settling down. Our Start ups from a variety of fields have shown good traction and AIC- Aartech holds a small equity in most of them. Some of our Start ups have won recognition internationally i.e. Khadigi's Umang Shridhar is one amongst the under 30 Forbes Social Entrepreneur of this year and is getting great traction from Corporate houses and Fashion Designers nationally and internationally as well. Aartech has invested in her equity selectively and expects great returns over a time period of 5-6 years. Many selected business proposals are being considered by Aartech management by associating with our Start ups in marketing production & purchasing activities to earn good profits from these selective associations.
7. Our another 100 % owned company Paradigm Ultra capacitors Private Limited is now on way to develop & manufacture India's first Acquous Electrolyte based Ultra capacitors. We hope to develop our first prototypes this year. The Ultra Capacitor business is increasing in India slowly and with EV introduction it is expected to grow rapidly.

Paradigm has recently entered the field of Fuel Cells with a collaboration understanding with a Hong Kong & a German company and expects entry in defence and other related field in the coming years.

The products from Paradigm Ultra capacitors are currently marketed by Aartech to number of process industries, Power plants and OEMs such as BHEL for cranking Emergency D.G. Sets, Fire pumps & Locomotives. Our footprints in different industrial sector are gradually increasing.

8. During the year we had formed a joint company M/S Enerqual Technology Private Limited where Aartech is a 30% minority Shareholder with Mr. Amit Jain a Solar professional and a US citizen of Indian origin.
9. Apart from offering special services to Solar installations this company has diversified into offering Engineering design services to US based clients in the EPC activities of Large & small Ground &

Rooftop Solar plants. The scope of offering these services is very high in the US markets and needs rapid expansion.

Aartech is involved in this activity by providing paid services and managing execution of these projects apart from being a 30% equity holder. From strength of 10 Engineers the count is expected to reach 50 numbers within few months. Aartech expects to earn a decent profit from this company in the following years apart from getting a getting valuable experience in this sunrise sector.

10. Attempts are also on to increase our export business abroad in Oman, UAE as well as certain European countries. We participated in two Exhibitions at Bangladesh & Nigeria to introduce our products to the purchasing authorities in these countries. Development in this regard shall be separately reported as and when some definite business is booked.
11. Our R & D activities under AAR centre for Industrial Research & Development (IRDD) are approved by Department of Science & Technology (DST) for carrying out specified research. We executed a Research project with grant of approximately Rs. 30 lacks from DST spread over a period of two years for a project titled UPLIFT that dealt with development of a new Energy saving and an Automatic Rescue Device (ARD) for commercially operating passenger lifts using Ultra Capacitors and associated Power Electronics. The project is now successfully complete as of date and submitted to DST.

Our associates in this Project were IIT Mumbai & Johnson Lifts Chennai a leading manufacturer of Passenger lifts in India. Efforts are on to promote & produce products suitable for Indian markets in Smart Cities being developed all over the country.

Concluding Aartechies (that includes the management and our staff as well as our operators) are continuously trying their very best to pivot into new activities and new roles to produce long term results and stability.

We are conservative with our resources to ensure long term profitability and yes we are carefully selecting our arena of activity in line with Global trends and India specific Government spendings. Our recent association with NITI Aayog also helps us to the transformational steps India is taking. Thereby we are also ready to take the calculated risks that one has to take during the rough & tumble of the transformational process.

We are ready to change, to be flexible and to adapt new ways, new technologies & new avenues for the new India that is awakening every day.

We need our shareholder's support all the way and we are confident that after about three years when we enter the main exchange we shall be a value script and offer our shareholders a great value for their investment for the confidence they have shown in their Aartechie team.

On a personal note I shall be retiring next year as I turn 75, from the active day to day management of the company. So the ensuing AGM on 30th September shall be my last AGM as a CMD. I want to assure our shareholders that my association as a founder Promoter along with my wife and co-founder Mrs. Chhaya Raje shall continue as ever.

I also wish to share a Vision & Mission Document that I had drafted at the start of this year but not finalised so far as to how I envision Aartech to grow in the time to come. I earnestly hope that the future management shares this vision and mission statement with due modifications whenever necessary and that becomes the guiding path of Aartech.

We often say in our organisation "Once an Aartechie Always an Aartechie" and this holds good for all those who have worked with us for a short or a long time as they all remember their Aartech days with pride and happiness.

We have now a fair share of competent & experienced Aartechies. I would recommend you to visit our website : [www.aartechsolonics.com](http://www.aartechsolonics.com) under the heading "about ourselves" to check the current flavour of our next generation that is now ready to take over with good experience and great plans for Aartech & it's associate companies. Please join me in wishing our next generation a grand success all the way.

Thanks & my very Best wishes for the exciting times to come.

Sincerely yours,

Anil Anant Raje  
Chairman and Managing Director  
DIN: 01658167

## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 37th Annual General Meeting of the members of **Aartech Solonics Limited** (CIN U31200MP1982PLC002030) will be held on Monday, the 30th Day of September, 2019 at 12:00 noon at the registered office of the Company at E-2/57, Ashirvad, Arera Colony, Bhopal, Madhya Pradesh, 462016 to transact the following business:

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a) the Audited Financial Statements of the Company for the financial year ended March 31, 2019, 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, 2019, together with the Report of the Auditors thereon.
2. To appoint a Director in place of Mrs. Poonam Jaideep Mulherkar (DIN: 05262842), who retires by rotation and, being eligible, offers herself for re-appointment and in this regard pass the following resolution as an Ordinary Resolution:

**"RESOLVED THAT** pursuant to Section 152 and applicable provisions of the Companies Act, 2013 read with provisions of Schedule V of the Act and the rules made there under (including any statutory modification(s) or re-enactment thereof or any of the provisions of the Companies Act, 2013, for the time being in force) and applicable clauses of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and consent of shareholders is hereby accorded for re-appointment of Mrs. Poonam Jaideep Mulherkar (DIN: 05262842) as Non-Executive, Non-Independent Director of the Company being liable to retire by rotation, upon the terms and conditions as recommended by the Nomination and Remuneration Committee in its meeting.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, Mr. Anil Anant Rajee (DIN: 01658167), Chairman and Managing Director of the Company be and is hereby authorized, to do all acts, deeds, matters and things as he may in his absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient."

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

**"RESOLVED THAT** pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force), and upon the recommendation of the Audit Committee, the Company do hereby authorise the Board of Directors of the Company to fix the remuneration plus applicable taxes and reimburse all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company, for the financial year ended on March 31, 2020 and onwards,



payable to M/s SPARK & Associates, Chartered Accountants, Bhopal (ICAI Firm Registration No. 005313C), Statutory Auditor of the Company.”

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

**Sd/-  
Anil Anant Raje  
Managing Director  
DIN: 01658167**

**Place: Bhopal  
Dated: 07/09/2019**

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

**NOTES:**

- 1. A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ENTITLED TO APPOINT PROXY/PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF/HERSELF SUCH A PROXY/ PROXIES NEED NOT BE A MEMBER OF THE COMPANY.**
2. A person can act as proxy on behalf of Members not exceeding 50 (fifty) and holding in the aggregate not more than 10 (ten) percent of the total share capital of the Company carrying voting rights. A member holding more than 10 (ten) percent of the total share capital of the Company carrying voting rights may appoint a single person as Proxy and same person shall not act as Proxy for any other person or shareholder.
3. The instrument appointing the Proxy, duly completed and signed, must be deposited at the Registered Office of the Company not less than 48 hours before the commencement of the Meeting. A Proxy does not have the right to speak at the meeting and can vote only on a poll. A Proxy Form is annexed to this Report. Proxies submitted on behalf of limited companies, societies, etc., must be supported by an appropriate resolution / authority, as applicable.
4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified true copy of the relevant Board of Directors resolution together with their respective specimen signatures authorising their representative(s) to attend and vote on their behalf at the Meeting.
5. The Register of Members and the Share Transfer books of the Company will remain closed from 23rd day of September 2019 to 30th day of September, 2019 (both days inclusive) for the purpose of the Annual General Meeting.

6. The voting rights of members shall be in proportion to their shares in the paid up equity share capital of the Company as on cut-off date. 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 i.e. 22nd September, 2019, only shall be entitled to avail facility of voting at the venue of the meeting. A person who is not a member as on the cutoff date should treat this notice for information purpose only.
7. 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 cut-off date, may cast vote as provided in the Notice convening the Meeting, which is available on the website of the Company.
8. Shareholders may be aware that the Companies Act, 2013, permits service of the Notice of the Annual General Meeting through electronic mode. In view of this the Company would communicate the important and relevant information, events and send the documents including the intimations, notices, annual reports, financial statements etc. in electronic form, to the email address of the respective Member. To support green initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in the following manner: The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs with their Depository Participant are requested to register their e-mail address at the earliest. Electronic copy of the Annual Report including Notice of the 37th Annual General Meeting of the Company inter-alia indicating the manner of voting along with Attendance Slip, Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant (s) for communication purposes. However, those members who desire to have a physical copy may request for the same to Company. For members who have not registered their email IDs, physical copies of the Annual Report are being sent in the permitted mode. The Annual Report of the Company will also be made available on the Company's website [www.aartechsolonics.com](http://www.aartechsolonics.com).
9. Members seeking clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the Meeting. This would enable the Company to compile the information and provide replies in the meeting.
10. The Company or its Registrars and Transfer Agents, Bigshare Services Private Limited cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants.
11. 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.
12. The Board of Directors has appointed Mr. Avadhesh Parashar, Company Secretary in Practice (M. No. A23783, COP No. 9067) as Scrutinizer for conducting the voting process in a fair and transparent manner.
13. To prevent fraudulent transactions, members are advised to exercise due diligence and notify the Company/Registrar of any change in address or demise of any member as soon as possible. Members are also

advised not to leave their demat account(s) dormant for long. Periodic statement of holdings should be obtained from the concerned Depository Participant and holdings should be verified.

14. With reference to the Companies (Management and Administration) Rules, 2014, Companies covered under Chapter XB as per SEBI (ICDR) Regulations, 2009 are exempted from e-voting provisions. Your Company is listed on SME platform of BSE and therefore Company is not providing e-voting facility to its shareholders.
15. MEMBERS HOLDING EQUITY SHARES IN ELECTRONIC FORM, AND PROXIES THEREOF, ARE REQUESTED TO BRING THEIR DP ID AND CLIENT ID FOR IDENTIFICATION. Members are requested to bring their Attendance Slip along with copies of their Annual Report at the meeting.
16. Member / proxy holder shall hand over the attendance slip, duly filled in all respect, at the entrance for attending the Meeting along with a valid identity proof such as the PAN card, passport, AADHAR Card or driving license.
17. Route-map to the venue of the Meeting is provided in this Notice.
18. During the period beginning 24 hours before the time fixed for the commencement of Meeting and ending with the conclusion of the Meeting, a Member would be entitled to inspect the proxies lodged at any time during the business hours of the Company. All documents referred to in the notice and the explanatory statement and other statutory registers shall be available for inspection by the Members at the registered office of the Company during office hours on all working days between 11.00 a.m. and 4.00 p.m. on all days except Saturdays, Sundays and public holidays, from the date hereof up to the date of the Meeting and at the venue of the Meeting for the duration of the Meeting.

