

# AARTECH SOLONICS LIMITED

## CONSOLIDATED FINANCIAL STATEMENT

APRIL – SEPTEMBER  
(FOR THE HALF YEAR ENDING SEPTEMBER 30, 2022)

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

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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 & associates (the Holding Company and its subsidiaries & associates together referred to as "the Group") comprising of the Consolidated Balance Sheet as at September 30, 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 September 30, 2022, its Consolidated Profit, and its Consolidated Cash Flows for the half year ended on that date.

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



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



Place: Bhopal

Date: November 12, 2022

UDIN: 22129331BCYHKC9126

# AARTECH SOLONICS LIMITED

## Consolidated Balance Sheet as at 31st March 2022

Particulars	Notes	As at 30th September 2022	As at 31st March 2022
<b>EQUITY &amp; LIABILITIES</b>			
<b>Shareholders' Funds</b>			
Share capital	2	10,59,01,250	10,59,01,250
Reserves & Surplus	3	16,89,85,169	16,78,71,805
<b>Minority Interest</b>	4	-34,175	19,025
<b>Non Current Liabilities</b>			
Long term Borrowings	5	-	-
Deferred Tax Liabilities (Net)	6	17,89,443	16,30,330
<b>Government Grant</b>	7	26,28,239	47,75,688
<b>Current Liabilities</b>			
Short Term Borrowings	8	1,40,45,185	65,17,600
Trade Payables	9	3,74,49,311	2,20,47,905
Other Current Liabilities	10	13,33,056	9,00,541
Short Term Provisions	11	81,95,518	1,08,51,914
<b>TOTAL</b>		<b>34,02,92,996</b>	<b>32,05,16,058</b>
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Fixed Assets			
- Tangible Assets	12	4,11,97,437	3,79,55,131
- Intangible Assets			
- Capital Work-in-Progress			
Non-Current Investments	13	5,53,40,577	1,59,77,029
Long Term Loans and Advances	14	6,13,19,165	6,49,72,478
Other Non Current Assets			
<b>Current Assets</b>			
Current Investments	15	5,34,33,406	7,83,44,751
Inventories	16	4,59,41,574	2,75,54,056
Trade Receivables	17	4,50,39,763	7,18,41,198
Cash and Cash Equivalent	18	1,71,11,356	1,20,34,340
Short Term Loans and Advances	19	80,97,029	62,76,478
Other Current Assets	20	1,28,12,689	55,60,597
		<b>34,02,92,996</b>	<b>32,05,16,058</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

For and on behalf of the Board of Directors



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

UDIN: 22129331BCYHKC9126

Place : Bhopal

Date : November 12, 2022



**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 30th September 2022

	Notes	For the half year ended 30th September 2022	For the half year ended 31st March 2022
<b>REVENUES</b>			
Revenue from operations	21	7,20,08,015	13,19,26,516
Other income	22	70,55,562	77,69,545
<b>TOTAL REVENUE</b>		<b>7,90,63,577</b>	<b>13,96,96,062</b>
<b>EXPENDITURES</b>			
Cost of materials consumed	23	4,87,51,187	4,80,97,910
Change in inventories of finished goods and work in process	24	-98,85,851	98,20,852
Employee benefit expenses	25	1,52,48,649	1,53,14,483
Finance costs	26	10,08,748	9,11,071
Depreciation and amortization expenses	27	17,90,043	16,74,688
Other expenses	28	1,95,88,238	1,71,79,750
<b>TOTAL EXPENSES</b>		<b>7,65,01,014</b>	<b>9,29,98,754</b>
<b>Profit before exceptional and extraordinary items and tax</b>		<b>25,62,563</b>	<b>4,66,97,308</b>
Exceptional Items			
<b>Profit before extraordinary items and tax</b>		<b>25,62,563</b>	<b>4,66,97,308</b>
Extraordinary Items			
<b>Profit before tax</b>		<b>25,62,563</b>	<b>4,66,97,308</b>
<b>Tax Expense</b>			
Current Tax		15,15,320	59,24,565
Deferred Tax	29	1,59,113	2,20,767
<b>Profit for the year</b>		<b>8,88,130</b>	<b>4,05,51,976</b>
<b>Earnings per equity share (Par value of ₹ 10 each)</b>			
Basic (₹)		0.08	0.71
Diluted (₹)		0.08	0.71

