

**Date: 05<sup>th</sup> September, 2025**

To,  
**National Stock Exchange of India Limited**  
Exchange Plaza, Plot No. C/1, G-Block  
Bandra Kurla Complex,  
Bandra (E)  
Mumbai - 400 051

NSE Symbol: **AARTECH**

To,  
**BSE Limited**  
The Corporate Relationship Dept.  
Phiroze Jeejeebhoy Towers,  
Dalal Street, Fort  
Mumbai - 400 001

BSE Scrip Code: **542580****Sub: Submission of 43<sup>rd</sup> Annual Report for the financial year 2024-25 including Notice of 43<sup>rd</sup> Annual General Meeting of the Company**

Dear Sir/Ma'am,

Pursuant to the provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), please find enclosed herewith a copy of the Annual Report of the Company "Aartech Solonics Limited" for the financial year 2024-25, including the Notice convening the 43<sup>rd</sup> Annual General Meeting (AGM) of the Company scheduled to be held on Tuesday, September 30, 2025, at 11:00 A.M. (IST).

Further, copy of the Annual Report including the AGM Notice is also available on the Company's website at [www.aartechsolonics.com](http://www.aartechsolonics.com) and on the website of the Registrar and Transfer Agent, Bigshare Services Private Limited, at <https://ivote.bigshareonline.com>.

You are kindly requested to take the above information on record.

Thanking You,

Yours faithfully,

**For Aartech Solonics Limited**

**K R Tanuj Reddy**  
Company Secretary & Compliance Officer

**Encl: 43<sup>rd</sup> Annual Report including Notice of Annual General Meeting****Address :**

Registered Office : 'Ashirwad', E-2/57, Arera Colony,  
Bhopal, Madhya Pradesh, India - 462016

Unit # 1 : 35A/36, Sector-B, Industrial Area, Mandideep,  
District Raisen, Madhya Pradesh, India - 462046

Unit # 2 : Near Him Cold Storage, Sector-1A, Parwanoo,  
District Solan, Himachal Pradesh, India - 173209

**Phone :**

+91-99930 91167  
+91-73899 24734

**Fixed Line :**

+91-755-2463593

**Website:**

[www.aartechsolonics.com](http://www.aartechsolonics.com)

**Email :**

[info@artechsolonics.com](mailto:info@artechsolonics.com)  
[compliance@artechsolonics.com](mailto:compliance@artechsolonics.com)

**CIN :**

L31200MP1982PLC002030



**AARTECH SOLOMONICS LIMITED**

---

**43rd ANNUAL REPORT  
2024-2025**

**E-2/57, ASHIRVAD, ARERA COLONY, BHOPAL, 462016, MP**

## **CORPORATE INFORMATIONS**

**BOARD OF DIRECTORS**

Mr. Amit Anil Raje	: Chairman & Managing Director
Mr. Anil Anant Raje	: Non-Executive Director
Mrs. Arati Nath	: Executive Director & CEO
Mr. Prashant Dattatray Lowlekar	: Non-Executive & Independent Director
Mr. Kshitij Negi	: Non-Executive & Independent Director
Ms. Supriya Sunil Chitre	: Non-Executive & Independent Director

**KEY MANAGERIAL PERSONNEL**

Mr. Amit Anil Raje	: Chairman & Managing Director
Mrs. Arati Nath	: Chief Executive Officer & Director
Mr. Pradeep Vasant Narkhede	: Chief Financial Officer
Mr. K R Tanuj Reddy	: Company Secretary & Compliance Officer

**BOARD COMMITTEES**
**AUDIT COMMITTEE**

Mr. Prashant Dattatray Lowlekar	: Chairman
Mr. Kshitij Negi	: Member
Mr. Amit Anil Raje	: Member
Ms. Supriya Sunil Chitre	: Member (w.e.f 30.05.2024)

**NOMINATION AND REMUNERATION COMMITTEE**

Mr. Kshitij Negi	: Chairman
Mr. Prashant Dattatray Lowlekar	: Member
Mr. Anil Anant Raje	: Member
Ms. Supriya Sunil Chitre	: Member (w.e.f 30.05.2024)

**STAKEHOLDERS RELATIONSHIP COMMITTEE**

Mr. Kshitij Negi	: Chairman
Mr. Anil Anant Raje	: Member
Mr. Amit Anil Raje	: Member
Ms. Supriya Sunil Chitre	: Member (w.e.f 30.05.2024)

**BANKERS**

HDFC Bank

**STATUTORY AUDITOR**

M/s BANCERS & Co. LLP (FRN: C400331)  
Chartered Accountants

**SECRETARIAL AUDITOR**

M/s APVN & Associates  
Company Secretaries

**REGISTRAR AND TRANSFER AGENT**

**Bigshare Services Pvt. Ltd.**

S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park,  
Next to Ahura Centre, Mahakali Caves  
Road, Andheri East,  
Mumbai – 400 059 (MH)  
Tel.: +91 22 6263 8200  
Email: info@bigshareonline.com  
Website: www.bigshareonline.com

**REGISTERED OFFICE**

E-2/57, Ashirvad, Arera Colony, Bhopal –  
462016 (MP)  
**Tel.:** +91 755 4276335  
**Email :** treddy@aartechsolonics.com  
**Website:** www.aartechsolonics.com  
**CIN:** L31200MP1982PLC002030  
**ISIN:** INE01C001026 w.e.f 09.08.2024  
**BSE SCRIP ID/CODE:** 542580  
**NSE SYMBOL:** AARTECH

## **TABLE OF CONTENTS**

<b>SR. NO.</b>	<b>PARTICULARS</b>	<b>PAGE NO.</b>
1	Corporate Information	1
2	Letter to the Shareholders by Chairman & Managing Director	3-5
3	From the desk of CEO (Chief Executive Officer)	6-11
4	Notice of Annual General Meeting	12-36
5	Board's Report	37-63
6	Management Discussion and Analysis Report	64-80
7	Statement related to Associate Companies and Joint Ventures	81-83
8	Form No. AOC-2	84-87
9	Statement of conservation of energy, technology absorption, foreign exchange earnings and outgo	88-89
10	Details of remuneration	90-92
11	Secretarial Audit Report	93-96
12	Corporate Governance Report	97-152
13	Independent Auditors' Certificate on Compliance with the Corporate Governance requirements	153
14	Compliance with the Code of Conduct of Board of Directors and Senior Management	154
15	Certificate of non-disqualification of Directors	155-156
16	CEO/CFO Certification	157-158
17	Standalone Independent Auditor's Report & Financial Statements	159-224
18	Consolidated Independent Auditor's Report & Financial Statements	225-288



## LETTER TO THE SHAREHOLDERS

Dear Members of the Aartech Family,

Allow me to start with a note on some recent reflections triggered by the onslaught of geo-political events both at home and overseas that are poised to disrupt the world order with unpredictable impact and outcomes. What does it mean for a small microcosm like Aartech? Do we brace for a shock and lie low? Or do we see an opportunity of a lifetime and take calculated risks to leapfrog ourselves into the next orbit of growth?

Our profound heritage and knowledge systems never fail to show us the wise path forward especially when we face challenges and uncertainties. As we strive to bring out the best value for all our stakeholders, some of the best lessons for defining a sustained long-term approach can be found in this popular *Sanskrit shloka* from Hitopadesha by Narayana, 8<sup>th</sup> Century AD:

“विद्या ददाति विनयं विनयाद् याति पात्रताम्।  
पात्रत्वाद् धनमाप्नोति धनाद्धर्मं ततः सुखम्॥”

**English Translation:** Knowledge makes one humble, humility begets worthiness, worthiness creates wealth and enrichment, enrichment leads to right conduct, right conduct brings contentment.

A wonderful insight for us to use as a navigational north star and assess which entities; be it individuals, small organizations, large government or institutions across the globe; are truly aligning themselves for long term success. Your company Aartech is blessed with a sustained legacy of investigating, building and developing knowledge systems in multiple selected and specialized areas of work and we have deep rooted belief and commitment in following through the path of humility, worthiness, wealth generation, preservation and ethical conduct that will hopefully keep enabling us towards ever growing contentment and happiness.

A strong focus on delivering results on the ground has brought us a **RECORD TURNOVER** and I take this opportunity to congratulate and commend each and every Aartechie who have contributed towards this milestone. Heartfelt appreciation and gratitude to all our ecosystem partners, be it associates, suppliers, service providers, consultants and clients without whom this milestone would simply not have been achievable.

At a strategic level, your company has evolved a two-pronged strategy to position itself for next orbit of growth. On one hand, in our **PRODUCTS VERTICAL**, we are strengthening, optimizing and building higher and higher momentum into our products that have found traction. On the other hand, our **PROJECTS VERTICAL** is getting tuned to handle the wicked 0-to-1 journeys of solving new problem statements of exciting innovation driven entrepreneurial opportunities with tremendous agility, hustle and out-of-the-box thinking.

Let me share some key milestones that validate this, which are over and above all the strides that we are taking in our regular business operations of our **PRODUCTS VERTICAL** which our CEO Arati Nath will cover in more detail in her note.

- **UNIDO FLCTD Project:** We successfully executed a project awarded by UNIDO (United Nations Industrial Development Organization) under their FLCTD (Facility for Low Carbon Technology Deployment) program for decarbonizing the shipping industry by developing FaraDigm® ECO-RTG Fuel Saver for Rubber Tyred Gantry (RTG) Cranes that offers substantial energy savings and carbon emission reduction when deployed at scale. With

CII doing independent Measurement and Verification (M&V) and disseminating the results of this work through its wide networks, we are looking forward to next steps for introducing this technology to the booming shipping sector in India and abroad.

- **UK Export Order:** Your company successfully completed its maiden foray into UK with a prestigious export order to design, engineer and deliver ultracapacitor based energy storage systems with advanced power electronics controls for an Innovate UK grant-funded project won by our UK concern – M/s Aartech Solonics UK Limited in collaboration with University of Birmingham for the upcoming Global Center for Rail Excellence (GCRE) Project. We look forward to progressing with these rich credentials under our belt.
- **US Cleantech Acceleration Program Participation:** Your company's efforts to establish itself overseas continue with unabated efforts despite the global turmoil. Its unique technology offerings developed and promoted through our USA concern M/s Aartech Solonics Inc. won a place in USA based prestigious programs such as the Cleantech Open Accelerator 2024 Cohort and the Grid Catalyst PowerNorth Incubator Cohort 2025. These efforts have started to create a sustained impression in North America's expansive cleantech ecosystem, albeit not held in much priority by the current US leadership.
- **Defence India Startup Challenge (DISC):** After a competitive and open challenge process conducted by Defence Innovation Organization (DIO) under the Innovations for Defence Excellence (iDEX) program, your company has been awarded its second DISC award for developing a state-of-the-art retrofit ultracapacitor based system to mitigate engine starting issues being experienced by the Indian Army in their AFVs. We expect to complete this project in 2026 and qualify for meeting the emerging requirements for this technology post extensive testing, validation and user trials.
- **Alternate Adaptive Power Module (AAPM):** Your company has been streamlining its focus on problem statements shared by its customers to make delightful bespoke products with state-of-the-art features. The AAPM technology developed under a civil-military cooperation initiative (patent filed) has been vetted by IIT Bombay and successfully cleared various user NCNC trials to demonstrate its capabilities of substantive operational benefits and cost savings to end users in the defense establishments. Your company is now looking forward to serve the requirements that have started getting raised by various agencies for this system through competitive bidding processes.
- **Industry – Academic Collaboration with MANIT Bhopal - CPRI-RSOP Scheme:** Your company is actively collaborating with its academic partner MANIT Bhopal to serve a prestigious project for 'R&D under National Perspective Plan (NPP)' on the project 'Design and Development of Sustainable Framework and Control Strategies for Rural Microgrid'. These initiatives are opening the door for power sector reforms as the grid becomes increasingly decentralized with increased renewable penetration.
- **Award of 4 Acre Land under Renewable Energy and Power Equipment Manufacturing Cluster at Mohasa Babai, District Narmadapuram for 100% Subsidiary – Faradigm Ultracapacitors Pvt. Ltd:** As energy transition initiatives pick up momentum with a lot of support from the governments at various levels – there is an increased push to support manufacturing and logistics with a regional cluster based approach. Your company's subsidiary has been awarded a 4 acre land parcel to setup a state-of-the-art plant in the field of energy storage

product and their applications and taking next steps for financial closure, construction and setting up of this facility by end of 2026.

- **Award of Ultracapacitor based Energy Storage System (UCESS) scaled-down pilot for EMALS:** Your company is now the only Indian company with the experience of two large scale implementations of ultracapacitor technology demonstrators for an advanced application under development of a scaled-down pilot for Electro-Magnetic Aircraft Launching Systems (EMALS) for a DRDO Lab. This will enable next-generation on-board launching of sophisticated aircrafts, drones and UAVs from compact platforms such as naval ship decks. The latest project was won under competitive bidding and deliveries are slated in 2025.

By no means does this indicate that such techno-preneurial pursuits are without its failings. We have experienced severe challenges in several projects which required us to pivot our strategies while striving towards meeting all our commitments against all odds. Our significant maiden investment in a UK based startup in 2022 did not yield the desired outcome and we had to book significant impairment losses on that account which dented our 24-25 financials despite good operational numbers. Not all is lost though, as we are working on a strategy to salvage our core investments, securing the international IP, focus on product realization in India and hope to come back to you with some exciting and good news in the near future.

I am also pleased to share a key initiative that our young executive management team has taken up under the leadership of our CEO to draft and set into motion Aartech's next Vision and Mission Statement. You may recollect that the previous version was laid out by our founder Shri Anil Anant Raje in 2019 with a timeline till March 2025 (Refer 2019 Annual Report). With a lot of thought, attention, passion and enthusiasm being invested in this exercise – your company looks forward to attaining bold new frontiers under the next generation of its executive leadership.

Till next time, lets keep the hustle ON!

Sd/-

**Amit Anil Raje**

**Chairman & Managing Director**

**Aartech Solonics Limited**

**(DIN: 00282385)**

R/o 15, Silver Oak, Green Heights,  
Gulmohar Colony,  
Bhopal 462038 (M.P.)

**05th September, 2025.**

## FROM THE DESK OF CEO (CHIEF EXECUTIVE OFFICER)

Dear Aartech Shareholders

Jai Hind!

Saathiyon, it gives me great pleasure to write this note on the occasion of the Forty-Third Annual Report of Aartech Solonics Limited. As we continue unlocking value across every facet of our business, it is imperative to remain deeply rooted in the Indian ecosystem and align fully with the Make in India campaign — a mission more relevant today than ever before.

### **Global Operating Environment**

Global economic growth remained steady at 3.3% in FY 2024–25, consistent with the previous year. Global inflation eased to 5.7% from 6.7%, supported by stabilizing supply chains and moderation in commodity prices. This enabled major central banks to ease monetary policies, reducing benchmark rates by 50 to 100 basis points during the year.

However, persistent geopolitical tensions and policy uncertainties — including trade tariffs — created volatility in global markets. These challenges adversely impacted energy demand, leading to softer prices and narrower margins across sectors.

### **India's Economic Resilience**

Despite these global headwinds, the Indian economy demonstrated remarkable resilience. While growth moderated to 6.5% in FY 2024–25 from 9.2% the previous year, India retained its position as the fastest growing major economy in the world and ranked as the fourth strongest economy globally.

Government initiatives targeting 500 GW of renewable energy capacity by 2030 and schemes like One Nation – One Grid – One Frequency are transforming India's power sector from a fragmented network to a fully integrated, interconnected grid.

India's power demand is expected to grow robustly by 5.5% in FY 2025, with incremental capacity additions ranging from 25 to 32 GW. Renewable energy is anticipated to lead these capacity additions, comprising 23% of the total capacity by FY 2025. Currently, approximately 80 GW of solar, wind, and solar-wind hybrid capacities are under construction, with another 95 GW in various stages of development.

India's grid ranks among the largest synchronous grids globally and is poised for a transformation through the integration of emerging technologies. These include energy storage systems, smart grid technologies such as Advanced Metering Infrastructure (AMI) and Demand Response (DR) systems, renewable energy integration tools - including hybrid solutions for more consistent power output - and real-time grid monitoring systems, all aligning with India's ambitious renewable energy targets.

### **Our Journey at Aartech**

The story of success continues at Aartech, as we consistently explore new technologies while strengthening our traditional business areas.



I am proud to share that for the third consecutive year, Aartech has delivered record top-line growth - a proud moment for all of us.

Looking back at our relentless efforts over the years, it is our financial discipline combined with a deep understanding of our customers' needs and delivering tailored solutions that have enabled us to persevere and support clients worldwide.

Building on this momentum, Aartech has set ambitious incremental growth targets for FY 2025-26, reflecting our continued confidence in both domestic and global markets.

### **Key Developments During the Year**

- **Record Top-Line:** We recorded a historic revenue of ₹35.70 Crores, with growth across all business divisions. Additionally, a new "Trading Business" was introduced to diversify our offerings.
- **Export Expansion:** Aartech secured a major export order in the Middle East in the Bus Transfer System division, strengthening our international footprint.
- **Recognition at iDEX:** The company was honored twice under iDEX (DISC 11), reaffirming our leadership in defense innovation and contribution to India's defense ecosystem by solving critical problem statements.
- **Innovation and IPR:** We filed an Intellectual Property Right (IPR) for the Adaptive Alternate Power Module for Tanks and Guns, developed in collaboration with IIT Powai and the Indian Army, underlining our commitment to indigenous R&D and innovation.
- **International Project Execution:** Successfully delivered a key project for the Global Centre for Rail Excellence (GCRE) in the United Kingdom, enhancing Aartech's global presence through our UK entity.
- **Strategic Subsidiary - FUPL:** We laid the foundation stone for Paradigm® Ultracapacitors Private Limited (FUPL) at Mohasa-Babai, a wholly owned subsidiary focused on next-generation energy storage solutions.
- **Rebranding Exercise:** Aartech completed a comprehensive corporate rebranding initiative, preserving our legacy while positioning ourselves as a global solutions provider for all stakeholders.

These developments underscore Aartech's ability to leverage technical expertise, expand its global reach, and meaningfully contribute to national and international markets — all while creating sustained value for stakeholders.

### **Operational Excellence and Cost Management**

Throughout the year, we maintained a disciplined focus on cost optimization and margin protection despite macroeconomic challenges, input price volatility, and supply chain constraints. Key initiatives in procurement, logistics, and operational planning strengthened cost controls. Strategic sourcing and vendor renegotiations helped mitigate the impact of raw material inflation.

On the revenue side, effective price realization strategies in high-margin product lines were supported by strong market demand and brand equity.

Consequently, we witnessed stable to improving gross margins across key business areas. Operating margins in certain areas improved by 10-15% year-on-year, driven by volume growth and enhanced fixed-cost absorption.

## Enhancing Operational Resilience

Aligned with our strategic goals to boost operational resilience and agility, Aartech undertook multiple initiatives to improve productivity and optimize asset utilization:

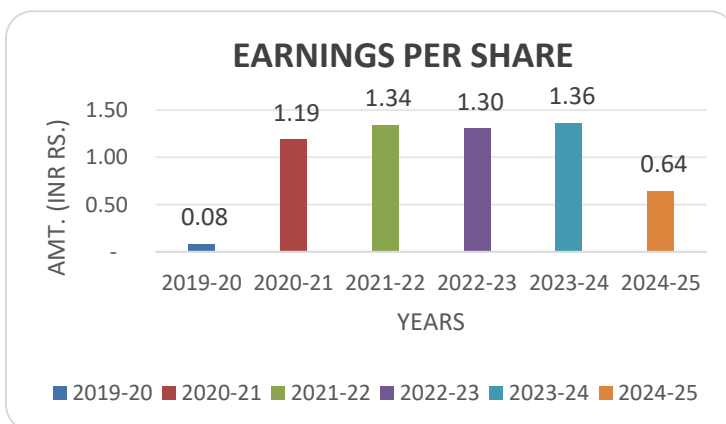
- Capacity utilization increased significantly in key facilities, particularly at CRP.
- Energy efficiency programs delivered cost savings and advanced our ESG commitments.
- Cross-functional workforce planning and multiskilling initiatives enhanced labor efficiency and resource flexibility.

These efforts culminated in greater productivity, better infrastructure utilization, and a more responsive operational model — laying a robust foundation for scalable and efficient growth in the coming year.

## Key Ratios for the year

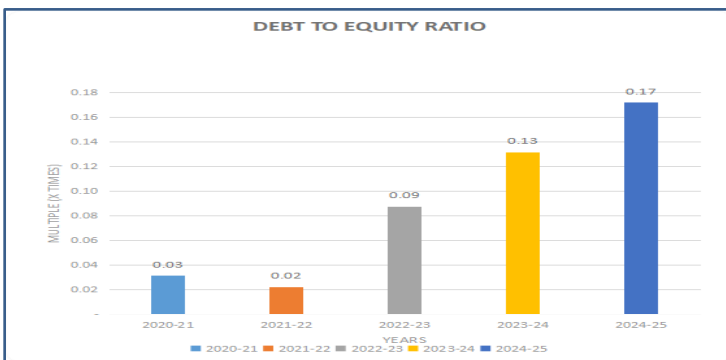
### Earnings Per Share (EPS)

Earning Per Share (EPS) has decreased Y/Y to 0.64x from 1.36x indicating negative returns Y/Y to the shareholders reflecting impairment losses.



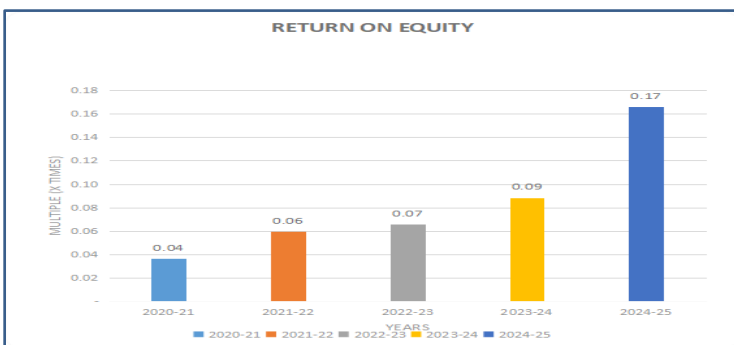
### Debt to Equity

The Debt to Equity Ratio (D/E ratio) increased marginally to 0.17x from 0.13x primarily due to additional exposure in working capital limits for order executions



## • Return on Equity

The ROE has increased from 0.09x to 0.17x indicating stronger returns to the shareholders and consistent performance of the company in the diverse segments it has been operating. The company is effectively using the shareholder's funds for improving the profitability of the company.



## Other Aspects

### • Strategic

#### Blueprint for Transformation

The company led by its leader and mentor Sh. Amit Anil Raje (AMR) is trying to meet the vision and mission set by the ex- CMD and promoter Sh. Anil Anant Raje (AAR). We have initiated a process to co-create a vision statement for the company and it is set to be the compass for the direction which the company would take by having a footprint globally.

The company has also changed its growth trajectory and its speed. We have tried to draw a strategic roadmap which ensures that we periodically re-examine our portfolio through the lens of market realities.

#### Global Footprint

While our products are catering domestically to many customer pain points, we have realized two things –

1) We need to have inorganic growth by incorporating products that are in the technological competent domains that need entrepreneurial risk and ability to grow worldwide. We are scouting for various opportunities and getting them back to our land.

2) Make Aartech future ready by getting into those markets which are for tomorrow. Also We have put “Make in India” into practice much before it became so widely known.

Our efforts are towards developing our presence in UK and US for different applications and services.

#### Succession Planning

We believe sound succession planning is imperative for the sustainability of organizations. As leaders, we need to constantly focus on it to have the baton passed on. For this, we have created a senior executive management team and middle executive management team for a successful leadership team to be developed. I take this opportunity to thank all my senior leaders of the organization, all executives and operators and their respective families who are supporting to achieve the mission set by the CMD.

### • Operational

#### Deep Diving

Over the years we have tried to give solutions to some of the complex problems of our existing and new customers in primarily power and utilities, refineries, nuclear power and defense (on sites and related establishments). We have also

tried to enter other industrial solutions through our plastic enclosures products and achieving the mission of Swach Bharat through Waste to Compost machines.

We continue to also deep dive into continuous new problem sets through our DSIR approved inhouse R&D with projects like Saur Stambh providing solar high mak lights in regions where electricity is a shortfall.

### **Creating Value**

At Aartech, we are constantly looking to understand what value are we offering to our stakeholders, be it in the form of shareholders, customers or employees. Growth for the sake of growing can lead to cancer like situations and therefore the company strongly believes and maintains the philosophy of creating value together with technical collaborations or single handedly. The company believes in its logo “Dare to go Solo” to create change in the eco system it is sustaining.

### **Customer Experience**

Aartech is known to provide prompt services to its customers at all levels. Service Escalations are carefully maintained and happy to share that there are no customer issues pending at this point and expect the same in future.

In today’s times, customers are experiencing new and dynamic challenges every day. We are still in our early stages, learning, improving our processes, and finding systemic solutions to every problem. We are quite confident that with this constant process of introspecting, learning, rapid re-learning, willingness to scrap what we built and rebuild, and our willingness to build and collaborate with new technologies, we will improve our services going forward and fill our gaps.

Internally, we have introduced the POSH (Prevention of Sexual Harassment) Policy this year. Its a step toward making our workplace safer, more respectful & inclusive for everyone. We have also introduced several policy amendments based on feedback from Aartechees. These include an increase in employer contribution towards insurance, flexible work timings, relaxation in late mark arrivals, etc. In addition, major applications and requests are now automated and digital, taking us a step closer to becoming a paper free digital organization.

Our attrition rate is less than 20.27%. While this is above the global industry benchmark of 10–12%, it reflects a phase of strategic restructuring. Aartech continues to operate with a focused, cross-functional team that enables innovation, agility, and scalable growth. Our hiring focus is on bringing in the right talent to support everyone better. Diversity and inclusion remain at the heart of our culture, ensuring equal opportunities for all.

We have conducted several campus drives and signed MoUs with reputed colleges, reinforcing our commitment to making our organization a more visible brand and the employer of choice for fresh talent. Our HR team has been actively handling social media, ensuring that every achievement and event is highlighted effectively. For employee engagement, we have focused on providing on job training and addressing concerns through direct management involvement. Our executive management team stays closely connected with employees in their day-to-day tasks, removing barriers for open communication and accessibility. Additionally, our organizational structure is designed to ensure that every individual feels both responsible and accountable for their work, fostering a culture of ownership & collaboration.

- **Compliance**

#### **Split and Bonus Issue**

I am glad to announce that we have successfully executed a Stock Split and Bonus issue of your shares in August 2024 to make a broader base of our capital structure along with giving a reward to our shareholders through bonus. In this process, the company has spent Rs. 5.3 Cr in using split and bonus in the ratio of 1:2.

**Corporate Governance**

Your Company views corporate governance as a key element in improving economic efficiency and growth, as well as for building confidence of its stakeholders. Being a Listed Company, the company complies with all applicable provisions within its ambit, relating to corporate governance as stipulated under the Companies Act, 2013, SEBI (Listing Obligations & Disclosure Requirements) Regulations. The Company maintains the highest standards of transparency, accountability and adequate disclosures.

We have an extremely strong Board of Directors with highly capable and reputed professionals. We have very detailed and rich discussions at the Board on all important matters. I thank every one of them for their thoughtfulness, wisdom, their active participation, and guidance at the Board.

**Looking Ahead and Gratitude**

As we look ahead to FY 2025–26 and beyond, Aartech remains committed to building global competitiveness, scaling our innovation ecosystem, and enhancing value for all our stakeholders. We will continue to align our growth strategies with national priorities such as Atmanirbhar Bharat and India's energy transition, ensuring that we contribute meaningfully to the country's development journey.

In closing, I express my heartfelt gratitude to our Board of Directors for their guidance, our dedicated employees for their passion and resilience, our partners and regulators for their collaboration, and most importantly, to you — our shareholders — for your continued trust and unwavering support.

Together, let us continue to Dare to Go Solo, innovate boldly, and grow responsibly.

Sd/-

**Arati Nath**

**Chief Executive Officer & Director**

**Aartech Solonics Limited**

**(DIN: 08741034)**

R/o Bungalow No. 3, Samarth Parisar

Bawadia Kalan, E-8 Extension,

Near Orion School Trilanga,

Bhopal 462039 (M.P.)

**05<sup>th</sup> September, 2025**



## NOTICE OF ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the Forty-Third Annual General Meeting (“AGM”) of the members of **Aartech Solonics Limited** (CIN: L31200MP1982PLC002030) (“the Company”) will be held on **Tuesday, the 30<sup>th</sup> Day of September, 2025** at 11:00 A.M, Indian Standard Time (“IST”), through Video Conferencing (“VC”)/Other Audio-Visual Means (“OAVM”), without the physical presence of the members at a common venue, in compliance with Ministry of Corporate Affairs General Circular No.09/2024 dated September 19, 2024 and SEBI Circular No. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133, dated October 3, 2024, to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company situated at E-2/57, Ashirwad, Arera Colony, Bhopal, 462016, Madhya Pradesh, India.

### **ORDINARY BUSINESS:**

1. To receive, consider and adopt:
  - a) the Audited Financial Statements of the Company for the financial year ended 31<sup>st</sup> March, 2025, 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 31<sup>st</sup> March, 2025, together with the Report of the Auditors thereon.
2. To declare final dividend on equity shares at the rate 2.5% [i.e., Re. 0.125/- per Equity Share of Rs. 5/- each] for the financial year ended 31 March, 2025.
3. To appoint a director in place of Mrs. Arati Nath (DIN: 08741034), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers herself 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 and other applicable provisions of the Companies Act, 2013, Mrs. Arati Nath (DIN: 08741034), who retires by rotation at this meeting and being eligible has offered herself for re-appointment, be and is hereby re-appointed as the Director of the Company, liable to retire by rotation.”

### **SPECIAL BUSINESS:**

4. To consider and approve re-appointment of Mr. Kshitij Negi (DIN: 09046425) as an Independent Director of the Company for a second term of 5 (five) consecutive years commencing from the conclusion of his existing/current term i.e. 07<sup>th</sup> February 2026.

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

**“RESOLVED THAT** pursuant to the provisions of Sections 149, 150 and 152 and other applicable provisions, if any, read with Schedule IV to the Companies Act, 2013 (‘the Act’) [including any statutory modification(s) or re-

enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time, Mr. Kshitij Negi (DIN: 09046425), who was appointed as an Independent Director of the Company for a term of 5 (five) consecutive years commencing from 08th February, 2021 till 07th February, 2026 (both days inclusive) and who being eligible for re-appointment as an Independent Director has given his consent along with a declaration that he meets the criteria for independence under Section 149(6) of the Act and the rules framed thereunder and Regulation 16(1)(b) of the SEBI Listing Regulations and based on the recommendation of the Nomination & Remuneration Committee and the Board of Directors of the Company, be and is hereby re-appointed as an Independent Director of the Company, not liable to retire by rotation, to hold office for a second term of 5 (five) consecutive years on the Board of the Company w.e.f conclusion of his existing/ current term i.e. 08th February, 2026 till 07th February, 2031 (both days inclusive).

**RESOLVED FURTHER THAT** for the purpose of giving effect to the foregoing resolutions, the Board (which term shall include any Committee thereof for the time being exercising the powers conferred on the Board by this resolution) be and is hereby authorized to do all such acts, deeds and things, as it may in its absolute discretion deem necessary, proper or desirable, and to settle any question, difficulty or doubt that may arise in respect of aforesaid without being required to seek any further consent or approval of the members of the Company, or otherwise to the end and intent that they shall be deemed to have given their approval thereto expressly by the authority of this resolution."

**RESOLVED FURTHER THAT** any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution."

5. To consider and approve appointment of M/s APVN & Associates (Firm U.C.N P2012MP026900), Practicing Company Secretaries, Bhopal -a peer reviewed firm- as the Secretarial Auditor of the Company for a term of 5 (five) consecutive financial years commencing from financial year 2025-26 to 2029-30 and fix their remuneration.

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 204 and other applicable provisions, if any, of the Companies Act, 2013 ("the Act"), read with Rule 9 of the Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), and Regulation 24A of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended, and based on the recommendation of the Audit Committee and the approval of the Board of Directors of the Company, consent of the Members be and are hereby accorded for the appointment of M/s APVN & Associates (Firm U.C.N P2012MP026900), Practicing Company Secretaries, Bhopal -a peer reviewed firm- as the Secretarial Auditor of the Company for a term of 5 (five) consecutive financial years commencing from financial year 2025-26 till the financial year 2029-30, to conduct a Secretarial Audit of the Company and to furnish the Secretarial Audit Report.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorized to fix the annual remuneration plus applicable taxes and out-of-pocket expenses payable to them during their tenure as the Secretarial Auditors of the Company, as determined by the Audit Committee in consultation with the said Secretarial Auditors.

**RESOLVED FURTHER THAT** the Board/Committee, be and is hereby authorized to do all acts, deeds, matters and things as may be deemed necessary and/or expedient in connection therewith or incidental thereto, to give effect to the foregoing resolution.

**RESOLVED FURTHER THAT** any Director and / or the Company Secretary of the Company be and are hereby jointly / severally authorized to sign such forms/returns as may be required to be submitted to the Registrar of Companies or such other authorities as may be required and to do all the acts, deeds and things which may be necessary to give effect to the above said resolution.”

6. To approve the levy of charges for delivery of any documents to members of the Company through a particular mode as requested by member.

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 20 of the Companies Act, 2013 and the Companies (Incorporation) rules, 2014, and any other applicable provisions, if any, (including any statutory modification(s) (s) or re-enactment(s) thereof, for the time being in force), the consent of the members be and are hereby accorded to charge from the member such fees in advance, equivalent to estimated actual expenses of delivery of the documents to the members through a particular mode of service as requested by such member.

**RESOLVED FURTHER THAT** such request by the member along with requisite fees shall be duly received by the Company at least 10 days in advance of the dispatch of documents by the Company to the member.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board of Directors or Key Managerial Personnels of the Company be and are hereby severally authorized to do all such acts, deeds, matters and things as may be necessary, proper or expedient to give effect to the foregoing resolution.”

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

**Sd/-**  
**Amit Anil Raje**  
**Chairman & Managing Director**  
**DIN: 00282385**  
R/o 15, Silver Oak, Green Heights  
Gulmohar Colony,  
Bhopal 462038 (M.P.)

**Place: Bhopal**  
**Dated: 05/09/2025**

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

**NOTES:**

1. The Government of India, Ministry of Corporate Affairs has allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs ("MCA") The Ministry of Corporate Affairs ('MCA') has, vide its Circular nos. 20/2020, 14/2020, 17/2020, 02/2021, 02/2022, 10/2022, 09/2023, the latest being 09/2024 dated 19th September, 2024 and the Securities and Exchange Board of India ('SEBI') vide its circular no. SEBI/HO/CFD/CFD-PoD-2/P/CIR/2024/133 dated 3rd October, 2024 and other applicable circulars issued in this regard, (hereinafter collectively referred to as 'the Circulars'), has permitted, inter alia, the conduct of Annual General Meetings (AGMs) through Video Conferencing/Other Audio- Visual Means ("VC/ OAVM") facility on or before September 30, 2025, in accordance with the requirements laid down in paragraphs 3 and 4 of the MCA General Circular dated May 5, 2020.
2. In terms of the said circulars, the 43<sup>rd</sup> Annual General Meeting ("AGM") of the members of the Company will be held through VC/ OAVM and permitted the holding of the Annual General Meeting ("AGM") through VC/OAVM, without the physical presence of the members at a common venue. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the AGM through VC/OAVM is set out in this notice of the AGM and available at the Company's website at [www.aartechsolonics.com](http://www.aartechsolonics.com).
3. **PURSUANT TO THE MCA AND SEBI CIRCULARS RELATED TO HOLD THE ANNUAL GENERAL MEETING OF THE COMPANY THROUGH VIDEO CONFERENCING ("VC") OR OTHER AUDIO-VISUAL MEANS ("OAVM"), PHYSICAL ATTENDANCE OF THE MEMBERS HAS BEEN DISPENSED WITH AND HENCE THERE IS NO REQUIREMENT FOR THE APPOINTMENT OF PROXIES. THE FACILITY FOR APPOINTMENT OF PROXIES BY THE MEMBERS WILL NOT BE AVAILABLE FOR THE AGM. THE ATTENDANCE SLIP/ROUTE MAP/PROXY FORM ARE NOT ANNEXED TO THIS NOTICE.**
4. The details of technology provide and helpline number regarding any query/assistance for participation/e-voting in the e-AGM through VC/ OAVM are as under:
 

<b>Name</b>	<b>Ms. Aliya Shaikh</b>
<b>Address</b>	Office No S6-2, 6 <sup>th</sup> Floor, Pinnacle Business Park, next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai – 400093, Maharashtra, India
<b>Phone no.</b>	+91 8657865972
<b>Email</b>	aliya@bigshareonline.com
5. The attendance of the members participating in the AGM through VC/OAVM shall be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013. Members who log in to the video conferencing platform using their remote e-voting credentials shall be deemed to be present at the meeting and their attendance will be recorded accordingly.
6. The relevant Explanatory statement pursuant to Section 102(1) of the Companies Act, 2013 related to the Special Business under item no. 4 to 6 of the accompanying notice, to be transacted at the AGM, is annexed hereto. The Statement includes the rationale and recommendation of the Board of Directors for the proposed resolution. Further, the relevant details of the directors seeking appointment/ re- appointment at this AGM as required under Regulation

36(3) of the SEBI (LODR) Regulations, 2015 and Secretarial Standards on General Meetings issued by the Institute of Company Secretaries of India ('Secretarial Standards') are annexed hereto. Requisite declarations have been received from the directors of the Company seeking appointment/ reappointment.

7. Pursuant to the Circular No. 14/2020 dated 8th April, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the members is not available for this AGM. However, the Body Corporates are entitled to appoint authorized representatives for attending the AGM through VC/OAVM, participating thereat, and cast their votes through e-voting.
  8. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPG format) of its Board or governing body resolution/authorization etc., authorizing its representative to attend the AGM through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the scrutinizer through its registered email address at [apvnpcs@yahoo.com](mailto:apvnpcs@yahoo.com) with a copy marked to Registrar and Transfer Agent i.e. Bigshare Services Private Limited, [ivote@bigshareonline.com](mailto:ivote@bigshareonline.com) and to the company at [compliance@aartechsolonics.com](mailto:compliance@aartechsolonics.com).
  9. In terms of the provisions of Section 152 of the Act, Mrs. Arati Nath (DIN: 08741034), Executive Director of the Company, liable to retire by rotation at the ensuing Annual General Meeting and being eligible offers herself for the re-appointment. The information required to be provided under the SEBI (LODR) Regulations, 2015 and the Secretarial Standards on General Meetings, regarding the directors whose appointment/reappointment/variation in the terms of appointment are proposed and the relevant information in respect of the business under item No. 3 as set out below are annexed hereto.
  10. In case of joint holders, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the AGM.
  11. The Company's Registrar and Transfer Agents for its Share Registry Work (Physical and Electronic) is **Bigshare Services Private Limited**, having its office at Office No S6-2, 6<sup>th</sup> Floor, Pinnacle Business Park, Next to Ahura Centre, Mahakali Caves Road, Andheri (East), Mumbai - 400093. The email ID for shareholder queries is [info@bigshareonline.com](mailto:info@bigshareonline.com), and the website is <https://www.bigshareonline.com/contact.aspx>.
- All shareholder queries or service requests in electronic mode are to be raised only through our website, the link for which is <https://www.bigshareonline.com/contact.aspx>
12. Copies of the financial statements (including Board's report, Auditor's report or other documents required to be attached therewith), such statements shall therefore be sent only by email to the members and to all other persons so entitled. Further, the notice for AGM shall be given only through emails registered with the Company, RTA and email ids provided by the depositories.
  13. In terms of the MCA Circulars and in the view of the Board of Directors, all matters included in this Notice are unavoidable and hence are proposed for seeking approval at this AGM. The Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of Contracts or Arrangements in which the directors are interested, maintained under Section 189 of the Act, will be available electronically for inspection by the members during the AGM.



14. All documents referred in to the accompanying Notice and the explanatory statement have been uploaded on the website of the Company at [www.aartechsolonics.com](http://www.aartechsolonics.com). All shareholders will be able to inspect all documents referred to in the Notice electronically without any fee from the date of circulation of this notice up to the date of AGM. Any member who seeks to inspect such documents can send an email to [compliance@artechsolonics.com](mailto:compliance@artechsolonics.com) upto the date of this AGM i.e. 30th September, 2025.
15. The Members can join the AGM, 15 minutes before and after the scheduled time of the commencement of the AGM by following the procedure as mentioned in the notice of AGM.
16. The facility of participation at the AGM through VC/OAVM will be made available to at least 1,000 members on a first come first served basis as per the MCA Circulars. However, this restriction shall not apply to large shareholders (shareholders holding 2% or more shareholding), Promoter/Promoter Group, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM **without restriction** on account of first come first served basis.
17. In line with the applicable circulars issued by the Ministry of Corporate Affairs and the Securities and Exchange Board of India, the Notice of the AGM along with the Annual Report for the financial year 2024-25 is being sent electronically to those Members whose email addresses are registered with the Company, Depositories, or Registrar and Transfer Agent (RTA) unless a member has specifically requested for a physical copy of the same.

For Members whose email addresses are not registered, the Company/RTA will dispatch a physical letter containing the web link and exact path to access the Notice of AGM and the Annual Report. The said documents are also available on the Company's website at [www.aartechsolonics.com](http://www.aartechsolonics.com) and can be accessed on the websites of the Stock Exchanges (BSE Limited) at [www.bseindia.com](http://www.bseindia.com), (National Stock Exchange of India Limited) at [www.nseindia.com](http://www.nseindia.com) as well as on the website of Company's Registrar and Transfer Agent, Bigshare Services Private Limited at <https://ivote.bigshareonline.com>.

The Company will also publish an advertisement in the newspapers containing details of the AGM and other relevant information for Members viz. manner of registering e-mail Id., Cut-off date for e-voting, Record Date for payment of dividend, etc

To ensure timely and effective communication, shareholders are requested to update their email ID, postal address, photo, and other KYC details with the RTA/Company at the earliest. In line with the applicable regulations, shareholders are advised to update their details **at least 21 days prior to the date of the AGM**. We request shareholders who have not yet registered their email addresses or updated their KYC details to do so promptly, to facilitate seamless communication and to support the Company's sustainability initiatives

18. **Remote e-Voting:** Pursuant to the provisions of Section 108 of the Act, Rule 20 of the Companies (Management and Administration) Rules, 2014, Regulation 44 of Listing Regulations read with SEBI circular dated December 9, 2020 and aforesaid MCA and SEBI Circulars, the Company is providing facility of remote e-voting to its Member through Company's Registrar and Transfer Agent i.e. Bigshare Services Private Limited.

19. **Joining/Attending AGM:** Member will be provided with a facility to attend the AGM through video conferencing platform provided by Bigshare Services Private Limited. Members may access the shareholder's/ member's login by using the remote e-voting credentials.
20. **Voting during the AGM:** Members who are present at the AGM through VC/OAVM and have not cast their vote on resolutions through remote e-voting may cast their vote during the AGM through the e-voting system provided by the Bigshare Services Private Limited during the AGM. Facility to cast vote will be made available on the Video Conferencing screen and will be activated once the Poll is announced at the Meeting.
21. **To speak during the AGM:** Members will be provided with a facility to attend the AGM through video conferencing platform provided by Bigshare Services Private Limited.
22. **Submission of questions/queries prior to the AGM:**
  - a) Members desiring any additional information with regard to Accounts/Annual Reports or has any question or query are requested to write to the Company Secretary on the Company's email-id i.e. [compliance@aartechsolonics.com](mailto:compliance@aartechsolonics.com) **at least 10 days before the date of the AGM**, so as to enable the Management to keep the information ready. Please note that, members questions will be answered only if they continue to hold the shares as of cut-off date.
  - b) In case the shareholders have any queries or issues regarding e-voting, please refer the Frequently Asked Questions ("FAQs") available at <https://ivote.bigshareonline.com>, under download section or send an email to [ivote@bigshareonline.com](mailto:ivote@bigshareonline.com) or Call at :- Tel : 1800 22 54 22.
23. The Company has fixed Tuesday, 23<sup>rd</sup> September, 2025 **as cut-off date** for identifying the members who shall be eligible to vote through remote e-voting facility or for participation and voting at the AGM. 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 shall be entitled to vote on the resolutions through the facility of Remote e-Voting or participate and vote at the AGM.
24. The Register of Members and the Share Transfer Books of the Company shall remain closed from Wednesday, 24<sup>th</sup> September, 2025 to Tuesday, 30<sup>th</sup> September, 2025 (**both day inclusive**) for the purpose of 43<sup>rd</sup> AGM and eligibility to participate in distribution of Dividend for the Financial Year 2024-25, if approved at this AGM.
25. The Board of Directors have recommended a final dividend of Rs. 0.125/- (One Twenty-Five Paise) i.e. 2.5 % per equity share of ₹ 5/- each for the financial year 2024-25. The dividend on equity shares for the financial year 2024-25, if declared by the shareholder of the Company, will be paid within a period of 30 days from the date of the declaration at the Annual General Meeting.
26. If the final dividend is approved at the AGM, payment of such dividend will be paid to those members whose names appears in the company's Register of Members and as beneficial owner as per the details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Ltd. (CDSL) as at the close of business hours on Tuesday, 23<sup>rd</sup> September, 2025, after giving effect to all valid transmission in physical form lodged on or before Tuesday, 23<sup>rd</sup> September, 2025 with the Company and/or its Registrar and Share Transfer Agent.

27. Payment of dividend shall be made through electronic mode to the shareholders who have updated their bank account details. Dividend Warrants/Demand Drafts will be dispatched to the registered address of the shareholders who have not updated their bank account details. To avoid delay in receiving dividend, shareholders are requested to update their bank details with their Depository Participants (where shares are held in dematerialised mode) and with Registrar and Transfer Agent i.e. Bigshare Services Private Limited (where the shares are registered in physical mode).
28. Pursuant to Finance Act, 2020 and press release of Central Board of Direct Taxes, if the company declared the dividend, the company is not required to pay the Dividend Distribution Tax but the dividend income will be taxable in the hands of shareholders w.e.f. April 1, 2020 and the Company is required to deduct tax at source from dividend paid to shareholders at the prescribed rates. For the prescribed rates for various categories, the shareholders are requested to refer to the Finance Act, 2020 and amendments thereof. The shareholders are requested to update their PAN with the Company/R&T Agent i.e. Bigshare Services Pvt. Ltd. (in case of shares held in physical mode) and depositories (in case of shares held in demat mode). No communication on the tax determination/ deduction shall be considered after cut-off date i.e. Tuesday, September 23, 2025. All communications/queries in this respect should be addressed to our RTA, Bigshare Services Private Limited.

**For Resident Members, tax shall be deducted at source under Section 194 of the Income Tax Act, 1961.**

Members having a valid PAN	10% or as notified by the Government of India
Members not having PAN/ valid PAN	20% or as notified by the Government of India

No tax shall be deducted on the dividend payable to a resident individual if the total dividend to be received by the resident shareholders during the financial year 2024-25 does not exceed ₹ 5,000/-. In case where the shareholder provides Form 15G/Form 15H and provided that all the required eligibility conditions are met, no tax will be deducted at source.

Apart from above cases following categories of shareholders are exempt from tax deduction at source:

- Life Insurance Corporation of India [clause (a) to 2<sup>nd</sup> proviso to section 194]
- General Insurance Corporation of India/The New India Assurance Company Ltd/United India Insurance Company Ltd. / The Oriental Insurance Company Ltd./National Insurance Company Ltd. [clause (b) to 2<sup>nd</sup> proviso to section 194]
- any other insurer in respect of any shares owned by it or in which it has full beneficial interest [clause (c) to 2<sup>nd</sup> proviso to section 194].

The following payees are also not subject to TDS in view of the provisions of sections 196, 197A of the Income Tax Act, 1961 and CBDT notification:

- Government [section 196(i)];
- Reserve Bank of India [section 196(ii)];
- a corporation established by or under a Central Act which is, under any law for the time being in force, exempt from Income-tax on its income [section 196(iii)];
- Mutual Fund [section 196(iv)];

- e) any person for, or on behalf of, the New Pension System Trust referred to in Section 10(44) [sub section 1E to section 197A].
- f) Category I or a Category II Alternative Investment Fund (registered with SEBI as per section 115UB) as per Notification 51/2015 since their income, other than profits and gains of business and profession.

For Foreign Portfolio Investor (FPI) category Shareholders, taxes shall be deducted at source under Section 196D of the Income Tax Act, 1961 at 20% (plus applicable surcharge and cess) on the amount of dividend payable.

For other Non-resident Shareholders, taxes are required to be deducted in accordance with the provisions of Section 195 of the Income tax Act, 1961, at the rates in force. As per the relevant provisions of the Income tax Act, 1961, the tax shall be deducted at the rate of 20% (plus applicable surcharge and cess) on the amount of dividend payable to them. However, as per Section 90(2) of the Income tax Act, 1961, the non-resident shareholder has the option to be governed by the provisions of the Double Tax Avoidance Agreement (DTAA) between India and the country of tax residence of the shareholder, if they are more beneficial to them. To avail benefit of rate of deduction of tax at source under DTAA, such non-resident shareholders will have to provide the following:

1. Self-attested copy of the PAN allotted by the Indian Income Tax authorities;
2. Tax residency certificate from the jurisdictional tax authorities confirming residential status [for the dividend declared in FY 2024-25] – TRC
3. Declaration by the non- resident in prescribed form 10F
4. Self-declaration by the non-resident shareholder as to:
  - Eligibility to claim tax treaty benefits based on the tax residential status of the shareholder, including having regard to the Principal Purpose Test (if any), introduced in the applicable tax treaty with India;
  - No Permanent Establishment/fixed base in India in accordance with the applicable tax treaty;
  - Shareholder being the beneficial owner of the dividend income to be received on the equity shares.

Further the Finance Act, 2021 has inserted the provisions of Section 206AB of the Act with effect from July 1, 2021. The provisions of Section 206AB of the Act require the Company to deduct tax at higher rates, as mentioned, from dividend amount paid/credited to Members who (a) have not filed return of income for two previous assessment years; and (b) are subjected to tax deduction/collection at source, in aggregate, amounting to ₹ 50,000 or more in each of such two years.

In order to enable us to determine the appropriate tax rate at which tax has to be deducted at source under the respective provisions of the Income tax Act, 1961, we request you to upload the abovementioned details and documents in the format as provided by the Bigshare Services Private Limited on the email id [compliance@aartechsolonics.com](mailto:compliance@aartechsolonics.com) by 05.00 p.m. IST on or before Tuesday, 23<sup>rd</sup> September, 2025.

Please note that the Company is not obligated to apply the beneficial DTAA rates at the time of tax deduction/ withholding on dividend amounts. Application of beneficial DTAA rate shall depend upon the completeness and satisfactory review by the Company of the documents submitted by Non-Resident shareholder.

Shareholders who are exempted from TDS provisions through any circular or notification may provide documentary evidence in relation to the same, to enable the Company in applying the appropriate TDS on Dividend payment to such shareholder.

A Resident individual member having valid PAN, subject to fulfilment of conditions specified in the Income Tax Act, 1961 can provide Form No. 15G/15H, to avail the benefit of non-deduction of tax at source. Resident shareholders may also submit any other document(s) as prescribed under the Income Tax Act, 1961 to claim a lower/Nil withholding tax. Mentioning PAN is mandatory for Members who will be providing Form 15G/15H or any other documents to claim a lower/Nil withholding tax. No tax shall be deducted on the dividend payable to a resident individual shareholder if the total dividend to be received by them during Financial Year 2024-25 does not exceed ₹ 5000/-.

For Non-Resident members, taxes are required to be withheld in accordance with the provisions of the Income Tax Act, 1961, the withholding tax shall be at the rate of 20% (plus applicable surcharge and cess). Certain nonresident members may be eligible to avail the benefit conferred by the Double Tax Avoidance Agreement (DTAA) between India and the Country of residence of shareholder, subject to fulfilment of conditions attached thereto. Application of beneficial DTAA Rate shall depend upon the completeness and satisfactory review by the Company, of the documents submitted by Non-Resident members. To avail beneficial rates under DTAA, the Non-Resident members will have to provide certain documents viz; Tax Residency Certificate for FY 2024-25 from the jurisdictional tax authorities confirming residential status, Form 10F as prescribed under Income tax rules, self-attested copy of Permanent Account Number ('PAN') card, self-declaration in the format prescribed by the Company. In order to enable the Company to determine the appropriate tax rate at which tax must be deducted at source under the respective provisions of the Income tax Act, 1961, members are requested to upload the above-mentioned details and documents in the format as provided by the Bigshare Services Private Limited on the email id [compliance@aartechsolonics.com](mailto:compliance@aartechsolonics.com) by 05.00 p.m. IST on or before Tuesday, 23<sup>rd</sup> September, 2025.