**Additional Information on Directors recommended for appointment/re-appointment in Item No. 2:**

In the opinion of the Board, the non-executive director proposed to be appointed in Item No. 2 fulfills the conditions specified in the Act and the rules made thereunder.

<b>Name of Director</b>	<b>Poonam Jaideep Mulherkar</b>
DIN	05262842
Date of Birth	20/11/1972
Nationality	Indian
Date of appointment on the Board	16/04/2018
Qualification	M.S. in Chemical Engineering from University of Cincinnati and M.S. in Biochemical Engineering from IIT, Delhi.
Experience	17 Years
Expertise in Functional Areas	Management
Directorship in other Listed Companies	NIL
Member/Chairperson of Board Committees	NIL
Shareholding in the Company	93333 shares
No. of Board Meetings attended during the year	3
Relationship with other Directors	Daughter of Mr. Anil Anant Raje (Chairman and Managing Director) and sister of Mr. Amit Anil Raje (Whole-time Director)

**Annexure to the notice of Annual General Meeting**

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

**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.

M/s SPARK & Associates, Chartered Accountants, Bhopal (ICAI Firm Registration No. 005313C) was appointed as the Statutory Auditors of the Company for a term of 2 (Two) financial years at the Annual General Meeting (AGM) of the Company held on 29<sup>th</sup> September, 2018.

Further the requirement to place the matter relating to appointment of Auditors for ratification by members at every Annual General Meeting has been omitted vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi.

M/s SPARK & Associates, Chartered Accountants, Bhopal fulfils the conditions as specified in the Companies Act, 2013 and has submitted their eligibility certificate to the Company and also meets the criteria as specified in Section 141 of the Companies Act, 2013.

Pursuant to the provisions of Section 142 and other applicable provisions, if any, of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the Board of Directors of the Company has considered to fix the remuneration payable to M/s SPARK & Associates, Chartered Accountants, Bhopal (ICAI Firm Registration No. 005313C) Statutory Auditors of the Company, in addition to reimbursement of all out-of-pocket expenses as may be incurred in connection with the audit of the accounts of the Company for the financial Year ended on March 31, 2019.

Accordingly, approval of the Members is being sought for the proposal contained in the Resolution set out at Item No. 4 of the accompanying Notice.

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 set out at Item No. 4 of the Notice as an Ordinary Resolution.

The Board recommends the resolution set forth in Item No. 4 for the approval of the Members.

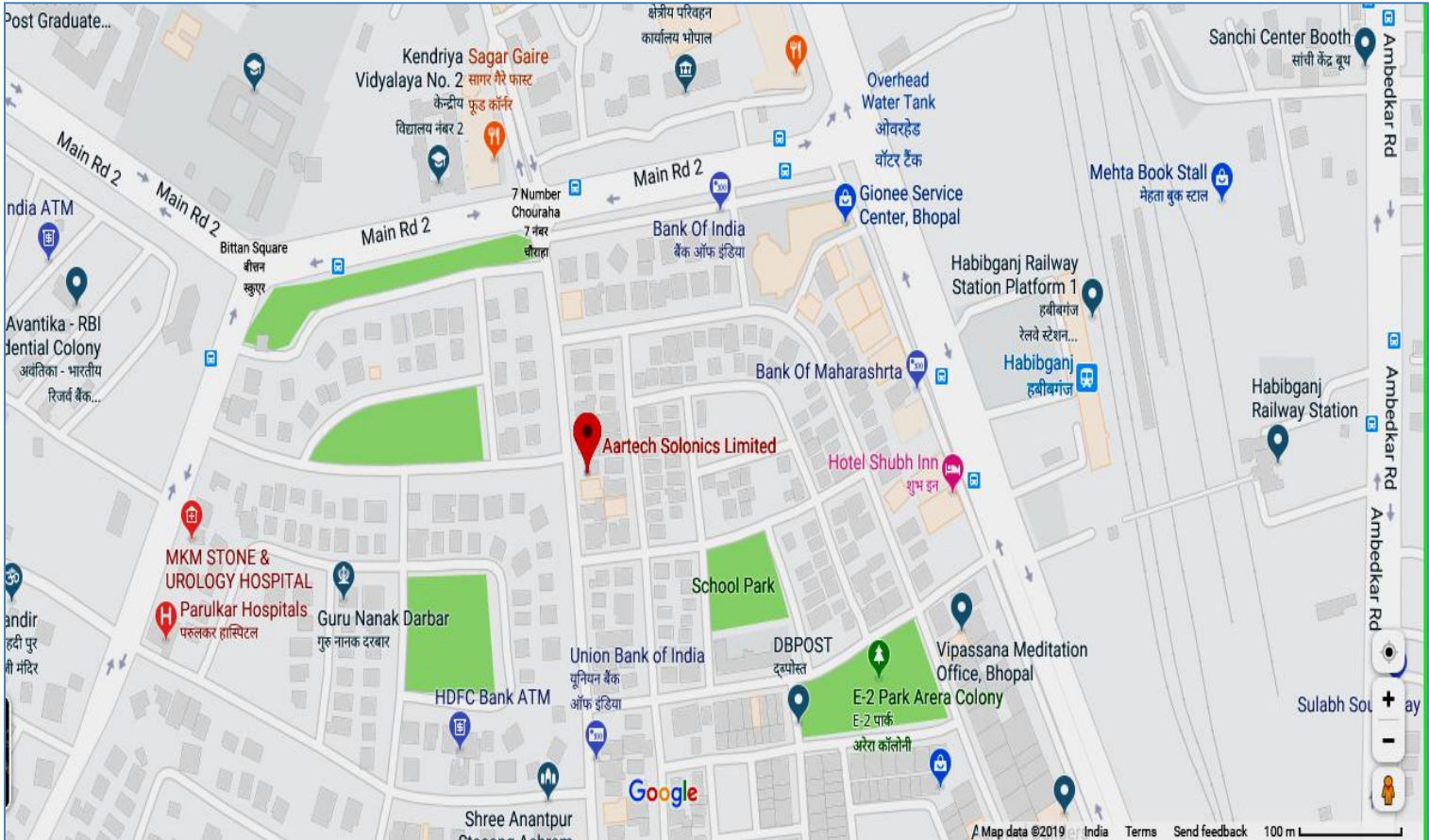
**By Order of the Board of Directors of  
Aartech Solonics Limited**

**Sd/-  
Anil Anant Raje  
Managing Director  
DIN: 01658167**

**Place: Bhopal  
Dated: 07/09/2019**

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

**ROUTE MAP TO THE AGM VENUE**



## **DIRECTOR'S REPORT**

**To,**  
**The Shareholders,**  
**Aartech Solonics Limited**  
Bhopal

Your Directors are pleased to present the 37th Annual Report on the business performance and operations of your Company together with the Audited Financial Statements and the Auditor's Report for the financial year ended March 31, 2019. The consolidated performance of the Company and its subsidiaries has been referred to wherever required.

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

Financial results of the Company for the year under review are as follow: -

PARTICULARS	Unconsolidated		Consolidated	
	Year ended 31st March 2019	Year ended 31st March 2018	Year ended 31st March 2019	Year ended 31st March 2018
Revenue from Operations	14,56,50,996	11,30,27,728	14,04,41,550	9,88,27,691
Other Income	1,27,41,955	78,22,607	1,08,59,385	1,21,63,735
<b>Total Revenue</b>	<b>15,83,92,951</b>	<b>12,08,50,335</b>	<b>15,13,00,935</b>	<b>11,09,91,426</b>
Less: Expenses	<b>(13,70,61,271)</b>	(10,71,46,722)	<b>(14,17,51,183)</b>	(10,14,05,698)
Profit before Finance Cost, Depreciation/ Amortisation Expenses & Tax	2,13,31,680	1,37,03,613	95,49,752	95,85,728
Exceptional Items	-	-	-	-
Profit before Depreciation/ Amortisation Expenses & Tax	2,13,31,680	1,37,03,613	95,49,752	95,85,728
Less: Depreciation/ Amortisation Expenses		-		-
<b>Profit/ (Loss) before tax</b>	<b>2,13,31,680</b>	<b>1,37,03,613</b>	<b>95,49,752</b>	<b>95,85,728</b>

Current Tax Expenses for current year	42,72,177	22,25,740	42,72,177	22,25,740
Deferred Tax	74,157	(2,80,616)	1,41,126	(2,08,921)
<b>Net Profit/ (Loss) after tax</b>	<b>1,69,85,346</b>	<b>1,17,58,489</b>	<b>51,36,449</b>	<b>75,68,909</b>

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

### **STANDALONE**

During the current period, your company has shown increase in total revenue of Rs. 15,83,92,951/- as against Rs. 12,08,50,335/- in the previous year. The Company has earned a net profit of Rs. 1,69,85,346/- as compared to profit of Rs. 1,17,58,489/- in the previous year. The Company continues to pursue expansion in the domestic market, to achieve sustainable and profitable growth.

### **CONSOLIDATED**

During the current period, your company has shown increase in total revenue of Rs. 15,13,00,935/- as against Rs. 11,09,91,426/- in the previous year. The Company has earned a net profit of Rs. 51,36,449/- as compared to profit of Rs. 75,68,909/- in the previous year.

## **3. NATURE OF BUSINESS**

There was no change in the nature of Business of the Company during the Financial Year.

## **4. DIVIDEND**

The company has decided to sustain the growth in line with the long-term growth objective of the Company by retaining the profits and utilizing the same for opportunities in hand.

## **5. INITIAL PUBLIC OFFERING**

During the year under review, your Company came up with an Initial public issue of 21,20,000 equity shares of Rs. 10/- each at a premium of Rs. 24/- per share aggregating to the total Rs. 7,20,80,000/-. Subsequently the shares of the Company have been listed on SME platform of BSE SME on 27th March, 2019.

## **6. SHARE CAPITAL**

During the year under review, the Company has increased its paid up share capital from Rs. 4,94,00,940/- (Rupees Four Crore Ninety Four Lakh Nine Hundred Forty only) to Rs. 7,06,00,940/- (Rupees Seven Crore Six Lakh Nine Hundred Forty only) by way of Initial Public Offer.



