

# AARTECH SOLONICS LIMITED

An ISO 9001 : 2015 Certified Company



**Date: 12/05/2022**

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

Dear Sir/Ma'am

Scrip Code: 542580

Sub: Audited Standalone and Consolidated Financial Results for the half and year ended March 31, 2022 along with Auditor's Report thereon and declaration as per Regulation 33 (3) (d) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

Pursuant to Regulation 33 and other regulated regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), as amended from time to time, we wish to inform you that the Board of Directors (Board) of the company at its Meeting held on Thursday, May 12, 2022 (which commenced at 11:00 AM and concluded at 05:00 PM) at the registered office of the company i.e., E-2/57, Arera Colony, Bhopal- 462016 (MP), inter-alia considered and approved:

1. The audited standalone financial results of the Company for the half year and year ended March 31, 2022 as recommended by the Audit Committee.
2. The audited consolidated financial results of the Company for the half year and year ended March 31, 2022 as recommended by the Audit Committee.
3. Considered and recommended the dividend of Rs. 0.05/- per equity shares (i.e., 5%) face value of Rs. 10/- each for the financial year 2021-22. The dividend, if approved by the members at the ensuing Annual General Meeting, be paid within the period of 30 days from the date of declaration at the Annual General Meeting.
4. The appointment of M/s Prem Chand Jain & Co., Practicing Chartered Accountants, Bhopal as the Internal Auditors of the Company for the financial year 2022-23.
5. The appointment of M/s APVN & Associates, Practicing Company Secretaries, Bhopal as the Secretarial Auditor of the Company for the financial year 2022-23.
6. Revision in Managerial Remuneration of Mr. Amit Anil Raje, Chairman & Managing Director and Ms. Arati Nath, CEO & Director in excess of maximum limit of remuneration in a year (11% of net profits of company) subject to approval of members in the Annual General Meeting of the company.

We hereby request you to take the outcome of the Board Meeting on your record.

Thanks & Regards,

**For Aartech Solonics Limited**

  
**Amit Anil Raje**  
**Chairman & 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; fa@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

## AUDITED FINANCIAL STATEMENTS

OCTOBER – MARCH

(FOR THE HALF YEAR ENDING SEPTEMBER 30, 2022)

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

Tel. No. 91-755-4276335/2463693  
Fax No. 91-755-2463593  
E-mail: [fa@aartechsolonics.com](mailto:fa@aartechsolonics.com)  
Website: [www.aartechsolonics.com](http://www.aartechsolonics.com)

Auditors:

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

Chartered Accountants  
51, Ratan Lok Colony  
Scheme No. 53,  
Vijay Nagar, Indore  
E-Mail: [indore@sraco.in](mailto:indore@sraco.in)

# *S. Ramanand Aiyar & Co.*

## CHARTERED ACCOUNTANTS

51, Ratna lok Colony, Scheme No. 53, Vijay Nagar, INDORE- 452011 (M.P.)  
Tel: 0731-4066810, E-mail : indore@sraco.in, www.sraco.in

### INDEPENDENT AUDITORS' REPORT

To the Members of AARTECH SOLONICS LIMITED

#### 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, 2022, the statement of Profit and Loss Account and the cash flow statement for the half 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 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, 2022, its profit, and its cash flows for the half year ended on that date.

### Report on Other Legal and Regulatory Requirements

1. As required by section 143(3) of the Act, we report that:
  - a. We have sought and obtained all the information and explanations, which to the best of our knowledge and belief were necessary for the purpose of our audit;
  - b. In our opinion, proper books of account, as required by law have been kept by the Company, so far as it appears from our examination of those books;
  - c. 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, 2022 and taken on record by the Board Of Directors, none of the Directors is disqualified as on March 31, 2022 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 **S. Ramanand Aiyer & Co.**

Chartered Accountants

FRN : 000990N



**CA Amit Singhvi**

Partner

(Membership No.: 129331)



Place: Bhopal

Date: May 12, 2022

UDIN: 22129331AIVHWT2050

# AARTECH SOLONICS LIMITED

## Balance Sheet as at March 31, 2022

Particulars	Notes	As at	
		31st March 2022	30th September 2021
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	10,59,01,250	7,06,00,940
Reserves & Surplus	3	18,36,67,403	20,32,48,331
<b>Non Current Liabilities</b>			
Long term Borrowings		-	-
Deferred Tax Liabilities (Net)	4	8,17,085	7,07,344
Government Grant	5	21,47,449	28,30,560
<b>Current Liabilities</b>			
Short Term Borrowings	6	65,17,600	1,55,83,111
Trade Payables	7	4,17,25,558	1,04,73,653
Other Current Liabilities	8	8,45,943	13,16,590
Short Term Provisions	9	73,63,261	27,13,302
<b>TOTAL</b>		<b>34,89,85,549</b>	<b>30,74,73,831</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
- Tangible Assets	10	2,43,38,094	2,33,60,366
- Intangible Assets		-	-
- Capital Work-in-Progress		-	-
Non-Current Investments	11	6,11,14,451	6,11,14,451
Deferred Tax Assets (Net)		-	-
Long Term Loans and Advances	12	6,59,84,520	6,61,70,289
Other Non Current Assets		-	-
<b>Current Assets</b>			
Current Investments	13	7,78,37,088	5,07,98,476
Inventories	14	2,44,78,123	2,48,26,959
Trade Receivables	15	7,08,46,107	4,80,61,172
Cash and Bank Balances	16	1,04,92,144	78,49,943
Short Term Loans and Advances	17	55,05,702	1,78,67,357
Other Current Assets	18	83,89,320	74,24,818
		<b>34,89,85,549</b>	<b>30,74,73,831</b>

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 S. Ramanand Aiyar & Co.

Chartered Accountants

CA Amit Singhvi

Partner

(Membership No. 129331)



Amit A. Raje

Chairman &

Managing Director

For and on behalf of the Board of Directors

Arati Nath

Chief Executive  
Officer

Pradeep Narkhede

Chief Financial Officer

K.R. Tanuj Reddy

Company Secretary

Place : Bhopal

Date : May 12, 2022

UDIN: 22129331AIVHWT2050



**AARTECH SOLONICS LIMITED****Statement of Profit and Loss for the half year ended March 31, 2022**

	Notes	For the half year ended 31st March 2022	For the half year ended 30th September 2021
<b>REVENUES</b>			
Revenue from operations	19	13,22,37,646	3,13,58,044
Other income	20	97,29,336	84,68,834
<b>TOTAL REVENUE</b>		<b>14,19,66,982</b>	<b>3,98,26,878</b>
<b>EXPENDITURES</b>			
Cost of materials consumed	21	8,18,40,938	2,47,51,522
Change in inventories of finished goods and work in process	22	39,54,925	-41,40,070
Employee benefit expenses	23	1,49,48,138	1,22,11,013
Finance costs	24	8,97,661	8,10,497
Depreciation and amortization expenses	25	10,11,683	9,84,378
Other expenses	26	1,70,57,411	1,02,70,567
<b>TOTAL EXPENSES</b>		<b>11,97,10,756</b>	<b>4,48,87,907</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>2,22,56,226</b>	<b>-50,61,029</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>2,22,56,226</b>	<b>-50,61,029</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>2,22,56,226</b>	<b>-50,61,029</b>
<b>Tax Expense</b>			
Current Tax	27	29,88,710	-
Deferred Tax	28	1,09,741	42,667
<b>Profit for the year</b>		<b>1,91,57,775</b>	<b>-51,03,696</b>
<b>Earnings per equity share (Par value of ₹ 10 each)</b>			
Basic (₹)		1.81	-0.72
Diluted (₹)		1.81	-0.72

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 S. Ramanand Aiyer & Co.

Chartered Accountants

CA Amit Singhvi

Partner

(Membership No. 129331)

UDIN:

Place : Bhopal

Date : May 12, 2022

UDIN: 22129331AIVHWT2050

For and on behalf of the Board of Directors

Amit A. Raje

Chairman &  
Managing Director

Araj Nath  
Chief Executive  
Officer

Pradeep Narkhede  
Chief Financial Officer

K.B. Tanuj Reddy  
Company Secretary



# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

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

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

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

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

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

#### 1.3 USE OF ESTIMATES:

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

#### 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.



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 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 ASSETS (Tangible):

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.

#### 1.8 FIXED ASSETS (Intangible):

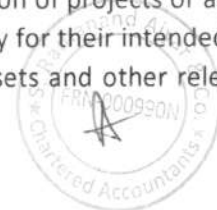
Capital Expenditure on purchase and development of identifiable non-monetary assets without physical substance is recognized as Intangible Assets in accordance with principles given under AS-26 – Intangible Assets issued by the Institute of Chartered Accountants of India. These are grouped and separately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

#### 1.9 EXPENSES INCURRED DURING CONSTRUCTION PERIOD:

The progress / milestone based payments made under the contracts for projects and assets under construction or development and other capital advances are considered as advances on capital account until the same are allocated to fixed assets, capital work-in-progress, and expenditure during construction and other relevant accounts, as applicable. Expenditure incidental to the construction of projects or assets under construction or development that take substantial period of time to get ready for their intended use is accumulated as expenditure during construction, pending allocation to fixed assets and other relevant accounts, as applicable.



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# **AARTECH SOLONICS LIMITED**

## **Notes on Financial Statements for the Half Year ended 31st March, 2022**

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

#### **1.10 DEPRECIATION & AMORTISATION:**

Depreciation on fixed assets is provided as per straight line method. Depreciation is computed as per Part "C" of Schedule II of The Companies Act 2013. Depreciation on additions / deductions to fixed assets made during the year is provided on a pro-rata basis from / up to the date of such additions / deductions, as the case may be. Intangible assets are amortized over the best estimate of their useful lives; subject to a rebuttable presumption that such useful lives will not exceed ten years.

#### **1.11 IMPAIRMENT OF ASSETS:**

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

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

#### **1.12 FOREIGN CURRENCY TRANSACTIONS:**

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

#### **1.13 RESEARCH AND DEVELOPMENT:**

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



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.14 EMPLOYEES BENEFITS:

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

##### (i) Provident Fund & ESI

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

##### (ii) Gratuity

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

##### (ii) 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.

Tax expense comprises of current and deferred. Provision for Current Tax is made in accordance with the provisions of Income Tax Act, 1961. In accordance with Accounting Standard AS-22 'Accounting for Taxes on Income' as notified by Companies Accounting Standard Rules, 2006, Deferred Tax Liability/ Asset arising from timing differences between book and income tax profits is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years. However, deferred Tax Assets are recognized only if there is a reasonable/ virtual certainty of realization thereof. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

#### 1.15 LEASE:

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

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



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.16 TAXES ON INCOME:

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

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

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

#### 1.17 GOVERNMENT GRANTS AND SUBSIDIES:

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

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

#### 1.18 BORROWING COST:

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

#### 1.19 PROVISIONS AND CONTINGENCIES:

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted and are determined based on best estimate required to settle the obligation at each balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to effect the current best estimation.

#### A contingent liability is recognized for:

A present obligation that arises from past events but is not recognized as a provision because either the possibility that an outflow of resources embodying economic benefits will be required to settle the obligation is remote or a reliable estimate of the amount of the obligation cannot be made.

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.20 EARNINGS PER SHARE:

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

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

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



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 2. SHARE CAPITAL

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
<b>Authorized Share Capital:</b>		
1,50,00,000 Equity shares of ` 10 each	15,00,00,000	10,00,00,000
<b>Total</b>	<b>15,00,00,000</b>	<b>10,00,00,000</b>
<b>Issued, subscribed and Paid up:</b>		
1,05,90,1250 Equity shares of ` 10 each fully paid	10,59,01,250	7,06,00,940
<b>Total</b>	<b>10,59,01,250</b>	<b>7,06,00,940</b>

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

Particulars	(Number of equity shares)	
	As at 31st March 2022	As at 30th September 2021
Equity Shares at the beginning of the year	70,60,094	70,60,094
Add : Equity shares issued during the year		
- as fully paid up bonus shares	35,30,031	-
- as fully paid up shares for cash	-	-
Less : Shares cancelled on buy back of Equity Shares	-	-
<b>Equity Shares at the end of the year</b>	<b>1,05,90,125</b>	<b>70,60,094</b>

### 2.2 Terms / rights attached to Equity Shares

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

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

Name of Share Holders	No. of Shares	% held
<b>As at March 31, 2022</b>		
Mr. Anil Anant Raje	23,38,000	22.08%
Mrs. Chhaya Anil Raje	13,99,999	13.22%
Mrs. Prajakta Shashikant Kulkarni	16,38,000	15.47%
Mr. Amit Anil Raje	15,31,600	14.46%
Ashtamangal Projects Limited	9,18,000	8.67%
<b>As at March 31, 2021</b>		
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	6,12,000	8.67%

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



*Yours faithfully*



# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 3. RESERVES AND SURPLUS

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
<b>a) Capital Reserve</b>		
Balance as per last Financial Statements	35,52,358	35,52,358
Add : Transferred from the statement of profit and loss	-	-
<b>Closing Balance</b>	<b>35,52,358</b>	<b>35,52,358</b>
<b>b) General Reserve</b>		
Balance as per last Financial Statements	9,69,15,392	9,69,15,392
Less : Bonus Shares Issued	3,53,00,310	-
<b>Closing Balance</b>	<b>6,16,15,082</b>	<b>9,69,15,392</b>
<b>c) Securities Premium</b>		
Balance as per last Financial Statements	5,09,20,000	5,09,20,000
Add : Received during the year on issue on share	-	-
<b>Closing Balance</b>	<b>5,09,20,000</b>	<b>5,09,20,000</b>
<b>d) Surplus / (deficit) balance in statement of profit and loss during the year</b>		
Balance as per last Financial Statements	5,18,60,581	5,69,64,277
Add : Profit for the year	1,91,57,775	-51,03,696
Add : Provision of Income Tax	91,654	-
Less: Appropriations:		
- Dividend paid on Equity Shares	35,30,047	-
- Transferred to General Reserve	-	-
<b>Closing Balance</b>	<b>6,75,79,963</b>	<b>5,18,60,581</b>
<b>Total</b>	<b>18,36,67,403</b>	<b>20,32,48,331</b>

### 4. DEFERRED TAX LIABILITIES (Net)

Particulars	(Amount in `)	
	As at 31st March 2022	
<b>Deferred tax liability as on March 31, 2021</b>	<b>7,07,344</b>	
Add: Deferred tax Liability arising on account of difference in Depreciation as per Companies Act and as per Income Tax Act	12,317	
Add: Deferred tax Liability arising on account of section 43B of Income Tax Act	97,424	
<b>Deferred tax liability as on March 31, 2022</b>	<b>8,17,085</b>	

- 4.1 The deferred tax assets and liabilities have been recognised 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.



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 5. GOVERNMENT GRANT

Particulars	As at	As at
	31st March 2022	30th September 2021
- Unspent Capital Grant for DST Project "Saur Stambh"	14,37,608	17,82,000
- Unspent Revenue Grant for DST Project "Saur Stambh"	7,09,841	10,48,560
<b>Total</b>	<b>21,47,449</b>	<b>28,30,560</b>

- 5.1 During the year the Department of Science and Technology has approved a grant for "Saur Stambh - a smart high mast light with long range, low power wireless wide area network for agri-iot application" wide sanction order No. DST/TMD/CERI/RES/2020/30(G) Dated 23-07-2021 for ₹ 26,96,000 for creation of capital assets in the above mentioned project. The said amount has to be spent over the project duration of 24 months. The Company has received the initial release of the amount sanctioned amounting to ₹ 17,82,000. The amount of ₹ 3,44,392 has been utilised for procurement of permanent equipments and fabricated system.

### 6. SHORT TERM BORROWINGS

Particulars	As at	As at
	31st March 2022	30th September 2021
- HDFC Bank CC Account	65,17,600	1,25,23,105
- HDFC Bank (Bill Discounting)	-	30,60,006
<b>Total</b>	<b>65,17,600</b>	<b>1,55,83,111</b>

(Amount in `)

### 7. TRADE PAYABLES

Particulars	As at	As at
	31st March 2022	30th September 2021
Micro, Small and Medium Enterprises (Refer Note No. 7.1)	15,88,224	1,67,385
Others	4,01,37,335	1,03,06,268
<b>Total</b>	<b>4,17,25,558</b>	<b>1,04,73,653</b>

(Amount in `)

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

Particulars	As at	As at
	31st March 2022	30th September 2021
Principal amount due and remaining unpaid	15,88,224	1,67,385
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	-	-
<b>Total</b>	<b>15,88,224</b>	<b>1,67,385</b>

(Amount in `)



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 8. OTHER CURRENT LIABILITIES

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Audit Fees Payable	90,000	1,37,500
Rent Payable	-	5,67,000
Electricity Expenses Payable	56,626	66,995
Professional Fees Payable	81,000	81,000
Expenses Payable	2,88,887	2,26,537
Advance from Customers	3,29,430	2,37,558
<b>Total</b>	<b>8,45,943</b>	<b>13,16,590</b>

### 9. SHORT TERM PROVISIONS

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
<b>Provision for Employee Benefits:</b>		
- Salary and Reimbursements	34,17,289	12,18,508
- Statutory Bonus	3,74,708	-
- Contribution to ESIC and Provident Fund	1,39,181	1,43,762
<b>Others:</b>		
- Tax Deducted ay source Payable	12,23,858	1,62,889
- GST Payable	-	-
- Professional Tax Payable	5,496	2,956
- Provision for Income Tax	22,02,729	11,85,187
<b>Total</b>	<b>73,63,261</b>	<b>27,13,302</b>



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# AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Half Year ended March 31, 2022

## 10. FIXED ASSETS

Particulars	Gross Block				Rate of Depreciation	Depreciation/Amortisation			Net Block	
	As at 01/10/2021	Additions	(Deductions)	As at 31/03/2022		As at 01/10/2021	For the year	(Deductions)	As at 31/03/2022	As at 01/10/2021
Land	17,90,732	-	-	17,90,732	0.00%	-	-	-	17,90,732	17,90,732
Building	2,08,34,523	-	-	2,08,34,523	3.17%	3,30,227	-	81,21,352	1,30,43,398	1,27,13,171
Plant & Machinery	55,16,818	8,82,450	-	63,99,268	6.33%	1,29,720	-	23,76,662	32,69,876	40,22,606
Electrification	26,11,298	3,06,928	-	29,18,226	9.50%	64,120	-	20,47,650	6,27,768	8,70,576
Office Equipment	30,31,825	1,34,057	-	31,65,881	19.00%	50,990	-	27,10,872	3,71,943	4,55,009
Computer & Accessories	20,99,007	5,63,677	-	26,62,684	31.67%	1,23,506	-	20,21,164	2,01,349	6,41,520
Testing Equipment	31,52,135	3,136	-23,36,361	8,18,910	6.33%	64,543	-15,98,851	6,54,643	9,63,184	1,64,267
Furniture & Fixtures	63,13,012	2,22,174	-	65,35,186	9.50%	81,380	-	55,76,637	8,17,755	9,58,549
Vehicles	33,82,304	-	-	33,82,304	11.88%	77,300	-	27,01,796	7,57,808	6,80,508
Tools	23,16,064	6,14,500	-	29,30,564	6.33%	89,897	-	8,89,408	15,16,553	20,41,156
<b>Total</b>	<b>5,10,47,718</b>	<b>27,26,922</b>	<b>-23,36,361</b>	<b>5,14,38,278</b>		<b>10,11,683</b>	<b>-15,98,851</b>	<b>2,71,00,184</b>	<b>2,33,60,366</b>	<b>2,43,38,094</b>



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 11. NON CURRENT INVESTMENT

(Amount in `)

Particulars	As at	
	31st March 2022	30th September 2021
Investment in property	1,30,64,811	1,30,64,811
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	3,00,000
– Umang Shridhar Design Private Limited	25,00,000	25,00,000
Investments in Fully Convertible Debenture:		
– Faradigm Ultracapacitors Private Limited	2,50,00,000	2,50,00,000
– AIC- Aartech Solonics Pvt Ltd	2,00,00,000	2,00,00,000
<b>Total</b>	<b>6,11,14,451</b>	<b>6,11,14,451</b>

### 12. LONG TERM LOANS & ADVANCES

(Amount in `)