29. In terms of Section 72 of the Companies Act, 2013, Nomination facility is available to individual members holding shares in the physical form. The members who are desirous of availing this facility, may kindly write to the Company, R&T Agent i.e. Bigshare Services Private Limited for nomination form by quoting their folio number.
30. Pursuant to Section 124 of the Companies Act, 2013, the Company has unpaid or unclaimed dividends declared for the financial year 2019-20, 2020-21, 2021-22, 2022-23 and 2023-24, dividends on the website of the Company and the same can be accessed through the link <https://aartechsolonics.com/docs/shareholders-information/transfer-of-shares-in-demat-mode/Dividend-History.pdf>.
31. Further, pursuant to the provisions of Section 124(5) of the Companies Act, 2013, any amount remaining unpaid or unclaimed in the Unpaid Dividend Account for a period of seven consecutive years shall be liable to be transferred, along with applicable interest accrued, to the Investor Education and Protection Fund (IEPF) established by the Central Government. However, the Company confirms that there is no unpaid or unclaimed dividend amount as on date that is liable to be transferred to the IEPF.
32. **Investor Grievance Redressal:** The Company has designated an e-mail ID viz. [compliance@aartechsolonics.com](mailto:compliance@aartechsolonics.com) to enable the Investors to register their complaints, if any, and to ensure prompt redressal.



33. 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. Members holding shares in physical form should submit their PAN to the Registrar and Transfer Agent/Company.
34. Pursuant to the amendment in Regulation 40 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, notified vide Gazette Notification dated June 8, 2018 and effective from April 1, 2019, the transfer of securities held in physical form is not permitted and can be processed only in dematerialized form. However, investors are permitted to continue holding shares in physical form and may also lodge requests for transmission or transposition of shares held in physical mode.
35. SEBI vide Circular Nos. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/131 dated July 31, 2023, and SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/135 dated August 4, 2023, read with Master Circular No. SEBI/HO/OIAE/OIAE\_IAD-1/P/CIR/2023/145 dated July 31, 2023 (updated as on August 11, 2023), has established a common Online Dispute Resolution Portal ("ODR Portal") for resolution of disputes arising in the Indian Securities Market.
36. Pursuant to above-mentioned circulars, post exhausting the option to resolve their grievances with the RTA/ Company directly and through existing SCORES platform, the investors can initiate dispute resolution through the ODR Portal (<https://smartodr.in/login>)

Additionally, the SCORES platform, launched by SEBI, allows investors to lodge complaints against listed companies and market participants. It ensures transparency and real-time tracking of complaints. For more details, visit <https://scores.sebi.gov.in/dashboard>.

### 37. PROCEDURE AND INSTRUCTION FOR REMOTE E-VOTING.

- i. The remote E-voting period begins on Saturday, 27<sup>th</sup> September, 2025 (09.00 a.m. IST) and ends on Monday, 29<sup>th</sup> September, 2025 (05.00 p.m. IST). During, this period, the shareholders of the Company, holding shares either in physical form or in dematerialized form as on the cut-off date (record date) i.e., Tuesday, 23<sup>rd</sup> September, 2025 may cast their vote electronically. The remote e-voting module shall be disabled by Bigshare Services Private Limited for voting thereafter
- ii. Shareholders who have already voted prior to the meeting date would not be entitled to vote at the meeting venue.
- iii. Pursuant to SEBI Circular No. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated 09.12.2020**, under Regulation 44 of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, listed entities are required to provide remote e-voting facility to its shareholders, in respect of all shareholders' resolutions. However, it has been observed that the participation by the public non-institutional shareholders/retail shareholders is at a negligible level.

Currently, there are multiple e-voting service providers (ESPs) providing e-voting facility to listed entities in India. This necessitates registration on various ESPs and maintenance of multiple user IDs and passwords by the shareholders.

In order to increase the efficiency of the voting process, pursuant to a public consultation, it has been decided to enable e-voting to **all the demat account holders, by way of a single login credential, through their demat accounts/ websites of Depositories/ Depository Participants**. Demat account holders would be able to cast their vote without having to register again with the ESPs, thereby, not only facilitating seamless authentication but also enhancing ease and convenience of participating in e-voting process.

- iv. In terms of SEBI circular no. **SEBI/HO/CFD/CMD/CIR/P/2020/242 dated December 9, 2020** on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

**Pursuant to above said SEBI Circular, Login method for e-Voting and joining virtual meetings for Individual shareholders holding securities in Demat mode is given below:**

<b>Type of shareholders</b>	<b>Login Method</b>
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	<p>a. Users who have opted for CDSL Easi / Easiest facility, can login through their existing user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or visit <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on Login icon and select New System Myeasi Tab and then user your existing my easi username &amp; password.</p> <p>b. After successful login the Easi / Easiest user will be able to see the e-Voting option for eligible companies where the evoting is in progress as per the information provided by company. On clicking the evoting option, the user will be able to see e-Voting page of <b>BIGSHARE</b> the e-Voting service provider and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period. Additionally, there is also links provided to access the system of all e-Voting Service Providers i.e. <b>BIGSHARE</b>, so that the user can visit the e-Voting service providers' website directly.</p> <p>c. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration">https://web.cdslindia.com/myeasitoken/Registration/EasiRegistration</a>.</p> <p>d. Alternatively, the user can directly access e-Voting page by providing Demat Account Number and PAN No. from a link <a href="https://evoting.cdslindia.com/Evoting/EvotingLogin">https://evoting.cdslindia.com/Evoting/EvotingLogin</a>. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the Demat Account. After successful authentication, user will be able to see the e-Voting option where the evoting is in progress, and also able to directly access the system of all e-Voting Service Providers. Click on <b>BIGSHARE</b> and you will be re-directed to i-Vote website for casting your vote during the remote e-voting period.</p>

Individual Shareholders  
holding securities in demat  
mode with **NSDL**

- a. If you are already registered for NSDL IDeAS facility, please visit the e-Services website of NSDL. Open web browser by typing the following URL: <https://eservices.nsdl.com> either on a Personal Computer or on a mobile. Once the home page of e-Services is launched, click on the “**Beneficial Owner**” icon under “**Login**” which is available under ‘**IDeAS**’ section. A new screen will open. You will have to enter your User ID and Password. After successful authentication, you will be able to see e-Voting services. Click on “**Access to e-Voting**” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider name **BIGSHARE** and you will be re-directed to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.
- b. If the user is not registered for IDeAS e-Services, option to register is available at <https://eservices.nsdl.com>. Select “**Register Online for IDeAS**” Portal or click at <https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp>.
- c. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “**Login**” which is available under ‘**Shareholder/Member**’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider name **BIGSHARE** and you will be redirected to i-Vote website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting
- d. For OTP based login you can click on <https://eservices.nsdl.com/SecureWeb/evoting/evotinglogin.jsp>. You will have to enter your 8-digit DP ID, 8-digit Client Id, PAN No., Verification code and generate OTP. Enter the OTP received on registered email id/mobile number and click on login. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page with all e-Voting Service Providers. Click on **BIGSHARE** and you will be re-directed to i-vote (**E-voting website**) for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Individual Shareholders  
(holding securities in demat  
mode) login through their  
**Depository Participants**

You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. After Successful login, you will be able to see e-Voting option. Once you click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on

company name or e-Voting service provider name and you will be redirected to e-Voting service provider website for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

**Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. CDSL and NSDL**

Login type	Helpdesk details
Individual Shareholders holding securities in Demat mode with <b>CDSL</b>	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at <a href="mailto:helpdesk.evoting@cdslindia.com">helpdesk.evoting@cdslindia.com</a> or contact at No. 1800 22 55 33.
Individual Shareholders holding securities in Demat mode with <b>NSDL</b>	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.com">evoting@nsdl.com</a> or call at toll free no.: 022-48867000.

**1. Login method for for shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:**

**How to Log-in to BIGSHARE e-Voting website?**

1. You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
2. Click on the “**LOGIN**” button under the ‘**INVESTOR LOGIN**’ section to Login on E-Voting Platform.
3. Please enter you ‘**USER ID**’ (User id description is given below) and ‘**PASSWORD**’ which is shared separately on you register email id.

**Your User ID details are given below :**

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	Your User ID is:
a) For Members who hold shares in demat account with <b>CDSL</b>	<b>16 Digit Beneficiary ID</b>  For example, if your Beneficiary ID is 12***** then your user ID is 12*****
b) For Members who hold shares in demat account with <b>NSDL</b>	<b>8 Character DP ID followed by 8 Digit Client ID</b>  For example, if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****

c) For Members holding shares in Physical Form	<b>EVENT Number followed by Folio Number registered with the company</b>  For example, if folio number is 001*** and EVENT number is 101456 then user ID is 101456001***
--	--

**Note:** If you have not received any user id or password, please email from your registered email id or contact i-vote helpdesk team. (Email id and contact number are mentioned in helpdesk section).

4. “Click on **I AM NOT A ROBOT (CAPTCHA)** option and login.

**NOTE:** If Shareholders are holding shares in demat form and have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

5. If you have forgotten the password: Click on ‘**LOGIN**’ under ‘**INVESTOR LOGIN**’ tab and then Click on ‘Forgot your password?’

Enter “**User ID**” and “**Registered email ID**” Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on ‘**Reset**’.

(In case a shareholder is having valid email address, Password will be sent to his / her registered e-mail address).

## 2. **Voting method for shareholders on i-vote E-voting portal:**

1. After successful login, **Bigshare E-voting system** page will appear.
2. Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘**EVENTS**’ option on investor portal.
3. Select event for which you are desire to vote under the dropdown option.
4. Click on “**VOTE NOW**” option which is appearing on the right-hand side top corner of the page.
5. Cast your vote by selecting an appropriate option “**IN FAVOUR**”, “**NOT IN FAVOUR**” or “**ABSTAIN**” and click on “**SUBMIT VOTE**”. A confirmation box will be displayed. Click “**OK**” to confirm, else “**CANCEL**” to modify. Once you confirm, you will not be allowed to modify your vote.
6. Once you confirm the vote you will receive confirmation message on display screen and also you will receive an email on your registered email id. During the voting period, members can login any number of times till they have voted on the resolution(s). Once vote on a resolution is casted, it cannot be changed subsequently.
7. Shareholder can “**CHANGE PASSWORD**” or “**VIEW/UPDATE PROFILE**” under “**PROFILE**” option on investor portal.

## 3. **Custodian registration process for i-Vote E-Voting Website:**

1. You are requested to launch the URL on internet browser: <https://ivote.bigshareonline.com>
2. Click on “**REGISTER**” under “**CUSTODIAN LOGIN**”, to register yourself on Bigshare i-Vote e-Voting Platform.
3. Enter all required details and submit.
4. After Successful registration, message will be displayed with “**User id and password will be sent via email on your registered email id**”.



**NOTE:** If Custodian have registered on to e-Voting system of <https://ivote.bigshareonline.com> and/or voted on an earlier event of any company then they can use their existing user id and password to login.

5. If you have forgotten the password: Click on '**LOGIN**' under '**CUSTODIAN LOGIN**' tab and further Click on 'Forgot your password?'
6. Enter "**User ID**" and "**Registered email ID**" Click on **I AM NOT A ROBOT (CAPTCHA)** option and click on '**RESET**'.

(In case a custodian is having valid email address, Password will be sent to his / her registered e-mail address).

#### **Voting method for Custodian on i-Vote E-voting portal:**

After successful login, **Bigshare E-voting** system page will appear.

#### **4. Investor Mapping:**

1. First you need to map the investor with your user ID under "**DOCUMENTS**" option on custodian portal.
2. Click on "**DOCUMENT TYPE**" dropdown option and select document type power of attorney (POA).
3. Click on upload document "**CHOOSE FILE**" and upload power of attorney (POA) or board resolution for respective investor and click on "**UPLOAD**".

**Note:** *The power of attorney (POA) or board resolution has to be named as the "InvestorID.pdf" (Mention Demat account number as Investor ID.)*

4. Your investor is now mapped and you can check the file status on display.

#### **5. Investor vote File Upload:**

1. To cast your vote select "**VOTE FILE UPLOAD**" option from left hand side menu on custodian portal.
2. Select the Event under dropdown option.
3. Download sample voting file and enter relevant details as required and upload the same file under upload document option by clicking on "**UPLOAD**". Confirmation message will be displayed on the screen and also you can check the file status on display (Once vote on a resolution is casted, it cannot be changed subsequently).
4. Custodian can "**CHANGE PASSWORD**" or "**VIEW/UPDATE PROFILE**" under "**PROFILE**" option on custodian portal.

#### **Helpdesk for queries regarding e-voting:**

Login type	Helpdesk details
Shareholder's other than individual shareholders holding shares in Demat mode & Physical mode.	In case shareholders/ investor have any queries regarding E-voting, you may refer the Frequently Asked Questions ('FAQs') and i-Vote e-Voting module available at <a href="https://ivote.bigshareonline.com">https://ivote.bigshareonline.com</a> , under download section or you can email us to <a href="mailto:ivote@bigshareonline.com">ivote@bigshareonline.com</a> or call us at: 022-62638338

## **6. Procedure for joining the AGM/EGM through VC/ OAVM**

**For shareholder other than individual shareholders holding shares in Demat mode & physical mode is given below:**

1. The Members may attend the AGM through VC/ OAVM at <https://ivote.bigshareonline.com> under Investor login by using the e-voting credentials (i.e., User ID and Password).
2. After successful login, **Bigshare E-voting system** page will appear.
3. Click on “**VIEW EVENT DETAILS (CURRENT)**” under ‘EVENTS’ option on investor portal.
4. Select event for which you are desire to attend the AGM/EGM under the dropdown option.
5. For joining virtual meeting, you need to click on “VC/OAVM” link placed beside of “**VIDEO CONFERENCE LINK**” option.
6. Members attending the AGM/EGM through VC/ OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.

## **7. The instructions for Members for remote e-voting on the day of the AGM/EGM are as under:-**

1. The Members can join the AGM/EGM in the VC/ OAVM mode 15 minutes before the scheduled time of the commencement of the meeting. The procedure for e-voting on the day of the AGM/EGM is same as the instructions mentioned above for remote e-voting.
2. Only those members/shareholders, who will be present in the AGM/EGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM/EGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the EGM. However, they will not be eligible to vote at the AGM/EGM.
4. **Helpdesk for queries regarding virtual meeting:**

In case shareholders/ investor have any queries regarding virtual meeting, you may refer the Frequently Asked Questions (‘FAQs’) available at <https://ivote.bigshareonline.com>, under download section or you can email us to [ivote@bigshareonline.com](mailto:ivote@bigshareonline.com) or call us at: 1800 22 54 22, 022-62638338

## **38. PROCEDURE TO ASK QUESTIONS/SEEK CLARIFICATIONS WITH RESPECT TO ANNUAL REPORT AND INSTRUCTION FOR REMOTE E-VOTING.**

1. The Shareholders, seeking any information with regard to the accounts or any matter to be placed at the AGM, are requested to write to the Company through email on [compliance@aartechsolonics.com](mailto:compliance@aartechsolonics.com). Questions/queries received by the Company at least 10 days prior to the date of AGM shall only be considered and responded during the AGM.
2. Shareholders who would like to express their views during the AGM may register themselves as a speaker by sending their request from their registered email mentioning their name, DP ID and Client ID/ folio number,

PAN, mobile number at the mail ID of our service provide i.e. BIGSHARE with cc mark to the company's mail ID [compliance@aartechsolonics.com](mailto:compliance@aartechsolonics.com) from Sunday, 21<sup>st</sup> September, 2025 to Tuesday, 23<sup>rd</sup> September, 2025.

3. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate for smooth conduct of the AGM.

### 39. OTHER INSTRUCTIONS RELATED TO REMOTE E-VOTING.

- i. Further in Compliance with Regulation 44 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') (as amended) and pursuant to the provisions of Section 108 of the Act, read with rule 20 of the Companies (Management and Administration) Rules, 2014 and in terms of SEBI circular no. SEBI/HO/CFD/CMD/ CIR/P/2020/242 dated December 9, 2020, the Company is pleased to provide e-voting facility to all its members, to enable them to cast their votes electronically. The Company has engaged the services of **Bigshare Services Private Limited** for conducting of the e-AGM and providing e-voting facility to all its members.
- ii. Members who are present at the e-AGM through VC/ OAVM and have not cast their vote on resolutions through remote e-voting, may cast their vote during the e-AGM through e-voting system provided by **Bigshare Services Private Limited** during the e-AGM. The members who had cast their vote by remote e-voting prior to the meeting may also attend the e-AGM but shall not be entitled to cast their vote again during the e-AGM.
- iii. The e-voting period commences on Saturday, 27<sup>th</sup> September, 2025 (09.00 A.M. IST) and ends on Monday, 29<sup>th</sup> September, 2025 (05.00 P.M. IST). The e- voting module shall be disabled by Bigshare Services Private Limited for voting thereafter. Once the vote on a resolution is cast by the Member, he/she shall not be allowed to change it subsequently or cast their vote again.
- iv. Voting rights of a member /beneficial owner (in case of electronic shareholding) shall be in proportion to his share in the paid-up equity share capital of the Company as on the cut-off date. As per the Secretarial Standard SS-2 on General Meetings 'cut-off date' means a date not earlier than 7 days before the date of general meeting.
- v. A person whose name is 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., Tuesday, 23<sup>rd</sup> September, 2025) shall only be entitled to attend the AGM through VC/OAVM on Tuesday, 30<sup>th</sup> September, 2025, and avail the aforesaid facility of remote e-voting as well as e-voting at the AGM.
- vi. 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 the cut-off date i.e. Tuesday, 23<sup>rd</sup> September, 2025 may obtain the login ID and password by contacting Bigshare Services Private Limited.
- vii. CS Avadhesh Parashar, Practicing Company Secretary, Partner of M/s APVN & Associates, Company Secretaries (Membership No. FCS 11543; CP No. 9067) having office address at IInd Floor, Bakshi Complex, Plot no. 68, Zone -II, M.P. Nagar, Bhopal - 462011 has been appointed as the Scrutinizer to scrutinize the Remote e- voting and e-voting process during e-AGM in a fair and transparent manner.

The Scrutinizer shall, immediately after the conclusion of voting at the General Meeting, first count the votes cast at the meeting, thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in employment of the Company and start the scrutiny of the voting. The Scrutinizer shall, immediately after the completion of the scrutiny of the e-Voting (votes cast during the AGM and votes cast through remote e-Voting), within 2 working days from the conclusion of the AGM, submit a consolidated Scrutinizer's report of the total votes cast in favour and against the Resolution(s), invalid votes, if any, and whether the Resolution(s) has/have been carried or not, to the Chairman or a person authorized by him in writing who shall countersign the same.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.aartechsolonics.com](http://www.aartechsolonics.com) and website of Bigshare Services Private Limited [ivote.bigshareonline.com](http://ivote.bigshareonline.com). The result will simultaneously be communicated to the stock exchanges (BSE & NSE) where the shares of the Company are listed within two working days of conclusion of the Annual General Meeting of the Company. Subject to the receipt of requisite number of votes, the resolutions shall be deemed to be passed on the date of the Meeting.

**Annexure to the notice of Annual General Meeting**

(Explanatory Statement pursuant to Section 102(1) of the Companies Act, 2013)

**As required by Section 102 of the Act, the following explanatory statement sets out all material facts relating to the businesses mentioned under Item Nos. IV to VI of the accompanying Notice.**

**Item No. 4**

The Members of the Company at the 39<sup>th</sup> Annual General Meeting of the Company held on 29<sup>th</sup> September, 2021 had approved the appointment of Mr. Kshitij Negi (DIN: 09046425) as an Independent Director of the Company for a term of 5 (Five) consecutive years with effect from 08<sup>th</sup> February, 2021 to 07<sup>th</sup> February, 2026. The existing term of Mr. Kshitij Negi as an Independent Director of the Company will conclude on 07<sup>th</sup> February, 2026.

As the existing tenure of Mr. Kshitij Negi, Independent Director of the Company will expire on 07<sup>th</sup> February, 2026 and taking into account the extensive experience he possesses and the invaluable services he provides in the form of advice and opinion on corporate governance-related matters etc. for the company's growth, the Board of Directors of the Company ("Board"), at its meeting (03/2025-26) held on Friday, 05<sup>th</sup> September, 2025 and based on the recommendation of Nomination and Remuneration Committee and subject to the approval of members in the ensuing Annual General Meeting through Special Resolution, re-appointed Mr. Kshitij Negi (DIN: 09046425), as a Non-executive Independent Director of the Company, for a second term of 5 (Five) consecutive years w.e.f. 08<sup>th</sup> February, 2026 to 07<sup>th</sup> February, 2031, not liable to retire by rotation.

Mr. Kshitij Negi is not disqualified from being reappointed as Director in terms of Section 164 of the Companies Act 2013 ("Act") and has consented to act as Director of the Company in terms of Section 152 of the Act. The Company has also received following declarations from him:

- (i) intimation in Form DIR-8 to the effect that he is not disqualified under the Act;
- (ii) declaration that he meets with the criteria of independence as prescribed under the Act and under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations");
- (iii) declaration towards inclusion of his name in the data bank maintained for Independent Directors; and
- (iv) In terms of Regulation 25(8) of Listing Regulations, a confirmation that he is not aware of any circumstance or situation which exists or may be reasonably anticipated that could impair or impact his ability to discharge his duties.

Mr. Kshitij Negi has also confirmed that he is not debarred from holding the office of Director by virtue of any SEBI Order or any such authority pursuant to circulars dated June 20, 2018 issued by BSE Limited and the National Stock Exchange of India Limited, pertaining to enforcement of SEBI Orders regarding appointment of Directors by the listed companies.

In the opinion of the Board, Mr. Kshitij fulfills the conditions specified in the Act and the rules made thereunder and also under the Listing Regulations for re-appointment as an Independent Director and is independent of the Management.

The terms and conditions of the appointment of Independent Directors is uploaded on the website of the Company at <https://aartechsolonics.com/docs/disclosures/policies/terms-and-conditions-for-appointment-of-independent-director.pdf>.

A brief profile of Mr. Kshitij Negi is provided in the notes "details of the directors seeking appointment/ re-appointment, pursuant to regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard-2", annexed with this notice of AGM.

Accordingly, consent of the members is sought for the re-appointment of Mr. Kshitij Negi (DIN: 09046425) as the Non-Executive Independent Director of the Company, in terms of the provisions of Sections 149, 150 and 152 and other

applicable provisions, if any, read with Schedule IV to the Companies Act, 2013 ('the Act') [including any statutory modification(s) or re-enactment(s) thereof for the time being in force], the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 and any other applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('SEBI Listing Regulations'), as amended from time to time.

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

The Board of Directors therefore, recommend passing of the **Special Resolution** as set out in Item No. 4 of the accompanying Notice for the approval of the Members.

#### **Item No. 5:**

Pursuant to Section 204 of the Companies Act, 2013 and Rule 9 of Companies (Appointment & Remuneration of Managerial Personnel) Rules, 2014, and the latest amendment to Regulation 24A of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements), Regulations, 2015 dated 12<sup>th</sup> December, 2024, a listed entity is required to appoint a Peer Reviewed Company Secretary in Practice as Secretarial Auditors for a period not more than two terms of five consecutive years with the approval of shareholders in the Annual General Meeting. Any association of the individual or the firm as the Secretarial Auditor of the listed entity before 31<sup>st</sup> March, 2025 shall not be considered for the purpose of calculating the tenure under Regulation 24A of the Listing Regulations.

Accordingly, based on the recommendation of the Audit Committee, the Board of Directors of the Company approved the appointment of M/s APVN & Associates, Practicing Company Secretaries, (UCN: P2012MP026900), a peer-reviewed firm, as Secretarial Auditors of the Company for a term of five consecutive financial years commencing from FY 2025-26 to FY 2029-30 to conduct Secretarial Audit of the Company and to furnish the Secretarial Audit Report, at such remuneration as may be fixed by the Board and determined by the Audit Committee in consultation with the Secretarial Auditors.

#### **Brief profile of Auditor**

M/s APVN & Associates is a peer-reviewed firm of Practicing Company Secretaries based in Bhopal, holding Peer Review Certificate No. 4202/2023 and duly registered with the Institute of Company Secretaries of India (ICSI). The firm offers a wide range of professional services in the areas of Company Law, Securities Laws, Corporate Governance, Legal and Statutory Compliance, and Corporate Advisory Services. M/s APVN & Associates has a team of experienced professionals providing services to individuals, companies, and industrial entities across sectors. With prior professional engagement with the Company, the firm is well-acquainted with the internal systems and processes, which is expected to ensure a seamless integration into the Company's compliance framework and contribute effectively to strengthening its secretarial and governance practices.

M/s APVN & Associates, Practicing Company Secretaries, has consented to act as the Secretarial Auditors of the Company and confirmed that their appointment, if made, will be within the limits prescribed under Section 204 of the Companies Act, 2013. They have also confirmed that they are not disqualified from being appointed and have no conflict of interest. Further, they have declared that they have not undertaken any prohibited non-secretarial audit assignments for the Company, in compliance with Section 204 of the Companies Act, 2013 and the rules made thereunder, read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions.



In view of their qualifications and experience, the Board proposes the appointment of M/s APVN & Associates, Practicing Company Secretaries, as the Secretarial Auditors of the Company.

Accordingly, consent of the members is being sought for Resolution as set out at Item No. 5 of this Notice for appointment of M/s. APVN & Associates, Practicing Company Secretaries, as Secretarial Auditors of the Company for a period of 5 (Five) consecutive years.

None of the Directors/ Key Managerial Personnel of the Company/ their relatives are, in any way, concerned or interested, financially or otherwise, in the Resolution set out at Item No. 5 of the Notice.

The Board of Directors therefore, recommend passing of the **Ordinary Resolution** as set out in Item No. 5 of the accompanying Notice for the approval of the Members.

**Item No. 6:**

As per the provisions of Section 20 of the Companies Act, 2013, a document may be served on any member by sending it to him by registered post/speed post or by courier service or by electronic mode or any other mode as may be prescribed.

Further, a member may request the delivery of document through any other mode by paying such fees in advance, equivalent to estimated actual expenses of delivery of the documents delivered, provided that such request along with requisite fees has been duly received by the Company at least 10 days in advance of the dispatch of documents by the Company to the member.

None of the Directors and Key Managerial Personnel of the Company and their relatives are in anyway concerned or interested financially or otherwise in the resolution as set out at Item No. 6 of the Notice.

The Board of Directors therefore, recommend passing of the **Ordinary Resolution** as set out in Item No. 6 of the accompanying Notice for the approval of the Members.

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

**Sd/-**  
**Amit Anil Raje**  
**Chairman & Managing Director**  
**DIN: 00282385**  
R/o 15, Silver Oak, Green Heights  
Gulmohar Colony  
Bhopal 462038 (M.P.)

**Place: Bhopal**  
**Dated: 05/09/2025**

**Registered Office:**  
E-2/57, Ashirvad, Arera Colony,  
Bhopal- 462016 (MP)  
CIN: L31200MP1982PLC002030  
Tel No: 9993091168  
Email Id: [compliance@aartechsolonics.com](mailto:compliance@aartechsolonics.com)  
Website: [www.aartechsolonics.com](http://www.aartechsolonics.com)

**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:**

AGENDA ITEM NO.	3	4
<b>Name</b>	<b>Mrs. Arati Nath</b>	<b>Mr. Kshitij Negi</b>
<b>DIN</b>	08741034	09046425
<b>Date of first appointment at the Board</b>	12/05/2020	08/02/2021
<b>Date of Birth and age</b>	31/12/1980, 44 years	28/04/1973, 52 years
<b>Qualification</b>	Post Graduate Diploma in Business Analytics- Finance, Bachelor of Commerce from Welingkar Institute of Management, Mumbai	Management of Business Administration (MBA) from Sydenham Institute of Management, Mumbai
<b>Brief profile including expertise and experience</b>	<p>Arati Nath, has overall more than 18 years of experience in the field of Finance. She is PGDBA-Finance (Welingkar Institute of Management, Mumbai), Bachelor in Commerce from Pune University. She held the position of a General Manager, Operations in Aartech Solonics Limited from April, 2015 and later held the position of Chief Financial Officer (CFO) from December, 2017. She is appointed as a Director &amp; CEO of the company from May, 2020 onwards.</p>	<p>Kshitij Negi, is the Founder of KoeN Meta Consulting. As Core-Catalyst at the firm, he helps clients fulfil their Organizational Transformation and Leadership Development agenda through Consulting, Coaching and Facilitating.</p> <p>A thought-leader with several IPs and original designs to his credit, Mr. Kshitij Negi has an experience spanning over 25 years. He has personally touched C-Suite Executives and over 2000 Senior/Mid-Senior Level Executives from global and Indian organizations, including those from Fortune 500, such as John Deere, Cognizant, Mindtree, SKF, Comcast, KPIT, Quintiles and Vimeo, among others.</p> <p>Kshitij leverages his expertise in human and organizational design to create experiences, inquiries and embodied shifts. He has contributed to the areas of Mindset &amp; Culture Transformation, Leadership Development, People Acumen and Change Management for these organisations.</p> <p>An MBA from Sydenham Institute of Management, Mumbai, Class of 1995, Kshitij holds Harvard Business Publishing's certificate for Harvard's Case Study Methodology. He has completed</p>

		Leadership Curriculum Graduation (ILP+SELP+Communication) from Landmark Education.
<b>Directorships held in other public companies and private companies (excluding foreign companies)</b>	1. AIC- Aartech Solonics Private Limited 2. Faradigm Ultracapacitors Private Limited 3. Enerqual Technology Private Limited 4. Umang Shridhar Designs Private Limited	Nil
<b>Committee Memberships and Chairmanships in the Company</b>	Nil  She is designated as “Presiding Officer” of Internal Complaints Committee of the Company.	<ul style="list-style-type: none"> <li>• <b>Chairmanship in the Committees of the Company:</b> <ul style="list-style-type: none"> <li>- Nomination and remuneration committee</li> <li>- Stakeholders Relationship Committee</li> </ul> </li> <li>• <b>Member in the Committees of the Company:</b> <ul style="list-style-type: none"> <li>- Audit Committee</li> </ul> </li> </ul>
<b>Membership/ Chairmanship in Committees of other Indian entities</b>	Nil	Nil
<b>Number of shares held in the Company</b>	411705	Nil
<b>Remuneration last drawn for the financial year 2024-25</b>	₹ 35.50 Lakh only	₹ 0.75 Lakh only* (Sitting Fees)
<b>Remuneration sought to be paid</b>	Not applicable	Sitting fees as may be decided by the Board and as per the Nomination and Remuneration Policy of the Company
<b>Terms and conditions of appointment</b>	Not applicable	As per the Nomination and Remuneration Policy and code of conduct of Independent Director, available at the website of the Company
<b>Disclosures of relationship between Directors and or KMP's inter-se</b>	Daughter of Mr. Anil Anant Raje and Sister of Mr. Amit Anil Raje	Not Applicable
<b>Number of Board Meetings attended during the year i.e.</b>	8 out of 8	8 out of 8

(01st April, 2024- 31st March, 2025)		
<b>Skill &amp; Capabilities</b>	Kindly refer Corporate Governance Report	Kindly refer Corporate Governance Report

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

**Place: Bhopal**  
**Dated: 05/09/2025**

**Registered Office:**  
E-2/57, Ashirvad, Arera Colony,  
Bhopal- 462016 (MP)  
CIN: L31200MP1982PLC002030  
Tel No: 9993091168  
Email Id: [compliance@aartechsolonics.com](mailto:compliance@aartechsolonics.com)  
Website: [www.aartechsolonics.com](http://www.aartechsolonics.com)

**Sd/-**  
**Amit Anil Raje**  
**Chairman & Managing Director**  
**DIN: 00282385**  
R/o 15, Silver Oak, Green Heights  
Gulmohar Colony  
Bhopal 462038 (M.P.)

## BOARD'S REPORT

To,  
The Members,  
Aartech Solonics Limited

Your directors are pleased in presenting their 43<sup>rd</sup> Annual Report on the business performance and operations along with the Audited Financial Statements with the Consolidated Financial Statements of the Company and the Auditor's Report for the financial year ended 31<sup>st</sup> March, 2025.

### 1. FINANCIAL SUMMARY OR HIGHLIGHTS / PERFORMANCE OF THE COMPANY:

The summary of the Standalone and Consolidated performances are set out below: -

(Amount in ₹ Lakhs)

	Standalone		Consolidated	
PARTICULARS	Year ended 31st March 2025	Year ended 31st March 2024	Year ended 31st March 2025	Year ended 31st March 2024
Income from Operations	3,569.73	3,269.25	3,635.22	3,274.41
Other Income	333.59	327.24	297.95	314.71
<b>Total Revenue</b>	<b>3,903.32</b>	<b>3,596.49</b>	<b>3,933.17</b>	<b>3,589.12</b>
Less: Expenses	<b>(3,665.21)</b>	<b>(3,229.70)</b>	<b>(3,656.59)</b>	<b>(3,227.23)</b>
Profit before Finance Cost, Depreciation/ Amortization Expenses & Tax	<b>238.11</b>	366.79	276.58	361.89
Less: Finance Cost	54.17	56.19	54.77	56.80
Less: Depreciation & Amortization Expenses	38.95	35.24	50.33	46.93
Share of Profit/(Loss) of Associates and Joint Ventures	-	-	2.01	-
<b>Profit Before Tax</b>	<b>144.98</b>	<b>275.36</b>	<b>173.49</b>	<b>258.16</b>
Less: Current Tax	22.90	117.29	27.03	117.29
Earlier Tax	-44.72	5.76	-44.37	5.24
Deferred Tax	-37.56	8.01	-85.59	4.10
<b>Profit After Tax</b>	<b>204.37</b>	<b>144.29</b>	<b>276.42</b>	<b>131.53</b>
Other Comprehensive Income/ Loss (Net of Tax)	-1.50	-1.29	-1.50	-1.29
<b>Total Comprehensive Income (Net of Tax)</b>	<b>202.87</b>	<b>143.00</b>	<b>274.92</b>	<b>130.24</b>

**2. BRIEF DESCRIPTION OF THE COMPANY'S OPERATIONS DURING THE YEAR / STATE OF COMPANY'S AFFAIR****Business Operations:**

The company is primarily engaged in the manufacturing of Electrical Component such as Electrical Items, Control & Relay Panels, Bus Transfer Systems, Ultracapacitors, Waste to Compost Machine etc. and working in the field of Specialized and Selected Energy Applications.

**STANDALONE**

At Standalone level, the Revenue from operations amounted to ₹ 3,569.73 Lakhs as against ₹ 3,269.25 Lakhs in the previous year. The Profit before Tax amounted to ₹ 144.98 Lakhs as against ₹ 275.36 Lakhs in the previous year. The Net Profit for the year amounted to ₹ 204.37 Lakhs as against Net Profit of ₹ 144.29 Lakhs reported in the previous year.

**CONSOLIDATED**

The Consolidated Revenue from Operations amounted to ₹ 3,635.22 Lakhs as against ₹ 3,274.41 Lakhs in the previous year. The Consolidated Profit before Tax amounted to ₹ 173.49 Lakhs as against Consolidated Profit before Tax amounted to ₹ 258.16 Lakhs in the previous year. The Consolidated Net Profit after Tax amounted to ₹ 276.42 Lakhs as against Consolidated Net Profit after Tax amounted to ₹ 131.53 Lakhs in previous year.

**3. TRANSFER TO RESERVES**

Your directors proposed to transfer ₹204.37 Lakhs to the general reserve out of the profits available with the Company for appropriations. For complete details on movement in Reserves and Surplus during the financial year ended 31<sup>st</sup> March, 2025, please refer to the note of 'Other Equity' included in the standalone and consolidated financial statements of this Annual Report.

**4. MANAGEMENT DISCUSSION AND ANALYSIS**

In terms of the provisions of Regulation 34 (2)(e) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Management Discussion and Analysis Report on the financial conditions and result of operations of the Company for the year under review is presented in a separate section forming part of this Annual Report.

**5. DIVIDEND**

Based on the Company's performance and considering the accumulated profit of the previous years, your directors have recommended a dividend of ₹ 0.125/- (One Twenty-five Paise) i.e. 2.5% per equity share of Face Value ₹5.00 (Rupees Five only) each (previous year ₹ 0.25/- per equity share i.e. 5% on the equity share of ₹5/- each) for the financial year 2024-25 subject to the TDS as may be applicable. The dividend payment is subject to the approval of members at the ensuing Annual General Meeting and will be paid to those members whose names appear in the Company's Register of Members and are beneficial owners as per the details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited. (CDSL) as on the date of book closure date and shall be paid within the period of 30 days from the date of declaration at the Annual General Meeting.



Pursuant to the Finance Act, 2020, dividend income is taxable in the hands of the members w.e.f. April 1, 2020 and the Company is required to deduct tax at source (TDS) from dividend paid to the members at prescribed rates as per the Income-tax Act, 1961.

The Register of Members and Share Transfer Books of the Company shall remain closed from Wednesday, September 24, 2025 to Tuesday, September 30, 2025 (both days inclusive) for the purpose of ascertainment for eligibility for participation in payment of dividend for the financial year ended March 31, 2025.

## **6. CHANGE IN NATURE OF BUSINESS**

There were no changes in the nature of business of the Company during the financial year under review.

## **7. LISTING OF SHARES WITH STOCK EXCHANGES**

The equity shares of the Company are presently listed and actively traded on the Main Board of BSE Limited and the National Stock exchange of India Limited.

## **8. SHARE CAPITAL**

### **a) Change in Capital Structure of the Company During the Year:**

During the period under review, the following changes were made to the Authorized & Paid-up Share Capital of the Company:

- i) The Authorized Share Capital of the Company was increased from ₹15,00,00,000/- (Rupees Fifteen Crores Only) to ₹25,00,00,000/- (Rupees Twenty-Five Crores Only).
- ii) The Company undertook a sub-division/ stock split of its existing equity shares from 1 (one) equity share of face value of ₹10/- each (fully paid-up) into 2 (two) equity shares of face value of ₹ 5/- each, fully paid-up; and
- iii) The Company issued Bonus Equity Shares in the ratio of 1:2, i.e. 1 (one) fully paid-up equity share of ₹5/- each for every 2 (two) equity shares held, resulting in an increase in the total number of equity shares.

Pursuant to the above corporate actions:

- The **Authorized Share Capital** of the Company, as on 31<sup>st</sup> March, 2025, stands at ₹25,00,00,000/- (Rupees Twenty-Five Crores only), divided into 5,00,00,000 (Five Crore) equity shares of ₹5/- (Rupees Five only) each.
- The **Issued, Subscribed and Paid-up Equity Share Capital** of the Company as on 31<sup>st</sup> March, 2025 is ₹ 15,88,51,875/- (Rupees Fifteen Crore Eighty-Eight Lakh Fifty-One Thousand Eight Hundred and Seventy-Five only) divided into 3,17,70,375 (Three Crore Seventeen Lakh Seventy Thousand Three Hundred and Seventy-Five) equity shares of ₹5/- (Rupees Five only) each, fully paid-up.

**b) Status of Shares in D-mat Form:**

As members are aware, the Company's equity shares are mandatorily tradable in electronic form, in line with the provisions of the Depositories Act, 1996 and SEBI Regulations. As on 31<sup>st</sup> March, 2025, the Company has a total of 3,17,70,375 equity shares of ₹ 5/- each, fully paid-up.

The break-up of equity shares held in dematerialized and physical form is as follows:

Sr. No.	Capital Details	No. of shares	% of Total issued Capital
1	Held in dematerialized form in CDSL	1,10,53,039	34.79%
2	Held in dematerialized form in NSDL	2,06,60,126	65.03%
3	Held in Physical form	57,210	0.18%
<b>Total</b>		<b>3,17,70,375</b>	<b>100.00%</b>

The Company regularly communicates with shareholders holding shares in physical form, encouraging them to convert their holdings into dematerialized form for ease of trading and improved security.

**9. DEPOSITS**

During the financial year under review, the Company has not accepted or renewed any deposits falling within the purview of provisions of Section 73 of the Companies Act, 2013 read with the Companies (Acceptance of Deposits) Rules, 2014.

Accordingly, the provisions of Chapter V of the Act relating to acceptance of deposits are not applicable to the Company. Consequently, the requirement to furnish details relating to deposits covered under the said Chapter or any non-compliance in relation thereto does not arise.

Further, as on 31<sup>st</sup> March, 2025, the Company has no unclaimed deposits, unclaimed/ unpaid interest and no amounts pending to be transferred to the Investor Education and Protection Fund.

**10. SUBSIDIARY, ASSOCIATE AND JOINT VENTURE COMPANIES**

As on 31<sup>st</sup> March, 2025, your Company has the following Subsidiaries and Associate Companies:

Name of the Company	CIN/ Registration Number	Status of the Company
Paradigm Ultracapacitors Private Limited	U74999MP2017PTC043840	Wholly Owned Subsidiary
AIC- Aartech Solonics Private Limited	U74999MP2017PTC043330	Wholly Owned Subsidiary
Enerqual Technology Private Limited	U31904MH2018PTC314320	Associate Company
Epsilon Ten Ltd	13249048	Associate Company (UK based Company)

In accordance with the provisions of Section 129(3) read with Section 136 of the Companies Act, 2013, a statement containing the salient features of the financial statements of the Company's Subsidiaries and Associates for the financial year ended 31<sup>st</sup> March, 2025 in the prescribed format **Form AOC-1**, forms part of this Report and is annexed herewith as "**Annexure- A**".

The said statement provides details on the financial performance and the position of each of the subsidiaries and associate company.

The annual accounts of the Subsidiaries and Associates and other related information shall be made available to any member of the Company on request. These documents are also available for inspection at the registered office of the Company during business hours.

Furthermore, pursuant to provisions of Section 136 of the Companies Act, 2013, the financial statements, including the Consolidated Financial Statements of the Company along with relevant documents and separate audited accounts in respect of Subsidiaries and Associates, are available on the website of the Company at [www.aartechsolonics.com](http://www.aartechsolonics.com).

The Policy for determining material subsidiary, as approved by the Board of Directors, is also available on the Company's website at <https://aartechsolonics.com/docs/disclosures/policies/policy-for-determining-material-subsidiaries.pdf>.

## 11. BOARD OF DIRECTORS & KEY MANAGERIAL PERSONNEL

Pursuant to the provisions of Section 203 of the Companies Act, 2013 and the rules made thereunder, the following individuals held office as the Board of Directors and Key Managerial Personnel (KMP) of the Company as on March 31, 2025:

S. No	Name of Directors/ KMPs	Current Designation	Original date of appointment	Nature of changes	Date of Cessation	DIN/PAN
1	Mr. Amit Anil Rajee	Chairman & Managing Director	01/04/2007	* Refer Note 1	-	00282385
2	Mrs. Arati Nath	Woman Director & CEO	12/05/2020	* Refer Note 2	-	08741034
3	Mr. Anil Anant Rajee	Non-executive director	24/08/1982	-	-	01658167
4	Mr. Prashant Dattatray Lowlekar	Independent Director	27/02/2018	-	-	08041377
5	Mr. Kshitij Negi	Independent Director	08/02/2021	-	-	09046425
6	Ms. Supriya Sunil Chitre	Independent Director	23/03/2023	-	-	09237218
7	Mr. Pradeep Vasant Narkhede	Chief Financial Officer	12/05/2020	-	-	A*****H
8	Mr. K R Tanuj Reddy	Company Secretary & Compliance Officer	08/06/2018	-	-	A*****Q

### \*Note 1:

On the recommendation of the Nomination and Remuneration Committee and with the approval of the Board of Directors at its meeting (Meeting No. 06/2024-25) held on 05<sup>th</sup> September, 2024, Mr. Amit Anil Rajee (DIN: 00282385), who has been serving as the Chairman and Managing Director of the Company, was reappointed for a further period of 5 (five) consecutive years, effective from the conclusion of his existing/ current term, i.e. 12<sup>th</sup> May, 2025, to 11<sup>th</sup> May, 2030 (both days inclusive).

The reappointment was approved by the Members through a Special Resolution passed at the 42nd Annual General Meeting of the Company held on 30<sup>th</sup> September, 2024. The remuneration payable to Mr. Amit Anil Raje remains as previously approved by the Members at the 40<sup>th</sup> Annual General Meeting held on 09<sup>th</sup> September, 2022.

**\*Note 2:**

On the recommendation of the Nomination and Remuneration Committee and with the approval of the Board of Directors at its meeting (Meeting No. 06/2024-25) held on 05<sup>th</sup> September, 2024, Mrs. Arati Nath (DIN: 08741034), who has been serving as the Chief Executive Officer (CEO) & Director of the Company, was reappointed for a further period of 5 (five) consecutive years, effective from the conclusion of her existing/ current term, i.e. 12<sup>th</sup> May, 2025, to 11<sup>th</sup> May, 2030 (both days inclusive).

The reappointment was approved by the Members through a Special Resolution passed at the 42nd Annual General Meeting held on 30<sup>th</sup> September, 2024. The remuneration payable to Mrs. Arati Nath remains as previously approved by the Members at the 40<sup>th</sup> Annual General Meeting held on 09<sup>th</sup> September, 2022.

**a) Directors seeking appointment/ re-appointment**

**i) Directors retire by rotation:**

Pursuant to the provisions of Section 152 of the Companies Act, 2013 and the Articles of Association of the Company, Mrs. Arati Nath (DIN: 08741034), Executive Director, is liable to retire by rotation at the ensuing 43<sup>rd</sup> Annual General Meeting and being eligible, has offered herself for re-appointment. The Board recommends her re-appointment for the consideration of the shareholders.

**ii) Reappointment of Independent Director for a second term:**

In accordance with the provisions of Section 149, 150 and 152 of the Companies Act, 2013 read with Schedule IV to the Act and the Companies (Appointment and Qualification of Directors) Rules, 2014, read with Regulations 17, 25 and other applicable regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment thereof for the time being in force), and based on the recommendation of the Nomination and Remuneration Committee and the Board of Directors at its meeting held on 05<sup>th</sup> September, 2025, the Board recommends the re-appointment of Mr. Kshitij Negi (DIN: 09046425) as an Independent Director.

Mr. Kshitij Negi (DIN: 09046425), who currently holds office as an Independent Director up to 07<sup>th</sup> February, 2026 and has submitted a declaration confirming that he meets the criteria for independence as prescribed under the Act and the Listing Regulations, and has consented to his re-appointment, is proposed to be re-appointed for a second term of 5 consecutive years w.e.f conclusion of his existing term i.e. 08<sup>th</sup> February, 2026 to 07<sup>th</sup> February, 2031. He shall not be liable to retire by rotation.

The Board recommends his re-appointment for approval of the members of the Company at the ensuing 43<sup>rd</sup> Annual General Meeting.

In case of appointment/re-appointment of Directors, the details of respective Directors as stipulated under Regulation 36(3) of the Listing Regulations are included in the Notice of Annual General Meeting.

**b) Woman Director**

In compliance with the provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has appointed Mrs. Arati Nath (DIN: 08741034) as a Woman Director & Chief Executive Officer (CEO) on the Board. Additionally, Ms. Supriya Sunil Chitre (DIN: 09237218) has been appointed as a Woman Independent Director on the Board.

**c) Independent Directors and their Declaration**

The Company has 3 (Three) Non-Executive Independent Directors on its Board, which is in compliance with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and the Companies Act, 2013. The terms and conditions of appointment of the Independent Directors are available on the website of the Company viz <https://aartechsolonics.com/docs/disclosures/policies/terms-and-conditions-for-appointment-of-independent-director.pdf>.

All Independent Directors have submitted declarations confirming that they meet the criteria of independence as prescribed under Regulation 16(1)(b) of the SEBI (LODR) Regulations, 2015 read with Section 149(6) of the Companies Act, 2013. In line with Regulations 25 (8) of the SEBI (LODR) Regulations, each Independent Director has also confirmed at the first meeting of the Board in the financial year, or whenever applicable due to a change in circumstances, that they continue to meet the independence criteria and are not aware of any circumstance or situation, which exist or may be reasonably anticipated, that may impair or impact their ability to discharge their duties with an objective independent judgment and without any external influence and the board of directors of the company shall take on record the declaration and confirmation submitted by the independent director under sub-regulation (8) after undertaking due assessment of the veracity of the same.

During the financial year 2024-25, and in adherence to the Code for Independent Directors outlined in Schedule IV of the Companies Act, 2013, a separate meeting of the Independent Directors was held on **Wednesday, 11<sup>th</sup> December, 2024** without the presence of Executive Directors or members of management. The Independent Directors, at this meeting:

- Reviewed the performance of Non-Independent Directors and the Board as a whole,
- Evaluated the performance of the Chairman of the company, taking into account the views of Executive and Non-Executive Directors,
- Assessed the quality, quantity, and timeliness of the flow of information between the Company's management and the Board, and
- Discussed other strategic matters pertaining to the Company's operations and future outlook. The said meeting was conducted without the presence of any executive or non-executive board members. The requisite quorum was present at the meeting.

In the opinion of the Board, the Independent Directors possess the appropriate balance of expertise, experience, integrity and independence. They bring valuable perspectives and judgement of Board deliberations and are independent of management. Their proficiency, as required under Section 150(1) of the Companies Act, 2013, has been ascertained through the online proficiency self-assessment test conducted by the Indian Institute of

Corporate Affairs. All Independent Directors have registered themselves with the databank maintained by the Indian Institute of Corporate Affairs under Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014.

Furthermore, none of the Independent Directors holds office as an Independent Director in more than seven listed companies, as prescribed under Regulation 17A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The tenure of Independent Directors is governed in accordance with the provisions of the Companies Act, 2013, SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and relevant rules, as amended from time to time.

#### **d) Programme for familiarization of Directors**

The Company conducts a structured familiarization programme for its directors, both at the time of their appointment and at regular intervals thereafter. These programmes are designed to provide Directors with insights into their roles, rights, responsibilities, and duties under applicable laws and governance practices. They are also apprised of the nature of the industry in which the Company operates, the business model of the Company, and key operational and strategic developments.

The objective of the programme is to ensure that Directors are fully equipped to effectively participate in Board deliberations and contribute meaningfully to the Company's decision-making processes.

The details of the familiarization programmes conducted during the financial year are available on the website of the company viz <https://aartechsolonics.com/docs/disclosures/policies/details-of-familiarization-programmes-imparted-to-independent-directors.pdf>.

#### **e) Changes in the position of Key Managerial Personnel (KMP) other than Directors of the Company**

During the period under review, there were no changes in the position of the Key Managerial Personnel of the Company, other than the Directors.

## **12. CONSTITUTION OF THE BOARD OF DIRECTORS AND THEIR MEETINGS**

### **(a) Constitution of the Board**

The composition of the Board is in compliance with the provisions of Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Section 149 of the Companies Act, 2013. The Company follows a policy of maintaining an optimum combination of Executive and Non-Executive Directors to ensure a balanced and effective Board structure.

As on 31<sup>st</sup> March, 2025, the Board of Directors of the Company comprised 6 (Six) Directors, as detailed below:

- 2 (Two) Executive Directors;
- 1 (One) Non-executive, Non-Independent Director;



- 3 (Three) Non-Executive, Independent Directors.

Mr. Amit Anil Raje, Chairman & Managing Director and Mr. Anil Anant Raje, Non-executive Director, are the **Promoters** of the Company and Mrs. Arati Nath, Director & CEO, is part of **Promoter Group** of the Company.

The Board consists of individuals with diverse qualifications, expertise, and experience in various fields such as business management, finance, operations, and governance. Their collective wisdom and strategic insights significantly contribute to the effective functioning and oversight responsibilities of the Board.

### **(b) Meetings of the Board**

The Company prepares and circulates an annual calendar of Board Meetings in advance to help Directors plan their schedules. The agenda for each meeting, along with the relevant notes, reports, recommendations, and supporting documents, is circulated to the Directors well in advance. This enables meaningful and informed participation in the deliberations and decision-making processes of the Board.

During the Financial Year **2024-25**, the Board met **08 (Eight)** times. The maximum interval between any two consecutive meetings did not exceed the prescribed limit of 120 days, thereby complying with the requirements of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The details of Board Meetings held during the financial year 2024-25 are as under:

S. No.	Date of Board Meeting	Board Strength	No. of Directors Present
1.	30.05.2024	6	6
2.	20.06.2024	6	6
3.	27.07.2024	6	6
4.	12.08.2024	6	6
5.	14.08.2024	6	6
6.	05.09.2024	6	6
7.	14.11.2024	6	6
8.	12.02.2025	6	6

### **Attendance of Directors at the Board Meetings and at the last Annual General Meeting (AGM)**

Name of the Directors	Number of board meetings during the year 2024-25		Whether attended last AGM (42 <sup>nd</sup> AGM, held on 30.09.2024)
	Held	Attended	
Mr. Amit Anil Raje	8	8	Yes
Mrs. Arati Nath	8	8	Yes
Mr. Anil Anant Raje	8	8	Yes
Mr. Prashant Dattatray Lowlekar	8	8	Yes
Mr. Kshitij Negi	8	8	No
Ms. Supriya Sunil Chitre	8	8	Yes

**(c) Information available for the members of the Board**

The Board of Directors has unrestricted and complete access to all information within the Company, which enables them to effectively discharge their responsibilities and take informed decisions. The Company ensures that comprehensive information is made available to the Board on a timely basis, including but not limited to the following:

- Financial results of the Company and its Subsidiaries;
- Minutes of meetings of the Board and its Committees, resolutions passed by circulation, and minutes of meetings of the Boards of Subsidiary Companies;
- Periodic compliance reports, including reports on any instances of non-compliance, if any;
- Disclosures received from Directors regarding their interests and other declarations;
- Details of related party transactions;
- Regular business and operational updates;
- Action Taken Report on the decisions taken in previous Board Meetings;
- Policies approved and reviewed by the Board from time to time;
- Code of Conduct applicable to the Board members and senior management;
- Interactions with Statutory Auditors and discussions held in Audit Committee meetings.