## **7. RESERVES**

No amount has been transferred by the Company to Reserves during the year.

## **8. UTILIZATION OF IPO FUND**

The Initial Public Offer fund is being utilized for the purpose for which it is raised as mentioned in the prospectus.

## **9. DEPOSITS**

Your Company has not invited/accepted any deposit within the meaning of Section 73 of the Companies Act, 2013 and Rules made there under, during the year under review.

## **10. CORPORATE GOVERNANCE**

As per regulation 15(2) of the Listing Regulation, the Compliance with the Corporate Governance provisions shall not apply in respect of the following class of the Companies:

- a) Listed entity having paid up equity share capital not exceeding Rs. 10 Crore and Net worth not exceeding Rs. 25 Crore, as on the last day of the previous financial year;
- b) Listed entity which has listed its specified securities on the SME Exchange.

Since, our Company falls in the ambit of aforesaid exemption (b); hence compliance with the provisions of Corporate Governance shall not apply to the Company and it does not form the part of the Annual Report for the financial year 2018-2019.

## **11. EXTRACT OF ANNUAL RETURN**

In accordance with Section 134(3)(a) of the Companies Act, 2013, an extract of Annual Return in the prescribed format is appended to this Report as Annexure I and also available on the website of the company at [www.aartechsolonics.com](http://www.aartechsolonics.com).

## **12. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES**

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

## **13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY**

Details of Loans, Guarantees and Investments covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to financial statements for the financial year ended on March 2019.

## 14. BOARD EVALUATION, INDUCTION AND TRAINING OF BOARD MEMBERS

Pursuant to the provisions of the Companies Act, 2013 and under obligations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board carries out the annual performance evaluation of its own performance, of the Directors individually as well as the evaluation of working of its various Committees. A structured questionnaire is prepared after taking into consideration the inputs received from Directors, covering various aspects of the Board's functioning such as adequacy of the composition of the Board and its Committees, board culture, execution and performance of specific duties, obligations and governance.

The performance evaluation of the Independent Directors was completed. The performance evaluation of the Chairman and the Non-Independent Directors was carried out by the Independent Directors. The Board of Directors expressed their satisfaction with the evaluation process.

## 15. BOARD OF DIRECTORS & COMMITTEES THEREOF

### a) Composition of the Board of Directors

The Board of the Company is composed of individuals from diverse fields. The Board of the Company is composed of Executive, Non-Executive and Independent Directors.

As on March 31, 2019, the strength of the Board of Directors of the Company was at Five Directors comprising of Two Executive, One Non-Executive and Two Non-Executive Independent Directors. The details of the Board of Directors as on March 31, 2019 are given below:

Name of the Director	Designation	Date of Appointment	No. of Directorships / Committee Memberships / Chairmanships			
			Public Limited Companies (including this)	Private Limited Companies (including this)	Committee Memberships (including this)	Committee Chairmanships (including this)
Mr. Anil Anant Raje	Chairman & Managing Director	24/08/1982	1	2	1	Nil
Mr. Amit Anil Raje	Whole-time Director	01/04/2007	1	2	2	Nil
Mrs. Poonam Jaideep Mulherkar	Non-executive Director	16/04/2018	1	Nil	1	Nil
Mr. Prashant Dattatray Lowlekar	Non-executive Independent Director	27/02/2018	1	Nil	2	1
Mr. Ravindra	Non-	27/02/2018	1	Nil	3	2

Kumar Shingwekar	executive Independent Director					
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The composition of the Board also complies with the provisions of the Companies Act, 2013 and Regulation 17 (1) of SEBI (LODR) Regulations, 2015.

All the Independent Directors had furnished to the Company a declaration under Section 149 (7) of the Companies Act, 2013 stating that they meet the criteria of independence as provided under Section 149(6) of the Companies Act, 2013 and SEBI Listing Regulations.

## b) Board Meetings

The Board/Committee meetings are pre-scheduled and proper notices of Board and Committee meetings is circulated to the Directors well in advance to enable them to plan their schedules and to ensure their meaningful participation in the meetings.

During the financial year under review, 20 (Twenty) Board meetings were held on April 23, 2018, June 21, 2018, July 14, 2018, July 20, 2018, August 03, 2018, August 31, 2018, September 05, 2018, September 10, 2018, October 15, 2018, October 17, 2018, October 18, 2018, October 30, 2018, November 14, 2018, December 03, 2018, December 19, 2018, January 18, 2019, February 07, 2019, February 22, 2019, March 06, 2019 and March 23, 2019. The gap between two Board meetings was in compliance with the provisions of the Act and the SEBI (LODR) Regulations, 2015. Details of Directors as on March 31, 2019 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2019 are given below:

Type of Meeting	Name of Directors				
	Mr. Anil Anant Raje	Mr. Amit Anil Raje	Mrs. Poonam Jaideep Mulherkar	Mr. Ravindra Kumar Shingwekar	Mr. Prashant Dattatray Lowlekar
BM (23/04/2018)	√	√	√	√	√
BM (21/06/2018)	√	√	X	√	X
BM (14/07/2018)	√	√	X	√	√
BM (20/07/2018)	√	√	X	√	√
BM (03/08/2018)	√	√	X	X	X
BM (31/08/2018)	√	√	X	√	√
BM (05/09/2018)	√	√	X	X	X
BM (10/09/2018)	√	√	√	√	√

BM (15/10/2018)	√	√	√	√	√
BM (17/10/2018)	√	√	X	X	X
BM (18/10/2018)	√	√	X	X	X
BM (30/10/2018)	√	√	X	X	X
BM (14/11/2018)	√	√	X	X	X
BM (03/12/2018)	√	√	X	X	X
BM (19/12/2018)	√	√	X	X	X
BM (18/01/2019)	√	√	X	√	√
BM (07/02/2019)	√	√	X	X	X
BM (22/02/2019)	√	√	X	√	√
BM (06/03/2019)	√	√	X	√	√
BM (23/03/2019)	√	√	X	√	√
EGM (04/05/2018)	√	√	X	X	X
AGM (29/09/2018)	√	X	X	√	√

### c) Audit Committee

The Audit Committee in terms of the provisions of Section 177 of the Companies Act, 2013 comprising of Mr. Prashant Dattatray Lowlekar, Mr. Ravindra Kumar Shingwekar and Mr. Amit Anil Rajee.

Mr. Prashant Dattatray Lowlekar, Independent Director, is the Chairman of the Audit Committee.

During the financial year ended on March 31, 2019, 5 (five) meeting of the Audit Committee were held on April 23, 2018, July 14, 2018, July 20, 2018, November 14, 2018 and February 22, 2019 which were attended by all the members of the Committee.

### d) Nomination And Remuneration Committee

The Nomination and Remuneration Committee in terms of the provisions of Section 178 of the Companies Act, 2013 comprising of Mr. Prashant Dattatray Lowlekar, Mr. Ravindra Kumar Shingwekar and Mrs. Poonam Jaideep Mulherkar.

Mr. Ravindra Kumar Shingwekar, Independent Director, is the Chairman of the Nomination and Remuneration Committee.

During the financial year ended on March 31, 2019, one meeting of the Nomination and Remuneration Committee was held on April 23, 2018 which was attended by all the members of the Committee except Mrs. Poonam Jaideep Mulherkar.

**e) Stakeholders Relationship Committee**

The Stakeholders Relationship Committee in terms of the provisions of Section 178 of the Companies Act, 2013 comprising of Mr. Ravindra Kumar Shingwekar , Mr. Anil Anant Raje and Mr. Amit Anil Raje.

Mr. Ravindra Kumar Shingwekar, Independent Director, is the Chairman of the Stakeholders Relationship Committee.

During the financial year ended on March 31, 2019, 4 (Four) meeting of the Stakeholders Relationship Committee were held on April 23, 2018, August 03, 2018, December 19, 2018 and February 22, 2019 which were attended by all the members of the Committee.

**16. DIRECTOR'S RESPONSIBILITY STATEMENT**

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

- i. in preparation of the annual accounts for the year ended March 31, 2019 the applicable accounting standards have been followed along with proper explanation relating to material departures.
- ii. appropriate accounting policies have been selected and applied and such judgment and estimates have been made that are reasonable and prudent so as to give true and fair view of the state of affairs of the company as at March 31, 2019 and of the profit of the company for the year ended that date.
- iii. proper and sufficient care has been taken 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. the annual accounts have been prepared on a "going concern "basis.
- v. proper internal financial controls are laid down and are adequate and operating effectively.
- vi. proper systems to ensure compliance with the provisions of all applicable laws have been devised and such systems are adequate and operating effectively.

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## **17. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

All transactions entered into with Related Parties (as defined under the Companies Act, 2013) during the financial year were in the ordinary course of business and on an arm's length pricing basis, and do not attract the provisions of Section 188 of the Companies Act, 2013 and were within the ambit of Reg. 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. There were no materially significant transactions with related parties during the financial year which were in conflict with the interests of the Company. Suitable disclosure as required by the Accounting Standards has been made in the notes to the Financial Statements.

Form AOC-2 as required under the Companies Act, 2013 for related party transaction is annexed as Annexure III to the Directors Report.

## **18. RISK MANAGEMENT**

During the financial year under review, the Company has identified and evaluates elements of business risk. Consequently a Business Risk Management framework is in place. The risk management framework defines the risk management approach of the Company and includes periodic review of such risks and also documentation, mitigating controls and reporting mechanism of such risks. The framework has different risk models which help in identifying risks trend, exposure and potential impact analysis at a Company level as also separately for business.

## **19. CONSERVATION OF ENERGY, TECHNICAL ABSORPTION, FOREIGN EXCHANGE EARNING**

### **A. Conservation of Energy**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo pursuant to Section 134(3)(m) of the Companies Act, 2013, read with the Rule 8(3) of the Companies (Accounts) Rules, 2014 are not applicable to the Company during the financial year under review.

### **B. Technology Absorption**

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

### **C. Foreign Exchange Earnings and Outgo**

There are no foreign exchange earnings and out-go during the financial year.

## **20. 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, 2019. 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.

**21. CORPORATE SOCIAL RESPONSIBILITY**

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

**22. 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.

**23. ADEQUACY OF INTERNAL CONTROL SYSTEM**

The Company has adequate internal control systems for the business processes in respect of all operations, financial reporting, compliance with laws and regulations etc. The management information system forms an effective and sound tool for monitoring and controlling all operating

parameters. Regular internal audits ensure that responsibilities are executed effectively. The Audit Committee reviews the adequacy of internal controls on regular basis.