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

For and on behalf of the Board of Directors

  


CA Amit Singhvi  
Partner  
(Membership No. 129331)  
UDIN: 22129331BCYHKC9126  
Place : Bhopal  
Date : November 12, 2022

  
Amit A. Rale  
Chairman & Managing  
Director

  
Arati Nath  
Chief Executive Officer

  
Pradeep Narkhede  
Chief Financial Officer

  
K.R. Tanuj Reddy  
Company Secretary



# **AARTECH SOLONICS LIMITED**

## **Notes on Consolidated Financial Statements for the Half Year ended 30-Sep-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.



# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Half Year ended 30-Sep-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 Half Year ended 30-Sep-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.





# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Half Year ended 30-Sep-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.



# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Half Year ended 30-Sep-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



*[Handwritten Signature]*



# AARTECH SOLONICS LIMITED

## Notes on Consolidated Financial Statements for the Half Year ended 30-Sep-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 Half Year ended 30-Sep-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 30th September, 2022

#### 2. SHARE CAPITAL

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
<b>Authorized Share Capital:</b>		
1,50,20,000 Equity shares of ₹10 each	15,02,00,000	15,02,00,000
<b>Total</b>	<b>15,02,00,000</b>	<b>15,02,00,000</b>
<b>Issued, subscribed and Paid up:</b>		
1,05,90,125 Equity shares of ₹10 each fully paid	10,59,01,250	10,59,01,250
<b>Total</b>	<b>10,59,01,250</b>	<b>10,59,01,250</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 30th September 2022	As at 31st March 2022
Equity Shares at the beginning of the year	1,06,10,125	70,80,094
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>1,06,10,125</b>	<b>1,06,10,125</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.



## **AARTECH SOLONICS LIMITED**

### **Notes on Consolidated Financial Statements for the half year ended 30th September, 2022**

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

<b>Name of Share Holders</b>	<b>No. of Shares</b>	<b>% held</b>
<b>As at September 30, 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%
Mr. Amit Anil Raje	15,31,600	14.46%
Mr. Kailash Kabra	10,76,000	10.16%
Ashtamangal Projects Limited	7,94,000	7.50%

**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 half year ended 30th September, 2022

#### 3. RESERVES AND SURPLUS

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
<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	6,16,15,082	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>6,16,15,082</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	5,17,84,365	1,54,38,699
Add : Profit for the year	8,88,130	4,05,51,976
Add : Provision for Income Tax	1,18,486	91,654
Add : Share of Profit/(Loss) of Associate	53,548	-
Less: Appropriations:		
– Share of Minority Interest (Refer note 4)	-53,200	7,67,917
– Transferred to General Reserve	-	-
– Dividend paid on Equity Shares	-	35,30,047
<b>Closing Balance</b>	<b>5,28,97,729</b>	<b>5,17,84,365</b>
<b>Total</b>	<b>16,89,85,169</b>	<b>16,78,71,805</b>

#### 4. MINORITY INTEREST

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
<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	-2,02,139	-1,74,899
	<b>-2,01,139</b>	<b>-1,73,899</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	1,61,964	1,87,924
	<b>1,66,964</b>	<b>1,92,924</b>
<b>Total</b>	<b>-34,175</b>	<b>19,025</b>



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## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the half year ended 30th September, 2022

#### 5. LONG TERM BORROWINGS

Particulars	As at	As at
	30th September 2022	31st March 2022
Unsecured Loan from Related parties	-	-
8% Convertible Cumulative Unsecured Debentures	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

