

14<sup>th</sup> August, 2023

<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G-Block Bandra Kurla Complex, Bandra (E) Mumbai – 400 051 NSE Symbol: <b>AARTECH</b>	<b>BSE Limited</b> Listing Department. Phiroze Jeejeebhoy Towers, 1 <sup>st</sup> Floor, New Trading Ring, Rotunda, Dalal Street, BSE Scrip Code: <b>542580</b>
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**Sub: Intimation of outcome of Board Meeting as per SEBI (Listing Obligations and Disclosure Requirements) Regulation, 2015 and Unaudited IndAS Standalone and Consolidated Financial Results of the Company for the quarter ended June 30, 2023.**

Dear Sir/Ma'am

Pursuant to applicable provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, we wish to inform you that the Board of Directors of the Company at its Meeting held today, i.e., Monday, August 14, 2023 at 11:30 AM at the registered office of the Company, has duly approved the following matters:

1. Considered and approved the Un-audited IndAS Standalone and Consolidated Financial results for the quarter ended June 30, 2023, along with Limited Review Report.

Further, we enclose the following documents w.r.t. aforesaid item:

- a) Copy of Un-audited IndAS Standalone and Consolidated Financials Results for the quarter ended June 30, 2023.
- b) Copy of the Limited Review Report for the quarter ended 30<sup>th</sup> June, 2023 issued by our Statutory Auditors, M/s S. Ramanand Aiyar & Co., Chartered Accountants, Indore.

The meeting of the board of directors of the Company commenced at 11:30 AM (IST) and concluded at 03:30 PM (IST).

Further inform you that the said information will be available on the website of the company: [www.aartechsolonics.com](http://www.aartechsolonics.com)

We hereby request you to take the above-said item on your record.

Thanking You,

Yours Faithfully,

**For Aartech Solonics Limited**

  
**Amit Anil Rajee**  
Chairman & Managing Director  
DIN: 00282385



Encl: Copy of IndAS Standalone and Consolidated Financial Results for the quarter ended June 30, 2023.

# AARTECH SOLONICS LIMITED

An ISO 9001 : 2015 Certified Company



14<sup>th</sup> August, 2023

<b>National Stock Exchange of India Limited</b> Exchange Plaza, Plot No. C/1, G-Block Bandra Kurla Complex, Bandra (E) Mumbai - 400 051 NSE Symbol: <b>AARTECH</b>	<b>BSE Limited</b> The Corporate Relationship Dept. Phiroze Jeejeebhoy Towers, 1 <sup>st</sup> Floor, New Trading Ring, Rotunda, Dalal Street, BSE Scrip Code: <b>542580</b>
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**Sub: Disclosure pursuant to Regulation 33(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.**

Dear Sir/Ma'am

Pursuant to Regulation 33(2)(a) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we hereby confirm, declare, and certify that the Unaudited Financial Results (Standalone & Consolidated) for the quarter ended on 30<sup>th</sup> June, 2023 do not contain any false or misleading statement or figures and do not omit any material fact which may make the statements or figures contain therein misleading.

Kindly take the above information on your record.

Thanking You,

Yours Faithfully,

**For Aartech Solonics Limited**

  
**Arati Nath**  
Chief Executive Officer  
PAN: AGQPR1537B



  
**Pradeep Vasant Narkhede**  
Chief Financial Officer  
PAN: ADIPN4506H

**REGD. OFFICE** : "ASHIRWAD", E-2/57, Arera Colony, Bhopal-462016 Tel. : 91-755-4276335, 2463593 Mob. : 9993091168, 9993091167  
e-mail : info@aartechsolonics.com; fa@aartechsolonics.com; compliance@aartechsolonics.com

**MANDIDEEP UNIT** : 35-A/36, Sector-B, Industrial Area, Mandideep Dist. Raisen-462 046 Tel. : 91-7480-233020 Mob. : 9993091168, 9993091167

All Correspondence should be addressed to Regd. Office at Bhopal

CIN-L31200MP1982PLC002030

# *S. Ramanand Aiyar & Co.*

CHARTERED ACCOUNTANTS

51, Ratna lok Colony, Scheme No. 53, Vijay Nagar, INDORE- 452011 (M.P.)