## **24. STATUTORY AUDITOR**

M/S. SPARK & Associates, Chartered Accountants (Firm Registration No. 005313C) were appointed as the statutory auditor of the Company for a period of two years at the Annual General Meeting (AGM) of the Company held on September 29, 2018, to hold office from the conclusion of the Thirty-Sixth AGM till conclusion of the Thirty-Eighth AGM to be held in the year 2020.

The Report given by the Auditor on the financial statements of the Company is part of the Annual Report. There has been no qualification, reservation, adverse remark or disclaimer given by the Auditor in their Report.

## **25. SECRETARIAL AUDITOR**

The Board has appointed M/s. APVN & Associates, Company Secretaries, to conduct Secretarial Audit for the Financial Year 2018-19. The Secretarial Audit Report for the Financial Year ended March 31, 2019 is attached to this Report in Annexure IV.

## **26. COST AUDIT**

Provision of Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014 are not applicable to the Company during the financial year under review.

## **27. PARTICULARS OF EMPLOYEES**

The information required under section 197 of the Companies Act, 2013 read with Rule 5(1), (2) & (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of employees of the Company are not applicable to the Company during the financial year.

## **28. MANAGEMENT DISCUSSION AND ANALYSIS**

The Management Discussion and Analysis Report under requirements of SEBI (Listing Obligation and Disclosure Requirements), Regulations, 2015, forms part of this Annual Report for the year ended 31st March 2019.

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

The Company has always believed in providing a safe and harassment free workplace for every individual through various interventions and practices. The Company always endeavours to create and provide an environment that is free from discrimination and harassment including sexual harassment.



No complaints were received by the company during the year for sexual harassment.

In order to build awareness in this area, the Company has been conducting programmes in the organisation on a continuous basis.

### **30. CAUTIONARY STATEMENT**

Statements in the Annual Report, particularly those which relate to Management Discussion and Analysis, describing the Company's objectives, projections, estimates and expectations, may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Although the expectations are based on reasonable assumptions, the actual results might differ.

### **31. APPRECIATIONS AND ACKNOWLEDGMENTS**

The Directors wish to thank and deeply acknowledge the co-operation, assistance and support extended by the Regulatory Authorities, Company's Bankers, Customers, Shareholders and other business constituents during the year under review. It will be your Company's endeavour to build and nurture strong links with the trade based on mutuality of benefits, respect for and co-operation with each other, consistent with consumer interests.

The Directors also wish to place on record their appreciation for all round co-operation and contribution made by employees.

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

**Place: Bhopal  
Dated: 07/09/2019**

**Sd/-  
Anil Anant Raje  
Managing Director  
(DIN: 01658167)**

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

**ANNEXURE I**

**Form No. MGT 9  
EXTRACT OF ANNUAL RETURN  
[As on Financial Year ended on 31.03.2019]**

**[Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management & Administration) Rules, 2014]**

**I. REGISTRATION & OTHER DETAILS:**

1.	CIN	U31200MP1982PLC002030
2.	Registration Date	24/08/1982
3.	Name of the Company	Aartech Solonics Limited
4.	Category / Sub-category of the Company	Company Limited by Shares and an Indian Non-Government Company
5.	Address of the Registered Office and Contact details	E-2/57, Ashirvad, Arera Colony, Bhopal – 462016 (MP) Tel.: +91 755 4276335 Email: treddy@aartechsolonics.com Website: www.aartechsolonics.com
6.	Whether listed company	Yes
7.	Name, Address & contact details of The Registrar & Transfer Agent, if any	<b>Bigshare Services Pvt. Ltd.</b> 1 <sup>st</sup> Floor, Bharat Tin Works Building, Opp. Vasant Oasis, Makwana Road, Marol, Andheri East, Mumbai – 400 059 (MH) Tel.: +91 22 6263 8200 Email: info@bigshareonline.com Website: www.bigshareonline.com

**II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY**

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

Sl. No.	Name and Description of Product or Service	NIC Code of Product / Service	% of Total Turnover of the Company
1.	Manufacture of Electrical Machinery and Apparatus N.E.C.	Division 31	100%

**III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES**

Sr. No.	Name and Address of Company	CIN/GLN	Holding/ Subsidiary/ Associate	% of shares held	Applicable Section
1.	AIC- Aartech Solonics Private Limited	U74999MP2017PTC043330	Subsidiary	99%	87(ii)
2.	Faradigm Ultracapacitors Private Limited	U74999MP2017PTC043840	Subsidiary	95%	87(ii)

**IV. SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)**
**i. Category-wise Shareholding**

Category of Shareholders	No. of Shares held at the beginning of the year (As on April 01, 2018)				No. of Shares held at the end of the year (As on March 31, 2019)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
<b>A. Promoter</b>									
<b>1) Indian</b>									
a) Individual / HUF	-	2492000	2492000	50.44	2492000	-	2492000	35.30	-15.14
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	-	1205890	1205890	24.41	1205890	-	1205890	17.08	-7.33
<b>Sub-total (A) (1):-</b>	-	<b>3697890</b>	<b>3697890</b>	<b>74.85</b>	<b>3697890</b>	-	<b>3697890</b>	<b>52.38</b>	<b>-22.47</b>
<b>2) Foreign</b>									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other...	-	-	-	-	-	-	-	-	-
<b>Sub-total (A) (2):-</b>	-	-	-	-	-	-	-	-	-
<b>Total Promoter Shareholding (A) = (A)(1) + (A)(2)</b>	-	<b>3697890</b>	<b>3697890</b>	<b>74.85</b>	<b>3697890</b>	-	<b>3697890</b>	<b>52.38</b>	<b>-22.47</b>
<b>B. Public Shareholding</b>									
<b>1. Institutions</b>									
a) Mutual Funds	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital	-	-	-	-	-	-	-	-	-

Funds									
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others – Market Maker	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (1)</b>	-	-	-	-	-	-	-	-	-
<b>2. Non Institutions</b>	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	-	1198307	1198307	24.26	787892	27196	815088	11.55	-12.71
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	-	43897	43897	0.89	1840000	46667	1886667	26.72	25.83
c) Any Others	-	-	-	-	584108	76341	660449	9.35	9.35
d) Others - HUF	-	-	-	-	-	-	-	-	-
<b>Sub-total (B) (2)</b>	-	<b>1242204</b>	<b>1242204</b>	<b>25.15</b>	<b>3212000</b>	<b>150204</b>	<b>3362204</b>	<b>47.62</b>	<b>22.47</b>
<b>Total Public Shareholding (B) = (B)(1) + (B)(2)</b>	-	<b>1242204</b>	<b>1242204</b>	<b>25.15</b>	<b>3212000</b>	<b>150204</b>	<b>3362204</b>	<b>47.62</b>	<b>22.47</b>
<b>C. Shares held by Custodian for GDRs &amp; ADRs</b>	-	-	-	-	-	-	-	-	-
<b>Grand Total (A+B+C)</b>	-	<b>4940094</b>	<b>4940094</b>	<b>100</b>	<b>6909890</b>	<b>150204</b>	<b>7060094</b>	<b>100</b>	<b>0.00</b>

**ii. Shareholding of Promoters and Promoters Group**

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e April 01, 2018			Shareholding at the end of the year i.e March 31, 2019			% change in shareholding during the year
		No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the company	% of shares Pledged / encumbered to total shares	
1.	Anil Anant Raje	1558667	31.55	-	1558667	22.08	-	-9.47
2.	Chhaya Anil Raje	933333	18.89	-	933333	13.22	-	-5.67
3.	Amit Anil Raje	1021067	20.66	-	1021067	14.46	-	-6.20
4.	Poonam Jaideep	93333	1.88	-	93333	1.32	-	-0.56

	Mulherkar							
5.	Arati Nath	91490	1.85	-	91490	1.30	-	-0.55

**iii. Change in Promoters' Shareholding**

Sr. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year	3697890	74.85	-	-
	Date wise Increase /Decrease in Promoters Shareholding during the year specifying the reasons for increase /decrease (e.g. allotment /transfer / bonus/ sweat equity etc):	# There is change in Promoters and Promoter Group Shareholding during the financial year 2018-19.			
	At the end of the year	3697890	52.38	-	-

**#Change In Promoter's Shareholding**

Sr. No.	Name of the Promoter	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Anil Anant Raje	1558667	31.55	-	-
	At the end of the year	-	-	1558667	22.08
2.	Chhaya Anil Raje	933333	18.89	-	-
	At the end of the year	-	-	933333	13.22
3.	Amit Anil Raje	1021067	20.66	-	-
	At the end of the year	-	-	1021067	14.46
4.	Poonam Jaideep Mulherkar	93333	1.88	-	-
	At the end of the year	-	-	93333	1.32
5.	Arati Nath	91490	1.85	-	-
	At the end of the year	-	-	91490	1.30

**#Note: The change in % of total shares of the Company between 01-04-2018 to 31-03-2019 is on account of issue of Equity Shares through an Initial Public Offer.**

**iv. Shareholding Pattern of top ten Shareholders (other than Directors, Promoters and Holders of GDRs and ADRs): (as on the financial year ended on March 31, 2019)**

Sr. No.	Shareholders Name For each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Prajakta Shashikant Kulkarni				
	At the beginning of the year	1092000	22.10	-	-
	At the end of the year	-	-	1092000	15.47

2.	Swastika Investmart Ltd.				
	At the beginning of the year	0	0	-	-
	At the end of the year	-	-	468108	6.63
3.	Amar Harshadbhai Patel				
	At the beginning of the year	0	0	-	-
	At the end of the year	-	-	228000	3.23
4.	Vipulkumar Bipinchandra Khandhar				
	At the beginning of the year	0	0	-	-
	At the end of the year	-	-	224000	3.17
5.	Mahendrakumar Harjivandas Khandhar				
	At the beginning of the year	0	0	-	-
	At the end of the year	-	-	136000	1.93
6.	Ram Ballabh Katta				
	At the beginning of the year	0	0	-	-
	At the end of the year	-	-	112000	1.59
7.	Oasis Securities Limited				
	At the beginning of the year	0	0	-	-
	At the end of the year	-	-	88000	1.25
8.	Vivek Dikey				
	At the beginning of the year	59640	1.20	-	-
	At the end of the year	-	-	59640	0.75
9.	Shruti Harshit Maniyar				
	At the beginning of the year	0	0	-	-
	At the end of the year	-	-	48000	0.62
10.	Arun Wadia				
	At the beginning of the year	46667	0.94	-	-
	At the end of the year	-	-	46667	0.59

