

AARTECH SOLONICS LIMITED

An ISO 9001 : 2008 Certified Company



Date: 02/09/2019

**To,
The Listing Department,
BSE Limited,
P.J. Towers, Dalal Street,
Fort, Mumbai – 400 001, India**

Dear Sir/Ma'am

Scrip Code: 542580

Sub: 38th Annual Report of AARTECH SOLONICS LIMITED.

Please find attached herewith a copy of 38th Annual Report of the company in compliance of Regulation 34(1) of SEBI (LODR), 2015.

We hereby request you to take the above information on your record.

Thanks & Regards,

For Aartech Solonics Limited



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

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

AARTECH SOLONICS LIMITED

38th ANNUAL REPORT



2019-2020

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. Amit Anil Raje	: Chairman & Managing Director
Mr. Anil Anant Raje	: Non-Executive Director
Mrs. Arati Nath	: Executive Director & CEO
Mr. Prashant Dattatray Lowlekar	: Non-Executive & Independent Director
Mr. Ravindra Kumar Shingwekar	: Non-Executive & Independent Director

KEY MANAGERIAL PERSONNEL

Mr. Amit Anil Raje	: Managing Director
Mrs. Arati Nath	: Chief Executive Officer
Mr. Pradeep Vasant Narkhede	: 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 Raje	: Member

• NOMINATION AND REMUNERATION COMMITTEE

Mr. Ravindra Kumar Shingwekar	: Chairman
Mr. Prashant Dattatray Lowlekar	: Member
Mrs. Anil Anant Raje	: Member

• STAKEHOLDERS RELATIONSHIP COMMITTEE

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

1st 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 : tredy@aartechsolonics.com
Website : www.aartechsolonics.com
CIN : L31200MP1982PLC002030
ISIN : INE01C001018
BSESME SCRIP ID/CODE: AARTECH/
542580

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LETTER TO THE SHAREHOLDERS

It's a great privilege and honor to pen my first note as the CMD of your company, Aartech Solonics Limited. Your company has always led by example to put large responsibilities on young shoulders and this is another precedence that we have together established.

It is with the deepest of appreciation and gratitude that your company wishes to acknowledge the lifetime contributions of our past Chairman and Managing Director, Sh. Anil Anant Raje in bringing your company to where it now stands. Your company will continue to persevere and pivot its journey forward while retaining the values and character that are now well engrained in its DNA. Your company looks forward to his continued contributions as a Non-Executive Director.

Your company also acknowledges the support and contributions from its Board of Directors, my colleagues - Sh. Ravi Shingwekar, Sh. Prashant Lowlekar and Smt. Poonam J. Mulherkar. Your company appreciates the wholesome contribution of Smt. Poonam J. Mulherkar as she retires from the post of non-executive director. Your company welcomes its new members, Smt. Arati Nath as CEO and Sh. Pradeep Narkhede as CFO; and wishes the very best for their tenure.

We live in interesting times today with a lot of disruption in the air. Your company has demonstrated a great deal of agility in its responsiveness to the uncertain future. As an immediate response to the COVID-19 pandemic, while your company took all prescribed measures; it also actively introduced new technologies, products and services that got appreciated by COVID-19 frontline warriors. As an interim measure, new WFH measures were adopted, focus on learning and development was brought into priority and new arrangements were quickly put into gear.

Your company's focus in the power sector with its specialized offerings in Fast Bus Transfer Systems is continuing to establish new strides with bagging orders in India and abroad. Your company has also bagged prestigious opportunities in collaboration with its overseas associates in the petrochemical sector for which rigorous global type testing standards have been fully met in national level testing agencies. Your company continues to serve the transmission and distribution sector with its CRP offerings. In response to the Swachha Bharat Abhiyaan, your company has developed and commercialized several products targeting industries and local communities. Your company continues to lead pioneering initiatives in the energy storage domain and has entered into variety of exciting opportunities at a national and international level. Your company has also made inroads into other new innovative offerings for a wide base of discerning industrial customers. A new initiative with a focus on exploring B2C offerings is also underway. Overall, your company continues to establish itself in a considered manner while consolidating its foundations over time.

Your company's subsidiaries are advancing in their respective objectives. Faradigm Ultracapacitors Pvt. Ltd. has progressed in being able to deliver industry ready offerings in energy storage. AIC-Aartech Solonics Pvt. Ltd., supported by Atal Innovation Mission, NITI AAYOG has continued to engage

with the startup ecosystem in India and abroad and focusing on building win-win prospects with all its stakeholders.

Your company is looking at its strength in innovation and entrepreneurship; coupled with its young and dynamic workforce; to deal with the visible challenges and leverage the new opportunities in new horizons that are emerging. This may require several pivots with departures from the past with a great deal of resilience as new learnings emerge.

As your company recently completed its 1st year of listing, it has embarked on a long-term vision to unlock value for all its stakeholders. Your company looks forward to your continued support into the future towards this vision.

With warm wishes for a safe and healthy future in Corona times,

Amit Anil Raje
CMD, Aartech Solonics Limited
DIN: 00282385

02nd September, 2020.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 38th Annual General Meeting of the members of **Aartech Solonics Limited** (CIN L31200MP1982PLC002030) will be held on Thursday, the 24th Day of September, 2020 at 03:00 P.M 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, 2020, 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, 2020, together with the Report of the Auditors thereon.
2. To declare final dividend on equity shares at the rate 5% [i.e., Re. 0.50/- (Rupee Fifty Paise Only) per Equity Share] for the financial year ended 31 March, 2020.
3. To appoint a director in place of Anil Anant Rajee (DIN: 01658167), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

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

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

4. **Appointment of M/s S. Ramanand Aiyar & Co., as the Statutory Auditors of the Company for a term of 3 (Three) financial years starting from 2020-21.**

To consider and approve 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 139 and all other applicable provisions of the Companies Act, 2013 read with Rule 3(7) of the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the Company hereby appoints M/s S. Ramanand Aiyar & Co., Chartered Accountants (Firm Registration No.: FRN 000990N) as the Statutory Auditors of the Company for a term of 3 (Three) years to hold office from the conclusion of this meeting until the conclusion of the Forty First Annual General Meeting of the Company to be held in the year 2023, on such

remuneration as may be decided by the Board of Directors in consultation with the Statutory Auditors of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.”

SPECIAL BUSINESS:

5. Change in designation of Anil Anant Raje (DIN: 01658167) from Chairman and Managing Director to Non-executive Director.

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

“**RESOLVED THAT** pursuant to the provisions of Section 152 of the Companies Act, 2013 and all other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification(s) or re-enactment (s) thereof, for the time being in force), and rules & regulations made there under, approval of the members of the Company be and is hereby accorded to the change in designation of Mr. Anil Anant Raje from Chairman and Managing Director to Non-executive Director of the Company, liable to retire by rotation of Directors, effective from 12th May, 2020 on such terms and conditions as per Letter of Appointment given to Mr. Anil Anant Raje by the Company.

RESOLVED FURTHER THAT any director of the Company, be and is hereby authorized to file the necessary e-forms with Registrar of Companies, Gwalior and to do all such acts, deeds, matters and things as deem necessary, proper or desirable for the purpose of giving effect to the aforesaid resolution.”

6. Change in designation of Amit Anil Raje (DIN: 00282385) from Whole-time Director to Chairman and Managing Director.

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

“**RESOLVED THAT** pursuant to the provisions of Sections 196, 197, 203 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the ‘Act’) read with schedule V to the Act (including any amendment(s), statutory modification(s), variation(s) and/or re-enactment(s) for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and based on the recommendation of Nomination and Remuneration Committee and subject to such sanctions as may be necessary, the consent of the members be and is accorded for appointment of Amit Anil Raje (DIN: 00282385) as Managing Director (‘MD’) of the Company for a five year term commencing from 12th May, 2020 till 11th May, 2020, upon the terms and conditions set out in the statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his tenure within the overall limits of Section 197 of the Act and in the agreement entered into between the company and MD, which agreement is hereby approved, with liberty to the Board of Directors, to

alter or vary the terms and conditions and remuneration including minimum remuneration as it may deem fit and in such manner as may be agreed to between the Board and MD.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to revise the remuneration of MD from time to time to the extent it may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with schedule V thereto, and/or any guidelines prescribed by the Government from time to time and the said agreement between the Company and MD be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.”

7. Appointment of Mrs. Arati Nath as the Chief Executive Officer (CEO) of the Company.

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

“**RESOLVED THAT** pursuant to the provisions of Section 2(18) and Section 203 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the ‘Act’) read with schedule V to the Act (including any amendment(s), statutory modification(s), variation(s) and/or re-enactment(s) for the time being in force) and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, as amended from time to time and based on the recommendation of Nomination and Remuneration Committee and subject to such sanctions as may be necessary, the consent of the members be and is accorded for appointment of Arati Nath as the Chief Executive Officer (CEO) of the Company from 12th May, 2020 upon the terms and conditions set out in the statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during her tenure within the overall limits of Section 197 of the Act and in the agreement entered into between the company and CEO, which agreement is hereby approved, with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including minimum remuneration as it may deem fit and in such manner as may be agreed to between the Board and CEO.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to revise the remuneration of CEO from time to time to the extent it may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with schedule V thereto, and/or any guidelines prescribed by the Government from time to time and the said agreement between the Company and CEO be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.”

8. Appointment of Mrs. Arati Nath (DIN: 08741034) as the Director of the Company.

To consider and approve 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 152 and all other applicable provisions, if any, of the Companies Act, 2013 (hereinafter referred to as ‘the Act’) and the relevant Rules made thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force) and the applicable Regulations under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, the provisions of the Articles of Association of the Company, Mrs. Arati Nath (DIN: 08741034), who was appointed as an additional director by the Board of Directors of the Company at their meeting held on May 12, 2020, based on the recommendation of the Nomination and Remuneration Committee of the Board and who holds office as such up to the date of ensuing Annual General Meeting be and is hereby appointed as a Director of the Company.

RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to do all such acts, deeds and matters and things as, in its absolute discretion, it may consider necessary, expedient and desirable to give effect to this resolution.”