Tel: 0731-4066810, E-mail : indore@sraco.in, www.sraco.in

## **Independent Auditor's Review Report on the Quarterly Unaudited Standalone Financial Results of the Company pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015, as amended**

Review Report to

The Board of Directors of **AARTECH SOLONICS LIMITED**

1. We have reviewed the accompanying statement of unaudited standalone financial results of **Aartech Solonics Limited** (hereinafter referred to as "the Company") for the quarter ended **June 30, 2023** (hereinafter referred to as "the Statement") attached herewith, being submitted by the Company pursuant to the requirement of regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 ('the Regulation') as amended, read with SEBI Circular No. CIR/CFD/CMDI/44/2019 dated March 29, 2019 ("the Circular").
2. The preparation of the Statement in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34, (Ind AS 34) "Interim Financial Reporting" prescribed under Section 133 of the Companies Act, 2013, as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India, read with the circular is the responsibility of the Company's Management and has been approved by the Board of Directors of the Company. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. This standard requires that we plan and perform the review to obtain moderate assurance as to whether the financial statements are free of material misstatement. A review is limited primarily to inquiries of company personnel and analytical procedures applied to financial data and thus provides less assurance than an audit. We have not performed an audit and accordingly, we do not express an audit opinion.
4. Based on our review conducted as above, nothing has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation,

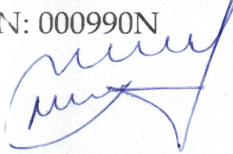
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read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

**Unique Document Identification Number (UDIN) for this document is 23423727BGSBYZ4974**

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



**CA Mayank Saklecha**  
Partner  
(Membership No.: 423727)  
Place: Bhopal  
Date: August 14, 2023

## Aartech Solonics Limited

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

CIN : L31200MP1982PLC002030

Statement of Standalone Financial Results for the quarter as on 30 June 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Quarter Ended			Year Ended
	3 Months ended	Corresponding 3 months ended in the previous year	Preceding 3 Months ended	Previous Year ended
	30-Jun-23	30-Jun-22	31-Mar-23	31-Mar-23
	(Unaudited)	(Refer note 2)	(Refer note 2)	Audited
<b>1. Income from operations</b>	629.67	249.83	1,049.88	2,164.67
<b>2. Other income</b>	80.47	12.04	60.50	229.33
<b>3. Total Income (1 + 2)</b>	<b>710.14</b>	<b>261.87</b>	<b>1,110.38</b>	<b>2,394.00</b>
<b>4. Expenses</b>				
Cost of materials consumed	333.88	155.83	726.42	1,466.25
Purchase Stock in Trade	-	-	-	-
Changes in inventories of finished goods, work-in-progress and stock in trade	71.02	(39.68)	16.32	(139.88)
Employee benefits expense	88.19	68.12	143.33	370.01
Finance costs	14.13	4.03	8.77	27.96
Depreciation and amortisation expense	7.87	1.47	27.35	31.78
Other expenses	97.46	128.86	116.87	438.07
<b>Total Expenses</b>	<b>612.56</b>	<b>318.62</b>	<b>1,039.07</b>	<b>2,194.20</b>
<b>5. Profit before exceptional item and tax (3 - 4)</b>	<b>97.58</b>	<b>(56.75)</b>	<b>71.32</b>	<b>199.80</b>
6. Exceptional Item	-	-	-	-
<b>7. Profit before tax (5-6)</b>	<b>97.58</b>	<b>(56.75)</b>	<b>71.32</b>	<b>199.80</b>
<b>8. Tax Expense</b>				
(1) Current Tax	16.34	0.29	29.82	60.74
(2) Deferred Tax	10.81	(5.49)	2.14	0.95
<b>9. Profit for the period (7-8)</b>	<b>70.44</b>	<b>(51.55)</b>	<b>39.35</b>	<b>138.11</b>
<b>10. Other comprehensive income</b>				
A. Items that will not be reclassified to profit or loss				
-Remeasurement of net defined benefit obligation (net of taxes)	(1.61)	(1.61)	(1.61)	(6.44)
<b>Total comprehensive income</b>	<b>68.83</b>	<b>(53.16)</b>	<b>37.74</b>	<b>131.67</b>
<b>11. Paid-up equity share capital (Face value per share of Re 10/- each)</b>	1,059.01	1,059.01	1,059.01	1,059.01
<b>12. Other Equity</b>	2,038.81	1,838.10	1,932.24	1,969.98
<b>13. Earnings per equity share (not annualised for quarter)</b>				
(1). Basic	0.67	(0.49)	0.37	1.30
(2). Diluted	0.67	(0.49)	0.37	1.30