Particulars	As at	
	31st March 2022	30th September 2021
Loans & Advances to related parties (unsecured considered good)		
– AIC- AARTECH SOLONICS PVT LTD	10,12,042	9,77,182
– FARADIGM ULTRACAPICITORS PVT LTD		9,02,488
Other Loans and Advances (Unsecured Considered Good)	6,02,23,302	6,02,23,302
Security Deposits (Unsecured Considered Good)	47,49,176	40,67,317
<b>Total</b>	<b>6,59,84,520</b>	<b>6,61,70,289</b>



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 13. CURRENT INVESTMENT

(Amount in `)

Particulars	As at 31st March 2022	As at 30th September 2021
<b>Investments in mutual funds (Instrument wise):</b>		
- Aditya Birla Sunlife Equity Advantage Growth Fund	1,00,000	11,00,000
- Kotak Low Duration Fund Standard Growth	-	17,36,418
- Nippon India Ultra Short Duration Fund Growth Plan	3,94,48,685	-
- Aditya Birla Sunlife Low Duration Growth Plan	-	5,00,000
- Aditya Birla Sun Life Banking and Financial Services	5,38,082	5,38,082
- Aditya Birla Sun Life Dynamic Bund Fund Growth	-	5,00,000
- Aditya Birla Sun Life Flexi Cap Fund Growth Regular Plan	-	25,00,000
- Aditya Birla Sun Life India Gen Next Fund Growth	10,00,000	10,00,000
- Aditya Birla Sun Life MNC Fund Growth Plan	10,00,000	10,00,000
- Aditya Birla Sun Life Overnight Fund Growth Plan	1,194	1,194
- DSP Mid Cap Fund Regular Plan Growth	1,00,000	22,00,000
- HDFC Small Cap Fund Regular Plan	8,50,000	5,50,000
- HDFC Top 100 Fund Regular Growth Plan	9,48,129	6,48,129
- IDFC Bond Fund Medium Term Plan Growth	1,00,000	-
- IDFC Ultra Short Term Fund Regular Plan	1,00,000	-
- Invesco India Gilt Fund Growth Plan	1,00,000	1,00,000
- Kotak Balanced Advantage Fund Growth	9,29,592	9,29,592
- Kotak Emerging Equity Scheme Growth Regular Plan	8,50,000	5,50,000
- Kotak Equity Opportunities Fund Growth Regular Plan	3,00,000	-
- Kotak Pioneer Fund Growth Regular Plan	13,48,623	13,48,623
- Nippon India Banking & Financial Services Fund Growth Plan	18,24,893	15,50,000
- Nippon India CPSE ETF Fund	1,75,004	1,75,004
- Nippon India Growth Fund Growth Plan	-	14,01,131
- Nippon India Large Cap Fund Growth Plan	58,21,097	68,54,316
- Nippon India Multi Cap Fund Growth Plan	14,24,848	12,96,920
- Nippon India Overnight Fund Growth Plan	5,024	-
- Nippon India Short Term Fund Growth Plan	9,706	-
- Nippon India Small Cap Fund-Growth Plan	3,18,721	8,00,000
- Nippon India Value Fund Growth Plan	8,00,000	4,70,000
- Nippon India Gold Savings Fund Growth Plan	-	40,000
- IDFC Sterling Value Fund Growth Regular Plan	5,02,597	5,02,597
- IDFC Balanced Advantage Fund Regular Plan Growth	3,21,000	3,21,000
- Nippon India Pharma Fund Growth Plan	4,83,290	4,83,290
- Nippon India Passive Flexicap FOF Growth Plan	-	50,00,000
- Nippon India Asset Allocator FOF Growth Plan	-	15,00,000
- Nippon India Nifty Samllcap 250 Index Fund Growth Plan	-	10,42,187
- Nippon India Corporate Bond Fund Growth Plan	-	20,00,000



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

- DSP Flexi Cap Fund Regular Plan Growth	15,64,210	15,64,210
- Tata Balances Advantage Fund Regular Plan Growth	5,95,783	5,95,783
- Nippon India Flexi Cap Fund Growth Plan	1,00,00,000	1,00,00,000
- Tata Resources & Energy Fund Regular Plan Growth	5,00,475	-
- Nippon India Multi Cap Fund Growth Plan (466218393367)	1,99,000	-
- Nippon India Ultra Short Duration Fund Growth Plan (466218393367)	4,77,136	-
- Nippon India Taiwan Equity Fund Growth Plan	45,00,000	-
- Nippon India Power & Infra Fund Growth Plan	6,00,000	-
<b>Total</b>	<b>7,78,37,088</b>	<b>5,07,98,476</b>

### 14. INVENTORIES

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Raw Materials and components	2,34,22,090	1,98,16,001
Work-in-progress	10,25,325	49,80,250
Finished Goods	30,708	30,708
Stock in trade	-	-
<b>Total</b>	<b>2,44,78,123</b>	<b>2,48,26,959</b>

### 15. TRADE RECEIVABLES

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Outstanding for less than 6 months from the due date (Unsecured, considered good)	5,46,18,125	2,68,26,751
Outstanding for more than 6 months from the due date (Unsecured, considered good)	1,62,27,982	2,12,34,421
<b>Total</b>	<b>7,08,46,107</b>	<b>4,80,61,172</b>

15.1 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.



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 16. CASH AND CASH EQUIVALENTS

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Balances with banks:		
- Earmarked Balances	-	-
- Guarantees (refer note no. 16.1)	56,68,938	55,28,176
- Other Commitments (refer note no. 16.2)	45,94,688	20,46,534
Cash on hand	22,992	14,004
Others (refer note no. 16.3)	2,05,526	2,61,229
<b>Total</b>	<b>1,04,92,144</b>	<b>78,49,943</b>

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

16.2 Other commitments represent balances with banks.

16.3 Others represent imprest given to employees for incurring expenses.

### 17. SHORT TERM LOANS AND ADVANCES

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
<b>Unsecured Loans and Advances: (Unsecured, considered good)</b>		
Advance to Suppliers	34,95,853	1,47,78,563
Advance to Employees	16,79,485	28,22,850
Prepaid Expenses	3,30,364	2,65,944
<b>Total</b>	<b>55,05,702</b>	<b>1,78,67,357</b>

### 18. OTHER CURRENT ASSETS

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Income Tax Refund Receivable AY 2020-21	2,22,279	3,04,218
TDS Receivable		3,62,460
TCS Receivable	-	9,919
Accrued Interest	65,25,120	49,14,478
GST Receivable	16,41,921	18,33,743
<b>Total</b>	<b>83,89,320</b>	<b>74,24,818</b>



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 19. REVENUE FROM OPERATIONS

(Amount in `)

Particulars	As at	As at
	31st March 2022	30th September 2021
Sale of Products	12,83,36,502	2,76,08,133
Sale of Services	39,01,144	37,49,911
<b>Total</b>	<b>13,22,37,646</b>	<b>3,13,58,044</b>

### 20. OTHER INCOME

(Amount in `)

Particulars	As at	As at
	31st March 2022	30th September 2021
- Interest Income	19,37,466	22,52,819
- Rental Income	1,32,344	1,26,816
- Dividend Income	-	-
- Revenue Government Grant for DST Project - "Saur Stambh"	3,38,719	-
- Net gain/(- loss) on sale of investments	50,01,517	60,65,131
- Net gain on foreign currency transaction and translation	-	-
- Other non-operating income	62,927	24,068
- Profit on sale of Fixed Assets	22,56,363	-
<b>Total</b>	<b>97,29,336</b>	<b>84,68,834</b>

### 21. COST OF MATERIALS CONSUMED

(Amount in `)

Particulars	As at	As at
	31st March 2022	30th September 2021
Purchase of Raw Materials	8,54,47,027	2,51,57,296
Opening Balance of Raw Materials	1,98,16,001	1,94,10,227
Less : Closing Balance of Raw Materials	2,34,22,090	1,98,16,001
<b>Total</b>	<b>8,18,40,938</b>	<b>2,47,51,522</b>

### 22. CHANGE IN INVENTORIES

(Amount in `)

Particulars	As at	As at
	31st March 2022	30th September 2021
Finished goods:		
Opening Balance	30,708	10,608
Less: Closing Balance	30,708	30,708
	-	<b>-20,100</b>
Work-in-Progress:		
Opening Balance	49,80,250	8,60,280
Less: Closing Balance	10,25,325	49,80,250
	<b>39,54,925</b>	<b>-41,19,970</b>
<b>Total</b>	<b>39,54,925</b>	<b>-41,40,070</b>



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 23. EMPLOYEE BENEFIT EXPENSES

(Amount in `)

Particulars	As at	As at
	31st March 2022	30th September 2021
Salaries and Wages:		
- Directors Remuneration	20,76,174	20,76,174
- Staff Salary	1,02,85,938	89,41,053
- Salary relates to Recognised Research & Development Facility	3,64,284	5,88,269
- Statutory Bonus	7,48,302	-
Contribution to Provident Fund and Other Funds	4,63,164	4,75,039
Staff Welfare Expenses	10,10,276	1,30,478
<b>Total</b>	<b>1,49,48,138</b>	<b>1,22,11,013</b>

### 24. FINANCE COST

(Amount in `)

Particulars	As at	As at
	31st March 2022	30th September 2021
Interest Expenses (Refer Note No. 24.1)	6,57,554	5,81,896
Other borrowing costs (Refer Note No.24.2)	2,40,107	2,28,601
<b>Total</b>	<b>8,97,661</b>	<b>8,10,497</b>

24.1 Interest Expenses shown interest on CC/OD Account.

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

### 25. DEPRECIATION AND AMORTISATION EXPENSES

(Amount in `)

Particulars	As at	As at
	31st March 2022	30th September 2021
Depreciation of tangible assets	10,11,683	9,84,378
Amortisation of intangible assets	-	-
<b>Total</b>	<b>10,11,683</b>	<b>9,84,378</b>

25.1 Refer Note 10 for assets wise details of depreciation charge and Note 1.10 for depreciation policy and rates of depreciation.



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

### 26. OTHER EXPENSES

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
<b>Administrative Expenses</b>		
Audit fees	50,000	50,000
Director Sitting Fees	30,000	60,000
Membership & Registration Fees	54,502	1,18,484
Insurance Expenses	1,22,405	74,240
Internet Expenses	1,69,490	1,16,298
Legal expenses	7,95,124	76,644
Professional & consultancy expenses	44,60,426	6,97,485
Electricity Expenses	23,125	51,021
Office Expenses	1,12,178	1,04,048
Petrol & Diesel	2,05,972	1,53,924
Postage & Courier Expenses	10,721	13,702
Printing & Stationery Expenses	82,860	47,237
Rates and taxes	9,452	51,756
Rent Office	9,00,000	9,00,000
Repairs & Maintenance	4,44,553	3,15,550
Vehicle Repairs & Maintenance	1,05,170	1,50,608
TCS ERP Solution	-	2,94,957
Security Expenses	61,937	66,198
Telephone & Mobile expenses	87,385	79,685
Water Charges	79,971	54,480
Miscellaneous administrative expenses	7,33,941	4,63,885
<b>Total (A)</b>	<b>85,39,213</b>	<b>39,40,202</b>
<b>Manufacturing Expenses</b>		
Power and Fuel	4,89,622	4,29,959
Rent Factory	2,10,000	1,57,075
Job Work Expenses	18,23,571	13,10,487
Site Development expenses	2,22,047	9,227
Repairs to machinery	86,043	2,13,899
Testing & Calibration Charges	2,98,480	4,500
MPIDC Annual Maintenance Charges	-	87,607
Labour Charges	7,71,605	-
Drawing & Design Charges	-	6,51,600
Miscellaneous manufacturing expenses	-	2,68,829
<b>Total (B)</b>	<b>39,01,368</b>	<b>31,33,183</b>
<b>Selling and Marketing Expenses</b>		
Advertisement and business promotion expenses	3,55,786	57,694
Sales Commission	8,89,684	7,96,341
Travelling Expenses	12,47,002	6,61,049
Late Delivery	2,81,100	8,27,980
Transportation Outward	12,57,181	8,27,572
Tender Fees	71,649	70,252
Other Selling Expenses	3,44,949	11,102
<b>Total (C)</b>	<b>44,47,351</b>	<b>32,51,990</b>



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Half Year ended 31st March, 2022

Research & Development Expenses		
Material Consumed	67,820	4,714
Travelling Expenses	22,258	-
Other Expenses	1,556	-
<b>Total (D)</b>	<b>91,634</b>	<b>4,714</b>
Loss due to Foreign Currency Fluctuation (E)	77,846	-59,522
<b>Total Other Expenses (A+B+C+D+E)</b>	<b>1,70,57,411</b>	<b>1,02,70,567</b>

### 27. CURRENT TAX

Provision for current tax is made in the statement of profit and loss for the year ending March 31, 2022 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, 2022 (assessment year 2022 -23), the income tax computed under the other provisions (provisions of the Income Tax Act other than Chapter XII-B) amounts to ` 35,41,639 and income tax computed under the provisions of chapter XII-B of Income Tax Act amounts to ` 29,88,710. The provision of ` 29,88,710 has been made after utilising MAT credit.

### 28. 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:

<b>28.1</b> 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	:	10,59,058
– Depreciation as per Companies Act, 2013	:	10,11,684
– Difference	:	47,374
– Deferred Tax Expense/(Income)	:	12,317
<b>28.2</b> Deferred tax impact on Unpaid bonus not deductible u/s 43B of Income Tax Act		
– Unpaid bonus not deductible u/s 43B of Income Tax Act	:	3,74,708
– Unpaid bonus paid during the year	:	-
– Difference	:	3,74,708
– Deferred Tax Expense/(Income)	:	97,424
<b>28.3</b> Net deferred tax expense debited to statement of profit and loss for the period is `		1,09,741



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# AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Half Year ended March 31, 2022

## 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	
2	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Interest paid on Loan	10,12,042
3	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	8% Convertible Debentures	79,910
4	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Interest on Debentures	2,00,00,000
5	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Job Work Expenses	17,00,000
6	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Interest on Unsecured Loan	6,19,125
7	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	8% Convertible Debentures	72,055
8	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Interest on Debentures	2,50,00,000
9	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Purchases	21,25,000
10	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Sales	4,21,40,627
				11,27,933



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**AARTECH SOLONICS LIMITED****Statement of Cash Flow for the half year ended March 31, 2022**

Particulars	For the year ended 31st March 2022	For the year ended 30th September 2021
<b>1. Cash Flows from Operating Activities</b>		
<i>Net Profit and Loss a/c ( as per profit and loss account)</i>	1,91,57,775	-51,03,696
<b>Add : (A) Apportionment of Fund :</b>		
<i>Provision for tax made during the year</i>	29,88,710	-
<i>Deferred Tax</i>	1,09,741	42,667
<b>Net Profit before taxation and extra ordinary items</b>	<b>2,22,56,226</b>	<b>-50,61,029</b>
<b>Add : (B) Non operating Expenses :</b>		
<i>Depreciation during the year</i>	10,11,683	9,84,378
<b>Sub Total</b>	<b>10,11,683</b>	<b>9,84,378</b>
<b>Less : (C) Non operating Income :</b>		
<i>Interest Income (refer note 20)</i>	19,37,466	22,52,819
<i>Rental Income (refer note 20)</i>	1,32,344	1,26,816
<i>Dividend Income (refer note 20)</i>	-	-
<i>Net gain/(- loss) on sale of investments (refer note 20)</i>	50,01,517	60,65,132
<i>Other non-operating income ( refer note 20)</i>	62,927	24,066
<i>Revenue Grant for DST Saur Stambh Project (refer note 20)</i>	3,38,719	-
<i>Profit on sale of Fixed Assets (refer note 19)</i>	22,56,363	-
<b>Sub Total</b>	<b>97,29,336</b>	<b>84,68,833</b>
<b>(D) Operating Profit Before Working Capital Changes (A+B-C)</b>	<b>1,35,38,573</b>	<b>-1,25,45,484</b>
<b>Add : (E) Increase in current liabilities and decrease in current assets:</b>		
<i>Decrease in Inventory</i>	3,48,836	-
<i>Decrease in Account Receivable</i>	-	1,54,38,651
<i>Decrease in Short term Loans and Advances</i>	1,23,61,655	-
<i>Decrease in Other Current Assets</i>	-	-
<i>Increase in Short term borrowings</i>	-	68,27,684
<i>Increase in Trade Payables</i>	3,12,51,905	-
<i>Increase in Short Term Provisions</i>	36,32,417	-
<i>Increase in Other Current Liabilities</i>	-	4,48,890
<b>Sub Total</b>	<b>4,75,94,813</b>	<b>2,27,15,225</b>
<b>Less : (F) Increase in current assets and decrease in current liabilities:</b>		
<i>Increase in Inventory</i>	-	45,45,844
<i>Increase in Account Receivable</i>	2,27,84,935	-
<i>Increase in Short Term Loans and Advances</i>	-	95,35,358
<i>Increase in Other Current Assets</i>	9,64,502	38,42,657
<i>Decrease in Short Term Borrowings</i>	90,65,511	-
<i>Decrease in Trade Payable</i>	-	43,86,606
<i>Decrease in Short Term Provisions</i>	-	43,50,270
<i>Decrease in Other Current Liabilities</i>	4,70,646	-
<b>Sub Total</b>	<b>3,32,85,594</b>	<b>2,66,60,735</b>
<b>(G) Cash generated from Operations (D+E-F))</b>	<b>2,78,47,792</b>	<b>-1,64,90,994</b>
<b>(H) Income tax paid during the year:</b>	18,79,514	-
<b>(I) Net cash generated from operational activity (G-H)</b>	<b>2,59,68,278</b>	<b>-1,64,90,994</b>



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# AARTECH SOLONICS LIMITED

## Statement of Cash Flow for the half year ended March 31, 2022

Particulars	For the year ended 31st March 2022	For the year ended 30th September 2021
<b>2. Cash Flows from Investing Activities</b>		
<b>(A) Net cash inflow from investment activity</b>		
Interest Income (refer note 20)	19,37,466	22,52,819
Rental Income (refer note 20)	1,32,344	1,26,816
Dividend Income (refer note 20)	-	-
Net gain/(- loss) on sale of investments (refer note 20)	50,01,517	60,65,132
Other non-operating income (refer note 20)	62,927	24,066
Revenue Grant for DST Saur Stambh Project (refer note 20)	-	10,48,560
Capital Grant for DST Saur Stambh Project	-	17,82,000
Proceeds from marketable securities	2,08,34,234	3,41,70,653
Proceeds from sale of fixed assets	29,93,873	-
Realisation of Long Term Loans & Advances	8,67,628	-
Realisation of security deposit	-	-
<b>Sub Total</b>	<b>3,18,29,989</b>	<b>4,54,70,046</b>
<b>(B) Net cash outflow from investment activity</b>		
Investment made in marketable securities during the year	4,78,72,846	2,60,78,131
Investment made in Subsidiary Company	-	-
Investment made in Debentures of Subsidiary Company	-	-
Utilisation of Capital Grant for DST Saur Stambh Project	3,44,392	-
Long Term Loans & Advances	-	17,71,908
Purchase of new assets (net of sale proceed)	27,26,922	23,53,081
Security deposit paid	6,81,859	8,74,931
<b>Sub Total</b>	<b>5,16,26,019</b>	<b>3,10,78,051</b>
<b>(C) Net cash generated from Investment activity (a-b)</b>	<b>-1,97,96,030</b>	<b>1,43,91,995</b>
<b>3. Cash Flows from Financing Activities</b>		
<b>(A) Net cash inflow from financing activity</b>		
Increase in long term borrowing	-	-
Proceeds from issue of equity shares	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>(B) Net cash outflow from financing activity</b>		
Dividend Paid	35,30,047	-
Decrease in long term borrowing	-	-
<b>Sub Total</b>	<b>35,30,047</b>	<b>-</b>
<b>(C) Net cash generated from Financing activity (a-b)</b>	<b>-35,30,047</b>	<b>-</b>
<b>4. Net Increase/(Decrease) in Cash (1+2+3)</b>	<b>26,42,201</b>	<b>-20,98,999</b>
Cash and cash equivalents at the beginning of the year	78,49,943	99,48,942
<b>5. Cash and cash equivalents at the end of the year</b>	<b>1,04,92,144</b>	<b>78,49,943</b>



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# AARTECH SOLONICS LIMITED

## CONSOLIDATED AUDITED FINANCIAL STATEMENTS

OCTOBER – MARCH

(FOR THE HALF YEAR ENDING SEPTEMBER 30, 2022)

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

Tel. No. 91-755-4276335/2463693  
Fax No. 91-755-2463593  
E-mail: [fa@aartechsolonics.com](mailto:fa@aartechsolonics.com)  
Website: [www.aartechsolonics.com](http://www.aartechsolonics.com)

Auditors:  
***S. Ramanand Aiyar & Co.***  
Chartered Accountants  
51, Ratan Lok Colony  
Scheme No. 53,  
Vijay Nagar, Indore  
E-Mail: [indore@sraco.in](mailto:indore@sraco.in)

# *S. Ramanand Aiyar & Co.*

## CHARTERED ACCOUNTANTS

51, Ratna lok Colony, Scheme No. 53, Vijay Nagar, INDORE- 452011 (M.P.)  
Tel: 0731-4066810, E-mail : indore@sraco.in, www.sraco.in

### INDEPENDENT AUDITORS' REPORT

To the Members of AARTECH SOLONICS LIMITED

#### Report on Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of AARTECH SOLONICS LIMITED (herein referred to as the holding company), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2022, the consolidated statement of Profit and Loss Account and the consolidated Cash Flow Statement for the half year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

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

The Holding Company's Board Of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirement the Companies Act, 2013 ("the Act") that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Consolidated 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 Standard) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records; relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting 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 Consolidated Financial Statements are free from material misstatement. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated 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 Consolidated Financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated 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 Consolidated State of Affairs of the Group as at March 31, 2022, its Consolidated Profit, and its Consolidated Cash Flows for the half year ended on that date.