**v. Shareholding of Directors and Key Managerial Personnel**

Sr. No.	Name of the Directors and KMP	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
1.	Anil Anant Raje	1558667	31.55	-	-
	At the end of the year	-	-	1558667	22.08
2.	Amit Anil Raje	1021067	20.66	-	-
	At the end of the year	-	-	1021067	14.46
3.	Poonam Jaideep Mulherkar	93333	1.88	-	-
	At the end of the year	-	-	93333	1.32

4.	Prashant Dattatray Lowlekar	0	0	-	-
	At the end of the year	-	-	0	0
5.	Ravindra Kumar Shingwekar	0	0	-	-
	At the end of the year	-	-	0	0
6.	Arati Nath	91490	1.85	-	-
	At the end of the year	-	-	91490	1.30
7.	K R Tanuj Reddy	0	0	-	-
	At the end of the year	-	-	0	0

**V. INDEBTEDNESS (Amt. in Rs.):**
**Indebtedness of the Company including interest outstanding/ accrued but not due for payment-**

Particulars	Secured Loans excluding deposit	Unsecured loans	Deposits	Total Indebtedness
<b>Indebtedness at the beginning of the year</b>				
• Principal Amount	Nil	Nil	Nil	Nil
• Interest due but not paid	Nil	Nil	Nil	Nil
• Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>
<b>Change in Indebtedness during the year</b>				
• Addition	Nil	Nil	Nil	Nil
• Reduction	Nil	Nil	Nil	Nil
<b>Net Changes</b>				
<b>Indebtedness at the end of the year</b>				
• Principal Amount	Nil	Nil	Nil	Nil
• Interest due but not paid	Nil	Nil	Nil	Nil
• Interest accrued but not due	Nil	Nil	Nil	Nil
<b>Total</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>	<b>Nil</b>

**VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**A. Remuneration to Managing Director, Whole-time Directors, and Key Managerial Personnel:**

Sr. No.	Particulars of Remuneration	Anil Anant Raje	Amit Anil Raje	Arati Nath	K R Tanuj Reddy	Total Amount
		Managing Director	Whole-time Director	Chief Financial Officer	Company Secretary	
1.	Gross Salary					
	a) Salary as per provisions contained in Section 17(1) of the Income-tax Act, 1961	6,31,848	7,43,388	7,03,428	3,12,533	23,91,197
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	9,47,772	11,15,076	10,55,148	-	31,17,996
	c) Profits in lieu of salary under Section 17(3) Income-tax Act, 1961	-	-	-	-	-
2.	Stock Option	-	-	-	-	-
3.	Sweat Equity	-	-	-	-	-

4.	Commission	-	-	-	-	-
	- As % of Profit	-	-	-	-	-
	- others, specify	-	-	-	-	-
5.	Others, please specify	-	-	-	-	-
	<b>Total (A)</b>	<b>15,79,620</b>	<b>18,58,464</b>	<b>17,58,576</b>	<b>3,12,533</b>	<b>55,09,193</b>

**B. Remuneration to Other Directors:**

Sr. No.	Particulars of Remuneration	Ravindra Kumar Shingwekar (Independent Director)	Prashant Dattatray Lowlekar (Independent Director)	Total Amount
<b>1</b>	<b>Independent Directors</b>			
	- Fee for attending board committee meetings	15,000	15,000	30,000
	- Commission	-	-	-
	- Others please specify	-	-	-
	<b>Total (1)</b>	<b>15,000</b>	<b>15,000</b>	<b>30,000</b>
<b>2</b>	<b>Other Non-Executive Directors</b>			
	- Fee for attending board committee meetings	-	-	-
	- Commission	-	-	-
	- Others please specify	-	-	-
	<b>Total (2)</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>3</b>	<b>Total (B) = ( 1 + 2 )</b>	<b>15,000</b>	<b>15,000</b>	<b>30,000</b>

**VII. PENALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES:**

There were no penalties / punishment / compounding of offences for breach of any section of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

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

**Place: Bhopal  
Dated: 07/09/2019**

**Sd/-  
Anil Anant Raje  
Managing Director  
(DIN: 01658167)**

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



**ANNEXURE II**
**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**

<b>Name of associates/Joint Ventures</b>	<b>AIC-Aartech Solonics Private Limited</b>	<b>Faradigm Ultracapacitors Private Limited</b>
1. Latest audited Balance Sheet Date	29/05/2019	29/05/2019
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. 0.00/-
6. Profit/Loss for the year		
i. Considered in Consolidation		--
ii. Not Considered in Consolidation	Rs. (85,91,693.00)/-	Rs. (32,57,202.00)

**ANNEXURE III**
**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 subsection (1) of Section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.**

A. Details of contract or arrangement or transactions not at arms' 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

B. Details of contract or arrangement or transactions at arms' length basis:

	<b>Name(s) of the related party and nature of relationship</b>	<b>AIC-Aartech Solonics Pvt Ltd</b>	<b>Faradigm Ultracapacitors Pvt Ltd</b>
a.	Nature of contract /arrangements/transaction	<ul style="list-style-type: none"> <li>• Unsecured Loan</li> <li>• Interest Received On Unsecured Loan</li> <li>• Rent Received For Utility &amp; Maintenance Services</li> <li>• Rent Received</li> <li>• Rent received for providing administrative services</li> <li>• Job Work on Contract Basis</li> <li>• Trade Purchase</li> <li>• Trade Sales</li> <li>• Other Expenses</li> </ul>	<ul style="list-style-type: none"> <li>• Interest Received On Unsecured Loan</li> <li>• Trade Sales</li> <li>• Unsecured Loan</li> <li>• Income received for Utility &amp; Maintenance services</li> <li>• Trade Purchase</li> <li>• Rent Received</li> <li>• Income received for Administrative services</li> </ul>
b.	Duration of contract /arrangements/transaction	On Going	On Going
c.	Salient terms of contract /arrangements/transaction including the value, if any,	<ul style="list-style-type: none"> <li>• Rs. 1,59,87,932</li> <li>• Rs. 10,60,567</li> <li>• Rs. 5,00,000</li> </ul>	<ul style="list-style-type: none"> <li>• Rs. 9,18,428</li> <li>• Rs. 2,60,042</li> <li>• Rs. 1,03,97,666</li> </ul>

		<ul style="list-style-type: none"> <li>• Rs. 75,00,000</li> <li>• Rs. 3,75,000</li> <li>• Rs. 21,150</li> <li>• Rs. 66,557</li> <li>• Rs. 61,218</li> <li>• Rs. 3,600</li> </ul>	<ul style="list-style-type: none"> <li>• Rs. 96,000</li> <li>• Rs. 9,13,696</li> <li>• Rs. 15,00,000</li> <li>• Rs. 72,000</li> </ul>
d.	Date(s) of approval by the Board	23/04/2018	23/04/2018
e.	Amount paid as advances , if any	Nil	Nil

**ANNEXURE IV**

**Form No. MR.3**

**Secretarial Audit Report for the financial year ended on March 31, 2019**

[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 SOLOINICS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AARTECH SOLOINICS 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 SOLOINICS 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, 2019 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 SOLOINICS LIMITED for the financial year ended on 31st March, 2019, 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, 1992;
  - c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - 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, 1998;
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 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.

**We further report that** during the audit period the company has bought Public issue (IPO) of Equity shares dated 27th March, 2019 on BSE (SME).

Place: BHOPAL  
Date: 28/08/2019

Sd/-  
CS AVADHESH PARASHAR  
APVN & ASSOCIATES  
ACS No. 23783  
C.P. No.: 9067

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

Our Secretarial Audit Report of even date, for the financial year ended on 31<sup>st</sup> March, 2019 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

Sd/-  
CS AVADHESH PARASHAR  
ACS NO. 23783  
C.P. No.: 9067  
Date: 28/08/2019  
Place: Bhopal

## **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 Micro processor 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.

**DISCLOSURE UNDER SECTION 197(12), READ WITH RULE 5 OF COMPANIES (APPOINTMENT AND REMUNERATION OF MANAGERIAL PERSONNEL), RULES, 2014].**

- The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year 2018-19

**A. Remuneration of Whole-Time Director & Managing Director:**

Sr. No.	Name of Director	Remuneration	Ratio of remuneration to Median Remuneration of the employees	% increase in Remuneration for the year ended March 31, 2019
1.	Anil Anant Raje Chairman & Managing Director	15,79,620	12.45	NIL
2.	Amit Anil Raje Whole-Time Director	18,58,464	14.65	NIL

**B. Remuneration of Non-Executive Directors:**

Sr. No.	Name of Director	Designation	Ratio to MRE of the employees
3.	Poonam Jaideep Mulherkar	Non-Executive Director	NA
4.	Ravindra Kumar Shingwekar	Independent Director	0.19:1
5.	Prashant Dattatray Lowlekar	Independent Director	0.19:1

**Note:** The remuneration of the Non-Executive Directors & Independent Directors comprises of only sitting fees paid to them for attending the meetings of the Board and other committee meetings. Hence, the percentage increase of their remuneration has not been considered for the above purpose.

**C. Remuneration to Key Managerial Personnel:**

Sr. No.	Name of Director	Designation	% increase in Remuneration for the year ended March 31, 2019
6.	Arati Nath	CFO	10.30%
7.	K R Tanuj Reddy	Company Secretary & Compliance Officer	NA

**DECLARATION BY THE CEO UNDER REGULATION 26(3) OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015 REGARDING ADHERENCE CODE OF CONDUCT**

In accordance with Regulation 26(3) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015, I hereby confirm that, all the Directors and the Senior Management Personnel of the Company have affirmed compliance to the Code of Conduct for the Financial Year ended March 31, 2019.

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

**Sd/-  
Anil Anant Raje  
Managing Director  
(DIN: 01658167)**

**Place: Bhopal**

**Dated: 07/09/2019**

**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, Mr. Anil Anant Raje, Managing Director and Mrs. Arati Nath, Chief Financial Officer (CFO) of Aartech Solonics Limited appointed in terms of provision of the Companies Act 2013, do hereby certify to the Board that:

- a) We have reviewed the financial statements and the cash flow statement for the financial year ended on March 31, 2019 and that to the best of our knowledge and belief:
  - 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 Bank's affairs and are in compliance with existing accounting standards, applicable laws and regulations;

- b) There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year ended on March 31, 2019 which are fraudulent, illegal or violative of the Company's code of conduct;
- c) We accept responsibility for establishing and maintaining internal controls and that we have evaluated the effectiveness of the internal control systems of the Bank and we have disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of the internal control, if any, of which we are aware of 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 in internal control over the financial reporting during the financial year 2018-19
  - Significant changes in accounting policies during the financial year 2018-19 and that the same have been disclosed in the notes to the financial statements; and
  - Instances of significant fraud of which we 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 the financial reporting.