This structured access to information helps ensure high standards of governance and transparency within the Company.

**13. PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS BY COMPANY UNDER SECTION 186**

During the financial year ended 31st March, 2025, the Company has duly complied with the provisions of Section 186 of the Companies Act, 2013 and the rules made thereunder with respect to loans granted, guarantees provided, and investments made.

Pursuant to Section 186(4) of the Act, read with Rule 11 of the Companies (Meetings of Board and its Powers) Rules, 2014 and Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the particulars of loans, advances, guarantees and investments made by the Company during the year are disclosed in the notes to the financial statements. Further, the requisite disclosures in this regard have also been provided in **Form AOC-2**, which forms part of this Report.

**14. PARTICULARS OF CONTRACTS OR ARRANGEMENT WITH RELATED PARTIES**

In accordance with the provisions of Section 188 of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), the Company has adopted a robust framework for identifying, reviewing, and approving Related Party Transactions.

The Company has in place a Policy of Related Party Transactions, which outlines the process and manner of dealing with such transactions in compliance with the applicable legal framework. The Policy is available on the Company's website and can be accessed at:

<https://aartechsolonics.com/docs/disclosures/policies/policy-on-dealing-with-related-party-transactions.pdf>.

During the financial year under review, all related party transactions entered into by the Company were in the ordinary course of business, on an arm's length basis, and in compliance with the applicable provisions of the Companies Act, 2013 and SEBI Listing Regulations.

All related party transactions were placed before the Audit Committee and the Board of Directors for their review and approval. The Company follows a defined procedure for the review of such transactions and obtains omnibus approval from the Audit Committee for transactions that are repetitive in nature, subject to applicable thresholds and conditions.

There were no materially significant related party transactions during the year that may have a potential conflict with the interests of the Company at large.

Pursuant to Section 134(3)(h) of the Companies Act, 2013, read with Rule 8(2) of the Companies (Accounts) Rules, 2014, particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Act are provided in **Form AOC-2**, which forms part of this Annual Report and is annexed as **Annexure – B**.

Further, disclosures as required under **Indian Accounting Standard – 24 (Ind AS 24) – Related Party Disclosures**, have been made in the notes forming part of the **Standalone Financial Statements** for the year ended 31st March, 2025.

## **15. COMMITTEES OF THE BOARD**

The Board of Directors has constituted various mandatory committees to address specific areas and activities that require focused oversight and in-depth review. These Committees are established with the approval of the Board and operate under their respective Charters, in accordance with applicable laws and regulations.

The Committees play a vital role in supporting the Board in the effective governance and management of the Company's affairs. They meet at regular intervals to perform the responsibilities entrusted to them by the Board. The minutes of all Committee meetings are placed before the Board for its review and noting.

The Board has currently constituted the following Committees:

### **(a) Audit Committee**

The Audit Committee was constituted by the Board of Directors in compliance with the provisions of Section 177 of the Companies Act, 2013, and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition, quorum, terms of reference, functions, powers, roles and scope of the Audit Committee are in line with the requirements stipulated under the above-mentioned legal and regulatory frameworks. The primary objective of the Audit Committee is to assist the Board in fulfilling its oversight responsibilities with respect to

monitoring the financial reporting process, reviewing the Company's internal financial control systems, overseeing governance processes, and reviewing statutory and internal audit reports and activities.

As on 31<sup>st</sup> March, 2025, the Audit Committee is chaired by Mr. Prashant Dattatray Lowlekar. The other members of the Committee are Mr. Kshitij Negi, Mr. Amit Anil Raje and Ms. Supriya Sunil Chitre. All members of the Committee possess the necessary financial expertise and experience.

The Board affirms that all members of the Audit Committee are financially literate and possess the requisite knowledge in accounting and financial management.

In addition to the Committee members, the Statutory Auditors, Chief Financial Officer, Chief Accounting Officer, and Internal Auditors are invited to attend Audit Committee Meetings, as and when required. The Company Secretary of the Company acts as the Secretary to the Committee.

The Composition of the Audit Committee as on 31<sup>st</sup> March, 2025 is as under.

<b>Sr. No.</b>	<b>Name of the Director(s)</b>	<b>Category</b>	<b>Position held</b>
1	Mr. Prashant Dattatray Lowlekar	Non-Executive & Independent Director	Chairperson
2	Mr. Kshitij Negi	Non-Executive & Independent Director	Member
3	Mr. Amit Anil Raje	Executive Director	Member
4	Ms. Supriya Sunil Chitre*	Non-Executive & Independent Director	Member

*\*Ms. Supriya Sunil Chitre (DIN: 09237218), Non-Executive Independent Director, was inducted as a member of the Audit Committee during the first Board Meeting of the Company for the financial year 2024-25, held on 30th May, 2024. Consequently, the Audit Committee of the Company was reconstituted with effect from 30th May, 2024.*

Furthermore, the details pertaining to the composition of the Committee, terms of reference, powers, duties and responsibilities, as well as meeting and attendance records, are provided in the Corporate Governance Report, which forms part of this Annual Report.

### **Details of establishment of vigil mechanism for directors and employees**

In terms of Section 177(9) of the Companies Act, 2013 and the rules framed there under, the Company has adopted a Vigil Mechanism and Whistle Blower Policy. The policy is aimed at promoting ethical behavior, transparency, and accountability in the conduct of the Company's affairs by upholding the highest standards of professionalism, honesty, integrity, and ethical conduct.

The Vigil Mechanism is applicable to all permanent employees of the Company and provides a framework for reporting concerns about unethical behavior, actual or suspected fraud, or violations of the Company's Code of Conduct and Ethics. The mechanism ensures adequate safeguards against victimization of employees who report such concerns and also provides for direct access to the Chairperson of the Audit Committee in exceptional cases.

Protected disclosures can be made through various channels, including email, a dedicated telephone line, or by letter addressed to the appropriate authority.

Further, during the financial year 2024-25, no whistle blower complaints were received against any Promoter, Directors, or employees of the Company.

The Vigil Mechanism and Whistle Blower Policy is available on the website of the Company <https://aartechsolonics.com/docs/disclosures/policies/vigil-mechanism-policy.pdf>.

### **(b) Stakeholder's Relationship Committee**

The Stakeholder's Relationship Committee has been constituted by the Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The primary role of the Committee is to look into the redressal of shareholders and investors grievances, including issues related to transfer/transmission of shares, non-receipt of Annual Report, non-receipt of declared dividends, payment of unclaimed dividends and other related matters.

In addition to grievance redressal, the Committee also reviews and investigated matters that can enhance investor services and strengthen investor relations. The Board is kept informed of all significant developments concerning shareholders' issues through regular reports and statements submitted by the Committee throughout the year.

As on 31<sup>st</sup> March, 2025, the Stakeholder's Relationship Committee is chaired by Mr. Kshitij Negi. The other members of the Committee are Mr. Anil Anant Raje, Mr. Amit Anil Raje and Ms. Supriya Sunil Chitre. All members of the Committee possess the necessary expertise and experience.

In compliance with Regulation 13(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Stakeholders Relationship Committee reports to the Board as and when necessary, regarding the status of redressal of shareholder complaints.

The Composition of the Stakeholders Relationship Committee is as follows:

<b>Sr. No.</b>	<b>Name of the Director(s)</b>	<b>Category</b>	<b>Position held</b>
1	Mr. Kshitij Negi	Non-Executive & Independent Director	Chairperson
2	Mr. Anil Anant Raje	Non-Executive Director	Member
3	Mr. Amit Anil Raje	Executive Director	Member
4	Ms. Supriya Sunil Chitre	Non-Executive & Independent Director	Member

*\* Ms. Supriya Sunil Chitre (DIN: 09237218), Non-Executive Independent Director was inducted as a member of the Stakeholder's Relationship Committee at the first Board Meeting of the Company for the financial year 2024-25, held on 30th May, 2024. Consequently, the Stakeholders Relationship Committee was reconstituted with effect from the same date..*

Furthermore, detailed information regarding the Committee's composition, terms of reference, powers, duties, responsibilities, number of meetings held, and attendance records of members is provided in the Corporate Governance Report, which forms an integral part of this Annual Report.

Details of Investor's Requests/Complaints Report for the period 01<sup>st</sup> April, 2024 to 31<sup>st</sup> March, 2025 are given below:

Sr. No.	Nature of Requests/Complaints	Opening balance	Complaints Received	Total	Redressed	Pending
1	Delay in transfer of shares	-	-	-	-	-
2	Delay/ non receipt of Annual Reports	-	-	-	-	-
3	Delay/ non-receipts in issue of duplicate shares	-	-	-	-	-
4	Delay/ non-updating of clients information in record	-	-	-	-	-
5	Non-receipt of shares/ dividends/rights/bonus shares	-	-	-	-	-
6	Any other requests/ complaints	-	-	-	-	-
<b>NIL COMPLAINTS RECEIVED</b>						

### (c) Nomination and Remuneration Committee

The Nomination and Remuneration Committee has been constituted by the Board in accordance with the provisions of Section 178 of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

This policy applies to all Directors, Key Managerial Personnel (KMP), Senior Management, and other employees of Aartech Solonics Limited ("the Company"). The Committee strongly believes that effective succession planning for senior leadership is a critical element for ensuring long-term sustainability and robust future growth of the Company.

As on 31<sup>st</sup> March, 2025, the Nomination and Remuneration Committee comprises four (4) members - three (3) Non-Executive, Independent Directors and one (1) Non-Executive Director. Mr. Kshitij Negi serves as the Chairman of the Committee. The other members are Mr. Anil Anant Raje, Mr. Prashant Dattatray Lowlekar and Ms. Supriya Sunil Chitre. The Company Secretary and Compliance Officer of the Company acts as the Secretary to the Committee.

The Composition of the Nomination and Remuneration Committee is as follows:

Sr. No.	Name of the Director(s)	Category	Position held
1	Mr. Kshitij Negi	Non-Executive & Independent Director	Chairperson
2	Mr. Prashant Dattatray Lowlekar	Non-Executive & Independent Director	Member
3	Mr. Anil Anant Raje	Non-Executive Director	Member
4	Ms. Supriya Sunil Chitre	Non-Executive & Independent Director	Member

*\* Ms. Supriya Sunil Chitre (DIN: 09237218), Non-Executive Independent Director, was inducted as a member of the Nomination and Remuneration Committee at the first Board Meeting of the Company for the financial year 2024-25, held on 30<sup>th</sup> May, 2024. Accordingly, the Nomination and Remuneration Committee was reconstituted with effect from the same date.*



The Nomination and Remuneration policy was adopted by the Board upon the recommendation of the Nomination & Remuneration Committee. This policy outlines the framework for selection, appointment, evaluation, and remuneration of Directors, KMPs, and Senior Management Personnel, and is available on the website of the Company at the following web link: <https://aartechsolonics.com/docs/disclosures/policies/nomination-remuneration-policy.pdf>.

Furthermore, detailed information relating to the Committee's terms of reference, powers, roles & responsibilities, meetings held, and attendance of members is provided in the Corporate Governance Report, which forms part of this Annual Report.

- **Mechanism for evaluation of the Board, Committees, Chairperson and Individual Directors**

The Company has adopted a formal and structured process for annual performance evaluation of the Board, its Committees, the Chairperson, Executive and Non-Executive Directors, including Independent Directors, in line with the provisions of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Nomination and Remuneration Committee, in consultation with the Board, defined the methodology and criteria for the evaluation process. A comprehensive and structured questionnaire was circulated to all Directors, covering various parameters such as the functioning, composition, governance culture, performance, and responsibilities of the Board and its Committees, as well as individual performance of Directors, the CEO & Managing Director, and the Chairperson.

Pursuant to Section 134(3) read with Rule 8(4) of the Companies (Accounts) Rules, 2014, the Independent Directors carried out the performance evaluation of Executive Directors and the functioning of the Board as a whole. A separate meeting of Independent Directors was held on 11th December, 2024, to specifically review the performance of the Chairperson, Executive Directors, and the Board. Based on the feedback received through the evaluation process, the Board expressed its satisfaction over the performance and functioning of the Board, Committees, and Individual Directors.

**Criteria for evaluation of Board as a whole**

- a. Board Composition & Quality;
- b. Board Meetings;
- c. Committees;
- d. Core Governance & Compliance; and
- e. Risk Management.

**Criteria for evaluation of Committees**

- a. Structure of committees;
- b. Appropriateness of delegation of responsibilities by the Board to its committees;
- c. Composition of the committees;
- d. The meetings are conducted in a manner that ensures open communication and meaningful participation;
- e. The amount of information received is appropriate for discussion and decision-making purposes;

- f. The reporting by each of the Committees to the Board is sufficient;
- g. Committees takes effective and proactive measures to perform its functions; and
- h. The frequency of the Committee meetings is adequate.

**Criteria for evaluation of Chairperson**

- a. Leadership; and
- b. Managing Relationships.

**Criteria for evaluation of the Executive Directors**

- a. Strategy Formulation & Execution;
- b. Board Meetings;
- c. Interpersonal Skills;
- d. Leadership;
- e. Diligence; and
- f. Knowledge & Expertise.

**Criteria for evaluation of the Independent Directors**

- a. Knowledge & Expertise;
- b. Participation in Board Meetings;
- c. Interpersonal Skills;
- d. Professional Conduct & Independence;
- e. Diligence;
- f. Roles & Responsibilities; and Disclosure & Reporting.

- **Company's policy on remuneration of Directors, KMP'S and Other Employees**

The Nomination and Remuneration Policy of the Company was adopted by the Board on the recommendation of the Nomination and Remuneration Committee. The Policy provides a transparent framework for determining the remuneration of Directors, Key Managerial Personnel (KMPs), Senior Management, and other employees, in alignment with the objectives of attracting, motivating, and retaining high-caliber talent.

The Policy also lays down the criteria for determining qualifications, positive attributes, and independence of Directors, in accordance with the provisions of Section 178(3) of the Companies Act, 2013.

**16. CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO**

Pursuant to the provisions of Section 134(3)(m) of the Companies Act, 2013, read with Rule 8 of the Companies (Accounts) Rules, 2014, the required information relating to Conservation of Energy, Technology Absorption, and Foreign Exchange Earnings and Outgo is annexed to this Report and forms an integral part of the Annual Report.

The said information is provided in “**Annexure- C**” to this Annual Report.

**17. PARTICULARS OF EMPLOYEES**

In accordance with the provisions of Section 197(12) of the Companies Act, 2013 read with Rule 5(1) and 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the requisite disclosures are annexed to this Report as **Annexure-D**.

During the financial year 2024-25, no employee of the Company, whether employed throughout the year or for part of the year, was in receipt of remuneration exceeding the limits specified under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014. Accordingly, the disclosures under Rule 5(3) of the Companies (Appointment and Remuneration of Managerial Personnel) rules, 2014 are not applicable to the Company for the year under review.

## **18. INTERNAL FINANCIAL CONTROLS WITH REFERENCE TO THE FINANCIAL STATEMENTS**

The Company has designed and implemented a process driven framework for Internal Financial Controls ("IFC") within the meaning of the explanation to Section 134(5)(e) of the Companies Act, 2013 read with Rule 8(5)(viii) of the Companies (Accounts) Rules, 2014, the Board is of the opinion that the Company has sound Internal Financial Control commensurate with the nature and size of its business operations and operating effectively and no material weakness exists. The Company has a process in place to continuously monitor the same and identify gaps, if any, and implement new and/or improved controls wherever the effect of such gaps would have a material effect on the Company's operations. This process includes the design, implementation and maintenance of adequate Internal Financial Control that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, safeguarding of its assets, the prevention and detection of frauds and errors, accuracy and completeness of the accounting records, and timely preparation of reliable financial information, as required under the Act.

During the period under review, the Company has appointed independent audit firm as Internal Auditors to observe the Internal Control system.

The Board of Directors of the Company have adopted various policies like Related Party Transactions Policy, Vigil Mechanism Policy, Policy to determine Material Subsidiaries and such other procedures for ensuring the orderly and efficient conduct of its business for safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information.

The Audit Committee of the Board of Directors actively reviews the adequacy and effectiveness of the internal control system and suggests improvements to strengthen the same. The Company has robust management information system, which is an integral part of the control mechanism.

## **19. AUDIT REPORT AND AUDITORS**

### **(a) Statutory Auditors & their Reports**

M/s BANCERS & Co. LLP, Chartered Accountants, Bhopal (ICAI Firm Registration No. C400331), were appointed as the Statutory Auditors of the Company for a term of Five (5) years, commencing from the conclusion of the 41<sup>st</sup> Annual General Meeting (AGM) till the conclusion of the 46<sup>th</sup> Annual General Meeting of the Company, to be held in the year 2028.

The Statutory Auditors were appointed at a remuneration of ₹2.50 Lakhs (Rupees Two Lakh Fifty Thousand Only), which includes fees for statutory audit, consolidation of accounts, Limited Review Reports plus applicable taxes and reimbursement of out-of-pocket expenses at actuals.

M/s BANCERS & CO. LLP, Chartered Accountants, Bhopal (ICAI Firm Registration No. C400331), have confirmed that they meet all eligibility criteria prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. They have also submitted the requisite eligibility certificate pursuant to Section 141 of the Companies Act, 2013.

Further pursuant to regulation 36(5) of SEBI (LODR) Regulations, 2015, the details and credentials of the statutory auditor are as under:

M/s BANCERS & Co. LLP is a firm of Chartered Accountants established in the year 2022. The firm is engaged in providing services including Audit, Accounting, Taxation and Advisory services. The firm comprises 5 Partners and a team of over 15 plus staff members and is empaneled with various regulatory bodies.

The firm holds a Peer Review Certificate issued by the Institute of Chartered Accountants of India (ICAI) under the Statement on Peer Review. The firm's team includes Chartered Accountants, Cost Accountants (CWAs), Information System Auditors (DISA), and Company Secretaries (CS), among other qualified professionals.

M/s BANCERS & CO. LLP, Chartered Accountants, Bhopal (ICAI Firm Registration No. C400331), has fulfilled and complied all the conditions and statutory requirements as specified in the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and has submitted their eligibility certificate to the Company and also meets the criteria as specified in Section 141 of the Companies Act, 2013.

M/s BANCERS & CO. LLP, Chartered Accountants, Bhopal (ICAI Firm Registration No. C400331), have audited the books of accounts of the Company, both standalone and consolidated, for the financial year ended 31<sup>st</sup> March, 2025 and have issued their Independent Auditor's Report thereon. The Auditor's Report does not contain any qualification, reservation, adverse remark, or disclaimer. However, the report includes an "Emphasis of Matter" paragraph, which does not modify the auditor's opinion. No frauds were reported by the auditors under Section 143(12) of the Companies Act, 2013, to the Audit Committee or the Board during the year under review.

The **Auditor's Report**, read in conjunction with the notes to the financial statements, is self-explanatory and does not call for any further explanation or comments under Section 134(3)(f) of the Companies Act, 2013.

### **(b) Secretarial Auditors & their Reports**

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors, based on the recommendation of the Audit Committee, appointed M/s APVN & Associates, Practicing Company Secretaries, Bhopal, as the Secretarial Auditor of the Company for the financial year 2024-25, at its meeting held on 30<sup>th</sup> May, 2024.

The Secretarial Audit was conducted in accordance with the applicable provisions of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Secretarial Audit Report for the

financial year ended 31<sup>st</sup> March, 2025, issued by M/s APVN & Associates, Practicing Company Secretaries, Bhopal in Form MR-3, is annexed to this Board's Report and forms part of the Annual Report as "**Annexure- E**". The report is self-explanatory and does not contain any qualifications, reservations, adverse remarks, or observations requiring Board clarification.

In compliance with Regulation 24A of the SEBI Listing Regulations, the Annual Secretarial Compliance Report for the year ended 31<sup>st</sup> March, 2025, as issued by the Secretarial Auditor, was submitted to the Stock Exchanges within the prescribed timelines and is also available on the Company's website at [www.aartechsolonics.com](http://www.aartechsolonics.com). This report also confirms that there were no qualifications, observations, or adverse remarks during the period under review.

In compliance with the provisions of Section 204 and other applicable provisions of the Companies Act, 2013, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and based on the recommendation of the Audit Committee, the Board of Directors at its meeting held on 21<sup>st</sup> May, 2025, approved the appointment of M/s. APVN & Associates, Practicing Company Secretaries, as the Secretarial Auditor of the Company for a period of five (5) consecutive financial years commencing from 1st April, 2025 to 31st March, 2030, subject to approval of the shareholders at the ensuing 43<sup>rd</sup> Annual General Meeting.

The Company has obtained a consent and eligibility letter from the firm, confirming its compliance with the eligibility criteria prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The firm holds a valid Peer Review Certificate issued by the Institute of Company Secretaries of India (ICSI). They have also confirmed that they are not disqualified from being appointed and have no conflict of interest.

Further, they have declared that they have not undertaken any prohibited no secretarial audit assignments for the Company, in compliance with Section 204 of the Companies Act, 2013 and the rules made thereunder, read with Regulation 24A of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and other applicable provisions. Further, the firm has the necessary qualifications, expertise, and experience to carry out the Secretarial Audit and to issue the Annual Secretarial Compliance Report in accordance with applicable laws.

After careful evaluation of the firm's professional competence, independence, and track record, the Audit Committee and the Board are of the opinion that M/s. APVN & Associates, Practicing Company Secretaries, is well-suited for the said appointment.

### **(c) Internal Auditors**

In accordance with the provisions of Section 138 of the Companies Act, 2013, and the Companies (Accounts) Rules, 2014, and based on the recommendation of the Audit Committee, the Board of Directors, at its meeting (01/2024-25) held on Thursday, 30<sup>th</sup> May, 2024, approved the appointment of M/s. Simran Khanuja & Co., Practicing Chartered Accountants (Firm Registration No. 035454C), Bhopal as the Internal Auditor of the Company for the financial year 2024-25.

The Company obtained a consent and eligibility certificate from the firm, confirming their readiness and compliance with the applicable provisions of the Companies Act, 2013. The firm was entrusted with the responsibility of

conducting the internal audit of the Company and to provide independent assurance on the adequacy and effectiveness of the internal control systems, risk management frameworks, and corporate governance processes.

The scope, frequency, and methodology of the internal audit were reviewed and approved by the Audit Committee. The internal audit was conducted during the year as per the approved plan. Any significant observations or recommendations were discussed with the management, and appropriate corrective actions were taken wherever required. No material issues were reported during the period under review.

Considering the satisfactory performance of the internal auditors and upon the recommendation of the Audit Committee, the Board of Directors, in its meeting held for FY 2025–26, has continued the engagement of M/s. Simran Khanuja & Co., Practicing Chartered Accountants, Bhopal (Firm Registration No. 035454C) as the Internal Auditor of the Company for the financial year 2025–26.

## **20. DISCLOSURE WITH RESPECT TO MAINTENANCE OF COST RECORDS**

Pursuant to the provisions of Section 148(1) of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Rules, 2014, the Central Government has specified certain class of companies which are required to maintain cost records.

Your Company does not fall within the purview of the said provisions and accordingly, the maintenance of cost records as prescribed under Section 148(1) of the Act is not applicable to the Company for the financial year under review.

## **21. MATERIAL CHANGES AND COMMITMENT, IF ANY, AFFECTING THE FINANCIAL POSITION OF THE COMPANY WHICH HAVE OCCURRED BETWEEN THE END OF THE FINANCIAL YEAR OF THE COMPANY TO WHICH THE FINANCIAL STATEMENT RELATED AND THE DATE OF REPORT**

Pursuant to the provisions of Section 134(3)(l) of the Companies Act, 2013, the Board of Directors confirms that there have been no material changes and commitments, affecting the financial position of the Company, which have occurred between the end of the financial year (i.e., 31st March, 2025) and the date of this Report.

## **22. CORPORATE GOVERNANCE**

The Company is committed to maintaining the highest standards of Corporate Governance by ensuring transparency, accountability, and integrity in all its operations and interactions. Our Corporate Governance practices are aimed at enhancing shareholder value while safeguarding the interests of all stakeholders, including clients, employees, investors, regulatory authorities, and the community at large.

The functions of the Board of Directors are clearly defined and structured to enable effective oversight and strategic guidance. The Board has constituted various committees, including the Audit Committee, Nomination and Remuneration Committee, Stakeholders Relationship Committee, and others, to ensure robust governance mechanisms and the smooth functioning of the Company.



At **Aartech Solonics Limited**, we remain committed to good corporate governance and continuously benchmark our practices against global standards. We are dedicated to upholding the rights of shareholders, including minority shareholders, and fostering a culture of ethical and responsible decision-making.

In accordance with Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a detailed Corporate Governance Report, highlighting the Company's compliance with the prescribed governance norms, forms part of the Annual Report and is annexed as "**Annexure – F**".

A certificate from M/s. APVN & Associates, Practicing Company Secretaries, a peer-reviewed firm, confirming compliance with the conditions of Corporate Governance as stipulated under the SEBI Listing Regulations, is also annexed to the Report as "**Annexure- G**" of this Annual Report.

Additionally, a certificate from the Chief Executive Officer (CEO) and Chief Financial Officer (CFO) of the Company, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, certifying the accuracy and fairness of the financial statements and cash flow statements, the adequacy of internal control systems for financial reporting, and the disclosure of any material matters to the Audit Committee, is also part of this Annual Report.

## **23. GOVERNANCE CODES**

### **(a) Code of Business Conduct & Ethics**

The Company has adopted Code of Conduct for the Board of Directors and Senior Management ("the Code") which is applicable to all members of the Board and designated Senior Management Personnel. The Code lays down the principles and standards that are expected to guide the actions and behavior of Directors and Employees in the conduct of Company affairs. The Code emphasizes honesty, integrity, fairness and ethical conduct, professionalism. Courtesy, and respect, Compliance with applicable laws, rules, and regulations, and avoidance of conflicts of interest in professional and personal dealings.

The Code has been uploaded on the Company's website and can be accessed at the following link <https://aartechsolonics.com/docs/disclosures/policies/code-of-conduct-for-board-members-and-senior-management-personnel.pdf>.

All members of the Board and the Senior Management team are required to affirm compliance with the Code annually. The Code has been duly circulated among the Directors and Senior Management, and annual declarations confirming compliance are obtained from them. A declaration to this effect, signed by the Chief Executive Officer, is annexed to this Annual Report as "**Annexure – H**".

In addition, members of the Senior Management are required to periodically disclose to the Board any material, financial, or commercial transactions in which they may have a personal interest and which could potentially conflict with the interests of the Company.

### **(b) Conflict of Interests**

To ensure transparency and integrity in the decision-making process, each Director of the Company is required to disclose annually to the Board the details of the Board and Committee position they hold in other companies,

including any Chairmanships. Any changes in these positions during the year are promptly communicated to the Company.

The Members of the Board, in the performance of their duties, avoid any potential conflict of interest by ensuring that their personal interests do not interfere with the Company's decision-making process. Specifically, Board members refrain from participating in discussions or voting on any matters or transactions in which they have a personal concern or interest.

This approach ensures that all decisions taken by the Board are in the best interests of the Company and its stakeholders, free from any bias or conflicts.

### **(c) Insider Trading Code**

The Company has adopted a Code of conduct for Prevention of Insider Trading ("the Code") in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, as amended from time to time (the "PIT Regulations").

The Code is applicable to all insiders, including designated persons, their immediate relatives, connected persons, fiduciaries and intermediaries associated with the Company. This Code came into effect from the date of listing of equity shares of the Company on a recognized Stock Exchange in India following the initial public offering (IPO) of the equity shares of the Company.

The Company has designated the Company Secretary as the Compliance Officer to monitor and ensure strict adherence to the PIT Regulations. The Code is available on the Company's website for reference at [www.aartechsolonics.com](http://www.aartechsolonics.com).

Further we are pleased to report that there have been no violations of the Insider Trading Regulations for the year ended 31st March, 2025. The Company has consistently adhered to and complied with all the provisions stipulated under the SEBI (Prohibition of Insider Trading) Regulations, 2015.

## **24. DIRECTOR'S RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134 (3)(c) and Section 134 (5) of the Companies Act, 2013, the Board of Directors confirm that:

- a) in the preparation of the annual accounts, the applicable accounting standards had been followed along with proper explanation relating to material departures;
- b) the directors had selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the company at the end of the Financial Year and of the profit of the company for that period;
- c) the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of this Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities.

- d) that the directors had prepared the annual accounts for the Financial Year ended March 31, 2025 on a going concern basis;
- e) that the directors had laid down internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively;
- f) that the directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively; and

## **25. INTERNAL CONTROL SYSTEM AND THEIR ADEQUACY**

The Company has implemented an effective internal control and risk mitigation system that is continuously evaluated and strengthened to ensure compliance with industry standards. These systems are regularly updated to reflect any changes in operational procedures, thus maintaining their relevance and effectiveness.

The internal control framework of the Company is aligned with its size, scale, and the complexity of its business operations. It ensures the orderly and efficient conduct of business, safeguarding of assets, prevention of fraud and errors, and accuracy in financial reporting.

The Audit Committee of the Board actively monitors and reviews the adequacy and effectiveness of these internal control systems. Based on their assessments, recommendations for improvements are made to further strengthen the controls in place.

Furthermore, the Company leverages a robust Management Information System (MIS), which plays an integral role in the overall internal control mechanism. The MIS ensures timely and accurate reporting of data and facilitates informed decision-making at various levels of the organization.

## **26. RISK MANAGEMENT**

Risk Management is a core element of Corporate Governance at your Company. We believe that a comprehensive Risk Management framework is essential for ensuring adequate controls, monitoring mechanisms, and the smooth and efficient functioning of our business operations. A risk-aware organization is better positioned to maximize shareholder value by proactively addressing potential threats.

Your Company has developed and implemented a well-defined Risk Management Framework that operates at various levels across the organization. This framework provides a strategic defense mechanism for identifying and managing risks, safeguarding business continuity, and supporting the achievement of corporate goals.

The Company follows established risk assessment and minimization procedures, which are periodically reviewed and updated by the Board of Directors. This ensures that the risk management processes remain relevant and effective in the face of evolving business conditions and challenges.

The Business Risk Management Framework aids in identifying both risks and opportunities that could impact the Company's objectives. It evaluates the likelihood and potential impact of various risks, enabling the development of appropriate response strategies.

The Company is exposed to market risk, credit risk and liquidity risk and the details of these risks are outlined in Note 38.4, 38.5, and 38.6 of the standalone financial statements, which forms part of this Annual Report.

## **27. ANNUAL RETURN**

In accordance with the provisions of the Companies Act, 2013, the Company has prepared its Annual Return in Form MGT-7. A copy of the Annual Return will be made available on the Company's website at [www.aartechsolonics.com](http://www.aartechsolonics.com).

## **28. CORPORATE SOCIAL RESPONSIBILITY**

The provisions of Section 135 of the Companies Act, 2013 regarding Corporate Social Responsibility (CSR) are not applicable to the Company for the financial year under review.

## **29. BUSINESS RESPONSIBILITY & SUSTAINABILITY REPORT (BRSR)**

The Business Responsibility & Sustainability Report (BRSR), as required under Regulation 34(2)(f) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, is not applicable to the company.

## **30. SIGNIFICANT AND MATERIAL ORDERS PASSED BY REGULATORS OR COURTS**

During the financial year under review, no significant or material orders have been passed by any Regulators / Courts / Tribunals that would impact the going concern status of the Company or its future operations.

## **31. AFFIRMATION ON COMPLIANCE OF SECRETARIAL STANDARDS**

The Company affirms that, during the financial year under review, it has complied with all the applicable mandatory Secretarial Standards (including any modifications or amendments thereto) issued by the Institute of Company Secretaries of India.

## **32. HUMAN RESOURCES / INDUSTRIAL RELATIONS, INCLUDING NUMBER OF PEOPLE EMPLOYED**

At Aartech Solonics, we consider our employees to be our most valuable asset. The Company has always focused on building strong teams of skilled professionals to support its diverse products and projects. We continue to attract the right talent, foster a culture of learning, and take proactive steps to retain this talent.

Ensuring safe working conditions in all offices is a priority, and we are committed to maintaining an environment that supports both personal and professional growth. Our Human Resources strategy is aligned with the size, nature, and operations of the Company, and we continue to invest in skill enhancement through regular training programs.

The industrial relations have remained cordial, reflecting a positive work environment across the organization.

As of 31st March, 2025, the Company employed 69 permanent employees, compared to 79 on 31st March, 2024. We have an established performance appraisal system that is applicable to all employees to support their development and growth.

The gender wise details of person employed are as follows:

Particulars	As on 31 <sup>st</sup> March, 2025	As on 31 <sup>st</sup> March, 2024
Male	61	72
Female	08	07
Transgender	-	-
<b>Total</b>	<b>69</b>	<b>79</b>

### 33. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

At Aartech Solonics, we are committed to providing a safe and respectful work environment where every individual is treated with dignity. We strive to foster a culture of equality and inclusivity, encouraging professional growth and offering equal opportunities for all employees.

The Company maintains a strict zero-tolerance policy towards any form of sexual harassment and takes all necessary actions to ensure that employees are not subjected to any harassment, including sexual harassment. In line with the provisions of the **Sexual Harassment of Women at Workplace (Prevention, Prohibition, and Redressal) Act, 2013**, the Company has implemented a comprehensive policy for prevention, prohibition, and redressal of sexual harassment at the workplace. This policy is applicable to all employees, including permanent, contractual, temporary, and trainees.

The Company has also constituted an **Internal Complaints Committee (ICC)** to address and resolve any complaints of sexual harassment as per the legal requirements. The names and contact details of all committee members are prominently displayed on the Company's notice board, along with the **Policy on Prevention of Sexual Harassment (POSH)**, ensuring easy access for all employees. Regular awareness programs on POSH are conducted, and all new employees undergo a dedicated induction program on this policy.

For the financial year ended **31st March, 2025**, the Company did not receive any complaints related to sexual harassment.. The details of the POSH Compliances are as follows:

Number of sexual harassment complaints filed during the financial year	<b>Nil</b>
Number of complaints disposed of during the financial year	<b>Nil</b>
Number of complaints pending for more than 90 days during the financial year	<b>Nil</b>

### 34. COMPLIANCE WITH THE MATERNITY BENEFIT ACT, 1961

Aartech Solonics values the contributions of women in its workforce and believes that empowering women is not just about offering opportunities, but also about recognizing and supporting their health, safety, and work-life balance. The Company is fully committed to supporting mothers and ensuring that their rights and needs are respected.

In line with this commitment, the Company adheres to the provisions of the **Maternity Benefit Act, 1961**. All eligible women employees have been provided with the benefits stipulated under the Act, including maternity leave and other related benefits. The Company remains dedicated to fostering a gender-inclusive workplace that supports working mothers, ensuring a healthy balance between work and personal life.

### 35. GENERAL DISCLOSURES

During the year under review, the Company has not entered into any transactions under the following provisions, and hence no disclosure or reporting is required:

- a) Details relating to deposits covered under Chapter V of the Act and rules made there under.
- b) As per rule 4(4) of the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares with differential rights as to dividend, voting or otherwise.
- c) As per rule 8(13) of the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued shares (including sweat equity shares) to employees of the Company under any scheme.
- d) As per rule 12(9) of the Companies (Share Capital and Debentures) Rules, 2014, the Company has not issued equity shares under the scheme of employee stock option.
- e) As per rule 16(4) of the Companies (Share Capital and Debentures) Rules, 2014, there are no voting rights exercised directly or indirectly by the employees in respect of shares held by them. The Company does not have any scheme of provision of money for the purchase of its own shares by employees or by trustees for the benefit of employees.
- f) Neither the Managing Director nor the Whole-time Directors of the Company receive any remuneration or commission from any of its subsidiaries.
- g) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the Company's going concern status and operations in future.
- h) There is no amount of unpaid/unclaimed dividend and shares which are required to be transferred in IEPF (Investor Education and Protection Fund) as per the provisions of the Companies Act, 2013.
- i) There is no Corporate Insolvency Resolution Process initiated by and against the Company under the Insolvency and Bankruptcy Code, 2016 (IBC).
- j) There is no one time settlement of loans taken from banks and financial Institution.
- k) The details with respect to unpaid dividend for the financial year 2018-19, 2020-21, 2021-22, 2022-23 and 2023-24 can be accessed at <https://aartechsolonics.com/docs/shareholders-information/transfer-of-shares-in-demat-mode/Dividend-History.pdf>.

### 36. REPORTING OF FRAUDS

During the year under review, neither the Statutory Auditors nor the Secretarial Auditor reported to the Audit Committee under Section 143(12) of the Companies Act, 2013, any instances of fraud committed against the Company by its officers or employees, the details of which would need to be mentioned in the Board's Report.

### 37. ENHANCING SHAREHOLDERS VALUE

Your Company believes that its shareholders are among its most important stakeholders. In line with this belief, the Company is committed to achieving high levels of operating performance and cost competitiveness. The focus is on



consolidating and building for sustainable growth, enhancing the productive asset and resource base, and nurturing a strong corporate reputation. These efforts collectively contribute to enhancing long-term value for shareholders.

### **38. CAUTIONARY STATEMENT**

Statements in this Board's Report and Management Discussion and Analysis, including those regarding the Company's objectives, projections, estimates, expectations or predictions may constitute "*forward-looking statements*" as defined under applicable securities laws and regulations. Actual results may differ materially from those expressed or implied. Important factors that could affect the Company's operations include, but are not limited to, the availability and pricing of raw materials, cyclical demand and pricing in the Company's principle markets, changes in government regulations, tax policies, economic developments in the country and other relevant factors.

### **39. APPRECIATIONS AND ACKNOWLEDGMENTS**

Your Company's organizational culture is grounded in professionalism, integrity, and a commitment to continuous improvement across all functions. This focus ensures the efficient utilization of resources, driving sustainable and profitable growth.

The Directors express their sincere gratitude and take this opportunity to place on record their appreciation for the dedication and commitment shown by the Company's employees at all levels, which continues to be one of our greatest strengths.

We also extend our heartfelt thanks to the shareholders, investors, customers, visitors to our website, business partners, bankers, and other stakeholders for their continued confidence in the Company and its management. We look forward to their ongoing support as we continue to drive future growth.

**For and on behalf of the Board  
Aartech Solonics Limited**

**Place: Bhopal  
Dated: 05/09/2025**

**Sd/-  
Amit Anil Raje  
Chairman & Managing Director  
(DIN: 00282385)  
R/o 15, Silver Oak, Green Heights  
Gulmohar Colony  
Bhopal 462038 (M.P.)**

**Sd/-  
Arati Nath  
CEO & Director  
(DIN: 08741034)  
Bungalow No.3, Samarth Parisar,  
Bawadia Kalan, E-8 Extension,  
Near Orion School, Trilanga,  
Bhopal, 462039 (M.P.)**

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

In terms of the provisions of Regulation 34 (2)(e) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, your Company presents the detailed Management Discussion and Analysis Report for the financial year 2024-25

### A) Industry Structure and Developments

The global power and energy industry is currently undergoing a profound transformation, propelled by increasing demands for sustainability, enhanced grid reliability, and improved energy efficiency. This shift is especially pronounced in India, where ambitious national targets and government initiatives are driving rapid modernization of the energy landscape.

#### **Key Structural Shifts in the Industry:**

##### **1. Energy Transition**

Globally, there is a marked shift away from conventional fossil fuel-based energy generation towards renewable energy sources such as solar, wind, and hybrid systems. In India, this transition is accelerated by the government's aggressive push to achieve 500 GW of renewable energy capacity by 2030. This transition is creating significant opportunities for companies engaged in the development and deployment of advanced energy storage solutions, smart grid technologies, and products that enhance grid stability and reliability.

##### **2. Grid Modernization**

India's power infrastructure is undergoing a fundamental change from a fragmented, state-wise system to a unified, interconnected national grid under the visionary initiative: "One Nation – One Grid – One Frequency." This integrated grid necessitates deployment of sophisticated systems, including:

- Bus Transfer Systems (BTS) for seamless power switching
- Control and Relay Panels (CRPs) to safeguard grid stability
- Real-time grid monitoring tools to enable prompt and efficient grid management

The transformation is fostering the demand for high-technology solutions to ensure uninterrupted and quality power supply across the country.

##### **3. Technological Integration**

The evolving power ecosystem increasingly demands advanced, digitally-enabled technologies to optimize energy management and consumption. The key technology trends shaping the industry include:

- **Advanced Metering Infrastructure (AMI):** Smart meters enabling real-time data capture and dynamic pricing models.

- **Demand Response (DR) Systems:** Tools to manage consumer electricity demand actively, improving grid efficiency.
- **Energy Storage Systems:** Critical for balancing intermittent renewable generation and ensuring grid stability.
- **SCADA-Compatible Panels:** Supervisory Control and Data Acquisition systems for comprehensive grid automation and monitoring.
- **Hybrid Renewable Energy Integration Tools:** Enabling consistent power output by combining solar, wind, and other renewable sources.

These technologies are central to India's goal of creating a smarter, more resilient power grid.

#### **4. Defense Innovation Ecosystem**

Under the government-backed iDEX (Innovation for Defence Excellence) initiative, domestic companies are increasingly focused on developing indigenous, application-specific technologies tailored to defense requirements. Aartech has emerged as a key player in this ecosystem, contributing innovative solutions such as adaptive power modules and customized control panels, enhancing the self-reliance of India's defense capabilities.

#### **5. Increased Government Spending and Infrastructure Investment**

The government and its entities — including national players like NTPC, PowerGrid, and various State Electricity Boards (SEBs) — are making substantial investments in transmission and distribution (T&D) modernization. This includes upgrading substations, deploying digital relays, and installing hybrid panels to boost efficiency, reduce losses, and support renewable integration. These investments have catalyzed demand for technologically advanced products and services, directly benefiting companies operating in the power infrastructure space.

This evolving industry structure presents significant opportunities and challenges, requiring agility, innovation, and deep domain expertise. Aartech is strategically positioned to capitalize on these trends through its diversified product portfolio, strong R&D capabilities, and growing global footprint.

### **B) Opportunities and Threats**

#### **Opportunities:**

##### **1. Export Market Expansion**

Aartech's successful project executions in the Middle East and the United Kingdom, including work for the Global Centre for Rail Excellence (GCRE), demonstrate the company's operational maturity and technical readiness to compete in international markets. With growing global demand for smart and sustainable power solutions, Aartech is well-positioned to scale its export portfolio across regions.

##### **2. Defense Contracts and Indigenous Innovation**

The development of the Adaptive Alternate Power Module (AAPM), in collaboration with IIT Powai and the Indian Army, opens new avenues within India's expanding defense technology sector. The solution's application in mobile

power for tanks and artillery has the potential to generate recurring demand from defense forces including the Indian Army, Navy, and allied defense research organizations.

### **3. Growth in Smart Grid Projects**

India's utility sector is rapidly modernizing, with a strong push for Substation Automation System (SAS) compliance and smart grid technologies. This is driving increased demand for smart-compatible Control & Relay Panels (CRPs) and Bus Transfer Systems (BTS). Aartech's SAS-compliant offerings give it a competitive edge in this evolving landscape.

### **4. Emergence of Energy Storage Technologies**

With renewable energy integration rising, energy storage systems—especially ultracapacitors, hybrid storage, and fast-discharge modules—are expected to see exponential growth. Aartech's wholly owned subsidiary, Faradigm® Ultracapacitors Private Limited (FUPL), is strategically positioned to address this market opportunity through indigenous design and scalable manufacturing capabilities.

### **5. Digital Infrastructure and Government Schemes**

Government-backed initiatives such as the Revamped Distribution Sector Scheme (RDSS) and Green Energy Corridor are enabling digital upgrades across India's transmission and distribution infrastructure. This fosters demand for digitally enabled panels, real-time monitoring systems, and custom control solutions, areas where Aartech has deep expertise.

## **Threats**

### **1. Volatility in Raw Material Costs**

Fluctuations in the prices of essential inputs such as copper, aluminium, electronic components, and engineering plastics can have a significant impact on production costs and overall margin stability. In markets where pricing flexibility is limited due to high sensitivity to cost increases, the ability to offset these rising input costs may be constrained, potentially leading to pressure on profitability.

### **2. Project Execution Delays**

Factors such as delayed government approvals, logistical disruptions, extreme weather conditions, or shifting political priorities can affect the timely execution of projects. This, in turn, can defer revenue recognition and impact quarterly performance metrics.

### **3. Pricing Pressure and Competitive Intensity**

Aartech faces significant pricing pressure in areas such as CRP manufacturing and standard panels, where competition from low-cost domestic manufacturers and imported alternatives is particularly strong. Competing primarily on price while ensuring quality standards and regulatory compliance presents challenges, especially in high-volume contracts where margins are typically thin.

### **4. Shortage of Skilled Manpower**

Specialized talent in areas like embedded systems, high-voltage electrical design, automation, and power electronics remains scarce and increasingly expensive. This talent gap may impact new product development timelines and operational efficiency, particularly as the company scales up.

By proactively leveraging emerging opportunities and strategically mitigating potential threats, Aartech aims to sustain its growth trajectory and reinforce its position as a trusted technology-driven partner in India's and the world's energy transition journey.

### C) Product-wise / Business Line Performance

In FY 2024–25, Aartech Solonics Limited continued to demonstrate strong, broad-based performance across its core and emerging areas of operation. Each product line contributed meaningfully to the company's revenue, strategic positioning, and long-term growth potential. A detailed analysis of the performance by business line is provided below:

#### 1. Bus Transfer System (BTS)

The **BTS product** division remained one of Aartech's high-margin contributors, recording an impressive **20% year-on-year (YoY)** growth. Demand was driven by:

- Power generation facilities (thermal, hydro, and renewables)
- Process industries with critical uptime needs
- International Engineering, Procurement, and Construction (EPC) contractors

**Competitive Advantage:** Aartech's proprietary **four-breaker scheme** continues to offer superior efficiency and reliability, particularly in **grid-sensitive applications**. This technical edge, combined with deep application expertise, has helped expand market share both domestically and globally.

#### 2. Control and Relay Panels (CRP)

The **CRP division** achieved a significant milestone by surpassing **₹20 Crores in revenue** during the year.

Key highlights include:

- **Geographic Expansion:** Successful entry into **two new Indian states**, reinforcing our pan-India presence
- **Technology Differentiation:** Introduction of **SCADA-compatible, BCU-integrated** panels, enhancing automation and digital control capabilities for modern substations
- **International Breakthrough:** Secured the **first export order** in this product division- a notable step in Aartech's global growth journey.

The CRP business continues to be a robust, scalable business unit, aligned with India's substation modernization and smart grid initiatives.

### 3. Ultracapacitors (Faradigm®)

Under the wholly owned subsidiary Faradigm® Ultracapacitors Private Limited (FUPL), this business area is gaining strong momentum, driven by the **growing need for high-speed energy discharge systems** across critical sectors.

#### Performance and Strategic Developments:

- Active sales pipeline of over **₹100 Crores**, encompassing opportunities in defense, railways, and e-mobility
- Collaborative innovation with **IIT-Powai** and the **Indian Army**, resulting in the **Adaptive Alternate Power Module (AAPM)** for deployment in armored vehicles such as the **K9 Vajra tank**.

Faradigm is now poised to become a leading domestic player in next-generation energy storage solutions, with a strong foundation in IP, engineering, and application-specific design.

### 4. BestCase – Customized Enclosures

The **BestCase** product line continues to be the preferred solution for **highly customized enclosure systems**, especially for use in **defense, research institutions, and high-end industrial applications**.

#### Highlights:

- Delivered to **over 500 customers** in FY 2024–25
- Sustained **10%+ annual growth in customer acquisition**, demonstrating consistent demand for bespoke design and ruggedization
- Continued focus on expanding configurability and modularity to serve niche R&D and tactical needs

BestCase is building on its reputation for precision, durability, and innovation in enclosure technology.

### 5. Fault Current Limiter (FCL)

Aartech's **Fault Current Limiter** is a **high-tech, niche offering** designed for grid fault protection and voltage stability. Though still in an emerging stage, it has proven successful in:

- Addressing specialized grid protection applications
- Supporting export-led growth via **execution in Qatar**, facilitated through our technical collaboration with **G&W Electric (USA)**

This business area holds significant long-term potential in smart grids, microgrids, and global fault management applications.

### 6. Trading Business

Launched in FY 2024–25, the **Trading business** was introduced to enhance the company's position as a **one-stop sourcing and solutions provider** for the power sector.



Initial traction:

- Secured orders from major **Public Sector Undertakings (PSUs)**
- Established relationships with **overseas clients**, enabling a strong entry into high-volume, low-lead-time supply chains
- Focused on supplying essential components, accessories, and engineered products to utilities and EPC players

This business area is expected to grow rapidly in the coming years by complementing Aartech's core offerings and improving overall client retention.

Together, these activities reflect Aartech's strategic focus on diversification, innovation, and global expansion, while remaining aligned with emerging industry needs and national infrastructure goals.

## D) Outlook

As Aartech Solonics enters FY 2025–26, the company is strategically poised to build upon its recent successes and capitalize on both domestic and global opportunities. With a strong focus on innovation, scalability, and customer-centric execution, Aartech aims to enhance its market presence, revenue diversification, and stakeholder value.

### Growth Areas for FY 2025–26

#### 1. Domestic Generation Expansion

India's growing energy demand is catalyzing investments in new generation capacity. Major government bodies, including **NTPC** and other state utilities, are expected to float tenders for over **15 GW of new thermal capacity by 2027**.

- This surge will fuel demand for Aartech's **Bus Transfer Systems (BTS)**, **Control and Relay Panels (CRPs)**, and **SCADA-compliant panels**, especially in high-capacity, mission-critical installations.
- Aartech's proven expertise in grid-sensitive systems positions it well to secure significant orders from both central and state-level power generation projects.

#### 2. Energy Storage and Defense Applications

With the rising need for reliable, high-speed energy discharge systems, **Faradigm® Ultracapacitors Private Limited (FUPL)** is expected to scale operations in FY 2025–26.

- Focus will be **on large-scale deployments in defense, railways, and industrial automation**.
- The **Adaptive Alternate Power Module (AAPM)**, jointly developed with **IIT-Powai** and the Indian Army, is anticipated to see adoption across **defense platforms**, including **tracked vehicles, mobile artillery systems, and potentially naval applications**.

- FUPL will also explore integration into **hybrid power solutions** for microgrids and off-grid defense installations.

### 3. Export Market Development

Following successful project deliveries in the **United Kingdom** and the **Middle East**, Aartech will focus on **expanding its international footprint** through:

- Strategic partnerships with global **EPCs and OEMs**
- Export-ready product lines in **CRPs, BTS, and fault management systems**
- Participation in international trade exhibitions and technology forums to promote indigenous engineering capabilities

The company views exports as a major pillar for long-term revenue growth and brand visibility.

### 4. New Business Expansion – Trading

The newly launched Trading business is set to grow significantly in FY 2025–26, targeting:

- Public Sector Undertakings (PSUs) requiring quick-turnaround procurement for electrical and utility components
- Academic and R&D institutions needing precision equipment and control panels
- Overseas clients looking for bundled engineering and procurement solutions

With a focus on being a one-stop sourcing partner, Aartech aims to build scalable revenue streams in this space.

### 5. Innovation-Led Product Development

Leveraging its **DSIR-recognized in-house R&D center**, Aartech will continue to focus on **high-impact innovation**, including:

- **Smart grid components** tailored for SAS-compliant substations
- **Defense-grade embedded electronics** for harsh environment operations
- **Solar-integrated public infrastructure solutions**, including the **Saur Stambh** solar street lighting system

This innovation roadmap is closely aligned with national missions like **Atmanirbhar Bharat, Make in India**, and the **Green Energy Corridor**.

#### **Strategic Guidance for FY 2025–26:**

To sustain growth and improve financial resilience, Aartech will pursue the following strategic priorities:

- **Maintain top-line momentum** through continued expansion in high-value, high-margin product categories
- **Increase export contribution** to overall revenue by entering new geographies and deepening global partnerships
- **Optimize margins** via improved operational efficiencies, value-based pricing, and cost control across the supply chain

- **Accelerate IPR-backed innovations** and invest in **scaling up manufacturing capacity** to meet growing demand across business lines.

With a future-ready mindset and a culture of responsible innovation, Aartech is confident in its ability to navigate market complexities, seize emerging opportunities, and deliver sustained stakeholder value in FY 2025–26 and beyond.

## **E) Risks and Concerns**

While Aartech Solonics remains firmly positioned for sustainable growth, the company operates in a dynamic and evolving ecosystem that presents several external and internal risks. A proactive approach to risk identification, assessment, and mitigation remains central to our governance and decision-making processes.

### **Key Risks:**

#### **1. Macroeconomic Volatility**

Global economic uncertainties—including potential slowdowns, inflationary pressures, and regional geopolitical tensions—pose risks across several fronts:

- Commodity price volatility, especially for copper, aluminum, and electronic components
- Foreign exchange fluctuations, which can impact the cost of imported inputs or overseas project profitability
- Delays in global project execution due to economic or political disruptions in target export geographies.

Such volatility can challenge cost structures, project planning, and margin visibility across business areas.