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



**CA Amit Singhvi**  
Partner  
(Membership No.: 129331)  
Place: Bhopal  
Date: May 12, 2022



UDIN: 22129331AIVITT6188



**AARTECH SOLONICS LIMITED****Consolidated Balance Sheet as at 31st March 2022**


Particulars	Notes	As at 31st March 2022	As at 30th September 2021
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	10,59,01,250	7,06,00,940
Reserves & Surplus	3	16,81,85,545	16,71,40,190
<b>Minority Interest</b>	4	-2,94,715	-10,62,632
<b>Non Current Liabilities</b>			
Long term Borrowings	5	-	-
Deferred Tax Liabilities (Net)	6	16,30,330	14,09,563
<b>Government Grant</b>	7	47,75,688	54,58,799
<b>Current Liabilities</b>			
Short Term Borrowings	8	65,17,600	1,55,83,111
Trade Payables	9	2,20,47,905	1,17,25,857
Other Current Liabilities	10	9,00,541	13,67,187
Short Term Provisions	11	1,08,51,914	29,41,294
<b>TOTAL</b>		<b>32,05,16,058</b>	<b>27,51,64,309</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
- Tangible Assets	12	3,79,55,131	3,75,83,947
- Intangible Assets			
- Capital Work-in-Progress			
Non-Current Investments	13	1,59,77,029	1,59,77,029
Long Term Loans and Advances	14	6,49,72,478	6,42,90,619
Other Non Current Assets			
<b>Current Assets</b>			
Current Investments	15	7,83,44,751	5,13,06,139
Inventories	16	2,75,54,056	3,12,41,692
Trade Receivables	17	7,18,41,198	4,82,66,488
Cash and Cash Equivalent	18	1,20,34,340	82,43,003
Short Term Loans and Advances	19	62,76,478	87,81,603
Other Current Assets	20	55,60,597	94,73,789
		<b>32,05,16,058</b>	<b>27,51,64,309</b>

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

The accompanying notes are integral part of the Financial Statements

Signed in terms of our report of even date

For **S. Ramanand Aiyer & Co.**  
Chartered Accountants

  
**CA Amit Singhvi**  
Partner  
(Membership No. 129331)

Place : Bhopal  
Date : May 12, 2022

UDIN: 22129331AIVIT6188

For and on behalf of the Board of Directors

  
**Amit A. Raje**  
Chairman & Managing  
Director

  
**Arati Nath**  
Chief Executive Officer

  
**Pradeep Narkhede**  
Chief Financial Officer

  
**K.R. Tanuj Reddy**  
Company Secretary



**AARTECH SOLONICS LIMITED****Consolidated Statement of Profit and Loss for the half year ended 31st March 2022**

	Notes	For the half year ended 31st March 2022	For the half year ended 30th September 2021
<b>REVENUES</b>			
Revenue from operations	21	13,19,26,516	3,14,37,163
Other income	22	77,69,545	67,47,853
<b>TOTAL REVENUE</b>		<b>13,96,96,061</b>	<b>3,81,85,016</b>
<b>EXPENDITURES</b>			
Cost of materials consumed	23	4,80,97,910	3,52,31,125
Change in inventories of finished goods and work in process	24	98,20,852	-1,00,05,997
Employee benefit expenses	25	1,53,14,483	1,24,18,433
Finance costs	26	9,11,071	8,67,714
Depreciation and amortization expenses	27	16,74,688	17,61,486
Other expenses	28	1,71,79,750	1,03,68,486
<b>TOTAL EXPENSES</b>		<b>9,29,98,754</b>	<b>5,06,41,248</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>4,66,97,307</b>	<b>-1,24,56,232</b>
Exceptional Items			
<b>Profit before extraordinary items and tax</b>		<b>4,66,97,307</b>	<b>-1,24,56,232</b>
Extraordinary Items			
<b>Profit before tax</b>		<b>4,66,97,307</b>	<b>-1,24,56,232</b>
<b>Tax Expense</b>			
Current Tax	29	59,24,565	-
Deferred Tax	30	2,20,767	1,20,716
<b>Profit for the year</b>		<b>4,05,51,975</b>	<b>-1,25,76,948</b>
<b>Earnings per equity share (Par value of ₹ 10 each)</b>			
Basic (₹)		3.76	0.71
Diluted (₹)		3.76	0.71

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

The accompanying notes are integral part of the Financial Statements

Signed in terms of our report of even date

For S. Ramanand Aiyar & Co.  
Chartered Accountants

  
CA Amit Singhvi  
Partner  
(Membership No. 129331)

UDIN:

Place : Bhopal

Date : May 12, 2022

UDIN: 22129331AIVITT6188

For and on behalf of the Board of Directors

  
Amit A. Raje  
Chairman & Managing  
Director

  
Arati Nath  
Chief Executive Officer

  
Prageep Narkhede  
Chief Financial Officer

  
K.R. Tanuj Reddy  
Company Secretary



# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Half Year ended March 31, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 CORPORATE INFORMATION

The Consolidated Financial Statements comprise financial statements of "Aartech Solonics Limited" ("the Holding Company") and its subsidiaries "AIC- Aartech Solonics Private Limited & Faradigm Ultracapacitors Private Limited (collectively referred to as "the Group") for the half year ended 30<sup>th</sup> September 2021. AIC-Aartech Solonics Private Limited & Faradigm Ultracapacitors Private Limited is wholly owned subsidiaries of Aartech Solonics Limited.

#### 1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

#### 1.3 PRINCIPLES OF CONSOLIDATION

- 1.1.1. The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- 1.1.2. Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- 1.1.3. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- 1.1.4. The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.
- 1.1.5. Minority Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.

#### 1.4 PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS

The Schedule III notified under the Companies Act, 2013, has become applicable to the Group, 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 Group has also reclassified the previous year figures in accordance with the requirements applicable in the current year.



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Half Year ended March 31, 2022

### 1.5 USE OF ESTIMATES

The preparation of Consolidated 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 Consolidated 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 recognised in the period in which the results are known / materialised.

### 1.6 REVENUE RECOGNITION

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

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

#### Interest Income

Interest Income from a financial asset is recognised using Effective Interest Rate Method.

#### Dividend Income

Dividend Income is recognised when the Group's right to receive the amount has been established.

### 1.7 INVENTORIES

- a. 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.
- b. 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.
- c. Historical cost is determined on the basis of weighted average method.
- d. Obsolete stocks are identified once every year on the basis of technical evaluation and are charged off to revenue.



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Half Year ended March 31, 2022

- e. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### 1.8 INVESTMENTS

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

### 1.9 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.

### 1.10 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.

### 1.11 DEPRECIATION & AMORTISATION

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



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Half Year ended March 31, 2022

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

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

### 1.12 IMPAIRMENT OF ASSETS

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

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

### 1.13 FOREIGN CURRENCY TRANSACTIONS

- 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.

### 1.14 RESEARCH AND DEVELOPMENT

The Holding 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 Holding 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.



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Half Year ended March 31, 2022

### 1.15 EMPLOYEES BENEFITS

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

i. **Provident Fund & ESI**

The Holding 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 Holding Company has formed a gratuity trust with Life Insurance Corporation of India during the year ending March 31<sup>st</sup> 2018. 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 Holding 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 Holding 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.

### 1.16 LEASES

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

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

### 1.17 TAXES ON INCOME

The tax expense for the period comprises of current tax and deferred income tax. 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



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Half Year ended March 31, 2022

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.

### 1.18 GOVERNMENT GRANTS AND SUBSIDIES

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

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

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

### 1.19 BORROWING COST

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

### 1.20 PROVISIONS, 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 Group.

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



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Half Year ended March 31, 2022

### 1.21 EARNINGS PER SHARE

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

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

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



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the half Year ended 31st March, 2022

### 2. SHARE CAPITAL

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
<b>Authorized Share Capital:</b>		
100,20,000 Equity shares of ` 10 each	15,02,00,000	10,02,00,000
<b>Total</b>	<b>15,02,00,000</b>	<b>10,02,00,000</b>
<b>Issued, subscribed and Paid up:</b>		
70,60,094 Equity shares of ` 10 each fully paid	10,59,01,250	7,06,00,940
<b>Total</b>	<b>10,59,01,250</b>	<b>7,06,00,940</b>

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

Particulars	(Number of equity shares)	
	As at 31st March 2022	As at 30th September 2021
Equity Shares at the beginning of the year	72,60,094	72,60,094
Add : Equity shares issued during the year		
- as fully paid up bonus shares	35,30,031	-
- as fully paid up shares for cash		-
Less : Shares cancelled on buy back of Equity Shares	-	-
<b>Equity Shares at the end of the year</b>	<b>1,07,90,125</b>	<b>72,60,094</b>

### 2.2 Terms / rights attached to Equity Shares

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



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the half Year ended 31st March, 2022

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

Name of Share Holders	No. of Shares	% held
<b>As at March 31, 2022</b>		
<b><u>Aartech Solonics Limited</u></b>		
Mr. Anil Anant Rajee	23,38,000	22.08%
Mrs. Chhaya Anil Rajee	13,99,999	13.22%
Mrs. Prajakta Shashikant Kulkarni	16,38,000	15.47%
Mr. Amit Anil Rajee	15,31,600	14.46%
Ashtamangal Projects Limited	9,18,000	8.67%

### **Faradigm Ultracapacitors Private Limited**

Aartech Solonics Ltd	9,500	95.00%
Mr. Anil Anant Rajee (Minority Interest)	500	5.00%

Since, Mr. Anil Anant Rajee does not have any beneficial interest in the shares, the company Faradigm Ultracapacitors Private Limited is a wholly owned subsidiary of Aartech Solonics Ltd as it is having 100% beneficial interest in the shares of Faradigm Ultracapacitors Private Limited.

### **AIC-Aartech Solonics Private Limited**

Aartech Solonics Ltd	9,900	99.00%
Mr. Anil Anant Rajee (Minority Interest)	100	1.00%

Nominee shareholder holding shares on behalf of Aartech Solonics Ltd U/s 187 of Companies Act 2013. Hence, AIC-Aartech Solonics Pvt Ltd is a wholly owned subsidiary of Aartech Solonics Ltd as per the said section

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.



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the half Year ended 31st March, 2022

### 3. RESERVES AND SURPLUS

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
<b>a) Capital Reserve</b>		
Balance as per last Financial Statements	35,52,358	35,52,358
Add : Transferred from the statement of profit and loss	-	-
<b>Closing Balance</b>	<b>35,52,358</b>	<b>35,52,358</b>
<b>b) General Reserve</b>		
Balance as per last Financial Statements	9,69,15,392	9,69,15,392
Add : Transferred from the statement of profit and loss	-	-
Less : Bonus Shares Issued	-3,53,00,310	-
<b>Closing Balance</b>	<b>6,16,15,082</b>	<b>9,69,15,392</b>
<b>c) Securities Premium</b>		
Balance as per last Financial Statements	5,09,20,000	5,09,20,000
Add : Received during the year on issue on share	-	-
<b>Closing Balance</b>	<b>5,09,20,000</b>	<b>5,09,20,000</b>
<b>d) Surplus / (deficit) balance in statement of profit and loss during the year</b>		
Balance as per last Financial Statements	1,57,52,440	2,80,15,648
Add : Profit for the year	4,05,51,975	-1,25,76,948
Add : Provision for Income Tax	91,654	-
Less: Appropriations:		
- Share of Minority Interest (Refer note 4)	7,67,917	-3,13,740
- Transferred to General Reserve	-	-
- Dividend paid on Equity Shares	35,30,047	-
<b>Closing Balance</b>	<b>5,20,98,105</b>	<b>1,57,52,440</b>
<b>Total</b>	<b>16,81,85,545</b>	<b>16,71,40,190</b>

### 4. MINORITY INTEREST

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
<b>AIC - AARTECH SOLONICS PRIVATE LIMITED</b>		
- Share Capital of AIC-Aartech Solonics Pvt Ltd	1,000	1,000
- Profit & Loss of AIC-Aartech Solonics Pvt Ltd	-1,88,615	-1,70,648
	<b>-1,87,615</b>	<b>-1,69,648</b>
<b>FARADIGM ULTRACAPACITORS PRIVATE LIMITED</b>		
- Share Capital of Faradigm Ultracapacitors Pvt Ltd	5,000	5,000
- Profit & Loss of Faradigm Ultracapacitors Pvt Ltd	-1,12,100	-8,97,984
	<b>-1,07,100</b>	<b>-8,92,984</b>
<b>Total</b>	<b>-2,94,715</b>	<b>-10,62,632</b>



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the half Year ended 31st March, 2022

### 5. LONG TERM BORROWINGS

Particulars	As at	As at
	31st March 2022	30th September 2021
Secured Loan from HDFC Bank	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

### 6. DEFERRED TAX LIABILITIES (Net)

Particulars	As at	As at
	31st March 2022	30th September 2021
Deferred tax liability as on March 31, 2021	14,09,563	12,88,847
Add: Deferred tax Liability arising on account of difference in Depreciation as per Companies Act and as per Income Tax Act	1,20,742	1,20,716
Add: Deferred tax Liability arising on account of section 43B of Income Tax Act	97,424	-
Add: Deferred tax liability arising on account of section 35D of Income Tax Act	2,601	-
<b>Deferred tax liability as on March 31, 2022</b>	<b>16,30,330</b>	<b>14,09,563</b>

- 6.1 The deferred tax assets and liabilities have been recognised 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.

### 7. GOVERNMENT GRANT

Particulars	As at	As at
	31st March 2022	30th September 2021
- Grant received from Niti Aayog	26,28,239	26,28,239
- Unspent Capital Grant for DST Project "Saur Stambh"	14,37,608	17,82,000
- Unspent Revenue Grant for DST Project "Saur Stambh"	7,09,841	10,48,560
<b>Total</b>	<b>47,75,688</b>	<b>54,58,799</b>

### 8. SHORT TERM BORROWINGS

Particulars	As at	As at
	31st March 2022	30th September 2021
- HDFC Bank CC Account	65,17,600	1,25,23,105
- HDFC Bank (Bill Discounting)	-	30,60,006
<b>Total</b>	<b>65,17,600</b>	<b>1,55,83,111</b>



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the half Year ended 31st March, 2022

### 9. TRADE PAYABLES

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Micro, Small and Medium Enterprises	15,88,224	1,67,385
Other	2,04,59,681	1,15,58,472
<b>Total</b>	<b>2,20,47,905</b>	<b>1,17,25,857</b>

### 10. OTHER CURRENT LIABILITIES

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Audit Fees Payable	1,10,000	-
Rent Payable	-	1,57,500
Electricity Expenses Payable	56,626	5,67,000
Telephone & Mobile Expenses	-	66,995
Water Charges Payable	-	-
Professional Fees Payable	81,000	-
Expenses Payable	3,23,485	81,000
Advance from Customers	3,29,430	2,57,134
Other Payables	-	2,37,558
<b>Total</b>	<b>9,00,541</b>	<b>13,67,187</b>

### 11. SHORT TERM PROVISIONS

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
<b>Provision for Employee Benefits:</b>		
- Salary and Reimbursements	35,69,992	12,44,158
- Statutory Bonus	3,74,708	-
- Contribution to ESIC and Provident Fund	1,39,181	1,43,762
<b>Others:</b>		
- Tax Deducted ay source Payable	-	-
- GST Payable	16,23,953	3,65,231
- Professional Tax Payable	5,496	2,956
- Provision for Income Tax	51,38,584	11,85,187
<b>Total</b>	<b>1,08,51,914</b>	<b>29,41,294</b>



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## AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Half Year ended 31st March, 2022

### 12. FIXED ASSETS

Particulars	Gross Block				Depreciation/Amortisation			Net Block		
	As at 01/10/2021	Additions	(Deductions)	As at 31/03/2022	As at 01/10/2021	For the year	Deduction	As at 31/03/2022	As at 01/10/2021	As at 31/03/2022
	(Amount in `)									
Tangible Assets:										
Land	17,90,732	-	-	17,90,732	-	-	-	-	17,90,732	17,90,732
Building	2,34,17,612	-	-	2,34,17,612	80,72,952	3,71,169	-	84,44,121	1,53,44,660	1,49,73,491
Plant & Machinery	1,84,11,915	8,82,450	-	1,92,94,365	41,29,380	6,02,766	-	47,32,146	1,42,82,535	1,45,62,219
Electrification	29,30,585	3,06,928	-	32,37,513	20,86,493	79,286	-	21,65,779	8,44,092	10,71,734
Office Equipment	34,69,884	1,34,057	-	36,03,940	29,33,181	92,607	-	30,25,788	5,36,703	5,78,152
Computer & Accessories	36,21,533	5,63,677	-	41,85,210	33,62,341	1,81,349	-	35,43,690	2,59,192	6,41,520
Testing Equipment	31,52,135	3,136	-23,36,361	8,18,910	21,88,951	64,543	-15,98,851	6,54,643	9,63,184	1,64,267
Furniture & Fixtures	70,08,275	2,76,600	-	72,84,875	57,21,684	1,15,707	-	58,37,391	12,86,591	14,47,484
Vehicles	33,82,304	-	-	33,82,304	26,24,496	77,300	-	27,01,796	7,57,808	6,80,508
Tools	23,18,098	6,16,534	-	29,34,632	7,99,648	89,960	-	8,89,608	15,18,450	20,45,024
<b>Total</b>	<b>6,95,03,073</b>	<b>27,83,382</b>		<b>6,99,50,093</b>	<b>3,19,19,126</b>	<b>16,74,687</b>	<b>-15,98,851</b>	<b>3,19,94,962</b>	<b>3,75,83,947</b>	<b>3,79,55,131</b>

10.2 Aartech Solonics Ltd had sold Plant & Machinery amounting to ` 1,01,78,098 to Faradigm Ultracapacitors Pvt Ltd the plant & machinery is recorded at cost i.e. ` 81,26,978.



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the half Year ended 31st March, 2022

### 13. NON CURRENT INVESTMENT

(Amount in `)

Particulars	As at	As at
	31st March 2022	30th September 2021
Investment in property	1,30,64,811	1,30,64,811
Other Investment	1,000	1,000
Investments in equity instruments:		
– Dena Bank Equity	54,640	54,640
– Enerqual Technology Private Limited	3,00,000	3,00,000
– Umang Shridhar Design Private Limited	25,00,000	25,00,000
– Ansheo Nutraware Private Limited	25,000	25,000
– Investment In Bozobaka Labs Private Limited	31,578	31,578
<b>Total</b>	<b>1,59,77,029</b>	<b>1,59,77,029</b>

### 14. LONG TERM LOANS & ADVANCES

(Amount in `)

Particulars	As at	As at
	31st March 2022	30th September 2021
Other Loans and Advances (Unsecured, considered good)	6,02,23,302	6,02,23,302
Security Deposits (Unsecured Considered Good)	47,49,176	40,67,317
<b>Total</b>	<b>6,49,72,478</b>	<b>6,42,90,619</b>

14.1 Security deposits represents amount of security deposits for Electricity, Rent, Telephone, Security Deposite against Orders and Earnest Money Deposits paid by the Company.