9. Appointment of Mr. Pradeep Vasant Narkhede as the Chief Financial Officer (CFO) of the Company.

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

“RESOLVED THAT pursuant to the provisions of Section 2(19) and Section 203 and other applicable provisions, if any, of the Companies Act, 2013, (hereinafter referred to as the ‘Act’) read with Rule 8 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and other applicable provisions (including any modification or re-enactment thereof) if any, of the Companies Act, 2013 based on the recommendation of Nomination and Remuneration Committee and SEBI (LODR) Regulations, 2015, the consent of the members be and is hereby accorded for appointment of Mr. Pradeep Vasant Narkhede as the Chief Financial Officer (CFO) of the Company who shall also be the whole-time Key managerial Personnel for a period of 3 (Three) years with effect from May 12th, 2020 to May 11th, 2023 (both days inclusive), upon the terms and conditions set out in the statement annexed to the Notice convening this meeting, including the remuneration to be paid in the event of loss or inadequacy of profits in any financial year during his tenure within the overall limits of Section 197 of the Act and in the agreement entered into between the company and CFO, which agreement is hereby approved, with liberty to the Board of Directors, to alter or vary the terms and conditions and remuneration including minimum remuneration as it may deem fit and in such manner as may be agreed to between the Board and CFO.

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to revise the remuneration of CFO from time to time to the extent it may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with schedule V thereto, and/or any guidelines prescribed by the Government from time to time and the said agreement between the Company and

CFO be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

RESOLVED FURTHER THAT the Board of Directors of the Company be and are severally authorized to do all such acts, deeds, matters and things and execute all such documents, instruments and writings as may be required to give effect to this resolution.”

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

**Place: Bhopal
Dated: 02/09/2020**

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

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

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.**
- 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.
- 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.
- 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 authorizing 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 17th day of September 2020 to 24th day of September, 2020 (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. 16th September, 2020, 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 38th 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.
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.

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

Name	Anil Anant Raje	Amit Anil Raje	Arati Nath
DIN	01658167	00282385	08741034
Date of first appointment at the Board	24/08/1982	01/04/2007	12/05/2020
Date of Birth	12/05/1945	16/03/1974	31/12/1980
Qualification	Bachelor of Engineering (Electrical)	B. Tech (Electrical Engineering) from I.I.T Mumbai and MSEE (Power System and Power Electronics) from university of Minnesota, Minneapolis, USA.	Post Graduate Diploma in Business Analytics-Finance, Bachelor of Commerce
Nature of expertise in specific functional areas	Management	Management	Management
Directorship in the Boards of other Indian listed entities	Nil	Nil	Nil
Membership/ Chairmanship in Committees of other Indian listed entities	Nil	Nil	Nil

Annexure to the notice of Annual General Meeting
(Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013)

The following Statement sets out all material facts relating to the **Ordinary Business** in the Notice:

Item No. 4

This explanatory statement is provided though strictly not required as per Section 102 of the Act.

SPARK & Associates, Chartered Accountants, Bhopal, (ICAI Firm Registration No. 005313C) were appointed as the Auditors of the Company at the Thirty-Sixth Annual General Meeting (AGM) of the Company held on September 29, 2018 for a term of two years to hold office till the conclusion of this AGM. SPARK & Associates have been the Auditors of the Company since financial year 2013-14.

As per the provisions of Section 139 of the Act, no listed Company can appoint or re-appoint an audit firm as auditor for more than two terms of five consecutive years. In view of the above, SPARK & Associates can continue as the Auditors of the Company only up to the conclusion of this Annual General Meeting ('AGM'), having completed their term as per the provisions of Section 139 of the Act.

The Board of Directors has, based on the recommendation of the Audit Committee, at its meeting held on September 02, 2020, proposed the appointment of M/s S. Ramanand Aiyar & Co., (Firm Registration No. 000990N) as the Statutory Auditors of the Company for a period of 3 years, to hold office from the conclusion of this AGM till the conclusion of the Forty First AGM to be held in the year 2023.

S. Ramanand Aiyar & Co., have consented to their appointment as Statutory Auditors and have confirmed that if appointed, their appointment will be in accordance with Section 139 read with Section 141 of the Act.

The Board commends the Ordinary Resolution set out at Item No. 4 of the Notice for approval by the Members.

None of the Directors or Key Managerial Personnel of the Company or their relatives is, in any way, concerned or interested in the Resolution set out at Item No. 4 of the Notice.

The following Statement sets out all material facts relating to the **Special Business** in the Notice:

Item No. 5 Change in designation of Anil Anant Raje (DIN: 01658167) from Chairman and Managing Director to Non-Executive Director

The members are apprised that Mr. Anil Anant Raje (DIN: 01658167) who was appointed as Chairman and Managing Director of the Company has shown his unwillingness to act as Non-executive Director of the Company.

The Nomination and Remuneration Committee and Board of Directors in its respective meetings held on 12 May 2020, considered his request and approved the change in designation of Mr. Anil Anant Raje from Chairman and Managing Director of the Company to Non-executive Director of the Company on the terms and conditions as specified in the Appointment Letter with effect from 12th May, 2020.

Hence, the Committee and the Board have proposed to appoint him as Non-executive Director of the Company. The appointment of Mr. Anil Anant Raje as such shall take effect from 12th May, 2020 and requires the approval of the shareholders of the company by way of **Ordinary Resolution** passed in the General Meeting as per the provisions of Section 152 and other applicable provisions, if any, of the Companies Act, 2013.

Based on the recommendation of the Nomination & Remuneration Committee and the Board, the matter is recommended to the shareholders for their approval for change in designation of Mr. Anil Anant Raje, from Chairman and Managing Director to Non-executive Director of the Company on such terms and conditions as mentioned in the Letter of Appointment.

None of the Directors and/or Key Managerial Personnel of the company and their relatives, except Mr. Anil Anant Raje and their relatives are in any way concerned or interested in the proposed appointment of Mr. Anil Anant Raje as Non-executive Director of the company.

The Directors recommend the aforesaid resolution for the approval by the members as **Ordinary Resolution**.

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

Item No. 6 Change in designation of Amit Anil Raje (DIN: 00282385) from Whole-time Director to Chairman and Managing Director

Mr. Amit Anil Raje was appointed as Whole-Time Director of the Company by way of shareholders' resolution dated 23rd April, 2018 and based on the recommendation of Nomination & Remuneration Committee of the Company, Board in its meeting held on 12th May 2020 had re-designated him as Managing Director of the Company, subject to the confirmation of shareholders and other regulatory approvals, if required.

Board of Directors recommends to the Shareholders the change in designation of Mr. Amit Anil Raje as Managing Director w.e.f. 12th May, 2020. Further, the Board also recommends to the Shareholders to approve the annual remuneration of Mr. Amit Anil Raje.

The Board of Directors be and is hereby authorized to revise the remuneration of MD from time to time to the extent it may deem appropriate, provided that such revision is within the overall limits of the managerial remuneration as prescribed under the Act read with schedule V thereto, and/or any guidelines prescribed by the Government from time to time and the said agreement between the Company and MD be suitably amended to give effect to such modification, relaxation or variation without any further reference to the members of the Company in general meeting.

Item No. 7 & 8

The Board of Directors, at its meeting held on May 12th, 2020 appointed Mrs. Arati Nath, as an Additional Director of the Company with effect from May 12th, 2020. The Board at the same meeting, has elevated her from the position of Chief Financial Officer to the position of Chief Executive Officer and Director (CEO & Director) of the Company effective the same date, for a period of five years, subject to the approval of the Members. Her appointment has been recommended by the Nomination and Remuneration Committee. The Audit Committee has approved the terms and conditions of his appointment, as she, being key managerial personnel, is a related party as per Section 2(76) of the Act.

As per the provisions of Section 161(1) of the Act, she holds office of Additional Director only up to the date of this Annual General Meeting of the Company, and is eligible for appointment as Director. The Company has received a notice under Section 160(1) of the Act proposing her candidature for the office of Director of the Company.

Prior to her elevation to the position as the CEO & Director, she held the office of the Chief Financial Officer of the Company from December 27th, 2017. She has held several key positions within the Company and has played a key role in helping the Company become a successful company.

Further details of Mrs. Arati Nath have been given in the Annexure to this Notice.

The main terms and conditions of appointment of Mrs. Arati Nath (hereinafter referred to as “CEO & Director”) are given below:

A. Tenure of Appointment:

The appointment as CEO & Director is for a period of five years with effect from May 12, 2020.

B. Nature of Duties:

The CEO & Director shall devote her whole time and attention to the business of the Company and shall perform such duties as may be entrusted to her by the Board from time to time and separately communicated to her and exercise such powers as may be assigned to her, subject to the superintendence, control and direction of the Board in connection with and in the best interests of the business of the Company and the business of one or more of its associated companies and/ or subsidiaries, including performing duties as assigned to the CEO & Director from time to time by serving on the Boards of such associated companies and / or subsidiaries or any other executive body or any committee of such a company.

C. Remuneration:

a. Basic Salary:

Current Basic Salary of `Rs. 58619/- per month.