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

Particulars	As at	As at
	30th September 2022	31st March 2022
Deferred tax liability as on March 31, 2022	16,30,330	14,09,563
Add: Deferred tax Liability arising on account of difference in Depreciation as per Companies Act and as per Income Tax Act	1,59,113	1,20,742
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 September 30, 2022</b>	<b>17,89,443</b>	<b>16,30,330</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
	30th September 2022	31st March 2022
- 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>26,28,239</b>	<b>47,75,688</b>

#### 8. SHORT TERM BORROWINGS

Particulars	As at	As at
	30th September 2022	31st March 2022
- HDFC Bank CC Account	1,40,45,185	65,17,600
- HDFC Bank (Bill Discounting)	-	-
<b>Total</b>	<b>1,40,45,185</b>	<b>65,17,600</b>





## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the half year ended 30th September, 2022

#### 9. TRADE PAYABLES

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
Micro, Small and Medium Enterprises	47,27,482	15,88,224
Other	3,27,21,829	2,04,59,681
<b>Total</b>	<b>3,74,49,311</b>	<b>2,20,47,905</b>

#### 10. OTHER CURRENT LIABILITIES

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
Audit Fees Payable	1,65,000	1,10,000
Rent Payable	1,35,000	-
Electricity Expenses Payable	2,35,033	56,626
Telephone & Mobile Expenses	-	-
Water Charges Payable	-	-
Professional Fees Payable	78,100	81,000
Expenses Payable	5,44,858	3,23,485
Advance from Customers	1,75,065	3,29,430
Other Payables	-	-
<b>Total</b>	<b>13,33,056</b>	<b>9,00,541</b>

#### 11. SHORT TERM PROVISIONS

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
<b>Provision for Employee Benefits:</b>		
- Salary and Reimbursements	26,31,783	35,69,992
- Statutory Bonus	3,74,708	3,74,708
- Contribution to ESIC and Provident Fund	1,60,120	1,39,181
<b>Others:</b>		
- Tax Deducted ay source Payable	6,39,949	16,23,953
- GST Payable	-	-
- Professional Tax Payable	3,414	5,496
- Provision for Income Tax	43,85,544	51,38,584
<b>Total</b>	<b>81,95,518</b>	<b>1,08,51,914</b>



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## AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the Half Year ended 30th September, 2022

### 12. FIXED ASSETS

Particulars	Gross Block			Rate of Depreciation	Depreciation/Amortisation			Net Block	
	As at 01/04/2022	Additions	(Deductions)		As at 01/04/2022	For the year	Deduction	As at 01/04/2022	As at 30/09/2022
Land	17,90,732	-	-	0.00%	-	-	-	17,90,732	17,90,732
Building	2,34,17,612	-	-	3.17%	3,72,187	-	-	1,49,73,491	1,46,01,304
Plant & Machinery	1,92,94,365	22,87,000	-14,000	6.33%	6,72,928	-903	88,16,308	1,45,62,219	1,61,63,194
Electrification	32,37,513	96,850	-	9.50%	68,815	-	22,34,594	10,71,734	10,99,769
Office Equipment	36,03,941	14,25,911	-	19.00%	1,56,249	-	31,82,037	5,78,153	18,47,814
Computer & Accessories	41,85,210	5,45,904	-	31.67%	1,93,702	-	37,37,392	6,41,520	9,93,722
Testing Equipment	8,18,910	10,530	-	6.33%	15,153	-	6,69,796	1,64,267	1,59,644
Furniture & Fixtures	72,84,875	6,67,147	-	9.50%	1,40,230	-	59,77,621	14,47,484	19,74,401
Vehicles	33,82,304	-	-	11.88%	77,511	-	27,79,307	6,80,508	6,02,997
Tools	29,34,632	14,139	-2,034	6.33%	93,268	-	9,82,877	20,45,023	19,63,860
<b>Total</b>	<b>6,99,50,094</b>	<b>50,47,481</b>			<b>17,90,043</b>	<b>-903</b>	<b>3,37,84,103</b>	<b>3,79,55,131</b>	<b>4,11,97,437</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.



## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the half year ended 30th September, 2022

#### 13. NON CURRENT INVESTMENT

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
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 (Refer Note 13.1)	3,53,548	3,00,000
– Umang Shridhar Design Private Limited	25,00,000	25,00,000
– Epsilon Ten Ltd	3,93,10,000	
– Ansheo Nutraware Private Limited	25,000	25,000
– Investment In Bozobaka Labs Private Limited	31,578	31,578
<b>Total</b>	<b>5,53,40,577</b>	<b>1,59,77,029</b>

#### 13.1 Details of Investment in Associates are as Follows:

Particulars	As at 30th September 2022
<b>Enerqual Technology Private Limited:</b>	
– Original Cost of Investment	3,00,000
– Goodwill/(Capital Reserve)	-
– Accumulated Profits/(Losses)	53,548
<b>Carrying amount of Investment as on 30th September, 2022</b>	<b>3,53,548</b>

#### 14. LONG TERM LOANS & ADVANCES

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
<b>Other Loans and Advances</b>		
(Unsecured, considered good)	5,65,11,269	6,02,23,302
<b>Security Deposits</b>		
(Unsecured Considered Good)	48,07,896	47,49,176
<b>Total</b>	<b>6,13,19,165</b>	<b>6,49,72,478</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.



## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the half year ended 30th September, 2022

#### 15. CURRENT INVESTMENT

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
<b>Investments in mutual funds (Instrument wise):</b>		
- Aditya Birla Sunlife Equity Advantage Growth Fund	7,00,000	1,00,000
- Kotak Low Duration Fund Standard Growth	-	-
- Nippon India Ultra Short Duration Fund Growth Plan	1,01,04,689	3,94,48,685
- Aditya Birla Sun Life Banking and Financial Services	-	5,38,082
- Aditya Birla Sun Life Dynamic Bund Fund Growth	-	-
- Aditya Birla Sun Life Flexi Cap Fund Growth Regular Plan	-	-
- Aditya Birla Sun Life India Gen Next Fund Growth	-	10,00,000
- Aditya Birla Sun Life MNC Fund Growth Plan	-	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
- HDFC Small Cap Fund Regular Plan	1,00,000	8,50,000
- HDFC Top 100 Fund Regular Growth Plan	50,000	9,48,129
- IDFC Bond Fund Medium Term Plan Growth	2,00,000	1,00,000
- IDFC Ultra Short Term Fund Regular Plan	2,00,000	1,00,000
- Invesco India Gilt Fund Growth Plan	1,00,000	1,00,000
- Kotak Balanced Advantage Fund Growth	-	9,29,592
- Kotak Emerging Equity Scheme Growth Regular Plan	1,50,000	8,50,000
- Kotak Equity Opportunities Fund Growth Regular Plan	6,00,000	3,00,000
- Kotak Pioneer Fund Growth Regular Plan	-	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	23,84,893	18,24,893
- Nippon India CPSE ETF Fund	1,75,004	1,75,004
- Nippon India Growth Fund Growth Plan	6,00,000	-
- Nippon India Large Cap Fund Growth Plan	81,52,052	58,21,097
- Nippon India Multi Cap Fund Growth Plan	20,84,848	14,24,848
- Nippon India Overnight Fund Growth Plan	5,024	5,024
- Nippon India Short Term Fund Growth Plan	2,38,500	9,706
- Nippon India Small Cap Fund-Growth Plan	9,18,721	3,18,721
- Nippon India Value Fund Growth Plan	11,30,000	8,00,000
- Nippon India Gold Savings Fund Growth Plan	1,00,000	-
- Nippon India Multi Asset Fund Growth Plan (MFGPG)	-	-
- Aditya Birla Sun Life Floating Rate Fund Growth Regular Plan	-	-
- IDFC Sterling Value Fund Growth Regular Plan	-	5,02,597
- IDFC Balanced Advantage Fund Regular Plan Growth	-	3,21,000
- Nippon India Pharma Fund Growth Plan	4,83,290	4,83,290
- Nippon India Passive Flexicap FOF Growth Plan	25,00,000	3,22,501
- Nippon India Asset Allocator FOF Growth Plan	32,61,660	-



