

AARTECH SOLONICS LIMITED

An ISO 9001 : 2008 Certified Company



Date: 02/09/2019

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

Dear Sir/Ma'am

Scrip Code: 542580

Sub: Notice of 38th AGM and Intimation of Cut-off date.

This is to inform that the 38th Annual General Meeting ("AGM") of the Company will be held on Thursday, the September 24, 2020 at 03:00 P.M (IST) at the Registered Office of the Company at E-2/57, Ashirvad, Arera Colony, Bhopal – 462016.

Pursuant to Regulation 34(1) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), we are submitting herewith the Annual Report of the Company along with the Notice of AGM for the financial year 2019-20 which is being sent through electronic mode to the Members.

The Board of Directors in their meeting held on September 02, 2020 have fixed the cut- off date as Wednesday, September 16, 2020 for the purpose of AGM i.e. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Wednesday, September 16, 2020 shall be entitled to avail the facility of voting on the date of the AGM and dividend.

Kindly take the same on your record.

Thanks & Regards,

For Aartech Solonics Limited



K R Tanuj Reddy
Company Secretary

Enclosures: as above

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

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

All Correspondence should be addressed to Regd. Office at Bhopal

CIN-L31200MP1982PLC002030

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 38th Annual General Meeting of the members of **Aartech Solonics Limited** (CIN L31200MP1982PLC002030) will be held on Thursday, the 24th Day of September, 2020 at 03:00 P.M at the registered office of the Company at E-2/57, Ashirvad, Arera Colony, Bhopal, Madhya Pradesh, 462016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Board of Directors and Auditors' thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2020, together with the Report of the Auditors thereon.
2. To declare final dividend on equity shares at the rate 5% [i.e., Re. 0.50/- (Rupee Fifty Paise Only) per Equity Share] for the financial year ended 31 March, 2020.
3. To appoint a director in place of Anil Anant Rajee (DIN: 01658167), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

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

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

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

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

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

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

SPECIAL BUSINESS:

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

NOTES:

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

5. The Register of Members and the Share Transfer books of the Company will remain closed from 17th day of September 2020 to 24th day of September, 2020 (both days inclusive) for the purpose of the Annual General Meeting.
6. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 16th September, 2020, only shall be entitled to avail facility of voting at the venue of the meeting. A person who is not a member as on the cutoff date should treat this notice for information purpose only.
7. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote as provided in the Notice convening the Meeting, which is available on the website of the Company.
8. Shareholders may be aware that the Companies Act, 2013, permits service of the Notice of the Annual General Meeting through electronic mode. In view of this the Company would communicate the important and relevant information, events and send the documents including the intimations, notices, annual reports, financial statements etc. in electronic form, to the email address of the respective Member. To support green initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in the following manner: The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs with their Depository Participant are requested to register their e-mail address at the earliest. Electronic copy of the Annual Report including Notice of the 38th Annual General Meeting of the Company inter-alia indicating the manner of voting along with Attendance Slip, Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant (s) for communication purposes. However, those members who desire to have a physical copy may request for the same to Company. For members who have not registered their email IDs, physical copies of the Annual Report are being sent in the permitted mode. The Annual Report of the Company will also be made available on the Company's website www.aartechsolonics.com.
9. Members seeking clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the Meeting. This would enable the Company to compile the information and provide replies in the meeting.
10. The Company or its Registrars and Transfer Agents, Bigshare Services Private Limited cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants.
11. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit their PAN to the Depository Participants with whom they maintain their demat accounts.
12. The Board of Directors has appointed Mr. Avadhesh Parashar, Company Secretary in Practice (M. No. A23783, COP No. 9067) as Scrutinizer for conducting the voting process in a fair and transparent manner.

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

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

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

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

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

Item No. 4

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

Item No. 7 & 8

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

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

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

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

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

A. Tenure of Appointment:

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

B. Nature of Duties:

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

C. Remuneration:

a. Basic Salary:

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

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

b. Benefits, Perquisites, and Allowances:

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

c. Commission:

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

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

d. Minimum Remuneration:

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

e. Other terms of Appointment:

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

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

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

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

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

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

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

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

ROUTE MAP TO THE AGM VENUE