The annual increments which will be effective 1st April each year, will be decided by the Board based on the recommendations of the Nomination and Remuneration Committee (“NRC”) and the Audit Committee and will be performance-based and take into account the Company’s performance as well, within the said maximum amount.

b. Benefits, Perquisites, and Allowances:

- I. Hospitalisation and major medical expenses, Car facility, Telecommunication facility and Housing loan facility as per Rules of the Company.
- II. Other perquisites and allowances given below subject to a maximum of 55% of the Basic Salary; this shall include medical allowance, leave travel concession / allowance and other allowances / personal accident insurance.
- III. Contribution to Provident Fund, Superannuation Fund or Annuity Fund and Gratuity Fund as per the Rules of the Company.
- IV. Leave and encashment of unavailed leave as per the Rules of the Company.

c. Commission:

In addition to Salary, Benefits, Perquisites and Allowances, the CEO & Director would be paid such remuneration by way of Commission, calculated with reference to the net profits of the Company in a

particular financial year, as may be determined by the Board of the Company subject to the overall ceilings stipulated in Section 197 of the Act. The specific amount payable to the CEO & Director will be based on her performance as evaluated by the Board or the NRC and approved by the Board and will be payable annually after the annual accounts have been approved by the Board.

d. Minimum Remuneration:

Notwithstanding anything to the contrary herein contained, where in any financial year during the tenure of the CEO & Director, the Company has no profits or its profits are inadequate, the Company will pay remuneration by way of Salary, Benefits, Perquisites, Allowances and Commission subject to further approvals as required under Schedule V of the Act, or any modification(s) thereto.

e. Other terms of Appointment:

The CEO & Director shall enter into an agreement, containing, inter alia, the following terms:

- i. The CEO & Director shall not become interested or otherwise concerned, directly or through her spouse and / or children, in any selling agency of the Company.
- ii. The terms and conditions of the appointment of the CEO & Director may be altered and varied from time to time by the Board as it may, in its discretion deem fit, irrespective of the limits stipulated under Schedule V to the Act or any amendments made hereafter in this regard in such manner as may be agreed to between the Board and the CEO & Director, subject to such approvals as may be required.
- iii. The Agreement may be terminated by either party by giving to the other party one-month notice of such termination or the Company paying one-month remuneration in lieu thereof.
- iv. The employment of the CEO & Director may be terminated by the Company without notice or payment in lieu of notice:
 - a. if the CEO & Director is found guilty of any gross negligence, default or misconduct in connection with or affecting the business of the Company or any subsidiary or associated company to which she is required to render services; or
 - b. in the event of any serious repeated or continuing breach (after prior warning) or non-observance by the CEO & Director of any of the stipulations contained in the Agreement.
- v. Upon the termination by whatever means of the CEO & Director's employment:
 - a. the CEO & Director shall immediately cease to hold offices held by him in any holding company, subsidiaries or associated companies without claim for compensation for loss of office by virtue of Section 167(1)(h) of the Act and unless the Board of Directors of the Company decide otherwise, shall resign as trustee of any trusts connected with the Company;
 - b. the CEO & Director shall not without the consent of the Company, at any time thereafter represent herself as connected with the Company or any of the subsidiaries or associated companies.
- vi. All Personnel Policies of the Company and the related Rules which are applicable to other employees of the Company shall also be applicable to the CEO & Director, unless specifically provided otherwise.
- vii. The terms and conditions of appointment of the CEO & Director also include clauses pertaining to adherence with the Code of Conduct and maintenance of confidentiality.
- viii. If and when the Agreement expires or is terminated for any reason whatsoever, the CEO & Director will cease to be the CEO & Director, and also cease to be a Director. If at any time, the CEO & Director ceases to be a Director of the Company for any reason whatsoever, she shall cease to be the CEO & Director, and the Agreement shall forthwith terminate. However, the Board may at its discretion decide that CEO & Director shall continue as Director of the Company.

In compliance with the provisions of Sections 196, 197 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of appointment and remuneration of the CEO & Director as specified above are now being placed before the Members for their approval. The Board commends the Resolutions at Item Nos. 7 and 8 for approval by the Members.

Except Mrs. Arati Nath and her relatives, none of the other Directors and Key Managerial Personnel of the Company and their respective relatives is concerned or interested, in the Resolutions set out at Item Nos. 7 and 8 of the Notice.

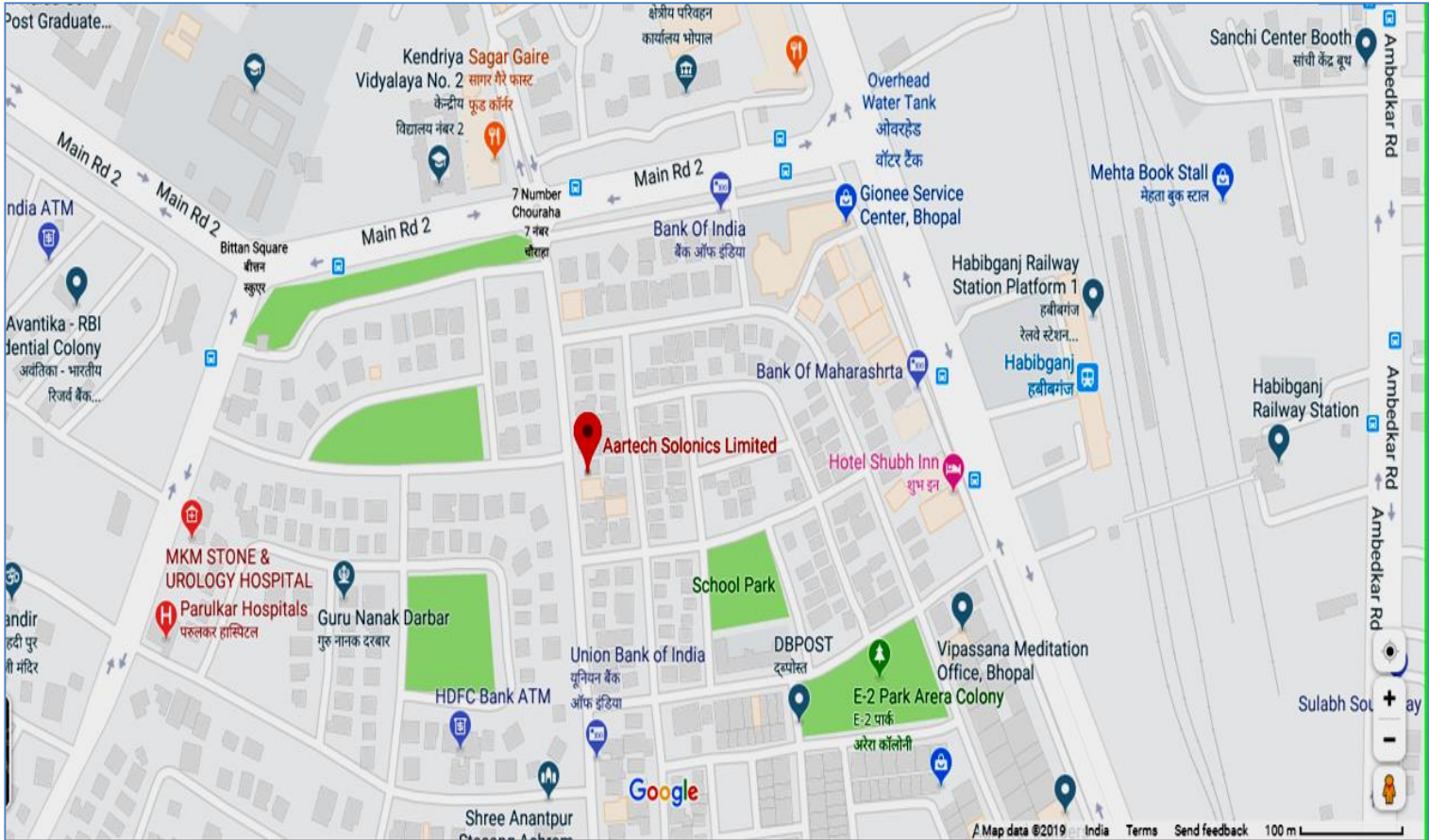
**By Order of the Board of Directors of
Aartech Solonics Limited**

**Place: Bhopal
Dated: 02/09/2020**

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

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

ROUTE MAP TO THE AGM VENUE



DIRECTOR'S REPORT

To,
The Shareholders,
Aartech Solonics Limited
 Bhopal

Your Directors are pleased to present the 38th 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, 2020. 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	Standalone		Consolidated	
	Year ended 31st March 2020	Year ended 31st March 2019	Year ended 31st March 2020	Year ended 31st March 2019
Revenue from Operations	10,04,40,048	14,56,50,996	10,09,92,804	14,04,41,550
Other Income	78,16,856	1,27,41,955	48,82,215	1,08,59,385
Total Revenue	10,82,56,904	15,83,92,951	10,58,75,019	15,13,00,935
Less: Expenses	(10,10,24,939)	(13,70,61,270)	10,62,56,806	(14,17,51,183)
Profit before Finance Cost, Depreciation/ Amortisation Expenses & Tax	72,31,965	2,13,31,681	(3,81,787)	95,49,752
Exceptional Items	-	-	-	-
Profit before Depreciation/ Amortisation Expenses & Tax	72,31,965	2,13,31,681	(3,81,787)	95,49,752
Less: Depreciation/ Amortisation Expenses				
Profit/ (Loss) before tax	72,31,965	2,13,31,681	(3,81,787)	95,49,752
Current Tax	12,00,584	42,72,177	12,00,584	42,72,177

Deferred Tax	1,19,537	74,157	3,65,555	1,41,126
Net Profit/ (Loss) after tax	59,11,844	1,69,85,346	(19,47,926)	51,36,449

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 decrease in total revenue of Rs. 10,82,56,904/- as against Rs. 15,83,92,951/- in the previous year. The Company has earned a net profit of Rs. 59,11,844/- as compared to profit of Rs. 1,69,85,347/- 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 decrease in total revenue of Rs. 10,58,75,019/- as against Rs. 15,13,00,935/- in the previous year. The Company has earned a net profit of Rs. 19,47,926/- as compared to profit of Rs. 51,36,449/- 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

Your directors are pleased to recommend a final dividend of Re. 0.50/- per equity share of face value of Rs. 10/- each for the year ended 31st March, 2020.

The Final Dividend subject to the approval of Members at the Annual General Meeting on Thursday, 24th September, 2020, will be paid to the Members whose names appear in the Register of Members, as on the Book Closure date, i.e., from Thursday, 17th day of September 2020 to Thursday, 24th day of September, 2020 (both days inclusive). In view of the changes made under the Income-tax Act, 1961, by the Finance Act, 2020, dividends paid or distributed by the Company shall be taxable in the hands of the Shareholders. Your Company shall, accordingly, make the payment of Final Dividend after deduction of tax at source.

5. SHARE CAPITAL

The paid-up equity share capital as at March 31, 2020 is Rs. 7,06,00,940/- (Rupees Seven Crore Six Lakh Nine Hundred Forty only). There is no change in paid-up share capital of the company during the year.

6. RESERVES

The Company has transferred Rs. 59,11,844/- to its Reserves during the year.

7. 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.

8. 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.

9. 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 2019-2020.

10. 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.

11. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES

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

12. 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 31, 2020.