**Place: Bhopal**  
**Dated: 07/09/2019**

**Sd/-**  
**Anil Anant Raje**  
**Chairman & Managing Director**  
**(DIN: 01658167)**

**Sd/-**  
**Arati Nath**  
**CFO**

## **INDEPENDENT AUDITORS' REPORT**

To the Members of  
**Aartech Solonics Limited**  
**Bhopal**

### **Report on the Audit of the Financial Statements**

We have audited the accompanying Financial Statements of AARTECH SOLONICS LIMITED ('the Company'), which comprise the Balance Sheet as at March 31, 2019, the statement of Profit and Loss Account and the cash flow statement for the year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information.

### **Management's Responsibility for the Financial Statements**

The company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with accounting principles generally accepted in India, including the Accounting Standards specified under Section 133 of the Act, read with the Companies (Indian Accounting Standards) Rules, 2015, as amended. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial control that were operating effectively for ensuring the accuracy and completeness of the accounting records; relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

### **Auditor's Responsibility**

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

Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the

Company's preparation of the financial statements that give a true and fair view procedures in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the effectiveness of such controls. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

## **Opinion**

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2019, its profit, and its cash flows for the year ended on that date.

## **Report on Other Legal and Regulatory Requirements**

1. As required by the Companies ( Auditor's report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act, we give in the Annexure 1a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account, as required by law have been kept by the Company, so far as it appears from our examination of those books;
  - c. The Balance Sheet, Statement of Profit & Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d. In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014;
  - e. On the basis of written representations received from the Directors as on March 31, 2019 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2019 from being appointed as a Director in terms of section 164(2) of the Act;
  - f. With respect to other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company does not have any pending litigations which would impact its financial position.

- II. The Company did not have any long-term contracts including derivative contracts; as such the question of commenting on any material foreseeable losses thereon does not arise.
- III. There has been no delay in transferring amounts if any, to the Investor Education and Protection Fund by the Company.

**For SPARK & Associates**  
Chartered Accountants

**Sd/-**  
**CA Roopak Jain**  
Partner  
(Membership No.: 410002)

Place: Bhopal  
Date: May 29, 2019

**ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT**

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

**Referred to in our Report of even date**

- 1a. The Company is in the process of updating its fixed assets register to show full particulars including quantitative details and situation of fixed assets.
- b. The Company has carried out physical verification of its fixed assets during the year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its assets.
- 2a. The inventories have been physically verified by the Management during the year. In our opinion, the frequency of verification is reasonable.
- b. In our opinion, the procedures of verification of inventories followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- c. In our opinion, the Company has maintained proper records of inventories. The discrepancies noticed on physical verification of inventories as compared to book records were not material and the same have been properly dealt with in the books of account.
- 3a. According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured to Companies, firms, or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Accordingly, the provisions of clause 3(iii)(a) and (b) of the Order are not applicable to the Company and hence not commented upon.
- b. In our opinion and according to the information and explanations given to us, the Company has not taken any Loan during the current financial year.
4. In our opinion and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and nature of its business for the purchase of inventory and fixed assets and for the sale of goods. During the course of the audit, we have not observed any major weakness or continuing failure to correct any major weakness in internal controls system of the Company in respect of these areas.
5. In our opinion and according to the information and explanations given to us, the Company has not accepted any deposits from the public in accordance with provisions of Sections 73 to 76 of the Act and rules framed there under.
6. We have been informed that the Central Government has not prescribed maintenance of cost records under Section 148(1) of the Act for any products of the Company.



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

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

- b. According to the records of the Company, no dues of Income Tax, Service Tax, Wealth Tax, Goods and Service Tax, Sales Tax, Value Added Tax etc. are outstanding on account of any dispute.
- c. According to the information and explanations given to us, the amount required to be transferred to investor education and protection fund in accordance with the relevant provisions of the Companies Act, 1956 (1 of 1956) and rules made there under has been transferred to such fund within time.
8. The Company has no accumulated losses at the end of the financial year and it has not incurred cash losses during the current and immediately preceding financial year.
9. In our opinion and according to the information and explanations given to us, the Company has not defaulted in repayment of dues to its bankers. The Company did not have any outstanding dues to any financial institution or debentures holders during the year.
10. According to the information and explanations given to us, the Company has not given any guarantee for loans taken by others from Banks or Financial Institutions.
11. In our opinion and according to the information and explanations given to us, the Company has not raised any term loans during the year.
12. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and as per the information and explanations given by the management, we report that no fraud on or by the Company has been noticed or reported during the year.

**For SPARK & Associates**  
Chartered Accountants

Sd/-  
**CA Roopak Jain**  
Partner  
(Membership No.: 410002)

Place : Bhopal  
Date: May 29, 2019

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2019**

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

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

The accompanying notes are integral part of the Financial Statements

Signed in terms of our report of even date

For SPARK & Associates  
Chartered Accountants

Sd/-  
CA Roopak Jain  
Partner  
(Membership No. 410002)  
Place: Bhopal  
Date: May 29, 2019

Sd/-  
Anil A. Rajee  
Managing Director

Sd/-  
Amit A. Rajee  
Director

Sd/-  
Arati Nath  
Chief Financial Officer

Sd/-  
K.R. Tanuj Reddy  
Company Secretary

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2019**

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

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

The accompanying notes are integral part of the Financial Statements

**Signed in terms of our report of even date**

For SPARK & Associates  
Chartered Accountants

Sd/-  
CA Roopak Jain  
Partner  
(Membership No. 410002)  
Place: Bhopal  
Date: May 29, 2019

Sd/-  
Anil A. Raje  
Managing Director

Sd/-  
Amit A. Raje  
Director

Sd/-  
Arati Nath  
Chief Financial Officer

Sd/-  
K.R. Tanuj Reddy  
Company Secretary

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

### **1. SIGNIFICANT ACCOUNTING POLICIES**

#### **1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS**

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

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

#### **1.2 PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS**

During the year ended 31 March 2019, the Schedule III notified under the Companies Act, 2013, has become applicable to the Company, for preparation and presentation of its financial statements. The adoption of Schedule III does not impact recognition and measurement principles followed for preparation of these financial statements. However, it has significant impact on presentation and disclosures made in the financial statements. The Company has also reclassified the previous year figures in accordance with the requirements applicable in the current year.

#### **PREVIOUS YEAR NUMBERS**

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

#### **1.3 USE OF ESTIMATES**

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

Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates. Difference between the actual results and estimates are 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 FIXED & INTANGIBLE ASSETS**

### **Tangible Fixed Assets**

Fixed assets are stated at historical cost less accumulated depreciation and impairment loss if any. While arriving at the historical cost, all costs, including net charges on foreign exchange contracts

and adjustments arising from exchange rate variations attributable to the fixed assets, and including financing costs till commencement of commercial production or the date the asset is put to use or bringing the asset to its working condition for intended use, are capitalized.

### **Intangible Fixed Assets**

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

## **1.8 EXPENSES INCURRED DURING CONSTRUCTION PERIOD**

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

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

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

## **1.9 DEPRECIATION & AMORTISATION**

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

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

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

## **1.10 IMPAIRMENT OF ASSETS**

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

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

### **1.11 FOREIGN CURRENCY TRANSACTIONS**

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

### **1.12 RESEARCH AND DEVELOPMENT**

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

### **1.13 EMPLOYEES BENEFITS**

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

#### **i. Provident Fund & ESI**

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

#### **ii. Gratuity**

Gratuity is a post-employment benefit. The Company has formed a gratuity trust with Life Insurance Corporation of India during the year ending March 31, 2013. The annual provision is determined by the Life Insurance Corporation and the same is paid by the Company to be used as Gratuity Fund. Before April 1, 2012, the Company did not make any provisions in the books of

accounts for future liability on account of gratuity payable in the event of retirement of any of its employees or directors. The amount of gratuity due and payable was recorded as an expense in the year in which the liability to pay the same arises.

**iii. Leave Encashment**

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

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

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

**1.14 LEASES**

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

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

**1.15 TAXES ON INCOME**

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

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

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

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



### 1.16 GOVERNMENT GRANTS AND SUBSIDIES

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

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

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

### 1.17 BORROWING COST

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

### 1.18 PROVISIONS, CONTINGENT LIABILITIES AND CONTINGENT ASSETS

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

A contingent liability is recognized for:

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

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

### 1.19 EARNINGS PER SHARE

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

equity shares outstanding during the period is adjusted for events of bonus issue, bonus element in a rights issue to existing shareholders, share split, and reverse share split (consolidation of shares).

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

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

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

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

**Notes on Financial Statements for the Year ended 31st March, 2019**
**2. SHARE CAPITAL**

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Authorized Share Capital:</b>		
100,00,000 Equity shares of ₹10 each	10,00,00,000	10,00,00,000
<b>Total</b>	<b>10,00,00,000</b>	<b>10,00,00,000</b>
<b>Issued, subscribed and Paid up:</b>		
70,60,094 Equity shares of ₹10 each fully paid	7,06,00,940	4,94,00,940
<b>Total</b>	<b>7,06,00,940</b>	<b>4,94,00,940</b>

**2.1 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 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Equity Shares at the beginning of the year	49,40,094	49,40,094
Add: Equity shares issued during the year		
- as fully paid up bonus shares	-	-
- as fully paid up shares for cash	21,20,000	-
Less: Shares cancelled on buy back of Equity Shares	-	-
<b>Equity Shares at the end of the year</b>	<b>7,06,00,94</b>	<b>4,94,00,94</b>

**2.2 Terms / rights attached to Equity Shares**

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

**2.3** The Company made public issue of 21,20,000 equity shares of face value of ₹ 10 each of for cash at a price of ₹ 34 per equity share including a share premium of ₹ 24 per equity shares aggregating to ₹ 7,20,80,000.