**Notes:**

- Results for the quarter ended 30 June 2023 have been prepared in compliance with the recognition and measurement principles of the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs. Consequently, results for the quarter ended 31 March 2023, 30 June 2022 and previous year ended 31 March 2023 have been restated to comply with Ind AS to make them comparable.
- The Audit Committee has reviewed these results and the Board of Directors have approved the above results and its release at their respective meetings held on 14 August 2023. The statutory auditors of the Company have carried out the limited review of the results. The Ind AS compliant financial results pertaining to corresponding quarter ended 30 June 2022, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affair.
- In accordance with Ind AS 108, the Board of directors, being the Chief operating decision maker of the Company, has determined that the Company's primary business segment is manufacturer of Electrical Items; Control & Relay Panel, Bus Transfer System, Ultracapacitors, Waste to Compost Machine etc. and there are no separate reportable segments as per Ind AS 108. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the financial statements. The Company's operations are such that all activities are confined only to India.



4 The Company has adopted Ind AS with effect from 01 April 2023 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 01 April 2022 and all the periods presented have been restated accordingly.

Reconciliation between financial results as previously reported under Indian GAAP and Ind AS for the quarter ended 30 June 2022:

	Note reference (refer below)	Quarter ended 30-Jun-22	Quarter ended 31-Mar-23
<b>(Loss)/profit after tax as per Indian GAAP</b>		<b>(5.26)</b>	<b>21.46</b>
Adjustments pertaining to application of IND AS 116	1	-0.18	-0.12
Recognition of financial assets at FVTPL	2	-55.69	-10.07
Expected credit loss	3	6.08	18.46
Adjustments pertaining provision for actuarial valuation (including leave encashment)	4	(3.29)	-6.86
Adjustments pertaining to depreciation on investment properties relating to earlier years not recorded	4	(0.64)	-0.64
Tax effects of Ind AS adjustments	5	5.82	15.53
<b>(Loss)/profit after tax as per Ind AS</b>		<b>(53.16)</b>	<b>37.74</b>

**Notes:**

**Note 1: Measurement of rental expense**

Under the previous GAAP, any escalation in operating lease rentals were straight-lined over the lease term.

Under Ind AS, at the commencement date, a lessee shall recognise a right-of-use asset and a lease liability. At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate. A lessee shall apply the depreciation requirements in Ind AS 16, Property, Plant and Equipment, in depreciating the right-of-use asset.

**Note 2: Measurement of investments in mutual funds and other equity instruments**

Under Indian GAAP, current investments were stated at lower of cost and fair value.

Under Ind AS, these financial assets have been classified as Fair Value Through Profit and Loss (FVTPL) on the date of transition to Ind AS and fair value changes after the date of transition have been recognised in the statement of profit or loss.

**Note 3: Expected credit loss**

Under the previous GAAP, provisioning for trade receivables were done on case to case basis. Historically there are no amounts provided for provision for doubtful debts.

Under Ind AS, at initial recognition, an entity shall measure trade receivables at their transaction price if the trade receivable do not contain a significant financing component and subsequently shall measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables.

**Note 4: Prior period**

During the current period, the Company has recorded provision for gratuity and compensated absences and depreciation on investment properties for earlier periods which was erroneously missed in previous year/period.

**Note 5: Deferred tax**

Under the previous GAAP, deferred tax is calculated using the income statement approach, which focuses on difference between taxable profits and accounting profits for the period. Ind AS 12 - "Income tax" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Application of Ind AS has resulted in recognition of deferred tax on new temporary differences and on the adjustments arising due to adjustments made on transition.