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the half Year ended 31st March, 2022

### 15. CURRENT INVESTMENT

(Amount in `)

Particulars	As at	As at
	31st March 2022	30th September 2021
<b>Investments in mutual funds (Instrument wise):</b>		
- Aditya Birla Sunlife Equity Advantage Growth Fund	1,00,000	11,00,000
- Kotak Low Duration Fund Standard Growth	-	17,36,418
- Nippon India Ultra Short Duration Fund Growth Plan	3,94,48,685	
- Aditya Birla Sun Life Banking and Financial Services	5,38,082	5,38,082
- Aditya Birla Sun Life Dynamic Bund Fund Growth	-	5,00,000
- Aditya Birla Sun Life Flexi Cap Fund Growth Regular Plan	-	25,00,000
- Aditya Birla Sun Life India Gen Next Fund Growth	10,00,000	10,00,000
- Aditya Birla Sun Life MNC Fund Growth Plan	10,00,000	10,00,000
- Aditya Birla Sun Life Overnight Fund Growth Plan	1,194	1,194
- DSP Mid Cap Fund Regular Plan Growth	1,00,000	22,00,000
- HDFC Small Cap Fund Regular Plan	8,50,000	5,50,000
- HDFC Top 100 Fund Regular Growth Plan	9,48,129	6,48,129
- IDFC Bond Fund Medium Term Plan Growth	1,00,000	
- IDFC Ultra Short Term Fund Regular Plan	1,00,000	
- Invesco India Gilt Fund Growth Plan	1,00,000	1,00,000
- Kotak Balanced Advantage Fund Growth	9,29,592	9,29,592
- Kotak Emerging Equity Scheme Growth Regular Plan	8,50,000	5,50,000
- Kotak Equity Opportunities Fund Growth Regular Plan	3,00,000	
- Kotak Pioneer Fund Growth Regular Plan	13,48,623	13,48,623
- Kotak Nifty Next 50 Index Fund Growth Regular Plan	1,75,162	1,75,162
- Kotak Global Innovation Fund Growth Regular Plan	10,000	10,000
- Nippon India Banking & Financial Services Fund Growth Plan	18,24,893	15,50,000
- Nippon India CPSE ETF Fund	1,75,004	1,75,004
- Nippon India Growth Fund Growth Plan	-	14,01,131
- Nippon India Large Cap Fund Growth Plan	58,21,097	68,54,316
- Nippon India Multi Cap Fund Growth Plan	14,24,848	12,96,920
- Nippon India Overnight Fund Growth Plan	5,024	
- Nippon India Short Term Fund Growth Plan	9,706	3,22,501
- Nippon India Small Cap Fund-Growth Plan	3,18,721	8,00,000
- Nippon India Value Fund Growth Plan	8,00,000	4,70,000
- Nippon India Gold Savings Fund Growth Plan	-	40,000
- Nippon India Multi Asset Fund Growth Plan (MFGPG)	-	20,00,000
- Aditya Birla Sun Life Floating Rate Fund Growth Regular Plan	-	5,00,000
- IDFC Sterling Value Fund Growth Regular Plan	5,02,597	5,02,597
- IDFC Balanced Advantage Fund Regular Plan Growth	3,21,000	3,21,000
- Nippon India Pharma Fund Growth Plan	4,83,290	4,83,290
- Nippon India Passive Flexicap FOF Growth Plan	3,22,501	50,00,000
- Nippon India Asset Allocator FOF Growth Plan	-	15,00,000



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the half Year ended 31st March, 2022

- Nippon India Nifty Midcap 150 Index Fund Growth Plan	-	10,42,187
- DSP Flexi Cap Fund Regular Plan Growth	15,64,210	15,64,210
- Tata Balances Advantage Fund Regular Plan Growth	5,95,783	5,95,783
- Nippon India Flexi Cap Fund Growth Plan	1,00,00,000	1,00,00,000
- Tata Resources & Energy Fund Regular Plan Growth	5,00,475	-
- Nippon India Multi Cap Fund Growth Plan (466218393367)	1,99,000	-
- Nippon India Ultra Short Duration Fund Growth Plan (466218393367)	4,77,136	-
- Nippon India Taiwan Equity Fund Growth Plan	45,00,000	-
- Nippon India Power & Infra Fund Growth Plan	6,00,000	-
<b>Total</b>	<b>7,83,44,751</b>	<b>5,13,06,139</b>

### 16. INVENTORIES

(Amount in `)

Particulars	As at	As at
	31st March 2022	30th September 2021
Raw Materials and components	2,64,98,023	2,03,64,808
Work-in-progress	10,25,325	1,08,46,177
Finished Goods	30,708	30,708
Stock in trade	-	-
<b>Total</b>	<b>2,75,54,056</b>	<b>3,12,41,692</b>

### 17. TRADE RECEIVABLES

(Amount in `)

Particulars	As at	As at
	31st March 2022	30th September 2021
Outstanding for less than 6 months from the due date (Unsecured, considered good)	5,47,14,161	2,68,75,749
Outstanding for more than 6 months from the due date (Unsecured, considered good)	1,71,27,037	2,13,90,740
<b>Total</b>	<b>7,18,41,198</b>	<b>4,82,66,488</b>



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the half Year ended 31st March, 2022

### 18. CASH AND CASH EQUIVALENTS

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Balances with banks:		
– Earmarked Balances	-	-
– Guarantees (refer note no. 18.1)	56,68,938	55,28,176
– Other Commitments (refer note no. 18.2)	61,34,780	24,02,679
Cash on hand	27,130	33,000
Others (refer note no. 18.3)	2,03,492	2,79,149
<b>Total</b>	<b>1,20,34,340</b>	<b>82,43,003</b>

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

18.2 Other commitments represent balances with banks.

18.3 Others represent imprest given to employees for incurring expenses.

### 19. SHORT TERM LOANS AND ADVANCES

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
<b>Unsecured Loans and Advances: (Unsecured, considered good)</b>		
Advance to Suppliers	42,66,629	56,92,810
Advance to Employees	16,79,485	28,22,850
Prepaid Expenses	3,30,364	2,65,943
Other Loans and Advances	-	-
<b>Total</b>	<b>62,76,478</b>	<b>87,81,603</b>

### 20. OTHER CURRENT ASSETS

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Income Tax Refund Receivable AY 2020-2021	2,22,279	3,04,218
TDS Receivable	1,21,011	3,89,377
TCS Receivable	-	9,919
Excise Duty Receivables	-	1,85,118
Accrued Interest	74,510	18,33,743
GST Receivable	51,42,797	67,51,413
<b>Total</b>	<b>55,60,597</b>	<b>94,73,789</b>



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the half Year ended 31st March, 2022

### 21. REVENUE FROM OPERATIONS

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Sale of Products	12,34,63,581	2,76,29,037
Sale of Services	84,62,935	38,08,126
<b>Total</b>	<b>13,19,26,516</b>	<b>3,14,37,163</b>

### 22. OTHER INCOME

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
- Interest Income	5,121	2,08,199
- Rental Income	1,32,344	1,26,816
- Dividend Income	-	-
- Revenue Government Grant for DST Project - "Saur Stambh"	3,38,719	-
- Net gain/(- loss) on sale of investments	50,01,517	62,72,688
- Net gain on foreign currency transaction and translation	-7,446	96,082
- Other non-operating income	42,927	44,068
- Profit on sale of Fixed Assets	22,56,363	-
<b>Total</b>	<b>77,69,545</b>	<b>67,47,853</b>

### 23. COST OF MATERIALS CONSUMED

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Purchase of Raw Materials	5,42,31,125	3,47,53,517
Opening Balance of Raw Materials	2,03,64,808	2,08,42,416
Less : Closing Balance of Raw Materials	2,64,98,023	2,03,64,808
<b>Total</b>	<b>4,80,97,910</b>	<b>3,52,31,125</b>

### 24. CHANGE IN INVENTORIES

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Finished goods:		
Opening Balance	30,708	10,608
Less: Closing Balance	30,708	30,708
		<b>-20,100</b>
Work-in-Progress:		
Opening Balance	1,08,46,177	8,60,280
Less: Closing Balance	10,25,325	1,08,46,177
	<b>98,20,852</b>	<b>-99,85,897</b>
<b>Total</b>	<b>98,20,852</b>	<b>-1,00,05,997</b>



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the half Year ended 31st March, 2022

### 25. EMPLOYEE BENEFIT EXPENSES

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Salaries and Wages:		
– Directors Remuneration	20,76,174	20,76,174
– Staff Salary	1,06,51,263	91,48,473
– Salary relates to Recognised Research & Development Facility	3,64,284	5,88,269
– Statutory Bonus	7,48,302	-
Contribution to Provident Fund and Other Funds	4,63,164	4,75,039
Staff Welfare Expenses	10,11,296	1,30,478
<b>Total</b>	<b>1,53,14,483</b>	<b>1,24,18,433</b>

### 26. FINANCE COST

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Interest Expenses	6,57,555	6,24,264
Other borrowing costs	2,53,517	2,43,450
<b>Total</b>	<b>9,11,071</b>	<b>8,67,714</b>

### 27. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
Depreciation of tangible assets	16,74,688	17,61,486
Amortisation of intangible assets	-	-
<b>Total</b>	<b>16,74,688</b>	<b>17,61,486</b>



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the half Year ended 31st March, 2022

### 28. OTHER EXPENSES

Particulars	(Amount in `)	
	As at 31st March 2022	As at 30th September 2021
<b>Administrative Expenses</b>		
Audit fees	70,000	50,000
Director Sitting Fees	30,000	60,000
Membership & Registration Fees	54,502	1,18,484
Insurance Expenses	1,22,405	89,758
Internet Expenses	1,69,490	1,16,298
Legal Expenses	7,95,224	76,644
Professional & Consultancy Expenses	44,62,426	7,41,485
Electricity Expenses	23,125	51,021
Office Expenses	1,16,742	1,10,348
Petrol & Diesel	2,05,972	1,53,924
Postage & Courier Charges	10,721	13,702
Printing & Stationery Expenses	82,860	50,397
Rates and Taxes	9,452	51,756
Rent Office	9,00,000	9,00,000
Repairs & Maintenance	4,61,182	3,33,750
Vehicle Repairs & Maintenance	1,05,170	1,50,608
TCS ERP Solution	-	2,94,957
Security Expenses	61,937	66,198
Telephone & Mobile Expenses	87,385	79,685
Water Charges	79,971	54,480
Incubation Centre Expenses	48,230	2,15,307
Miscellaneous administrative expenses	7,76,822	5,03,671
<b>Total (A)</b>	<b>86,73,617</b>	<b>42,82,473</b>
<b>Manufacturing Expenses</b>		
Power and Fuel	4,89,622	4,29,959
Rent Factory	2,10,000	1,57,075
Job Work Expenses	19,37,118	9,51,967
Site Development expenses	2,22,047	9,227
Repairs to machinery	38,277	2,61,665
Testing & Calibration Charges	2,98,480	4,500
MPIDC Annual Maintenance Charges	-	87,607
Labour Charges	7,71,605	-
Drawing & Design Charges	-	6,51,600
Miscellaneous manufacturing expenses	-	2,75,709
<b>Total (B)</b>	<b>39,67,149</b>	<b>28,29,309</b>
<b>Selling and Marketing Expenses</b>		
Advertisement and business promotion expenses	3,55,786	57,694
Sales Commission	8,89,684	7,96,341
Travelling Expenses	12,47,002	6,61,049
Late Delivery	2,81,100	8,27,980
Transportation Outward	12,57,181	8,27,572
Tender Fees	71,649	70,252
Other Selling Expenses	3,44,949	11,102
<b>Total (C)</b>	<b>44,47,351</b>	<b>32,51,990</b>



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the half Year ended 31st March, 2022

### Research & Development Expenses

Material Consumed	67,820	4,714
Travelling Expenses	22,258	-
Other Expenses	1,556	-
<b>Total (D)</b>	<b>91,634</b>	<b>4,714</b>

Loss due to Foreign Currency Fluctuation (E)

<b>Total Other Expenses (A+B+C+D+E)</b>	<b>1,71,79,750</b>	<b>1,03,68,486</b>
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### 29. CURRENT TAX

Provision for current tax is made in the statement of profit and loss for the year ending March 31, 2022 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, 2022 (assessment year 2022 -23), the income tax computed under the other provisions (provisions of the Income Tax Act other than Chapter XII-B) amounts to ₹ 48,33,136 and income tax computed under the provisions of chapter XII-B of Income Tax Act amounts to ₹ 59,24,565. The provision of ₹ 59,24,565 has been made after utilising MAT credit.

### 30. DEFERRED TAX EXPENSE

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

<b>30.1</b>	Deferred tax impact of the timing difference in depreciation as per the Companies Act, 2013 and depreciation as per		
-	Depreciation as per Income Tax Act, 1961	:	21,39,077
-	Depreciation as per Companies Act, 2013	:	16,74,688
-	Difference	:	4,64,389
-	Deferred tax impact (Income)	:	1,20,742
<b>30.2</b>	Deferred tax impact of the timing difference due in preliminary expenses as per the statement of profit and loss for the period disallowed under section 35D of Income Tax Act, 1961 –		
-	Preliminary Expenses (1/5th ) as per Income Tax Act, 1961	:	10,004
-	Preliminary Expenses as per Books	:	-
-	Timing difference between the Book Profit and Taxable Profit	:	10,004
-	Deferred Tax Liability/ (Asset)	:	2,601
<b>30.3</b>	Deferred tax impact on Unpaid bonus not deductible u/s 43B of Income Tax Act		
	Unpaid bonus not deductible u/s 43B of Income Tax Act	:	3,74,708
	Unpaid bonus paid during the year	:	-
	Difference	:	3,74,708
	Deferred Tax Expense/(Income)	:	97,424
<b>30.3</b>	Net deferred tax expense debited to statement of profit and loss for the period is		2,20,767



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# AARTECH SOLONICS LIMITED

## Statement of Consolidated Cash Flow for the Half year ended 31st March 2022

Particulars	As at 31st March 2022	As at 30th September 2021
<b>1. Cash Flows from Operating Activities</b>		
Net Profit and Loss a/c ( as per profit and loss account)	4,05,51,975	-1,25,76,948
<b>Add : (A) Apportionment of Fund :</b>		
Provision for tax made during the year	59,24,565	-
Deferred Tax	2,20,767	1,20,716
<b>Net Profit before taxation and extra ordinary items</b>	<b>4,66,97,307</b>	<b>-1,24,56,232</b>
<b>Add : (B) Non operating Expenses :</b>		
Depreciation during the year	16,74,688	17,61,486
<b>Sub Total</b>	<b>16,74,688</b>	<b>17,61,486</b>
<b>Less : (C) Non operating Income :</b>		
Interest Income	5,121	2,28,199
Rental Income	1,32,344	1,26,816
Dividend Income	-	-
Net gain/(- loss) on sale of investments	50,01,517	62,72,688
Other non-operating income	42,927	24,068
Revenue Government Grant	-	-
Profit on sale of fixed assets	22,56,363	-
<b>Sub Total</b>	<b>74,38,272</b>	<b>66,51,771</b>
<b>(D) Operating Profit Before Working Capital Changes (A+B-C)</b>	<b>4,09,33,723</b>	<b>-1,73,46,517</b>
<b>Add : (E) Increase in current liabilities and decrease in current assets:</b>		
Decrease in Inventory	36,87,636	-
Decrease in Account Receivable	-	1,56,16,274
Decrease in Short term Loans and Advances	25,05,125	1,05,368
Decrease in Other Current Assets	39,13,192	-
Increase in Short term borrowings	-	68,27,684
Increase in Trade Payables	1,03,22,048	-
Increase in Short Term Provisions	39,57,223	-
Increase in Other Current Liabilities	-	4,71,207
<b>Sub Total</b>	<b>2,43,85,224</b>	<b>2,30,20,533</b>
<b>Less : (F) Increase in current assets and decrease in current liabilities:</b>		
Increase in Inventory	-	95,28,388
Increase in Account Receivable	2,35,74,710	-
Increase in Short Term Loans and Advances	-	-
Increase in Other Current Assets	-	37,36,435
Decrease in Short Term Borrowings	90,65,511	-
Decrease in Trade Payable	-	23,14,881
Decrease in Short Term Provisions	-	44,06,357
Decrease in Other Current Liabilities	4,66,646	-
<b>Sub Total</b>	<b>3,31,06,867</b>	<b>1,99,86,061</b>
<b>(G) Cash generated from Operations (D+E-F)</b>	<b>3,22,12,080</b>	<b>-1,43,12,045</b>
<b>(H) Income tax paid during the year:</b>	<b>18,79,514</b>	<b>-</b>
<b>(I) Net cash generated from operational activity (G-H)</b>	<b>3,03,32,566</b>	<b>-1,43,12,045</b>



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## 2. Cash Flows from Investing Activities

### (A) Net cash inflow from investment activity

Interest Income	5,121	2,28,199
Rental Income	1,32,344	1,26,816
Dividend Income	-	-
Net gain/(- loss) on sale of investments	50,01,517	62,72,688
Other non-operating income	42,927	24,068
Revenue Government Grant	-	10,48,560
Capital Grant from DST	-	17,82,000
Proceeds from marketable securities	2,03,24,528	3,73,04,407
Proceeds from sale of fixed assets	29,93,873	-
Realisation of security deposit	-	-

**Sub Total** **2,85,00,310** **4,67,86,738**

### (B) Net cash outflow from investment activity

Investment made in marketable securities during the year	5,15,76,298	2,53,29,725
Investment made in Property	-	-
Investment made in Subsidiary Company	-	-
Long Term Loans & Advances	-	38,40,000
Purchase of new assets	27,83,382	23,53,081
Security deposit paid	6,81,859	8,74,931

**Sub Total** **5,50,41,539** **3,23,97,737**

### (C) Net cash generated from Investment activity (a-b)

**-2,65,41,229** **1,43,89,001**

## 3. Cash Flows from Financing Activities

### (A) Net cash inflow from financing activity

Proceeds from issue of equity shares	-	-
Increase in long term borrowings	-	-

**Sub Total** **-** **-**

### (B) Net cash outflow from investment activity

Decrease in long term borrowing	-	23,11,769
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**Sub Total** **-** **23,11,769**

### (C) Net cash generated from Financing activity (a-b)

**-** **-23,11,769**

### Net Increase/(Decrease) in Cash (1+2+3)

**37,91,337** **-22,34,813**

## 4.

Cash and cash equivalents at the beginning of the year	82,43,003	1,04,77,816
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**Cash and cash equivalents at the end of the year** **1,20,34,340** **82,43,003**



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# AARTECH SOLONICS LIMITED

## AUDITED FINANCIAL STATEMENTS

(FOR THE YEAR ENDING MARCH 31, 2022)

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

Tel. No. 91-755-4276335/2463693  
Fax No. 91-755-2463593  
E-mail: [fa@aartechsolonics.com](mailto:fa@aartechsolonics.com)  
Website: [www.aartechsolonics.com](http://www.aartechsolonics.com)

Auditors:  
***S. Ramanand Aiyar & Co.***  
Chartered Accountants  
51, Ratan Lok Colony  
Scheme No. 53,  
Vijay Nagar, Indore  
E-Mail: [indore@sraco.in](mailto:indore@sraco.in)

# *S. Ramanand Aiyar & Co.*

## CHARTERED ACCOUNTANTS

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

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

### INDEPENDENT AUDITORS' REPORT

To the Members of AARTECH SOLONICS LIMITED

#### 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, 2022, 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 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, 2022, 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, 2020 ("the Order") issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act, we give in the Annexure 1 a 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, 2022 and taken on record by the Board Of Directors, none of the Directors is disqualified as on March 31, 2022 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 **S. Ramanand Aiyar & Co.**

Chartered Accountants

FRN : 000990N



**CA Amit Singhvi**

Partner

(Membership No.: 129331)



Place: Bhopal

Date: May 12, 2022

UDIN: 22129331AIVHWT2050

## 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 purposes 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 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 as 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 **S. Ramanand Aiyer & Co.**  
Chartered Accountants  
FRN : 000990N