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

<b>Name of Share Holders</b>	<b>No. of Shares</b>	<b>% held</b>
<b>As at March 31, 2019</b>		
Mr. Anil Anant Rajee	15,58,667	22.08%
Mrs. Chhaya Anil Rajee	9,33,333	13.22%
Mrs. Prajakta Shashikant Kulkarni	10,92,000	15.47%
Mr. Amit Anil Rajee	10,21,067	14.46%
<b>As at March 31, 2018</b>		
Mr. Anil Anant Rajee	15,58,667	31.55%
Mrs. Chhaya Anil Rajee	9,33,333	18.89%
Mrs. Prajakta Shashikant Kulkarni	10,92,000	22.10%
Mr. Amit Anil Rajee	10,21,067	20.67%

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

**3. RESERVES AND SURPLUS**

<b>Particulars</b>	<b>(Amount in ₹)</b>	
	<b>As at 31<sup>st</sup> March 2019</b>	<b>As at 31<sup>st</sup> March 2018</b>
<b>a) Capital Reserve</b>		
Balance as per last Financial Statements	35,52,358	35,52,358
Add : Transferred from the statement of profit and loss	-	-
<b>Closing Balance</b>	<b>35,52,358</b>	<b>35,52,358</b>
<b>b) General Reserve</b>		
Balance as per last Financial Statements	9,69,15,392	9,69,15,392
Add : Transferred from the statement of profit and loss		
Add : Transferred from Investment allowance reserve		
<b>Closing Balance</b>	<b>9,69,15,392</b>	<b>9,69,15,392</b>
<b>c) Securities Premium</b>		
Balance as per last Financial Statements	40,000	40,000
Add : Received during the year on issue on share	5,08,80,000	-
<b>Closing Balance</b>	<b>5,09,20,000</b>	<b>40,000</b>

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

Balance as per last Financial Statements	2,92,14,276	1,77,58,289
Add : Profit for the year	1,69,85,346	1,17,58,489
Less: Appropriations:		
- Transferred to Capital Grant (DST Uplift Project)	-	3,02,502
- Proposed Dividend on Equity Shares	-	-
- Provision for Dividend Distribution Tax	-	-
<b>Closing Balance</b>	<b>4,61,99,622</b>	<b>2,92,14,276</b>
<b>Total</b>	<b>19,75,87,372</b>	<b>12,97,22,026</b>

**4. DEFERRED TAX LIABILITIES (Net)**

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

**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. TRADE PAYABLES**

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

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

5.2 The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act, 2006 (“the Act”) has been determined to the extent such parties have been identified by the Company, on the basis of information and records available with them. This information has been relied upon by the auditors. Based on available information with the Company, there is amounting to ₹ 11,48,643 (principal) and no interest thereon outstanding to the micro, small and medium enterprises, as defined under section 7 of The Micro, Small and Medium Enterprises Development Act, 2006. Disclosure as required under section 22 of the Act is as under:

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Principal amount due and remaining unpaid	11,48,643	4,488
Interest due on above and the unpaid interest	-	-
Interest paid	-	-
Payment made beyond the appointed day during the year	-	-
Interest due and payable for the period of delay	-	-
Interest due and payable for the period of delay	-	-
Amount of further interest remaining due and payable	-	-
<b>Total</b>	<b>11,48,643</b>	<b>4,488</b>

**6. OTHER CURRENT LIABILITIES**

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Current Maturities of Long-Term Debt	-	-
Current Maturities of Finance Lease Obligations	-	-
Interest Accrued but not due on Borrowings	-	-
Interest Accrued and due on Borrowings	-	-
Income Received in Advance	-	-
Unpaid Dividends	1,542	14,712
Application money received for allotment of securities and due for refund	-	-
Unpaid matured Deposits and Interest accrued thereon	-	-
Unpaid matured Debentures and Interest accrued thereon	-	-
Other Payables (Refer Note No. 6.1)	2,61,937	8,03,210
<b>Total</b>	<b>2,63,479</b>	<b>8,17,922</b>

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

**7. SHORT TERM PROVISIONS**

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

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

**8. FIXED ASSETS**
**(Amount in ₹)**

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



**9. NON CURRENT INVESTMENT**

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Investment in property</b>	1,30,74,551	1,29,70,892
<b>Investment in subsidiary</b>		
- AIC-AARTECH SOLOINICS PVT LTD	1,00,000	1,00,000
- FARADIGM ULTRACAPACITORS PVT LTD	95,000	95,000
<b>Investments in equity instruments:</b>		
Dena Bank Equity	54,640	54,640
<b>Investments in mutual funds (Instrument wise):</b>		
- Nil (Previous year 928.901) SBI Magnum Tax gain Scheme	-	52,186
- Nil (Previous year 9,455.809) SBI Magnum Balanced Fund	-	10,00,000
- Nil (Previous year 10,782.06) Sundaram BNP Paribas Tax Saver	-	1,12,076
- Nil (Previous year 49,990) Axis Small Cap Fund -Dividend Option	-	5,00,000
- Nil (Previous year 50,000) Axis Hybrid Fund Series 22	-	5,00,000
- Nil (Previous year 26,693.508) Axis Long Term Equity Fund	-	4,99,900
- Nil (Previous year 8,29,861.36) Kotak Equity Saving Fund	-	99,99,900
- 1,02,963.45 (Previous Year Nil) Axis Multi Cap Fund Growth	11,03,768	-
- 1,92,164 (Previous year Nil) DSP Equity Fund Regular Plan Growth	92,05,630	-
- 1,680.04 (Previous year Nil) HDFC Capital Fund Growth	10,30,547	-
- 7,486.89 (Previous year Nil) TATA Equity Fund Regular Growth	9,99,900	-
- 1,842.57 (Previous year Nil) ICICI Prudential Floating Interest Fund	5,00,000	-
- 1,526.48 (Previous year Nil) Aditya Birla Sunlife Equity Advantage Fund	6,00,000	-
- 43,173.83 (Previous year Nil) Aditya Birla Sunlife Frontline Equity Fund	96,38,218	-
- 17,502.77 (Previous year Nil) Kotak Low duration Fund Growth	4,00,00,000	-
<b>Total</b>	<b>7,64,02,254</b>	<b>2,58,84,594</b>
Quoted Investments - Book Value	6,31,32,703	1,27,18,702
Quoted Investments - Market Value	6,45,21,440	1,58,52,594
Unquoted Investments - Book Value	1,32,69,551	1,31,65,892
<b>Total book value of non-current Investments</b>	<b>7,64,02,254</b>	<b>2,58,84,594</b>

**10. LONG TERM LOANS & ADVANCES**

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Loans &amp; Advances to related parties</b> (unsecured considered good)		
- AIC-AARTECH SOLONICS PVT LTD	1,59,87,932	1,24,33,422
- FARADIGM ULTRACAPACITORS PVT LTD	1,03,97,666	1,52,90,209
<b>Other Loans and Advances</b> (unsecured considered good)	3,41,29,600	-
<b>Secured Deposits</b> (Unsecured Considered Good)	36,54,377	42,48,703
<b>Total</b>	<b>6,41,69,575</b>	<b>3,19,72,334</b>

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

**10.2** AIC- Aartech Solonics Private Limited is wholly owned subsidiary company of Aartech Solonics Limited.

Interest is charged @ 8.5% per annum compounding annually on this unsecured loan.

**10.3** Faradigm Ultracapacitors Private Limited is wholly owned subsidiary company of Aartech Solonics

Limited. Interest is charged @ 8.5% per annum compounding quarterly basis on this unsecured loan.

**11. CURRENT INVESTMENT**

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

**12. INVENTORIES**

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Raw Materials and components	1,71,22,907	1,56,19,243

Work-in-progress	8,76,865	2,32,71,973
Finished Goods	13,41,353	-
Stock in trade	44,45,931	-
<b>Total</b>	<b>2,37,87,055</b>	<b>3,88,91,216</b>

### 13. TRADE RECEIVABLES

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

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

### 14. CASH AND CASH EQUIVALENTS

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

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

**14.2** Other commitments represent balances with banks.

**14.3** Others represent imprest given to employees for incurring expenses.

**15. SHORT TERM TOANS AND ADVANCES**

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Loans and Advances to Related Parties	-	-
Other Loans and Advances	13,67,060	18,89,121
<b>Total</b>	<b>13,67,060</b>	<b>18,89,121</b>

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

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

**16. OTHER CURRENT ASSETS**

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

**17. REVENUE FROM OPERATIONS**

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Sale of Products	13,79,58,001	10,48,19,059
Sale of Services	76,92,995	82,08,669
<b>Total</b>	<b>14,56,50,996</b>	<b>11,30,27,728</b>

**18. OTHER INCOME**

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
- Interest Income	26,93,627	17,05,242
- Dividend Income	1,93,968	8,87,017
- Rental Income	48,24,000	-

- Revenue Government Grant for DST Uplift Project	8,00,000	-
- Net gain/(- loss) on sale of investments	31,88,904	20,20,902
- Other non-operating income( Refer note no. 18.1)	9,31,456	32,15,447
- Profit on sale of Fixed Assets	1,10,000	-
<b>Total</b>	<b>14,56,50,996</b>	<b>11,30,27,728</b>

**18.1 Other Non-Operating Income includes:**

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

**19. COST OF MATERIALS CONSUMED**

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Purchase of Raw Materials	7,42,22,958	6,06,64,832
Opening Balance of Raw Materials	1,56,19,243	7,49,28,160
Less : Closing Balance of Raw Materials	1,71,22,907	1,56,79,243
<b>Total</b>	<b>7,27,19,295</b>	<b>5,99,73,749</b>

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

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

**20. CHANGE IN INVENTORIES**

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Finished goods:		
Opening Balance	-	-
Less: Closing Balance	57,87,284	-
	<b>57,87,284</b>	-

Work-in-Progress:

Opening Balance	2,32,71,973	2,31,10,535
Less: Closing Balance	8,76,865	2,32,71,973
	<b>2,23,95,108</b>	<b>-1,61,438</b>
<b>Total</b>	<b>1,66,07,824</b>	<b>-1,61,438</b>

## 21. EMPLOYEE BENEFIT EXPENSES

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

### 21.1 Salaries and Wages include:

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

## 22. FINANCE COST

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

22.1 Interest Expenses shown interest on CC/OD Account.

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

## 23. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
Depreciation of tangible assets	20,52,726	31,24,972

Amortisation of intangible assets	-	-
<b>Total</b>	<b>20,52,726</b>	<b>31,24,972</b>

**23.1** Refer note 8 for assets wise details of depreciation charge and note 1.9 for depreciation policy and rates of depreciation.