For and on behalf of the Board  
Aartech Solonics Limited



*(Handwritten signature)*

**Amit A Raje**  
Chairman and Managing Director  
DIN: 00282385

Place: Bhopal  
Date: 14-Aug-2023

# *S. Ramanand Aiyar & Co.*

## CHARTERED ACCOUNTANTS

51, Ratna lok Colony, Scheme No. 53, Vijay Nagar, INDORE- 452011 (M.P.)

Tel: 0731-4066810, E-mail : indore@sraco.in, www.sraco.in

### **Independent Auditor's Review Report on consolidated unaudited quarterly financial results of the Company Pursuant to the Regulation 33 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended**

Review Report to

The Board of Directors of **AARTECH SOLONICS LIMITED**

1. We have reviewed the accompanying Statement of Consolidated Unaudited Financial Results of **Aartech Solonics Limited (Holding Company)** and its subsidiaries (Holding company and its subsidiaries together referred to as the "Group"), for the **quarter ended June 30, 2022**, attached herewith, being submitted by the Holding Company pursuant to the requirement of Regulation 33 of the SEBI ((Listing Obligations and Disclosure Requirements) Regulations 2015 ('the Regulation') as amended, read with SEBI Circular No. CIR/CFD/CMDI/44/2019 dated March 29, 2019 ("the Circular").
2. This Statement, which is the responsibility of the Parent's Management and approved by the Parent's Board of Directors, has been prepared in accordance with the recognition and measurement principles laid down in Indian Accounting Standard 34 "Interim Financial Reporting" ("Ind AS 34"), prescribed under Section 133 of the **Companies Act, 2013** as amended, read with relevant rules issued thereunder and other accounting principles generally accepted in India read with the Circular. Our responsibility is to express a conclusion on the Statement based on our review.
3. We conducted our review of the Statement in accordance with the Standard on Review Engagements (SRE) 2410 "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Institute of Chartered Accountants of India. A review of interim financial information consists of making inquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with Standards on Auditing and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

We also performed procedures in accordance with the circular issued by the SEBI under Regulation 33 (8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, to the extent applicable.

4. The Statement includes the results of the following entities:
  - AIC-Aartech Solonics Private Limited (Wholly owned Subsidiary)
  - Faradigm Ultracapacitors Private Limited (Wholly owned Subsidiary)

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► Ahmedabad ► Korba ► Bengaluru ► Hyderabad



Based on our review conducted as above, **nothing** has come to our attention that causes us to believe that the accompanying statement, prepared in accordance with the recognition and measurement principles laid down in the aforesaid Indian Accounting Standards ('Ind AS') specified under section 133 of the Companies Act, 2013 as amended, read with relevant rules issued thereunder and other recognized accounting practices and policies has not disclosed the information required to be disclosed in terms of Regulation, read with the Circular, including the manner in which it is to be disclosed, or that it contains any material misstatement.

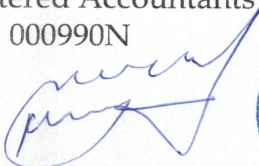
5. The accompanying unaudited consolidated financial results also include the Group's share of net profit of Rs. 6.59 lakhs for the quarter ended June 30, 2023, as considered in the unaudited consolidated financial results, in respect of a Subsidiary company based on their interim financial information which has not been reviewed their auditor. This unaudited financial information has been approved and furnished to us by the management. Our conclusion, in so far as it relates to the affairs of this associate, is based solely on such unaudited financial information. According to the information and explanations given to us by the Management, these interim financial statements / financial information / financial results are not material to the Group. Our conclusion on the Statement is not modified in respect of the above matter.

**Unique Document Identification Number (UDIN) for this document is 23423727BGSBZA8582**

**For S. Ramanand Aiyar & Co.**

Chartered Accountants

FRN: 000990N



**CA Mayank Saklecha**

Partner

(Membership No.: 423727)

Place: Bhopal

Date: August 14, 2023



**Aartech Solonics Limited**  
Registered Address: E-2/57, Ashirvad, Arera Colony, Bhopal - 462016 (MP)  
CIN : L31200MP1982PLC002030

Statement of unaudited Consolidated Financial Results for the quarter ended 30 June 2023

(All amounts in ₹ lakhs, unless otherwise stated)