**CA Amit Singhvi**  
Partner  
(Membership No.: 129331)



Place: Bhopal  
Date: May 12, 2022

UDIN: 22129331AIVHWT2050



# AARTECH SOLONICS LIMITED

## Balance Sheet as at March 31, 2022

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	10,59,01,250	7,06,00,940
Reserves & Surplus	3	18,37,85,888	20,83,52,027
<b>Non Current Liabilities</b>			
Long term Borrowings		-	-
Deferred Tax Liabilities (Net)	4	8,17,086	6,64,677
Government Grant	5	21,47,449	-
<b>Current Liabilities</b>			
Short Term Borrowings	6	65,17,600	87,55,427
Trade Payables	7	4,17,25,558	1,48,60,259
Other Current Liabilities	8	8,45,943	8,67,700
Short Term Provisions	9	72,44,775	70,63,572
<b>TOTAL</b>		<b>34,89,85,549</b>	<b>31,11,64,602</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
<b>Fixed Assets</b>			
- Tangible Assets	10	2,43,38,094	2,19,91,663
- Intangible Assets		-	-
- Capital Work-in-Progress		-	-
Non-Current Investments	11	6,11,14,451	6,11,14,451
Deferred Tax Assets (Net)		-	-
Long Term Loans and Advances	12	6,59,84,520	6,35,23,450
Other Non Current Assets		-	-
<b>Current Assets</b>			
Current Investments	13	7,78,37,088	5,88,90,997
Inventories	14	2,44,78,123	2,02,81,115
Trade Receivables	15	7,08,46,107	6,34,99,824
Cash and Bank Balances	16	1,04,92,144	99,48,942
Short Term Loans and Advances	17	55,05,702	83,31,999
Other Current Assets	18	83,89,320	35,82,161
		<b>34,89,85,549</b>	<b>31,11,64,602</b>

Significant accounting policies and notes to financial statements are given in note 1 to 31

The accompanying notes are integral part of the Financial Statements

Signed in terms of our report of even date

For S. Ramanand Aiyer & Co.  
Chartered Accountants



CA Amit Singhvi  
Partner  
(Membership No. 129331)

For and on behalf of the Board of Directors



Amit A. Raje  
Chairman &  
Managing Director



Arati Nath  
Chief Executive  
Officer



Pradeep Narkhede  
Chief Financial Officer



K.R. Tanuj Reddy  
Company Secretary

Place : Bhopal

Date : May 12, 2022

UDIN: 22129331AIVHWT2050



# AARTECH SOLONICS LIMITED

## Statement of Profit and Loss for the year ended March 31, 2022

	Notes	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>REVENUES</b>			
Revenue from operations	19	16,35,95,690	10,92,82,561
Other income	20	1,81,98,170	94,37,734
<b>TOTAL REVENUE</b>		<b>18,17,93,860</b>	<b>11,87,20,295</b>
<b>EXPENDITURES</b>			
Cost of materials consumed	21	10,65,92,460	5,45,05,136
Change in inventories of finished goods and work in process	22	-1,85,145	31,62,112
Employee benefit expenses	23	2,71,59,151	2,72,14,595
Finance costs	24	17,08,158	16,08,783
Depreciation and amortization expenses	25	19,96,062	21,05,459
Other expenses	26	2,73,27,977	1,99,56,872
<b>TOTAL EXPENSES</b>		<b>16,45,98,663</b>	<b>10,85,52,957</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>1,71,95,197</b>	<b>1,01,67,338</b>
Exceptional Items		-	-
<b>Profit before extraordinary items and tax</b>		<b>1,71,95,197</b>	<b>1,01,67,338</b>
Extraordinary Items		-	-
<b>Profit before tax</b>		<b>1,71,95,197</b>	<b>1,01,67,338</b>
<b>Tax Expense</b>			
Current Tax	27	28,70,224	17,50,487
Deferred Tax	28	1,52,409	33,994
<b>Profit for the year</b>		<b>1,41,72,564</b>	<b>83,82,857</b>
<b>Earnings per equity share (Par value of ₹ 10 each)</b>			
Basic (₹)		1.34	1.19
Diluted (₹)		1.34	1.19

Significant accounting policies and notes to financial statements are given in note 1 to 31

The accompanying notes are integral part of the Financial Statements

Signed in terms of our report of even date

For **S. Ramanand Aiyer & Co.**  
Chartered Accountants

**CA Amit Singhvi**  
Partner  
(Membership No. 129331)

For and on behalf of the Board of Directors

**Amit A. Raje**  
Chairman &  
Managing Director

**Arati Nath**  
Chief Executive  
Officer

**Pradeep Narkhede**  
Chief Financial Officer

**K.R. Tanuj Reddy**  
Company Secretary

Place : Bhopal  
Date : May 12, 2022

UDIN: 22129331AIVHWT2050



# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

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

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

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

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

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

#### 1.3 USE OF ESTIMATES:

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

#### 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.



# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 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 ASSETS (*Tangible*):

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.

#### 1.8 FIXED ASSETS (*Intangible*):

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

#### 1.9 EXPENSES INCURRED DURING CONSTRUCTION PERIOD:

The progress / milestone based payments made under the contracts for projects and assets under construction or development and other capital advances are considered as advances on capital account until the same are allocated to fixed assets, capital work-in-progress, and expenditure during construction and other relevant accounts, as applicable. Expenditure incidental to the construction of projects or assets under construction or development that take substantial period of time to get ready for their intended use is accumulated as expenditure during construction, pending allocation to fixed assets and other relevant accounts, as applicable.



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.10 DEPRECIATION & AMORTISATION:

Depreciation on fixed assets is provided as per straight line method. Depreciation is computed as per Part "C" of Schedule II of The Companies Act 2013. Depreciation on additions / deductions to fixed assets made during the year is provided on a pro-rata basis from / up to the date of such additions / deductions, as the case may be. Intangible assets are amortized over the best estimate of their useful lives; subject to a rebuttable presumption that such useful lives will not exceed ten years.

#### 1.11 IMPAIRMENT OF ASSETS:

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

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

#### 1.12 FOREIGN CURRENCY TRANSACTIONS:

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

#### 1.13 RESEARCH AND DEVELOPMENT:

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



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.14 EMPLOYEES BENEFITS:

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

##### (i) Provident Fund & ESI

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

##### (ii) Gratuity

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

##### (ii) 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.

Tax expense comprises of current and deferred. Provision for Current Tax is made in accordance with the provisions of Income Tax Act, 1961. In accordance with Accounting Standard AS-22 'Accounting for Taxes on Income' as notified by Companies Accounting Standard Rules, 2006, Deferred Tax Liability/ Asset arising from timing differences between book and income tax profits is accounted for at the current rate of tax to the extent these differences are expected to crystallize in later years. However, deferred Tax Assets are recognized only if there is a reasonable/ virtual certainty of realization thereof. Deferred tax is measured based on the tax rates and the tax laws enacted or substantively enacted at the balance sheet date.

#### 1.15 LEASE:

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

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



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.16 TAXES ON INCOME:

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

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

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

#### 1.17 GOVERNMENT GRANTS AND SUBSIDIES:

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

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

#### 1.18 BORROWING COST:

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

#### 1.19 PROVISIONS AND CONTINGENCIES:

A provision is recognized when there is a present obligation as a result of a past event and it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of obligation. Provisions are not discounted and are determined based on best estimate required to settle the obligation at each balance sheet date. Provisions are reviewed at each balance sheet date and are adjusted to effect the current best estimation.

#### A contingent liability is recognized for:

A present obligation that arises from past events but is not recognized as a provision because either the possibility that an outflow of resources embodying economic benefits will be required to settle the obligation is remote or a reliable estimate of the amount of the obligation cannot be made.

A possible obligation that arises from past events and the existence of which will be confirmed only by the occurrence or non-occurrence of one or more uncertain future events not wholly within the control of the Company.

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



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# **AARTECH SOLONICS LIMITED**

## **Notes on Financial Statements for the Year ended 31st March, 2022**

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

#### **1.20 EARNINGS PER SHARE:**

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

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

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



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### 2. SHARE CAPITAL

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Authorized Share Capital:</b>		
1,50,00,000 Equity shares of ₹10 each	15,00,00,000	10,00,00,000
<b>Total</b>	<b>15,00,00,000</b>	<b>10,00,00,000</b>
<b>Issued, subscribed and Paid up:</b>		
1,05,90,1250 Equity shares of ₹10 each fully paid	10,59,01,250	7,06,00,940
<b>Total</b>	<b>10,59,01,250</b>	<b>7,06,00,940</b>

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

Particulars	(Number of equity shares)	
	As at 31st March 2022	As at 31st March 2021
Equity Shares at the beginning of the year	70,60,094	70,60,094
Add : Equity shares issued during the year		
– as fully paid up bonus shares	35,30,031	-
– as fully paid up shares for cash	-	-
Less : Shares cancelled on buy back of Equity Shares	-	-
<b>Equity Shares at the end of the year</b>	<b>1,05,90,125</b>	<b>70,60,094</b>

### 2.2 Terms / rights attached to Equity Shares

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

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

Name of Share Holders	No. of Shares	% held
<b>As at March 31, 2022</b>		
Mr. Anil Anant Raje	23,38,000	22.08%
Mrs. Chhaya Anil Raje	13,99,999	13.22%
Mrs. Prajakta Shashikant Kulkarni	16,38,000	15.47%
Mr. Amit Anil Raje	15,31,600	14.46%
Ashtamangal Projects Limited	9,18,000	8.67%
<b>As at March 31, 2021</b>		
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	6,12,000	8.67%

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



Signature



# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### 3. RESERVES AND SURPLUS

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>a) Capital Reserve</b>		
Balance as per last Financial Statements	35,52,358	35,52,358
Add : Transferred from the statement of profit and loss	-	-
<b>Closing Balance</b>	<b>35,52,358</b>	<b>35,52,358</b>
<b>b) General Reserve</b>		
Balance as per last Financial Statements	9,69,15,392	9,69,15,392
Less : Bonus Shares Issued	3,53,00,310	-
<b>Closing Balance</b>	<b>6,16,15,082</b>	<b>9,69,15,392</b>
<b>c) Securities Premium</b>		
Balance as per last Financial Statements	5,09,20,000	5,09,20,000
Add : Received during the year on issue on share	-	-
<b>Closing Balance</b>	<b>5,09,20,000</b>	<b>5,09,20,000</b>
<b>d) Surplus / (deficit) balance in statement of profit and loss during the year</b>		
Balance as per last Financial Statements	5,69,64,277	4,85,81,420
Add : Profit for the year	1,41,72,564	83,82,857
Add : Provision of Income Tax	91,654	-
Less: Appropriations:		
- Dividend paid on Equity Shares	35,30,047	-
- Transferred to General Reserve	-	-
<b>Closing Balance</b>	<b>6,76,98,448</b>	<b>5,69,64,277</b>
<b>Total</b>	<b>18,37,85,888</b>	<b>20,83,52,027</b>

### 4. DEFERRED TAX LIABILITIES (Net)

Particulars	(Amount in ₹)	
	As at 31st March 2022	
<b>Deferred tax liability as on March 31, 2021</b>	<b>6,64,677</b>	
Add: Deferred tax Liability arising on account of difference in Depreciation as per Companies Act and as per Income Tax Act	54,985	
Add: Deferred tax Liability arising on account of section 43B of Income Tax Act	97,424	
<b>Deferred tax liability as on March 31, 2022</b>	<b>8,17,086</b>	

4.1 The deferred tax assets and liabilities have been recognised 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.



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### 5. GOVERNMENT GRANT - DST

Particulars	As at	As at
	31st March 2022	31st March 2021
- Unspent Capital Grant for DST Project "Saur Stambh"	14,37,608	-
- Unspent Revenue Grant for DST Project "Saur Stambh"	7,09,841	-
<b>Total</b>	<b>21,47,449</b>	<b>-</b>

5.1 During the year the Department of Science and Technology has approved a grant for "Saur Stambh - a smart high mast light with long range, low power wireless wide area network for agri-iot application" wide sanction order No. DST/TMD/CERI/RES/2020/30(G) Dated 23-07-2021 for ₹ 26,96,000 for creation of capital assets in the above mentioned project. The said amount has to be spent over the project duration of 24 months. The Company has received the initial release of the amount sanctioned amounting to ₹ 17,82,000. The amount of ₹ 3,44,392 has been utilised for procurement of permanent equipments and fabricated system.

### 6. SHORT TERM BORROWINGS

Particulars	As at	As at
	31st March 2022	31st March 2021
- HDFC Bank CC Account	65,17,600	87,55,427
- HDFC Bank (Bill Discounting)	-	-
<b>Total</b>	<b>65,17,600</b>	<b>87,55,427</b>

### 7. TRADE PAYABLES

Particulars	As at	As at
	31st March 2022	31st March 2021
Micro, Small and Medium Enterprises (Refer Note No. 7.1)	15,88,224	1,56,402
Others	4,01,37,335	1,47,03,857
<b>Total</b>	<b>4,17,25,558</b>	<b>1,48,60,259</b>

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

Particulars	As at	As at
	31st March 2022	31st March 2021
Principal amount due and remaining unpaid	15,88,224	1,56,402
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	-	-
<b>Total</b>	<b>15,88,224</b>	<b>1,56,402</b>



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### 8. OTHER CURRENT LIABILITIES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Audit Fees Payable	90,000	92,500
Rent Payable	-	1,39,133
Electricity Expenses Payable	56,626	52,021
Telephone & Mobile Expenses	-	788
Water Charges Payable	-	6,875
Professional Fees Payable	81,000	90,000
Expenses Payable	2,88,887	2,90,944
Advance from Customers	3,29,430	1,95,439
<b>Total</b>	<b>8,45,943</b>	<b>8,67,700</b>

### 9. SHORT TERM PROVISIONS

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Provision for Employee Benefits:</b>		
- Salary and Reimbursements	34,17,289	21,69,784
- Statutory Bonus	3,74,708	-
- Contribution to ESIC and Provident Fund	1,39,181	1,23,486
<b>Others:</b>		
- Tax Deducted ay source Payable	12,23,858	13,21,092
- GST Payable	-	22,58,739
- Professional Tax Payable	5,496	5,284
- Provision for Income Tax	20,84,243	11,85,187
<b>Total</b>	<b>72,44,775</b>	<b>70,63,572</b>



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## AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended March 31, 2022

### 10. FIXED ASSETS

Particulars	Gross Block				Rate of Depreciation	Depreciation/Amortisation			Net Block	
	As at 01/04/2021	Additions	(Deductions)	As at 31/03/2022		For the year	(Deductions)	As at 01/04/2021	As at 31/03/2022	
						As at 31/03/2022				
Land	17,90,732	-	-	17,90,732	0.00%	-	-	17,90,732	17,90,732	
Building	2,08,34,523	-	-	2,08,34,523	3.17%	-	-	1,33,73,625	1,27,13,171	
Plant & Machinery	45,54,111	18,45,157	-	63,99,268	6.33%	2,24,771	-	24,02,220	40,22,606	
Electrification	25,96,872	3,21,354	-	29,18,226	9.50%	1,47,637	-	6,96,859	8,70,576	
Office Equipment	28,03,957	3,61,925	-	31,65,882	19.00%	79,471	-	1,72,555	4,55,009	
Computer & Accessories	20,99,007	5,63,677	-	26,62,684	31.67%	1,90,821	-	2,68,664	6,41,520	
Testing Equipment	31,52,135	3,136	-23,36,361	8,18,910	6.33%	1,60,309	-15,98,851	10,58,950	1,64,267	
Furniture & Fixtures	61,11,748	4,23,438	-	65,35,186	9.50%	2,17,089	-	7,52,200	9,58,549	
Vehicles	33,82,304	-	-	33,82,304	11.88%	1,56,075	-	8,36,583	6,80,508	
Tools	13,69,248	15,61,316	-	29,30,564	6.33%	1,59,435	-	6,39,275	20,41,156	
<b>Total</b>	<b>4,86,94,637</b>	<b>50,80,003</b>		<b>5,14,38,279</b>		<b>19,96,062</b>		<b>2,71,00,185</b>	<b>2,19,91,663</b>	
									<b>2,43,38,094</b>	

(Amount in ₹)



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### 11. NON CURRENT INVESTMENT

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Investment in property</b>	1,30,64,811	1,30,64,811
<b>Investment in subsidiary</b>		
– AIC- AARTECH SOLONICS PVT LTD	1,00,000	1,00,000
– FARADIGM ULTRACAPACITORS PVT LTD	95,000	95,000
<b>Investments in equity instruments:</b>		
– Dena Bank Equity	54,640	54,640
– Enerqual Technology Private Limited	3,00,000	3,00,000
– Umang Shridhar Design Private Limited	25,00,000	25,00,000
<b>Investments in Fully Convertible Debenture:</b>		
– Faradigm Ultracapacitors Private Limited	2,50,00,000	2,50,00,000
– AIC- Aartech Solonics Pvt Ltd	2,00,00,000	2,00,00,000
<b>Total</b>	<b>6,11,14,451</b>	<b>6,11,14,451</b>

### 12. LONG TERM LOANS & ADVANCES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Loans &amp; Advances to related parties</b> (unsecured considered good)		
– AIC- AARTECH SOLONICS PVT LTD	10,12,042	9,40,123
– FARADIGM ULTRACAPACITORS PVT LTD	-	30,07,639
<b>Other Loans and Advances</b> (Unsecured Considered Good)	6,02,23,302	5,63,83,302
<b>Security Deposits</b> (Unsecured Considered Good)	47,49,176	31,92,386
<b>Total</b>	<b>6,59,84,520</b>	<b>6,35,23,450</b>



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### 13. CURRENT INVESTMENT

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Investments in mutual funds (Instrument wise):</b>		
- Aditya Birla Sunlife Equity Advantage Growth Fund	1,00,000	6,00,000
- Kotak Low Duration Fund Standard Growth	-	8,02,851
- Nippon India Ultra Short Duration Fund Growth Plan	3,94,48,685	46,75,319
- Aditya Birla Sunlife Low Duration Growth Plan	-	65,59,671
- Aditya Birla Sun Life Banking and Financial Services	5,38,082	5,38,082
- Aditya Birla Sun Life Dynamic Bund Fund Growth	-	5,00,000
- Aditya Birla Sun Life Flexi Cap Fund Growth Regular Plan	-	25,00,000
- Aditya Birla Sun Life India Gen Next Fund Growth	10,00,000	10,00,000
- Aditya Birla Sun Life MNC Fund Growth Plan	10,00,000	10,00,000
- Aditya Birla Sun Life Overnight Fund Growth Plan	1,194	1,194
- DSP Mid Cap Fund Regular Plan Growth	1,00,000	16,00,000
- HDFC Small Cap Fund Regular Plan	8,50,000	2,50,000
- HDFC Top 100 Fund Regular Growth Plan	9,48,129	3,48,129
- IDFC Bond Fund Medium Term Plan Growth	1,00,000	5,00,000
- IDFC Bond Fund Short Term Plan Growth	-	9,48,434
- IDFC Ultra Short Term Fund Regular Plan	1,00,000	-
- Invesco India Gilt Fund Growth Plan	1,00,000	1,00,000
- Kotak Balanced Advantage Fund Growth	9,29,592	9,29,592
- Kotak Emerging Equity Scheme Growth Regular Plan	8,50,000	3,00,000
- Kotak Equity Opportunities Fund Growth Regular Plan	3,00,000	9,50,000
- Kotak Pioneer Fund Growth Regular Plan	13,48,623	13,48,623
- Nippon India Banking & Financial Services Fund Growth Plan	18,24,893	9,80,087
- Nippon India CPSE ETF Fund	1,75,004	1,75,004
- Nippon India Growth Fund Growth Plan	-	15,22,701
- Nippon India Large Cap Fund Growth Plan	58,21,097	24,62,792
- Nippon India Multi Cap Fund Growth Plan	14,24,848	17,91,657
- Nippon India Overnight Fund Growth Plan	5,024	-
- Nippon India Short Term Fund Growth Plan	9,706	29,99,850
- Nippon India Small Cap Fund-Growth Plan	3,18,721	4,99,975
- Nippon India Value Fund Growth Plan	8,00,000	1,39,995
- Tata Banking & PSU Debt Fund Regular Plan Growth	-	5,83,848
- Nippon India Gold Savings Fund Growth Plan	-	99,995
- Nippon India Multi Asset Fund Growth Plan (MFGPG)	-	9,99,950
- Tata Short Term Bond Fund Regular Plan Growth-I	-	5,00,000
- Aditya Birla Sun Life Floating Rate Fund Growth Regular Plan	-	5,00,000
- DSP Floater Fund Regular Growth	-	54,76,592
- IDFC Sterling Value Fund Growth Regular Plan	5,02,597	5,02,597
- IDFC Balanced Advantage Fund Regular Plan Growth	3,21,000	3,21,000
- Nippon India Nifty Samllcap 250 Index Fund Growth Plan	-	7,79,317
- Nippon India Pharma Fund Growth Plan	4,83,290	2,98,985
- Nippon India Passive Flexicap FOF Growth Plan	-	33,05,233
- Nippon India Asset Allocator FOF Growth Plan	-	14,99,925
- Nippon India Nifty Midcap 150 Index Fund Growth Plan	-	39,99,800
- Nippon India Nifty 50 Value 20 Index Fund Growth Plan	-	39,99,800



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## AARTECH SOLONICS LIMITED

### Notes on Financial Statements for the Year ended 31st March, 2022

- DSP Flexi Cap Fund Regular Plan Growth	15,64,210	-
- Tata Balances Advantage Fund Regular Plan Growth	5,95,783	-
- Nippon India Flexi Cap Fund Growth Plan	1,00,00,000	-
- Tata Resources & Energy Fund Regular Plan Growth	5,00,475	-
- Nippon India Multi Cap Fund Growth Plan (466218393367)	1,99,000	-
- Nippon India Ultra Short Duration Fund Growth Plan (466218393367)	4,77,136	-
- Nippon India Taiwan Equity Fund Growth Plan	45,00,000	-
- Nippon India Power & Infra Fund Growth Plan	6,00,000	-
<b>Total</b>	<b>7,78,37,088</b>	<b>5,88,90,997</b>

#### 14. INVENTORIES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Raw Materials and components	2,34,22,090	1,94,10,227
Work-in-progress	10,25,325	8,60,280
Finished Goods	30,708	10,608
Stock in trade	-	-
<b>Total</b>	<b>2,44,78,123</b>	<b>2,02,81,115</b>

#### 15. TRADE RECEIVABLES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Outstanding for less than 6 months from the due date (Unsecured, considered good)	5,46,18,125	5,00,34,478
Outstanding for more than 6 months from the due date (Unsecured, considered good)	1,62,27,982	1,34,65,346
<b>Total</b>	<b>7,08,46,107</b>	<b>6,34,99,824</b>

15.1 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.