13. 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, 2020, 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, 2020 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, 5 (Five) Board meetings were held on April 30, 2019, June 04, 2019, September 07, 2019, November 14, 2019 and February 15, 2020. 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, 2020 and their attendance at the Board meetings and Annual General Meeting ("AGM") during the financial year ended March 31, 2020 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 (30/04/2019)	√	√	√	√	√
BM (04/06/2019)	√	√	X	√	√
BM (07/09/2019)	√	√	X	√	√
BM (14/11/2019)	√	√	X	√	√
BM (15/02/2020)	√	√	X	√	√
AGM (30/09/2019)	√	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 Raje.

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

During the financial year ended on March 31, 2020, 5 (Five) meeting of the Audit Committee were held on April 30, 2019, June 04, 2019, September 07, 2019, November 14, 2019 and February 15, 2020 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, 2020, one meeting of the Nomination and Remuneration Committee was held on April 30, 2019 which was attended by all the members of the Committee.

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, 2020, 5 (Five) meeting of the Stakeholders Relationship Committee were held on April 30, 2019, June 04, 2019, September 07, 2019, November 14, 2019 and February 15, 2020 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, 2020 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, 2020 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.

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 utilization 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, 2020. 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 2019-20. The Secretarial Audit Report for the Financial Year ended March 31, 2020 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 2020.

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 endeavors 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 programs in the organization 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 endeavor 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: 02/09/2020**

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

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

ANNEXURE I

**Form No. MGT 9
EXTRACT OF ANNUAL RETURN
[As on Financial Year ended on 31.03.2020]**

[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	L31200MP1982PLC002030
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	Bigshare Services Pvt. Ltd. 1 st 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, 2019)				No. of Shares held at the end of the year (As on March 31, 2020)				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter									
1) Indian									
a) Individual / HUF	2492000	-	2492000	35.30	2492000	-	3492000	35.30	-
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp	-	-	-	-	-	-	-	-	-
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any Other	1205890	-	1205890	17.08	1205890	-	1205890	17.08	-
Sub-total (A) (1):-	3697890	-	3697890	52.38	3697890	-	3697890	52.38	-
2) Foreign									
g) NRIs-Individuals	-	-	-	-	-	-	-	-	-
h) Other-Individuals	-	-	-	-	-	-	-	-	-
i) Bodies Corp.	-	-	-	-	-	-	-	-	-
j) Banks / FI	-	-	-	-	-	-	-	-	-
k) Any Other...	-	-	-	-	-	-	-	-	-
Sub-total (A) (2):-	-	-	-	-	-	-	-	-	-
Total Promoter Shareholding (A) = (A)(1) + (A)(2)	3697890	-	3697890	52.38	3697890	-	3697890	52.38	-
B. Public Shareholding									
1. Institutions									
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	-	-	-	-	-	-	-	-	-
Sub-total (B) (1)	-	-	-	-	-	-	-	-	-
2. Non Institutions	-	-	-	-	-	-	-	-	-
a) Bodies Corp.	-	-	-	-	-	-	-	-	-
(i) Indian	-	-	-	-	-	-	-	-	-
(ii) Overseas	-	-	-	-	-	-	-	-	-
b) Individuals	-	-	-	-	-	-	-	-	-
(i) Individual shareholders holding nominal share capital upto Rs. 2 lakh	787892	27196	815088	11.55	209551	34810	244361	3.46	-
(ii) Individual shareholders holding nominal share capital in excess of Rs. 2 lakh	1840000	46667	1886667	26.72	1490307	7220	1497527	21.21	-
c) Any Others	584108	76341	660449	9.35	1620316	-	1620316	22.95	-
d) Others - HUF	-	-	-	-	-	-	-	-	-
Sub-total (B) (2)	3212000	150204	3362204	47.62	3320174	42030	3362204	47.62	-
Total Public Shareholding (B) = (B)(1) + (B)(2)	3212000	150204	3362204	47.62	3320174	42030	3362204	47.62	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	6909890	150204	7060094	100	7018064	42030	7060094	100	0.00

ii. Shareholding of Promoters and Promoters Group

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year i.e April 01, 2019			Shareholding at the end of the year i.e March 31, 2020			% 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	22.08	-	1558667	22.08	-	-
2.	Chhaya Anil Raje	933333	13.22	-	933333	13.22	-	-
3.	Amit Anil Raje	1021067	14.46	-	1021067	14.46	-	-
4.	Poonam Jaideep	93333	1.32	-	93333	1.32	-	-

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

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	52.38	-	-
	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 no change in Promoters and Promoter Group Shareholding during the financial year 2019-20.			
	At the end of the year	3697890	52.38	-	-

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, 2020)

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	15.47	-	-
	At the end of the year	-	-	1092000	15.47
2.	Ashtamangal Projects Limited				
	At the beginning of the year	0	0	-	-
	At the end of the year	-	-	480000	6.80
3.	Anjali Credit Pvt Ltd				
	At the beginning of the year	0	0	-	-
	At the end of the year	-	-	288000	4.08
4.	Kanak Steel Mills Pvt Ltd				
	At the beginning of the year	0	0	-	-
	At the end of the year	-	-	224000	3.17
5.	Nikesh Agro Farms and Infrastructure Private Ltd				
	At the beginning of the year	0	0	-	-
	At the end of the year	-	-	220000	3.12
6.	Pradeep Vasant Narkhede				
	At the beginning of the year	7120	0.10	-	-
	At the end of the year	-	-	179120	2.54

7.	Swastika Investmart Limited				
	At the beginning of the year	112000	1.59	-	-
	At the end of the year	-	-	148316	2.10
8.	Indo Thai Securities Limited				
	At the beginning of the year	0	0	-	-
	At the end of the year	-	-	132000	1.87
9.	Fortune Futures Private Limited				
	At the beginning of the year	0	0	-	-
	At the end of the year	-	-	88000	1.25
10.	Vivek Jayant Dikey				
	At the beginning of the year	59640	0.84	-	-
	At the end of the year	-	-	59640	0.84

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
Indebtedness at the beginning of the year				
• Principal Amount	-	-	-	-
• Interest due but not paid	-	-	-	-
• Interest accrued but not due	--	-	-	-

Total	-	-	-	-
Change in Indebtedness during the year				
• Addition	1,73,58,455	-	-	1,73,58,455
• Reduction	-	-	-	-
Net Changes				
Indebtedness at the end of the year				
• Principal Amount	1,73,58,455	-	-	1,73,58,455
• Interest due but not paid	-	-	-	-
• Interest accrued but not due	-	-	-	-
Total	1,73,58,455	-	-	1,73,58,455

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	4,87,852	5,94,724	7,03,432	5,10,237	22,96,245
	b) Value of perquisites u/s 17(2) of the Income-tax Act, 1961	4,20,302	6,83,861	7,78,838	-	18,83,001
	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	-	-	-	-	-
	Total (A)	9,08,154	12,78,585	14,82,270	5,10,237	41,79,246

B. Remuneration to Other Directors:

Sr. No.	Particulars of Remuneration	Ravindra Kumar Shingwekar (Independent Director)	Prashant Dattatray Lowlekar (Independent Director)	Poonam Jaideep Mulherkar (Non-executive Director)	Total Amount
1	Independent Directors				
	- Fee for attending board committee meetings	30,000	30,000		60,000
	- Commission	-	-		-
	- Others please specify	-	-		-
	Total (1)	30,000	30,000		60,000

2	Other Non-Executive Directors				
	- Fee for attending board committee meetings	-	-	15,000	15,000
	- Commission	-	-	-	-
	- Others please specify	-	-	-	-
	Total (2)	-	-	-	-
3	Total (B) = (1 + 2)	30,000	30,000	15,000	75,000

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: 02/09/2020**

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

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

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

Name of associates/Joint Ventures	AIC-Aartech Solonics Private Limited	Faradigm Ultracapacitors Private Limited
1. Latest audited Balance Sheet Date	29/06/2020	29/06/2020
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	Rs. (33,55,027.00)/-	Rs. (45,04,745.00)
ii. Not Considered in Consolidation	--	--

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:

	Name(s) of the related party and nature of relationship	AIC-Aartech Solonics Pvt Ltd	Faradigm Ultracapacitors Pvt Ltd
a.	Nature of contract /arrangements/transaction	<ul style="list-style-type: none"> • Unsecured Loan • Interest Received on Unsecured Loan • Investment in Fully Convertible Debenture • Job Work on Contract Basis 	<ul style="list-style-type: none"> • Interest received on Unsecured Loan • Interest received on Debenture • Rent and Administrative Service • Trade Sales • Unsecured Loan • Investment in Fully Convertible Debenture • Trade Purchase
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"> • Rs. 1,72,11,008 • Rs. 13,58,974 • Rs. 30,80,000 • Rs. 82,877 	<ul style="list-style-type: none"> • Rs. 9,97,907 • Rs. 6,49,726 • Rs. 2,92,000 • Rs. 2,47,853 • Rs. 1,43,95,780

			<ul style="list-style-type: none"> • Rs. 1,00,00,000 • Rs. 8,50,009
d.	Date(s) of approval by the Board	30/04/2019	30/04/2019
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, 2020
[Pursuant to Section 204(1) of the Companies Act, 2013 and the Rule 9 of the
Companies (Appointment and remuneration of managerial personnel) Rule, 2014]

To,
The Members,
AARTECH SOLONICS LIMITED

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by AARTECH SOLONICS LIMITED (hereinafter called the company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our Opinion thereon. Based on our verification of the AARTECH SOLONICS LIMITED books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2020 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by AARTECH SOLONICS LIMITED for the financial year ended on 31st March, 2020, according to the provisions of:

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

- d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2014;
 - e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
 - h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018;
6. Other Laws applicable to the Company;
- i. Factories Act, 1948 and Rules made there under
 - ii. Payment of Bonus Act 1965, & Rules, 1965
 - iii. Maternity Benefit Act 1961 & Rules
 - iv. Employees Compensation Act, 1923 & Rules.
 - v. Minimum Wages Act, 1948, Minimum Wages Act Central Rules 1950
 - vi. Child Labour (P&R) Act 1986 & Rules.
 - vii. Payment of Wages Act 1936
 - viii. Employees State Insurance Act 1948
 - ix. Employees PF & Miscellaneous Provisions Act 1952
 - x. Contract Labour (Regulation & Abolition) Act 1970
 - xi. Indian Contract Act, 1872
 - xii. Payment of Gratuity Act, 1972
 - xiii. Industrial Employment (Standing Orders) Act, 1946
 - xiv. Equal Remuneration Act, 1976
 - xv. Workmen's Compensation Act, 1923
 - xvi. Apprentices Act 1961
 - xvii. The Competition Act, 2002
 - xviii. Consumer Protection Act, 2019
 - xix. Transfer of Property Act 1882
 - xx. Indian Stamp Act, 1899
 - xxi. Registration Act, 1908
 - xxii. Specific Relief Act, 1963
 - xxiii. Negotiable Instruments Act, 1881
 - xxiv. Trade Marks Act, 1999

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

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

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

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of

Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

For APVN & ASSOCIATES

Date: 20/08/2020
Place: Bhopal
UDIN: A023783B000597444

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

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

Our Secretarial Audit Report of even date, for the financial year ended on 31st March, 2020 is to be read along with this letter.