Particulars	Quarter Ended			Year Ended
	3 Months ended	Corresponding 3 months ended in the previous year	Preceding 3 Months ended	Previous Year ended
	30-Jun-23	30-Jun-22	31-Mar-23	31-Mar-23
	(Unaudited)	(Refer note 2)	(Refer note 2)	Audited
<b>1. Income from operations</b>	637.51	282.68	1,000.65	2,168.80
<b>2. Other income</b>	80.30	14.81	54.67	212.54
<b>3. Total Income (1 + 2)</b>	<b>717.81</b>	<b>297.49</b>	<b>1,055.33</b>	<b>2,381.35</b>
<b>4. Expenses</b>				
Cost of materials consumed	336.82	162.13	668.78	1,410.56
Purchase Stock in Trade	-	-	-	-
Changes in inventories of finished goods, work-in-progress and stock in trade	71.02	(39.68)	16.32	(139.88)
Employee benefits expense	93.88	73.59	149.67	394.39
Finance costs	14.15	4.11	8.38	28.13
Depreciation and amortisation expense	1.47	1.47	39.48	43.91
Other expenses	99.35	128.87	89.31	440.62
<b>Total Expenses</b>	<b>616.69</b>	<b>330.49</b>	<b>971.94</b>	<b>2,177.73</b>
<b>5. Profit/(Loss) before exceptional item and tax (3 - 4)</b>	<b>101.12</b>	<b>(33.00)</b>	<b>83.38</b>	<b>203.61</b>
6. Exceptional Item	-	-	-	-
<b>7. Profit/(Loss) before share of profit of associate (5-6)</b>	<b>101.12</b>	<b>(33.00)</b>	<b>83.38</b>	<b>203.61</b>
8. Profit of Associate Company (Enerqual Technology Private Limited)	-	-	1.62	1.62
<b>9. Profit/(Loss) before tax (7+8)</b>	<b>101.12</b>	<b>(33.00)</b>	<b>85.00</b>	<b>205.23</b>
<b>8. Tax Expense</b>				
(1) Current Tax	17.15	4.56	31.30	62.48
(2) Deferred Tax	11.02	(5.94)	3.44	0.58
<b>9. Profit/(Loss) for the period (7-8)</b>	<b>72.96</b>	<b>(31.62)</b>	<b>50.26</b>	<b>142.17</b>
<b>10. Other comprehensive income</b>				
A. Items that will not be reclassified to profit or loss				
-Remeasurement of net defined benefit obligation (net of taxes)	(1.61)	(1.61)	(1.61)	(6.44)
<b>Total comprehensive income</b>	<b>71.35</b>	<b>(33.23)</b>	<b>48.65</b>	<b>135.73</b>
<b>Net profit/(loss) attributable to:</b>				
Owners	72.65	(32.45)	53.46	144.20
Non-controlling interests	0.31	0.84	(3.20)	(2.04)
<b>Other comprehensive income/(loss) is attributable to:</b>				
Owners	(1.61)	(1.61)	(1.61)	(6.44)
Non-controlling interests	-	-	-	-
<b>Total comprehensive income/(loss) is attributable to:</b>				
Owners	71.04	(34.06)	51.85	137.76
Non-controlling interests	0.31	0.84	(3.20)	(2.04)
<b>11. Paid-up equity share capital (Face value per share of Re 10/- each)</b>	<b>1,059.01</b>	<b>1,059.01</b>	<b>1,059.01</b>	<b>1,059.01</b>
<b>12. Other Equity</b>	<b>1,920.45</b>	<b>1,730.54</b>	<b>1,797.56</b>	<b>1,849.41</b>
<b>13. Earnings per equity share (not annualised for quarter)</b>				
(1). Basic	0.69	(0.30)	0.47	2.01
(2). Diluted	0.69	(0.30)	0.47	2.01

**Notes:**

- Results for the quarter ended 30 June 2023 have been prepared in compliance with the recognition and measurement principles of the Indian Accounting Standards ('Ind AS') notified by the Ministry of Corporate Affairs. Consequently, results for the quarter ended 31 March 2023, 30 June 2022 and previous year ended 31 March 2023 have been restated to comply with Ind AS to make them comparable.
- The Audit Committee has reviewed these results and the Board of Directors have approved the above results and its release at their respective meetings held on 14 August 2023. The statutory auditors of the Company have carried out the limited review of the results. The Ind AS compliant financial results pertaining to corresponding quarter ended 30 June 2022, have not been subjected to limited review or audit. However, the management has exercised necessary due diligence to ensure that the financial results provide a true and fair view of its affair.