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### 16. CASH AND CASH EQUIVALENTS

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Balances with banks:		
– Earmarked Balances	-	2,25,000
– Guarantees (refer note no. 16.1)	56,68,938	52,62,419
– Other Commitments (refer note no. 16.2)	45,94,688	41,98,127
Cash on hand	22,992	23,160
Others (refer note no. 16.3)	2,05,526	2,40,236
<b>Total</b>	<b>1,04,92,144</b>	<b>99,48,942</b>

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

16.2 Other commitments represent balances with banks.

16.3 Others represent imprest given to employees for incurring expenses.

### 17. SHORT TERM LOANS AND ADVANCES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Unsecured Loans and Advances: (Unsecured, considered good)</b>		
Advance to Suppliers	34,95,853	13,85,967
Advance to Employees	16,79,485	66,26,961
Prepaid Expenses	3,30,364	3,19,071
<b>Total</b>	<b>55,05,702</b>	<b>83,31,999</b>

### 18. OTHER CURRENT ASSETS

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Income Tax Refund Receivable AY 2020-21	2,22,279	3,04,218
TCS Receivable	-	7,228
Accrued Interest	65,25,120	32,70,715
GST Receivable	16,41,921	-
<b>Total</b>	<b>83,89,320</b>	<b>35,82,161</b>



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### 19. REVENUE FROM OPERATIONS

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Sale of Products	15,21,94,724	10,19,19,358
Sale of Services	1,14,00,966	73,63,203
<b>Total</b>	<b>16,35,95,690</b>	<b>10,92,82,561</b>

### 20. OTHER INCOME

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
- Interest Income	41,90,285	51,60,240
- Rental Income	2,59,160	1,90,550
- Dividend Income	-	11,507
- Revenue Government Grant for DST Project - "Saur Stambh"	3,38,719	-
- Net gain/(- loss) on sale of investments	1,10,66,648	38,51,417
- Net gain on foreign currency transaction and translation	-	1,01,276
- Other non-operating income	86,995	1,22,744
- Profit on sale of Fixed Assets	22,56,363	-
<b>Total</b>	<b>1,81,98,170</b>	<b>94,37,734</b>

### 21. COST OF MATERIALS CONSUMED

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Purchase of Raw Materials	11,06,04,323	4,96,54,441
Opening Balance of Raw Materials	1,94,10,227	2,42,60,922
Less : Closing Balance of Raw Materials	2,34,22,090	1,94,10,227
<b>Total</b>	<b>10,65,92,460</b>	<b>5,45,05,136</b>

### 22. CHANGE IN INVENTORIES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Finished goods:		
Opening Balance	10,608	47,765
Less: Closing Balance	30,708	10,608
	<b>-20,100</b>	<b>37,157</b>
Work-in-Progress:		
Opening Balance	8,60,280	39,85,235
Less: Closing Balance	10,25,325	8,60,280
	<b>-1,65,045</b>	<b>31,24,955</b>
<b>Total</b>	<b>-1,85,145</b>	<b>31,62,112</b>



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## AARTECH SOLONICS LIMITED

### Notes on Financial Statements for the Year ended 31st March, 2022

#### 23. EMPLOYEE BENEFIT EXPENSES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Salaries and Wages:		
– Directors Remuneration	41,52,348	41,45,942
– Staff Salary	1,92,26,991	2,02,71,358
– Salary relates to Recognised Research & Development Facility	9,52,553	9,51,074
– Statutory Bonus	7,48,302	-
Contribution to Provident Fund and Other Funds	9,38,203	8,68,360
Staff Welfare Expenses	11,40,754	9,77,861
<b>Total</b>	<b>2,71,59,151</b>	<b>2,72,14,595</b>

#### 24. FINANCE COST

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Interest Expenses (Refer Note No. 24.1)	12,39,450	11,48,821
Other borrowing costs (Refer Note No.24.2)	4,68,708	4,59,962
<b>Total</b>	<b>17,08,158</b>	<b>16,08,783</b>

24.1 Interest Expenses shown interest on CC/OD Account.

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

#### 25. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Depreciation of tangible assets	19,96,062	21,05,459
Amortisation of intangible assets	-	-
<b>Total</b>	<b>19,96,062</b>	<b>21,05,459</b>

25.1 Refer Note 10 for assets wise details of depreciation charge and Note 1.10 for depreciation policy and rates of depreciation.



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### 26. OTHER EXPENSES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Administrative Expenses</b>		
Audit fees	1,00,000	1,00,000
Director Sitting Fees	90,000	1,20,000
Membership & Registration Fees	1,72,986	1,77,768
Insurance Expenses	1,96,645	1,39,591
Internet Expenses	2,85,788	4,17,370
Legal expenses	8,71,768	1,95,404
Professional & consultancy expenses	51,57,911	20,32,175
Electricity Expenses	74,146	85,143
Office Expenses	2,16,226	2,96,281
Petrol & Diesel	3,59,896	2,16,670
Postage & Courier Expenses	24,423	70,977
Printing & Stationery Expenses	1,30,097	54,641
Rates and taxes	61,208	12,92,789
Rent Office	18,00,000	18,00,000
Repairs & Maintenance	7,60,103	8,57,640
Vehicle Repairs & Maintenance	2,55,778	1,83,201
TCS ERP Solution	2,94,957	2,74,130
Security Expenses	1,28,135	1,48,031
Telephone & Mobile expenses	1,67,070	1,74,512
Water Charges	1,34,451	1,24,721
Miscellaneous administrative expenses	11,97,825	7,19,962
<b>Total (A)</b>	<b>1,24,79,413</b>	<b>94,81,006</b>
<b>Manufacturing Expenses</b>		
Power and Fuel	9,19,581	7,17,374
Rent Factory	3,67,075	3,04,971
Job Work Expenses	31,34,058	19,88,785
Site Development expenses	8,82,874	14,38,037
Repairs to machinery	2,99,942	33,348
Testing & Calibration Charges	3,02,980	5,56,075
MPIDC Annual Maintenance Charges	87,607	87,424
Labour Charges	7,71,605	-
Drawing & Design Charges	-	10,04,500
Miscellaneous manufacturing expenses	2,68,829	4,86,480
<b>Total (B)</b>	<b>70,34,551</b>	<b>66,16,994</b>
<b>Selling and Marketing Expenses</b>		
Advertisement and business promotion expenses	4,13,480	2,94,379
Sales Commission	16,86,025	11,66,097
Travelling Expenses	19,08,051	8,06,772
Late Delivery	11,09,080	40,001
Transportation Outward	20,84,753	14,10,492
Tender Fees	1,41,901	57,929
Other Selling Expenses	3,56,051	50,801
<b>Total (C)</b>	<b>76,99,341</b>	<b>38,26,471</b>



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# AARTECH SOLONICS LIMITED

## Notes on Financial Statements for the Year ended 31st March, 2022

### Research & Development Expenses

Material Consumed	72,534	31,961
Travelling Expenses	22,258	-
Other Expenses	1,556	440
<b>Total (D)</b>	<b>96,348</b>	<b>32,401</b>

Loss due to Foreign Currency Fluctuation (E) 18,324 -

**Total Other Expenses (A+B+C+D+E) 2,73,27,977 1,99,56,872**

### 27. CURRENT TAX

Provision for current tax is made in the statement of profit and loss for the year ending March 31, 2022 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, 2022 (assessment year 2022 -23), the income tax computed under the other provisions (provisions of the Income Tax Act other than Chapter XII-B) amounts to ₹ 33,44,161 and income tax computed under the provisions of chapter XII-B of Income Tax Act amounts to ₹ 28,70,224. The provision of ₹ 28,70,224 has been made after utilising MAT credit.

### 28. 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:

#### 28.1 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	:	₹	22,07,541
- Depreciation as per Companies Act, 2013	:	₹	19,96,062
- Difference	:	₹	2,11,479
- Deferred Tax Expense/(Income)	:	₹	54,985

#### 28.2 Deferred tax impact on Unpaid bonus not deductible u/s 43B of Income Tax Act

- Unpaid bonus not deductible u/s 43B of Income Tax Act	:	₹	3,74,708
- Unpaid bonus paid during the year	:	₹	-
- Difference	:	₹	3,74,708
- Deferred Tax Expense/(Income)	:	₹	97,424

#### 28.3 Net deferred tax expense debited to statement of profit and loss for the period is ₹ 1,52,409



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## AARTECH SOLONICS LIMITED

### Notes on Financial Statements for the Year ended 31st March, 2022

#### 29. 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 31st March 2022	As at 31st March 2021
1 Salary to research staff (refer note 22)	9,52,553	9,51,074
2 Material purchased	72,534	86,693
3 Travelling expenses	22,258	54,631
4 Other Expenses	1,556	3,903
<b>Total</b>	<b>10,48,901</b>	<b>10,96,301</b>

#### 30. DST PROJECT - "SAUR STAMBH"

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

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
(A) Capital Expenditure :	-	-
Permanent Equipment	-	-
Fabricated system	3,44,392	-
<b>Total (A)</b>	<b>3,44,392</b>	-
(B) Revenue Expenses:	-	-
Manpower Expenses (Salary to staff)	3,38,719	-
Consumables	-	-
Traveling Expenses	-	-
Other Expenses	-	-
<b>Total (B)</b>	<b>3,38,719</b>	-
<b>Grand Total (A+B)</b>	<b>6,83,111</b>	-



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# AARTECH SOLONICS LIMITED

Notes on Financial Statements for the Year ended March 31, 2022

## 31. 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	10,12,042
2	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Interest paid on Loan	79,910
3	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	8% Convertible Debentures	2,00,00,000
4	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Interest on Debentures	17,00,000
5	AIC - Aartech Solonics Pvt Ltd	Subsidiary Company	Job Work Expenses	6,19,125
6	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Interest on Unsecured Loan	72,055
7	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	8% Convertible Debentures	2,50,00,000
8	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Interest on Debentures	21,25,000
9	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Purchases	4,21,40,627
10	Faradigm Ultracapitors Pvt Ltd	Subsidiary Company	Sales	11,27,933



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# AARTECH SOLONICS LIMITED

## Statement of Cash Flow for the year ended March 31, 2022

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>1. Cash Flows from Operating Activities</b>		
<i>Net Profit and Loss a/c ( as per profit and loss account)</i>	1,41,72,564	83,82,857
<b>Add : (A) Apportionment of Fund :</b>		
<i>Provision for tax made during the year</i>	28,70,224	17,50,487
<i>Deferred Tax</i>	1,52,409	33,994
<b>Net Profit before taxation and extra ordinary items</b>	<b>1,71,95,197</b>	<b>1,01,67,338</b>
<b>Add : (B) Non operating Expenses :</b>		
<i>Depreciation during the year</i>	19,96,062	21,05,459
<b>Sub Total</b>	<b>19,96,062</b>	<b>21,05,459</b>
<b>Less : (C) Non operating Income :</b>		
<i>Interest Income (refer note 20)</i>	41,90,285	51,60,240
<i>Rental Income (refer note 20)</i>	2,59,160	1,90,550
<i>Dividend Income (refer note 20)</i>	-	11,507
<i>Net gain/(- loss) on sale of investments (refer note 20)</i>	1,10,66,648	38,51,418
<i>Other non-operating income ( refer note 20)</i>	86,995	1,22,742
<i>Revenue Grant for DST Saur Stambh Project (refer note 20)</i>	3,38,719	-
<i>Profit on sale of Fixed Assets (refer note 19)</i>	22,56,363	-
<b>Sub Total</b>	<b>1,81,98,170</b>	<b>93,36,457</b>
<b>(D) Operating Profit Before Working Capital Changes (A+B-C)</b>	<b>9,93,089</b>	<b>29,36,340</b>
<b>Add : (E) Increase in current liabilities and decrease in current assets:</b>		
<i>Decrease in Inventory</i>	-	80,12,806
<i>Decrease in Account Receivable</i>	-	-
<i>Decrease in Short term Loans and Advances</i>	28,26,297	10,85,910
<i>Decrease in Other Current Assets</i>	-	5,10,866
<i>Increase in Short term borrowings</i>	-	-
<i>Increase in Trade Payables</i>	2,68,65,299	-
<i>Increase in Short Term Provisions</i>	-	41,97,053
<i>Increase in Other Current Liabilities</i>	-	-
<b>Sub Total</b>	<b>2,96,91,596</b>	<b>1,38,06,635</b>
<b>Less : (F) Increase in current assets and decrease in current liabilities:</b>		
<i>Increase in Inventory</i>	41,97,008	-
<i>Increase in Account Receivable</i>	73,46,283	1,80,90,673
<i>Increase in Short Term Loans and Advances</i>	-	-
<i>Increase in Other Current Assets</i>	48,07,159	-
<i>Decrease in Short Term Borrowings</i>	22,37,827	86,03,028
<i>Decrease in Trade Payable</i>	-	27,31,163
<i>Decrease in Short Term Provisions</i>	7,17,853	-
<i>Decrease in Other Current Liabilities</i>	21,756	37,35,337
<b>Sub Total</b>	<b>1,93,27,886</b>	<b>3,31,60,201</b>
<b>(G) Cash generated from Operations (D+E-F))</b>	<b>1,13,56,799</b>	<b>-1,64,17,226</b>
<b>(H) Income tax paid during the year:</b>	18,79,514	5,65,300
<b>(I) Net cash generated from operational activity (G-H)</b>	<b>94,77,285</b>	<b>-1,69,82,526</b>



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# AARTECH SOLONICS LIMITED

## Statement of Cash Flow for the year ended March 31, 2022

Particulars	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>2. Cash Flows from Investing Activities</b>		
<b>(A) Net cash inflow from investment activity</b>		
Interest Income (refer note 20)	41,90,285	51,60,240
Rental Income (refer note 20)	2,59,160	1,90,550
Dividend Income (refer note 20)	-	11,507
Net gain/(- loss) on sale of investments (refer note 20)	1,10,66,648	38,51,418
Other non-operating income (refer note 20)	86,995	1,22,742
Revenue Grant for DST Saur Stambh Project (refer note 20)	3,38,719	-
Capital Grant for DST Saur Stambh Project	21,47,449	-
Proceeds from marketable securities	4,11,66,323	5,60,62,218
Proceeds from sale of fixed assets	29,93,873	-
Realisation of Long Term Loans & Advances	-	2,68,06,068
Realisation of security deposit	-	4,93,332
<b>Sub Total</b>	<b>6,22,49,452</b>	<b>9,26,98,075</b>
<b>(B) Net cash outflow from investment activity</b>		
Investment made in marketable securities during the year	6,01,12,415	4,03,34,048
Investment made in Subsidiary Company	-	-
Investment made in Debentures of Subsidiary Company	-	3,19,20,000
Investment made in Property	-	-
Long Term Loans & Advances	9,04,280	-
Purchase of new assets (net of sale proceed)	50,80,003	11,13,220
Security deposit paid	15,56,790	-
<b>Sub Total</b>	<b>6,76,53,488</b>	<b>7,33,67,268</b>
<b>(C) Net cash generated from Investment activity (a-b)</b>	<b>-54,04,036</b>	<b>1,93,30,807</b>
<b>3. Cash Flows from Financing Activities</b>		
<b>(A) Net cash inflow from financing activity</b>		
Increase in long term borrowing	-	-
Proceeds from issue of equity shares	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>(B) Net cash outflow from financing activity</b>		
Dividend Paid	35,30,047	-
Decrease in long term borrowing	-	-
<b>Sub Total</b>	<b>35,30,047</b>	<b>-</b>
<b>(C) Net cash generated from Financing activity (a-b)</b>	<b>-35,30,047</b>	<b>-</b>
<b>4. Net Increase/(Decrease) in Cash (1+2+3)</b>	<b>5,43,202</b>	<b>23,48,281</b>
Cash and cash equivalents at the beginning of the year	99,48,942	76,00,661
<b>5. Cash and cash equivalents at the end of the year</b>	<b>1,04,92,144</b>	<b>99,48,942</b>



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# AARTECH SOLONICS LIMITED

## CONSOLIDATED FINANCIAL STATEMENT

(FOR THE YEAR ENDING MARCH 31, 2022)

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

Tel. No. 91-755-4276335/2463693  
Fax No. 91-755-2463593  
E-mail: [info@aartechsolonics.com](mailto:info@aartechsolonics.com)  
Website: [www.aartechsolonics.com](http://www.aartechsolonics.com)

Auditors:

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

Chartered Accountants  
51, Ratan Lok Colony  
Scheme No. 53,  
Vijay Nagar, Indore  
E-Mail: [indore@sraco.in](mailto:indore@sraco.in)

# *S. Ramanand Aiyar & Co.*

## CHARTERED ACCOUNTANTS

51, Ratna lok Colony, Scheme No. 53, Vijay Nagar, INDORE- 452011 (M.P.)  
Tel: 0731-4066810, E-mail : indore@sraco.in, www.sraco.in

### INDEPENDENT AUDITORS' REPORT

To the Members of AARTECH SOLONICS LIMITED

#### Report on Consolidated Financial Statements

We have audited the accompanying Consolidated Financial Statements of AARTECH SOLONICS LIMITED (herein referred to as the holding company), its subsidiaries (the Holding Company and its subsidiaries together referred to as "the Group") comprising of the Consolidated Balance Sheet as at March 31, 2022, the consolidated statement of Profit and Loss Account and the consolidated Cash Flow Statement for the year ended on that date annexed thereto and a summary of significant accounting policies and other explanatory information (hereinafter referred to as "the Consolidated Financial Statements").

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

The Holding Company's Board Of Directors is responsible for the preparation of these Consolidated Financial Statements in terms of the requirement the Companies Act, 2013 ("the Act") that give a true and fair view of the Consolidated Financial Position, Consolidated Financial Performance and Consolidated 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 Standard) Rules, 2015, as amended.