Management's Responsibility

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

Auditor's Responsibility

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

Disclaimer

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

For APVN & ASSOCIATES

Date: 20/08/2020
Place: Bhopal
UDIN: A023783B000597444

Sd/-
CS AVADHESH PARASHAR
ACS NO. 23783
C.P. No.: 9067

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 2019-20

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, 2020
1.	Anil Anant Raje Chairman & Managing Director	9,08,154	6.57:1	NIL
2.	Amit Anil Raje Whole-Time Director	12,78,585	9.26:1	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	0.11:1
4.	Ravindra Kumar Shingwekar	Independent Director	0.22:1
5.	Prashant Dattatray Lowlekar	Independent Director	0.22:1

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, 2020
6.	Arati Nath	CFO	NA
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, 2020.

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

**Sd/-
Arati Nath
Chief Executive Officer**

Place: Bhopal

Dated: 02/09/2020

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, Arati Nath, Chief Executive Officer (CEO) and Mr. Pradeep Vasant Narkhede, 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, 2020 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, 2020 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 2019-20.
 - Significant changes in accounting policies during the financial year 2019-20 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: 02/09/2020

Sd/-
Arati Nath
CEO

Sd/-
Pradeep Vasant Narkhede
CFO

INDEPENDENT AUDITORS' REPORT

To the Members of
Aartech Solonics Limited
Bhopal

Report on Financial Statements

We have audited the accompanying Financial Statements of AARTECH SOLONICS LIMITED ('the Company'), which comprise the Balance Sheet as at March 31, 2020, 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, 2020, 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, 2020 and taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2020 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, 2020, 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: June 29, 2020

UDIN: 20410002AAAAHI4834

ANNEXURE TO THE INDEPENDENT AUDITORS' REPORT

(Issued under Companies (Auditor's Report) Order, 2020)

Referred to in our Report of even date

- 1a. The Company has maintained proper records showing 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.
- c. According to the information and explanations given to us, the records examined by us and based on the examination of the conveyance deeds provided to us, we report that, the title deeds, comprising all the immovable properties of land and buildings which are freehold, are held in the name of the Company as at the balance sheet date.
- 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. The Company has granted loans to parties covered in the register maintained under Section 189 of the Companies Act, 2013. In our opinion and according to the information and explanations provided to us, the terms and conditions of the grant of such loans are prima facie not prejudicial to the Company's interest.
- b. The schedule of repayment of principal and payment of interest has been stipulated for the loans granted and the repayment/receipts are not regular.
- c. The Principal and interest are overdue in respect of loans granted to companies, firms or other parties listed in the register maintained under section 189 of the Companies Act, 2013 which are overdue for more than ninety days.
4. In our opinion and according to the information and explanations provided to us, the Company has granted loans to the parties covered under Section 185 of the Act. The Company has complied with the provisions of Section 186 of the Act in respect of investments made or loans or guarantee or security provided to the parties covered under Section 186.

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.
8. According to the information and explanations given to us, no transactions have been surrendered or disclosed as income during the year in the tax assessments under the Income tax act, 1961.
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. (a) In our opinion and according to the information and explanations provided by the management, the Company has partly utilized the money raised by way of Public offer for the purposed for which they were raised.

(b) In our opinion and according to the information and explanations provided by the management, the Company has not made any preferential allotment or private placement of shares or convertible debentures during the year.
11. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the Financial Statements and according to the information and explanations provided by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
12. The Company is not a Nidhi Company and hence reporting under clause 3 (xii) of the Order is not applicable to the Company.

13. According to the information and explanations provided by the management, transactions with the related parties are in compliance with section 177 and 188 of the Companies Act, 2013 where applicable and the details have been disclosed in the financial statements, as required by the applicable accounting standards.
14. (a) The Company has an internal audit system commensurate with the size and nature of the business.

(b) The report of the Internal Auditor for the period under audit was considered by the statutory auditor.
15. According to the information and explanations provided by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him referred to in section 192 of Companies Act, 2013.
16. According to the information and explanations provided to us, the provisions of section 45-IA of the Reserve Bank of India Act, 1934 are not applicable to the Company.
17. The Company has not incurred cash losses during the current and immediately preceding financial year. The Provision of Section 15(1) of the Sick Industrial Companies Act, 1985 shall not be applicable to the Company.
18. According to the information and explanations provided to us, statutory auditor has not given any resignation during the year, and hence, reporting requirements under this clause of the Order are not applicable to the Company and, not commented upon.
19. According to the information and explanations provided to us, on the basis of the financial ratios and expected dates of realization of financial assets, payment of financial liabilities and other information accompanying the financial statements, no material uncertainty exists as on the date of the audit report.

For SPARK & Associates

Chartered Accountants

Sd/-

CA Roopak Jain

Partner

(Membership No.: 410002)

Place: Bhopal

Date: June 29, 2020

UDIN: 20410002AAAAHI4834

BALANCE SHEET AS AT 31st MARCH, 2020

Particulars	Note	As at 31st March 2020	As at 31st March 2019
EQUITY & LIABILITIES			
Shareholders' Funds			
Share capital	2	7,06,00,940	7,06,00,940
Reserves & Surplus	3	19,99,69,170	19,75,87,373
Non-Current Liabilities			
Long term Borrowings		-	-
Deferred Tax Liabilities (Net)	4	6,30,683	5,11,146
Current Liabilities			
Short Term Borrowings	5	1,73,58,455	-
Trade Payables	6	1,75,91,422	93,33,564
Other Current Liabilities	7	46,03,038	2,63,479
Short Term Provisions	8	16,81,332	69,06,342
TOTAL		31,24,35,040	28,52,02,844
ASSETS			
Non-Current Assets			
Fixed Assets			
- Tangible Assets	9	2,29,83,902	2,10,88,405
- Intangible Assets		-	-
- Capital Work-in-Progress		-	-
Non-Current Investments	10	2,91,94,451	1,33,24,192
Deferred Tax Assets (Net)		-	-
Long Term Loans and Advances	11	9,08,22,850	6,41,69,575
Other Non Current Assets		-	-
Current Assets			
Current Investments	12	7,46,19,168	6,40,85,180
Inventories	13	2,82,93,921	2,37,87,055
Trade Receivables	14	4,54,09,151	5,02,51,601
Cash and Bank Balances	15	76,00,661	4,14,92,603
Short Term Loans and Advances	16	94,17,909	13,67,060
Other Current Assets	17	40,93,027	56,37,172
TOTAL		31,24,35,040	28,52,02,844

Significant accounting policies and notes to financial statements are given in note 1 to 29

The accompanying notes are integral part of the Financial Statements

Signed in terms of our report of even date

For **SPARK & Associates**
Chartered Accountants

For and on behalf of the Board of Directors

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

Sd/-
Amit A. Raje
Chairman &
Managing Director

Sd/-
Arati Nath
Chief Executive
Officer

Sd/-
Pradeep Narkhede
Chief Financial Officer

Sd/-
K.R. Tanuj Reddy
Company Secretary

Place: Bhopal
Date: June 29, 2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020

Particulars	Note	As at 31st March 2020	As at 31st March 2019
REVENUES			
Revenue from operations	18	10,04,40,048	14,56,50,996
Other Income	19	78,16,856	1,27,41,955
TOTAL REVENUE		10,82,56,904	15,83,92,951
EXPENDITURES			
Cost of materials consumed	20	5,16,94,701	7,27,19,295
Change in inventories of finished goods and work in process	21	26,31,149	1,66,07,824
Employee benefit expenses	22	2,51,27,077	2,45,63,028
Finance costs	23	9,52,768	8,50,903
Depreciation and amortization expenses	24	19,09,191	20,52,726
Other expenses	25	1,87,10,053	2,02,67,495
TOTAL EXPENSES		10,10,24,939	13,70,61,270
Profit before exceptional and extraordinary items and tax		72,31,965	2,13,31,681
Exceptional Items		-	-
Profit before extraordinary items and tax		72,31,965	2,13,31,681
Extraordinary Items		-	-
Profit before tax		72,31,965	2,13,31,681
Tax Expense			
Current Tax	26	12,00,584	42,72,177
Deferred Tax	27	1,19,537	74,157
Profit for the year		59,11,844	1,69,85,347
Earnings per equity share (Par value of Rs. 10 each)			
Basic (₹)		0.08	0.24
Diluted (₹)		0.08	0.24

Significant accounting policies and notes to financial statements are given in note 1 to 29

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: June 29, 2020

Sd/-
Amit A. Rajee
Chairman &
Managing
Director

For and on behalf of the Board of Directors

Sd/-
Arati Nath
Chief Executive
Officer

Sd/-
Pradeep Narkhede
Chief Financial Officer

Sd/-
K.R. Tanuj Reddy
Company Secretary

Notes on Financial Statements for the Year ended 31st March, 2020

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 2020, 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, 2020
2. SHARE CAPITAL

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Authorized Share Capital:		
100,00,000 Equity shares of ₹10 each	10,00,00,000	10,00,00,000
Total	10,00,00,000	10,00,00,000
Issued, subscribed and Paid up:		
70,60,094 Equity shares of ₹10 each fully paid	7,06,00,940	7,06,00,940
Total	7,06,00,940	7,06,00,940