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## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the half year ended 30th September, 2022

- Nippon India Nifty Midcap 150 Index Fund Growth Plan	-	-
- DSP Flexi Cap Fund Regular Plan Growth	-	15,64,210
- Tata Balances Advantage Fund Regular Plan Growth	5,95,783	5,95,783
- Nippon India Flexi Cap Fund Growth Plan	81,08,544	1,00,00,000
- Tata Resources & Energy Fund Regular Plan Growth	5,00,475	5,00,475
- Nippon India Multi Cap Fund Growth Plan (466218393367)	1,99,000	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	45,00,000
- Nippon India Power & Infra Fund Growth Plan	6,00,000	6,00,000
- Nippon India Passive Flexicap FOF Growth Plan (466218393367)	20,00,000	-
- Nippon India Large Cap Fund Growth Plan (466218393367)	15,04,568	-
- Nippon India Consumption Fund Growth Plan (466218393367)	10,00,000	-
<b>Total</b>	<b>5,34,33,406</b>	<b>7,83,44,751</b>

#### 16. INVENTORIES

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
Raw Materials and components	3,49,99,690	2,64,98,023
Work-in-progress	88,75,594	10,25,325
Finished Goods	20,66,290	30,708
Stock in trade	-	-
<b>Total</b>	<b>4,59,41,574</b>	<b>2,75,54,056</b>

#### 17. TRADE RECEIVABLES

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
Outstanding for less than 6 months from the due date (Unsecured, considered good)	2,37,58,846	5,47,14,161
Outstanding for more than 6 months from the due date (Unsecured, considered good)	2,12,80,917	1,71,27,037
<b>Total</b>	<b>4,50,39,763</b>	<b>7,18,41,198</b>



## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the half year ended 30th September, 2022

#### 18. CASH AND CASH EQUIVALENTS

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
Balances with banks:		
– Earmarked Balances	-	-
– Guarantees (refer note no. 18.1)	55,83,032	56,68,938
– Other Commitments (refer note no. 18.2)	1,13,51,753	61,34,780
Cash on hand	19,338	27,130
Others (refer note no. 18.3)	1,57,232	2,03,492
<b>Total</b>	<b>1,71,11,356</b>	<b>1,20,34,340</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 30th September 2022	As at 31st March 2022
Unsecured Loans and Advances: (Unsecured, considered good)		
Advance to Suppliers	78,64,361	42,66,629
Advance to Employees	39,000	16,79,485
Prepaid Expenses	1,68,668	3,30,364
Other Loans and Advances	25,000	-
<b>Total</b>	<b>80,97,029</b>	<b>62,76,478</b>

#### 20. OTHER CURRENT ASSETS

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
*Income Tax AY 2020-21	-	2,22,279
Income Tax AY 2022-23	8,87,751	-
TDS Receivable	7,41,044	1,21,011
TCS Receivable	1,054	-
Accrued Interest	62,558	74,510
GST Receivable	1,11,20,282	51,42,797
<b>Total</b>	<b>1,28,12,689</b>	<b>55,60,597</b>



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## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the half year ended 30th September, 2022

#### 21. REVENUE FROM OPERATIONS

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
Sale of Products	6,55,39,508	12,34,63,581
Sale of Services	64,68,507	84,62,935
<b>Total</b>	<b>7,20,08,015</b>	<b>13,19,26,516</b>

#### 22. OTHER INCOME

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
- Interest Income	3,67,843	5,121
- Rental Income	1,54,749	1,32,344
- Government Grant for DST Project - "Saur Stambh"	21,47,449	3,38,719
- Spark Grant from Defence Innovation Organisation for Disc5	10,00,000	-
- Net gain/(- loss) on sale of investments	33,45,573	50,01,517
- Net gain on foreign currency transaction and translation	-	-7,446
- Other non-operating income	39,948	42,927
- Profit on sale of Fixed Assets	-	22,56,363
<b>Total</b>	<b>70,55,562</b>	<b>77,69,545</b>