The respective Board of Directors of the companies included in the Group are responsible for maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Group and for preventing and detecting frauds and other irregularities; the selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records; relevant to the preparation and presentation of the Consolidated Financial Statements that give a true and fair view and are free from material misstatement, whether due to fraud or error. We conducted our audit in accordance with the auditing standards generally accepted in India. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

#### Auditor's Responsibility

Our responsibility is to express an opinion on these Consolidated Financial Statements based on our audit. While conducting 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 Consolidated Financial Statements are free from material misstatement. Further to our comments in the Annexure referred to in paragraph 3 above, we report that:

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the Consolidated Financial Statements. The procedures selected depend on the auditor's judgment, including the assessment of the risk of material misstatement of the Consolidated Financial Statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Holding Company's preparation of the Consolidated Financial Statements that give a true and fair view 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 Holding Company's Board of Directors, as well as evaluating the overall presentation of the Consolidated 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 Consolidated Financial statements.

#### Opinion

In our opinion and to the best of our information and according to the explanations given to us, the Consolidated 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 Consolidated State of Affairs of the Group as at year March 31, 2022, its Consolidated Profit, and its Consolidated Cash Flows for the year ended on that date.

For S. Ramanand Aiyer & Co.

Chartered Accountants

FRN : 000990N



CA Amit Singhvi

Partner

(Membership No.: 129331)

Place: Bhopal

Date: May 12, 2022

UDIN: 22129331AIVITT6188



# AARTECH SOLONICS LIMITED

## Consolidated Balance Sheet as at 31st March 2022

Particulars	Notes	As at 31st March 2022	As at 31st March 2021
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	10,59,01,250	7,06,00,940
Reserves & Surplus	3	16,78,71,805	17,94,03,398
<b>Minority Interest</b>	4	19,025	-7,48,892
<b>Non Current Liabilities</b>			
Long term Borrowings	5	-	23,11,769
Deferred Tax Liabilities (Net)	6	16,30,330	12,88,847
<b>Government Grant</b>	7	47,75,688	26,28,239
<b>Current Liabilities</b>			
Short Term Borrowings	8	65,17,600	87,55,427
Trade Payables	9	2,20,47,905	1,40,40,738
Other Current Liabilities	10	9,00,541	8,95,980
Short Term Provisions	11	1,08,51,914	73,47,651
<b>TOTAL</b>		<b>32,05,16,058</b>	<b>28,65,24,097</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
- Tangible Assets	12	3,79,55,131	3,69,92,352
- Intangible Assets			
- Capital Work-in-Progress			
Non-Current Investments	13	1,59,77,029	1,59,77,029
Long Term Loans and Advances	14	6,49,72,478	5,95,75,688
Other Non Current Assets			
<b>Current Assets</b>			
Current Investments	15	7,83,44,751	6,32,80,821
Inventories	16	2,75,54,056	2,17,13,304
Trade Receivables	17	7,18,41,198	6,38,82,762
Cash and Cash Equivalent	18	1,20,34,340	1,04,77,816
Short Term Loans and Advances	19	62,76,478	88,86,971
Other Current Assets	20	55,60,597	57,37,354
		<b>32,05,16,058</b>	<b>28,65,24,097</b>

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

The accompanying notes are integral part of the Financial Statements

Signed in terms of our report of even date





For **S. Ramanand Aiyer & Co.**  
Chartered Accountants



**CA Amit Singhvi**  
Partner  
(Membership No. 129331)

Place : Bhopal  
Date : May 12, 2022  
UDIN: 22129331AIVITT6188

For and on behalf of the Board of Directors



**Amit A. Raje**  
Chairman & Managing  
Director

**Arati Nath**  
Chief Executive Officer

**Pradeep Narkhede**  
Chief Financial Officer

**K.R. Tanuj Reddy**  
Company Secretary



# AARTECH SOLONICS LIMITED

## Consolidated Statement of Profit and Loss for the year ended 31st March 2022

	Notes	For the year ended 31st March 2022	For the year ended 31st March 2021
<b>REVENUES</b>			
Revenue from operations	21	16,33,63,679	10,95,85,424
Other income	22	1,45,17,398	58,35,764
<b>TOTAL REVENUE</b>		<b>17,78,81,077</b>	<b>11,54,21,188</b>
<b>EXPENDITURES</b>			
Cost of materials consumed	23	8,33,29,035	5,41,49,739
Change in inventories of finished goods and work in process	24	-1,85,145	31,62,112
Employee benefit expenses	25	2,77,32,916	2,74,59,773
Finance costs	26	17,78,785	20,07,203
Depreciation and amortization expenses	27	34,36,174	37,88,314
Other expenses	28	2,75,48,237	2,02,52,494
<b>TOTAL EXPENSES</b>		<b>14,36,40,002</b>	<b>11,08,19,635</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>3,42,41,075</b>	<b>46,01,553</b>
Exceptional Items			
<b>Profit before extraordinary items and tax</b>		<b>3,42,41,075</b>	<b>46,01,553</b>
Extraordinary Items			
<b>Profit before tax</b>		<b>3,42,41,075</b>	<b>46,01,553</b>
<b>Tax Expense</b>			
Current Tax	29	59,24,565	17,50,487
Deferred Tax	30	3,41,483	2,73,482
<b>Profit for the year</b>		<b>2,79,75,027</b>	<b>25,77,584</b>
<b>Earnings per equity share (Par value of ₹ 10 each)</b>			
Basic (₹)		2.59	0.71
Diluted (₹)		2.59	0.71

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

The accompanying notes are integral part of the Financial Statements

Signed in terms of our report of even date

For S. Ramanand Aiyer & Co.  
Chartered Accountants



CA Amit Singhvi  
Partner  
(Membership No. 129331)



For and on behalf of the Board of Directors

  
Amit A. Rajee  
Chairman & Managing  
Director

  
Arati Nath  
Chief Executive Officer

  
Pradeep Narkhede  
Chief Financial Officer

  
K.R. Tanuj Reddy  
Company Secretary



Place : Bhopal

Date : May 12, 2022

UDIN: 22129331AIVITT6188

# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Year ended March 31, 2022

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 CORPORATE INFORMATION

The Consolidated Financial Statements comprise financial statements of "Aartech Solonics Limited" ("the Holding Company") and its subsidiaries "AIC- Aartech Solonics Private Limited & Faradigm Ultracapacitors Private Limited (collectively referred to as "the Group") for the half year ended 30<sup>th</sup> September 2021. AIC-Aartech Solonics Private Limited & Faradigm Ultracapacitors Private Limited is wholly owned subsidiaries of Aartech Solonics Limited.

#### 1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS

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

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

#### 1.3 PRINCIPLES OF CONSOLIDATION

- 1.1.1. The financial statements of the Holding Company and its subsidiaries are combined on a line by line basis by adding together like items of assets, liabilities, equity, incomes, expenses and cash flows, after fully eliminating intra-group balances and intra-group transactions.
- 1.1.2. Profits or losses resulting from intra-group transactions that are recognised in assets, such as Inventory and Property, Plant and Equipment, are eliminated in full.
- 1.1.3. The Consolidated Financial Statements have been prepared using uniform accounting policies for like transactions and other events in similar circumstances.
- 1.1.4. The carrying amount of the parent's investment in each subsidiary is offset (eliminated) against the parent's portion of equity in each subsidiary.
- 1.1.5. Minority Interest's share of profit / loss of consolidated subsidiaries for the year is identified and adjusted against the income of the Group in order to arrive at the net income attributable to shareholders of the Company.

#### 1.4 PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS

The Schedule III notified under the Companies Act, 2013, has become applicable to the Group, 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 Group has also reclassified the previous year figures in accordance with the requirements applicable in the current year.



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Year ended March 31, 2022

### 1.5 USE OF ESTIMATES

The preparation of Consolidated 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 Consolidated 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 recognised in the period in which the results are known / materialised.

### 1.6 REVENUE RECOGNITION

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

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

#### Interest Income

Interest Income from a financial asset is recognised using Effective Interest Rate Method.

#### Dividend Income

Dividend Income is recognised when the Group's right to receive the amount has been established.

### 1.7 INVENTORIES

- a. 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.
- b. 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.
- c. Historical cost is determined on the basis of weighted average method.
- d. Obsolete stocks are identified once every year on the basis of technical evaluation and are charged off to revenue.





# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Year ended March 31, 2022

- e. Net realizable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and estimated costs necessary to make the sale.

### 1.8 INVESTMENTS

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

### 1.9 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.

### 1.10 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.

### 1.11 DEPRECIATION & AMORTISATION

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



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Year ended March 31, 2022

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

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

### 1.12 IMPAIRMENT OF ASSETS

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

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

### 1.13 FOREIGN CURRENCY TRANSACTIONS

- 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.

### 1.14 RESEARCH AND DEVELOPMENT

The Holding 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 Holding 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.



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Year ended March 31, 2022

### 1.15 EMPLOYEES BENEFITS

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

i. **Provident Fund & ESI**

The Holding 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 Holding Company has formed a gratuity trust with Life Insurance Corporation of India during the year ending March 31<sup>st</sup> 2018. 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 Holding 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 Holding 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.

### 1.16 LEASES

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

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

### 1.17 TAXES ON INCOME

The tax expense for the period comprises of current tax and deferred income tax. 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



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Year ended March 31, 2022

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.

### 1.18 GOVERNMENT GRANTS AND SUBSIDIES

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

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

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

### 1.19 BORROWING COST

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

### 1.20 PROVISIONS, 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 Group.

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



# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Year ended March 31, 2022

### 1.21 EARNINGS PER SHARE

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

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

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



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## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the Year ended 31st March, 2022

#### 2. SHARE CAPITAL

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Authorized Share Capital:</b>		
100,20,000 Equity shares of ₹10 each	15,02,00,000	10,02,00,000
<b>Total</b>	<b>15,02,00,000</b>	<b>10,02,00,000</b>
<b>Issued, subscribed and Paid up:</b>		
70,60,094 Equity shares of ₹10 each fully paid	10,59,01,250	7,06,00,940
<b>Total</b>	<b>10,59,01,250</b>	<b>7,06,00,940</b>

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

Particulars	(Number of equity shares)	
	As at 31st March 2022	As at 31st March 2021
Equity Shares at the beginning of the year	72,60,094	72,60,094
Add : Equity shares issued during the year		
- as fully paid up bonus shares	35,30,031	-
- as fully paid up shares for cash	-	-
Less : Shares cancelled on buy back of Equity Shares	-	-
<b>Equity Shares at the end of the year</b>	<b>1,07,90,125</b>	<b>72,60,094</b>

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

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



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## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the Year ended 31st March, 2022

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

Name of Share Holders	No. of Shares	% held
<b>As at March 31, 2022</b>		
<b><u>Aartech Solonics Limited</u></b>		
Mr. Anil Anant Raje	23,38,000	22.08%
Mrs. Chhaya Anil Raje	13,99,999	13.22%
Mrs. Prajakta Shashikant Kulkarni	16,38,000	15.47%
Mr. Amit Anil Raje	15,31,600	14.46%
Ashtamangal Projects Limited	9,18,000	8.67%

#### **Faradigm Ultracapacitors Private Limited**

Aartech Solonics Ltd	9,500	95.00%
Mr. Anil Anant Raje (Minority Interest)	500	5.00%

Since, Mr. Anil Anant Raje does not have any beneficial interest in the shares, the company Faradigm Ultracapacitors Private Limited is a wholly owned subsidiary of Aartech Solonics Ltd as it is having 100% beneficial interest in the shares of Faradigm Ultracapacitors Private Limited.

#### **AIC-Aartech Solonics Private Limited**

Aartech Solonics Ltd	9,900	99.00%
Mr. Anil Anant Raje (Minority Interest)	100	1.00%

Nominee shareholder holding shares on behalf of Aartech Solonics Ltd U/s 187 of Companies Act 2013. Hence, AIC-Aartech Solonics Pvt Ltd is a wholly owned subsidiary of Aartech Solonics Ltd as per the said section

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.



# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Year ended 31st March, 2022

### 3. RESERVES AND SURPLUS

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>a) Capital Reserve</b>		
Balance as per last Financial Statements	35,52,358	35,52,358
Add : Transferred from the statement of profit and loss	-	-
<b>Closing Balance</b>	<b>35,52,358</b>	<b>35,52,358</b>
<b>b) General Reserve</b>		
Balance as per last Financial Statements	9,69,15,392	9,69,15,392
Add : Transferred from the statement of profit and loss	-	-
Less : Bonus Shares Issued	-3,53,00,310	-
<b>Closing Balance</b>	<b>6,16,15,082</b>	<b>9,69,15,392</b>
<b>c) Securities Premium</b>		
Balance as per last Financial Statements	5,09,20,000	5,09,20,000
Add : Received during the year on issue on share	-	-
<b>Closing Balance</b>	<b>5,09,20,000</b>	<b>5,09,20,000</b>
<b>d) Surplus / (deficit) balance in statement of profit and loss during the year</b>		
Balance as per last Financial Statements	2,80,15,648	2,52,56,409
Add : Profit for the year	2,79,75,027	25,77,584
Add : Provision for Income Tax	91,654	-
Less: Appropriations:		
- Share of Minority Interest (Refer note 4)	7,67,917	-1,81,655
- Transferred to General Reserve	-	-
- Dividend paid on Equity Shares	35,30,047	-
<b>Closing Balance</b>	<b>5,17,84,365</b>	<b>2,80,15,648</b>
<b>Total</b>	<b>16,78,71,805</b>	<b>17,94,03,398</b>

### 4. MINORITY INTEREST

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>AIC - AARTECH SOLONICS PRIVATE LIMITED</b>		
- Share Capital of AIC-Aartech Solonics Pvt Ltd	1,000	1,000
- Profit & Loss of AIC-Aartech Solonics Pvt Ltd	-1,74,899	-1,56,932
	<b>-1,73,899</b>	<b>-1,55,932</b>
<b>FARADIGM ULTRACAPACITORS PRIVATE LIMITED</b>		
- Share Capital of Faradigm Ultracapacitors Pvt Ltd	5,000	5,000
- Profit & Loss of Faradigm Ultracapacitors Pvt Ltd	1,87,924	-5,97,960
	<b>1,92,924</b>	<b>-5,92,960</b>
<b>Total</b>	<b>19,025</b>	<b>-7,48,892</b>



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## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the Year ended 31st March, 2022

#### 5. LONG TERM BORROWINGS

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Secured Loan from HDFC Bank	-	23,11,769
<b>Total</b>	<b>-</b>	<b>23,11,769</b>

#### 6. DEFERRED TAX LIABILITIES (Net)

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Deferred tax liability as on March 31, 2021	12,88,847	10,15,365
Add: Deferred tax Liability arising on account of difference in Depreciation as per Companies Act and as per Income Tax Act	2,41,458	2,70,881
Add: Deferred tax Liability arising on account of section 43B of Income Tax Act	97,424	-
Add: Deferred tax liability arising on account of section 35D of Income Tax Act	2,601	2,601
<b>Deferred tax liability as on March 31, 2022</b>	<b>16,30,330</b>	<b>12,88,847</b>

- 6.1 The deferred tax assets and liabilities have been recognised 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.

#### 7. GOVERNMENT GRANT

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
- Grant received from Niti Aayog	26,28,239	26,28,239
- Unspent Capital Grant for DST Project "Saur Stambh"	14,37,608	-
- Unspent Revenue Grant for DST Project "Saur Stambh"	7,09,841	-
<b>Total</b>	<b>47,75,688</b>	<b>26,28,239</b>

#### 8. SHORT TERM BORROWINGS

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
- HDFC Bank CC Account	65,17,600	87,55,427
- HDFC Bank (Bill Discounting)	-	-
<b>Total</b>	<b>65,17,600</b>	<b>87,55,427</b>



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## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the Year ended 31st March, 2022

#### 9. TRADE PAYABLES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Micro, Small and Medium Enterprises	15,88,224	1,56,402
Other	2,04,59,681	1,38,84,336
<b>Total</b>	<b>2,20,47,905</b>	<b>1,40,40,738</b>

#### 10. OTHER CURRENT LIABILITIES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Audit Fees Payable	1,10,000	1,12,500
Rent Payable	-	1,45,070
Electricity Expenses Payable	56,626	52,021
Telephone & Mobile Expenses	-	788
Water Charges Payable	-	6,875
Professional Fees Payable	81,000	90,000
Expenses Payable	3,23,485	2,93,287
Advance from Customers	3,29,430	1,95,439
Other Payables	-	-
<b>Total</b>	<b>9,00,541</b>	<b>8,95,980</b>

#### 11. SHORT TERM PROVISIONS

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Provision for Employee Benefits:</b>		
- Salary and Reimbursements	35,69,992	21,97,086
- Statutory Bonus	3,74,708	-
- Contribution to ESIC and Provident Fund	1,39,181	1,23,486
<b>Others:</b>		
- Tax Deducted by source Payable	16,23,953	15,77,869
- GST Payable	-	22,58,739
- Professional Tax Payable	5,496	5,284
- Provision for Income Tax	51,38,584	11,85,187
<b>Total</b>	<b>1,08,51,914</b>	<b>73,47,651</b>



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## AARTECH SOLOINICS LIMITED

Notes on Consolidated Financial Statements for the Year ended 31st March, 2022

### 12. FIXED ASSETS

Particulars	Gross Block		Rate of Depreciation	Depreciation/Amortisation		Net Block	
	As at 01/04/2021	As at 31/03/2022		As at 01/04/2021	As at 31/03/2022	As at 01/04/2021	As at 31/03/2022
<b>Tangible Assets:</b>							
Land	17,90,732	-	0.00%	-	-	17,90,732	17,90,732
Building	2,34,17,612	-	3.17%	7,42,338	-	1,57,15,829	1,49,73,491
Plant & Machinery	1,74,49,208	18,45,157	6.33%	11,70,864	-	1,38,87,926	1,45,62,219
Electrification	29,16,159	3,21,354	9.50%	1,77,970	-	21,65,779	10,71,734
Office Equipment	32,42,016	3,61,925	19.00%	1,62,703	-	3,78,931	5,78,153
Computer & Accessories	36,21,533	5,63,677	31.67%	4,21,910	-	35,43,690	6,41,520
Testing Equipment	31,52,135	3,136	6.33%	1,60,309	-15,98,851	10,58,950	1,64,267
Furniture & Fixtures	68,07,011	4,77,864	9.50%	2,84,441	-	12,54,061	14,47,484
Vehicles	33,82,304	-	11.88%	1,56,075	-	8,36,583	6,80,508
Tools	13,71,282	15,63,350	6.33%	1,59,564	-	6,41,237	20,45,023
<b>Total</b>	<b>6,71,49,992</b>	<b>51,36,463</b>		<b>34,36,174</b>	<b>-15,98,851</b>	<b>3,69,92,352</b>	<b>3,79,55,131</b>

10.2 Aartech Solonics Ltd had sold Plant & Machinery amounting to ₹ 1,01,78,098 to Faradigm Ultracapacitors Pvt Ltd the plant & machinery is recorded at cost i.e. ₹ 81,26,978.



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## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the Year ended 31st March, 2022

#### 13. NON CURRENT INVESTMENT

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Investment in property	1,30,64,811	1,30,64,811
Other Investment	1,000	1,000
Investments in equity instruments:		
– Dena Bank Equity	54,640	54,640
– Enerqual Technology Private Limited	3,00,000	3,00,000
– Umang Shridhar Design Private Limited	25,00,000	25,00,000
– Ansheo Nutraware Private Limited	25,000	25,000
– Investment In Bozobaka Labs Private Limited	31,578	31,578
<b>Total</b>	<b>1,59,77,029</b>	<b>1,59,77,029</b>

#### 14. LONG TERM LOANS & ADVANCES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Other Loans and Advances (Unsecured, considered good)	6,02,23,302	5,63,83,302
Security Deposits (Unsecured Considered Good)	47,49,176	31,92,386
<b>Total</b>	<b>6,49,72,478</b>	<b>5,95,75,688</b>

- 14.1 Security deposits represents amount of security deposits for Electricity, Rent, Telephone, Security Deposite against Orders and Earnest Money Deposits paid by the Company.