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 st March 2020	As at 31 st March 2019
Equity Shares at the beginning of the year	70,60,094	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	-	-
Equity Shares at the end of the year	70,60,094	70,60,094

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

Name of Share Holders	No. of Shares	% held
As at March 31, 2020		

Mr. Anil Anant Raje	15,58,667	22.08%
Mrs. Chhaya Anil Raje	9,33,333	13.22%
Mrs. Prajakta Shashikant Kulkarni	10,92,000	15.47%
Mr. Amit Anil Raje	10,21,067	14.46%
Ashtamangal Projects Limited	4,80,000	6.80%

As at March 31, 2019

Mr. Anil Anant Raje	15,58,667	22.08%
Mrs. Chhaya Anil Raje	9,33,333	13.22%
Mrs. Prajakta Shashikant Kulkarni	10,92,000	15.47%
Mr. Amit Anil Raje	10,21,067	14.46%

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

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
a) Capital Reserve		
Balance as per last Financial Statements	35,52,358	35,52,358
Add : Transferred from the statement of profit and loss	-	-
Closing Balance	35,52,358	35,52,358
b) General Reserve		
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		
Closing Balance	9,69,15,392	9,69,15,392
c) Securities Premium		
Balance as per last Financial Statements	5,09,20,000	40,000
Add : Received during the year on issue on share	-	5,08,80,000
Closing Balance	5,09,20,000	5,09,20,000
e) Surplus/ (deficit) balance in statement of profit and loss during the year		
Balance as per last Financial Statements	4,61,99,623	2,92,14,276
Add : Profit for the year	59,11,844	1,69,85,347

Less: Appropriations:

- Transferred to Capital Grant (DST Uplift Project)	-	-
- Proposed Dividend on Equity Shares	35,30,047	-
- Provision for Dividend Distribution Tax	-	-

Closing Balance	4,85,81,420	4,61,99,623
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Total	19,99,69,372	19,75,87,373
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4. DEFERRED TAX LIABILITIES (Net)

Particulars	(Amount in ₹)	
	As at 31 st March 2019	
Deferred tax liability as on March 31, 2019	5,11,146	
Less: Deferred tax asset arising on account of difference in Depreciation as per Companies Act and as per Income Tax Act	-	
Add: Deferred tax liability arising on account of difference in Depreciation as per Companies Act and as per Income Tax Act	1,19,537	
Deferred tax liability as on March 31, 2020	6,30,683	

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. SHORT TERM BORROWINGS

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
- HDFC Bank CC Account	1,37,81,114	-
- HDFC Bank (Bill Discounting)	35,77,341	-
Total	1,73,58,455	-

6. TRADE PAYABLES

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019

Micro, Small and Medium Enterprises (Refer Note No. 6.2)	71,46,291	11,48,643
Other (Refer Note No. 6.1)	1,04,45,131	81,84,921
Total	1,75,91,422	93,33,564

6.1 Trade payable represents amounts payable to creditors for material ₹ 1,61,51,220 and creditors for other expenses and services ₹ 14,40,202.

6.2 The information as required to be disclosed under The Micro, Small and Medium Enterprises Development Act

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Principal amount due and remaining unpaid	71,46,291	11,48,643
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	-	-
Total	71,46,291	11,48,643

7. OTHER CURRENT LIABILITIES

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
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
Application money received for allotment of securities and due for refund and interest accrued thereon	-	-
Unpaid matured Deposits and Interest accrued thereon	-	-
Unpaid matured Debentures and Interest accrued thereon	-	-
Other Payables (Refer Note No. 7.1)	10,72,991	2,61,937
Dividend Payable	35,30,047	-
Total	46,03,038	2,63,479

7.1 Other payables include audit fees payable amounting to ₹ 90,000, advances received from customers amounting to ₹ 20,465, office rent payable amounting to ₹ 4,05,000 and other expenses payable amounting to ₹ 5,57,526.

8. SHORT TERM PROVISIONS

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Provision for Employee Benefits:		
- Salary and Reimbursements	15,981	17,828
- Contribution to ESIC and Provident Fund	1,35,715	1,46,771
- Leave Encashment	-	-
- Gratuity	-	-
Others (Refer Note No. 8.1)	15,29,636	67,41,743
Total	16,81,332	69,06,342

8.1 Other Short Term Provision includes:

- Tax deducted at source payable amounting to ₹ 2,18,737.
- GST payable in Parwanoo Unit amounting to ₹ 13,04,986.
- Professional Tax payable amounting to ₹ 5,913.

9. FIXED ASSETS
(Amount in ₹)

Particulars	Gross Block			Rate of Depreciation	Depreciation/ Amortisation				Net Block	
	As at 01/04/2019	Addition/ (Deduction)	As at 31/03/2020		As at 01/04/2019	For the year	As at 31/03/2020	As at 01/04/2019	As at 31/03/2020	
Land	17,90,732		17,90,732	0.00%	-	-	-	17,90,732	17,90,732	
Building	1,99,36,032	6,40,579	2,05,76,611	3.17%	61,76,014	6,32,584	-	68,08,598	1,37,60,018	
Plant & Machinery	49,25,569	-5,31,450	43,94,119	6.33%	48,60,378	30,193	-29,05,389	19,85,182	65,191	
Electrification	24,78,453	-	24,78,453	9.50%	14,76,822	2,25,318	-	17,02,140	10,01,631	
Office Equipment	33,70,405	-6,07,720	27,62,685	19.00%	33,17,410	23,469	-7,53,276	25,87,603	52,995	
Computer & Accessories	52,51,511	-33,80,049	18,71,462	31.67%	52,13,397	47,427	-35,39,343	17,21,481	38,114	
Testing Equipment	31,48,745	-	31,48,745	6.33%	16,94,443	1,99,315	-	18,93,758	14,54,302	
Furniture & Fixtures	60,19,821	-1,94,397	58,25,424	9.50%	45,15,563	5,46,904	-1,94,397	48,68,070	15,04,258	
Vehicles	47,97,646	-14,15,342	33,82,304	11.88%	41,49,861	1,18,964	-18,82,348	23,86,477	6,47,785	
Tools	13,96,326	-45,444	13,50,882	6.33%	6,22,947	85,017	-63,758	6,44,206	7,73,379	
Total	5,31,15,240	-55,33,823	4,75,81,417		3,20,26,835	19,09,191	-93,38,511	2,45,97,515	2,10,88,405	2,29,83,902

10. NON CURRENT INVESTMENT

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Investment in property	1,30,64,881	1,30,64,812
Investment in Silver Coin	-	9,740
Investment in subsidiary		
- AIC-AARTECH SOLONICS PVT LTD	1,00,000	1,00,000
- FARADIGM ULTRACAPACITORS PVT LTD	95,000	95,000
Investments in equity instruments:		
- Dena Bank Equity	54,640	54,640
- Enerqual Technology Private Limited	3,00,000	-
- Umang Shridhar Designs Private Limited	25,00,000	-
Investments in Fully Convertible Debenture:		
- Faradigm Ultracapacitors Private Limited	1,00,00,000	-
- AIC- Aartech Solonics Private Limited	30,80,000	-
Total	2,91,94,451	1,33,24,192

11. LONG TERM LOANS & ADVANCES

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Loans & Advances to related parties (unsecured considered good)		
- AIC-AARTECH SOLONICS PVT LTD	1,72,11,008	1,59,87,932
- FARADIGM ULTRACAPACITORS PVT LTD	1,43,95,780	1,03,97,666
Other Loans and Advances (unsecured considered good)	5,55,30,344	3,41,29,600
Secured Deposits (Unsecured Considered Good)	36,85,718	36,54,377
Total	9,08,22,850	6,41,69,575

11.1 Security deposits represents amount of EMD and security deposits for electricity and telephone.

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

11.3 Faradigm Ultracapacitors Private Limited is wholly owned subsidiary company of Aartech Solonics Limited.

12. CURRENT INVESTMENT

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Investments in mutual funds (Instrument wise):		
- Nil (Previous year 349.77) Reliance Ultra Short Duration Fund	-	10,07,117
- 1,02,963.45 (Previous year 1,02,963.45) Axis Multi Cap Fund Growth	11,03,768	11,03,768
- 2,58,658.56 (Previous year 1,92,164) DSP Equity Fund Regular Plan	1,00,07,100	92,05,630
- 5,587.51 (Previous year 1,680.04) HDFC Capital Fund Growth	16,30,547	10,30,547
- 11,256.16 (Previous year 7,486.89) TATA Equity Fund Regular	14,99,900	9,99,900
- Nil (Previous year 1,842.57) ICICI Prudential Floating Interest Fund	-	5,00,000
- 4,592.01 (Previous year 1,526.48) Aditya Birla Sunlife Euty	18,00,000	6,00,000
- 21,458.08 (Previous year 43,173.83) Aditya Birla Sunlife Frontlife	47,96,041	96,38,218
- Nil (Previous year 17,502.77) Kotak Low duration Fund Growth	-	4,00,00,000
- 33,381.74 (Previous year Nil) Aditya Birla Focused Equity Fund Growth	20,00,000	-
- 3,4071.55 (Previous year Nil) Aditya Birla Sun Life Banking And	10,00,000	-
- 1.11 (Previous year Nil) Aditya Birla Sun Life Overnight Fund Growth	1,193	-
- 1,252.07 (Previous year Nil) Aditya Birla Sunlife Mnc Fund Growth	10,00,000	-
- 10,823.68 (Previous year Nil) Aditya Birla Sun Life India Gen Next Fund	10,00,000	-
- 15,621.19 (Previous year Nil) Aditya Birla Sun Life Dynamic Bond Fund	5,00,000	-
- 3,257.38 (Previous year Nil) Aditya Birla Sun Life Equity Fund Growth	25,00,000	-
- 565.17 (Previous year Nil) Aditya Birla Sun Life Low Duration Fund	2,54,459	-
- 6,859.66 (Previous year Nil) DSP Mid Cap Fund Regular Plan Growth	4,00,000	-
- 15,082.58 (Previous year Nil) HDFC Small Cap Fund –	6,00,000	-