#### **2. Supply Chain Disruptions**

Aartech, like many industrial players, remains exposed to potential **delays in the procurement of critical components**, especially:

- **Semiconductors**, sensors, and embedded system chips
- **Specialty electronics** required for defense and automation products
- **Logistics-related delays**, including import clearance and cross-border shipment uncertainties

**Global semiconductor shortages** and fragmented logistics networks remain key watchpoints for production continuity.

#### **3. Technological Obsolescence**

In fast-evolving sectors such as **defense electronics**, **smart grids**, and **energy storage**, technology cycles are shortening significantly.

- Failure to adapt or pre-empt these shifts may lead to **product irrelevance**, delayed go-to-market timelines, or missed opportunities.

- Continuous investment in **innovation, application engineering, and IP development** is critical to remain relevant and competitive.

#### **4. Regulatory Uncertainty**

The company operates in regulated industries such as energy, infrastructure, and defense, making it sensitive to policy shifts, including:

- Defense procurement norms, including offset clauses or vendor qualification requirements
- Power sector regulations, such as Renewable Energy Purchase Obligations (RPOs) or grid code revisions
- Import/export compliance norms, which can impact delivery schedules or pricing in cross-border projects

Any sudden change in these areas could affect order pipelines or require realignment of strategic plans.

#### **5. Human Capital Constraints**

As demand for highly skilled technical talent continues to outpace supply, Aartech faces challenges in:

- Hiring and retaining professionals in embedded systems, high-voltage design, automation, and AI-enabled control systems
- Scaling up knowledge-intensive teams rapidly while maintaining domain expertise
- Addressing wage inflation in niche engineering roles, especially for R&D and project execution.

The war for talent, if not effectively managed, can constrain innovation timelines and operational agility.

#### **Mitigation Measures**

To counteract these risks, Aartech has implemented a robust risk mitigation framework, including:

- **Strategic Procurement & Alternate Sourcing**

Entered into long-term contracts with critical suppliers and diversified vendor bases to mitigate raw material price fluctuations and ensure supply continuity.

- **Investment in Innovation & Technology Scouting**

Continues to invest in DSIR-approved R&D, including cross-sector collaborations with institutions like IIT Powai, to stay ahead of the technology curve.

- **Regulatory Compliance Management**

Active tracking of policy changes and regulatory updates, especially in defense procurement, energy reforms, and power grid standards, allows for agile business adaptation.

- **Talent Development and Institutional Partnerships**

Structured training programs, leadership succession planning, and tie-ups with premier engineering institutes are in place to build future-ready talent pipelines.

By integrating risk foresight into strategy and operations, Aartech strives to ensure business continuity, protect stakeholder interests, and maintain sustainable performance across market cycles.

**F) Internal Control Systems and their adequacy**

Aartech has established a robust internal control framework that ensures:

- Operational discipline
- Regulatory compliance
- Asset protection
- Accuracy of financial reporting

**Key Features of the System:****1. Risk-Based Internal Audits:**

- Conducted periodically by both internal and external audit teams.
- Focused on key operational areas: procurement, inventory, delivery timelines, cash flows.

**2. Automation and Digitization:**

Several manual control checkpoints have been automated in:

- ❖ Vendor due diligence
- ❖ Inventory reconciliation
- ❖ Invoice and approval systems

**3. Board Oversight:**

The Audit Committee of the Board closely monitors:

- ❖ Audit findings
- ❖ Risk mitigation plans
- ❖ Corrective action closures

**4. Department-Level Reviews:**

- Regular self-assessments by departments against SOPs.
- Identifies process gaps and implements improvements proactively.

**5. No Material Weakness Found:**

During the financial year, audits found no material weaknesses in the internal control systems.

**Enhancements Made in FY25:**

- Improved tracking of receivables through automated alerts.
- Vendor contracts revised to include penalty clauses for late deliveries.
- System upgrades in ERP for cost control and real-time tracking.

The company considers its internal control systems to be adequate, evolving, and aligned with global best practices.

## G) Financial Performance Vs. Operational Performance

Aartech Solonics Limited's financial results for FY 2024-25 reflected the company's successful execution of its operational strategy. The year marked a period of solid performance across revenue growth, margin expansion, and strategic capacity utilization—despite navigating external headwinds and one-time accounting impacts.

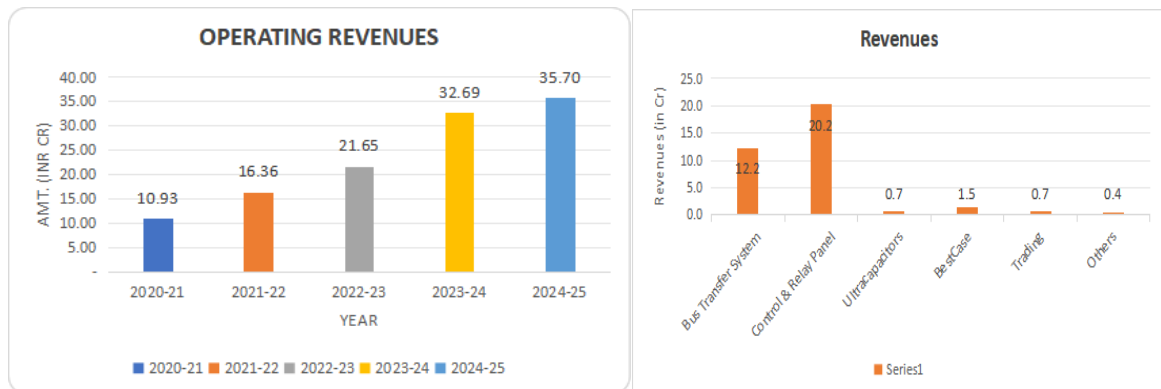
### Operational Achievements

The company's operational milestones during the year were pivotal in driving financial results. Key contributors included:

- **Record Revenue Achievement:**

Total revenue rose to ₹35.70 Cr, reflecting a 9% year-on-year (YoY) growth, supported by:

- ❖ Strong order execution in Bus Transfer Systems (BTS), Control and Relay Panels (CRPs), and BestCase® customized enclosures
- ❖ Geographic expansion into Uttar Pradesh, Himachal Pradesh, and the Middle East, unlocking new demand centers.



- **Capacity Utilization:**

Significant improvement in CRP production capacity utilization helped drive operating efficiency and support margin resilience.

- **Strategic Cost Control Initiatives:**

The company actively implemented:

- ❖ Vendor renegotiations for raw materials and components
- ❖ Optimized logistics and warehousing practices
- ❖ Targeted procurement strategies, reducing procurement cycle time and costs

These operational gains helped offset input cost pressures and maintained stability in service delivery.



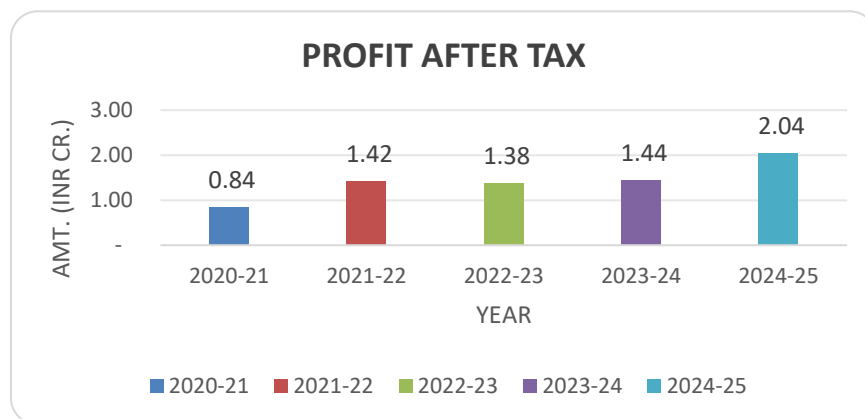
### Financial Outcomes

Operational success directly translated into improved financial performance across several key metrics:

- **Profit After Tax (PAT):**

PAT stood at ₹2.04 Cr, representing a 41% YoY growth.

- ❖ Notably, the adjusted PAT (excluding one-time impairment) was ₹5.97 Cr, highlighting underlying business strength.



- **Operating Margin Expansion:**

Key product lines experienced a **10–15% YoY improvement** in operating margins, driven by:

- ❖ Volume growth
- ❖ Better fixed-cost absorption
- ❖ Margin-focused execution

- **Resilience to Cost Inflation:**

Despite raw material price volatility (particularly in copper and electronics), the company preserved and, in some cases, enhanced margins through pricing discipline and cost controls.

### Divergences and One-time Impacts

While core performance remained strong, a few financial divergences were recorded:

- **Earnings Per Share (EPS) Decline:**

EPS was impacted due to a one-time impairment loss of ₹3.93 Cr on a non-core onshore investment, leading to a temporary dip in reported profitability.

- **Trading Business Contribution:**

Launched in FY 2024–25, the trading business contributed modestly in its first year, as it was still in the setup and early execution phase. However, it holds strong potential for scale and diversification in FY 2025–26 and beyond.

### **Conclusion**

Overall, Aartech's **financial performance was consistent with and strongly supported by its operational execution**. Strategic expansion into new geographies, disciplined cost management, product innovation, and improved manufacturing efficiency were instrumental in:

- Sustaining revenue momentum
- Enhancing profitability
- Building a foundation for long-term growth

With a solid operational base and focused execution, the company is well-positioned to continue delivering improved shareholder value in the coming financial years.

## **H) Human Resource/ Industrial Relations**

Aartech Solonics Limited firmly believes that its people are its most valuable asset. The company's HR strategy in FY 2024–25 was built around talent retention, capability development, workplace inclusivity, and cultural alignment with long-term strategic goals.

### **Workforce Overview**

- Total Employees (Regular) (as of March 31, 2025): 69
- Annual Attrition Rate: 20.27%
- While this is above the global industry benchmark of 10–12%, it reflects a phase of strategic restructuring. Aartech continues to operate with a focused, cross-functional team that enables innovation, agility, and scalable growth.

Aartech's compact yet capable workforce is structured to support scalability, rapid innovation, and cross-functional responsiveness. The company remains committed to employee engagement and retention while aligning workforce capabilities with long-term business goals.

### **Key HR Initiatives and Developments**

#### **1. Leadership Pipeline Development**

To ensure future readiness and long-term organizational sustainability, Aartech has:

- Established structured Senior Executive and Middle Executive management teams, enabling succession planning and role clarity
- Continued aligning talent architecture with the strategic vision laid down by the company's founding leadership.

This structure enhances decision-making autonomy and prepares high-potential employees for leadership roles.

#### **2. Campus Engagement & Talent Acquisition**

As part of efforts to attract emerging talent and strengthen employer branding:

- **MoUs were signed with reputed engineering colleges and universities**
- Multiple **campus hiring drives** were conducted, leading to the onboarding of bright, entry-level engineers
- Aartech is increasingly seen as an **employer of choice** among early-career professionals, particularly those seeking exposure to core engineering, R&D, and applied technology domains.

### 3. Learning & Development (L&D)

Aartech's L&D approach is anchored in on-the-job, hands-on learning, with senior executives actively mentoring junior staff.

- Training was focused on core technical areas, including:
  - ❖ Embedded systems and firmware design
  - ❖ Power automation and panel integration
  - ❖ Project management and site execution
- The emphasis remains on experiential learning, with real-time application of concepts in live projects.

This approach nurtures problem-solving, innovation, and practical competence among young engineers.

### 4. Policy Enhancements for Employee Welfare

A number of HR policy updates were rolled out to ensure a more inclusive, safe, and supportive workplace, including:

- **POSH Policy Implementation:**  
Adopted the Prevention of Sexual Harassment (POSH) framework to foster a safe, respectful, and inclusive work environment.
- **Welfare-Oriented Policy Amendments:**
  - ❖ Increased employer contributions to employee health and life insurance
  - ❖ Flexible work hours introduced to support work-life balance
  - ❖ Relaxation in late mark rules to accommodate genuine personal or travel delays

These policy changes reflect Aartech's commitment to employee-centric governance.

### 5. Digitization of HR Operations

- Shifted major HR applications—such as leave, attendance, expense claims, and document requests—**onto digital platforms**
- Continued push toward **paperless HR operations** and better **employee self-service tools**.

These transitions have improved response time, transparency, and record-keeping accuracy.

### 6. Employee Engagement & Cultural Initiatives

- The company maintained a culture of recognition and connectivity, with regular celebration of:
  - ❖ **Employee birthdays**
  - ❖ **Festivals and national days**
  - ❖ **Project milestones and internal achievements**

- The **open-door policy** continues to be a cultural hallmark, with leadership remaining accessible and involved in day-to-day interactions, fostering mutual trust and alignment.

Aartech's human resources strategy is future-focused, responsive, and grounded in its Ratiostructured capability development, and a culture of openness, the company has built a strong human capital foundation to support its growth and innovation agenda in FY 2025–26 and beyond.

#### I) Significant changes in key financial ratios:

As part of statutory reporting and financial transparency, the Company is required to disclose any changes in key financial ratios that exceed a 25% variation on a year-over-year (YoY) basis. Below is a summary of such significant changes for **FY 2024-25**, along with the business context behind them:

Ratio	FY 2025	FY 2024	% Change	Explanation
Debtors Turnover Ratio	↑	--	↑ 35%	Improved receivables management, faster collections, and stricter credit control policies across clients, including EPC and PSU contracts.
Inventory Turnover Ratio	↑	--	↑ 27%	Accelerated project execution cycles and tighter inventory control led to a lower average inventory holding period.
Interest Coverage Ratio	↑	--	↑ 42%	Improvement in operating profits and EBITDA, combined with relatively stable finance costs, led to enhanced debt-servicing capacity.
Current Ratio	↓	--	↓ 30%	Increased reliance on <b>short-term working capital borrowings</b> to support larger execution pipeline and inventory mobilization in Q4.
Debt to Equity Ratio	0.17x	0.13x	↑ 31%	The rise reflects higher working capital loans, but remains well within conservative and low-risk threshold levels. The company continues to maintain a healthy balance sheet.
Operating Profit Margin	↑	--	↑ 15–18%	Driven by cost optimization, higher capacity utilization, and an improved product mix favoring high-margin areas like BTS and CRPs.
Net Profit Margin	↓	--	↓ 27%	The decline is attributed to a one-time impairment loss of ₹3.93 Cr. Adjusted

				NPM (excluding impairment) would show YoY improvement.
Sector-Specific Ratios	--	--	No major change	No significant variation in other industry-specific metrics for the year.

While the Company recorded healthy operational and margin improvements across most metrics, the drop in **Net Profit Margin** and **Current Ratio** were primarily **non-structural** and **temporary** in nature. Core ratios related to **profitability, efficiency, and leverage** remained strong and aligned with the Company's growth strategy.

The management continues to monitor all key ratios as part of its financial governance and aims to further strengthen balance sheet resilience in FY 2025–26.

## J) Change in Return on Net Worth (RoNW)

Metric	FY 2024–25	FY 2023–24	% Change
Return on Net Worth (RoNW)	0.17x	0.09x	↑ 88.9%

The significant increase in RoNW in FY 2024–25 reflects the Company's enhanced ability to generate profits from its equity base. Key drivers include:

- **Stronger Profitability:**

Even after accounting for the one-time impairment of ₹3.93 Cr, the Company posted a 41% growth in PAT, showcasing robust core profitability.

- **Operational Excellence:**

Record topline growth, improved margin profile, and strategic cost optimization strengthened returns on invested capital.

- **Capital Efficiency:**

The RoNW improvement underscores disciplined capital deployment, with enhanced contribution from high-value areas such as:

- ❖ Ultracapacitors (Faradigm®)
- ❖ Adaptive Alternate Power Module (AAPM)
- ❖ Export-oriented BTS and CRPs

This metric validates the Company's profit-first growth strategy, prudent financial governance, and sharp focus on high-ROI business verticals.

## Conclusion

FY 2024–25 has been a **landmark year** in Aartech Solonics Limited's strategic evolution. Guided by a steadfast commitment to the principles of **'Make in India'**, technological innovation, and **value creation for all stakeholders**, the Company has laid a resilient and future-ready foundation.

As we enter FY 2025–26, Aartech moves forward with **strong fundamentals, strategic clarity**, and a sharpened focus on scaling impact—both in India and across global markets.

We remain committed to our vision of becoming a **globally respected Indian technology company**—delivering **cutting-edge power solutions**, enabling **self-reliance in critical infrastructure**, and pursuing **responsible, sustainable growth**.

Together with our stakeholders, we look forward to building the next chapter of innovation, excellence, and impact.

**For and on behalf of the Board  
Aartech Solonics Limited**

**Place: Bhopal  
Dated: 05/09/2025**

**Sd/-  
Amit Anil Raje  
Chairman & Managing Director  
(DIN: 00282385)  
R/o 15, Silver Oak, Green Heights  
Gulmohar Colony  
Bhopal 462038 (M.P.)**

**Sd/-  
Arati Nath  
CEO & Director  
(DIN: 08741034)  
Bungalow No.3, Samarth Parisar,  
Bawadia Kalan, E-8 Extension,  
Near Orion School, Trilanga,  
Bhopal, 462039 (M.P.)**



**ANNEXURE- A**
**Form AOC-1**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Statement containing salient features of the financial statement of subsidiaries/associate companies/joint ventures:

**PART (A): INFORMATION ON SUBSIDIARIES**

(Amount in ₹ Lakhs)			
1	Sr. Number	(i)	(ii)
2	Name of the subsidiary	Faradigm Ultracapacitors Private Limited	AIC- Aartech Solonics Private Limited
3	The date since when subsidiary was acquired	28 <sup>th</sup> July, 2017	31 <sup>st</sup> August, 2017
4	Reporting period for the subsidiary concerned,	1 <sup>st</sup> April to 31 <sup>st</sup> March	1 <sup>st</sup> April to 31 <sup>st</sup> March
5	Reporting currency	Indian Rupee (INR)	Indian Rupee (INR)
6	Exchange rate as on the last date of the relevant financial year (in the case of foreign subsidiaries.)	Not Applicable	Not Applicable
7	Share capital	1.00	1.00
8	Reserves and surplus	60.76	(137.04)
9	Total assets	288.15	310.98
10	Total Liabilities (excluding Share Capital and Reserves)	226.39	447.02
11	Investments other than Equity Investment in subsidiary	-	-
12	Turnover	121.55	40.39
13	Profit before taxation	20.78	5.71
14	Provision for taxation	7.92	(51.47)
15	Profit after taxation	12.86	57.18
16	Proposed Dividend	-	-
17	Extent of shareholding (in percentage)	100%*	99%
18	Country of Incorporation	India	India

\*Aartech Solonics Limited holds 95% of the shares in Faradigm Ultracapacitors Private Limited, while the remaining 5% is held by Mr. Anil Anant Raje on behalf of Aartech Solonics Limited. Therefore, Faradigm Ultracapacitors Private Limited is a wholly-owned subsidiary of Aartech Solonics Limited.

Other requisite details are as follows:

- Names of subsidiaries which are yet to commence operations:** During the year under review, the company does not have any subsidiaries that have yet to commence operations.

2. **Names of subsidiaries which have been liquidated or sold during the year:** During the year under review, the company has not liquidated or sold any of its subsidiaries.

**PART (B): INFORMATION ON ASSOCIATES AND JOINT VENTURES**

**(Amount in ₹ Lakhs)**

	Sr. Number	(i)	(ii)
1	<b>Name of Associates or Joint Ventures</b>	<b>Enerqual Technology Private Limited</b>	<b>Epsilon Ten Ltd.</b>
2	<b>Latest audited Balance Sheet Date</b>	31st March, 2024	31st August, 2024 (Un-audited)
3	<b>The date on which the Associate or Joint Venture was associated <del>or acquired</del></b>	01 <sup>st</sup> July, 2019	08 <sup>th</sup> August, 2022
4	<b>Shares of Associate or Joint Ventures held by the company on the year end</b>		
	Number of Shares	30000	400000
	Amount of Investment in Associates or Joint Venture	Rs. 3,00,000.00	Rs. 39,310,000.00
	Extent of Holding (in percentage)	30.00%	20.00%
5	<b>Description of how there is significant influence</b>	There is no significant influence over the company, except for its holding of 30% of the shares in Enerqual Technology Private Limited	The Company holds 20% of the shares in Epsilon Ten Ltd. Additionally, the Key Managerial Personnel of our Company serves as the sole Director of Epsilon Ten Ltd
6	<b>Reason why the associate/Joint venture is not consolidated.</b>	There is an ongoing dispute between the managements of the companies, which has resulted in the company being unable to obtain sufficient and accurate information regarding the financial statements of Enerqual Technology Private Limited.	he financial statements of the company have not been audited.
7	<b>Net worth attributable to shareholding as per latest audited Balance Sheet</b>	NIL	NIL
8	<b>Profit or Loss for the year</b>		
	i. Considered in Consolidation	NIL	NIL
	ii. Not Considered in Consolidation	NIL	NIL

**Other requisite details are as follows:**

1. **Names of associates or joint ventures which are yet to commence operations:** During the year under review, there were no such associates or joint ventures of the company which are yet to commence operation.

2. **Names of associates or joint ventures which have been liquidated or sold during the year:** During the year under review, there were no such associates or joint ventures of the company which have been liquidated or sold.

**For and on behalf of the Board  
Aartech Solonics Limited**

**Place: Bhopal  
Dated: 05/09/2025**

**Sd/-  
Amit Anil Raje  
Chairman & Managing Director  
(DIN: 00282385)  
R/o 15, Silver Oak, Green Heights  
Gulmohar Colony  
Bhopal, 462038 (M.P.)**

**Sd/-  
Arati Nath  
CEO & Director  
(DIN: 08741034)  
Bungalow No.3, Samarth Parisar,  
Bawadia Kalan, E-8 Extension,  
Near Orion School, Trilanga,  
Bhopal, 462039 (M.P.)**

**Sd/-  
Pradeep Vasant Narkhede  
Chief Financial Officer**

**Sd/-  
K R Tanuj Reddy  
Company Secretary**

**ANNEXURE- B**
**Particulars of contracts/arrangements entered into by the company with related parties Form No. AOC-2**

(Pursuant to first proviso to sub-section (3) of section 129 read with rule 5 of Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto.

**Details of contracts or arrangements or transactions not at arm's length basis: Nil**

1	Name(s) of the related party and nature of relationship	N A
2	Nature of contract /arrangements/transaction	N A
3	Duration of contract /arrangements/transaction	N A
4	Salient terms of contract /arrangements/transaction including the value, if any,	N A
5	Justification for entering into such contract / arrangements/ transaction	N A
6	Date(s) of approval by the Board	N A
7	Amount paid as advances, if any	N A
8	Date on which special resolution was passed in general meeting as required under first proviso to Section 188	N A

**Details of material contracts or arrangements or transactions at arm's length basis:**
**(Amount in ₹ Lakhs)**

S. No	Name of Related Party	Nature of Transaction	As at	
			31st March, 2025	31st March, 2024
1	AIC- Aartech Solonics Private Limited	Interest Income on Unsecured Loan	21.15	4.41
2	AIC- Aartech Solonics Private Limited	Interest Income on Debentures	-	12.94
3	AIC- Aartech Solonics Private Limited	Unsecured Loan	160.00	325.00
4	AIC- Aartech Solonics Private Limited	Repayment of Unsecured Loan	11.00	66.68
5	AIC- Aartech Solonics Private Limited	Redemption of Debentures	-	200.00
6	AIC- Aartech Solonics Private Limited	Job Work Service (Expenses)	40.02	13.13
7	Faradigm Ultracapacitors Private Limited	Interest Income on Unsecured Loan	16.14	5.53
8	Faradigm Ultracapacitors Private Limited	Unsecured Loan	15.00	171.63
9	Faradigm Ultracapacitors Private Limited	Repayment of Unsecured Loan	40.00	-
10	Faradigm Ultracapacitors Private Limited	Redemption of Debentures	-	220.00
11	Faradigm Ultracapacitors Private Limited	Interest Income on Debentures	-	9.36
12	Faradigm Ultracapacitors Private Limited	Purchases	56.42	55.53
13	Aartech Solonics UK Limited	Business Consulting Services Expenses	79.86	53.68
14	Aartech Solonics UK Limited	Engineering & Technical Services	19.09	-
15	Anil Anant Raje	Rent for Head Office	18.00	18.00
16	Anil Anant Raje	Sitting Fees	0.15	0.45
17	Anil Anant Raje	Technical Consultancy	30.00	17.50
18	Prashant Dattatray Lowlekar	Sitting Fees	1.05	0.75

19	Kshitij Negi	Sitting Fees	0.75	0.30
20	Supriya Sunil Chitre	Sitting Fees	0.60	-
21	Amit Anil Raje	Directors Remuneration	37.32	32.87
22	Arati Nath	Directors Remuneration	35.50	31.07
23	Pradeep Vasant Narkhede	Salaries	15.68	14.47
24	K. R. Tanuj Reddy	Salaries	10.12	8.38

**Disclosure as per the provisions of the Companies Act, 2013:**

	<b>Name(s) of the related party and nature of relationship</b>	<b>Nature of contract /arrangements/transaction</b>	<b>Duration of contract /arrangements/transaction</b>	<b>Salient terms of contract /arrangement s/transaction including the value, if any,</b>	<b>Justification for entering into such contract / arrangements/ transaction</b>	<b>Date(s) of approval by the Board</b>	<b>Amount paid as advances, if any</b>	<b>Date on which the special resolution was passed in general meeting as required under first proviso to section 188</b>
1	AIC- Aartech Solonics Private Limited (Wholly-owned subsidiary of the Company)	Unsecured Loan	5 Years	Rs. 3,50,00,000 (Rs. Three Crore Fifty Lakh Only) in one or more tranches from the disbursement of loan	To provide financial assistance to Wholly owned subsidiary of the Company.	06.09.2023	Nil	Not Required
		Interest Income on Unsecured Loan	As may be decided by Board	-	Arm length basis and in the ordinary course of business	Not required as the transaction was entered in the ordinary course of business & on an arm's length basis. However, the Company has obtained approval in the Audit Committee & Board Meeting held on 30.05.2024	Nil - -	Not Required
		Repayment of Unsecured Loan						
		Job Work Service (Expenses)						
2	Faradigm Ultracapacitors Private Limited	Unsecured Loan	5 Years	Rs. 3,50,00,000 (Rs. Three Crore Fifty Lakh Only) in one or more	To provide financial assistance to the Wholly owned	06.09.2023	Nil	Not Required

	(Wholly-owned subsidiary of the Company)	Interest Income on Unsecured Loan	As may be decided by the Board	tranches from the disbursement of loan	subsidary of the Company.	On an arm's length basis and in the ordinary course of business.	Not required as the transaction was entered in the ordinary course of business & arm length basis. Still the Company has taken approval on Audit Committee meeting & Board meeting held on 30.05.2024	Nil	
		Repayment of Unsecured Loan							
		Purchases							
3	Aartech Solonics UK Limited (An entity in which the director of our company (Mr. Amit Anil Raje) has significant influence)	Business Consulting Services Expenses	As per the agreement or as may be determined by the Board.	As per the Agreement	As per the agreement, the transactions are conducted on an arm's length basis and in the ordinary course of business.	20.06.2024	Nil	27.07.2024	
		Engineering & Technical Services						27.07.2024	
4	Anil Anant Raje (Promoter and Non-Executive Director of the Company)	Rent for Head Office	As may be decided by Board	As may be decided by board	On an arm's length basis and in the ordinary course of business.	Not required as the transaction was entered in the ordinary course of business & arm length basis. Still the Company has taken approval on Audit Committee meeting & Board meeting held on 30.05.2024	Nil - -	Not Required	
		Sitting Fees							
		Technical Consultancy							
5	Prashant Dattatray Lowlekar (Independent Director)	Sitting fees	Based on the meetings attended during the year.	As may be decided by the board	On an arm's length basis and in the ordinary course of business.	Not required as the transaction was entered in the ordinary course of business & arm length basis. Still the Company has taken approval on Audit Committee meeting & Board meeting held on 30.05.2024	Nil	Not Required	
6	Kshitij Negi (Independent Director)								
7	Supriya Sunil Chitre (Independent Director)								
8	Amit Anil Raje (Chairman and Managing Director)	Directors Remuneration	Five years from the recommendation of the Board	Not exceeding Rs. 36,00,000/- per annum (Rupees Thirty-Six Lakh only)	On an arm's length basis and in the ordinary	Approved in the Board meeting held on 12.05.2022.	NIL	Approved by the members of the company in	

9	Arati Nath (CEO & Director)		and approval by the members of the company.	Not exceeding Rs. 35,00,000/- per annum (Rupees Thirty-Five Lakh only)	course of business.			the Annual General Meeting held on 9th September 2022.
10	Pradeep Vasant Narkhede (CFO)	Salaries	Until the end of service, on a monthly basis.	As may be decided by the Board and the NRC, in accordance with the HR policy of the company.	On an arm's length basis and in the ordinary course of business.	Not required as the transaction was entered in the ordinary course of business & arm's length basis. Still the Company has taken approval in the Audit Committee meeting & Board meeting held on 30.05.2024	NIL	Not Required
11	K R Tanuj Reddy (CS)							

**For and on behalf of the Board  
Aartech Solonics Limited**

**Sd/-  
Amit Anil Raje  
Chairman & Managing Director  
(DIN: 00282385)  
R/o 15, Silver Oak, Green Heights  
Gulmohar Colony  
Bhopal, 462038 (M.P.)**

**Sd/-  
Arati Nath  
CEO & Director  
(DIN: 08741034)  
Bungalow No.3, Samarth Parisar,  
Bawadia Kalan, E-8 Extension,  
Near Orion School, Trilanga,  
Bhopal, 462039 (M.P.)**

**Place: Bhopal  
Dated: 05/09/2025**



## **ANNEXURE- C**

### **CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO**

(Pursuant to provisions of Section 134(3) (m) of the Companies Act, 2013 read with Rule 8 of Companies (Account) Rules, 2014)

Sr. No.	Particulars	Comments
(A)	<b>Conservation of Energy</b>	
(i)	The steps taken or impact on conservation of energy	While continuing to adhere to the philosophy that “Energy saved is Energy produced”, the company has taken appropriate measures, commensurate with its business operations, to reduce and conserve energy consumption by utilizing energy-efficient equipment whenever necessary.
(ii)	The steps taken by the company for utilizing alternate sources of energy;	
(iii)	The capital investment on energy conservation equipment;	
(B)	<b>Technology absorption</b>	
(i)	The efforts made towards technology absorption	The company ensures the optimum utilization of its available resources in conducting its business. It employs the latest technology and equipment to enhance operational efficiency and performance.
(ii)	The benefits derived like product improvement, cost reduction, product development or import substitution;	
(iii)	In case of imported technology (imported during the last three years reckoned from the beginning of the financial year)-	
	a) the details of technology imported;	
	b) the year of import;	
	c) whether the technology been fully absorbed;	
	d) if not fully absorbed, areas where absorption has not taken place, and the reasons thereof; and	
(iv)	The expenditure incurred on Research and Development.	<p>The company has established a recognized in-house research and development facility, registered with the Department of Scientific &amp; Industrial Research (DSIR) under the Ministry of Science &amp; Technology, Government of India. It maintains detailed records of all expenses incurred specifically for research and development purposes.</p> <p>During the year under review, the company incurred ₹81.67 Lakhs in research and development expenses. The total R&amp;D expenditure represents approximately 2.29% of the total revenue.</p>

(C)	Foreign exchange earnings and Outgo	
	The foreign exchange earned in terms of actual inflows during the year and the foreign exchange outgo during the year in terms of actual outflows.	<b>Foreign Exchange Earnings:</b> ₹137.13 Lakhs (FC* 1.46 Lakhs) <b>Foreign Exchange Outgo:</b> ₹617.66 Lakhs. (FC 527.39 Lakhs) * FC- Foreign Currency including USD & GBP

**For and on behalf of the Board  
Aartech Solonics Limited**

**Place: Bhopal  
Dated: 05/09/2025**

**Sd/-  
Amit Anil Raje  
Chairman & Managing Director  
(DIN: 00282385)  
R/o 15, Silver Oak, Green Heights  
Gulmohar Colony  
Bhopal, 462038 (M.P.)**

**Sd/-  
Arati Nath  
CEO & Director  
(DIN: 08741034)  
Bungalow No.3, Samarth Parisar,  
Bawadia Kalan, E-8 Extension,  
Near Orion School, Trilanga,  
Bhopal, 462039 (M.P.)**

## **ANNEXURE- D**

### **DETAILS OF REMUNERATION**

[Statement of disclosure of Remuneration under Section 197 (12) of the Companies Act, 2013 and rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.]

The percentage increase in remuneration of each Director, Chief Financial Officer and Company Secretary during the Financial Year 2024-25, ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the Financial Year 2024-25, are as under:

#### **1. The ratio of the remuneration of each director to the median remuneration of the employees of the company for the financial year;**

<b>Sr. No.</b>	<b>Name of Directors/Key Managerial Personnel (KMPs)</b>	<b>Designation</b>	<b>Remuneration of Directors/KMPs for the Financial Year 2024-25 (₹ in Lakhs) Per annum</b>	<b>Ratio of Remuneration of each Director to median remuneration of the employees</b>
1	Mr. Amit Anil Raje	Chairman & Managing Director	37.32	15.43
2	Mrs. Arati Nath	Director & CEO	35.50	14.68
3	Mr. Anil Anant Raje	Non-Executive, Non-Independent Director	Nil	Nil
4	Mr. Prashant Dattatray Lowlekar	Non-Executive & Independent Director	Nil	Nil
5	Mr. Kshitij Negi	Non-Executive & Independent Director	Nil	Nil
6	Ms. Supriya Sunil Chitre	Non-Executive & Independent Director	Nil	Nil
7	Mr. Pradeep Vasant Narkhede	Chief Financial officer	15.68	6.85
8	Mr. K R Tanuj Reddy	Company Secretary & Compliance officer	10.12	4.19

*\* Non-Executive Independent Directors and Non-Executive – Non-Independent Directors are paid only sitting fees. Hence, their ratio to Median Remuneration has been shown as NIL.*

#### **2. The percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year**

<b>S No.</b>	<b>Name of Directors/Key Managerial Personnel (KMPs)</b>	<b>Designation</b>	<b>Remuneration of Directors/KMPs for the Financial Year 2024-25 (₹ in Lakhs) Per annum</b>	<b>Percentage increase in Remuneration</b>
1	Mr. Amit Anil Raje	Chairman & Managing Director	37.32	13.54%
2	Mrs. Arati Nath	Director & CEO	35.50	14.26%
3	Mr. Anil Anant Raje	Non-Executive Non-Independent Director	Nil	Nil

4	Mr. Prashant Dattatray Lowlekar	Non-Executive & Independent Director	Nil	Nil
5	Mr. Kshitij Negi	Non-Executive & Independent Director	Nil	Nil
6	Ms. Supriya Sunil Chitre	Non-Executive & Independent Director	Nil	Nil
7	Mr. Pradeep Vasant Narkhede	Chief Financial officer	15.68	8.36%
8	Mr. K R Tanuj Reddy	Company Secretary & Compliance officer	10.12	20.76%

### 3. The percentage increase in the median remuneration of employees in the financial year;

The median remuneration of employees of the Company for the financial year 2024-25 was ₹ 2,41,800 per annum, compared to ₹ 2,33,897 per annum in the previous year. This reflects an increase of 3.38% in the median remuneration of employees compared to the financial year 2023-24.

Additionally, during the financial year 2024-25, the company appointed 05 new regular employees, and 15 regular employees resigned. Hence, for the calculation of the median remuneration, data was considered only for employees who were present in both financial years, 2024-25 and 2023-24.

### 4. The number of permanent employees on the rolls of company;

The number of permanent employees on the rolls (regular) of the Company as of 31st March, 2025 is 69.

### 5. Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration;

Average percentile increase/decrease in the salaries of employees other than managerial personnel in F.Y. 2024-25

Average percentile increase/decrease in the salaries of employees other than managerial personnel in F.Y. 2024-25	Average Percentile increase/decrease in managerial remuneration in F.Y. 2024-25	Justification
The percentile increase/decrease in the salaries of employees is 27.33%.	The percentile increase in the salaries of managerial personnel is 15.23%.	Our company has secured several large orders and new projects, leading to the recruitment of talented employees. As a result, there has been an increase in employee salaries. Additionally, the appraisals of Key Managerial Personnel (KMPs) have contributed to this salary appreciation.

**The key parameters for any variable component of remuneration availed by the Directors: -**

Variable compensation is a key element of the company's total reward package, applicable to all employees, including the Executive Director. The company's philosophy regarding variable compensation is to ensure that it remains competitive within the global market in which the company operates.

**6. Affirmation that the remuneration is as per the remuneration policy of the Company:**

It is hereby affirmed that the remuneration paid is in accordance with the Policy for Remuneration of Directors, Key Managerial Personnel, and other Employees.

**PARTICULARS OF EMPLOYEES**

[Statement as per provisions of section 197(12) of the Companies Act, 2013 read with Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014]

- a) Disclosure of Top ten employees in terms of remuneration drawn and the Employees, employed throughout the financial year and in receipt of remuneration of ₹102 Lakhs: **NIL**
- b) Employees employed for part of the year and in receipt of remuneration for any part of that year, aggregate not less than ₹8.50 lakh or more a month: **NIL**
- c) No Employee employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and who holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the Company.

**For and on behalf of the Board  
Aartech Solonics Limited**

**Sd/-  
Amit Anil Raje  
Chairman & Managing Director  
(DIN: 00282385)  
R/o 15, Silver Oak, Green Heights  
Gulmohar Colony  
Bhopal, 462038 (M.P.)**

**Sd/-  
Arati Nath  
CEO & Director  
(DIN: 08741034)  
Bungalow No.3, Samarth Parisar,  
Bawadia Kalan, E-8 Extension,  
Near Orion School, Trilanga,  
Bhopal, 462039 (M.P.)**

**Place: Bhopal  
Dated: 05/09/2025**

**ANNEXURE- E****Form No. MR-3****SECRETARIAL AUDIT REPORT**

FOR THE FINANCIAL YEAR ENDED 31st MARCH, 2025

[Pursuant to Section 204(1) of the Companies Act, 2013 and Rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Aartech Solonics Limited**  
E-2/57, Ashirvad, Arera Colony,  
Bhopal – 462016 (M.P.)

We have conducted the Secretarial Audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **AARTECH SOLONICS LIMITED** (hereinafter referred to as “the Company”). The Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conduct/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minute books, forms, returns filed, and other records maintained by the Company, as well as the information provided by the Company, its officers, agents and authorized representatives during the conduct of Secretarial Audit, we hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended 31st March, 2025 complied with the statutory provisions listed hereunder. Further, the Company has proper Board processes and compliance mechanisms in place to the extent, and in the manner, as reported below.

We have examined the books, papers, minute books, forms, returns filed, and other records maintained by the Company for the financial year ended 31st March, 2025, according to the provisions of:

1. The Companies Act, 2013 (the Act) and the rules made there under;
2. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under **(Not applicable to the Company during the relevant Audit Period);**
3. The Depositories Act, 1996 and the regulations and bye-laws framed there under **(Not applicable to the Company during the relevant Audit Period);**
4. The Foreign Exchange Management Act, 1999, and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
5. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):
  - (a) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;
  - (b) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (c) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (e) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 2014 **(Not applicable to the Company during the relevant Audit Period);**

- (f) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008 **(Not applicable to the Company during the relevant Audit Period);**
- (g) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client **(Not applicable to the Company during the relevant Audit Period)**
- (h) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009 **(Not applicable to the Company during the Audit Period);**
- (i) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018 **(Not applicable to the Company during the Audit Period);**

6. Other Laws as applicable to the Company, including:

- i. Factories Act, 1948 and Rules made there under
- ii. Payment of Bonus Act 1965, & Rules, 1965
- iii. Maternity Benefit Act 1961 & Rules
- iv. Employees' Compensation Act, 1923 & Rules.
- v. Minimum Wages Act, 1948, Minimum Wages Act Central Rules 1950
- vi. Child Labour (Prohibition and Regulation) Act, 1986 & Rules.
- vii. Payment of Wages Act 1936
- viii. Employees' State Insurance Act 1948
- ix. Employees' Provident Funds & Miscellaneous Provisions Act, 1952
- x. Contract Labour (Regulation & Abolition) Act 1970
- xi. Indian Contract Act, 1872
- xii. Payment of Gratuity Act, 1972
- xiii. Industrial Employment (Standing Orders) Act, 1946
- xiv. Equal Remuneration Act, 1976
- xv. Workmen's Compensation Act, 1923
- xvi. Apprentices Act, 1961
- xvii. The Competition Act, 2002
- xviii. Consumer Protection Act, 2019
- xix. Transfer of Property Act 1882
- xx. Indian Stamp Act, 1899
- xxi. Registration Act, 1908
- xxii. Specific Relief Act, 1963
- xxiii. Negotiable Instruments Act, 1881
- xxiv. Trade Marks Act, 1999

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

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

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



**We further report that:**

The Board of Directors of the Company is duly constituted with a proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The change in the composition of the Board of Directors during the period under review were carried out in compliance with the provisions of the Act.

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

Majority decisions are carried through, while the views of dissenting members, if any, are captured and recorded in of the minutes.

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

**Date: 21st August, 2025**

**Place: Bhopal**

**For APVN & Associates  
Company Secretaries**

**Sd/-**

**CS Avadhesh Parashar**

**FCS No. 11543**

**C.P. No. 9067**

**Peer Review Cert. No.4202/2023**

**UDIN: F011543G001050449**

To  
The Members,  
**Aartech Solonics Limited**  
E-2/57, Arera Colony,  
Bhopal, Madhya Pradesh- 462016

Our Secretarial Audit Report of even date, for the financial year ended on 31st March, 2025, is to be read along with this letter.

### **Management's Responsibility**

1. It is the responsibility of the management of the Company to maintain secretarial records, devise proper system to ensure compliance with the provisions of all applicable laws and regulations, and to ensure that such systems are adequate and operating effectively.

### **Auditor's Responsibility**

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

### **Disclaimer**

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

**Date: 21st August, 2025**

**Place: Bhopal**

**For APVN & Associates  
Company Secretaries**

**Sd/-  
CS Avadhesh Parashar  
FCS No. 11543  
C.P. No. 9067  
Peer Review Cert. No.4202/2023  
UDIN: F011543G001050449**

**ANNEXURE- F****CORPORATE GOVERNANCE REPORT**

[Pursuant to Regulation-27 and Para-C of Schedule-V; report contains the details regarding Corporate Governance System and Mechanism of AARTECH SOLONICS LIMITED]

Pursuant to Regulation 34 read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, (“SEBI Listing Regulations”), the Company has disclosed, to the best extent possible, its compliance in this Corporate Governance Report, which forms an integral part of the Annual Report for the financial year 2024-25. In accordance with the SEBI Listing Regulations, this report outlines the Company’s corporate governance framework, systems and processes for the year ended March 31, 2025. A certificate from the practicing Company Secretaries confirming compliance with the conditions of Corporate Governance is attached to this report.

The key elements of Corporate Governance include independence, transparency, accountability, responsibility, compliance, ethics, values and trust. Corporate Governance enables an organization to perform efficiently and ethically to generate long term wealth and create value for all its stakeholders.

Our Company is committed to sound corporate governance practices that ensure efficiency, transparency and accountability. Our governance philosophy focuses on enhancing long-term shareholder value, while complying with applicable laws and regulations. The company has established systems and procedures to ensure that its Board of Directors is well informed and well equipped to fulfill its responsibilities, providing management with the strategic direction needed to create long-term shareholder value.

The Company has consistently worked towards building trust with its shareholders, employees, customers, suppliers and other stakeholders based on the principles of good corporate governance. The policies and codes are reviewed periodically to ensure their continued relevance, effectiveness, and responsiveness to the needs of our stakeholders.

**1. BRIEF STATEMENT ON COMPANY’S PHILOSOPHY ON CODE OF GOVERNANCE**

The Company’s philosophy on corporate governance is founded on principles of transparency, accountability, adaptability, and ethical corporate citizenship. We are committed to enhancing the value of all stakeholders, believing that shareholders, suppliers, customers, employees, and society are integral to the company’s growth and development, both directly and indirectly.

Corporate Governance encompasses a set of principles, processes, and systems that guide to be followed by directors, Management, and all Employees of the Company for increasing the shareholders’ value, keeping in view the interest of other stakeholders. While adhering to the above, the Company is committed to integrity, transparency, accountability, and compliance with laws in all its dealings with shareholders, employees, the Government, customers, suppliers, and other stakeholders.

Our corporate structure, business, operations and disclosure practices have been strictly aligned to our Corporate Governance Philosophy. The Company always strives to achieve optimum performance at all levels by adhering to good Corporate Governance practices

The Company has established and developed such policy and taken such action so, that it becomes good and standard model of Corporate Governance. In this behalf company follows each and every Regulation of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Companies Act, 2013 and other applicable Laws with its letter and spirit.

#### **A) Appropriate Governance Structure with defined Roles and Responsibilities**

The Company has put in place a robust internal governance structure with defined roles and responsibilities of every constituent of the system. The Board comprises a well-balanced mix of Executive and Non-Executive Directors, ensuring diversity in perspective and effective decision-making.

To support its function, the Board has established Three (3) Committees to discharge its responsibilities in an effective manner. Aartech's Company Secretary and Compliance Officer acts as the Secretary to all the Committees of the Board. The Chairman and Managing Director and Whole-time Executive Director of the Company provide overall direction and guidance to the Board, in alignment with the Aartech's vision and mission.

In accordance with the requirement of Regulation 27(2) of SEBI (LODR) Regulations, 2015, the Company submits to the stock exchanges a quarterly compliance report on Corporate Governance within the specified timeline as prescribed in the said regulations. The said report is either signed by the Compliance Officer or the Chief Executive Officer of the Company.

#### **B) Board Leadership**

The Board of Directors of the Company play a central role in guiding, supervising, and monitoring the Company's strategic direction, performance and governance. It is entrusted with establishing a robust governance architecture that aligns with globally recognized best practices, with the overarching objective of creating sustainable long-term value for all stakeholders.

The Board is led by the Chairman, who provides strategic leadership and direction. The Chairman's role includes fostering an environment that promotes objective, independent, and informed judgment by all Directors. In addition to articulating the Company's long-term vision, the Board ensures effective oversight of management in executing defined goals and strategic plans.

The Company firmly believes that an enlightened and forward-looking Board creates a culture of responsible leadership. This culture supports a long-term policy approach and continually strengthens the quality of governance. All decisions and actions of the Board are guided by the principles of transparency, accountability, and alignment with the Company's best interests.

To facilitate effective governance, the Company has put in place comprehensive guidelines and a well-defined framework governing the conduct of Board and Committee meetings. These mechanisms are designed to promote structured, informed, and timely decision-making.

The Board conducts regular and detailed evaluations of the Company's strategic priorities, management policies, and operational effectiveness. Through frequent engagement and active deliberation, the Board sets the strategic agenda and provides a clear roadmap for the Company's future growth.

### **C) Ethics/Governance Policies**

At our Company, we are committed to conducting business with dignity, responsibility, and a strong sense of ethics. We strive to foster and sustain relationships that are built on integrity, accountability, and trust. Our governance framework is designed to uphold the highest standards of transparency, independence, and ethical conduct in all dealings with stakeholders.

To this end, the Company has adopted a comprehensive set of codes and policies that guide ethical behavior and sound decision-making across all levels of the organization. These policies not only reinforce our commitment to responsible corporate conduct but also ensure compliance with regulatory requirements and industry best practices.

The following key codes and policies have been implemented and are accessible on the Company's website at: <https://aartechsolonics.com/investors/disclosures-policies>

#### **List of Key Ethics and Governance Policies:**

- Code of Conduct for Board Members and Senior Management Personnel;
- Policy on criteria of making payments to Non-Executive Directors;
- Policy for Directors' Familiarization Programme;
- Dividend Distribution Policy;
- Nomination and Remuneration Policy for Directors, Key Managerial Personnel (KMPs), Senior Managerial Personnel (SMPs) and other employees;
- Policy on determining Material Subsidiaries;
- Policy on dealing with Related Party Transactions;
- Policy for determination and disclosures of materiality of events;
- Policy on Preservation of Documents and archival of documents;
- Policy on Terms and Condition of appointment of Independent Directors
- Vigil Mechanism/Whistle Blower Policy;
- Code of Conduct for Prohibition of Insider Trading under SEBI (Prohibition of Insider Trading) Regulations, 2015; and
- Policy on Prevention of Sexual Harassment (POSH) at work place.

These policies reflect the Company's unwavering commitment to ethical governance and serve as a guiding framework for maintaining the integrity of our operations and relationships.

## D) Audits, Internal checks, and Balances

The Company maintains a robust audit and internal control framework to ensure transparency, accountability, and compliance with applicable laws and regulations.

M/s **BANCERS & Co. LLP**, Chartered Accountants, Bhopal (ICAI Firm Registration No. **C400331**), serve as the **Statutory Auditors** of the Company. They conduct an independent audit of the financial statements in accordance with the applicable accounting standards and statutory requirements.

In addition, M/s **Simran Khanuja & Co.**, Chartered Accountants, Bhopal (ICAI Firm Registration No. **035454C**), have been appointed as the **Internal Auditors** of the Company. The Internal Auditors are responsible for evaluating the adequacy and effectiveness of the Company's internal controls, operational systems, and procedures.

The **Board of Directors** and its various **committees** regularly review the audit findings and ensure that effective internal controls are in place. This multi-tiered oversight mechanism reinforces the Company's commitment to maintaining the highest standards of legal, statutory, and regulatory compliance across all areas of operation.

## E) Best Corporate Governance Practices

The Company is committed to upholding the **highest standards of Corporate Governance** and consistently strives to adopt and implement **best practices** in this domain. The governance framework of the Company is designed to ensure transparency, accountability, and long-term value creation for all stakeholders.

To support this commitment, the Company has constituted the following **Board-level Committees**, each with clearly defined roles and responsibilities:

- a) Audit Committee - Oversees matters related to audit, financial reporting, and internal controls,
- b) Stakeholders Relationship Committee - Addresses stakeholder grievances and ensures effective stakeholder engagement, and
- c) Nomination and Remuneration Committee - Handles matters relating to the nomination, evaluation, and remuneration of Directors and senior management.

In addition to these committees, the Company ensures rigorous internal oversight through audits conducted by an **Independent Practicing Chartered Accountant Firm**. Furthermore, the Company undergoes a **Secretarial Audit**, conducted by an **Independent Practicing Company Secretary** based in Bhopal, who is in full-time practice.

The **Secretarial Audit Report** for the financial year **2024-25** was duly placed before the Board and is annexed to the Board's Report as "**Annexure – E**", forming an integral part of the disclosures.

These initiatives collectively reflect the Company's unwavering commitment to strong governance, regulatory compliance, and ethical conduct.

## **F) Shareholders Communication**

The Board acknowledges the importance of maintaining open, transparent, and effective two-way communication with shareholders. It is committed to providing a balanced and accurate account of the Company's performance, strategic progress, and key developments, while also addressing shareholder queries and concerns in a timely and consistent manner.

The Company's official website - [www.aartechsolonics.com](http://www.aartechsolonics.com) - serves as a central hub for comprehensive and up-to-date information for shareholders and other stakeholders. In addition to online disclosures, the Company publishes its **financial results and statutory announcements** in leading newspapers-one in **English** and one in a **vernacular language**-to ensure wider accessibility and foster long-term trust.

The Company is committed to maintaining **high standards of transparency and corporate disclosure**, exceeding statutory requirements wherever possible, through accurate and prompt communication.

Shareholders seeking information related to their shareholding or requiring assistance may contact the Company directly or through its **Registrar and Transfer Agent, Bigshare Services Private Limited**. The contact details are available on the Company's website.

The Company ensures that **shareholder complaints, queries, and suggestions** are addressed efficiently, courteously, and within stipulated timelines, thereby reinforcing its commitment to shareholder satisfaction and governance excellence.

## **Role of the Company Secretary in Overall Governance Process**

The **Company Secretary** plays a pivotal role in strengthening and supporting the Company's overall **corporate governance framework**. As a key interface between the **Board of Directors, management, and regulatory authorities**, the Company Secretary ensures that the Company's governance practices are compliant, efficient, and aligned with evolving regulatory expectations and best practices.

A core responsibility of the Company Secretary is to ensure that the Board and its Committees operate effectively and in accordance with applicable laws, regulations, and Secretarial Standards. This includes the timely dissemination of agenda papers, reports, and other relevant information to the Directors, enabling them to make well-informed decisions during meetings.

Beyond statutory and compliance functions, the Company Secretary provides strategic guidance and professional advice to the Board on governance matters. The role extends to planning, organizing, and recording the proceedings of Board and Committee meetings, ensuring that deliberations are accurately documented and that actions are tracked and implemented.

The Company Secretary also acts as a trusted advisor to individual Directors, offering them ongoing support to fulfill their responsibilities effectively and independently. By facilitating transparency, accountability, and procedural



integrity, the Company Secretary plays an indispensable role in promoting sound governance and ethical conduct throughout the organization.

## 2. BOARD OF DIRECTORS (“BOARD”)

The **Board of Directors** is the apex governing body of the Company, constituted by the shareholders to provide strategic direction and oversight over the Company’s overall functioning. The Board operates within the framework of powers and responsibilities conferred under the **Companies Act, 2013**, the **SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015** and the Company’s **Memorandum and Articles of Association**.