#### 23. COST OF MATERIALS CONSUMED

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
Purchase of Raw Materials	5,72,52,854	5,42,31,125
Opening Balance of Raw Materials	2,64,98,023	2,03,64,808
Less : Closing Balance of Raw Materials	3,49,99,690	2,64,98,023
<b>Total</b>	<b>4,87,51,187</b>	<b>4,80,97,910</b>

#### 24. CHANGE IN INVENTORIES

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
Finished goods:		
Opening Balance	30,708	30,708
Less: Closing Balance	20,66,290	30,708
	<b>-20,35,582</b>	<b>-</b>
Work-in-Progress:		
Opening Balance	10,25,325	1,08,46,177
Less: Closing Balance	88,75,594	10,25,325
	<b>-78,50,269</b>	<b>98,20,852</b>
<b>Total</b>	<b>-98,85,851</b>	<b>98,20,852</b>



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## AARTECH SOLONICS LIMITED

Notes on Consolidated Financial Statements for the half year ended 30th September, 2022

### 25. EMPLOYEE BENEFIT EXPENSES

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
Salaries and Wages:		
– Directors Remuneration	22,15,145	20,76,174
– Staff Salary	1,09,61,715	1,06,51,263
– Salary relates to Recognised Research & Development Facility	13,49,364	3,64,284
– Statutory Bonus	-	7,48,302
Contribution to Provident Fund and Other Funds	5,19,684	4,63,164
Staff Welfare Expenses	2,02,741	10,11,296
<b>Total</b>	<b>1,52,48,649</b>	<b>1,53,14,483</b>

### 26. FINANCE COST

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
Interest Expenses	6,43,118	6,57,555
Other borrowing costs	3,65,630	2,53,517
<b>Total</b>	<b>10,08,748</b>	<b>9,11,071</b>

### 27. DEPRECIATION AND AMORTISATION EXPENSES

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
Depreciation of tangible assets	17,90,043	16,74,688
Amortisation of intangible assets	-	-
<b>Total</b>	<b>17,90,043</b>	<b>16,74,688</b>



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## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the half year ended 30th September, 2022

#### 28. OTHER EXPENSES

Particulars	(Amount in ₹)	
	As at 30th September 2022	As at 31st March 2022
<b>Administrative Expenses</b>		
Audit fees	55,000	70,000
Director Sitting Fees	30,000	30,000
Membership & Registration Fees	67,950	54,502
Insurance Expenses	94,601	1,22,405
Internet Expenses	2,15,153	1,69,490
Legal Expenses	3,10,970	7,95,224
Professional & Consultancy Expenses	17,22,138	44,62,426
Electricity Expenses	25,309	23,125
Office Expenses	1,24,847	1,16,742
Petrol & Diesel	1,87,058	2,05,972
Postage & Courier Charges	31,279	10,721
Printing & Stationery Expenses	1,31,257	82,860
Rates and Taxes	11,48,861	9,452
Rent Office	9,00,000	9,00,000
Repairs & Maintenance	12,82,561	4,61,182
Vehicle Repairs & Maintenance	88,608	1,05,170
TCS ERP Solution	1,35,227	-
Security Expenses	87,000	61,937
Telephone & Mobile Expenses	66,961	87,385
Water Charges	59,455	79,971
Incubation Centre Expenses	25,700	48,230
Miscellaneous administrative expenses	3,36,357	7,76,822
<b>Total (A)</b>	<b>71,26,290</b>	<b>86,73,617</b>
<b>Manufacturing Expenses</b>		
Power and Fuel	9,60,058	4,89,622
Rent Factory	1,89,000	2,10,000
Job Work Expenses	11,02,583	19,37,118
Site Development expenses	-	2,22,047
Repairs to machinery	1,48,084	38,277
Testing & Calibration Charges	10,07,513	2,98,480
MPIDC Annual Maintenance Charges	87,432	-
Labour Charges	1,24,090	7,71,605
Drawing & Design Charges	32,113	-
Miscellaneous manufacturing expenses	3,14,165	-
<b>Total (B)</b>	<b>39,65,038</b>	<b>39,67,149</b>
<b>Selling and Marketing Expenses</b>		
Advertisement and business promotion expenses	1,51,545	3,55,786
Sales Commission	14,67,908	8,89,684
Travelling Expenses	18,10,316	12,47,002
Late Delivery	8,42,054	2,81,100
Transportation Outward	12,16,358	12,57,181
Tender Fees	41,312	71,649
Other Selling Expenses	2,36,707	3,44,949
<b>Total (C)</b>	<b>57,66,200</b>	<b>44,47,351</b>