## 24. OTHER EXPENSES

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
<b>Administrative Expenses</b>		
Audit fees	1,40,000	90,000
Membership & Registration Fees (Refer Note no. 24.1)	9,50,094	80,816
Insurance Expenses	4,25,309	1,42,325
Internet Expenses	2,57,316	1,91,784
Legal expenses	1,63,029	6,86,113
Professional & consultancy expenses	11,43,787	13,90,689
Electricity Expenses	1,13,546	72,622
Office Expenses	2,04,254	1,26,767
Petrol & Diesel	1,57,131	1,47,215
Postage & Courier Expenses	2,37,187	2,14,740
Printing & Stationery Expenses	2,25,967	62,144
Rates and taxes (excluding taxes on income)	2,93,914	8,70,907
Rent Office	18,00,000	10,76,345
Repairs & Maintenance	2,14,764	1,27,600
Vehicle Repairs & Maintenance	1,17,873	1,02,298
Security Expenses	1,45,499	1,84,750
Telephone & Mobile expenses	2,48,069	3,35,260
Miscellaneous administrative expenses	22,80,768	15,08,413
<b>Total (A)</b>	<b>91,18,508</b>	<b>74,10,789</b>
<b>Manufacturing Expenses</b>		
Power and Fuel	5,89,186	5,67,106
Rent Factory	2,70,532	2,30,697
Repairs to machinery	4,72,808	2,03,249
Testing Charges	5,82,381	2,75,176
Job Work Expenses	8,22,385	-
Miscellaneous manufacturing expenses	4,33,091	9,47,776
<b>Total (B)</b>	<b>31,70,383</b>	<b>22,24,004</b>
<b>Selling and Marketing Expenses</b>		
Advertisement and business promotion expenses	8,38,120	5,44,112

Sales Commission	16,11,139	30,21,687
Travelling Expenses (Refer Note No. 24.2)	33,70,963	27,62,362
Late Delivery	10,45,560	24,12,664
Transportation Outward	6,39,472	8,93,411
<b>Total (C)</b>	<b>75,05,254</b>	<b>96,34,836</b>
<b>Research &amp; Development Expenses</b>		
Material Consumed	4,10,290	1,67,827
Travelling Expenses	53,310	17,109
Other Expenses	4,30,975	6,54,009
<b>Total (D)</b>	<b>8,94,575</b>	<b>8,38,945</b>
<b>Loss due to Foreign Currency Fluctuation (E)</b>	<b>-4,51,225</b>	<b>38,783</b>
<b>Total Other Expenses (A+B+C+D+E)</b>	<b>2,02,37,495</b>	<b>2,01,47,356</b>

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

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

## 25. CURRENT TAX

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

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

## 26. DEFERRED TAX EXPENSE

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

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

- Depreciation as per Income Tax Act, 1961 : ₹ 19,76,283



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

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

- Unpaid bonus not deductible under section 43B of Income Tax Act for the previous year paid in the current year	: ₹ 3,43,000
- Unpaid bonus not deductible under section 438 of Income Tax Act	: ₹ -
- Difference	: ₹ 3,43,000
- Deferred tax impact (Income)	: ₹ 95,423

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

## 27. CONTINGENT LIABILITY

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

## 28. RESEARCH & DEVETOPMENT EXPENSES

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

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

Particulars	(Amount in ₹)	
	As at 31 <sup>st</sup> March 2019	As at 31 <sup>st</sup> March 2018
1 Salary to research staff (refer note 21.1)	4,09,045	9,59,431
2 Material purchased	-	1,67,827
3 Travelling expenses	-	17,109

4 Other Expenses	-	34,953
<b>Total</b>	<b>4,09,045</b>	<b>11,79,319</b>

## 29. DST UPTIFT PROJECT

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

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

## 30. RELATED PARTY DISCLOSURE

S. No.	Name of related party	Related Party Category	Nature of Transaction	Amount in ₹
1	AIC-Aartech Solonics Pvt Ltd	Subsidiary Company	Unsecured Loan	1,59,87,932
2	AIC-Aartech Solonics Pvt Ltd	Subsidiary Company	Interest received on Unsecured Loan	10,60,567
3	AIC-Aartech Solonics Pvt Ltd	Subsidiary Company	Rent received for Utility & maintenance Services	5,00,000
4	AIC-Aartech Solonics Pvt Ltd	Subsidiary Company	Rent Received	75,00,000
5	AIC-Aartech Solonics Pvt Ltd	Subsidiary Company	Rent received for providing administrative services	3,75,000
6	AIC-Aartech Solonics Pvt Ltd	Subsidiary Company	Job Work on Contract Basis	21,150
7	AIC-Aartech Solonics Pvt Ltd	Subsidiary Company	Trade Purchase	66,557
8	AIC-Aartech Solonics Pvt Ltd	Subsidiary Company	Trade Sales	61,218
9	AIC-Aartech Solonics Pvt Ltd	Subsidiary Company	Other Expenses	3,600
10	Paradigm Ultracapacitors Pvt Ltd	Subsidiary Company	Interest received on Unsecured Loan	9,18,428

11	Faradigm Ultracapacitors Pvt Ltd	Subsidiary Company	Trade Sales	2,60,042
12	Faradigm Ultracapacitors Pvt Ltd	Subsidiary Company	Unsecured Loan	1,03,97,666
13	Faradigm Ultracapacitors Pvt Ltd	Subsidiary Company	Income received for Utility & Maintenance services	96,000
14	Faradigm Ultracapacitors Pvt Ltd	Subsidiary Company	Trade Purchase	9,13,696
15	Faradigm Ultracapacitors Pvt Ltd	Subsidiary Company	Rent Received	15,00,000
16	Faradigm Ultracapacitors Pvt Ltd	Subsidiary Company	Income received for Administrative services	72,000

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2019**

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

<b>(H) Income tax paid during the year:</b>	35,45,903	12,54,394
<b>(I) Net cash generated from operational activity (G-H)</b>	<b>93,56,651</b>	<b>18,22,636</b>
<b>2. Cash Flows from Investing Activities</b>		
<b>(A) Net cash inflow from investment activity</b>		
Interest Income (refer note 18)	26,93,627	17,05,242
Dividend Income (refer note 18)	1,93,968	8,81,017
Net gain/(-loss) on sale of investments (refer note 18)	31,88,904	20,20,902
Other non-operating income (refer note 18)	9,31,456	32,15,446
Revenue Grant for DST Uplift Project (refer note 18)	8,00,000	-
Proceeds from marketable securities	3,00,38,980	1,39,46,395
Proceeds from sale of fixed assets	1,10,000	26,89,364
Realisation of security deposit	-	-
Maturity of fixed deposit made the year	17,10,763	19,80,953
<b>Sub Total</b>	<b>3,96,67,698</b>	<b>2,64,39,319</b>
<b>(B) Net cash outflow from investment activity</b>		
Investment made in marketable securities during the year	6,30,78,063	1,690
Investment made in Subsidiary Company	-	1,95,000
Investment made in Property	1,03,659	-
Long Term Loans & Advances	3,21,97,241	2,77,23,631
Utilisation of Grant for DST Uplift Project	-	9,71,774
Purchase of new assets (net of sale proceeds)	24,80,889	19,15,670
Security deposit paid	-	9,38,900
<b>Sub Total</b>	<b>9,78,59,851</b>	<b>3,17,46,665</b>
<b>(C) Net cash generated from Investment activity (a-b)</b>	<b>-5,81,92,153</b>	<b>-53,07,346</b>
<b>3. Cash Flows from Financing Activities</b>		
<b>(A) Net cash inflow from financing activity</b>		
Increase in long term borrowing	-	-
Proceeds from issue of equity shares	7,20,80,000	-
<b>Sub Total</b>	<b>7,20,80,000</b>	<b>-</b>
<b>(B) Net cash outflow from investment activity</b>		
Decrease in long term borrowing	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>(C) Net cash generated from Financing activity (a-b)</b>	<b>7,20,80,000</b>	<b>-</b>
<b>4. Net Increase/ (Decrease) in Cash (1+2+3)</b>		
Cash and cash equivalents at the beginning of the year	92,43,382	1,27,28,092
<b>5. Cash and cash equivalents at the end of the year</b>	<b>3,24,87,880</b>	<b>92,43,382</b>

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**AARTECH SOLONICS LIMITED**

**CIN:** U31200MP1982PLC002030

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

**Email:** treddy@aartechsolonics.com **Website:** www.aartechsolonics.com **Tel No.** +91 755 4276335

**ATTENDANCE SLIP**

(Please fill the attendance slip and hand it over at the entrance of the meeting hall)

Regd. Folio No.\*\* \_\_\_\_\_

DP ID \_\_\_\_\_

No. of Shares held \_\_\_\_\_

Client ID \_\_\_\_\_

Name(s) and address of the shareholder in full \_\_\_\_\_

\_\_\_\_\_

I/we hereby record my/our presence at the 37th Annual General Meeting of the Company held on Monday, September 30, 2019 at 12:00 p.m. at E-2/57, Ashirvad, Arera Colony, Bhopal, Madhya Pradesh, 462016

\_\_\_\_\_  
Signature of Shareholder/ Proxy

\*\* Applicable for investor holding shares in physical form

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**Email:** treddy@aartechsolonics.com **Website:** www.aartechsolonics.com **Tel No.** +91 755 4276335

**PROXY FORM**

**Form No. MGT-11**

[Pursuant to section 105(6) of the Companies Act, 2013 and rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Shareholder (s): \_\_\_\_\_

Registered Address: \_\_\_\_\_ Email ID: \_\_\_\_\_

Folio No./ Client ID: \_\_\_\_\_ DP ID: \_\_\_\_\_

I/We, being the member (s) of ..... shares of the above named company, hereby appoint

1. Name: \_\_\_\_\_ Address: \_\_\_\_\_

\_\_\_\_\_ E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her

2. Name: \_\_\_\_\_ Address: \_\_\_\_\_

\_\_\_\_\_ E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her

3. Name: \_\_\_\_\_ Address: \_\_\_\_\_

\_\_\_\_\_ E-mail Id: \_\_\_\_\_ Signature: \_\_\_\_\_ or failing him/her

as my/our proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 37th Annual General Meeting of the members of the company, to be held on the on Monday, September 30, 2019 at 12.00 p.m. at E-2/57, Ashirvad, Arera Colony, Bhopal, Madhya Pradesh, 462016, and at any adjournment thereof in respect of such resolutions as are indicated below:

Resolution No.	Resolution	Optional	
		For	Against
	<b>Ordinary Business:</b>		
1.	a) To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Board of Directors and Auditors' thereon b) To receive, consider and adopt the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2019, together with the Report of the Board of Directors and Auditors' thereon		
2.	To appoint a Director in place of Mrs. Poonam Jaideep Mulherkar, who retires by rotation and being eligible offer herself for re-appointment		
3.	Fixation of the remuneration payable to M/s SPARK & Associates, Chartered Accountants, Bhopal, Statutory Auditors of the Company for the Financial Year 2019-20.		

Signed this \_\_\_\_ day of \_\_\_\_\_ 2019

\_\_\_\_\_  
Signature of shareholder

\_\_\_\_\_  
Signature of Proxy holder(s)

Affix Revenue Stamp
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*If undelivered please return to:*

**CIN:** U31200MP1982PLC002030

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

**Tel No** +91 755 4276335, **E-mail id:** [treddy@aartechsolonics.com](mailto:treddy@aartechsolonics.com)

**Website:** [www.aartechsolonics.com](http://www.aartechsolonics.com)