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Year ended 31st March, 2022

### 15. CURRENT INVESTMENT

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Investments in mutual funds (Instrument wise):</b>		
- Aditya Birla Sunlife Equity Advantage Growth Fund	1,00,000	6,00,000
- Kotak Low Duration Fund Standard Growth	-	28,70,174
- Nippon India Ultra Short Duration Fund Growth Plan	3,94,48,685	46,75,319
- Aditya Birla Sunlife Low Duration Growth Plan	-	65,59,671
- Aditya Birla Sun Life Banking and Financial Services	5,38,082	5,38,082
- Aditya Birla Sun Life Dynamic Bund Fund Growth	-	5,00,000
- Aditya Birla Sun Life Flexi Cap Fund Growth Regular Plan	-	25,00,000
- Aditya Birla Sun Life India Gen Next Fund Growth	10,00,000	10,00,000
- Aditya Birla Sun Life MNC Fund Growth Plan	10,00,000	10,00,000
- Aditya Birla Sun Life Overnight Fund Growth Plan	1,194	1,194
- DSP Mid Cap Fund Regular Plan Growth	1,00,000	16,00,000
- HDFC Small Cap Fund Regular Plan	8,50,000	2,50,000
- HDFC Top 100 Fund Regular Growth Plan	9,48,129	3,48,129
- IDFC Bond Fund Medium Term Plan Growth	1,00,000	5,00,000
- IDFC Bond Fund Short Term Plan Growth	-	9,48,434
- IDFC Ultra Short Term Fund Regular Plan	1,00,000	-
- Invesco India Gilt Fund Growth Plan	1,00,000	1,00,000
- Kotak Balanced Advantage Fund Growth	9,29,592	9,29,592
- Kotak Emerging Equity Scheme Growth Regular Plan	8,50,000	3,00,000
- Kotak Equity Opportunities Fund Growth Regular Plan	3,00,000	9,50,000
- Kotak Pioneer Fund Growth Regular Plan	13,48,623	13,48,623
- Kotak Nifty Next 50 Index Fund Growth Regular Plan	1,75,162	20,00,000
- Kotak Global Innovation Fund Growth Regular Plan	10,000	-
- Nippon India Banking & Financial Services Fund Growth Plan	18,24,893	9,80,087
- Nippon India CPSE ETF Fund	1,75,004	1,75,004
- Nippon India Growth Fund Growth Plan	-	15,22,701
- Nippon India Large Cap Fund Growth Plan	58,21,097	24,62,792
- Nippon India Multi Cap Fund Growth Plan	14,24,848	17,91,657
- Nippon India Overnight Fund Growth Plan	5,024	-
- Nippon India Short Term Fund Growth Plan	9,706	33,22,351
- Nippon India Small Cap Fund-Growth Plan	3,18,721	4,99,975
- Nippon India Value Fund Growth Plan	8,00,000	1,39,995
- Tata Banking & PSU Debt Fund Regular Plan Growth	-	5,83,848
- Nippon India Gold Savings Fund Growth Plan	-	99,995
- Nippon India Multi Asset Fund Growth Plan (MFGPG)	-	9,99,950
- Tata Short Term Bond Fund Regular Plan Growth-I	-	5,00,000
- Aditya Birla Sun Life Floating Rate Fund Growth Regular Plan	-	5,00,000
- DSP Floater Fund Regular Growth	-	54,76,592
- IDFC Sterling Value Fund Growth Regular Plan	5,02,597	5,02,597
- IDFC Balanced Advantage Fund Regular Plan Growth	3,21,000	3,21,000
- Nippon India Nifty Samllcap 250 Index Fund Growth Plan	-	7,79,317
- Nippon India Pharma Fund Growth Plan	4,83,290	2,98,985
- Nippon India Passive Flexicap FOF Growth Plan	3,22,501	33,05,233
- Nippon India Asset Allocator FOF Growth Plan	-	14,99,925



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## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the Year ended 31st March, 2022

- Nippon India Nifty Midcap 150 Index Fund Growth Plan	-	39,99,800
- Nippon India Nifty 50 Value 20 Index Fund Growth Plan	-	39,99,800
- DSP Flexi Cap Fund Regular Plan Growth	15,64,210	-
- Tata Balances Advantage Fund Regular Plan Growth	5,95,783	-
- Nippon India Flexi Cap Fund Growth Plan	1,00,00,000	-
- Tata Resources & Energy Fund Regular Plan Growth	5,00,475	-
- Nippon India Multi Cap Fund Growth Plan (466218393367)	1,99,000	-
- Nippon India Ultra Short Duration Fund Growth Plan (466218393367)	4,77,136	-
- Nippon India Taiwan Equity Fund Growth Plan	45,00,000	-
- Nippon India Power & Infra Fund Growth Plan	6,00,000	-
<b>Total</b>	<b>7,83,44,751</b>	<b>6,32,80,821</b>

#### 16. INVENTORIES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Raw Materials and components	2,64,98,023	2,08,42,416
Work-in-progress	10,25,325	8,60,280
Finished Goods	30,708	10,608
Stock in trade	-	-
<b>Total</b>	<b>2,75,54,056</b>	<b>2,17,13,304</b>

#### 17. TRADE RECEIVABLES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Outstanding for less than 6 months from the due date (Unsecured, considered good)	5,47,14,161	5,02,65,372
Outstanding for more than 6 months from the due date (Unsecured, considered good)	1,71,27,037	1,36,17,390
<b>Total</b>	<b>7,18,41,198</b>	<b>6,38,82,762</b>



Signature



## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the Year ended 31st March, 2022

#### 18. CASH AND CASH EQUIVALENTS

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Balances with banks:		
– Earmarked Balances	-	2,25,000
– Guarantees (refer note no. 18.1)	56,68,938	52,62,419
– Other Commitments (refer note no. 18.2)	61,34,780	47,22,734
Cash on hand	27,130	27,426
Others (refer note no. 18.3)	2,03,492	2,40,237
<b>Total</b>	<b>1,20,34,340</b>	<b>1,04,77,816</b>

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

18.2 Other commitments represent balances with banks.

18.3 Others represent imprest given to employees for incurring expenses.

#### 19. SHORT TERM LOANS AND ADVANCES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Unsecured Loans and Advances: (Unsecured, considered good)</b>		
Advacne to Suppliers	42,66,629	19,25,421
Advance to Employees	16,79,485	66,26,961
Prepaid Expenses	3,30,364	3,34,589
Other Loans and Advances	-	-
<b>Total</b>	<b>62,76,478</b>	<b>88,86,971</b>

#### 20. OTHER CURRENT ASSETS

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Income Tax Refund Receivable AY 2020-2021	2,22,279	3,04,218
TDS Receivable	1,21,011	22,015
TCS Receivable	-	7,228
Accrued Interest	74,510	2,69,986
GST Receivable	51,42,797	51,33,907
<b>Total</b>	<b>55,60,597</b>	<b>57,37,354</b>



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## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the Year ended 31st March, 2022

#### 21. REVENUE FROM OPERATIONS

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Sale of Products	15,10,92,618	10,19,21,705
Sale of Services	1,22,71,061	76,63,719
<b>Total</b>	<b>16,33,63,679</b>	<b>10,95,85,424</b>

#### 22. OTHER INCOME

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
- Interest Income	2,13,320	11,84,692
- Rental Income	2,59,160	1,90,550
- Dividend Income	-	11,507
- Revenue Government Grant for DST Project - "Saur Stambh"	3,38,719	-
- Net gain/(- loss) on sale of investments	1,12,74,205	42,22,995
- Net gain on foreign currency transaction and translation	88,636	1,02,476
- Other non-operating income	86,995	1,23,543
- Profit on sale of Fixed Assets	22,56,363	-
<b>Total</b>	<b>1,45,17,398</b>	<b>58,35,764</b>

#### 23. COST OF MATERIALS CONSUMED

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Purchase of Raw Materials	8,89,84,642	4,99,86,216
Opening Balance of Raw Materials	2,08,42,416	2,50,05,939
Less : Closing Balance of Raw Materials	2,64,98,023	2,08,42,416
<b>Total</b>	<b>8,33,29,035</b>	<b>5,41,49,739</b>

#### 24. CHANGE IN INVENTORIES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Finished goods:		
Opening Balance	10,608	47,765
Less: Closing Balance	30,708	10,608
	<b>-20,100</b>	<b>37,157</b>
Work-in-Progress:		
Opening Balance	8,60,280	39,85,235
Less: Closing Balance	10,25,325	8,60,280
	<b>-1,65,045</b>	<b>31,24,955</b>
<b>Total</b>	<b>-1,85,145</b>	<b>31,62,112</b>



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## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the Year ended 31st March, 2022

#### 25. EMPLOYEE BENEFIT EXPENSES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Salaries and Wages:		
– Directors Remuneration	41,52,348	41,45,942
– Staff Salary	1,97,99,736	2,05,14,266
– Salary relates to Recognised Research & Development Facility	9,52,553	9,51,074
– Statutory Bonus	7,48,302	-
Contribution to Provident Fund and Other Funds	9,38,203	8,68,360
Staff Welfare Expenses	11,41,774	9,80,131
<b>Total</b>	<b>2,77,32,916</b>	<b>2,74,59,773</b>

#### 26. FINANCE COST

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Interest Expenses	12,81,818	15,28,348
Other borrowing costs	4,96,967	4,78,855
<b>Total</b>	<b>17,78,785</b>	<b>20,07,203</b>

#### 27. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
Depreciation of tangible assets	34,36,174	37,88,314
Amortisation of intangible assets	-	-
<b>Total</b>	<b>34,36,174</b>	<b>37,88,314</b>



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# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Year ended 31st March, 2022

### 28. OTHER EXPENSES

Particulars	(Amount in ₹)	
	As at 31st March 2022	As at 31st March 2021
<b>Administrative Expenses</b>		
Audit fees	1,20,000	1,20,000
Director Sitting Fees	90,000	1,20,000
Membership & Registration Fees	1,72,986	1,77,768
Insurance Expenses	2,12,163	1,48,685
Internet Expenses	2,85,788	4,17,370
Legal Expenses	8,71,868	1,95,404
Professional & Consultancy Expenses	52,03,911	21,68,175
Electricity Expenses	74,146	85,143
Office Expenses	2,27,090	3,32,960
Petrol & Diesel	3,59,896	2,16,670
Postage & Courier Charges	24,423	70,977
Printing & Stationery Expenses	1,33,257	57,009
Rates and Taxes	61,208	12,92,854
Rent Office	18,00,000	18,00,000
Repairs & Maintenance	7,94,932	8,81,547
Vehicle Repairs & Maintenance	2,55,778	1,83,201
TCS ERP Solution	2,94,957	2,74,130
Security Expenses	1,28,135	1,48,031
Telephone & Mobile Expenses	1,67,070	1,74,512
Water Charges	1,34,451	1,24,721
Incubation Centre Expenses	2,63,537	1,17,437
Miscellaneous administrative expenses	12,80,494	8,91,669
<b>Total (A)</b>	<b>1,29,56,090</b>	<b>99,98,263</b>
<b>Manufacturing Expenses</b>		
Power and Fuel	9,19,581	7,17,374
Rent Factory	3,67,075	3,04,971
Job Work Expenses	28,89,085	17,51,436
Site Development expenses	8,82,874	14,38,037
Repairs to machinery	2,99,942	36,877
Testing & Calibration Charges	3,02,980	5,56,075
MPIDC Annual Maintenance Charges	87,607	87,424
Labour Charges	7,71,605	-
Drawing & Design Charges	-	10,04,500
Miscellaneous manufacturing expenses	2,75,709	4,98,665
<b>Total (B)</b>	<b>67,96,458</b>	<b>63,95,359</b>
<b>Selling and Marketing Expenses</b>		
Advertisement and business promotion expenses	4,13,480	2,94,379
Sales Commission	16,86,025	11,66,097
Travelling Expenses	19,08,051	8,06,772
Late Delivery	11,09,080	40,001
Transportation Outward	20,84,753	14,10,492
Tender Fees	1,41,901	57,929
Other Selling Expenses	3,56,051	50,801
<b>Total (C)</b>	<b>76,99,341</b>	<b>38,26,471</b>



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## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the Year ended 31st March, 2022

#### Research & Development Expenses

Material Consumed	72,534	31,961
Travelling Expenses	22,258	-
Other Expenses	1,556	440
<b>Total (D)</b>	<b>96,348</b>	<b>32,401</b>

#### Loss due to Foreign Currency Fluctuation (E)

<b>Total Other Expenses (A+B+C+D+E)</b>	<b>2,75,48,237</b>	<b>2,02,52,494</b>
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#### 29. CURRENT TAX

Provision for current tax is made in the statement of profit and loss for the year ending March 31, 2022 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, 2022 (assessment year 2022 -23), the income tax computed under the other provisions (provisions of the Income Tax Act other than Chapter XII-B) amounts to ₹ 46,35,659 and income tax computed under the provisions of chapter XII-B of Income Tax Act amounts to ₹ 58,06,079. The provision of ₹ 58,06,079 has been made after utilising MAT credit.

#### 30. DEFERRED TAX EXPENSE

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

##### 30.1 Deferred tax impact of the timing difference in depreciation as per the Companies Act, 2013 and depreciation as

- Depreciation as per Income Tax Act, 1961	:	₹	43,64,856
- Depreciation as per Companies Act, 2013	:	₹	34,36,174
- Difference	:	₹	9,28,682
- Deferred tax impact (Income)	:	₹	2,41,458

##### 30.2 Deferred tax impact of the timing difference due in preliminary expenses as per the statement of profit and loss for the period disallowed under section 35D of Income Tax Act, 1961 -

- Preliminary Expenses (1/5th ) as per Income Tax Act, 1961	:	₹	10,004
- Preliminary Expenses as per Books	:	₹	-
- Timing difference between the Book Profit and Taxable Profit	:	₹	10,004
- Deferred Tax Liability/ (Asset)	:	₹	2,601

##### 30.3 Deferred tax impact on Unpaid bonus not deductible u/s 43B of Income Tax Act

Unpaid bonus not deductible u/s 43B of Income Tax Act	:	₹	3,74,708
Unpaid bonus paid during the year	:	₹	-
Difference	:	₹	3,74,708
Deferred Tax Expense/(Income)	:	₹	97,424

##### 30.3 Net deferred tax expense debited to statement of profit and loss for the period is ₹ 3,41,483



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# AARTECH SOLONICS LIMITED

## Statement of Consolidated Cash Flow for the year ended 31st March 2022

Particulars	As at 31st March 2022	As at 31st March 2021
<b>1. Cash Flows from Operating Activities</b>		
<i>Net Profit and Loss a/c ( as per profit and loss account)</i>	2,79,75,027	25,77,584
<b>Add : (A) Apportionment of Fund :</b>		
<i>Provision for tax made during the year</i>	59,24,565	17,50,487
<i>Deferred Tax</i>	3,41,483	2,73,482
<b>Net Profit before taxation and extra ordinary items</b>	<b>3,42,41,075</b>	<b>46,01,553</b>
<b>Add : (B) Non operating Expenses :</b>		
<i>Depreciation during the year</i>	34,36,174	37,88,314
<b>Sub Total</b>	<b>34,36,174</b>	<b>37,88,314</b>
<b>Less : (C) Non operating Income :</b>		
<i>Interest Income</i>	2,13,320	11,84,692
<i>Rental Income</i>	2,59,160	1,90,550
<i>Dividend Income</i>	-	11,507
<i>Net gain/(- loss) on sale of investments</i>	1,12,74,205	42,22,995
<i>Other non-operating income</i>	86,995	1,23,543
<i>Revenue Government Grant</i>	3,38,719	-
<i>Profit on sale of fixed assets</i>	22,56,363	-
<b>Sub Total</b>	<b>1,44,28,762</b>	<b>57,33,287</b>
<b>(D) Operating Profit Before Working Capital Changes (A+B-C)</b>	<b>2,32,48,487</b>	<b>26,56,580</b>
<b>Add : (E) Increase in current liabilities and decrease in current assets:</b>		
<i>Decrease in Inventory</i>	-	73,25,635
<i>Decrease in Account Receivable</i>	-	-
<i>Decrease in Short term Loans and Advances</i>	26,10,493	5,32,894
<i>Decrease in Other Current Assets</i>	1,76,757	36,53,020
<i>Increase in Short term borrowings</i>	-	-
<i>Increase in Trade Payables</i>	80,07,167	-
<i>Increase in Short Term Provisions</i>	4,49,134	42,29,842
<i>Increase in Other Current Liabilities</i>	4,561	-
<b>Sub Total</b>	<b>1,12,48,112</b>	<b>1,57,41,391</b>
<b>Less : (F) Increase in current assets and decrease in current liabilities:</b>		
<i>Increase in Inventory</i>	58,40,752	-
<i>Increase in Account Receivable</i>	79,58,436	1,73,42,670
<i>Increase in Short Term Loans and Advances</i>	-	-
<i>Increase in Other Current Assets</i>	-	-
<i>Decrease in Short Term Borrowings</i>	22,37,827	86,03,028
<i>Decrease in Trade Payable</i>	-	36,93,112
<i>Decrease in Short Term Provisions</i>	-	-
<i>Decrease in Other Current Liabilities</i>	-	43,24,931
<b>Sub Total</b>	<b>1,60,37,015</b>	<b>3,39,63,741</b>
<b>(G) Cash generated from Operations (D+E-F)</b>	<b>1,84,59,584</b>	<b>-1,55,65,770</b>
<b>(H) Income tax paid during the year:</b>	<b>18,79,514</b>	<b>5,65,300</b>
<b>(I) Net cash generated from operational activity (G-H)</b>	<b>1,65,80,070</b>	<b>-1,61,31,070</b>



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## 2. Cash Flows from Investing Activities

### (A) Net cash inflow from investment activity

<i>Interest Income</i>	2,13,320	11,84,692
<i>Rental Income</i>	2,59,160	1,90,550
<i>Dividend Income</i>	-	11,507
<i>Net gain/(- loss) on sale of investments</i>	1,12,74,205	42,22,995
<i>Other non-operating income</i>	86,995	1,23,543
<i>Revenue Government Grant</i>	3,38,719	-
<i>Capital Grant</i>	21,47,449	-
<i>Proceeds from marketable securities</i>	4,06,30,169	6,31,96,065
<i>Proceeds from sale of fixed assets</i>	29,93,873	-
<i>Realisation of security deposit</i>	-	-

**Sub Total** 5,79,43,890 6,89,29,352

### (B) Net cash outflow from investment activity

<i>Investment made in marketable securities during the year</i>	6,01,22,415	4,46,53,539
<i>Investment made in Property</i>	-	-
<i>Investment made in Subsidiary Company</i>	-	-
<i>Long Term Loans &amp; Advances</i>	38,40,000	3,59,626
<i>Purchase of new assets</i>	51,36,463	11,15,254
<i>Security deposit paid</i>	15,56,790	-

**Sub Total** 7,06,55,667 4,61,28,419

### (C) Net cash generated from Investment activity (a-b)

-1,27,11,777 2,28,00,933

## 3. Cash Flows from Financing Activities

### (A) Net cash inflow from financing activity

<i>Proceeds from issue of equity shares</i>	-	-
<i>Increase in long term borrowings</i>	-	-

**Sub Total** - -

### (B) Net cash outflow from investment activity

<i>Decrease in long term borrowing</i>	23,11,769	38,89,745
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**Sub Total** 23,11,769 38,89,745

### (C) Net cash generated from Financing activity (a-b)

-23,11,769 -38,89,745

### Net Increase/(Decrease) in Cash (1+2+3)

15,56,524 27,80,118

## 4.

Cash and cash equivalents at the beginning of the year	1,04,77,816	76,97,698
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**Cash and cash equivalents at the end of the year** 1,20,34,340 1,04,77,816



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# AARTECH SOLONICS LIMITED

An ISO 9001 : 2015 Certified Company



**Date: 12/05/2022**

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

Dear Sir/Ma'am

Scrip Code: 542580

Sub: Declaration in terms of Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 with respect to Audit Report for the year ended on March 31<sup>st</sup>, 2022 with unmodified opinion

Dear Sir/Madam,

In terms of the second proviso to Regulation 33(3)(d) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, we hereby confirm and declare that the statutory auditor of our company, M/s S. Ramanand Aiyar & Co., Chartered Accountants (FRN: 000990N), have issued the **Audit Report with unmodified opinion** in respect of **Audited Standalone and Consolidated Financial Results** of the Company for the half year and year ended March 31, 2022 which have been approved in the Board Meeting held on 12<sup>th</sup> May, 2022.

We hereby request you to take the same on your record.

Thanks & Regards,

**For Aartech Solonics Limited**



**Amit Anil Rajee  
Chairman & 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; fa@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