The Board plays a pivotal role in **guiding, supervising, and monitoring** the Company’s strategy, performance, and governance practices. It is responsible for establishing a robust governance architecture in line with the **highest standards of corporate governance**, with a clear focus on promoting **sustainable long-term value creation** for all stakeholders.

The Board is chaired by the Chairman, who provides leadership, facilitates effective deliberations, and ensures that the Board operates as a cohesive and efficient decision-making body. In addition to shaping the long-term vision of the Company, the Board exercises independent and objective judgment in evaluating management’s performance against predefined goals and strategic priorities.

In fulfilling its fiduciary responsibilities, the Board acts in the best interests of the Company and its stakeholders, ensuring that strategic decisions are made with integrity, transparency, and accountability.

### A) Board Composition and Category of Directors;

1. The Company’s Board is structured to ensure an appropriate balance of Executive, Non-Executive, Independent, and Women Directors, which is essential for maintaining a clear separation between the Board’s dual roles of governance and management.

The composition of the Board is in full compliance with Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended from time to time, and Section 149 of the Companies Act, 2013.

As on March 31, 2025, the Board comprises a total of 6 (Six) Directors (of which two are Women Directors), 3 (Three) are Non-Executive Independent Directors (i.e. 50.00% of the total Board Composition), 2 (Two) are an Executive Directors and 1 (One) is Non-Executive Non-Independent Director. This composition ensures that 50% of the Board consists of Independent Directors, meeting the statutory requirements. The Directors bring diverse expertise, backgrounds, and experience across sectors such as finance, strategy, law, governance, and technology—contributing significantly to the Company’s strategic decision-making and oversight functions.

The Composition of the Board (including categories) of directors as on March 31, 2025:

Sr. No	Name of Director	DIN	Designation	Category
--------	------------------	-----	-------------	----------

1	Mr. Amit Anil Raje	00282385	Chairman & Managing Director	Promoter cum Executive director
2	Mr. Anil Anant Raje	01658167	Non-Executive Director	Promoter cum Non-Executive Non-Independent Director
3	Mrs. Arati Nath	08741034	CEO & Director	Executive Director (Promoter Group)
4	Mr. Prashant Dattatray Lowlekar	08041377	Director	Non-Executive Independent Director
5	Mr. Kshitij Negi	09046425	Director	Non-Executive Independent Director
6	Ms. Supriya Sunil Chitre	09237218	Director	Non-Executive Independent Director

The Board's composition reflects the Company's commitment to diversity, inclusion, and sound governance practices, enabling it to function effectively and in the best interests of all stakeholders.

During the financial year under review:

- a) There were no changes to the composition of the Board of Directors, except as detailed below:
  - Mr. Amit Anil Raje (DIN: 00282385), who has been serving as the Chairman and Managing Director of the Company, was re-appointed for a further term of 5 (five) consecutive years, commencing from the conclusion of his existing/ current term, on 12th May, 2025 and continuing until 11th May, 2030 (both days inclusive). This re-appointment was approved by the Members through a **Special Resolution** passed at the **42nd Annual General Meeting** held on **30th September, 2024**.
  - Mrs. Arati Nath (DIN: 08741034), who has been serving as the Chief Executive Officer (CEO) and Director of the Company, was also re-appointed for a further term of 5 (five) consecutive years, commencing from the conclusion of her existing/ current term, i.e. 12th May, 2025, to 11th May, 2030 (both days inclusive). Her re-appointment was similarly approved by the Members through a **Special Resolution** at the **42nd Annual General Meeting** held on **30th September, 2024**.
- b) **None** of the Directors have received any **loans or advances** from the Company during the year under review.
- c) None of the Directors on the Board hold directorships in more than ten public companies. Furthermore, no Director is a member of more than ten committees or serves as a chairperson of more than five committees across all public companies in which they hold directorships, in accordance with Regulation 26 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- d) All Directors have duly disclosed their committee positions in other public companies as of March 31, 2025.
- e) None of the Directors, including Independent Directors, hold directorships in more than seven listed entities, in line with the applicable provisions of the SEBI Listing Regulations.
- f) The Company has not issued any convertible instruments during the year. Accordingly, no Director holds any convertible instruments of the Company.

2. The names and categories of the Directors on the Board and the number of Directorships and Committees, Chairmanships/ Memberships held by them in other Public Companies as on March 31, 2025 are given herein below. Directorship in other Companies does not include Foreign Companies. Chairmanships/Memberships of Board Committees shall only include the Audit Committee and the Stakeholder's Relationship Committee.

Name of Director(s)	Category	No. of Directorship in other Companies (other than Aartech Solonics Limited)		No. of Committee positions held in the other Companies (other than Aartech Solonics Limited)		Name of Indian Listed entities where the Director is a director and category of directorship (other than Aartech Solonics Limited)
		Public Limited Companies	Private Companies / LLP's	Member	Chairman	
Mr. Amit Anil Raje	Promoter cum Executive director	Nil	3	Nil	Nil	Nil
Mr. Anil Anant Raje	Promoter cum Non-Executive Director	Nil	2	Nil	Nil	Nil
Mrs. Arati Nath	Executive Director (Promoter Group)	Nil	4	Nil	Nil	Nil
Mr. Prashant Dattatray Lowlekar	Non-executive Independent Director	Nil	Nil	Nil	Nil	Nil
Mr. Kshitij Negi	Non-executive Independent Director	Nil	Nil	Nil	Nil	Nil
Ms. Supriya Sunil Chitre	Non-executive Independent Director	Nil	1	Nil	Nil	Nil

## B) Board of Director's Profile

A brief profile of the Directors as on 31<sup>st</sup> March, 2025, along with their expertise in specific functional areas, is as follows:

➤ **Mr. Amit Anil Raje: Promoter, Chairman & Managing Director**



Mr. Amit Anil Raje, aged 51 years, is a qualified engineer with B.Tech. in Electrical Engineering from I.I.T Mumbai (1995) and an M.S.E.E. in Power Systems and Power Electronics from the University of Minnesota, Minneapolis, USA. He is appointed as the Chairman & Managing Director of the Company.

He brings over 23 years of rich experience with Aartech Solonics Limited. He leads the Company's strategic initiatives and new developments in alignment with its core objectives. His expertise lies in specialized energy applications, including Control, protection and automation systems, process continuity with Fast Bus Transfer, Energy

Storage and Pulse Power Applications utilizing Ultracapacitors, Fault Current Limiters, Power Quality Solutions, Load Limiting and other Custom-specific energy applications.

Under his leadership, the Company continues to innovate and expand its capabilities in these advanced technology domains.

➤ **Mr. Anil Anant Raje: Promoter & Non-Executive Director**



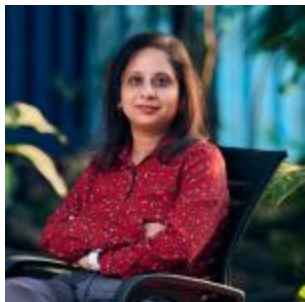
Mr. Anil Anant Raje, aged 80 years, is a Promoter and Non-Executive Director of the Company. He holds a **Bachelor of Engineering (Electrical)** degree from MACT (now MANIT), graduating in 1966 as part of the 2nd batch and securing the **2nd rank in the university merit list**.

With over **40 years of extensive experience** in various facets of business operations within the power sector, Mr. Raje is one of the founding promoters of the Company. He was first appointed as a Director on **August 24, 1982**.

After a brief tenure with Larsen & Toubro and Powel, he embarked on his entrepreneurial journey in Mumbai in 1971. In 1982, he returned to lay the foundation of Aartech Solonics.

He is a pioneer in the design, development, and implementation of India's first-generation **import-substitute Fast Bus Transfer systems** for thermal power stations and process industries. He is internationally recognized as an expert in this field, with several papers presented at prominent international conferences to his credit.

➤ **Arati Nath: Promoter Group, CEO & Executive Director**



Ms. Arati Nath, aged 44 years, brings over 17 years of extensive experience in the field of finance. She holds a Post Graduate Diploma in Business Administration (Finance) from the Welingkar Institute of Management, Mumbai, and a Bachelor's degree in Commerce from Pune University.

Ms. Nath joined Aartech Solonics Limited as General Manager – Operations in April 2015 and was later promoted to the position of Chief Financial Officer (CFO) in December 2017.

She was appointed as the Director and Chief Executive Officer (CEO) of the Company in May 2020.

Her financial expertise and leadership have been instrumental in driving the Company's operational and strategic growth.

➤ **Kshitij Negi: Independent and Non-Executive Director**



Mr. Kshitij Negi, aged 52 years, is the Founder of KoeN Meta Consulting, where he serves as the Core-Catalyst, helping clients achieve their Organizational Transformation and Leadership Development goals through Consulting, Coaching and Facilitating.

With over **25 years of rich experience**, Mr. Negi has worked extensively with C-suite executives and more than 2,000 senior and mid-senior leaders across a wide range of global and Indian organizations, including numerous **Fortune 500 companies** such as John Deere, Cognizant, Mindtree, SKF, Comcast, KPIT, Quintiles, and Vimeo.

His expertise lies in **human and organizational design**, enabling transformational shifts through mindset and culture change, leadership development, people acumen, and change management.

Mr. Negi holds an **MBA from Sydenham Institute of Management, Mumbai (Class of 1995)**. Additionally, he has earned the **Harvard Business Publishing Certificate in Harvard's Case Study Methodology** and completed the **Leadership Curriculum Graduation (ILP + SELP + Communication)** from Landmark Education.

➤ **Prashant Dattatray Lowlekar: Independent and Non-Executive Director**



Mr. Prashant Dattatray Lowlekar, aged 59 years, is a qualified Fellow Member (FCA) of the Institute of Chartered Accountants of India (ICAI). He brings with him over 25 years of extensive experience in the fields of auditing, finance, and corporate governance.

Mr. Lowlekar began his professional journey as a Partner at A.V. Lowlekar & Co., Chartered Accountants, where he served for two years. He was subsequently appointed as Internal Auditor by the United Group and has worked as an Internal Auditor for their two listed companies—United Soya Products Limited and Columbia Electronics Limited.

Since 1993, he has been serving as a Partner at the firm Mamtani and Lowlekar, where he continues to contribute his expertise in audit and assurance services, compliance, and financial advisory.

Mr. Lowlekar was appointed as an Independent Director of the Company, bringing valuable financial and audit oversight experience to the Board."

➤ **Supriya Sunil Chitre: Independent and Non-Executive Director**



Squadron Leader Supriya Chitre (Retd.), was commissioned into the Education Branch of the Indian Air Force on 16th June 2007 and served with distinction for a decade. A native of Nashik, she holds a Postgraduate Degree in Clinical Psychology from S.P. College, Pune, and has also studied Business Management at IIM Indore. She is a former NCC cadet of 1 Mah (Air Wing).

During her tenure in the Indian Air Force, she served as a Psychologist, Counsellor, and Instructor at the prestigious National Defence Academy (NDA), contributing significantly to the development of cadets through psychological guidance and leadership training.

Following her retirement from active service, Squadron Leader Chitre dedicated herself to mentoring and training individuals across various domains—including students, corporate professionals, and defence aspirants. She is deeply passionate about youth empowerment and nation-building and believes in nurturing the next generation by sharing her knowledge, experience, and values imbibed through military service.

Her areas of expertise include psychological counselling, leadership development, behavioural training, and organizational transformation.

Squadron Leader Supriya Chitre brings a unique blend of discipline, psychological insight, and leadership development experience to the Board in her capacity as an Independent and Non-Executive Director.

### **C) Key Board Skills, Expertise and Competencies**

The Company believes that a strong, balanced, and diverse Board is essential for ensuring strategic oversight, effective decision-making, sound risk management, and accountability to stakeholders.

The Board of Directors is composed of professionals with a broad spectrum of skills, experience, and perspectives, enabling them to contribute meaningfully and proactively to the Company's growth and governance. Directors regularly participate in Board and Committee meetings and provide their valuable insights on all key matters concerning the Company.

The Nomination and Remuneration Committee, in consultation with the full Board, periodically evaluates the skills, expertise, and experience required for the Board as a whole, as well as for individual members. This ensures that the Board remains well-equipped to navigate the evolving business environment and continues to deliver long-term value.

In accordance with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the following core skills, expertise, and competencies have been identified as essential in the context of the Company's business and are currently well-represented on the Board:

**List of Core skills/expertise/competencies identified by the board of directors of the Company pursuant to**



Schedule V of SEBI (LODR) Regulations, 2015, the core areas of the Company are as under

Sr. No.	Core Skill	Description
1.	Technical Knowledge	Highly technical efficiency required to deal and resolve various technical issues arises in these types of Industries frequently;
2.	Industry Knowledge and Experience;	Knowledge of industry, sector and guidance to the management in fast changing environment.
3.	Leadership	Extended leadership experience for a significant enterprise, resulting in practical understanding of organizations, processes, strategic planning, and risk management. Demonstrated strength in developing talent, planning succession and driving change and long-term growth.
4.	Governance	Experience in developing governance practices, protecting best interest of stakeholders, maintaining board and management accountability and oversight of compliance, corporate ethics and values.
5.	Accounts and Finance	The ability to read and understand the financial statements or accounting, related financial management expertise. Read and understand basic financial statements i.e. balance sheet, profit and loss account and statement of cash flows, financials ratio, accounts, Banking knowledge, possesses experience in finance or accounting, requisite professional certification in accounting or any other comparable experience.
6.	Knowledge of Company	Company's business, policies, and culture (including its mission, vision, values, goals, current strategic plan, governance structure, major risks and threats and potential opportunities).
7.	Professional Skill	Various Professional Skill and Knowledge Required like Finance, Banking, and Technical, Legal, Corporate Social Responsibility, Accounting, Strategic Development, Human Resource Management, and allied fields.
8.	Sales, Marketing and Commercial Skill	Experience in strategizing market share growth, building brand awareness, enhancing enterprise reputation. Marketing is very important now day and especially Marketing in Positive way is very important.
9.	Behavioral Competencies	Behavioral Competencies attributes and skills to use their knowledge and experience to function well as team members and to interact with key stakeholders
10.	Personal values	Personal characteristics matching the Company's values, such as integrity, accountability, and high-performance standards.
11.	Strategy and Planning	Appreciation of long-term trends, strategic choices, and experience in guiding and leading management teams to make decisions in uncertain environments

The current composition of the Board reflects the presence of all the above skills, competencies, and values, enabling it to guide the management team in achieving operational excellence and delivering sustained stakeholder value.

In accordance with the requirements of Regulation 34(3) read with Schedule V of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Board has identified the following core skills, expertise, and competencies required in the context of the Company's business. These are available with the Board of Directors as on 31st March, 2025.

The table below outlines the specific areas of focus or expertise for each individual Board member. The presence of a checkmark (✓) indicates that, in the opinion of the Board, the respective Director possesses the identified skill or expertise.



*Note: The absence of a checkmark does not necessarily indicate lack of experience or capability in that area; it may simply reflect that the skill is not a primary area of focus for that individual Director.*

<b>Skills/expertise/competencies</b>	<b>Mr. Amit Anil Raje</b>	<b>Mr. Anil Anant Raje</b>	<b>Mrs. Arati Nath</b>	<b>Mr. Prashant Dattatray Lowlekar</b>	<b>Mr. Kshitij Negi</b>	<b>Ms. Supriya Sunil Chitre</b>
Technical Knowledge	✓	✓	✓	✓	✓	✓
Industry Knowledge and Experience;	✓	✓	✓		✓	
Leadership	✓	✓	✓	✓	✓	✓
Governance	✓	✓	✓	✓	✓	✓
Accounts and Finance	✓	✓	✓	✓	✓	
Knowledge of Company	✓	✓	✓	✓	✓	✓
Professional Skill	✓	✓	✓	✓	✓	✓
Sales, Marketing and Commercial Skill	✓	✓	✓		✓	
Behavioral Competencies	✓	✓	✓	✓	✓	✓
Personal values	✓	✓	✓	✓	✓	✓
Strategy and Planning	✓	✓	✓	✓	✓	✓

#### **D) Board Membership criteria and selection process**

The Nomination and Remuneration Committee ('NRC') is entrusted with the responsibility of identifying, evaluating and recommending suitable candidates for appointment to the Board, in accordance with the criteria laid down in the Nomination and Remuneration Policy. The policy is available on the website of the Company at <https://aartechsolonics.com/docs/disclosures/policies/nomination-remuneration-policy.pdf>.

The NRC continuously reviews the composition of the Board and its Committees to ensure that the Board collectively possesses the diverse skills, expertise, and experience necessary to provide strategic guidance, oversight, and support to the management in achieving the Company's business and governance objectives.

As part of the Board succession planning process—particularly in anticipation of retirement of Independent Directors upon completion of their maximum permissible tenure under law or due to resignations/retirements during the year—the NRC considers succession planning a matter of strategic importance.

The appointment process is led by the Chairperson of the NRC, Mr. Kshitij Negi, in coordination with the other Committee members. Potential candidates are evaluated on the basis of several factors, including but not limited to:

The appointment process is led by the Chairperson of the NRC, Mr. Kshitij Negi, in coordination with the other Committee members. Potential candidates are evaluated on the basis of several factors, including but not limited to:

- Compliance with the eligibility criteria specified in the Nomination and Remuneration Policy;
- Professional background, industry expertise, and technical qualifications;

- Independence of judgment and ability to contribute across strategic, financial, operational, and human capital matters;
- Commitment to devote sufficient time and attention to Board responsibilities;
- Absence of potential conflicts of interest;
- Contribution to Board diversity in terms of gender, background, age, and skill set.

Following a preliminary shortlisting, all existing Board members are given the opportunity to individually interact with the potential candidates and provide their independent feedback and recommendations.

Based on this feedback, the NRC finalizes the list of recommended candidates and places its formal recommendation before the Board of Directors for approval. Once approved by the Board, the appointment is placed before the shareholders for final approval, as required under applicable laws.

This structured and rigorous approach ensures that appointments to the Board are merit-based, transparent, and aligned with the Company's long-term strategic goals and governance principles.

### **E) Role of the Board**

The Board is entrusted with the strategic supervision, oversight of management performance, and overall governance of the Company. In order to make well-informed decisions, the Board is provided with unrestricted access to all relevant information and personnel, including employees of the Company and its subsidiaries.

The quantity and quality of information made available to the Board by the management significantly exceeds the minimum requirements prescribed under the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. Guided by its governance philosophy, the Board consistently endeavors to act in the best interests of the Company and all its stakeholders.

To ensure effective discharge of its responsibilities, Board members are thoroughly briefed during every meeting. Senior members of management are invited to Board Meetings, as necessary, to provide expert input on specific agenda items.

In addition to monitoring the Company's overall business and management, the Board undertakes the following key functions:

- **Review, monitor, and approve** major financial and business strategies, as well as significant corporate actions;
- **Assess critical risks** facing the Company and evaluate mitigation strategies;
- **Advise on the selection, evaluation, development, and compensation** of senior management;
- Ensure that robust processes are in place to maintain the integrity of:
  - a) the Company,
  - b) its Financial Statements,
  - c) its Compliance with applicable laws, and
  - d) its relationships with all stakeholders.

**F) Evaluation of Board's Performance**

During the year under review, the Board of Directors implemented a formal mechanism for evaluating the performance of the Board, its Committees, and individual Directors, including the Chairman of the Board. This evaluation was conducted through a structured evaluation process, covering various aspects of the Board's functioning such as:

- Composition of the Board & its Committees,
- Experience & competencies,
- Performance of specific duties & responsibilities,
- Attendance and participation in meetings,
- Governance practices and compliance etc.

A Separate exercise was carried out to assess the performance of individual Directors, including the Chairman. This assessment considered parameters such as:

- Attendance and active participation in meetings,
- Quality of contributions during discussions,
- Exercise of independent judgment,
- Protection of minority shareholders' interests etc.

Additionally, the Nomination and Remuneration Committee conducted a performance evaluation of individual directors, based on their contributions to Board and Committee proceedings. The Chairman's performance was also evaluated specifically on key aspects of his leadership role.

The evaluation of Independent Directors was conducted by the entire Board, excluding the Directors being evaluated. Conversely, the evaluation of the Chairman and Non-Independent Directors was carried out by the Independent Directors.

The Directors expressed satisfaction with the outcome of the evaluation process, which indicated a high level of engagement and effective functioning of the Board and its Committees in alignment with the Company's strategic and governance objectives.

**G) Training to Board Members- Familiarization Programme**

The Board is enabled to effectively discharge its responsibilities through regular and timely inputs from various sources. Directors are comprehensively briefed on all key aspects relating to the Company's business operations, industry developments, risk assessment and mitigation strategies, as well as significant initiatives and strategic plans undertaken by the Company.

To facilitate continuous learning and effective governance, the Directors actively engage with senior management to seek clarifications and access any additional information they may require. These interactions help ensure that the Board remains well-informed and aligned with the Company's objectives.

In line with regulatory requirements and best governance practices, the Company has adopted a Familiarization Programme for its Directors. This programme aims to provide insights into the Company's operations, business environment, regulatory landscape, and the roles and responsibilities of Directors.

Details of the Familiarization Programme are available on the Company's website at: <https://aartechsolonics.com/docs/disclosures/policies/details-of-familiarization-programmes-imparted-to-independent-directors.pdf>.

#### **H) Confirmation by Board**

In accordance with the provisions of Section 149 of the Companies Act, 2013 ("the Act") and the rules made thereunder, as on March 31, 2025, the Company has three Non-Promoter Independent Directors, namely Mr. Prashant Dattatray Lowlekar (DIN: 08041377); Mr. Kshitij Negi (DIN: 09046425) and Ms. Supriya Sunil Chitre (DIN: 09237218).

These appointments are in compliance with the requirements of the Act.

In the opinion of the Board of Directors, all the aforementioned Independent Directors meet the criteria of independence as prescribed under Section 149 of the Companies Act, 2013, the rules made thereunder, and the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015. The Board confirms that all Independent Directors are independent of the management.

#### **I) Certificate from Company Secretary in Practice**

M/s APVN & Associates, Practicing Company Secretaries, have issued a certificate pursuant to the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, confirming that none of the Directors on the Board of the Company have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India (SEBI), the Ministry of Corporate Affairs (MCA), or any other statutory authority.

This certificate is annexed to the Annual Report and forms part of it as "**Annexure - I**".

#### **J) Independent Directors**

Independent Directors of the Company are non-executive directors as defined under Regulation 16(1) (b) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with Section 149(6) of the Companies Act, 2013 ("the Act").

In view of the Board's need for diverse skill sets, eminent individuals with an independent standing in their respective fields or professions—who can effectively contribute to the Company's business and policy decisions—are considered by the Nomination and Remuneration Committee for appointment as Independent Directors. The

Committee, inter alia, evaluates candidates based on their qualifications, positive attributes, area of expertise, and the number of directorships and committee memberships held in other companies, in accordance with the Company's Policy on the "Terms and Conditions of Appointment of Independent Directors". This policy is available on the Company's website at: <https://aartechsolonics.com/docs/disclosures/policies/terms-and-conditions-for-appointment-of-independent-director.pdf>

The Board considers the Committee's recommendations and takes appropriate decisions regarding appointments.

The maximum tenure of Independent Directors is in compliance with the provisions of the Act. As per the terms and conditions of their appointment, each Independent Director is required to submit a declaration:

- At the first Board meeting in which they participate as a director;
- At the first Board meeting of every financial year thereafter; and
- Whenever there is a change in circumstances that may affect their status as an Independent Director.

This declaration confirms that the Director meets the criteria of independence as provided under clause (b) of sub-regulation (1) of Regulation 16 of the SEBI (LODR) Regulations and that they are not aware of any circumstance or situation—existing or reasonably anticipated—that could impair or impact their ability to discharge their duties with objective independent judgment and without external influence. The Board of Directors undertakes a due assessment of the veracity of such declarations and takes them on record, as required under sub-regulation (8) of Regulation 25.

In the opinion of the Board, the Independent Directors possess the requisite expertise and experience, including proficiency ascertained through the online proficiency self-assessment test conducted by the Indian Institute of Corporate Affairs (IICA), as notified under sub-section (1) of Section 150 of the Companies Act, 2013. They are individuals of high integrity and repute, fulfilling the conditions specified in the Companies Act, 2013, SEBI (LODR) Regulations, 2015, and the rules made thereunder, and are independent of the management.

All Independent Directors have registered their names in the data bank maintained by the IICA. As per the proviso to Rule 6(4) of the Companies (Appointment and Qualification of Directors) Rules, 2014, all Independent Directors of the Company have either passed or are exempted from undertaking the online proficiency self-assessment test. These confirmations have been placed before the Board.

None of the Independent Directors hold office as an Independent Director in more than seven listed companies, in compliance with Regulation 17A of the SEBI Listing Regulations. The maximum tenure of Independent Directors is determined and reviewed from time to time in accordance with the Act and rules made thereunder.

#### **K) Declaration by Independent Director:**

In accordance with the provisions of Section 149(7) of the Companies Act, 2013, the Company has received declarations from all its Independent Directors confirming that they meet the criteria of independence as prescribed under the relevant provisions of the Companies Act, 2013, for the financial year 2024–25.

The Board of Directors has taken these declarations and confirmations on record after conducting a due assessment of their veracity. In the opinion of the Board, the Independent Directors:

- Fulfil the conditions specified under the Companies Act, 2013 and relevant SEBI (LODR) Regulations for holding the position of Independent Director; and
- Are independent of the management.

Accordingly, the Board affirms that the Independent Directors are eligible for re-appointment and/or continuation in their respective roles.

#### **L) Resignation of Independent Director:**

During the period under review, no Independent Director has tendered their resignation from the Board of the Company.

#### **M) Separate meeting of Independent Directors for evaluating the performance:**

In accordance with the provisions of the Companies Act, 2013 and the Code for Independent Directors as outlined in Schedule IV of the Act, a separate meeting of the Independent Directors of the Company was held on 11th December, 2024, during the financial year 2024–25.

The objectives of the meeting were to:

- Evaluate the performance of Non-Independent Directors and the Board as a whole;
- Assess the performance of the Chairman of the Company, taking into account the views of Executive and Non-Executive Directors;
- Review the quality, content, and timeliness of information flow between the Management and the Board and its Committees, which is essential for the Board to effectively discharge its duties and responsibilities.

This meeting was conducted without the presence of any Executive or Non-Independent Directors. The requisite quorum was present, and the meeting was duly convened and conducted.

The terms and conditions of appointment of Independent Directors and the Code for Independent Directors are available on the Company's website at: [www.aartechsolonics.com](http://www.aartechsolonics.com).

#### **N) Familiarization Programme for Independent Directors**

At the time of appointment, each Independent Director is issued a formal letter of appointment that clearly outlines their roles, functions, duties, and responsibilities within the Company.

In line with the requirements of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company conducts a Familiarization Programme for Independent Directors. This programme is designed to provide insight into:

- The Company's operations and business model,
- The industry in which the Company operates,

- The roles, rights, and responsibilities of Independent Directors,
- The regulatory environment and governance practices.

Additionally, periodic presentations are made at Board and Committee meetings on:

- Business and performance updates,
- Strategic initiatives and key developments,
- Risk management framework,
- Statutory and regulatory updates, including recent judicial pronouncements and amendments to applicable laws.

This continuous engagement helps Independent Directors remain well-informed and actively contribute to discussions and decision-making at the Board level.

The Company has also adopted a Nomination and Remuneration Policy, based on the recommendations of the Nomination and Remuneration Committee, which outlines the remuneration framework for Directors, Key Managerial Personnel (KMPs), and other employees. The policy includes criteria for:

- Determining qualifications and positive attributes,
- Assessing the independence of Directors,
- Other requirements as prescribed under Section 178(3) of the Companies Act, 2013.

The Familiarization Programme and the Nomination and Remuneration Policy are available on the Company's website at the following link: <https://aartechsolonics.com/docs/disclosures/policies/details-of-familiarization-programmes-imparted-to-independent-directors.pdf>.

#### **O) Code of Conduct for the Board and Senior Management Personnel:**

Pursuant to provisions of the Companies Act, 2013 and the applicable regulation of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company has adopted a comprehensive Code of Conduct, applicable to its Directors, Key Managerial Personnel (KMP), and Senior Management Personnel of the Company.

The Code is also applicable to Non-Executive Directors, including Independent Directors, to the extent relevant to their roles and responsibilities. Further, the duties of Independent Directors, as laid down under the Companies Act, 2013, are also incorporated within this Code. The Code provides guidance for ethical conduct of business and compliance of law. The Code reflects the values of the Company viz. Customer Value, Ownership mindset, Respect, Integrity, One Team and Excellence.

The Company committed to conducting its business in accordance with the highest standards of business ethics and complying with applicable laws, rules, and regulations both in letter as well as in spirit.

The Code outlines the expected standard of behavior and integrity in the workplace, business practices, and legal compliance. It has been disseminated among all Directors and Senior Management Personnel, and annual compliance with the Code is affirmed by them. A declaration to this effect, signed by the Managing Director, is provided in this Annual Report as "**Annexure-H**".

Additionally, Senior Management Personnel are required to periodically disclose to the Board any material, financial, or commercial transactions that may have a personal interest and could potentially conflict with the interests of the Company.



The “Code of Conduct” is available on the Company’s website <https://aartechsolomonics.com/docs/disclosures/policies/code-of-conduct-for-board-members-and-senior-management-personnel.pdf>.

## P) Board Meetings

The Board of Directors meets at regular intervals to deliberate on and decide various matters pertaining to business decisions, strategies, operations, policies and review the overall performance of the Company and its subsidiaries. These meetings ensure that strategic guidance and governance oversight are consistently provided at the highest level.

To enhance focus and efficiency, the Board has constituted various Committees with specific mandates to address key functional areas requiring closer and more detailed review.

The Board also periodically reviews compliance reports relating to all applicable laws and regulations. These reports are prepared by the Company and include the status of compliance and actions taken to address any instances of non-compliance, if identified.

Meeting notices, along with a detailed agenda and relevant supporting documents, are circulated to all Directors well in advance of each meeting. In exceptional cases, where necessary, additional items may be tabled at the meeting with the approval of the Board. This structured process ensures that Board members are well-informed and equipped to make timely and effective decisions.

## Q) Number of Board Meetings during the Financial Year 2024-25, Attendance of the Directors at Board Meetings and Annual General Meeting

During the financial year 2024-25, the Board of Directors convened meetings Eight (8) times; on 30<sup>th</sup> May, 2024, 20<sup>th</sup> June, 2024, 27<sup>th</sup> July, 2024, 12<sup>th</sup> August, 2024, 14<sup>th</sup> August, 2024, 05<sup>th</sup> September, 2024, 14<sup>th</sup> November, 2024 and 12<sup>th</sup> February, 2025.

The interval between two consecutive Board meetings did not exceed 120 days, in compliance with the requirements of the Companies Act, 2013 and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In accordance with the SEBI (LODR) Regulations, 2015, and the Companies Act, 2013, the requisite quorum was present for all the Board meetings held during the year.

The details of the number of Board meetings held during the financial year 2024-25, along with the attendance of Directors at these meetings and at the last Annual General Meeting (AGM), are provided below:

Name of the Directors as on end of the year	Designation	Attendance of Board Meetings during FY 2024-25		Attendance in last AGM held on 30.09.2024
		Total Board Meetings	Meetings Attended	
Mr. Amit Anil Raje	Chairman & Managing Director	8	8	Yes
Mr. Anil Anant Raje	Non-Executive Director	8	8	Yes
Mrs. Arati Nath	CEO & Director	8	8	Yes
Mr. Prashant Dattatray Lowlekar	Independent Director	8	8	Yes
Mr. Kshitij Negi	Independent Director	8	8	No
Ms. Supriya Sunil Chitre	Independent Director	8	8	Yes

**R) Information placed before the Board**

The Company ensures that all information as prescribed under Regulation 17 read with Part A of Schedule II of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 is provided to the Board of Directors and its Committees, to the extent applicable and relevant.

Such information is furnished either as part of the detailed agenda along with supporting documents circulated in advance of the respective meetings or through presentations and discussions during the meetings, enabling informed decision-making by the Board..

**S) Recording Minutes of Proceedings of the Board and Committee Meetings**

The Company Secretary is responsible for recording the minutes of proceedings of every Board and Committee meeting. In accordance with the applicable Secretarial Standards, the draft minutes are circulated to the respective Board or Committee members for their review and comments.

The finalized minutes are duly entered into the Minutes Book within 30 days from the conclusion of the meeting, ensuring accurate and timely documentation of the decisions and discussions.

**T) Post Meeting Follow-up Mechanism**

The Company has established guidelines for Board and Committee meetings that ensure an effective post-meeting follow-up, review, and reporting process for the decisions taken by the Board and its Committees.

Key decisions made at Board or Committee meetings are promptly communicated to the concerned departments or divisions for necessary action. Additionally, action-taken reports on decisions or minutes of the previous meetings are placed before the succeeding Board or Committee meetings for review and noting.

**U) Compliance**

The Company Secretary, while preparing the agenda, notes on agenda, and minutes of the meeting(s), is responsible for ensuring strict adherence to all applicable laws and regulations. This includes compliance with the Companies Act, 2013, along with the rules issued thereunder, as well as the applicable Secretarial Standards prescribed by the Institute of Company Secretaries of India.

**V) Number of Equity Shares held by Executive and Non -Executive Directors as on 31<sup>st</sup> March, 2025**

- (i) The Authorised Share Capital of the Company was increased from Rs. 15 Crores (Rupees Fifteen Crores Only) to Rs. 25 Crores (Rupees Twenty-Five Crore Only).
- (ii) The existing equity shares of the Company, each having a face value of Rs. 10/-, fully paid-up, were sub-divided/ split from 1 (One) equity share having face value of Rs. 10/- each, fully paid-up into 2 (Two) equity shares having face value of Rs. 5/- each fully paid-up; and

(iii) Bonus equity shares of the Company were issued in the ratio of 1:2 [i.e. 1 (One) fully paid-up equity share for every 2 (Two) equity shares] having a face value of Rs. 5/- each.

The shareholders' consent for these actions was obtained through a postal ballot dated 26th July 2024, and the resolutions were approved with the requisite majority.

**Share-holding of the Executive and Non-Executive Directors after effect of corporate actions are as follows:**

Sr. No	Name of Director	Designation	No. of shares held as on 31st March, 2025	Percentage of Share holding
1	Mr. Amit Anil Raje	Chairman & Managing Directors	46,90,800	14.80%
2	Mr. Anil Anant Raje	Non-Executive Director	70,14,000	22.08%
3	Mrs. Arati Nath	CEO & Director	4,11,705	1.30%
4	Mr. Prashant Dattatray Lowlekar	Non-Executive Independent Director	No shares held	NIL
5	Mr. Kshitij Negi	Non-Executive Independent Director	No shares held	NIL
6	Ms. Supriya Sunil Chitre	Non-Executive Independent Director	No shares held	NIL

**W) Relationship between Directors Inter-se:**

Directors are related to each other within the meaning of the term "Relative" as per Section 2(77) of the Companies Act, 2013 in following manner.

Sr. no.	Name of Director	Designation	Relation with Directors
1	Mr. Amit Anil Raje	Chairman & Managing Director	Son of Mr. Anil Anant Raje and Brother of Mrs. Arati Nath
2	Mr. Anil Anant Raje	Non-Executive Director	Father of Mr. Amit Anil Raje and Mrs. Arati Nath
3	Mrs. Arati Nath	Director & CEO	Daughter of Mr. Anil Anant Raje and Sister of Mr. Amit Anil Raje
4	Mr. Prashant Dattatray Lowlekar	Independent Director	Not related to any Director
5	Mr. Kshitij Negi	Independent Director	Not related to any Director
6	Ms. Supriya Sunil Chitre	Independent Director	Not related to any Director

**X) Code of Conduct for Prevention of Insider Trading:**

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with the provisions of the SEBI (Prohibition of Insider Trading) Regulations, 2015, with the objective of regulating, monitoring, and reporting trading in the Company's securities by its Directors and Designated Employees. During the year under review, the Company formulated and adopted a comprehensive policy titled "Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015". The Code includes provisions that mandate pre-clearance of trades in the Company's securities by Directors and Designated Employees; Prohibit trading in the Company's securities while in possession of unpublished price sensitive information (UPSI); and restrict dealing in the Company's shares during the period when the Trading Window is closed.

All Directors and Designated Employees have provided confirmations regarding their compliance with the said Code during the year.

The “Code of Conduct under SEBI (Prohibition of Insider Trading) Regulations, 2015” is available on the Company’s website and can be accessed at <https://aartechsolonics.com/docs/disclosures/policies/Code-of-Conduct-under-Prohibition-of-Insider-trading-Regulations-2015.pdf>.

• **COMMITTEES OF BOARD;**

In compliance with the provisions of the *Companies Act, 2013* and the *SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015*, the Company has constituted the following **three statutory Committees** of the Board:

- a) Audit Committee;
- b) Stakeholder’s Relationship Committee;
- c) Nomination and Remuneration Committee;

Each of these Committees is entrusted with specific roles, responsibilities, and powers, as defined in their respective charters, and functions in accordance with applicable laws and regulations to ensure effective governance and oversight.

In addition to the above, the Company has also constituted an **Internal Complaints Committee (ICC)** in line with the requirements of the *Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013*. The ICC is responsible for addressing and resolving complaints related to sexual harassment at the workplace, ensuring a safe and inclusive environment for all employees.

**3. AUDIT COMMITTEE;**

The Company has constituted a qualified Audit Committee in accordance with the provisions of Section 177 of the Companies Act, 2013 and Regulation 18 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The composition, roles, responsibilities, powers, and functioning of the Audit Committee are fully aligned with the requirements under the Companies Act and SEBI (LODR) Regulations. The Committee ensures oversight of financial reporting processes, reviews of financial statements, internal controls, audit processes, related party transactions, and compliance with legal and regulatory requirements.

• **Composition of the Audit Committee:**

As on 31st March 2025, the Audit Committee comprises four (4) Directors, out of which three (3) are Non-Executive Independent Directors and one (1) is a Non-Independent Executive Director. All members are financially literate and possess the requisite expertise in accounting and financial management.

The composition of the Audit Committee as on 31st March 2025 is as follows:

Sr. no.	Name of the Members as on the end of the year	DIN	Designation	Executive/Non-Executive Independent/ Non-Independent
1.	Prashant Dattatray Lowlekar	08041377	Chairman	Non-Executive Independent Director

2.	Kshitij Negi	09046425	Member	Non-Executive Independent Director
3.	Amit Anil Raje	00282385	Member	Non-Independent Executive Director
4.	Supriya Sunil Chitre*	09237218	Member	Non-Executive Independent Director

*\* Ms. Supriya Sunil Chitre (DIN: 09237218), Non-Executive Independent Director, was inducted as a member of the Audit Committee in the first Board meeting of the Company for the current financial year 2024-25, held on 30th May, 2024. Accordingly, the Audit Committee was reconstituted with effect from that date.*

All members of the Committee are financially literate and possess the requisite expertise in financial and accounting matters. The Statutory Auditors, Chief Financial Officer, and Head of Internal Audit are invited to the meetings of the Audit Committee as and when necessary to provide insights and clarifications. The Company Secretary acts as the Secretary to the Committee and is responsible for coordinating the meetings and maintaining records.

• **The term of reference of Audit Committee Inter-alia, includes the following:**

- 1) Overseeing of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- 2) Recommending to the Board, the appointment, remuneration and terms of appointment of the Statutory Auditor of the Company;
- 3) Approving payments to Statutory Auditors for any other services rendered by Statutory Auditors;
- 4) Reviewing, with the management, the Annual Financial Statements and Auditor's Report thereon before submission to the Board for approval, with particular reference to:
  - a) Matters required being included in the Director's Responsibility Statement to be included in the Board's report in terms of clause (c) of sub-section 3 of section 134 of the Companies Act, 2013.
  - b) Changes, if any, in accounting policies and practices and reasons for the same.
  - c) Major accounting entries involving estimates based on the exercise of judgment by management.
  - d) Significant adjustments made in the financial statements arising out of audit findings.
  - e) Compliance with listing and other legal requirements relating to financial statements.
  - f) Disclosure of any related party transactions.
  - g) Modified opinion(s) in the draft Audit Report.
- 5) Reviewing, with the management, the quarterly, half- yearly and Annual Financial Statements before submission to the board for approval;

- 6) Reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilised for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilization of proceeds of a public or rights issue, and making appropriate recommendations to the Board to take up steps in this matter;
- 7) Reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;
- 8) Approving of any subsequent modification of transactions of the Company with related parties;
- 9) Scrutinizing inter-corporate loans and investments;
- 10) Valuing undertakings or assets of the Company, wherever it is necessary;
- 11) Evaluating internal financial controls and risk management systems;
- 12) Reviewing, with the management, the performance of statutory and internal auditors, and adequacy of the internal control systems;
- 13) Reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- 14) Discussing with internal auditors any significant findings and follow up thereon;
- 15) Reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the Board;
- 16) Discussing with statutory auditors, internal auditors and secretarial auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- 17) To investigate the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- 18) To review the functioning of the whistle blower mechanism;
- 19) Establishing and reviewing the functions of the vigil mechanism policy for directors and employees to report their genuine concerns and grievances.
- 20) Approval of appointment of the CFO (i.e., the whole-time Finance Director or any other person heading the finance function or discharging that function) after assessing the qualifications, experience and background, etc. of the candidate;

- 21) Review and monitor the process for compliance with laws, regulations and the code of conduct as per SEBI Insider Trading Regulations, 2015, and all other applicable Laws, rules and regulations, if any;
- 22) Review all the provisions as per the Companies Act, 2013 and Securities and Exchange Board of India (LODR) Regulations, 2015 as amended from time to time; and
- 23) Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of the provision and
- 24) The audit committee may call for the comments of the auditors about internal control systems, the scope of audit, including the observations of the auditors and review of financial statement before their submission to the Board and may also discuss any related issues with the internal and statutory auditors and the management of the Company.
- 25) Carrying out any other function as mentioned in the terms of reference of the Audit Committee.

**The Audit Committee shall mandatorily review the following information:**

- 1) Management discussion and analysis of financial condition and results of operations;
- 2) Statement of significant related party transactions (as defined by the audit committee), submitted by management;
- 3) Management letters / letters of internal control weaknesses issued by the statutory auditors;
- 4) Internal audit reports relating to internal control weaknesses; and
- 5) The appointment, removal, and terms of remuneration of the chief internal auditor shall be subject to review by the audit committee.
- 6) Statement of deviations:
  - a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of in terms of the Securities and Exchange Board of India (LODR) Regulations, 2015; and
  - b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).

The Board considered and approved the same and instructed to forward the matter to the audit committee for its noting and record.



**The powers of the Audit Committee include the following:**

- a) To investigate any activity within its terms of reference;
- b) To seek information from any employee;
- c) To obtain outside legal or other professional advice; and
- d) To secure attendance of outsiders with relevant expertise, if it considers necessary

• **Meetings and Attendance**

During the financial year ended March 31, 2025, the Audit Committee met 8 (Eight) times on the dates 30<sup>th</sup> May, 2024, 20<sup>th</sup> June, 2024, 27<sup>th</sup> July, 2024, 12<sup>th</sup> August, 2024, 14<sup>th</sup> August, 2024, 05<sup>th</sup> September, 2024, 14<sup>th</sup> November, 2024 and 12<sup>th</sup> February, 2025.

The **requisite quorum** was present at **all the meetings**, and the proceedings were conducted in compliance with the applicable provisions of the *Companies Act, 2013* and *SEBI (LODR) Regulations, 2015*.

The attendance at the Audit Committee Meetings is as under:

Sr. No.	Name of Directors/ Members	Designation	Categories	Number of meetings	
				Held	Attended
1	Prashant Dattatray Lowlekar	Chairman	Non-Executive Independent Director	8	8
2	Kshitij Negi	Member	Non-Executive Independent Director	8	8
3	Amit Anil Raje	Member	Non-Independent Executive Director	8	8
4	Supriya Sunil Chitre	Member	Non-Executive Independent Director	8	7*

\* Appointed as the member of the Audit Committee, as approved in the Board meeting held on 30<sup>th</sup> May, 2024.

The Chairman of the Committee was present at the previous Annual General Meeting of the Company held on 30<sup>th</sup> September, 2024 to attend to the shareholders' queries.

• **Financial results and Statements**

The management is responsible for the preparation of the standalone and consolidated financial results/ statements, overseeing the financial reporting process, and maintaining the Company's internal financial controls. The Audit Committee plays a key oversight role by reviewing the financial results / statements and recommending them to the Board for approval.

The financial results/statements are prepared in accordance with the applicable provisions of the Companies Act, 2013, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and the Indian Accounting Standards (Ind AS). The Company follows consistent accounting policies, and management exercises reasonable and prudent judgment and estimates, ensuring the financial statements present a true and fair view of the Company's financial position.

The statements are prepared on a going concern basis, and the Company maintains adequate internal financial controls to support the integrity of financial reporting.

The Committee has reviewed and discussed the financial results/statements with the **Statutory Auditors**, and relied upon their reports, as well as the financial expertise and representations made by the management, while applying its own judgment.

The Committee is of the opinion that the financial results/statements **accurately reflect** the state of affairs of the Company and are in compliance with the applicable financial reporting framework.

- **Details of Establishment of Vigil Mechanism for Directors and Employees**

The Company has established a Vigil Mechanism and Whistle Blower Policy to promote transparency, integrity, and accountability in its operations. This policy reflects the Company's commitment to conducting its affairs in a fair and transparent manner, upholding the highest standards of professionalism, honesty, ethical conduct, and integrity.

The policy is applicable to all permanent employees of the Company and provides a structured framework for reporting concerns related to unethical behaviour, actual or suspected fraud, and violations of the Company's Code of Conduct and Ethics.

A formal mechanism has been put in place to enable employees to raise such concerns without fear of retaliation. The policy includes adequate safeguards against victimization of whistle blowers and provides for direct access to the Chairperson of the Audit Committee in exceptional circumstances.

During the financial year 2024-25, no whistle blower complaints were received against any Promoter, Director, or employee of the Company. The Vigil Mechanism and Whistle Blower Policy is available on the Company's website for reference at <https://aartechsolonics.com/docs/disclosures/policies/vigil-mechanism-policy.pdf>.

- **Related Party Transactions:**

During the financial year, the Audit Committee undertook the following with respect to related party transactions (RPTs):

- (i) Approved all related party transactions, in accordance with the Company's Policy on Related Party Transactions ('RPT Policy') and
- (ii) Reviewed related party transactions on a quarterly basis. A majority of these transactions were entered into between the Company and its subsidiaries and/or associate entities.

The Committee confirmed that all such transactions:

- (a) Were undertaken in the ordinary course of business, and
- (b) Were conducted on an arm's length basis, in line with the terms and conditions approved by the Audit Committee.

The related party transactions were approved by only those members of the Committee, who were independent directors.

There were no material related party transactions during the year under review. In line with regulatory updates and to incorporate industry best practices, the RPT Policy was **revised and updated** during the year. The updated Policy

is available on the Company's website <https://aartechsolonics.com/docs/disclosures/policies/policy-on-dealing-with-related-party-transactions.pdf>.

- **Utilization of loans and capital contributions:**

To ensure adequate internal controls and financial discipline, the Audit Committee reviewed the utilization of capital contributions and loans extended by the Company and its subsidiaries during the financial year.

The Company provided term loans exclusively to its wholly owned subsidiaries, primarily to meet their working capital requirements. Interest on these loans was duly charged and received on a timely basis, in accordance with the agreed terms.

The Committee confirmed that the funds were utilized strictly for the intended purposes for which they were disbursed.

Further, no loans or advances were granted to any Director, Key Managerial Personnel (KMP), or any entities in which such Directors or KMPs have an interest, except to wholly owned subsidiary companies in the normal course of business..

#### **4. NOMINATION AND REMUNERATION COMMITTEE;**

The **Nomination and Remuneration Committee ("NRC")** has been constituted in accordance with the provisions of Section 178(1) of the Companies Act, 2013 and Regulation 19 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The Committee is responsible for identifying and recommending individuals for appointment as Directors, Key Managerial Personnel (KMPs), and Senior Management Personnel, as well as reviewing and approving their remuneration. The Nomination and Remuneration Policy has been formulated in line with applicable laws and best corporate governance practices.

The Chairperson of the Committee is an Independent Director, ensuring an unbiased and transparent decision-making process.

- **Composition of Nomination & Remuneration Committee**

The Nomination & Remuneration Committee comprises Four (4) Directors, out of which, three (3) are Non-Executive Independent Directors and one (1) is Non-independent Non-executive Director.

The constitution of the Nomination & Remuneration Committee as on 31st March 2025 is as follows:

<b>Sr. no.</b>	<b>Name of the Members as on the end of the year</b>	<b>DIN</b>	<b>Designation</b>	<b>Executive/Non-Executive Independent/ Non-Independent</b>
1	Kshitij Negi	09046425	Chairman	Non-Executive Independent Director
2	Prashant Dattatray Lowlekar	08041377	Member	Non-Executive Independent Director

3	Anil Anant Raje	01658167	Member	Non-Executive Non-Independent Director
4	Supriya Sunil Chitre*	09237218	Member	Non-Executive Independent Director

*\*Ms. Supriya Sunil Chitre (DIN: 09237218), Non-Executive Independent Director, was inducted as a member of the Audit Committee at the first meeting of the Board of Directors for the financial year 2024-25, held on 30th May 2024. Consequently, the Audit Committee of the Company was reconstituted with effect from 30th May 2024.*

• **The term of reference of Nomination and Remuneration Committee Inter-alia, includes the following**

- 1) To formulate criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- 2) Recommend to board directors a policy relating to, the remuneration of directors, key managerial personnel, and other employees;
- 3) Evaluation of the balance of skills, knowledge, and experience on the Board for every appointment of an independent director and based on such evaluation, to prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified.
- 4) To identify persons who are qualified to become Directors and who may be appointed in Senior Management in accordance with the criteria laid down in this policy.
- 5) To evaluate and recommend salary, allowances, perquisites, bonuses, severance fees, increment and other benefits of Executive Directors;
- 6) To formulate criteria for evaluation of performance of independent directors and the board of directors.
- 7) To recommend to the Board the appointment and removal of Directors and Senior Management.
- 8) To devise a policy on Board diversity, composition, size.
- 9) Succession planning for replacing Key Executives and overseeing.
- 10) Whether to extend or continue the terms of appointment of the independent director, based on the report of performance evaluation of independent directors;
- 11) To recommend to the board, all remuneration, in whatever form, payable to senior management.
- 12) To carry out any other function as is mandated by the Board from time to time and / or enforced by any statutory notification, amendment, or modification, as may be applicable.
- 13) To perform such other functions as may be necessary or appropriate for the performance of its duties.

- **Definition**

- **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-Tax Act, 1961;
- **“Key Managerial Personnel”** means:
  - a. Managing Director, or Chief Executive Officer or Manager and in their absence, a Whole-time Director;
  - b. Chief Financial Officer;
  - c. Company Secretary; and
  - d. Such other officer as may be prescribed.
- **“Senior Managerial Personnel”** mean the personnel of the company who are members of its core management team excluding Board of Directors. Normally, this would comprise all members of management, of rank equivalent to General Manager and above, including all functional heads.

**Pursuant to Listing Regulations following personnel are Senior Management (including KMPs) of the Company as on 31st March, 2025:**

Name	Designation	Any Change during the Year and Nature of Change
Mr. Amit Anil Raje	Chairman & Managing Director	No change
Mrs. Arati Nath	Chief Executive Officer	No change
Mr. Pradeep Vasant Narkhede	Chief Financial Officer	No change
CS K R Tanuj Reddy	Company Secretary & Compliance Officer	No change
Mr. Syed Sohail Hussain	Chief Experience Officer	No change
Mr. Debasis Barik	Chief Revenue Officer	No change
Mr. Shailendra Singh Raghuvanshi	Chief Operating Officer	No change
Mr. Vivek Attri	Chief Marketing Officer	No change

- **Meeting and Attendance**

During the financial year ended March 31, 2025, the Nomination & Remuneration Committee Meetings held 5 (Five) on 30<sup>th</sup> May, 2024, 20<sup>th</sup> June, 2024, 14<sup>th</sup> August, 2024, 05<sup>th</sup> September, 2024 and 14<sup>th</sup> November, 2024. The meetings were conducted in compliance with the applicable provisions, and the requisite quorum was present at all meetings.

The minutes of the Committee meetings were placed before the Board of Directors and were duly noted. Further, during the year under review, all recommendations made by the Committee, wherever applicable, were accepted by the Board..

The attendance at the Nomination and Remuneration Committee Meetings are as under:

Sr. No	Name of Directors/ Members	Designation	Categories	Number of meetings	
				Held	Attended
1	Kshitij Negi	Chairman	Non-Executive Independent Director	5	5

2	Prashant Dattatray Lowlekar	Member	Non-Executive Independent Director	5	5
3	Anil Anant Raje	Member	Non-Executive Non-Independent Director	5	5
4	Supriya Sunil Chitre	Member	Non-Executive Independent Director	5	4*

\*Appointed as the member of the Nomination and Remuneration Committee, as approved in the Board meeting held on 30th May, 2024.