Regular Plan		
- 1,125.16 (Previous year Nil) HDFC Top 100 Fund- Regular Plan	5,50,000	-
- 59,413.59 (Previous year Nil) IDFC Banking & PSU Debt Fund Regular	10,00,000	-
- 18,608.41 (Previous year Nil) IDFC Large Cap Fund Growth Regular	6,05,518	-
- 17,611.74 (Previous year Nil) IDFC Ultra Short Term Fund Regular	1,00,000	-
- 1,02,979.22 (Previous year Nil) IDFC Emerging Businesses Fund	10,27,733	-
- 14,904.52 (Previous year Nil) IDFC Bond Fund Medium Term Plan	5,00,000	-
- 24,965.27 (Previous year Nil) IDFC Bond Short Term Plan Growth	10,17,914	-
- 46.28 (Previous year Nil) Invesco Mutual Fund	1,00,000	-
- 4,69,571.75 (Previous year Nil) Kotak Balanced Advantage Fund	50,00,000	-
- 54,285.15 (Previous year Nil) Kotak Emerging Equity Scheme Growth	21,00,000	-
- 95.28 (Previous year Nil) Kotak Opportunities Fund Growth	3,50,000	-
- 10,00,000 (Previous year Nil) Kotak Focused Equity Fund Growth	1,00,00,000	-
- 3,00,000 (Previous year Nil) Kotak Pioneer Fund Growth Regular Plan	30,00,000	-
- 1,46,840.96 (Previous year Nil) Kotak Standard Multicap Fund Growth	53,50,000	-
- 10,732.17 (Previous year Nil) Nippon India Banking Fund Growth	31,05,000	-
- 18,512.75 (Previous year Nil) Nippon India Balanced Advantage Fund	16,99,521	-
- 1,417.04 (Previous year Nil) Nippon India Growth Fund Growth Plan	16,00,685	-
- 23,081.35 (Previous year Nil) Nippon India Large Cap Fund Growth	7,98,000	-
- 27,790.33 (Previous year Nil) Nippon India Multicap Fund Growth	26,83,000	-
- 4,363.01 (Previous year Nil) Nippon India Overnight Fund Growth Plan	4,66,692	-
- 59,676.70 (Previous year Nil) Nippon India Junior Bees Fof	5,59,288	-

Growth		
- 8,146.16 (Previous year Nil) Nippon India Short Term Fund Growth	3,07,166	-
- 24,010.78 (Previous year Nil) Nippon India Small Cap Fund Growth	9,00,000	-
- 413.55 (Previous year Nil) Nippon India Value Fund Growth Plan	30,000	-
- 58,196.97 (Previous year Nil) Nippon India Us Equity Opportunities	10,00,639	-
- 11,879.42 (Previous year Nil) Nippon India Prime Debt Fund Growth	5,00,000	-
- 7,087 (Previous year Nil) Nippon India Cpse Etif Fund	1,75,004	-
Total	7,46,19,168	6,40,85,180
Quoted Investments – Book Value	7,46,19,168	6,40,85,180
Quoted Investments – Market Value	5,89,64,459	6,45,21,440
Total book value of current investments	7,46,19,168	6,40,85,180

13. INVENTORIES

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Raw Materials and components	2,42,60,921	1,71,22,907
Work-in-progress	39,85,235	8,76,865
Finished Goods	47,765	13,41,353
Stock in trade	-	44,45,931
Total	2,82,93,921	2,37,87,055

14. TRADE RECEIVABLES

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Outstanding for less than 6 months from the due date (Unsecured, considered good)	3,79,70,840	4,38,00,718
Outstanding for more than 6 months from the due date (Unsecured, considered good)	74,38,311	64,50,883
Total	4,54,09,151	5,02,51,601

14.1 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.

15. CASH AND CASH EQUIVALENTS

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Balances with banks:		
- Earmarked Balances	2,25,000	2,25,000
- Margin Money	-	-
- Security Against Borrowings	-	-
- Guarantees (refer note no. 15.1)	6,97,628	37,532
- Other Commitments (refer note no. 15.2)	65,18,246	4,10,92,538
- Bank deposits with more than 12 months maturity	-	-
Cheques, drafts on hand	-	-
Cash on hand	79,800	19,403
Others (refer note no. 15.3)	79,987	1,18,130
Total	76,00,661	4,14,92,603

15.1 Guarantees represent fixed deposits pledged with banks for bank guarantees.

15.2 Other commitments represent balances with banks.

15.3 Others represent imprest given to employees for incurring expenses.

16. SHORT TERM TOANS AND ADVANCES

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Unsecured Loans and Advances		
Pratigya Commercials LLP	32,30,700	-
Loans and Advances to Related Parties	35,480	-
Other Loans and Advances	61,51,729	13,67,060
Total	94,17,909	13,67,060

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

- An amount of ₹ 14,49,710 as advances given to employees.
- An amount of ₹ 42,81,029 as advances given to Suppliers.
- An amount of ₹ 4,24,787 as prepaid expenses.

17. OTHER CURRENT ASSETS

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
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
Advance Income Tax AY 2020-21	3,04,218	-
Excise Duty Receivables	1,32,442	1,32,442
Accrued Interest	8,30,569	6,07,758
GST Receivable	24,04,794	9,30,065
Total	40,93,027	56,37,172

18. REVENUE FROM OPERATIONS

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Sale of Products	9,18,98,535	13,79,58,001
Sale of Services	85,41,513	76,92,995
Total	10,04,40,048	14,56,50,996

19. OTHER INCOME

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
- Interest Income	40,98,574	26,93,627
- Dividend Income	-	1,93,968
- Rental Income	-	48,24,000
- Revenue Government Grant for DST Uplift Project	10,09,773	8,00,000
- Net gain/(- loss) on sale of investments	19,06,474	31,88,904
- Net gain on foreign currency transaction and translation (other than considered for finance cost)	63,892	-
- Other non-operating income(Refer note no. 19.1)	2,38,142	9,31,456
- Profit on sale of Fixed Assets	5,00,000	1,10,000
Total	78,16,856	1,27,41,955

19.1 Other Non-Operating Income includes:

- Rent received on flats and bungalow given to employees ₹ 1,78,000.
- Other miscellaneous income ₹ 60,142.

20. COST OF MATERIALS CONSUMED

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Purchase of Raw Materials	5,88,32,715	7,42,22,958
Opening Balance of Raw Materials	1,71,22,907	1,56,19,243
Less : Closing Balance of Raw Materials	2,42,60,921	1,71,22,907
Total	5,16,94,701	7,27,19,295

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

- Purchase of Raw Material includes imported raw material of ₹ 68,68,138 and Indigenous raw material
- Opening Balance of Raw Material includes Imported raw material of ₹ 1,10,14,059 and Indigenous raw material of ₹61,08,848.
- Closing Balance of Raw Material includes Imported raw material of ₹ 1,46,50,418 and Indigenous raw material of ₹ 96,10,503.

21. CHANGE IN INVENTORIES

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Finished goods:		
Opening Balance	57,87,284	-
Less: Closing Balance	47,765	57,87,284
	57,39,519	-57,87,284
Work-in-Progress:		
Opening Balance	8,76,865	2,32,71,973
Less: Closing Balance	39,85,235	8,76,865
	-31,08,369	2,23,95,108
Total	26,31,149	1,66,07,824

22. EMPLOYEE BENEFIT EXPENSES

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Salaries and Wages (Refer Note No. 22.1)	2,26,80,938	2,22,40,449
Contribution to Provident Fund and Other Funds	9,19,844	10,49,938
Staff Welfare Expenses	15,26,295	12,72,641
Total	2,51,27,077	2,45,63,028

21.1 Salaries and Wages include:

- Director's Remuneration amounting to ₹54,12,784 (Previous Year ₹ 34,37,784).
- Staff Salary amounting to ₹ 1,72,68,154 (Previous Year ₹ 1,88,02,665).
- Out of the above staff salary, salary amounting to ₹5,48,532 (Previous Year ₹ 4,09,045) relates to Recognised Research & Development Facility.

23. FINANCE COST

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Interest Expenses (Refer Note No.23.1)	5,18,846	50,522
Other borrowing costs (Refer Note No.23.2)	4,33,922	8,00,381
Applicable loss on foreign currency transactions and translation	-	-
Total	9,52,768	8,50,903

23.1 Interest Expenses shown interest on CC/OD Account.

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

24. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Depreciation of tangible assets	19,09,190	20,52,726
Amortisation of intangible assets	-	-
Total	19,09,190	20,52,726

24.1 Refer note 9 for assets wise details of depreciation charge and note 1.9 for depreciation policy and rates of depreciation.

25. OTHER EXPENSES

Particulars	(Amount in ₹)	
	As at 31 st March 2020	As at 31 st March 2019
Administrative Expenses		
Audit fees	1,00,000	1,00,000
Director Sitting Fees	75,000	30,000
Membership & Registration Fees	73,200	9,50,094

Insurance Expenses	1,23,662	4,25,309
Internet expenses	3,36,406	2,57,316
Legal Expenses	1,49,789	1,63,029
Professional & consultancy expenses	22,86,494	11,83,787
Electricity Expenses	1,35,575	1,13,546
Office Expenses	2,46,924	2,04,254
Petrol & Diesel	2,30,404	1,57,131
Postage & Courier Expenses	1,90,815	2,37,187
Printing & Stationery Expenses	64,821	2,25,967
Rates and taxes (excluding taxes on income)	5,26,231	2,93,914
Rent Office	18,00,000	18,00,000
Repairs & Maintenance	4,86,262	2,14,764
Vehicle Repairs & Maintenance	85,920	1,17,873
TCS ERP Solution	4,55,000	-
Security Expenses	1,79,621	1,45,499
Telephone & Mobile expenses	1,85,442	2,48,069
Miscellaneous administrative expenses	7,85,042	22,80,768
Total (A)	85,16,607	91,48,508
Manufacturing Expenses		
Power and Fuel	7,14,936	5,89,186
Rent Factory	3,30,371	2,70,532
Powder Coating	4,28,601	-
Site Development expenses	3,33,334	-
Repairs to machinery	60,961	4,72,808
Testing Charges	8,000	5,82,381
Job Work Expenses	10,83,241	8,22,385
Miscellaneous manufacturing expenses	3,88,297	4,33,091
Total (B)	33,47,741	31,70,383
Selling and Marketing Expenses		
Advertisement and business promotion expenses	5,46,989	8,38,120
Sales Commission	25,19,611	16,11,139
Travelling Expenses	27,21,230	33,70,963
Late Delivery	84,884	10,45,560
Transportation Outward	7,51,202	6,39,472
Tender Fees	76,562	-
Total (C)	67,00,478	75,05,254
Research & Development Expenses		
Material Consumed	86,693	4,10,290
Travelling Expenses	54,631	53,310
Other Expenses	3,903	4,30,975

Total (D)	1,45,227	8,94,575
Loss due to Foreign Currency Fluctuation (E)	-	-4,51,225
Total Other Expenses (A+B+C+D+E)	1,87,10,053	2,02,67,495

26. CURRENT TAX

Provision for current tax is made in the statement of profit and loss for the year ending March 31, 2020 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, 2020 (assessment year 2020 - 21), the income tax computed under the other provisions (provisions of the Income Tax Act other than Chapter XII-B) amounts to ₹ 18,44,943 and income tax computed under the provisions of chapter XII-B of Income Tax Act amounts to ₹ 12,00,584. The provision of ₹ 12,00,584 has been made after utilising MAT credit.