- 3 In accordance with Ind AS 108, the Board of directors, being the Chief operating decision maker of the Company, has determined that the Company's primary business segment is manufacturer of Electrical Items; Control & Relay Panel, Bus Transfer System, Ultracapacitors, Waste to Compost Machine etc and there are no separate reportable segments as per Ind AS 108. Thus, the segment revenue, segment results, total carrying amount of segment assets, total carrying amount of segment liabilities, total cost incurred to acquire segment assets, total amount of charge for depreciation during the year is as reflected in the financial statements. The Company's operations are such that all activities are confined only to India.
- 4 The Company has adopted Ind AS with effect from 01 April 2023 with comparatives being restated. Accordingly the impact of transition has been provided in the Opening Reserves as at 01 April 2022 and all the periods presented have been restated accordingly.

Reconciliation between financial results as previously reported under Indian GAAP and Ind AS for the quarter ended 30 June 2022 and 31 March 2023 are mentioned below:

	Note reference (refer below)	Quarter ended 30-Jun-22	Quarter ended 31-Mar-23
<b>Profit after tax as per Indian GAAP</b>		<b>15.21</b>	<b>33.44</b>
Adjustments pertaining to application of IND AS 116	I	-0.18	-0.12
Recognition of financial assets at FVTPL	II	-55.76	-12.62
Expected credit loss	III	8.79	19.67
Adjustments pertaining provision for actuarial valuation (including leave encashment)	IV	(3.29)	-6.86
Tax effects of Ind AS adjustments	V	2.00	15.15
<b>(Loss)/profit after tax as per Ind AS</b>		<b>(33.23)</b>	<b>48.65</b>

**Notes:**

**Note I: Measurement of rental expense**

Under the previous GAAP, any escalation in operating lease rentals were straight-lined over the lease term.

Under Ind AS, at the commencement date, a lessee shall recognise a right-of-use asset and a lease liability. At the commencement date, a lessee shall measure the lease liability at the present value of the lease payments that are not paid at that date. The lease payments shall be discounted using the interest rate implicit in the lease, if that rate can be readily determined. If that rate cannot be readily determined, the lessee shall use the lessee's incremental borrowing rate. A lessee shall apply the depreciation requirements in Ind AS 16, Property, Plant and Equipment, in depreciating the right-of-use asset.

**Note II: Measurement of investments in mutual funds and other equity instruments**

Under Indian GAAP, current investments were stated at lower of cost and fair value.

Under Ind AS, these financial assets have been classified as Fair Value Through Profit and Loss (FVTPL) on the date of transition to Ind AS and fair value changes after the date of transition have been recognised in the statement of profit or loss.

**Note III: Expected credit loss**

Under the previous GAAP, provisioning for trade receivables were done on case to case basis. Historically there are no amounts provided for provision for doubtful debts.

Under Ind AS, at initial recognition, an entity shall measure trade receivables at their transaction price if the trade receivable do not contain a significant financing component and subsequently shall measure the loss allowance at an amount equal to lifetime expected credit losses for trade receivables.

**Note IV: Prior period**

During the current period, the Company has recorded provision for gratuity and compensated absences and depreciation on investment properties for earlier periods which was erroneously missed in previous year/period.

**Note V: Deferred tax**

Under the previous GAAP, deferred tax is calculated using the income statement approach, which focuses on difference between taxable profits and accounting profits for the period. Ind AS 12 - "Income tax" requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base. Application of Ind AS has resulted in recognition of deferred tax on new temporary differences and on the adjustments arising due to adjustments made on transition.

For and on behalf of the Board  
Aartech Solonics Limited



*(Signature)*  
Amit A Raje

Chairman and Managing Director  
DIN: 00282385

Place: Bhopal  
Date: 14-Aug-2023