#### • Performance evaluation criteria for Directors

The Nomination and Remuneration Committee has laid down a comprehensive framework for evaluating the performance of the Board of Directors, the Chairman, its committees, and the Independent Directors of the Company. The evaluation criteria include parameters such as contribution to the Board and Committee deliberations, Attendance, active participation, strategic inputs and decision-making capability, domain knowledge and expertise, adherence to ethical standards and corporate governance norms. These parameters are considered during the performance evaluation process by the Nomination and Remuneration Committee and/or the Board.

In compliance with the provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, and Section 134 of the Companies Act, 2013, a structured performance evaluation was conducted out for the financial year 2024–25. This evaluation covered the Board as a whole, the Chairman of the Board, Various Board Committees, and Individual Directors, including Independent Directors.

The evaluation was conducted by the Directors through a formal process, focusing on the overall performance, contribution, and effectiveness of the Board and its members. Importantly, Directors subject to evaluation did not participate in their own assessment.

A separate meeting of the Independent Directors was held on **11th December 2024**, in accordance with regulatory requirements. At this meeting, the Independent Directors conducted their own evaluation and submitted a report to the Nomination and Remuneration Committee. The report highlighted the strengths of the Company's governance practices and affirmed compliance with applicable legal and regulatory standards.

The Board of Directors expressed satisfaction with the evaluation process and its outcomes. The evaluation results reflected a high level of engagement and effectiveness of the Board and its Committees in discharging their responsibilities.

The Nomination and Remuneration Policy, as recommended by the Committee, has been formally adopted by the Board. The Policy is available on the Company's website at the following weblink: <https://aartechsolonics.com/docs/disclosures/policies/nomination-remuneration-policy.pdf>.

## 5. STAKEHOLDERS' RELATIONSHIP COMMITTEE

In compliance with the provisions of Section 178 of the Companies Act, 2013, and Regulation 20 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has constituted a Stakeholders' Relationship Committee (formerly known as the Shareholders Relationship Committee). The scope and responsibilities of the Committee have been defined by the Board.

The primary objective of the Committee is to oversee and ensure the prompt and effective redressal of shareholders' and investors' grievances. The Committee is entrusted with handling various matters including transfer/transmission of shares, non-receipt of annual reports, non-receipt of declared dividends, payment of unclaimed dividends, and other shareholder related concerns and service requests.

In addition to grievance redressal, the Committee also reviewed initiatives aimed at enhancing investor services and strengthening shareholder engagement.

The Board of Directors was regularly updated on significant investor-related matters through periodic reports and statements submitted by the Committee during the financial year.

- **Composition of Stakeholder Relationship Committee**

The Stakeholder Relationship Committee comprises of Four (4) Directors, out of which, three (3) are Non-Executive Independent Directors and one (1) is Executive Non-independent Director.

The constitution of the Stakeholder Relationship Committee as on 31st March 2025 is as follows:

Sr. no.	Name of the Members as on the end of the year	DIN	Designation	Executive/Non-Executive Independent/ Non-Independent
1	Prashant Dattatray Lowlekar	08041377	Chairman	Non-Executive Independent Director
2	Kshitij Negi	09046425	Member	Non-Executive Independent Director
3	Amit Anil Raje	00282385	Member	Executive Non-Independent Director
4	Supriya Sunil Chitre	09237218	Member	Non-Executive Independent Director

*\* Ms. Supriya Sunil Chitre (DIN: 09237218), non-executive Independent Director was introduced as a member of the Committee in the first Board meeting of the company for the current financial year 2024-25, held on 30th May, 2024, resulting in reconstitution of Audit Committee of the company with effect from 30th May, 2024.*

- **The brief terms of reference of Stakeholders Relationship Committee are as under:**

- 1) Allotment, transfer of shares including transmission, splitting of shares, changing joint holding into single holding and vice versa, issue of duplicate shares in lieu of those torn, destroyed, lost or defaced or where the cages in the reverse for recording transfers have been fully utilized;
- 2) Issue of duplicate certificates and new certificates on split/consolidation/ renewal, etc.; and
- 3) Efficient transfer of shares; including review of cases for refusal of transfer / transmission of shares and debentures;
- 4) Review the process and mechanism of redressal of Shareholders/Investors grievance and suggest measures of improving the system of redressal of Shareholders/ Investors grievances;
- 5) Allotment and listing of shares;
- 6) Review of cases for refusal of transfer / transmission of shares and debentures;



- 7) Reference to statutory and regulatory authorities regarding investor grievances;
- 8) And to otherwise ensure proper and timely attendance and Redressal of investor queries and grievances.
- 9) Review of measures taken for effective exercise of voting rights by the shareholder.
- 10) Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- 11) Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants / Annual Reports / statutory notices by the shareholders of the company.

The chairperson of Stakeholder Relationship Committee is required be present at the AGM to answer the queries of the entire securities holder.

• **Meeting and Attendance:**

During the financial year ended March 31, 2025, the Stakeholder Relationship Committee held 4 (Four) Meetings on 30<sup>th</sup> May, 2024, 14<sup>th</sup> August, 2024, 05<sup>th</sup> September, 2024 and 14<sup>th</sup> November, 2024. The meetings were conducted in accordance with applicable regulatory requirements, and the requisite quorum was present at all meetings.

The minutes of the Committee meetings were placed before the Board of Directors and duly noted. During the year under review, all recommendations made by the Committee, wherever statutorily required, were accepted by the Board.

The attendance at the Stakeholder Relationship Committee Meetings are as under:

Sr. No.	Name of Directors/ Members	Designation	Categories	Number of meetings	
				Held	Attended
1	Kshitij Negi	Chairman	Non-Executive Independent Director	4	4
2	Amit Anil Raje	Member	Executive Non-Independent Director	4	4
3	Anil Anant Raje	Member	Non-Executive Non-Independent Director	4	4
4	Supriya Sunil Chitre	Member	Non-Executive Independent Director	4	3*

\* Appointed as the member of the Stakeholder Relationship Committee, as approved in the Board meeting held on 30<sup>th</sup> May, 2024.

• **Details of Investor's requests/complaints Report for the period 01st April, 2024 to 31st March, 2025:**

The details of requests/ complaints received /solved/pending during the year 2024-25 are as under:

Sr.	Nature of Requests/Complaints	Opening	Complaints	Total	Redressed	Pending
-----	-------------------------------	---------	------------	-------	-----------	---------

No.		balance	Received			
1	Delay in transfer of shares	-	-	-	-	-
2	Delay/ non receipt of Annual Reports	-	-	-	-	-
3	Delay/ non-receipts in issue of duplicate shares	-	-	-	-	-
4	Delay/ non-updating of clients information in record	-	-	-	-	-
5	Non-receipt of shares/ dividends/rights/bonus shares	-	-	-	-	-
6	Any other requests/ complaints	-	-	-	-	-
<b>NIL COMPLAINTS RECEIVED</b>						

The members may contact the Company Secretary of the Company for their queries, if any, at the contact details provided hereinbelow:

**Compliance Officer:**

<b>Name</b>	K R Tanuj Reddy
<b>Address</b>	E-2/57, "Ashirvad" Arera Colony, Bhopal (M.P.) 4562016
<b>Tele. No.</b>	+917389924734
<b>E-mail ID</b>	<a href="mailto:compliance@aartechsolonics.com">compliance@aartechsolonics.com</a>
<b>Fax No.</b>	-

**5A. RISK MANAGEMENT COMMITTEE**

During the year under review, the provisions relating to the Risk Management Committee were not applicable to the Company.

**5B: CORPORATE SOCIAL RESPONSIBILITY COMMITTEE**

During the year under review, the provisions relating to the Corporate Social Responsibility Committee were not applicable to the Company.

**6. REMUNERATION OF DIRECTORS;**
**a) Pecuniary Relationship or transactions of the Non-Executive Directors vis-à-vis the Company;**

The Company has no pecuniary relationship or transactions with its Non-Executive Directors and Independent Directors, except for the payment of sitting fees. These sitting fees are paid to the Non-Executive Directors and Independent Directors for attending Board and Committee meetings, as approved by the Board, in recognition of their valuable services to the Company. The sitting fees paid to Non-Executive Directors and Independent Directors are within the limits prescribed under the Companies Act, 2013.

The details of sitting fees paid to the Non-Executive Director and Independent Directors during the Financial Year 2024-25 are given below:

<b>(Amount in ₹)</b>			
Sr No.	Name of Director	Designation	Total Gross Sitting Fees paid

1	Anil Anant Raje*	Non-Executive Director	15,000/-
2	Prashant Dattatray Lowlekar	Non-executive Independent Director	1,05,000/-
3	Kshitij Negi	Non-executive Independent Director	75,000/-
4	Supriya Sunil Chitre	Non-executive Independent Director	60,000/-
<b>Total</b>			<b>2,55,000/-</b>

\*During the year, the Company has paid following amounts to Mr. Anil Anant Raje (Promoter of the Company) in the normal course of business and on an arm's length basis: (i) Rs. 30.00 Lakhs for technical services consultancy and (ii) Rs. 18.00 Lakhs for rent of the head office.

**b) Criteria for making payments to Non-Executive Directors;**

The criteria for making payments to Non-Executive Directors have been approved by the Nomination and Remuneration Committee and the Board of Directors of the Company. These criteria are aligned with applicable legal and regulatory requirements and are designed to fairly compensate Non-Executive Directors for their contributions and services.

The detailed **criteria and policy** are available on the Company's website at the following weblink viz. <https://aartechsolonics.com/docs/disclosures/policies/criteria-of-making-payments-to-non-executive-directors.pdf>.

**c) Disclosure with respect to remuneration paid to the Executive Directors and Key Managerial Personnel (KMPs) of the Company during the Financial Year 2024-25:**

During the year under review, the Company has paid remuneration to Executive Directors and KMP's of the Company, details of which are as under;

<b>(Amount ₹ in Lakh)</b>				
<b>Name of Director</b>	<b>Amit Anil Raje</b>	<b>Arati Nath</b>	<b>Pradeep Narkhede</b>	<b>Vasant K R Tanuj Reddy</b>
<b>Designation</b>	Chairman & Managing Director	CEO & Director	Chief Financial Officer	Company Secretary & Compliance Officer
<b>Salary</b>	34.50	32.43	13.20	9.12
<b>Benefits/Perquisites/ Allowances</b>	-	-	-	-
<b>Commission</b>	-	-	-	-
<b>Bonus/ Incentives</b>	2.82	3.07	2.48	1.00
<b>Sweat Equity</b>	-	-	-	-
<b>Total</b>	<b>37.32</b>	<b>35.50</b>	<b>15.68</b>	<b>10.12</b>

The remuneration of the Directors is decided by the Nomination and Remuneration Committee based on the performance of the Company in accordance with the Nomination and Remuneration Policy within the limit approved by the Board or Members.

**d) Stock Option Details;**

During the year under review, the Company did not grant any stock options to any of its Directors.

## 7. GENERAL BODY MEETINGS:

### A. Annual General Meeting

All Annual General Meetings (AGMs) of the Company have been held within the stipulated time mentioned in the Companies Act, 2013. The details of Annual General Meetings held during the last three years are as follows:

Sr. no.	Financial Year	Day and Date	Mode and location of the meeting	Time	Special Resolution(s) Passed
1	2023-24	Monday, 30.09.2024	Video Conferencing / Other Audio Visual Means (VC)	11:00 A.M.	2
2	2022-23	September, 30.09.2023	Video Conferencing / Other Audio Visual Means (VC)	12:00 Noon	2
3	2021-22	Friday, 09.09.2022	Physical: At Registered office of the Company	04:00 P.M.	2

#### • Special Resolutions passed in previous three Annual General Meetings:

Date of Annual General Meeting	Meeting	Particulars of Special Resolutions passed
30.09.2024	42 <sup>nd</sup> AGM	<ul style="list-style-type: none"> <li>To consider and approve re-appointment of Mr. Amit Anil Raje as the Chairman and Managing Director of the Company for a period of 5 (Five) years.</li> <li>To consider and approve re-appointment of Mrs. Arati Nath as the Chief Executive Officer ("CEO") of the Company for a period of 5 (Five) years.</li> </ul>
30.09.2023	41 <sup>st</sup> AGM	<ul style="list-style-type: none"> <li>To authorize the board of directors of the Company to enhance the limit for creation of mortgage/charge on all or any of the movable or immovable properties of the company up to the limit of ₹ 40 crores.</li> <li>To Authorize board of directors of the Company to borrow money in excess of the paid-up capital and free reserves of the company upto the limit of ₹ 40 crores.</li> </ul>
09.09.2022	40 <sup>th</sup> AGM	<ul style="list-style-type: none"> <li>Fixation of remuneration of Mr. Amit Anil Raje, Managing Director of the Company</li> <li>Fixation of remuneration of Mrs. Arati Nath, CEO &amp; Director of the Company</li> </ul>

### B. Details of Extra-Ordinary General Meetings/ Postal Ballot held during the year under review;

During the year under review, no Extra Ordinary General Meetings were held by the Company.

#### • Details of Postal Ballot are as under:

Date of Meeting	Details of postal ballot
26.07.2024	<ul style="list-style-type: none"> <li>To approve Sub-division/Split of Equity Share of the Company from face value of Rs. 10/- each to face value of Rs. 5/- each</li> </ul>

	<ul style="list-style-type: none"> <li>To approve increase in Authorized Share Capital of the Company and consequent amendment in Memorandum of Association of the Company</li> <li>To approve issue of Equity Shares through Bonus Issue</li> <li>To approve Material Related Party Transaction(s) to be entered into with the Related Parties for the Financial Year 2024-25</li> <li>To approve authorization to the Board of Directors of the company to advance any loan or give any guarantee or provide any security in connection with loan availed by any of the Company's Subsidiary(ies) or any other person specified under section 185 of the Companies Act, 2013, up to an aggregate limit of Rs. 10 crores</li> </ul>
--	--

• **Proceeding of Postal Ballot are as under:**

Summary of the Result of Postal Ballot/ E-voting as per Scrutinizer's Report prepared and signed by M/s APVN & Associates dated 26th July, 2024:

Particulars	Agenda(s)				
	Ordinary Resolution	Special Resolution	Ordinary Resolution	Ordinary Resolution	Special Resolution
	To approve Sub-division/ Split of equity share of the Company from face value of Rs. 10/- each to face value of Rs. 5/- each	To approve increase in Authorized Share Capital of the Company and consequent amendment in Memorandum of Association of the Company	To approve issuance of equity share capital by way of Bonus Issue	To approve Material Related Party Transaction(s) to be entered into with the related parties for the Financial Year 2024-25	To approve authorization to the Board of directors of the Company to advance any loan or give any guarantee or provide any security in connection with loan availed by any of the Company's Subsidiary(ies) or any other person specified under Section 185 of the Companies Act, 2013 up to an aggregate limit of Rs. 10 Crores
<b>No. of Votes Polled</b>	66,15,692	66,15,692	66,15,692	66,15,692	66,15,692
<b>No. of Votes in Favour</b>	66,15,692	66,15,692	66,15,692	66,15,632	66,15,632
<b>% of Votes in Favour on votes polled</b>	100%	100%	100%	99.99%	99.99%
<b>No. of Votes Against</b>	-			60	60
<b>% of Votes Against</b>	-			0.01%	0.01%

<b>No. of Invalid Votes</b>	-			-	-
-----------------------------	---	--	--	---	---

All the resolutions were passed through requisite majority, as applicable under the Companies Act, 2013 and rules thereunder.

## 8. MEANS OF COMMUNICATION

The Company ensures transparent and timely communication with its stakeholders through established procedures and multiple channels, as outlined below:

### a) Financial Results;

The quarterly, half-yearly and annual financial results are published in widely circulated national and local daily newspapers, including “The Pioneer” in English and “Dainik Bhawani Darpan” in Hindi language, within forty-eight hours of the conclusion of the Board meeting at which the financial results are approved. These publications include a Quick Response (QR) code and details of the webpage where the complete financial results are accessible to investors.

### b) Website;

The Company's website [www.aartechsolonics.com](http://www.aartechsolonics.com) features a dedicated “Investors Relations” section that provides comprehensive shareholder information. The Annual Report is also available on the website of the Company in a downloadable format for ease of access.

### c) Investor Meet/ Presentation and Press Release;

During the financial year under review, the Company uploaded press releases on the websites of the stock exchanges and the website of the company, as and when required. Apart from these disclosures, no other investor meets/ presentations, or press releases were conducted.

### d) Disclosures to Stock Exchanges

The Company complies with all regulatory disclosure requirements by electronically filing quarterly results, shareholding patterns, compliance reports, Corporate Governance Reports, price-sensitive information, and other corporate communications with the stock exchanges—namely BSE Limited and National Stock Exchange of India Limited. These filings are made through the BSE Listing Centre and NSE NEAPS portals.

### Framework for handling and monitoring Investor Complaints

Shareholders are requested to approach the Company's RTA directly at the first instance for any grievances. If the RTA/Company fails to resolve the grievance within the stipulated timeline, or if the shareholder is not satisfied with the response, they may approach SEBI and file the grievance through SCORES at <https://scores.sebi.gov.in> - a centralized online system for lodging and tracking complaints where all actions are processed electronically.

The Company is registered on SCORES and endeavours to resolve the investor complaints received through SCORES. Further, SEBI has introduced a common ODR (Online Dispute Resolution) portal at <https://smartodr.in> to streamline the dispute resolution mechanism under the aegis of stock exchanges and depositories. The portal facilitates online conciliation and arbitration for disputes between investors and listed companies (including their RTAs).

It may be noted that in case the investor files a dispute on the ODR portal while the complaint is pending on SCORES, the complaint shall automatically be treated as disposed on SCORES.

In compliance with SEBI Listing Regulations and to better serve investors, the Company has also designated an e-mail ID: [compliance@aartechsolonics.com](mailto:compliance@aartechsolonics.com). This e-mail is monitored by the in-house Corporate Secretarial team to address grievances, requests, or complaints raised by investors. For more details, investors may access the following link: <https://aartechsolonics.com/investors/contact-and-grievance>.

#### **e) E-mail Communication**

In accordance with the provisions of Section 20 and 136 of the Companies Act, 2013, read with the Companies (Accounts) Rules, 2014, the Company, during the year under review, disseminated various statutory communications electronically.

These included, inter alia, the Notice convening the General Meeting, Audited Financial Statements, the Board's Report, and other related documents. The communications were sent to the registered email addresses of the Members, as made available to the Company by the Depository Participants, Registrar and Transfer Agent (RTA), or the Depositories.

This initiative is part of the Company's ongoing efforts to promote green initiatives, ensure prompt communication, and comply with applicable regulatory provisions.

#### **f) Exclusive E-mail ID for Investors**

The Company has [compliance@aartechsolonics.com](mailto:compliance@aartechsolonics.com) as the designated email ID exclusively for Investors / Members servicing.

### **9. GENERAL SHAREHOLDERS INFORMATION**

#### **A. Information on Annual General Meeting for the Financial Year 2024-25**

<b>Matter of AGM</b>	<b>Time Lines</b>	<b>Day</b>	<b>Time</b>
<b>AGM Date</b>	30 <sup>th</sup> September, 2025	Tuesday	11:00 A.M
<b>Venue</b>	Meeting be conducted through Video Conferencing ("VC") or Other Audio Visual Means ("OAVM")		
<b>Financial year</b>	01 <sup>st</sup> April, 2024 – 31 <sup>st</sup> March, 2025	-	-
<b>Date of Book closure for Dividend purpose</b>	Wednesday, 24 <sup>th</sup> September, 2025 – Tuesday, 30 <sup>th</sup> September, 2025 (both day inclusive)	-	-



<b>Cut-off date to determine list of members entitled to receive Notice of AGM and Annual Report</b>	29 <sup>th</sup> August, 2025	Friday	-
<b>Date of dispatch of notice of AGM and Annual Report</b>	05 <sup>th</sup> September, 2025	Friday	-
<b>Cut-off date to determine list of members entitled for e-voting</b>	23 <sup>rd</sup> September, 2025	Tuesday	-
<b>Cut-off/record date to determine list of members entitled to receive final dividend</b>	23 <sup>rd</sup> September, 2025	Tuesday	-
<b>Payment of Dividend to the shareholders</b>	Between 30 <sup>th</sup> September, 2025 to 29 <sup>th</sup> October, 2025	-	-
<b>Remote E-voting period commences on</b>	27 <sup>th</sup> September, 2025	Saturday	09:00 A.M. IST
<b>Remote E-voting period end on</b>	29 <sup>th</sup> September, 2025	Monday	05:00 P.M. IST

## B. Dividend

The Board of Directors at their Meeting held on September 05, 2025, has recommended a final dividend at the rate of 5% [i.e., Re. 0.125/- per Equity Share of face value of Rs. 5/- each] on the equity shares of the Company for the financial year 2024-25, subject to the approval of shareholders at the ensuing Annual General Meeting and subject to TDS as may be applicable. The dividend will be paid to those members whose names appear in the Company's register of members and to those persons whose names appear as beneficial owners as per the details to be furnished by National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited as on the date of book closure dates /cut off date i.e. Tuesday, September 23, 2025 and shall be paid within the period of 30 days from the date of declaration at the Annual General Meeting.

## C. Dividend History

<b>Financial Year of Declaration of Dividend</b>	<b>Date of Declaration of Dividend</b>	<b>Amount declared per equity share (In Rs.)</b>	<b>Amount of Unpaid/unclaimed Dividend</b>
2019-20	24.09.2020	*0.50 paise	2,0785.50
2020-21	29.09.2021	*0.50 paise	7,214.00
2021-22	09.09.2022	*0.50 paise	5,999.00
2022-23	30.09.2023	*0.50 paise	1,70,674.00
2023-24	30.09.2024	**0.25 paise	17,351.25

\* Paid-up value of Rs. 10/- per share

\*\* Paid-up value of Rs. 5/- per share

The dividend history is also uploaded on the website of the Company and is accessible through this link [https://aartechsolonics.com/docs/shareholders-information/transfer-of-shares-in-demat mode/Dividend-History.pdf](https://aartechsolonics.com/docs/shareholders-information/transfer-of-shares-in-demat-mode/Dividend-History.pdf).

- **Due dates for transfer of Unclaimed/ Unpaid Dividend to IEPF (Investors Education and Protection Fund)**

Pursuant to Section 124(5) & (6) of the Companies Act, 2013, except as mentioned below, the Company do not have any unclaimed or unpaid dividends as well as resulting shares there on for a period exceeding 7 years, liable to be transferred to the Investors Education and Protection Fund:

Financial year ended	Declaration Date	Due Date
2019-20	24 <sup>th</sup> September, 2020	23 <sup>rd</sup> September, 2027
2020-21	29 <sup>th</sup> September, 2021	28 <sup>th</sup> September, 2028
2021-22	09 <sup>th</sup> September, 2022	08 <sup>th</sup> September, 2029
2022-23	30 <sup>th</sup> September, 2023	29 <sup>th</sup> September, 2030
2023-24	30 <sup>th</sup> September, 2024	29 <sup>th</sup> September, 2031

**D. Listing on Stock Exchanges and Stock code/ Symbols**

Name of Stock Exchanges	BSE Limited	National Stock Exchange of India Limited
Address	P.J. Towers, Dalal Street, Fort, Mumbai – 400 001	Exchange Plaza, C-1, Block-G, Bandra Kurla Complex, Bandra (E), Mumbai – 400 051
Equity Share/ Debenture	Equity Shares	
Scrip Code	542580	AARTECH
ISIN	INE01C001026 w.e.f. 09/08/2024	INE01C001026 w.e.f. 09/08/2024

**E. Annual Listing fees for the Financial Year 2024-25**

The Company has paid the annual Listing fees for the financial year 2024-25 to BSE Limited and National Stock Exchange of India Limited.

**F. Securities Suspension**

During the year under review, no securities of the Company were suspended from trading on any stock exchange. Accordingly, no further report or explanation from the Board of Directors is required in this regard.

**G. Registrar to an Issue and Share Transfer Agent**

<b>Name</b>	Bigshare Services Private Limited
<b>Address</b>	Office No S6-2 6th Floor Pinnacle Business Park, Mahakali Caves Rd next to Ahura Centre Andheri East Mumbai- 400093
<b>Email</b>	info@bigshareonline.com

During the year, there has been no change in the details of Registrar to an issue and Share Transfer Agent of the company.

**Note:** - Shareholder can lodge their complaints, Request and Suggestions to Registrar and Share Transfer Agent at above mentioned address.

**H. Share transfer systems;**

During the financial year 2024-25, no transfers of shares in physical form were processed by the Company's Registrar & Transfer Agent (RTA).

For shares held in electronic (dematerialized) form, all transfer requests are processed seamlessly through the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) through respective Depository Participants (DPs).

The Company has obtained a certificate from a Practicing Company Secretary confirming compliance with Regulation 40(9) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The certificate has been submitted to the stock exchanges within the prescribed timeline.

Additionally, in compliance with Regulation 7(3) of the SEBI (LODR) Regulations, 2015, the Company has filed a compliance certificate jointly signed by the Compliance Officer of the Company and the Authorized Representative of the RTA with the stock exchanges.

Share transactions are simpler, faster, and more secure in dematerialized form. After confirming a sale or purchase transaction with their broker, shareholders are advised to contact their Depository Participant (DP) to initiate the debit or credit of their demat account. The DP processes the transaction electronically — there is no requirement to inform the Company separately for registering such transfers.

All correspondence regarding share certificates, change of address, dividend related queries, other shareholder services etc. should be addressed to the Company's RTA i.e. Bigshare Services Private Limited.

Pursuant to the SEBI notification dated June 8, 2018, and effective from April 1, 2019, transfers of shares held in physical form have been prohibited, and only dematerialized transfers are permitted for listed companies.

Members still holding shares in physical form are strongly encouraged to convert their holdings to dematerialized form for ease of trading and to comply with regulatory requirements.

Further, as per the SEBI circular dated January 25, 2022, the Company shall process all service requests — including issuance of duplicate share certificates, renewal/exchange, endorsement, subdivision/splitting, consolidation, transmission, and transposition — only in dematerialized form.

### **Nomination**

Individual shareholders holding shares singly or jointly in physical form are entitled to nominate a person in whose name the shares shall vest in the event of the death of the registered shareholder(s).

For shares held in electronic (dematerialized) form, the nomination facility is also available and can be availed through the respective Depository Participants (DPs), in accordance with the bye-laws and business rules of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL).

Shareholders wishing to make or update a nomination for their physical holdings may obtain the prescribed nomination form from the Company's Registrar and Share Transfer Agent Bigshare Services Private Limited.

It is strongly recommended that shareholders avail of the nomination facility to ensure smooth transmission of shares and avoid legal complications for their legal heirs.

### **Electronic Clearing Service (ECS)**

The Securities and Exchange Board of India (SEBI) has mandated that all listed companies utilize the bank account details provided by the Depositories for the purpose of dividend payments.

Accordingly, the Company credits the dividend amount directly to the member's bank account through ECS (Electronic Clearing Service).

In cases where such banking details are not available, the Company issues dividend warrants/demand drafts, which are sent to the registered address of the member. These instruments bear the bank account details available in the Company's records, ensuring that they can be deposited only into the specified account. This mechanism enhances security by minimizing the risk of misuse in the event of loss or theft.

This practice ensures compliance with SEBI's guidelines on ECS and promotes faster, safer, and more efficient dividend disbursement for shareholders.

### **I. Reconciliation of Share Capital Audit Report**

In accordance with the requirements stipulated by the Securities and Exchange Board of India (SEBI), the Company conducts a Reconciliation of Share Capital Audit on a quarterly basis.

This audit is carried out by a qualified Practicing Company Secretary, who reconciles the total issued and listed capital of the Company with the aggregate of:

- The shares held in dematerialized form with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), and
- The shares held in physical form.

The audit report is submitted every quarter to the stock exchanges where the Company's equity shares are listed. The report confirms that the total issued, paid-up, and listed share capital is in agreement with the total number of shares held in dematerialized and physical form.

This process ensures transparency, accuracy, and regulatory compliance with respect to the Company's share capital.

### **J. Distribution of Shareholding as on 31<sup>st</sup> March, 2025**

Shareholding of Nominal (in Rs.)	Number of Shareholders	% of Total Shareholders	Share Amount (in Rs.)	% of Total Share Capital held
1 to 5000	13576	93.1585	11424840	7.1922
5001 to 10000	518	3.5545	3814055	2.4010

10001 to 20000	236	1.6194	3435230	2.1625
20001 to 30000	88	0.6039	2207665	1.3898
30001 to 40000	30	0.2059	1049990	0.6610
40001-50000	26	0.1784	1222540	0.7696
50001- 100000	48	0.3294	3422820	2.1547
100001- *****	51	0.3500	132274735	83.2692
<b>Total</b>	<b>14573</b>	<b>100.00</b>	<b>158851875</b>	<b>100</b>

**K. Categories of Shareholding as on 31<sup>st</sup> March, 2025**

	Category of Shareholders	Nos. of shareholders	Total nos. shares held	Shareholding %	Number of equity shares held in dematerialized
Promoter & Promoter Group	Individuals/Hindu undivided Family	3	15917497	50.1	15917497
	Any Other	2	831702	2.62	831702
Public	Alternate Investment Funds	1	531507	1.67	531507
	Foreign Portfolio Investors Category I	-			
	Key Managerial Personnel	1	32040	0.10	32040
	Resident Individuals holding nominal share capital up to Rs. 2 lakhs	13908	5220930	16.43	5185156
	Resident Individuals holding nominal share capital in excess of Rs. 2 lakhs	18	6592599	20.75	6592599
	Non-Resident Indians (NRIs)	159	411631	1.3	411631
	Bodies Corporate	35	1859309	5.85	1859309
	Any Other	446	373160	1.17	351724
<b>Total</b>		<b>14573</b>	<b>31770375</b>	<b>100.00</b>	<b>31713165</b>

**L. Dematerialization of Shares and Liquidity**

The Company's equity shares are actively traded on the Main Board of both BSE Limited and the National Stock Exchange of India Limited, providing liquidity to investors.

The International Securities Identification Number (ISIN) allotted to the Company's equity shares is INE01C001026, effective from 09<sup>th</sup> August, 2024.

The status of dematerialization of shares of the company as on 31<sup>st</sup> March, 2025 is as follows:

	As on 31 <sup>st</sup> March 2025	As on 31 <sup>st</sup> March 2024
Shares held in electronic form with NSDL	20660126	6523928
Shares held in electronic form with CDSL	11053039	4035792

Shares held in physical form	57210	30405
<b>Total</b>	<b>31770375</b>	<b>10590125</b>

#### **M. Outstanding GDRS/ ADRS/ Warrants/ any other Convertible Instruments**

The Company does not have any outstanding Global Depository Receipts (GDRs), American Depository Receipts (ADRs), warrants, or any other convertible instruments as on 31st March, 2025.

#### **N. Commodity Price Risk and Commodity Hedging Activities**

The Company does not engage in dealing with commodities and does not undertake any commodity hedging activities.

#### **O. Plant Locations**

The Company has two manufacturing plants, the addresses of which are as follows.

- Mandideep Manufacturing Unit:** 35-A/36 Sector-B, Industrial Area, Mandideep, District Raisen - 462046, Madhya Pradesh (M.P.) India
- Parwanoo Manufacturing Unit:** Khasra No. 290- 291- 292- 297- 300- 3 01- 901/ 287/ 2-288/ 2- 903/ 202/ 2, Near Him Cold Storage, Sector-01, Parwanoo, Distt. Solan, Himachal Pradesh (H.P.) 173220, India

#### **P. Address for Correspondence**

<b>Company</b>	<b>Registrar and Transfer Agent</b>
<b>Aartech Solonics Limited</b>  E-2/57 Ashirwad, Arera Colony Bhopal, Madhya Pradesh 462016  Email-ID:- <a href="mailto:compliance@aartechsolonics.com">compliance@aartechsolonics.com</a> Contact no. 7389924734	<b>Bigshare Services Private Limited</b>  Office No S6-2 6th Floor Pinnacle Business Park, Mahakali Caves Rd next to Ahura Centre Andheri East Mumbai- 400093  <a href="mailto:info@bigshareonline.com">info@bigshareonline.com</a>

#### **Q. Service of documents through physical mode**

As part of the Company's commitment to **Green Initiatives**, all relevant documents and communications are primarily sent to shareholders through electronic mode via our Registrar and Transfer Agent (RTA).

However, members who **wish to receive notices or other documents in physical form** may kindly submit their request by emailing the Company at [compliance@aartechsolonics.com](mailto:compliance@aartechsolonics.com).

The Company will ensure that such requests are processed promptly in accordance with regulatory requirements.

### **10. OTHER DISCLOSURES**

#### **A. Compliances with Governance Framework**

The Company is in compliance with all mandatory requirements under the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The compliance with nonmandatory requirements of the SEBI (LODR) Regulations, 2015 is reviewed by the Board from time to time.

## **B. Disclosure of transactions with Related parties**

All transactions entered into with Related Parties, as defined under the Companies Act, 2013 and Regulation 23 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, during the financial year 2024-25 were conducted in the ordinary course of business and on an arm's length basis. These transactions did not attract the provisions of Section 188 of the Act.

During the year under review, all Related Party Transactions (RPTs) were placed before the Audit Committee for approval, in accordance with Section 177 of the Act and Regulation 23 of the Listing Regulations.

A detailed statement disclosing transactions with Related Parties, as required under Indian Accounting Standard (Ind AS) 24, is provided separately in the Financial Statements.

There were no materially significant transactions or arrangements between the Company and its Promoters, Directors, their relatives, or the Management that could potentially conflict with the interests of the Company.

In accordance with **Regulation 23(1)** of the SEBI Listing Regulations, the Board of Directors reviews and updates the **Policy on Related Party Transactions** at least once every three years. The current policy was adopted on **July 10, 2023**, subsequent to the migration of the Company's shares from the SME Exchange of BSE Limited to the Main Board of BSE Limited and the National Stock Exchange of India Limited.

Further, in compliance with the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the updated Policy on dealing with Related Party Transactions is available on the Company's website at: <https://aartechsolonics.com/docs/disclosures/policies/policy-on-dealing-with-related-party-transactions.pdf>.

## **C. Details of Non-Compliance by the Company, penalties, and strictures imposed on the Company by Stock Exchanges or SEBI or any Statutory Authority, on any matter related to capital markets, during last three Financial Years**

The Company has complied with all applicable requirements of the Stock Exchanges, SEBI and other Statutory Authorities relating to the capital markets. There have been no instances of non-compliance, and no penalties or strictures have been imposed on the Company by the Stock Exchanges or SEBI during the last 3 (three) financial years except for the matter specified below:

1.	<b>Compliance Requirement (Regulations/circulars/guidelines including specific clause)</b>	Regulation 295(1) - The bonus issue shall be implemented (i.e., the commencement of trading) within two months from the date of the meeting of the Board of Directors of the Company wherein the decision to announce the bonus issue was taken subject to shareholders' approval.
----	--	--



<b>Regulation/ circular No.</b>	Regulation 295(1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018
<b>Deviations</b>	The bonus issue was not implemented (i.e., the commencement of trading) within the stipulated two-month period from the date of the meeting of the Board of Directors of the Company approving the bonus issue.
<b>Action taken by</b>	National Stock Exchange of India Limited (NSE) and BSE Limited (BSE)
<b>Type of Action</b>	Fine for Non-Compliance
<b>Details of Violations</b>	The Board of Directors approved the bonus issue on June 20, 2024. Trading of bonus shares was required to commence by August 19, 2024. However, trading commenced with a delay of 8 days, thereby violating Regulation 295(1).
<b>Fine Amount</b>	Rs. 188,800/- (Inclusive of GST of Rs. 28,800/-) by each Exchange - NSE & BSE
<b>Observations/remarks of the Practicing Secretary</b>	<p>The Company received notices from the National Stock Exchange of India Limited (NSE) vide email Ref: NSE/ LIST/ SOP/ 43600 dated August 26, 2024 and from BSE Limited (BSE) vide email Ref: LNCNPBDXX5925862 dated August 26, 2024 regarding the levy of a penalty of Rs. 188,800/- each (inclusive of GST of ₹28,800/-) for non-compliance with Regulation 295(1) of the SEBI (Issue of Capital and Disclosure Requirements) Regulations, 2018.</p> <p>The non-compliance pertained to a delay in the commencement of trading of bonus shares beyond the stipulated two-month period from the date of the Board's approval.</p> <p>The Company has duly rectified the default by remitting the penalty amounts to both stock exchanges, thereby ensuring compliance and closure of the matter.</p>
<b>Management Response</b>	The Company has duly made good the default by remitting the penalty amounts to both the stock exchanges.
<b>Remarks</b>	--

#### **D. Vigil Mechanism/ Whistle Blower Policy**

In compliance with the provisions of Section 177(9) and (10) of the Companies Act, 2013 and Regulation 22 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has established a Vigil Mechanism/ Whistle Blower Policy to enable Directors and employees to report genuine concerns about unethical behaviour, actual or suspected fraud, or violations of the Company's Code of Conduct.

The mechanism provides adequate safeguards against victimization of employees and directors who avail themselves of the mechanism in good faith, and allows for direct access to the Chairman of the Audit Committee in exceptional cases.

During the financial year under review, no personnel have been denied access to the Audit Committee under this mechanism. The Vigil Mechanism / Whistle Blower Policy is available on the Company's website at: <https://aartechsolonics.com/docs/disclosures/policies/vigil-mechanism-policy.pdf>.

#### **E. Policy on Determination of Material Subsidiary**

Pursuant to the provisions of Regulation 16(1)(c) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company has formulated and adopted a Policy for determining 'Material Subsidiary'. The Policy is available on the Company's website and can be accessed at the following link: <https://aartechsolonics.com/docs/disclosures/policies/policy-for-determining-material-subsidiaries.pdf>.

As on the date of this Report, the Company has the following two wholly owned subsidiaries:

- a) AIC- Aartech Solonics Private Limited
- b) Faradigm Ultracapacitors Private Limited

However, none of the above subsidiaries qualify as a "Material Subsidiary" in accordance with the thresholds prescribed under the SEBI Listing Regulations.

#### **F. Affirmation on Acceptance of Committee Recommendations.**

During the financial year 2024-25, the Board of Directors of the Company has accepted all the recommendations made by its Committees, as and when such recommendations were required to be made.

#### **G. Details of the Credit Rating Movement during the year: Not Applicable**

#### **H. Details of total fees paid to Statutory Auditors**

In accordance with the provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the details of total fees paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditor for all services rendered during the financial year 2024-25 are as follows:

<b>Name of Statutory Auditor</b>	<b>Entity Name</b>	<b>Type of Service</b>	<b>Amount (₹ in Lakhs)</b>
<b>BANCERS &amp; Co. LLP (FRN: C400331)</b>	<b>Aartech Solonics Limited (The Company)</b>	Statutory Audit Fee (including Tax Audit Fees)	1.50
		Limited Review and other services including certification	1.00
		Reimbursement of expenses -	Nil
		<b>Sub-Total</b>	<b>2.50</b>
	<b>AIC- Aartech Solonics Private Limited (Wholly owned Subsidiary of the company)</b>	Statutory Audit Fee (including Tax Audit Fees)	0.20
		Limited Review and other services including certification	NA
		Reimbursement of expenses -	Nil
		<b>Sub-Total</b>	<b>0.20</b>

	<b>Faradigm Ultracapacitors Private Limited</b> (Wholly owned Subsidiary of the company)	Statutory Audit Fee (including Tax Audit Fees)	0.20
		Limited Review and other services including certification	NA
		Reimbursement of expenses -	Nil
		<b>Sub-Total</b>	<b>0.20</b>
		<b>Grand Total</b>	<b>2.90</b>

#### **I. Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013**

Your Company is committed to provide a work environment that ensures everyone is treated with dignity and respect. The Company is also committed to promote equality at work and an environment that is conducive to the professional growth for all employees and encourages equal opportunity. Your Company does not tolerate any form of sexual harassment and is committed to take all necessary steps to ensure that its employees are not subjected to any form of harassment including sexual harassment. The Company has zero tolerance for sexual harassment at workplace and has adopted a policy on prevention, prohibition, and redressal of sexual harassment at workplace in line with the provisions of Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and the rules framed thereunder.

The Company has duly framed a Policy on Prevention of Sexual Harassment of Women at Workplace and formed Internal Complaints Committees ('ICC'), as required pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013. During the year under review no complaints has been received by the Committee.

#### **Details are as follows:**

Number of complaints filed during the financial year	<b>Nil</b>
Number of complaints disposed of during the financial year	<b>Nil</b>
Number of complaints pending as on end of the financial year	<b>Nil</b>

#### **J. Prevention of Insider Trading**

The Company has formulated a Code of Conduct in accordance with the SEBI (Prohibition of Insider Trading) Regulations, 2015, to regulate, monitor, and report trading by insiders. This Code aims to prevent misuse of unpublished price-sensitive information and ensure fair practices in the securities market.

The Code of Conduct is accessible to all stakeholders and is available on the Company's website at <https://aartechsolonics.com/docs/disclosures/policies/Code-of-Conduct-under-Prohibition-of-Insider-trading-Regulations-2015.pdf>.

**K. Details of utilisation of funds raised through preferential allotment or qualified institution placement**

The Company has not raised any funds through preferential allotment or qualified institutional placement during the financial year, as specified under Regulation 32(7A) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

**L. Disclosures with respect to Demat Suspense Account/Unclaimed Suspense Account**

During the year under review, the Company allotted Bonus shares to Shareholders on 12th August, 2024. In respect of physical shareholders, the corresponding shares have been credited to the Unclaimed Suspense Account maintained by the depositories.

The details of the shares held in the Unclaimed Suspense Account are as follows:

Type of Account	Type of Issue	No. of Records	No. of Shares Credited
Unclaimed Suspense Account	Bonus Issue (Date of credit: 21/08/2024)	37	28605
<b>Total</b>		<b>37</b>	<b>28605</b>

**The disclosure with respect to demat suspense account/ unclaimed suspense account as prescribed under para-F of Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2025 are as follows:**

Aggregate number of shareholders and the outstanding shares in the suspense account lying at the beginning of the year;	Nil
Number of shareholders who approached listed entity for transfer of shares from suspense account during the year;	Nil
Number of shareholders to whom shares were transferred from suspense account during the year;	Nil
Aggregate number of shareholders and the outstanding shares in the suspense account lying at the end of the year	<b>Shareholders: 37</b> <b>Outstanding shares: 28605</b>

The company disclose that the voting rights on the shares lying in the suspense accounts shall remain frozen till the rightful owner of such shares claims the shares.

**M. Subsidiary Companies**

The Company has two wholly-owned subsidiaries, which are as follows:

- Paradigm Ultracapacitors Private Limited
- AIC- Aartech Solonics Private Limited.

**N. Loans and advances to the companies in which directors of the company are interested.**

During the year ended 31<sup>st</sup> March, 2025, the Company complied fully with the provisions of Section 186 of the Companies Act, 2013 and the rules framed thereunder concerning the extension of loans, guarantees, and investments.

Pursuant to the recommendation of the Audit Committee, the Board of directors, at their meeting held on 20th June, 2024, authorized the Company to make investments, grant loans, provide guarantees, and offer securities under Section 186 of the Companies Act, 2013, up to an aggregate limit of Rs. 10 Crores.

During the year, the Company granted unsecured loans aggregating to Rs. 233.56 Lakhs to its wholly owned subsidiaries at an interest rate of 8% and 8.5% per annum.

All necessary disclosures relating to these transactions have been included in Form AOC-2 of this Annual Report and the Financial Statements of the Company.

### **O. Annual Secretarial Compliance Report**

Pursuant to Regulation 24A read with SEBI Circular CIR/ CFD/CMD1/27/2019 dated February 8, 2019, M/s APVN & Associates, Practicing Company Secretaries, conducted the Secretarial Compliance Audit for the financial year 2024-25. The audit covered all applicable compliances as per SEBI Regulations and the related Circulars / Guidelines issued thereunder.

The Secretarial Compliance Report contains no observations or qualifications. The report is available on the website of the Company at [www.aartechsolonics.com](http://www.aartechsolonics.com)

### **11. The disclosure of the compliances with Corporate Governance requirements specified in Regulation 17 to 27 and Regulation 46(2) as on March 31, 2025**

<b>Sr. no.</b>	<b>Particulars</b>	<b>Regulation Number</b>	<b>Compliance status (Yes/No/NA)</b>
1	Independent director(s) have been appointed in terms of specified criteria of 'independence' and/or 'eligibility'	16(1)(b)	Yes
2	Board composition	17(1), 17(1A) & 17(1C), 17(1D) & 17(1E)	Yes
3	Meeting of Board of directors	17(2)	Yes
4	Quorum of Board meeting	17(2A)	Yes
5	Review of Compliance Reports	17(3)	Yes
6	Plans for orderly succession for appointments	17(4)	Yes
7	Code of Conduct	17(5)	Yes
8	Fees/ Compensation	17(6)	Yes
9	Minimum Information	17(7)	Yes
10	Compliance Certificate	17(8)	Yes
11	Risk Assessment and Management	17(9)	Yes
12	Performance evaluation of Independent Directors	17(10)	Yes
13	Recommendation of Board	17(11)	Yes
14	Maximum number of Directorship	17A	Yes
15	Composition of Audit Committee	18(1)	Yes
16	Meeting of Audit Committee	18(2)	Yes

17	Role of Audit Committee and information to be reviewed by the audit committee	18(3)	Yes
18	Composition of nomination & remuneration committee	19(1) & (2)	Yes
19	Quorum of Nomination and Remuneration Committee meeting	19(2A)	Yes
20	Meeting of Nomination and Remuneration Committee	19(3A)	Yes
21	Role of Nomination and Remuneration Committee	19(4)	Yes
22	Composition of Stakeholder Relationship Committee	20(1), 20(2) & 20(2A)	Yes
23	Meeting of Stakeholders Relationship Committee	20(3A)	Yes
24	Role of Stakeholders Relationship Committee	20(4)	Yes
25	Composition and role of risk management committee	21(1), (2), (3) & (4)	NA
26	Meeting of Risk Management Committee	21(3A)	NA
27	Quorum of Risk Management Committee meeting	21(3B)	NA
28	Gap between the meetings of the Risk Management Committee	21(3C)	NA
29	Vigil Mechanism	22	Yes
30	Policy for related party Transaction	23(1), (1A), (5), (6), & (8)	Yes
31	Prior or Omnibus approval of Audit Committee for all related party transactions	23(2), (3)	Yes
32	Approval for material related party transactions	23(4)	Yes
33	Disclosure of related party transactions on consolidated basis	23(9)	Yes
34	Composition of Board of Directors of unlisted material Subsidiary	24(1)	Yes
35	Other Corporate Governance requirements with respect to subsidiary of listed entity	24(2), (3), (4), (5) & (6)	Yes
36	Alternate Director to Independent Director	25(1)	NA
37	Maximum Tenure	25(2)	Yes
38	Appointment, Re-appointment or removal of an Independent Director through special resolution or the alternate mechanism	25(2A)	Yes
39	Meeting of independent directors	25(3) & (4)	Yes
40	Familiarization of independent directors	25(7)	Yes
41	Declaration from Independent Director	25(8) & (9)	Yes
42	Directors and Officers insurance	25(10)	NA
43	Confirmation with respect to appointment of Independent Directors who resigned from the listed entity	25(11)	NA
44	Memberships in Committees	26(1)	Yes
45	Affirmation with compliance to code of conduct from members of Board of Directors and Senior management personnel	26(3)	Yes
46	Policy with respect to Obligations of directors and senior management	26(2) & 26(5)	Yes
47	Approval of the Board and shareholders for compensation or profit sharing in connection with dealings in the securities of the listed entity	26(6)	NA
48	Vacancies in respect Key Managerial Personnel	26A (1) & 26A (2), 26A (3)	NA

Independent Auditor's Certificate on Corporate Governance requirements under Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations 2015, is enclosed as “Annexure-G” of this Annual Report.

### • Corporate Policies

We seek to promote and follow the highest level of ethical standards in all our business transactions guided by our value system. In pursuit of Good Governance Practices, the Company has formulated several Policies according to the various Laws, Rules & Regulations as applicable to the Company. The corporate governance policies are available on the Company's website, at [www.aartechsolonics.com](http://www.aartechsolonics.com). The policies are reviewed periodically by the Board and updated as needed. Weblink of the Policies are as follows:

Sr. No.	Items (As per Regulation 46(2) of SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015)	Compliance Status (Yes/No/NA)	Web Address
1.1	Details of business	Yes	<a href="https://aartechsolonics.com/industries">https://aartechsolonics.com/industries</a>
1.2	Memorandum of Association and Articles of Association	Yes	<a href="https://aartechsolonics.com/investors/overview">https://aartechsolonics.com/investors/overview</a>
1.3	Brief profile of board of directors including directorship and full-time positions in body corporates	Yes	<a href="https://aartechsolonics.com/investors/overview">https://aartechsolonics.com/investors/overview</a>
2	Terms and conditions of appointment of independent directors	Yes	<a href="https://aartechsolonics.com/docs/disclosures/policies/terms-and-conditions-for-appointment-of-independent-director.pdf">https://aartechsolonics.com/docs/disclosures/policies/terms-and-conditions-for-appointment-of-independent-director.pdf</a>
3	Composition of various committees of board of directors	Yes	<a href="https://aartechsolonics.com/investors/overview">https://aartechsolonics.com/investors/overview</a>
4	Code of conduct of board of directors and senior management personnel	Yes	<a href="https://aartechsolonics.com/docs/disclosures/policies/code-of-conduct-for-board-members-and-senior-management-personnel.pdf">https://aartechsolonics.com/docs/disclosures/policies/code-of-conduct-for-board-members-and-senior-management-personnel.pdf</a>
5	Details of establishment of vigil mechanism/ Whistle Blower policy	Yes	<a href="https://aartechsolonics.com/docs/disclosures/policies/vigil-mechanism-policy.pdf">https://aartechsolonics.com/docs/disclosures/policies/vigil-mechanism-policy.pdf</a>
6	Criteria of making payments to non-executive directors	Yes	<a href="https://aartechsolonics.com/docs/disclosures/policies/criteria-of-making-payments-to-non-executive-directors.pdf">https://aartechsolonics.com/docs/disclosures/policies/criteria-of-making-payments-to-non-executive-directors.pdf</a>
7	Policy on dealing with related party transactions	Yes	<a href="https://aartechsolonics.com/docs/disclosures/policies/policy-on-dealing-with-related-party-transactions.pdf">https://aartechsolonics.com/docs/disclosures/policies/policy-on-dealing-with-related-party-transactions.pdf</a>
8	Policy for determining 'material' subsidiaries	Yes	<a href="https://aartechsolonics.com/docs/disclosures/policies/policy-for-determining-material-subsidaries.pdf">https://aartechsolonics.com/docs/disclosures/policies/policy-for-determining-material-subsidaries.pdf</a>



9	Details of familiarization programmes imparted to independent directors	Yes	<a href="https://aartechsolonics.com/docs/disclosures/policies/details-of-familiarization-programmes-imparted-to-independent-directors.pdf">https://aartechsolonics.com/docs/disclosures/policies/details-of-familiarization-programmes-imparted-to-independent-directors.pdf</a>
10	Email address for grievance redressal and other relevant details	Yes	<a href="https://aartechsolonics.com/investors/contact-and-grievance">https://aartechsolonics.com/investors/contact-and-grievance</a>
11	Contact information of the designated officials of the listed entity who are responsible for assisting and handling investor grievances	Yes	<a href="https://aartechsolonics.com/investors/contact-and-grievance">https://aartechsolonics.com/investors/contact-and-grievance</a>
12	Financial results	Yes	<a href="https://aartechsolonics.com/investors/financial-reports">https://aartechsolonics.com/investors/financial-reports</a>
13	Shareholding pattern	Yes	<a href="https://aartechsolonics.com/investors/shareholders-information">https://aartechsolonics.com/investors/shareholders-information</a>
14	Details of agreements entered into with the media companies and/or their associates	NA	
15.1	(I) Schedule of analyst or institutional investor meet (II) Presentations prepared by the listed entity for analysts or institutional investors meet, post earnings or quarterly calls prior to beginning of such events.	NA	
15.2	Audio recordings, video recordings, if any, and transcripts of post earnings or quarterly calls, by whatever name called, conducted physically or through digital means	NA	
16	New name and the old name of the listed entity	NA	
17	Advertisements as per regulation 47 (1)	Yes	
18	Credit rating or revision in credit rating obtained	NA	
19	Separate audited financial statements of each subsidiary of the listed entity in respect of a relevant financial year	Yes	<a href="https://aartechsolonics.com/investors/financial-reports">https://aartechsolonics.com/investors/financial-reports</a>
20	Secretarial Compliance Report	Yes	<a href="https://aartechsolonics.com/investors/overview">https://aartechsolonics.com/investors/overview</a>

21	Materiality Policy as per Regulation 30 (4)	Yes	<a href="https://aartechsolonics.com/docs/disclosures/policies/policy-on-determination-and-disclosure-of-materiality-of-events.pdf">https://aartechsolonics.com/docs/disclosures/policies/policy-on-determination-and-disclosure-of-materiality-of-events.pdf</a>
22	Disclosure of contact details of KMP who are authorized for the purpose of determining materiality as required under regulation 30(5)	Yes	<a href="https://aartechsolonics.com/docs/disclosures/policies/policy-on-determination-and-disclosure-of-materiality-of-events.pdf">https://aartechsolonics.com/docs/disclosures/policies/policy-on-determination-and-disclosure-of-materiality-of-events.pdf</a>
23	Disclosures under regulation 30(8)	Yes	<a href="https://aartechsolonics.com/investors/overview">https://aartechsolonics.com/investors/overview</a>
24	Statements of deviation(s) or variations(s) as specified in regulation 32	Yes	<a href="https://aartechsolonics.com/investors/disclosures">https://aartechsolonics.com/investors/disclosures</a>
25	Dividend Distribution policy as per Regulation 43A (1)	Yes	<a href="https://aartechsolonics.com/docs/disclosures/policies/dividend-distribution-policy.pdf">https://aartechsolonics.com/docs/disclosures/policies/dividend-distribution-policy.pdf</a>
26.1	Annual return as provided under section 92 of the Companies Act, 2013	Yes	<a href="https://aartechsolonics.com/investors/disclosures">https://aartechsolonics.com/investors/disclosures</a>
26.2	Employee Benefit scheme documents framed in terms of SEBI (SBEB) Regulations, 2021	NA	Not Applicable
27	Confirmation that the above disclosures are in a separate section as specified in regulation 46(2)	Yes	<a href="https://aartechsolonics.com/investors/overview">https://aartechsolonics.com/investors/overview</a>
28	Compliance with regulation 46(3) with respect to accuracy of disclosures on the website and timely updating	Yes	<a href="https://aartechsolonics.com/investors/overview">https://aartechsolonics.com/investors/overview</a>

## 12. CEO /CFO Certification

The Chief Executive Officer (CEO) and the Chief Financial Officer (CFO) have issued a certificate pursuant to the provisions of Regulation 17(8) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The certificate confirms that the financial statements for the financial year do not contain any untrue statement and present a true and fair view of the Company's affairs.