27. 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:

27.1 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	: ₹ 23,68,950
- Depreciation as per Companies Act, 2013	: ₹ 19,09,191
- Difference	: ₹ 4,59,759
- Deferred tax impact (Expense)	: ₹ 1,19,537

27.2 Net deferred tax expense debited to statement of profit and loss for the period is ₹ 1,19,537.

28. RESEARCH & DEVELOPMENT 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 st March 2020	As at 31 st March 2019
1 Salary to research staff (refer note 22.1)	5,48,532	4,09,045
2 Material purchased	86,693	-
3 Travelling expenses	54,631	-
4 Other Expenses	3,903	4,30,975
Total	6,93,759	8,40,020

29. 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	1,72,11,008
2	AIC-Aartech Solonics Pvt Ltd	Subsidiary Company	Interest received on Unsecured Loan	13,58,974
3	AIC-Aartech Solonics Pvt Ltd	Subsidiary Company	Investment in Fully Convertible Debenture	30,80,000
4	AIC-Aartech Solonics Pvt Ltd	Subsidiary Company	Job Work on Contract Basis	82,877
5	Faradigm Ultracapacitors Pvt Ltd	Subsidiary Company	Interest received on Unsecured Loan	9,97,907
6	Faradigm Ultracapacitors Pvt Ltd	Subsidiary Company	Interest received on Debentures	6,49,726
7	Faradigm Ultracapacitors Pvt Ltd	Subsidiary Company	Rent and Administrative service	2,92,000
8	Faradigm Ultracapacitors Pvt Ltd	Subsidiary Company	Trade Sales	2,47,853
9	Faradigm Ultracapacitors Pvt Ltd	Subsidiary Company	Unsecured Loan	1,43,95,780
10	Faradigm Ultracapacitors Pvt Ltd	Subsidiary Company	Investment in Fully Convertible Debenture	1,00,00,000
11	Faradigm Ultracapacitors Pvt Ltd	Subsidiary Company	Trade Purchase	8,50,009

STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2020

Particulars	For the year ended 31 st March 2020	For the year ended 31 st March 2019
1. Cash Flows from Operating Activities		
<i>Net Profit and Loss A/c (as per profit and loss account)</i>	23,81,797	1,69,85,346
Add: (A) Apportionment of Fund:		
<i>Provision for tax made during the year</i>	12,00,584	42,72,177
<i>Deferred Tax</i>	1,19,537	74,157
Net Profit before taxation and extra ordinary items	37,01,918	2,13,31,680
Add: (B) Non operating Expenses:		
<i>Depreciation during the year</i>	19,09,191	20,52,726
Sub Total	19,09,191	20,52,726
Less: (C) Non operating Income:		
<i>Interest Income (refer note 19)</i>	40,98,574	26,93,627
<i>Dividend Income (refer note 19)</i>	-	1,93,968
<i>Net gain/(-loss) on sale of investments (refer note 19)</i>	19,06,474	31,88,904
<i>Other non-operating income (refer note 19)</i>	2,38,142	9,31,456
<i>Revenue Grant for DST Uplift Project (refer note 19)</i>	10,09,773	8,00,000
<i>Profit on sale of Fixed Assets (refer note 19)</i>	5,00,000	1,10,000
Sub Total	77,52,963	79,17,955
(D) Operating Profit Before Working Capital Changes (A+B+C)	-21,41,854	1,54,66,451
Add: (E) Increase in current liabilities and decrease in current assets:		
<i>Decrease in inventory</i>	-	1,51,04,161
<i>Decrease in other current assets</i>	18,48,363	-
<i>Increase in Short term provisions</i>	-	5,22,061
<i>Increase in Trade Payables</i>	82,57,858	44,84,460
<i>Increase in other current liabilities</i>	43,39,559	-
<i>Increase in Short term borrowings</i>	1,73,58,455	-
<i>Decrease in Short term loan and advances</i>	-	-
<i>Decrease in account receivable</i>	48,42,450	-
Sub Total	3,66,46,686	2,01,10,682
Less: (F) Increase in current assets and decrease in current liabilities:		
<i>Increase in inventory</i>	45,06,866	-
<i>Increase in account receivable</i>	-	1,57,06,526
<i>Increase in short term loans and advances</i>	80,50,849	-
<i>Increase in other current assets</i>	-	40,12,960
<i>Decrease in other current liabilities</i>	-	5,54,443
<i>Decrease in Trade Payable</i>	-	-
<i>Decrease in Short Term Borrowings</i>	-	-
<i>Decrease in short term provisions</i>	52,25,010	24,00,650

	Sub Total	1,77,82,725	2,26,74,579
(G) Cash generated from Operations (D+E+F)		1,67,22,107	1,29,02,554
(H) Income tax paid during the year:		15,04,802	35,45,903
(I) Net cash generated from operational activity (G-H)		1,52,17,305	93,56,651
2. Cash Flows from Investing Activities			
(A) Net cash inflow from investment activity			
<i>Interest Income (refer note 19)</i>		40,98,574	26,93,627
<i>Dividend Income (refer note 19)</i>		-	1,93,968
<i>Net gain/(-loss) on sale of investments (refer note 19)</i>		19,06,474	31,88,904
<i>Other non-operating income (refer note 19)</i>		2,38,142	9,31,456
<i>Revenue Grant for DST Uplift Project (refer note 19)</i>		10,09,773	8,00,000
<i>Proceeds from marketable securities</i>		4,63,59,034	3,00,38,980
<i>Proceeds from sale of fixed assets</i>		5,00,000	1,10,000
<i>Realisation of security deposit</i>		-	-
<i>Maturity of fixed deposit made the year</i>		50,10,972	17,10,763
	Sub Total	5,91,22,969	3,96,67,698
(B) Net cash outflow from investment activity			
<i>Investment made in marketable securities during the year</i>		5,96,83,281	6,30,78,063
<i>Investment made in Subsidiary Company</i>		-	-
<i>Fixed Deposit made during the year</i>		12,36,520	-
<i>Investment made in Debentures of Subsidiary Company</i>		1,30,80,000	-
<i>Investment made in Property</i>		-	1,03,659
<i>Long Term Loans & Advances</i>		2,66,53,275	3,21,97,241
<i>Utilisation of Grant for DST Uplift Project</i>		-	-
<i>Purchase of new assets (net of sale proceeds)</i>		36,70,188	24,80,889
<i>Security deposit paid</i>		-	-
	Sub Total	10,43,23,264	9,78,59,851
(C) Net cash generated from Investment activity (a-b)		-4,52,00,295	-5,81,92,153
3. Cash Flows from Financing Activities			
(A) Net cash inflow from financing activity			
<i>Increase in long term borrowing</i>		-	-
<i>Proceeds from issue of equity shares</i>		-	7,20,80,000
	Sub Total	-	7,20,80,000
(B) Net cash outflow from investment activity			
<i>Decrease in long term borrowing</i>		-	-
	Sub Total	-	-
(C) Net cash generated from Financing activity (a-b)		-	7,20,80,000
4. Net Increase/ (Decrease) in Cash (1+2+3)		-2,99,82,990	2,32,44,498
Cash and cash equivalents at the beginning of the year		3,24,87,880	92,43,382
5. Cash and cash equivalents at the end of the year		25,04,890	3,24,87,880

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AARTECH SOLONICS LIMITED

CIN: L31200MP1982PLC002030

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 38th Annual General Meeting of the Company held on Thursday, September 24, 2020 at 03:00 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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AARTECH SOLONICS LIMITED

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

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 38th Annual General Meeting of the members of the company, to be held on the on Thursday, September 24, 2020 at 03:00 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
	Ordinary Business:		
1.	a) To receive, consider and adopt the Audited Financial Statements of the Company for the financial year ended March 31, 2020, 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, 2020, together with the Report of the Board of Directors and Auditors' thereon		
2.	To declare final dividend on equity shares at the rate 5% [i.e., Re. 0.50/- (Rupee Fifty Paise Only) per Equity Share] for the financial year ended 31 March, 2020		
3.	To appoint a Director in place of Mr. Anil Anant Raje (DIN: 01658167), who retires by rotation and being eligible offer himself for re-appointment		
4.	To appoint M/s S. Ramanand Aiyar & Co., as the Statutory Auditors of the Company for a term of 3 (Three) financial years from 2020-21		
	Special Business:		
5.	Change in designation of Anil Anant Raje (DIN: 01658167) from Chairman and Managing Director to Non-executive Director		
6.	Change in designation of Amit Anil Raje (DIN: 00282385) from Whole-time Director to		

	Chairman and Managing Director		
7.	Appointment of Mrs. Arati Nath as the Chief Executive Officer (CEO) of the Company		
8.	Appointment of Mrs. Arati Nath (DIN: 08741034) as the Director of the Company.		
9.	Appointment of Mr. Pradeep Vasant Narkhede as the Chief Financial Officer (CFO) of the Company		

Signed this ____ day of _____ 2020

Signature of shareholder

Signature of Proxy holder(s)

<p>Affix Revenue Stamp</p>

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If undelivered please return to:

CIN: L31200MP1982PLC002030

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

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

Website: www.artechsolonics.com