## AARTECH SOLONICS LIMITED

### Notes on Consolidated Financial Statements for the half year ended 30th September, 2022

#### Research & Development Expenses

Material Consumed	5,27,798	67,820
Travelling Expenses	5,53,079	22,258
Other Expenses	12,98,215	1,556
<b>Total (D)</b>	<b>23,79,092</b>	<b>91,634</b>

<b>Loss due to Foreign Currency Fluctuation (E)</b>	<b>3,51,617</b>	<b>-</b>
<b>Total Other Expenses (A+B+C+D+E)</b>	<b>1,95,88,238</b>	<b>1,71,79,750</b>

#### 29. 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:

##### 29.1 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	:	₹	24,02,014
- Depreciation as per Companies Act, 2013	:	₹	17,90,043
- Difference	:	₹	6,11,971
- Deferred tax impact (Income)	:	₹	1,59,113

##### 29.2 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	:	₹	-
- Preliminary Expenses as per Books	:	₹	-
- Timing difference between the Book Profit and Taxable Profit	:	₹	-
- Deferred Tax Liability/ (Asset)	:	₹	-

##### 29.3 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	:	₹	-
Unpaid bonus paid during the year	:	₹	-
Difference	:	₹	-
Deferred Tax Expense/(Income)	:	₹	-

##### 29.3 Net deferred tax expense debited to statement of profit and loss for the period is ₹ 1,59,113



# AARTECH SOLONICS LIMITED

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

Particulars	As at 30th September 2022	As at 31st March 2022
<b>1. Cash Flows from Operating Activities</b>		
<i>Net Profit and Loss a/c ( as per profit and loss account)</i>	8,88,130	4,05,51,976
<b>Add : (A) Apportionment of Fund :</b>		
<i>Provision for tax made during the year</i>	15,15,320	59,24,565
<i>Deferred Tax</i>	1,59,113	2,20,767
<b>Net Profit before taxation and extra ordinary items</b>	<b>25,62,563</b>	<b>4,66,97,308</b>
<b>Add : (B) Non operating Expenses :</b>		
<i>Depreciation during the year</i>	17,90,043	16,74,688
<b>Sub Total</b>	<b>17,90,043</b>	<b>16,74,688</b>
<b>Less : (C) Non operating Income :</b>		
<i>Interest Income</i>	3,67,843	5,121
<i>Rental Income</i>	1,54,749	1,32,344
<i>Government Grant for DST Project - "Saur Stambh"</i>	21,47,449	
<i>Spark Grant from Defence Innovation Organisation for Disc5</i>	10,00,000	
<i>Net gain/(- loss) on sale of investments</i>	33,45,573	50,01,517
<i>Other non-operating income</i>	39,948	42,927
<i>Revenue Government Grant</i>	-	-
<i>Profit on sale of fixed assets</i>	-	22,56,363
<b>Sub Total</b>	<b>70,55,562</b>	<b>74,38,272</b>
<b>(D) Operating Profit Before Working Capital Changes (A+B-C)</b>	<b>-27,02,956</b>	<b>4,09,33,724</b>
<b>Add : (E) Increase in current liabilities and decrease in current assets:</b>		
<i>Decrease in Inventory</i>	-	36,87,636
<i>Decrease in Account Receivable</i>	2,68,01,435	-
<i>Decrease in Short term Loans and Advances</i>	-	25,05,125
<i>Decrease in Other Current Assets</i>	-	39,13,192
<i>Increase in Short term borrowings</i>	75,27,585	-
<i>Increase in Trade Payables</i>	1,54,01,406	1,03,22,048
<i>Increase in Short Term Provisions</i>	-	39,57,223
<i>Increase in Other Current Liabilities</i>	4,32,515	-
<b>Sub Total</b>	<b>5,01,62,941</b>	<b>2,43,85,224</b>
<b>Less : (F) Increase in current assets and decrease in current liabilities:</b>		
<i>Increase in Inventory</i>	1,83,87,518	-
<i>Increase in Account Receivable</i>	-	2,35,74,710
<i>Increase in Short Term Loans and Advances</i>	18,20,551	-
<i>Increase in Other Current Assets</i>	72,52,092	-
<i>Decrease in Short Term Borrowings</i>	-	90,65,511
<i>Decrease in Trade Payable</i>	-	-
<i>Decrease in Short Term Provisions</i>	40,53,230	-
<i>Decrease in Other Current Liabilities</i>	-	4,66,647
<b>Sub Total</b>	<b>3,15,13,391</b>	<b>3,31,06,868</b>
<b>(G) Cash generated from Operations (D+E-F))</b>	<b>1,59,46,594</b>	<b>3,22,12,080</b>
<b>(H) Income tax paid during the year:</b>	-	<b>18,79,514</b>
<b>(I) Net cash generated from operational activity (G-H)</b>	<b>1,59,46,594</b>	<b>3,03,32,566</b>