These financial statements have been reviewed by the Audit Committee and taken on record by the Board of Directors.

The certificate is enclosed with this section as “**Annexure – J**” of this Annual Report.

**ANNEXURE- G****Independent Auditors' Certificate on Compliance with the Corporate Governance requirements**

[As per clause C of Schedule V of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, read with regulation 34(3) of the said Listing Regulations]

To  
The Members  
**AARTECH SOLONICS LIMITED**  
E-2/57, Ashirwad, Arera Colony,  
Bhopal (M.P.) 462016

We have examined the compliance of conditions of Corporate Governance by Aartech Solonics Limited ("the Company"), for the year ended on March 31, 2025, as stipulated in Regulations 17 to 27, clauses (b) to (i) and (t) of Regulation 46(2) and paragraphs C, D and E of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations').

The compliance of the conditions of Corporate Governance is a responsibility of the Management. Our examination was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanation given to us by the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations for the year ended on March 31, 2025.

We further state that compliance is neither an assurance as to the future viability of the Company nor as to the efficiency or effectiveness with which the Management has conducted the affairs of the Company.

**For APVN & ASSOCIATES**  
**Practicing Company Secretaries**

**Date: 05/09/2025**  
**Place: Bhopal**  
**UDIN: F011543G001177831**  
**Peer Review Cert. No. 4202/2023**

**Sd/-**  
**CS Avadhesh Parashar**  
**FCS No. 11543**  
**C.P. No.: 9067**

**ANNEXURE- H****COMPLIANCE WITH THE CODE OF CONDUCT OF BOARD OF DIRECTORS AND SENIOR MANAGEMENT**

As provided under Regulation 26(3) of the SEBI (LODR) Regulations, 2015, all Board Members and Senior Management Personnel have affirmed the compliances to the Code of conduct of Board of Directors and Senior Management for the year ended 31<sup>st</sup> March, 2025.

**For Aartech Solonics Limited**

**Place:** Bhopal

**Dated:** 05/09/2025

**Registered Office:**

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

**Arati Nath**

**Chief Executive Officer & Director**

**DIN: 08741034**

R/o Bunglow No.3, Samarth Parisar,  
Bawadia Kalan, E-8 Extension,  
Near Orion School, Trilanga,  
Bhopal, 462039 (M.P.)

## **ANNEXURE- I**

### **CERTIFICATE OF NON-DISQUALIFICATION OF DIRECTORS**

[Pursuant to Regulation 34(3) read with Schedule V Para C clause (10)(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]

**To**  
**The Members**  
**AARTECH SOLONICS LIMITED**  
**E-2/57, Ashirwad,**  
**Arera Colony,**  
**Bhopal (M.P.) 462016**

We have examined the relevant registers, records, forms, returns and disclosures provided by the Directors (as mentioned in below table) to AARTECH SOLONICS LIMITED (CIN: L3200MP1982PLC002030) having its Registered Office at E-2/57, “Ashirwad”, Arera Colony, Bhopal, 462016 (M.P.) (“hereinafter referred to as the “Company”) for the purpose of issuing this certificate, in accordance with Regulation 34(3) read with Schedule V Para C Sub clause 10(i) of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including verification of Director Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) and the relevant disclosures provided by the Directors (as mentioned in below table) to the Company, we hereby certify that none of the Directors on the Board of the Company as stated below as on March 31, 2025 have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India / Ministry of Corporate Affairs (MCA) or any such other statutory authority.

<b>S No</b>	<b>Name of Directors</b>	<b>DIN</b>	<b>Designation</b>	<b>Date of Appointment in the Company</b>	<b>Date of Cessation</b>
1	Amit Anil Raje	00282385	Chairman & Managing Director	01/04/2007	-
2	Arati Nath	08741034	CEO & Director	12/05/2020	-
3	Anil Anant Raje	01658167	Non- Executive Director	24/08/1982	-
4	Prashant Dattatray Lowlekar	08041377	Independent Director	27/02/2018	-
5	Kshitij Negi	09046425	Independent Director	08/02/2021	-
6	Supriya Sunil Chitre	09237218	Independent Director	23/03/2023	-

*\*The date of appointment is as per the MCA Portal.*

Ensuring the eligibility of the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This

certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For APVN & ASSOCIATES**  
**Practicing Company Secretaries**

**Date: 05/09/2025**  
**Place: Bhopal**  
**UDIN: F011543G001177763**  
**Peer Review Cert. No. 4202/2023**

**Sd/-**  
**CS Avadhesh Parashar**  
**FCS No. 11543**  
**C.P. No.: 9067**

**ANNEXURE- I****CEO/CFO CERTIFICATION TO THE BOARD**

[Regulation 17(8) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015]

To,  
The Board of Directors  
**AARTECH SOLONICS LIMITED**  
E-2/57, Ashirwad, Arera Colony,  
Bhopal (M.P.) 462016

We the undersigned, in our respective capacities as Chief Executive Officer and Chief Financial Officer of the Company, to the best of our knowledge and belief certify that:

- a) We have reviewed financial statements and the cash flow statement for the year ended March 31, 2025 and that to the best of our knowledge and belief, we state that:
- (i) These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
- (ii) These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
- b) We further state that to the best of our knowledge and belief, no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.
- c) We are responsible for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting of the Company and have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
- d) We have indicated to the Auditors and the Audit Committee:
- Significant changes, if any, in internal control over financial reporting during the year.
  - Significant changes, if any, in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and



- Instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

**For and on behalf of the Board  
Aartech Solonics Limited**

**Place: Bhopal  
Dated: 05/09/2025**

**Sd/-  
Arati Nath  
CEO & Director  
(DIN: 08741034)  
Bungalow No.3, Samarth Parisar,  
Bawadia Kalan, E-8 Extension,  
Near Orion School, Trilanga,  
Bhopal, 462039 (M.P.)**

**Sd/-  
Pradeep Vasant Narkhede  
Chief Financial Officer**

## INDEPENDENT AUDITORS' REPORT

**To the Members of**

**Aartech Solonics Limited**

### **Report on the Audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying IND AS standalone financial statements of AARTECH SOLONICS LIMITED ("The Company") which comprise the Standalone Balance sheet as at March 31, 2025, the Standalone Statement of profit and loss (Including other comprehensive income), the Standalone Statement of Changes in Equity and the Standalone Cashflow Statement and notes to the Standalone financial statements, including a summary of material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Standalone financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the IND AS Notified by MCA and Generally Accepted Accounting Practices in India, of the state of affairs of the Company as at March 31, 2025, and its Profit for the year ended on that date.

#### **Basis for Opinion**

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Standalone Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Standalone financial statements.

#### **Key Audit Matters**

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the standalone financial statements for the financial year ended March 31, 2025. These matters were addressed in the context of our audit of the standalone financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We do not have anything to report under Key Audit Matters for the Company relating to financial year ended March 31, 2025.

#### **Emphasis of Matter- Associate Entity**

We would like to draw your attention towards Note No. 3 relating to investment in Enerqual Technology Private Limited entity ("Associate"). We have noted that there have been ongoing dispute between both the managements of the companies due to which the Company doesn't get any sufficient and appropriate information regarding the financial results of Enerqual Technology Pvt. Ltd, due to which the investment in Associate is valued at cost and no impairment testing has been performed. Considering the probable impact of the same our opinion is not modified in respect to this matter.

We draw attention to Note 3 to the financial statements, which describes the Company's investment in its Associate, Epsilon Ten Limited, United Kingdom. As of 31st March 2025, the carrying amount of this investment in the Company's standalone financial statements is ₹393.10 lakhs. Epsilon Ten Limited, has accumulated losses and a low net worth as of that date. Management has performed an impairment test based on financial projections and has concluded that the recoverable amount of the investment is lower than its' carrying amount, and therefore, impairment loss has been recognized. Our opinion is not modified in respect of this matter.

### **Other Information**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board of Director's Report and Annual Report but does not include the Standalone financial statements and our auditor's report thereon.

Our opinion on the standalone financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the standalone financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

### **Responsibilities of Management for the Standalone Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these standalone financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards (IND AS) specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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 standalone financial statements that give a true and fair view, and are free from material misstatement, whether due to fraud or error.

In preparing the standalone financial statements, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

### **Auditor's Responsibilities for the Audit of the Standalone Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are

considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the standalone financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and for the purpose of expressing an opinion on the adequacy and operating effectiveness of the company's internal controls as per Section 143(3)(i) of the act.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the standalone financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the standalone financial statements, including the disclosures, and whether the standalone financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatement in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the standalone financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the standalone financial statements.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

**Other Matter**

- (a) The balances of Trade Receivables & Payables, as well their respective classifications, are subject to confirmation procedures. Our opinion is not modified in respect of these matters.

**Report on Other Legal and Regulatory Requirements**

1. The Report as required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government in terms of section 143(11) of the Act, is given under Annexure A.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
  - (c) The Standalone balance sheet, the Standalone statement of profit and loss (Including other comprehensive income), the Standalone statement of changes in equity and the Standalone statement of cashflows dealt by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid standalone financial statements comply with the Ind AS specified under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors for the financial year 2024-25, as taken on record by the Board of Directors, none of the directors was disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B";
  - (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
    - i. The Company has disclosed the impact of pending litigations in its financial statements.
    - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
    - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
    - iv.
      - a. The management has represented that, to the best of its knowledge and belief as disclosed in the Note 42 of the Standalone Financial Statements, no funds have been advanced or loaned or invested by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in

other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.

- b. The management has represented, that, to the best of its knowledge and belief as disclosed in the Note 42 of the Standalone Financial Statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
- c. Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
- v. The Dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with the section 123 of the Act.
- vi. Based on our examination which included test checks, the Company has used accounting software for maintaining books of accounts, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the respective software.
- vii. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of the Act. The remuneration paid to the director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us.

**For B A N C R S & CO. LLP**

*Chartered Accountants*

(Firm's Registration No: **0C400331**)

**Sd/-**

**CA Anmol Chhabra**

*Partner*

(Membership Number: **434305**)

UDIN: 25434305BMHPBJ4204

Place: Bhopal

Date: 21<sup>st</sup> May 2025

**Annexure A to the Independent Auditors' Report (referred to in our report of even date to the members of Aartech Solonics Limited as at and for the year ended 31st March, 2025)**

- I.
- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of Property, plant and equipment.
  - b) Property, plant and equipment were physically verified by the management during the year in accordance with a planned program of verifying all of them once in three years which, in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) According to the information and explanation given to us, the title deeds of the immovable properties (other than properties where the company is the lessee and the lease agreements are duly executed in favour of the lessee) are held in the name of the company.
  - d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not revalued its property, plant and equipment or Intangible assets or both during the year.
  - e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there are no proceedings initiated or pending against the Company for holding any benami property under the Prohibition of Benami Property Transactions Act, 1988 and rules made thereunder.
- II.
- a) The inventories have been physically verified during the year by the management at reasonable intervals. In our opinion, the frequency of such verification is reasonable. According to the information and explanations given to us and as examined by us, no material discrepancies were noticed on such verification.
  - b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks on the basis of security of current assets. In our Opinion, the quarterly returns or statements filed by the Company with such banks are in agreement with the books of account of the Company.
- III.
- According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not provided any security to companies, firms, limited liability partnership or any other parties during the year. The company has not made any investments in or provided any guarantees to firms, LLP's or other parties and has not granted any loans and any advances in nature of loans to companies, firms or LLP's. The Company has granted loans to other parties in respect of which the requisite information is as below:
- a) Based on the audit procedures carried on by us and as per the information and explanations given to us, the Company has provided loans and provided guarantee on behalf of others as below:



Particulars	Loans (INR Lakhs)
<b>Aggregate amount during the year</b>	
Subsidiaries	233.56
<b>Balance outstanding as at balance sheet date</b>	
Subsidiaries	646.46

- b) According to the information and explanations given to us and based on the audit procedures conducted by us, in our opinion the investments made and the terms and conditions of the grant of loans provided during the year are, prima facie, not prejudicial to the interest of the Company. The Company has not provided any guarantees or security or granted any advances in the nature of loans during the year.
- c) According to the information and explanations given to us and on the basis of our examination of the records of the Company, in the case of loans given, in our opinion the repayment of principal and payment of interest has been stipulated and the repayments or receipts have been regular. Further, the Company has not given any advance in the nature of loan to any party during the year.
- d) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no overdue amount for more than ninety days in respect of loans given. Further, the Company has not given any advances in the nature of loans to any party during the year.
- e) According to the information and explanations given to us and on the basis of our examination of the records of the Company, there is no loan or advance in the nature of loan granted falling due during the year, which has been renewed or extended or fresh loans granted to settle the over dues of existing loans given to same parties.
- f) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has granted loans or advances in the nature of loans without specifying any terms or period of repayment. The Company has granted loans which are repayable on demand and the details of those loans are mentioned below:

Particulars	Loans (INR Lakhs)
<b>Aggregate amount during the year</b>	
Subsidiaries	233.56
<b>Balance outstanding as at balance sheet date</b>	
Subsidiaries	646.46

- IV. In our opinion and according to the information and explanations given to us, there are no guarantees and securities granted in respect of which provisions of section 185 and 186 of the Companies Act, 2013 are applicable. Based on our audit procedures performed and according to information and explanations given by the management, the Company has complied with provisions of section 186 of the Act in respect of loans granted and investments made.

- V. The Company has not accepted any deposits within the meaning of Sections 73 to 76 of the Act and the Companies (Acceptance of Deposits) Rules, 2014 (as amended). Accordingly, the provisions of clause 3(v) of the Order are not applicable.
- VI. According to the information and explanations given to us, the Central Government has not prescribed the maintenance of cost records under Section 148(1) of the Act for the services provided by it. Accordingly, clause 3(vi) of the Order is not applicable.
- VII. According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/ accrued in the books of account in respect of undisputed statutory dues including Income tax, goods and service tax, tax deducted at source, tax collected at source and other material statutory dues have been regularly deposited during the year by the company with the appropriate authorities;
- a) According to the information and explanations given to us, no undisputed amounts payable in respect of Income tax, goods and service tax, tax deducted at source, tax collected at source and other material statutory dues were in arrears as at 31st March 2025 for a period of more than six months from the date of becoming payable.
  - b) According to the information and explanations given to us, there are no dues of GST, tax deducted at source, tax collected at source, Income Tax or other statutory dues which have not been deposited by the Company on account of disputes
- VIII. According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not surrendered or disclosed any transactions, previously unrecorded as income in the books of account, in the tax assessments under the Income Tax Act, 1961 as income during the year.
- IX.
  - a) The Company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender; hence this clause is not applicable;
  - b) The company has not declared willful defaulter by any bank or financial institution or other lender, hence this clause is not applicable;
  - c) According to the information and explanations given to us by the management, the Company has not obtained any term loans. Accordingly, reporting under this clause is not applicable.
  - d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company;
  - e) The company has not taken any funds from any entity or person on account of or to meet the obligations of its subsidiaries, associates or joint ventures; hence this clause is not applicable;

- f) The company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies; hence this clause is not applicable.
- X. a) The Company has not raised any moneys by way of initial public offer or further public offer (including debt instruments) Accordingly, clause 3(x)(a) of the Order is not applicable.
- b) According to the information and explanations given to us and on the basis of our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, clause 3(x)(b) of the Order is not applicable.
- XI. a) Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given by the management, we report that no fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.
- b) According to the information and explanations given to us, no report under sub-section (12) of Section 143 of the Act has been filed by the auditors in Form ADT-4 as prescribed under Rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government.
- c) According to the information and explanations given to us, no whistle-blower complaints have been received during the year.
- XII. In our opinion, the Company is not a Nidhi company. Therefore, the provisions of clause 3(xii) of the order are not applicable to the Company and hence not commented upon.
- XIII. According to the information and explanations given by the management, transactions with the related parties are in compliance with section 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the notes to the financial statements, as required by the applicable accounting standards.
- XIV. a) According to the information and explanations given to us and after considering the internal auditor's report of the Company, the company has an internal audit system commensurate with the size and nature of its business.
- b) We have considered the internal audit report issued till the date of this audit report.
- XV. According to the information and explanations given by the management, the Company has not entered into any non-cash transactions with directors or persons connected with him as referred to in section 192 of Companies Act, 2013.
- XVI. a) The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934. Accordingly, clauses 3(xvi)(a) and 3(xvi)(b) of the Order are not applicable.

b) The Company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India. Accordingly, clause 3(xvi)(c) of the Order is not applicable.

c) According to the information and explanations provided to us during the course of audit, the Company does not have any CICs.

XVII. The Company has not incurred cash losses in the current and in the immediately preceding financial year.

XVIII. There has been no resignation of the statutory auditors during the year. Accordingly, clause 3(xviii) of the Order is not applicable.

XIX. According to the information and explanations given to us and on the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements, our knowledge of the Board of Directors and management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which causes us to believe that any material uncertainty exists as on the date of the audit report that the Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date.

We, however, state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of the audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the Company as and when they fall due.

XX. In our opinion and provisions of section 135 of the Act are not applicable to the company and accordingly, clauses 3(xx)(a) and 3(xx)(b) of the Order are not applicable.

**For B A N C R S & CO. LLP**

*Chartered Accountants*

**(Firm's Registration No.: 0C400331)**

**CA. Anmol Chhabra**

*Partner*

**(Membership No. 434305)**

UDIN: 25434305BMHPBJ4204

Place: Bhopal

Date: 21st May 2025

**Annexure B to the Independent Auditor's Report on the standalone financial statements of Aartech Solonics Limited for the year ended 31 March 2025****Report on the internal financial controls with reference to the aforesaid standalone financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act****Opinion**

We have audited the internal financial controls with reference to financial statements of Aartech Solonics Limited ("the Company") as on 31 March 2025 in conjunction with our audit of the standalone financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the standalone financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

**Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for

external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements include those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

#### **Inherent Limitations of Internal Financial Controls with Reference to Financial Statements**

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

For **B A N C R S & CO. LLP**

*Chartered Accountants*

(Firm's Registration No.: **0C400331**)

**CA. Anmol Chhabra**

*Partner*

(Membership No. **434305**)

UDIN: 25434305BMHPBJ4204

Place: Bhopal

Date: 21<sup>st</sup> May 2025

**BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2025**

(Amount in ₹ Lakhs)

Particulars	Notes	As at 31st March 2025	As at 31st March 2024
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property Plant & Equipment & Intangible Assets	2	348.83	337.98
(b) Capital work-in-progress			
(c) Right-of-use-assets	2	4.41	7.72
(d) Financial assets			
(a) Investments	3	145.98	545.77
(ii) Loans & Advances	4	646.46	438.90
(iii) Other Financial Assets	5	101.50	69.52
(e) Deferred Tax Assets (Net)	6	96.97	14.11
(f) Non-current Tax Assets (Net)			
<b>Current Assets</b>			
(a) Inventories	7	966.91	682.10
(b) Financial assets			
(i) Investments	8	1,138.71	873.16
(ii) Trade Receivables	9	584.45	943.26
(iii) Cash & Cash Equivalents	10	170.82	226.19
(iv) Other Financial Assets	11	1.34	2.75
(c) Other Current Assets	12	129.75	122.30
(d) Current Tax Assets (Net)	13	20.97	-
<b>TOTAL ASSETS</b>		<b>4357.11</b>	<b>4,263.76</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	14	1,588.52	1,059.01
(b) Other Equity	15	1,653.97	2,060.03
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease Liabilities	16	-	5.56
(b) Deferred Tax Liabilities (Net)			
(c) Provisions	17	34.88	24.28
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	18	558.19	410.94
(ii) Lease Liabilities	16	5.56	3.52
(iii) Trade Payables			
- Total outstanding dues of MSME	19	11.08	43.87
- Total outstanding dues of creditors other than MSME		406.44	512.31
(iv) Other Financial Liabilities	20	53.93	64.33
(b) Other current liabilities	21	44.54	54.76
(c) Current tax liabilities (Net)	22	-	25.14
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4357.11</b>	<b>4,263.76</b>

Significant accounting policies and notes to accounts are integral part of the Financial Statements.



Signed in terms of our report of even date

For **BANCERS & Co. LLP**

Chartered Accountants

(Firm's Registration No. 0C400331)

**Sd/-**

**CA Anmol Chhabra**

*(Partner)*

(Membership No. 434305)

**UDIN: 25434305BMHPBJ4204**

Place: Bhopal

Date: May 21, 2025

For and on behalf of the Board of Directors

**Sd/-**

**Amit Anil Raje**

*Chairman & Managing Director*

(DIN: 00282385)

**Sd/-**

**Pradeep V. Narkhede**

*Chief Financial Officer*

**Sd/-**

**Arati Nath**

*CEO & Director*

(DIN: 08741034)

**Sd/-**

**K.R. Tanuj Reddy**

*Company Secretary*

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025**
**(Amount in ₹ Lakhs)**

Particulars	Note	For the year ended 31 <sup>st</sup> March 2025	For the year ended 31 <sup>st</sup> March 2024
<b>INCOME</b>			
Income from operations	23	3,569.73	3,269.25
Other Income	24	333.59	327.24
<b>TOTAL INCOME</b>		<b>3,903.32</b>	<b>3,596.49</b>
<b>EXPENDITURES</b>			
Cost of materials consumed	25	1,768.56	2,194.77
Change in inventories of finished goods and work in process	26	10.39	-24.82
Employee benefit expenses	27	455.12	415.86
Finance costs	28	54.17	56.19
Depreciation and amortization expenses	29	38.95	35.24
Impairment losses	30	393.10	-
Other expenses	31	1,038.04	643.89
<b>TOTAL EXPENSES</b>		<b>3,758.34</b>	<b>3,321.14</b>
<b>Profit/ (Loss) before exceptional items and tax</b>		<b>144.98</b>	<b>275.36</b>
Exceptional Items		-	-
<b>Profit before tax</b>		<b>144.98</b>	<b>275.36</b>
<b>Tax Expense</b>			
Current Tax	32	22.90	117.29
Earlier Tax		-44.72	5.76
Deferred Tax		-37.56	8.01
<b>Profit for the year</b>		<b>204.37</b>	<b>144.29</b>
<b>Other Comprehensive Income</b>			
(items that will not be subsequently reclassified to profit or loss)			
Remeasurements of defined benefit obligations		-2.07	-1.79
Income tax relating to above mentioned item		0.58	0.50
<b>Other comprehensive income for the year, net of Income tax</b>		<b>-1.50</b>	<b>-1.29</b>
<b>Total comprehensive profit/(loss) for the year, net of income tax</b>		<b>202.87</b>	<b>143.00</b>
<b>Earnings per equity share (Par value of Rs. 5 each)</b>	33		
Basic (₹)		0.64	0.45
Diluted (₹)		0.64	0.45

Significant accounting policies and notes to accounts are integral part of the Financial Statements.

Signed in terms of our report of even date

For **BANCERS & Co. LLP**

Chartered Accountants

(Firm's Registration No. 0C400331)

**Sd/-**

**CA Anmol Chhabra**

*(Partner)*

(Membership No. 434305)

**UDIN: 25434305BMHPBJ4204**

Place: Bhopal

Date: May 21, 2025

For and on behalf of the Board of Directors

**Sd/-**

**Amit Anil Raje**

*Chairman & Managing Director*

(DIN: 00282385)

**Sd/-**

**Pradeep V. Narkhede**

*Chief Financial Officer*

**Sd/-**

**Arati Nath**

*CEO & Director*

(DIN: 08741034)

**Sd/-**

**K.R. Tanuj Reddy**

*Company Secretary*

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2025**
**(Amount in ₹ Lakhs)**

Particulars	For the year ended 31 <sup>st</sup> March 2025	For the year ended 31 <sup>st</sup> March 2024
<b>1. Cash Flows from Operating Activities</b>		
<i>Net Profit and Loss A/c (as per profit and loss account)</i>	204.37	144.29
<b>Adjustments for</b>		
<i>Provision for tax made during the year</i>	-21.83	123.05
<i>Deferred Tax</i>	-37.56	8.01
<i>Depreciation for the year</i>	38.95	35.24
<i>Interest expenses on bank overdraft</i>	39.02	27.35
<i>Interest expenses on other loans</i>	2.52	3.10
<i>Interest on lease liabilities</i>	0.65	0.93
<i>Interest income on debentures</i>	-	-27.38
<i>Interest income on bank deposits</i>	-9.22	-10.05
<i>Interest income others</i>	-37.45	-10.31
<i>Interest income on security deposits</i>	-0.07	-0.06
<i>Net gain/loss on sale of investments</i>	-211.43	-149.13
<i>Gain on investment measured on FVTPL</i>	-	-72.39
<i>Loss on sale of property, plant &amp; Equipment</i>	-3.77	0.09
<i>Other non-operating income</i>	-4.84	-11.81
<b>Operating Profit Before Working Capital Changes</b>	<b>-40.65</b>	<b>60.93</b>
<b>Capital Changes</b>		
<i>Decrease/(Increase) in Trade Receivable</i>	320.18	116.43
<i>Decrease/(Increase) in Inventories</i>	-284.81	-234.46
<i>Decrease/(Increase) in Other Financial Assets</i>	1.41	95.86
<i>Decrease/(Increase) in Other Current Assets</i>	-7.45	95.88
<i>Increase/(Decrease) in Provisions</i>	-	-1.21
<i>Increase/(Decrease) in Trade Payables</i>	-138.65	92.94
<i>Increase/(Decrease) in Other Financial Liabilities</i>	-10.40	22.05
<i>Increase/(Decrease) in Other Current Liabilities</i>	-10.22	29.29
<i>Income tax paid during the year</i>	-20.97	-14.86
<b>Net cash generated from operational activity</b>	<b>-191.57</b>	<b>262.84</b>
<b>2. Cash Flows from Investing Activities</b>		
<i>Interest Income</i>	46.74	47.81
<i>Non-Current Investment (Net)</i>	399.79	383.56
<i>Proceeds from disposal of Property, plant &amp; Equipment</i>	8.18	-
<i>Purchase of Property, plant &amp; Equipment (Net)</i>	-47.60	-63.73

<i>Purchase and realization of marketable securities (Net)</i>	-265.55	-361.87
<i>Net gain/loss on sale of Investment</i>	211.43	221.52
<i>Loan &amp; advances</i>	-207.56	-438.90
<i>Security deposit paid</i>	-31.98	-14.34
<b>Net cash generated from Investment activity</b>	<b>113.44</b>	<b>-225.95</b>
<b>3. Cash Flows from Financing Activities</b>		
<i>Proceeds from Short term borrowings (Net)</i>	147.25	145.06
<i>Dividend Paid</i>	-79.43	-52.95
<i>Interest Paid</i>	-41.54	-31.38
<i>Payment of lease Liabilities</i>	-3.52	-3.24
<b>Net cash generated from Financing activity</b>	<b>22.76</b>	<b>57.48</b>
<b>4. Net Increase/ (Decrease) in Cash (1+2+3)</b>	-55.37	94.37
Cash and cash equivalents at the beginning of the year	226.19	131.82
<b>5. Cash and cash equivalents at the end of the year</b>	<b>170.82</b>	<b>226.19</b>

Signed in terms of our report of even date

For **BANCERS & Co. LLP**  
Chartered Accountants  
(Firm's Registration No. 0C400331)

For and on behalf of the Board of Directors

**Sd/-**  
**CA Anmol Chhabra**  
(Partner)  
(Membership No. 434305)  
**UDIN: 25434305BMHPBJ4204**  
Place: Bhopal  
Date: May 21, 2025

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

**Sd/-**  
**Pradeep V. Narkhede**  
Chief Financial Officer

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

**Sd/-**  
**K.R. Tanuj Reddy**  
Company Secretary

**Statement of Change in Equity for the Year ended 31st March, 2025**

(Amount in ₹ Lakhs)

Particulars	Notes	Equity Share Capital
<b>A. Share Capital:</b>		
<b>As at 31<sup>st</sup> March, 2024</b>	<b>14</b>	<b>1,059.01</b>
Changes in equity share capital during the year		529.51
<b>As at 31<sup>st</sup> March, 2025</b>	<b>1,059.01</b>	<b>1,588.52</b>

(Amount in ₹ Lakhs)

Particulars	Notes	Retained Earnings	General Reserves	Capital Reserves	Securities Premium	Total
<b>B. Other Equity:</b>						
<b>As at 31<sup>st</sup> March, 2024</b>		899.16	616.15	35.52	509.20	2,060.03
Changes during the period:						
Profit for the year		204.37	-	-	-	204.37
Dividend paid on equity shares during the period		-79.43	-	-	-	-79.43
Other comprehensive income for the year (Net)	15	-1.50	-	-	-	-1.50
Changes during the period		-	-529.51	-	-	-529.51
<b>As at 31<sup>st</sup> March, 2025</b>		<b>1,022.60</b>	<b>86.64</b>	<b>35.52</b>	<b>509.20</b>	<b>1,653.97</b>

As per our report of even date

For **BANCRS & Co. LLP**  
Chartered Accountants  
(Firm's Registration No. 0C400331)

**Sd/-**  
**CA Anmol Chhabra**  
(Partner)  
(Membership No. 434305)  
**UDIN: 25434305BMHPBJ4204**  
Place: Bhopal  
Date: May 21, 2025

For and on behalf of the Board of Directors

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

**Sd/-**  
**Pradeep V. Narkhede**  
Chief Financial Officer

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

**Sd/-**  
**K.R. Tanuj Reddy**  
Company Secretary

## Notes on Financial Statements for the Year ended 31st March, 2025

### 1. SIGNIFICANT ACCOUNTING POLICIES

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

The financial statements of the Company have been prepared in accordance with Indian Accounting Standards (IND AS). The financial statements have been prepared to comply in all material respects with the Indian accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015, (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 adopted in the preparation of financial statements are consistent for all the periods presented. The financial statements are presented in INR which is the functional currency, and all values are rounded to the nearest lakh (₹ 1,00,000) except when otherwise indicated. The financial statements were authorized for issue in accordance with a resolution of the Board of Directors on May 21, 2025.

#### 1.2 CURRENT VERSUS NON-CURRENT CLASSIFICATION

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle. Based on the nature of the business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

#### 1.3 PROPERTY, PLANT & EQUIPMENT

Property, plant, and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost includes taxes, duties, freight, and other incidental expenses related to the acquisition and installation of the respective assets. Subsequent expenditure related to an item of property, plant, and equipment is added to its book value only if it increases the future economic benefits from the existing assets beyond its previously assessed standard of performance.

Depreciation on property, plant, and equipment is provided on a straight-line basis over the useful lives of assets estimated by the management, taking into account the nature of the asset on technical evaluation of the useful life which may not necessarily be in alignment with the indicative useful lives prescribed by Schedule II to the Companies Act 2013. The following useful lives are considered:

<b>Asset Name:</b>	<b>Useful Life</b>
Land	-
Building	30 Years
Plant & Machinery	15 Years
Electrification	10 Years
Office Equipment	5 Years
Computer & Accessories	3 Years
Testing Equipment	15 Years
Furniture & Fixtures	10 Years
Vehicles	8 Years
Tools	15 Years



If significant parts of property, plant, and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment. Items of property, plant, and equipment that have been retired from active use and are held for disposal are stated at the lower of their carrying value and estimated net realizable value and are disclosed separately in the financial statements. Any gain or loss on disposal of an item of property, plant, and equipment is recognized in the Statement of Profit and Loss. Capital work-in-progress includes the cost of property, plant, and equipment that are not ready for intended use at the balance sheet date. Advances paid towards the acquisition of property, plant, and equipment outstanding at each balance sheet date are classified as capital advances under “Other Non-Current Assets”.

#### **1.4 INTANGIBLE ASSETS:**

Intangible assets comprise software and technical know-how. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. These intangible assets are amortized on a straight-line basis based on the basis of their useful lives which, in management’s estimate, represent the period during which economic benefits will be derived from their use. Currently the entity holds no intangible assets.

#### **1.5 INVESTMENT PROPERTY:**

Investments in land or buildings (including property under construction) which are held to earn rentals and/or for capital appreciation are classified as investment property. Investment properties are initially measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met, and directly attributable cost of bringing the investment property to its working condition for the intended use.

Depreciation on investment property is provided on a straight-line basis over the useful lives of assets estimated by the management. Such classes of investment properties and their estimated useful lives are as under:

<b>Asset Name:</b>	<b>Useful Life</b>
Land	Nil

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. On disposal of an investment property, the difference between its carrying amount and net disposal proceeds is recognized in the Statement of Profit and Loss.

#### **1.6 REVENUE RECOGNITION:**

Revenue is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is stated exclusive of Goods and Services Tax and net of trade and quantity discount.

Revenue from the sale of products is recognized on transfer of control of products to the customers, which is usually on dispatch or delivery of goods. When the outcome of a project contract can be estimated reliably, revenue from project contracts is recognized under the percentage-of-completion method based on the percentage of costs incurred to date compared to the total estimated contract costs. An expected loss on the project contract is recognized as an expense immediately. Contract revenue earned in excess of billing has been reflected as “Contract assets” and billing in excess of contract revenue has been reflected under “Contract liabilities” in the balance sheet.

Revenue from services represents service income other than from services which are incidental to the sale of products and projects. Revenue from services is recognized as per the terms of the contract with the customer using the proportionate completion method. Revenue from services rendered over a period of time is recognized on a straight-line basis over the period of the performance obligation.

**1.7 INVENTORIES:**

Inventories comprise all costs of purchase, conversion, and other costs incurred in bringing the inventories to their present location and condition. Raw materials, work-in-progress, finished goods, and traded goods are carried at the lower of cost and net realizable value. Cost is determined on the basis of First in First Out Method (FIFO). The net realizable value of work-in-progress and finished goods is determined with reference to the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale of related finished goods. Raw materials held for the production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished product will exceed its net realizable value.

**1.8 EMPLOYEES BENEFITS:**
**(a) Short-term Employee Benefits**

All employee benefits that are payable within twelve months of rendering the service are classified as short-term employee benefits. These include salaries, wages, short-term compensated absences, and the expected cost of ex-gratia payments. Such benefits are recognized in the period during which the employee provides the related service.

**(b) Post-employment and Other Long-term Benefits**

**Defined Contribution Plans:** The Company's superannuation scheme and employee state insurance scheme are defined contribution plans. Contributions under these schemes are recognized as expenses in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined Benefit Plans and Other Long-term Benefits:** The Company's gratuity, pension, medical benefit, and retirement gift schemes are defined benefit plans. Other long-term benefits include leave wages, retention bonuses, silver jubilee, and star awards. The present value of the obligation under these defined benefit plans and other long-term benefits is determined through actuarial valuation using the Projected Unit Credit Method. This method recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. For funded plans, the fair value of the plan assets is subtracted from the gross obligation under the defined benefit plans to recognize the obligation on a net basis. Provident fund is considered a defined benefit plan since any additional obligations due to investment risk and interest rate risk must be met by the Company.

For defined benefit plans, remeasurements, which include actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset), and any changes in the effect of asset ceiling (where applicable), are recognized in Other Comprehensive Income (OCI) and reflected in retained earnings. These remeasurements are not reclassified to profit or loss. For other long-term benefits, all remeasurements, including actuarial gains or losses, are charged to the Statement of Profit and Loss.

**The Company recognizes the following items in the net defined benefit obligation as expenses in the Statement of Profit and Loss:**

- service cost, including current service cost, past service cost, and gains and losses on curtailments and settlements.
- Net interest expense or income.

Provision for leave wages, pension, medical benefits, retention bonuses, silver jubilee, and star awards expected to be utilized within the next 12 months is treated as short-term employee benefits, while those expected to be utilized beyond 12 months are treated as long-term employee benefits. For presentation purposes, the allocation between short-term and long-term provisions is determined by an actuary.

**1.9 LEASES:**

The Company's lease asset class consist of leases for Office building. The Company assesses whether a contract is (or contains) a lease at inception of a contract. A contract is (or contains) a lease if the contract conveys the right to control

the use of an identified asset for a period of time in exchange for consideration. to assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

1. The contract involves the use of an identified asset.
2. The Company has substantially all the economic benefits from the use of the asset through the period of the lease.
3. The Company has the right to direct the use of the asset.

**Where the Company is the lessee:**

At the date of commencement of the lease, the Company recognizes a Right-of-Use asset (ROU) and a corresponding lease Liability for all lease arrangements in which it is a lessee except for leases with a term of twelve months or less (short-term leases) and leases of low-value assets. For these short-term and low value asset leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

The Lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or; if not readily determinable, using the incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate, and payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease. The Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

**Where the Company is the lessor:**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset is classified as operating leases. Rental income from operating lease contracts is recognized on a straight-line basis over the lease term.

**1.10 IMPAIRMENT OF NON-FINANCIAL ASSETS:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

**1.11 FOREIGN CURRENCY TRANSACTIONS:**

The Company is exposed to currency fluctuations on foreign currency transactions. Transactions in foreign currency are recorded at the exchange rate prevailing on the transaction date. Exchange differences on settled transactions are recognized in the Statement of Profit and Loss.

**Translation:** Monetary assets and liabilities in foreign currency at year-end are translated at the closing exchange rate, with resultant exchange differences recognized in the Statement of Profit and Loss. Nonmonetary items are stated using the exchange rate at the date of transaction or when fair value was determined.

### **1.12 FAIR VALUE MEASUREMENT:**

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Assets and liabilities measured at fair value are categorized within the fair value hierarchy;

- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level 2:** Valuation techniques with directly or indirectly observable inputs
- **Level 3:** Valuation techniques with unobservable inputs.

Transfers between levels in the hierarchy are reassessed at each reporting period. The Company uses various methods and assumptions, including discounted cash flow analysis and market prices, to determine fair value. All methods are approximations and may differ from actual realized values.

### **1.13 FINANCIAL INSTRUMENTS:**

A financial instrument is any contract that results in a financial asset for one entity and a financial liability or equity instrument for another entity.

#### **Financial Assets**

**Initial Recognition and Measurement:** On initial recognition, financial assets are recognized at fair value, except for trade receivables which are recognized at transaction price as they do not contain a significant financing component. For financial assets recognized at fair value through profit and loss (FWPL), transaction costs are recognized in the Statement of Profit and Loss. For other financial assets, transaction costs are included in the acquisition value.

**Subsequent Measurement:** Financial assets are classified into the following categories for subsequent measurement:

**(a) Financial assets at amortized cost:** Financial assets are measured at amortized cost if held within a business model aimed at holding these assets to collect contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest. After initial measurement, these assets are measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost takes into account discounts, premiums, and fees that are integral to the EIR. EIR amortization is included in finance income in the Statement of Profit and Loss. Impairment losses are recognized in the Statement of Profit and Loss. This category typically includes trade and other receivables, loans, and other financial

**(b) Financial assets including derivatives at fair value through profit or loss (FVTPL):** These financial assets are measured at fair value through profit and loss unless they are measured at amortized cost or FVOCI upon initial recognition. Transaction costs for these assets are immediately recognized in the Statement of

**(c) Financial assets at fair value through other comprehensive income (FVTOCI):** Derivative instruments in this category are measured at fair value initially and at each reporting date. Changes in fair value are recognized in Other Comprehensive Income (OCI).

**(d) Equity instruments:** Equity investments in subsidiaries and associates are measured at cost.

**Derecognition:** A financial asset is derecognized primarily when;

(a) The right to receive cash flows from the asset has expired, or

(b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Upon derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss,

**Impairment of Financial Assets:** The Company uses the expected credit loss (ECL) model for impairment of financial assets such as deposits, trade receivables, contract assets, and other financial assets resulting from transactions within the scope of Ind AS 115. The simplified approach is used for trade receivables and contract assets, recognizing impairment based on lifetime ECLS. For other financial assets, the Company assesses whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used; otherwise, lifetime ECL is applied. If credit quality improves, impairment loss allowance reverts to twelve-month ECL. ECL is the difference between contractual cash flows and the cash flows expected to be received, discounted at the original EIR.

ECL impairment loss allowance (or reversal) is recognized in the Statement of Profit and Loss under 'Other expenses.'

### **Financial Liabilities**

**Initial Recognition and Measurement:** Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss (FWPL), payables, or derivatives designated as hedging instruments. They are recognized at fair value, with transaction costs recognized in the Statement of Profit and Loss for FVTPL liabilities, and included in the acquisition or issue value for other financial liabilities.

**Subsequent Measurement:** Financial liabilities, including derivatives, designated at FVTPL are measured at fair value. Other financial liabilities, such as deposits, are measured at amortized cost using the EIR method. For trade and other payables maturing within one year, the carrying amount approximates fair value.

**Derecognition:** A financial liability is derecognized when the obligation is discharged, cancelled, or expired. An exchange or modification of terms with the same lender that results in substantially different terms is treated as derecognition of the original liability and recognition of a new one. The difference in carrying amounts is recognized in the Statement of Profit and Loss.

**Offsetting of Financial Instruments:** Financial assets and liabilities are offset and the net amount reported in the balance sheet if there is a legally enforceable right to offset and an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

### **1.14 TAXES ON INCOME:**

Income-tax expense includes both current tax and deferred tax.

- **Current Tax:** This is calculated based on the taxable profit for the year in accordance with the relevant provisions of the Income Tax Act, 1961. It is recognized in the Statement of Profit and Loss unless it relates to items recognized in

Other Comprehensive Income (OCI) or directly in equity. In such cases, current tax is also recognized in OCI or equity. Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provisions arising in the same tax.

**-Deferred Tax:** Deferred Tax reflects the Tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is recognized using the balance sheet method at the Tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax assets are recognized to the extent that it is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. These assets are reviewed at each balance sheet date and written down when it is no longer probable that sufficient taxable profits will be available. Deferred Tax related to items recognized outside profit or loss is also recognized outside profit or loss, either in OCI or directly in equity.

#### **1.15 PROVISIONS AND CONTINGENCIES:**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount. Provisions are discounted to their present value when the effect of time value of money is material.

Contingent Liabilities are disclosed when there is a possible obligation that arises from past events, the existence of which will be confirmed by the occurrence or non-occurrence of future events not wholly within the control of the company, or a present obligation that arises from past events where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured.

Contingent Assets are not recognized in the financial statements.

#### **1.16 EARNINGS PER SHARE:**

Basic earnings per share is calculated by dividing the net profit attributable to equity shareholders by the weighted average number of equities shares outstanding during the year.

Diluted earnings per share adjusts the net profit and the weighted average number of shares for the effects of all dilutive potential equity shares.

#### **1.17 CASH & CASH EQUIVALENTS:**

Cash and cash equivalents comprise cash, cheques in hand, cash at bank, and short-term deposits with maturities of three months or less. Deposits with maturities over three months are classified as "Other bank balances."

#### **1.18 GOVERNMENT GRANTS AND SUBSIDIES:**

Government grants and subsidies are recognized when there is reasonable assurance that the company will comply with the conditions attached and that the grant or subsidy will be received. Revenue-related grants are recognized in the Statement of Profit and Loss on a systematic basis over the periods necessary to match them with the related costs they are intended to compensate. Asset-related grants are deducted from the carrying amount of the asset.

#### **1.19 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS:**

Non-current assets or disposal groups are classified as "held for sale" if:

- A decision has been made to sell,
- They are available for immediate sale in their present condition,
- They are being actively marketed,
- Sale is expected within 12 months of the balance sheet date.

Such assets are measured at the lower of their carrying amount and fair value less costs to sell and are not depreciated or amortized.



A discontinued operation is a component that has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

#### **1.20 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:**

The preparation of financial statements in accordance with indAS requires management to make estimates and assumptions that affect reported amounts of revenue, expenses, assets, and liabilities. Actual results may differ from these estimates. Any revisions to accounting estimates are recognized prospectively.

#### **KEY ASSUMPTIONS AND ESTIMATING UNCERTAINTY:**

These assumptions and estimates have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year. The Company bases its assumptions and estimates on parameters available when the financial statements were prepared. Circumstances may change due to market changes or other developments beyond the Company's control, and such changes are reflected in the assumptions when they occur.

##### **a. TAXES:**

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits together with future tax planning strategies.

##### **b. PROVISIONS:**

Significant estimates are involved in determining provisions related to liquidated damages, onerous contracts, warranty costs, asset retirement obligations, and legal and regulatory proceedings. Provisions for onerous sales contracts are made when total contract costs exceed expected contract revenue. The provision for warranty, liquidated damages, and onerous contracts is based on the best estimate required to settle the present obligation at the end of the reporting period. Legal proceedings often involve complex issues and substantial uncertainties, requiring considerable judgment in determining the probability of a present obligation and estimating the obligation amount reliably. Internal and external counsel are generally involved in this determination process. Estimates are revised periodically.

##### **c. PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS:**

Depreciation charges are based on estimates of an asset's expected useful life and residual value. These estimates are determined by management when the asset is acquired and reviewed periodically, including at each financial year-end. They are based on historical experience with similar assets and anticipated future events, such as changes in technology.

##### **d. EMPLOYEE BENEFITS:**

The Company's obligation for employee benefits is determined based on actuarial valuations, which involve making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. These liabilities are highly sensitive to changes in these assumptions, and all assumptions are reviewed at each reporting date. The discount rate is based on government bond interest rates, and mortality rates are based on publicly available tables for India. Future salary increases and gratuity increases are based on expected future inflation rates.

##### **e. IMPAIRMENT OF NON-FINANCIAL ASSETS:**

The Company assesses at each balance sheet date whether there is any indication that an asset or group of assets (cash-generating unit) may be impaired. If any indication exists, the Company estimates the recoverable amount, which is the greater of the asset's net selling price and its value in use. Estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount is less than the carrying amount, an impairment loss is recognized in the Statement of Profit and Loss. If an impairment loss no longer exists, the recoverable amount is reassessed and the asset



is reflected at the recoverable amount, subject to a maximum of depreciable historical cost had no impairment been recognized.

**f. IMPAIRMENT OF FINANCIAL ASSETS:**

The Company assesses impairment on financial assets based on the Expected Credit Loss (ECL) model. The provision matrix is based on historically observed default rates over the expected life of the financial assets and is adjusted for forward-looking estimates. At each reporting date, the historical default rates are updated and changes in forward-looking estimates are analyzed.