*[Handwritten Signature]*



## AARTECH SOLONICS LIMITED

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

Particulars	As at 30th September 2022	As at 31st March 2022
<b>2. Cash Flows from Investing Activities</b>		
<b>(A) Net cash inflow from investment activity</b>		
Interest Income	3,67,843	5,121
Rental Income	1,54,749	1,32,344
Government Grant for DST Project - "Saur Stambh"	21,47,449	
Spark Grant from Defence Innovation Organisation for Disc5	10,00,000	
Net gain/(- loss) on sale of investments	33,45,573	50,01,517
Other non-operating income	39,948	42,927
Proceeds from marketable securities	4,13,64,821	2,03,24,528
Proceeds from sale of fixed assets	15,131	29,93,873
Long Term Loans & Advances	37,12,033	
Realisation of security deposit	-	-
<b>Sub Total</b>	<b>5,21,47,547</b>	<b>2,85,00,310</b>
<b>(B) Net cash outflow from investment activity</b>		
Investment made in marketable securities during the year	1,64,53,475	5,15,76,298
Investment made in Property	-	-
Non Current Investment	3,93,10,000	-
Utilisation of Governemtn Grant	21,47,449	-
Long Term Loans & Advances	-	-
Purchase of new assets	50,47,481	27,83,382
Security deposit paid	58,720	6,81,859
<b>Sub Total</b>	<b>6,30,17,125</b>	<b>5,50,41,539</b>
<b>(C) Net cash generated from Investment activity (a-b)</b>	<b>-1,08,69,578</b>	<b>-2,65,41,229</b>
<b>3. Cash Flows from Financing Activities</b>		
<b>(A) Net cash inflow from financing activity</b>		
Proceeds from issue of equity shares	-	-
Increase in long term borrowings	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>(B) Net cash outflow from investment activity</b>		
Decrease in long term borrowing	-	-
<b>Sub Total</b>	<b>-</b>	<b>-</b>
<b>(C) Net cash generated from Financing activity (a-b)</b>	<b>-</b>	<b>-</b>
<b>Net Increase/(Decrease) in Cash (1+2+3)</b>	<b>50,77,016</b>	<b>37,91,337</b>
<b>4.</b>		
Cash and cash equivalents at the beginning of the year	1,20,34,340	82,43,003
<b>Cash and cash equivalents at the end of the year</b>	<b>1,71,11,356</b>	<b>1,20,34,340</b>



*[Handwritten Signature]*