**2. PROPERTY, PLANT & EQUIPMENT**

(Amount in ₹ Lakhs)

	Plant & Machinery	Land	Building	Office Equipment	Furniture and fixture	Computers	Vehicles	Total	Right-of-use assets
<b>Gross Block</b>									
As at 31st March 2024	94.89	17.91	188.10	45.33	20.59	14.24	6.77	387.83	14.35
Additions	2.81	-	-	14.79	2.47	2.44	25.10	47.60	-
Disposals	-6.87	-	-	-	-	-	-5.08	-11.95	-
As at 31st March 2025	90.84	17.91	188.10	60.12	23.05	16.67	26.78	423.48	14.35
<b>Accumulated Depreciation</b>									
As at 31st March 2024	8.63	-	18.49	9.30	5.00	5.72	2.71	49.85	6.63
Depreciation charge for the period	7.13	-	9.44	7.98	2.43	5.98	2.69	35.64	3.31
Disposals	-6.87	-	-	-	-	-	-3.97	-10.84	-
As at 31st March 2025	8.89	-	27.92	17.28	7.43	11.70	1.43	74.66	9.94
<b>Net Carrying Value</b>									
As at 31st March 2024	86.26	17.91	169.62	36.03	15.59	8.51	4.06	337.98	7.72
As at 31st March 2025	81.95	17.91	160.18	42.84	15.63	4.97	25.36	348.83	4.41

**Notes:**

1.1 There are no immovable properties held by the Company as at 31st March 2025 and 31st March 2024.

1.2 Plant & Machinery Included Plant & Machinery, Electrification & Testing Equipments

1.3 Office Equipment Included Tools

**3. NON-CURRENT INVESTMENTS**

(Amount in ₹ Lakhs)

	Particulars	As at 31st March 2025	As at 31st March 2024
A.	Investment in subsidiaries in unquoted equity shares, fully paid *		
	AIC- Aartech Solonics Pvt Ltd	1.00	1.00
	Faradigm Ultracapacitors Private Limited	0.95	0.95

<b>B.</b>	<b>Investment in associates in unquoted equity shares, fully paid *</b>		
	Enerqual Technology Private Limited	3.00	3.00
	Epsilon Ten Ltd	393.10	393.10
	(Provision for Impairment losses in Epsilon Ten Ltd)	-393.10	-
<b>C.</b>	<b>Investment in Quoted equity shares, fully paid up</b>		
	(Measured at Fair Value through Profit and Loss (FVTPL))		
	Jay Kailash Namkeen Limited	-	73.41
	Rudra Global Infra Products Limited	41.22	
	Reliance Industries Limited	0.87	
	Agarwal Tough Glass India Limited	23.78	
	NTPC Green Energy Limited	0.86	
	<b>Unquoted equity instruments, fully paid up</b>		
	Umang Shridhar Design Private Limited	25.00	25.00
<b>D.</b>	<b>Investment properties</b>		
	Land Seac Chandukhedi	34.46	34.46
	Land Phoenix	14.85	14.85
	<b>Total</b>	<b>145.98</b>	<b>545.77</b>
	Aggregate amount of quoted investments	42.09	73.41
	Aggregate market value of quoted investments	42.09	73.41
	Aggregate amount of unquoted investments	103.89	472.36
	Aggregate amount of Impairment in value of investments	-393.10	-

#### 4. LOANS - NON-CURRENT

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>Loan to related parties*</b>		
(Unsecured, considered good)		
AIC- Aartech Solonics Pvt Ltd	430.33	262.29
Faradigm Ultracapacitors Private Limited	216.13	176.61
Loans to other corporates parties		-
<i>Note: These loans are repayable on demand.</i>		
<b>Total</b>	<b>646.46</b>	<b>438.90</b>

#### 5. OTHER FINANCIAL ASSETS - NON-CURRENT

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
-------------	--------------------------------------	--------------------------------------

Security deposit	101.50	69.52
(Unsecured, considered good)		
<b>Total</b>	<b>101.50</b>	<b>69.52</b>

## 6. DEFERRED TAX ASSETS (NET)

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
MAT Credit	62.13	17.40
Deferred Tax Assets/(Liabilities) Refer Note No. 32	34.84	-3.29
<b>Total</b>	<b>96.97</b>	<b>14.11</b>

## 7. INVENTORIES

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Raw Material	802.05	506.85
Work-In-Progress	136.06	144.15
Stock-in-Trade	28.80	31.10
Finished Goods		-
<b>Total</b>	<b>966.91</b>	<b>682.10</b>

## 8. CURRENT INVESTMENTS

(Amount in ₹ Lakhs)

Particulars	Units 31 <sup>st</sup> March 2025	Units 31 <sup>st</sup> March 2024
Aditya Birla Sunlife Equity Advantage Growth Fund 480.31 Units (Previous 3,935.98 units)	3.97	30.60
Nippon India Ultra Short Duration Fund Growth Plan Nil Units (Previous 2,947.26 units)	-	108.77
Aditya Birla Sun Life Overnight Fund Growth Plan 1.11 Units (Previous 1.11 units)	0.02	0.01
DSP Mid Cap Fund Regular Plan Growth 2,900.12 Units (Previous 18,591.81 units)	3.79	21.62
HDFC Small Cap Fund Regular Plan 1,545.28 Units (Previous 11,037.25 units)	1.87	12.99
HDFC Large Cap Fund Regular Growth Plan 185.23 Units (Previous 1,161.83 units)	2.00	11.93
Bandhan Bond Fund Medium Term Plan Growth 11,390.63 Units (Previous 19,818.65 units)	5.10	8.22
Bandhan Ultra Short-Term Fund Regular Plan Nil Units (Previous 51,484.98 units)	-	7.16
Invesco India Money Market Fund Regular Growth	1.38	1.29

46.28 Units (Previous 46.28 units)		
Kotak Emerging Equity Scheme Growth Regular Plan 447.97 Units (Previous 12,637.43 units)	0.53	12.95
Kotak Equity Opportunities Fund Growth Regular Plan 169.41 Units (Previous 6,994.37 units)	0.53	20.03
Nippon India Banking & Financial Services Fund Growth Plan 404.53 Units (Previous 8,750.09 units)	2.33	44.77
Nippon India Growth Fund Growth Plan 216.40 Units (Previous 2,137.07 units)	8.03	69.72
Nippon India Large Cap Fund Growth Plan 2,29,903.26 Units (Previous 1,40,057.76 units)	191.89	109.51
Nippon India Multi Cap Fund Growth Plan 3,109.81 Units (Previous 7,777.58 units)	8.37	19.03
Nippon India Short Term Fund Growth Plan 11,512.27 Units (Previous Nil units)	5.94	-
Nippon India Small Cap Fund Growth Plan 6,674.80 Units (Previous Nil units)	10.00	-
Nippon India Value Fund Growth Plan 2,002.66 Units (Previous 5,202.62 units)	4.17	9.91
Nippon India Gold Savings Fund Growth Plan 12,379.49 Units (Previous 8,343.35 units)	4.24	2.19
Nippon India Multi Asset Fund Growth Plan (MFGPG) Nil Units (Previous 2,89,732.93 units)	-	52.09
Nippon India Nifty Smallcap 250 Index Fund Growth Plan 59,903.79 Units (Previous Nil units)	17.35	-
Nippon India Pharma Fund Growth Plan 2,079.77 Units (Previous Nil units)	10.01	-
Nippon India Nifty Midcap 150 Index Fund Growth Plan 91,142.77 Units (Previous 1,34,283.26 units)	19.65	27.01
Tata Balances Advantage Fund Regular Plan Growth Nil Units (Previous 44,978.12 units)	-	8.41
Nippon India Flexi Cap Fund Growth Plan Nil Units (Previous 4,33,596.088 units)	-	62.50
Nippon India Corporate Bond Fund Growth Plan Nil Units (Previous 70,843.94 units)	-	38.25
Tata Resources & Energy Fund Regular Plan Growth Nil Units (Previous 17,496.42 units)	-	6.75
Nippon India Power & Infra Fund Growth Plan 14,102.79 Units (Previous Nil units)	44.85	-
Nippon India Consumption Fund Growth Plan 4,076.15 Units (Previous Nil units)	7.42	-
Nippon India Small Cap Fund Growth Plan (466218393367) Nil Units (Previous 1,895.82 units)	-	2.68

Nippon India Fixed Horizon Fund XI V Series 5 Growth Plan 2,99,985.00 Units (Previous 2,99,985.00 units)	35.50	32.65
Nippon India Equity Saving Fund Growth Plan 2,90,454.30 Units (Previous Nil units)	45.01	-
Tata Digital India Fund Regular Growth Plan 555.49 Units (Previous 4,447.58 units)	0.25	1.88
Tata Multi Cap Fund Regular Growth Plan 4,056.66 Units (Previous 28,400.97 units)	0.52	3.64
Tata Small Cap Fund Regular Growth Plan 715.86 Units (Previous 5,677.86 units)	0.26	1.84
Nippon India Power & Infra Fund Growth Plan (466218393367) Nil Units (Previous 9,191.34 units)	-	28.45
Nippon India Multi Asset Fund Growth Plan (MFGPG) (466218393367) Nil Units (Previous 1,11,074.80 units)	-	19.97
UTI Large & Mid Cap Fund Regular Plan Growth 1,447.44 Units (Previous 137.86 units)	2.37	0.20
UTI Nifty 200 Momentum 30 Index Fund Regular Plan Growth 8,714.72 Units (Previous 718.10 units)	1.67	0.15
UTI BSE Low Volatility Index Fund Regular Plan Growth 12,046.65 Units (Previous 967.80 units)	1.86	0.15
Nippon India Nifty IT Index Fund Growth Plan Nil Units (Previous 4,99,975.00 units)	-	45.72
Nippon India Nifty Bank Index Fund Growth Plan Nil Units (Previous 4,99,975.00 units)	-	50.14
Nippon India Nifty 500 Equal Weight Index Fund Growth Plan 8,03,073.93 Units (Previous Nil units)	67.09	-
Nippon India Nifty 500 Momentum 50 Index Fund Growth Plan 11,82,178.19 Units (Previous Nil units)	87.93	-
Groww Large Cap Fund Regular Plan Growth 4,43,470.52 Units (Previous Nil units)	174.68	-
Groww Short Duration Fund Regular Plan Growth 7,052.81 Units (Previous Nil units)	143.58	-
Groww Overnight Fund Regular Plan Growth 12.66 Units (Previous Nil units)	0.17	-
Axis Nifty Midcap 50 Index Fund Regular Plan Growth 61,304.32 Units (Previous Nil units)	10.58	-
Bandhan Nifty 500 Value 50 Index Fund Regular Plan Growth 63,366.96 Units (Previous Nil units)	5.88	-
Groww Multicap Fund Regular Plan Growth 21,16,597.99 Units (Previous Nil units)	189.12	-
Groww Nifty India Railways PSU Index Fund Regular Growth 1,99,990.00 Units (Previous Nil units)	18.77	-
<b>Total</b>	<b>1,138.71</b>	<b>873.16</b>

Aggregate amount of quoted investments	1,138.71	873.16
Aggregate market value of quoted investments	1,138.71	873.16

## 9. TRADE RECEIVABLES

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>Trade receivables</b>		
-Secured, considered good		-
-Unsecured, considered good	584.45	943.26
-Credit impaired	89.86	128.48
-Less: allowances for expected credit loss	-89.86	-128.48
<b>Total</b>	<b>584.45</b>	<b>943.26</b>

### 9.1. Trade Receivables ageing schedule: As at 31st March 2025

(Amount in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	573.28	11.17	-	-	-	584.45
(ii) Undisputed trade Receivables – Significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade Receivables – credit impaired		10.98	29.04	44.18	5.65	89.86
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-
(v) Disputed trade Receivables – Significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade Receivables – credit impaired	-	-	-	-	-	-
Less: allowances for expected credit loss	-	-10.98	-29.04	-44.18	-5.65	-89.86
	<b>573.28</b>	<b>11.17</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>584.45</b>

### 9.2. Trade Receivables ageing schedule: As at 31st March 2024

(Amount in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	844.18	99.08	-	-	-	943.26

(ii) Undisputed trade Receivables – Significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade Receivables – credit impaired	-	25.77	68.16	9.24	25.32	128.48
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-
(v) Disputed trade Receivables – Significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade Receivables – credit impaired	-	-	-	-	-	-
Less: allowances for expected credit loss	-	-25.77	-68.16	-9.24	-25.32	-128.48
	<b>844.18</b>	<b>99.08</b>	-	-	-	<b>943.26</b>

## 10. CASH & CASH EQUIVALENTS

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Balances with banks:		
-Bank deposits with Bank	163.37	192.49
-in Current accounts	5.40	28.89
Cash in hand	-	-
Others (Includes imprest given to employees for incurring expenses)	2.06	4.81
<b>Total</b>	<b>170.82</b>	<b>226.19</b>

**10.1** There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

## 11. OTHER FINANCIAL ASSETS

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Accrued Interest on deposits with bank	1.34	1.64
Other Receivable	-	1.12
<b>Total</b>	<b>1.34</b>	<b>2.75</b>

## 12. OTHER CURRENT ASSETS

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
(Unsecured, considered good, unless otherwise stated)		
Advance to employees	0.55	-
Advance to Supplier	68.66	39.08



Prepaid Expenses	7.74	6.77
Balances with statutory/government authorities	52.80	76.46
<b>Total</b>	<b>129.75</b>	<b>122.30</b>

**13. CURRENT TAX ASSETS (NET)**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Advance income-tax (net of provision for taxation)	20.97	
<b>Total</b>	<b>20.97</b>	<b>-</b>

**14. SHARE CAPITAL**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>14.1 Authorized Share Capital:</b>		
5,00,00,000 Equity shares of ₹5 each	2,500.00	1,500.00
<b>Total</b>	<b>2,500.00</b>	<b>1,500.00</b>
<b>14.2 Issued, subscribed and Paid up:</b>		
3,17,70,375 Equity shares of ₹5 each fully paid	1588.52	1,059.01
<b>Total</b>	<b>1,059.01</b>	<b>1,059.01</b>

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

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Equity Shares at the beginning of the year	1,05,90,125	1,05,90,125
Add: Equity shares issued during the year	-	-
- Split of equity shares	1,05,90,125	-
- as fully paid-up bonus shares	1,05,90,125	-
Less: Shares cancelled on buy back of Equity Shares	-	-
<b>Equity Shares at the end of the year</b>	<b>1,05,90,125</b>	<b>1,05,90,125</b>

**14.4. Terms / rights attached to Equity Shares**

Company has only one class of equity shares having a par value of ₹ 5 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.

**14.5. Details of shareholding more than 5% shares in the Company:**

Particulars	As at	As at
-------------	-------	-------

Name of Share Holders	31st March 2025		31st March 2024	
	No. of Shares	% held	No. of Shares	% held
Anil Anant Raje	7014000	22.08%	2338000	22.08%
Chhaya Anil Raje	4199997	13.22%	1399999	13.22%
Amit Anil Raje	4703500	14.76%	1563600	14.76%
Kailash Kabra	1767000	6.84%	724000	10.01%
Veena Rajesh			549000	5.18%

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

#### 14.6. Details of shares held by promoter at the end of the year:

Particulars	As at 31st March 2025		% Change during the year
Name of Share Holders	No. of Shares	% held	
Anil Anant Raje	7014000	22.08%	0.00%
Chhaya Anil Raje	4199997	13.22%	0.00%
Amit Anil Raje	4703500	14.80%	0.27%

Particulars	As at 31st March 2024		% Change during the year
Name of Share Holders	No. of Shares	% held	
Anil Anant Raje	2338000	22.08%	0.00%
Chhaya Anil Raje	1399999	13.22%	0.00%
Amit Anil Raje	1563600	14.76%	0.00%

#### 14.7 Shares reserved for issue under options:

No shares have been issued for consideration other than cash or as bonus shares and no shares have been bought back in the five years immediately preceding the balance sheet date.

### 15. OTHER EQUITY

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>(A) General Reserves</b>		
-Balance as per last Financial Statements	616.15	616.15
- Transferred from profit and loss account during the period/ year	-529.51	-
<b>Closing Balance</b>	<b>86.64</b>	<b>616.15</b>
<b>(B) Capital Reserves</b>		
-Balance as per last Financial Statements	35.52	35.52

-Transferred from profit and loss account during the period/ year	-	-
<b>Closing Balance</b>	<b>35.52</b>	<b>35.52</b>
<b>(C) Securities Premium</b>		
- Balance as per last Financial Statements	509.20	509.20
- Increase due to issuance of equity shares at premium during the year	-	-
<b>Closing Balance</b>	<b>509.20</b>	<b>509.20</b>
<b>(D) Retained earnings</b>		
-Balance as per last Financial Statements	899.16	809.11
-Profit for the year	204.37	144.29
-Dividend paid on equity shares during the period	-79.43	-52.95
-Remeasurement of defined benefit obligations (Net of tax)	-1.50	-1.29
<b>Closing Balance</b>	<b>1,022.60</b>	<b>899.16</b>
<b>Total (a+b+c+d)</b>	<b>1,653.97</b>	<b>2,060.03</b>

#### 15.1. General Reserve

Under the Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with the Companies (Transfer of profits to reserves) Rules, 1975. Consequent to introduction of the Act, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

#### 15.2. Capital Reserve

The purpose for which a capital reserve is created is for preparing the company for sudden events like inflation, business expansion, funds for a new project. A capital reserve is created from capital profit earned through sales of capital assets such as the sale of fixed assets, profit on the sale of shares.

#### 15.3. Securities premium

Security premium represents share issued at premium less share issue expenses. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

#### 15.4. Retained earnings

Retained earnings are the accumulated profits/(losses) earned by the Company till date and includes other comprehensive income that will not be reclassified subsequently to profit and loss account, less any transfers to general reserve.

#### 16. LEASE LIABILITIES - NON-CURRENT

(Amount in ₹ Lakhs)

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2025</b>	<b>As at 31<sup>st</sup> March 2024</b>
Lease liabilities	-	5.56
<b>Total</b>	<b>-</b>	<b>5.56</b>
- Lease liabilities - Current	5.56	3.52
<b>Total</b>	<b>5.56</b>	<b>3.52</b>

**17. PROVISIONS - NON-CURRENT**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Provision for compensated absences	20.72	16.42
Provision for gratuity	14.17	7.86
<b>Total</b>	<b>34.88</b>	<b>24.28</b>

**18. BORROWINGS**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Bank Overdraft	558.19	410.94
<b>Total</b>	<b>558.19</b>	<b>410.94</b>

**18.1.** Interest charged by HDFC Bank @ 8.5% (Floating Rate) on CC Account.

**18.2. Primary Securities:** - Hypothecation of Stocks and Debtors.

**18.3. Collateral Securities:** - Industrial property approx. 14,779 sq. feet at plot no. 35A/36, Sector-B, Industrial area, Mandideep, District Raichur, pledged as security for CC account with HDFC Bank amounting to Rs 5,12,00,000 and 8 no. Flat at Indus Mandideep approx. 450 sq. feet each pledged as security for CC account with HDFC Bank amounting to Rs 67,25,000.

**18.4.** Details of monthly stock and book debts statement submitted to Bank:

Particulars	Period	Amount as per books of account	Amount as reported in the statement	Amount of Difference *
Inventory	Apr-24	716.58	716.58	-
Trade Receivables	Apr-24	821.17	821.17	-
Trade Payables	Apr-24	502.56	502.56	-
Advance from Customer	Apr-24	35.72	35.72	-
Advance to Suppliers	Apr-24	97.99	97.99	-
Sales	Apr-24	129.76	129.76	-
Inventory	May-24	868.45	868.45	-
Trade Receivables	May-24	601.26	601.26	-
Trade Payables	May-24	500.09	500.09	-
Advance from Customer	May-24	34.40	34.40	-
Advance to Suppliers	May-24	72.50	72.50	-
Sales	May-24	268.89	268.89	-
Inventory	Jun-24	641.42	641.42	-
Trade Receivables	Jun-24	724.02	724.02	-
Trade Payables	Jun-24	443.11	443.11	-
Advance from Customer	Jun-24	28.39	28.39	-

Advance to Suppliers	Jun-24	72.25	72.25	-
Sales	Jun-24	262.28	262.28	-
Inventory	Jul-24	773.13	773.13	-
Trade Receivables	Jul-24	679.85	679.85	-
Trade Payables	Jul-24	546.95	546.95	-
Advance from Customer	Jul-24	29.60	29.60	-
Advance to Suppliers	Jul-24	126.97	126.97	-
Sales	Jul-24	230.21	230.21	-
Inventory	Aug-24	797.80	797.80	-
Trade Receivables	Aug-24	502.59	502.59	-
Trade Payables	Aug-24	484.86	484.86	-
Advance from Customer	Aug-24	26.35	26.35	-
Advance to Suppliers	Aug-24	55.41	55.41	-
Sales	Aug-24	163.59	163.59	-
Inventory	Sep-24	693.73	693.73	-
Trade Receivables	Sep-24	813.85	813.85	-
Trade Payables	Sep-24	533.05	533.05	-
Advance from Customer	Sep-24	28.39	28.39	-
Advance to Suppliers	Sep-24	72.24	72.24	-
Sales	Sep-24	546.81	546.81	-
Inventory	Oct-24	678.17	678.17	-
Trade Receivables	Oct-24	958.62	958.62	-
Trade Payables	Oct-24	616.75	616.75	-
Advance from Customer	Oct-24	28.63	28.63	-
Advance to Suppliers	Oct-24	48.53	48.53	-
Sales	Oct-24	379.33	379.33	-
Inventory	Nov-24	707.58	707.58	-
Trade Receivables	Nov-24	897.09	897.09	-
Trade Payables	Nov-24	582.79	582.79	-
Advance from Customer	Nov-24	24.59	24.59	-
Advance to Suppliers	Nov-24	81.79	81.79	-
Sales	Nov-24	201.55	201.55	-
Inventory	Dec-24	728.55	728.55	-
Trade Receivables	Dec-24	875.91	875.91	-
Trade Payables	Dec-24	542.32	542.32	-
Advance from Customer	Dec-24	25.37	25.37	-
Advance to Suppliers	Dec-24	92.69	92.69	-
Sales	Dec-24	374.35	374.35	-
Inventory	Jan-25	870.67	870.67	-
Trade Receivables	Jan-25	1105.59	1105.59	-
Trade Payables	Jan-25	572.09	572.09	-
Advance from Customer	Jan-25	24.69	24.69	-

Advance to Suppliers	Jan-25	106.07	106.07	-
Sales	Jan-25	393.57	393.57	-
Inventory	Feb-25	707.76	707.76	-
Trade Receivables	Feb-25	997.80	997.80	-
Trade Payables	Feb-25	568.78	568.78	-
Advance from Customer	Feb-25	24.67	24.67	-
Advance to Suppliers	Feb-25	77.18	77.18	-
Sales	Feb-25	237.71	237.71	-
Inventory	Mar-25	759.46	759.46	-
Trade Receivables	Mar-25	711.10	674.31	36.79
Trade Payables	Mar-25	418.17	417.52	0.65
Advance from Customer	Mar-25	24.86	24.86	-
Advance to Suppliers	Mar-25	66.48	68.66	-2.18
Sales	Mar-25	381.61	381.61	-
	-	-	-	-

\* The above differences are due to late booking of Purchases/payment to suppliers/amount received from customer/TDS Deductions after the submission of stock and debtors statement to Bank.

## 19. TRADE PAYABLES

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Micro, Small and Medium Enterprises	11.08	43.87
Others	406.44	512.31
<b>Total</b>	<b>417.52</b>	<b>556.18</b>

### 19.1. Trade Payables ageing schedule: As at 31st March 2025

(Amount in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Unbilled/Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed- MSME	-	11.08	-	-	-	11.08
(ii) Undisputed- Others	2.50	403.94	-	-	-	406.44
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-
	<b>2.50</b>	<b>415.02</b>				<b>417.52</b>

### 19.2. Trade Payables ageing schedule: As at 31st March 2024

(Amount in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment
-------------	--

	Unbilled/Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed- MSME	-	43.87	-	-	-	43.87
(ii) Undisputed- Others	1.25	510.27	-	0.11	0.68	512.31
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-
	<b>1.25</b>	<b>554.14</b>		<b>0.11</b>	<b>0.68</b>	<b>556.18</b>

**19.3.** The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosure in respect to Micro and Small Enterprises as per MSMED Act, 2006 is as follows:

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
-Principal amount due to micro and small enterprises	11.08	43.87
-Interest due on above	-	-
-the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
-the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
-The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
-the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
<b>Total</b>	<b>11.08</b>	<b>43.87</b>

The above information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises as per MSMED Act, on the basis of information available with the Company, from the date when vendors provided their confirmation that they are covered under MSMED Act.

## 20. OTHER FINANCIAL LIABILITIES

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Employee related payable	53.93	64.33
Deferred government grant	-	-



Total	53.93	64.33
-------	-------	-------

**21. OTHER CURRENT LIABILITIES**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Advance received from customers	24.86	29.97
Expense Payable	8.45	5.22
Dividend Payable	-	-
Statutory dues payable		
- TDS payable	8.97	17.56
- Professional Tax payable	0.09	0.07
- GST Payable	-	-
- Other Statutory Dues	2.16	1.95
Total	44.54	54.76

**22. CURRENT TAX LIABILITIES (Net)**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Provision for Income Tax	-	25.14
Total	-	25.14

**23. REVENUE FROM OPERATIONS**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Sale of Products	3,425.06	3,142.13
Sale of Service	144.67	127.12
Total	3569.73	3,269.25

**24. OTHER INCOME**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
-Interest Income:		
Bank deposit	9.22	10.05
Debentures	-	27.38
Others	37.45	10.31
On security deposits at amortised cost	0.07	0.06
-Net gain/(- loss) on sale of investments	211.43	149.13
-Gain on investments measured at FVTPL	-	72.39
-Reversal of expected credit loss	38.63	-
-Rental income	2.64	2.58
-Grant Income	30.00	39.63
-Profit on Sale of Fixed Assets	3.77	-

-Miscellaneous income	0.39	15.71
<b>Total</b>	<b>333.59</b>	<b>327.24</b>

**25. COST OF MATERIALS CONSUMED**

(Amount in ₹ Lakhs)

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2025</b>	<b>As at 31<sup>st</sup> March 2025</b>
Purchase of Raw Materials	2063.77	2,404.41
Opening Balance of Raw Materials	506.85	297.21
Less : Closing Balance of Raw Materials	802.05	506.85
<b>Total</b>	<b>1768.56</b>	<b>2,194.77</b>

**26. CHANGE IN INVENTORIES**

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2025</b>	<b>As at 31<sup>st</sup> March 2024</b>
Finished goods/Stock-in-Trade:		
Opening Balance	31.10	31.40
Less: Closing Balance	28.80	31.10
	<b>2.30</b>	<b>0.30</b>
Work-in-Progress:		
Opening Balance	144.15	119.03
Less: Closing Balance	136.06	144.15
	<b>8.09</b>	<b>-25.12</b>
<b>Total</b>	<b>10.39</b>	<b>-24.82</b>

**27. EMPLOYEE BENEFIT EXPENSES**

(Amount in ₹ Lakhs)

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2025</b>	<b>As at 31<sup>st</sup> March 2024</b>
Salaries and Wages	410.41	389.31
Contribution to provident and other funds	14.03	12.71
Gratuity expense	11.20	5.15
Leave encashment expense	8.29	0.08
Staff Welfare Expenses	11.20	8.62
<b>Total</b>	<b>455.12</b>	<b>415.86</b>

**28. FINANCE COST**

(Amount in ₹ Lakhs)

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2025</b>	<b>As at 31<sup>st</sup> March 2024</b>
Interest Expenses:		
-Bank overdraft	39.02	27.35
-Other loans	2.52	3.10

-Lease liabilities	0.65	0.93
Bank charges	11.97	24.81
<b>Total</b>	<b>54.17</b>	<b>56.19</b>

## 29. DEPRECIATION AND AMORTISATION EXPENSES

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Depreciation on property, plant and equipment	35.64	31.92
Amortisation of right-of-use assets	3.31	3.32
<b>Total</b>	<b>38.95</b>	<b>35.24</b>

## 30. IMPAIRMENT LOSSES

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Impairment Loss on Associates (Epsilon Ten Limited)	393.10	-
<b>Total</b>	<b>393.10</b>	<b>-</b>

## 31. OTHER EXPENSES

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Advertisement & business promotion	21.20	25.33
Annual Listing Fees	7.35	2.99
Operations and factory expenses	103.89	46.66
Job work expenses	50.87	32.81
Legal and professional charges	165.86	125.79
Printing and stationery	3.87	1.75
Power and fuel	21.06	19.97
Rent	18.25	18.16
Transportation	51.04	38.12
Repair & Maintenance Machinery	5.09	2.29
Repair & Maintenance Building	26.30	55.75
Repair & Maintenance Computer	0.99	1.09
Repair & Maintenance Others	7.11	5.96
Commission and brokerage	65.84	48.32
Payment to auditors*	2.50	2.50
Security expenses	3.42	3.21
Net loss on foreign currency transactions and translation	19.86	0.82
Travelling and conveyance	44.76	42.46
Loss on sale of property, plant and equipment	-	0.09

Insurance expenses	1.83	1.85
Late Delivery Charges	81.66	30.71
Research and development expenses	44.50	14.23
Rates and taxes	18.67	4.40
Loss on investments measured at FVTPL	183.86	-
Expected credit loss	-	86.65
Communication expenses	5.20	4.75
Selling expenses	9.99	3.72
Miscellaneous expenses	73.06	26.52
<b>Total Expenses</b>	<b>1,038.04</b>	<b>643.89</b>
* Payment To Auditors:		
-Statutory Audit Fees	2.50	2.50
-Other Professional Fees	-	-
<b>Total</b>	<b>2.50</b>	<b>2.50</b>

## 32. TAX EXPENSE

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>A. CURRENT TAX</b>		
- Accounting profit/(loss) before Income tax	204.37	275.36
-Taxable Income as per Income tax	295.87	482.94
-Tax on Income under normal provisions	66.83	117.29
-Tax on Income under section 115JB	22.90	45.01
<b>Tax Expenses (Higher of the above)</b>	<b>22.90</b>	<b>117.29</b>
<b>B. DEFERRED TAX</b>		
Deferred tax asset/(deferred tax liabilities) arising on account of:		
-Difference between accounting base and tax base of property, plant and equipment	2.26	13.55
-Difference between accounting base and tax base of Investment Property	-	-7.65
-Provision for gratuity	-0.68	0.63
-Provision for leave encashment	-1.19	0.20
-Bonus payable	-0.06	0.60
-Fair value of investments (mutual funds and shares)	-48.71	24.84
-Adjustments on account of application of IND AS 116	0.06	-0.08
-Security deposits	0.02	0.02
-Expected credit loss	10.75	-24.11
<b>Net deferred tax (expenses)/Income</b>	<b>-37.56</b>	<b>8.01</b>

**32.1. Changes in deferred tax assets/(deferred tax liabilities) from 1st April 2024 to 31st March 2025**

(Amount in ₹ Lakhs)

Particulars	Opening balance as at 1st April 2024	Recognised in statement of profit and loss	Recognised in other comprehensive income	Balance as at 31st March 2025
<b>Deferred tax asset/(deferred tax liabilities) arising on account of</b>				
-Difference between accounting base and tax base of property, plant and equipment	-27.22	2.26	-	-29.48
-Provision for gratuity	2.68	-1.26	0.58	3.94
-Provision for leave encashment	4.57	-1.19	-	5.76
-Bonus payable	0.64	-0.06	-	0.70
-Fair value of investments (mutual funds and shares)	-20.14	-48.71	-	28.58
-Adjustments on account of application of IND AS 116	0.38	0.06	-	0.32
-Security deposits	0.05	0.02	-	0.03
-Expected credit loss	35.74	10.75	-	25.00
<b>Total</b>	<b>-3.29</b>	<b>-38.14</b>	<b>0.58</b>	<b>34.84</b>

**32.2. Changes in MAT Credit from 1st April 2024 to 31st March 2025**

(Amount in ₹ Lakhs)

Particulars	Opening balance as at 1st April 2024	Recognised in statement of profit and loss	Recognised in other comprehensive income	Balance as at 31st March 2025
-MAT Credit	17.40	-44.72	-	62.13
<b>Total</b>	<b>17.40</b>	<b>-44.72</b>	<b>-</b>	<b>62.13</b>

Note: Deferred tax assets and liabilities have been recognised in accordance with the provisions of IND AS 12 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.

**33. EARNING PER SHARE**

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
-Profit/(loss) attributable to equity shareholders for earnings per share	202.87	143.00
-Weighted average number of equity share capital for earnings per share	317.70	317.70
-Effect of potential shares during the year	-	-
-Weighted average number of equity shares for diluted earnings per share	317.70	317.70

-Earning per equity share of face value of Rs 5 each:		
Basic earning per share	0.64	0.45
Diluted earning per share	0.64	0.45

Basic EPS amounts are calculated by dividing the profit/loss for the period attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/loss attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

### 34. RELATED PARTY DISCLOSURE

#### 34.1. Names of related parties and description of relationship:

S. No.	Name of Related Party	Relation
1	AIC- Aartech Solonics Private Limited	Subsidiary Company
2	Faradigm Ultracapacitors Private Limited	Subsidiary Company
3	Anil Anant Raje	Non-executive Director
4	Amit Anil Raje	Chairman & Managing Director
5	Arati Nath	CEO & Director
6	Prashant Dattatray Lowlekar	Independent Director
7	Kshitij Negi	Independent Director
8	Supriya Sunil Chitre	Independent Director
9	Pradeep Vasant Narkhede	Chief Financial Officer
10	Epsilon Ten Ltd	Enterprises where key management personnel exercise significant influence
11	Umang Shridhar Designs Private Limited	
12	Aartech Solonics UK Limited	
13	Enerqual Technology Private Limited	Associate Company
14	K. R. Tanuj Reddy	Company Secretary

#### 34.2 Transactions with related parties for the year ended:

(Amount in ₹ Lakhs)

S. No.	Name of related party	Nature of Transaction	As at	As at
			31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
1	AIC- Aartech Solonics Private Limited	Interest Income on Unsecured Loan	21.15	4.41
2	AIC- Aartech Solonics Private Limited	Interest Income on Debentures	-	12.94
3	AIC- Aartech Solonics Private Limited	Unsecured Loan	160.00	325.00
4	AIC- Aartech Solonics Private Limited	Repayment of Unsecured Loan	11.00	66.68
5	AIC- Aartech Solonics Private Limited	Redemption of Debentures	-	200.00
6	AIC- Aartech Solonics Private Limited	Job Work Service (Expenses)	40.02	13.13
7	Faradigm Ultracapacitors Private Limited	Interest Income on Unsecured Loan	16.14	5.53

8	Faradigm Ultracapacitors Private Limited	Unsecured Loan	15.00	171.63
9	Faradigm Ultracapacitors Private Limited	Repayment of Unsecured Loan	40.00	-
10	Faradigm Ultracapacitors Private Limited	Redemption of Debentures	-	220.00
11	Faradigm Ultracapacitors Private Limited	Interest Income on Debentures	-	9.36
12	Faradigm Ultracapacitors Private Limited	Purchases	56.42	55.53
13	Aartech Solonics UK Limited	Business Consulting Services Expenses	79.86	53.68
14	Aartech Solonics UK Limited	Engineering & Technical Services	19.09	-
15	Anil Anant Raje	Rent for Head Office	18.00	18.00
16	Anil Anant Raje	Sitting Fees	0.15	0.45
17	Anil Anant Raje	Technical Consultancy	30.00	17.50
18	Prashant Dattatray Lowlekar	Sitting Fees	1.05	0.75
19	Kshitij Negi	Sitting Fees	0.75	0.30
20	Supriya Sunil Chitre	Sitting Fees	0.60	-
21	Amit Anil Raje	Directors Remuneration	37.32	32.87
22	Arati Nath	Directors Remuneration	35.50	31.07
23	Pradeep Vasant Narkhede	Salaries	15.68	14.47
24	K. R. Tanuj Reddy	Salaries	10.12	8.38

**34.3 Balance with related parties for the period ended:**

(Amount in ₹ Lakhs)

S. No.	Name of related party	Nature of Transaction	As at		As at	
			31 <sup>st</sup> March 2025	March	31 <sup>st</sup> March 2024	March
1	AIC- Aartech Solonics Private Limited	Investment in Equity	1.00		1.00	
2	Faradigm Ultracapacitors Pvt Ltd	Investment in Equity	0.95		0.95	
3	Umang Shridhar Design Private Limited	Investment in Equity	25.00		25.00	
4	Enerqual Technology Private Limited	Investment in Equity	3.00		3.00	
5	Epsilon Ten Ltd	Investment in Equity	-		393.00	
6	AIC- Aartech Solonics Private Limited	Unsecured Loan	430.33		262.29	
7	Faradigm Ultracapacitors Pvt Ltd	Unsecured Loan	216.13		176.61	
8	AIC- Aartech Solonics Private Limited	Trade Payable	2.03		7.53	
9	Faradigm Ultracapacitors Pvt Ltd	Trade Payable	4.42		2.11	

**35. CONTINGENT LIABILITIES & OTHER COMMITMENTS**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Claims against the company not acknowledged as debt;	-	-
Guarantees;	711.15	718.97
Interest On MSME creditors outstanding for more than 45 days	-	-
There are no other commitments to be reported	-	-



### 36. EMPLOYEE BENEFIT PLANS

#### 36.1. Defined contribution plans:

The Company, in respect of qualifying employees contributes towards the following plans:

- Provident fund
- Employees' state insurance
- Labour welfare fund

#### 36.2. During the year the Company has recognized the following amounts in the Statement of Profit and Loss:

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
-Employer's contribution to employees' state insurance	1.80	1.63
-Employer's contribution to employees' provident fund	11.27	10.19
<b>Total</b>	<b>13.07</b>	<b>11.82</b>

#### 36.3. Defined benefit plan:

Company has made an arrangement with Life Insurance Corporation for Gratuity Benefits and Leave Encashment. Now the company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme' and 'Leave Encashment including compensated absence' of the Life Insurance Corporation of India, a funded defined benefit plan for eligible employees. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations.

#### 36.4. Reconciliation of present value of defined benefit obligation

(Amount in ₹ Lakhs)

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
- Present value of defined benefit obligation at the beginning of the year	50.52	44.47	19.24	20.34
- Interest cost	3.66	3.33	1.39	1.53
- Current service cost	5.35	4.43	2.40	2.12
- Benefits paid	-1.74	-3.16	-2.12	-0.60
- Past service cost	-	-	3.16	-
- Re-measurement (gain)/losses recognised in other comprehensive income	4.00	1.45	-	-4.15
<b>Present value of defined benefit obligation at the end of the year</b>	<b>61.80</b>	<b>50.52</b>	<b>24.07</b>	<b>19.24</b>

#### 36.5. Reconciliation of fair value of planned assets:

(Amount in ₹ Lakhs)

Particulars	Gratuity	Leave Encashment
-------------	----------	------------------

	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
- Fair value of plan assets at the beginning of the period	42.66	36.12	2.81	3.20
- Expected return on plan assets	2.88	2.62	0.09	0.23
- Contributions	1.90	7.42	2.57	-
- Benefits paid	-1.74	-3.16	-2.12	-0.60
- Actuarial gain/(loss) on plan assets	1.93	-0.34	-	-0.02
<b>Fair Value of Plan Asset at the end of the Period</b>	<b>47.63</b>	<b>42.66</b>	<b>3.36</b>	<b>2.81</b>

**36.6. Reconciliation of present value of the obligations and the fair value of the plan assets:**

(Amount in ₹ Lakhs)

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2024
- Fair value of plan assets		42.66		2.81
- Present value of defined benefit obligation		-50.52		-19.24
<b>Net liability recognised in the balance sheet</b>		<b>-7.86</b>		<b>-16.42</b>
- Liability- current				
- Liability- non-current		-7.86		-16.42
		<b>-7.86</b>		<b>-16.42</b>

**36.7. Expenses recognised in the statement of profit and loss:**

(Amount in ₹ Lakhs)

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
-Current service cost	3.66	4.43	2.40	2.12
-Past service cost	-	-	-	-
-Interest cost on benefit obligation	5.35	3.33	1.39	1.53
-Net actuarial (gain)/loss recognized in the period	-	-	3.26	-4.14
-Expected return on plan asset	-2.88	-2.62	-0.19	-0.23
<b>Total expenses included in employee benefits expense</b>	<b>6.13</b>	<b>5.15</b>	<b>6.86</b>	<b>-0.72</b>

**36.8. Re-measurement of recognised in other comprehensive income:**

(Amount in ₹ Lakhs)

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
-Actuarial (gain)/loss for the year on projected benefit obligation	-4.00	-1.45	-	-
-Actuarial gain/(loss) for the year on planned assets	1.93	-0.34	-	-
<b>Recognised in other comprehensive income</b>	<b>-2.07</b>	<b>-1.79</b>	<b>-</b>	<b>-</b>

**36.9. Maturity profile of defined benefit obligation:**

(Amount in ₹ Lakhs)

Particulars	Gratuity 31 <sup>st</sup> March 2025	Leave Encashment 31 <sup>st</sup> March 2025
-01 Apr 2025 to 31 Mar 2026	3.66	-
-01 Apr 2026 to 31 Mar 2027	11.279.61	-
-01 Apr 2027 to 31 Mar 2028	1.99	-
-01 Apr 2028 to 31 Mar 2029	1.38	-
-01 Apr 2029 to 31 Mar 2030	4.13	-
-01 Apr 2030 Onwards	41.02	-

**36.10. A quantitative sensitivity analysis for significant assumption:**

(Amount in ₹ Lakhs)

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Increase/(decrease) on present value of defined benefits obligation at the end of the year</b>				
<b>Discount rate</b>				
+ 100 basis points	57.19	-46.65	22.16	-17.69
- 100 basis points	-67.08	54.96	-26.28	21.02
<b>Future salary increases rate</b>				
+ 100 basis points	67.12	55.02	26.30	21.04
- 100 basis points	-57.08	-46.54	-22.12	-17.65
<b>Attrition rate</b>				
+ 100 basis points	62.33	51.16	24.34	19.52
- 100 basis points	61.20	-49.80	-23.78	-18.91

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

**36.11. The major categories of plan assets as a percentage of total**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
-Insurance managed funds	100%	100%

**36.12. Actuarial assumptions**
**(i) Economic assumptions:**

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Company's long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard. These valuation assumptions are as follows:

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
-Discount rate (in %)	6.75%	7.25%	6.75%	7.25%
-Future salary increase (in %)	5.00%	5.00%	5.00%	5.00%
-Attrition rate (in %)	5.00%	5.00%	5.00%	5.00%

**(ii) Demographic assumptions**

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
-Retirement age (Years)	58	58	58	58
-Mortality rate inclusive of provision for disability	IALM 2012-14		IALM 2012-14	

**36.13. Description of risk exposures**

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow –

- Salary increases
- Investment risk
- Discount rate
- Mortality and disability
- Withdrawals

**36.14. Maturity profile of defined benefit obligation**

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Average duration of the defined benefit obligation (in years)	13	14	14	15

**36.15. Other long-term benefits:**

An actuarial valuation of compensated absences has been carried out by an independent actuary using the Projected Unit Credit method. The amount recognised as an expense towards compensated absences for the year aggregated to Rs. 6,86,394.00 (31 March 2024: Rs. Nil).

**37. LEASE LIABILITIES**

As per IND AS 116, Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2022. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2022 was 9%.

**37.1. Lease liabilities are presented in the balance sheet as follows:**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
- Current	-	3.52
- Non-current	-	5.56
<b>Total</b>	-	<b>9.08</b>

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities are disclosed in note 35.

The Company has lease for the head office. With the exception of short-term leases and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities. For this lease, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The Company has considered automatic extension option available for the property leases in lease period assessment since the Company can enforce its right to extend the lease beyond the initial lease period as the Company is likely to be benefited by exercising the extension option.

### 37.2. The recognised right-of-use assets relate to the lease pertaining to the office building as at

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>'Right-of-use assets- office building:</b>		
- Opening balance as at the beginning of the year	7.72	11.04
- Add: Additions on account of new leases entered during the year	-	-
- Less: Termination/ modifications	-	-
- Less: Amortisation expense charged on the right-of-use assets	-3.31	-3.32
<b>Closing balance as at the end of the year</b>	<b>4.41</b>	<b>7.72</b>

### 37.3. The following are amounts recognised in statement of profit and loss:

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Amortisation expense of right-of-use assets	3.31	3.32
Interest expense on lease liabilities	0.65	0.93
Rent expense	18.00	18.00
<b>Total</b>	<b>21.96</b>	<b>22.25</b>

### 37.4. Lease payments not recognised as a liability:

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
'Expenses relating to short term leases (included in other expenses)	18.25	18.16

<b>Total</b>	<b>18.25</b>	<b>18.16</b>
--------------	--------------	--------------

**37.5. The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:**

(Amount in ₹ Lakhs)

<b>Particulars</b>	<b>No of right-of-use assets leased</b>	<b>Range of remaining term (in years)</b>	<b>Average remaining lease term (in years)</b>
'Office	1	3.09	3.09
<b>Total</b>	<b>1</b>	<b>3.09</b>	<b>3.09</b>

The company has a right to extend/terminate its leasing arrangements beyond the initial agreement/lock in period. For the assessment of lease term as per Ind AS 116, the management of the Company has considered the extension options and not considered the early termination options wherever available for its property leases in its lease period assessment since the Company is likely to be benefited from a longer lease tenure.

### **38. FINANCIAL INSTRUMENTS - FAIR VALUES & RISK MANAGEEMNT**

#### **38.1. Financial instruments by category**

(Amount in ₹ Lakhs)

<b>Particulars</b>	<b>As at 31st March 2025</b>		<b>As at 31st March 2024</b>	
	<b>FVTPL</b>	<b>Amortised cost</b>	<b>FVTPL</b>	<b>Amortised cost</b>
<b>Financial assets</b>				
- Loans	-	646.46	-	438.90
- Investments	1,138.71	145.98	873.16	545.77
- Trade Receivables	-	584.45	-	943.26
- Cash and cash equivalents	-	170.82	-	226.19
- Other Financial Assets	-	102.84	-	72.27
<b>Total</b>	<b>1,138.71</b>	<b>1,650.55</b>	<b>873.16</b>	<b>2,226.38</b>
<b>Financial liabilities</b>				
- Trade payables	-	417.52	-	556.18
- Borrowings	-	558.19	-	410.94
- Lease liabilities	-	-	-	5.56
- Other financial liabilities	-	53.93	-	64.33
<b>Total</b>	<b>-</b>	<b>1,029.64</b>	<b>-</b>	<b>1,037.00</b>

#### **38.2. Fair value hierarchy**

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in these financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Ind AS 113. An explanation of each level follows underneath the table.

**Assets & liabilities which are (a) recognised & measured at fair value and (b) measured at amortised cost are disclosed:**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025				
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
- Loans	646.46	-	-	646.46	646.46
- Investments	1,284.69	1,138.71	-	145.98	1,284.69
- Trade Receivables	584.45	-	-	584.45	584.45
- Cash and cash equivalents	170.82	-	-	170.82	170.82
- Other Financial Assets	102.84	-	-	102.84	102.84
<b>Total</b>	<b>2,789.26</b>	<b>1,138.71</b>	<b>-</b>	<b>1,650.55</b>	<b>2,789.26</b>
<b>Financial liabilities</b>					
- Trade payables	417.52	-	-	417.52	417.52
- Borrowings	558.19	-	-	558.19	558.19
- Lease liabilities	-	-	-	-	-
- Other financial liabilities	53.93	-	-	53.93	53.93
<b>Total</b>	<b>1,029.64</b>	<b>-</b>	<b>-</b>	<b>1,029.64</b>	<b>1,029.64</b>

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2024				
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
- Loans	438.90	-	-	438.90	438.90
- Investments	1,418.92	873.16	-	545.77	1,418.92
- Trade Receivables	943.26	-	-	943.26	943.26
- Cash and cash equivalents	226.19	-	-	226.19	226.19
- Other Financial Assets	72.27	-	-	72.27	72.27
<b>Total</b>	<b>3,099.54</b>	<b>873.16</b>	<b>-</b>	<b>2,226.38</b>	<b>3,099.54</b>
<b>Financial liabilities</b>					
- Trade payables	556.18	-	-	556.18	556.18
- Borrowings	410.94	-	-	410.94	410.94
- Lease liabilities	5.56	-	-	5.56	5.56
- Other financial liabilities	64.33	-	-	64.33	64.33
<b>Total</b>	<b>1,037.00</b>	<b>-</b>	<b>-</b>	<b>1,037.00</b>	<b>1,037.00</b>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.



**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the-counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities. There have been no transfers between any of the above levels for the years mentioned above.

#### **Valuation technique used to determine fair value**

Specific valuation techniques used to value financial instruments include:

'- the financial instruments is determined using discounted cash flow analysis.

#### **Valuation process**

**(i)** Level 1 - The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

**(ii)** Level 3 valuations are discussed with CFO and the finance team at least once every year.

The main level 3 inputs used by the Company are derived and evaluated as follows:

- Risk adjusted discount rates are estimated based on expected cash inflows arising from the instrument and the entity's knowledge of the business and how the current economic environment is likely to impact it.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the yearly valuation discussion between the CFO and the finance team.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature. Non-current loans represent security deposits and other non-current financial assets represents bank deposits (due for maturity after twelve from the reporting date) and interest accrued but not due on bank deposits, the carrying value of which approximates the fair values as on the reporting date.

### **38.3. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk;
- (ii) Liquidity risk; and
- (iii) Market risk

#### **(a) Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has authorized respective business managers to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the business managers periodically to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Recognised variable rate financial liabilities denominated in Indian rupee (INR)	Sensitivity analysis	Mix of borrowings taken at fixed and floating rates
Market risk - security price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

#### **38.4. Credit risk**

Credit risk is the risk that a customer or counterparty to a financial instrument fails to discharge an obligation to the company. The company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- Cash and cash equivalents
- Trade receivables
- Loans carried at amortised cost, and
- Other financial assets

#### **(a) Credit Risk Management**

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- a) Low credit risk
- b) Moderate credit risk
- c) High credit risk

#### **(b) The Company provides for expected credit loss based on the following:**

<b>Risk</b>	<b>Categorisation of items</b>	<b>Provision for expenses credit loss</b>
Low credit risk	Cash and cash equivalents, other bank balances, loans, and other financial assets measured at amortised cost	12 month expected credit loss/life time expected credit loss

Moderate credit risk	Trade receivables Current investment - Quoted	Loss allowance is always measured at lifetime expected credit losses
----------------------	--	--

**Assets under credit risk –**

(Amount in ₹ Lakhs)

Particulars	Credit rating	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Loans	Low credit risk	646.46	438.90
Cash and bank balances	Low credit risk	170.82	226.19
Other financial assets	Low credit risk	102.84	72.27
Trade receivables	Moderate credit risk	584.45	943.26

**(c) Cash & cash equivalents and bank deposits**

Since the Company deals with only high rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

**(d) Other financial assets measured at amortised cost**

Other financial assets measured at amortised cost includes security deposits, etc. Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets.

**(e) Credit risk exposure**

The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default (net of any recoveries from the insurance companies, if any) relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for).

**(f) Detail of trade receivables (net of allowances) that are past due is given below:-**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Not due and overdue less than 6 months	573.28	844.18
Overdue more than 6 months	11.17	99.08
<b>Total</b>	<b>584.45</b>	<b>943.26</b>

**38.5. Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and

liquidity requirements. The Company closely monitors its liquidity position and maintains adequate source of financing through the use of short term bank deposits, demand loans and cash credit facility. Processes and policies related to such risks are overseen by senior management.

**(a) Maturities of financial liabilities**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities:

(Amount in ₹ Lakhs)

Particulars	31st March 2025			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	417.52	-	-	417.52
Borrowings	558.19	-	-	558.19
Lease liabilities	-	-	-	-
Other financial liabilities	53.93	-	-	53.93
<b>Total</b>	<b>1,029.64</b>	<b>-</b>	<b>-</b>	<b>1,029.64</b>

(Amount in ₹ Lakhs)

Particulars	31st March 2024			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	556.18	-	-	556.18
Borrowings	410.94	-	-	410.94
Lease liabilities	-	5.56	-	5.56
Other financial liabilities	64.33	-	-	64.33
<b>Total</b>	<b>1,031.45</b>	<b>5.56</b>	<b>-</b>	<b>1,037.00</b>

**38.6. Market risk**

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at 31 March 2025. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2025.

**(a) Interest rate risk**

The Company's fixed deposits are carried at fixed rate. Therefore not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

**(b) Interest rate risk exposure**

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Variable rate borrowings	-	-
Fixed rate borrowings	558.19	410.94
<b>Total</b>	<b>558.19</b>	<b>410.94</b>

### Sensitivity

Since, the interest rate on Company's borrowings is fixed. Thus, there is no impact of change in interest rate on Company's borrowings.

### (c) Price risk

#### Exposure from investments in mutual funds:

The Company's exposure to price risk arises from investments in mutual funds held by the Company and classified in the balance sheet as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

### Sensitivity

The sensitivity to profit or loss (net of taxes) in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in corresponding impact on (losses)/profits by ₹ 41.10 lakhs (31 March 2024 ₹ 31.51 lakhs).

### (d) Foreign exchange risks

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company does not use forward contracts and swaps for speculative purposes.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

Particulars		As at 31st March 2025		As at 31st March 2024	
		Foreign currency	Indian Rupee (₹)	Foreign currency	Indian Rupee (₹)
Trade payables	United States Dollar (USD)		-	78,540	6,620,922
	Russian Rubal (RUB)	23,310,000	24,855,300	3,704,400	3,630,312

### Sensitivity

The sensitivity to profit or loss from changes in the exchange rates arises mainly from financial instruments denominated in USD. In case of a reasonably possible change in INR/USD exchange rates of +/- 5 % (previous years +/- 5%) at the reporting date, keeping all other variables constant, there would have been corresponding impact on losses/profits of ₹ 8.97 lakhs (31 March 2024: ₹ 3.70 Lakhs).

### 39. CAPITAL MANAGEMENT

For the purposes of the Company's capital management, capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2025; 31 March 2024

The Company monitors capital using net debt to equity ratio, which is net debt (as reduced by cash & cash equivalent) divided by total equity.

(Amount in ₹ Lakhs)

Particulars		As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Short term borrowings	refer note 18	558.19	410.94
Lease liabilities	refer note 16	-	5.56
Less: Cash and cash equivalents	refer note 10	-170.82	-226.19
<b>Net Debts</b>		<b>387.37</b>	<b>190.30</b>
Equity share capital	refer note 14	1,588.52	1,059.01
Other equity	refer note 15	1,653.97	2,060.03
<b>Total Capital</b>		<b>3,242.49</b>	<b>3,119.05</b>
<b>Gearing ratio</b>		<b>11.95%</b>	<b>6.10%</b>

### 40. REVENUE FROM CONTRACTS WITH CUSTOMERS

Ind AS 115: Revenue from Contracts with Customers, establishes a framework for determining whether, how much and when revenue is recognised and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognised through a 5-step approach:

- Identify the contract(s) with customer;
- Identify separate performance obligations in the contract;
- Determine the transaction price;
- Allocate the transaction price to the performance obligations; and
- Recognise revenue when a performance obligation is satisfied.

#### (a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography.

(Amount in ₹ Lakhs)

Revenue from Operations	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>Revenue by geography</b>		
Export	129.08	137.13
Domestic	3,440.64	3,132.12
<b>Total</b>	<b>3,569.73</b>	<b>3,269.25</b>

Revenue by geography		
Revenue at point of time	-	-
Revenue over the period of time	3,569.73	3,269.25
<b>Total</b>	<b>3,569.73</b>	<b>3,269.25</b>

**(b) Revenue recognised in relation to contract liabilities**

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	-	-
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-
<b>Total</b>	<b>-</b>	<b>-</b>

**(c) Assets and liabilities related to contracts with customers**

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025		As at 31st March 2024	
	Non-current	Current	Non-current	Current
<b>Contract liabilities related to sale of goods</b>				
Advance from customers	-	24.86	-	29.97
Advance from related parties	-	0.22	-	-
<b>Contract assets</b>				
Trade receivables (including unbilled revenue)	-	584.45	-	943.26

**(d) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price**

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Contract price	3,569.73	3,269.25
Less: discount, rebates, credits etc.	-	-
<b>Total</b>	<b>3,569.73</b>	<b>3,269.25</b>

**(e) Significant changes in contract assets and liabilities**

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance (Advance from customer)	29.97	0.74



Add: addition during the year	-	29.23
Less: revenue recognised during the year from opening liability	5.11	-
<b>Closing Balance</b>	<b>24.86</b>	<b>29.97</b>

#### 41. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES PURSUANT TO IND AS 7 - STATEMENT OF CASH FLOWS

The changes of the Company's liabilities arising from financing activities can be classified as follows:

(Amount in ₹ Lakhs)

Particulars	Equity Share Capital	Short-term Borrowings	Lease	Total
<b>Opening Balance as on 01st April 2024</b>	1,059.01	410.94	9.08	1,479.03
<b>Cash flows:</b>				
Interest Paid	-	39.02		39.02
Payment towards lease liabilities	-		1.39	1.39
Addition during the year	-	108.22		108.22
<b>Non-Cash changes:</b>				
Issue of Bonus shares	529.51			529.51
Interest expense on lease liabilities	-		0.65	0.65
<b>Closing Balance as on 31st March 2025</b>	<b>1,588.52</b>	<b>558.19</b>	<b>11.11</b>	<b>2,157.82</b>

#### 42. ADDITIONAL REGULATORY INFO

S.No.	Additional regulatory information not disclosed elsewhere in the financial statements
1	All the Title Deed of the Immovable Properties is registered in the name of the Company; therefore, no disclosure required.
2	The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
3	As per the information and declaration given by the management, Company has not any intangible Assets under development; therefore, no disclosure required.
4	As per the information and declaration given by the management, Company has not any Capital work-in-progress; therefore, no disclosure required.
5	The Company has borrowings from banks or financial institutions on the basis of security of current assets and liabilities; it shall disclose the following: -  (a) monthly statements of current assets and liabilities filed by the Company with banks or financial institutions are in agreement with book of accounts. (except in the month of June-24, September-24, December-24 & March-25). (b) refer note 18.4 for summary of reconciliation and reasons of material discrepancies.
6	As the Company does not have any loan or other borrowing from any lender, therefore disclosure of wilful defaulter is not applicable.

7	The Company does not have any transactions with companies struck off.
8	The Company has complied with the number of layers of companies prescribed under the Companies Act, 2013.
9	The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
10	The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
11	<p>The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:</p> <p>(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or</p> <p>(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.</p>
12	<p>The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:</p> <p>(a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or</p> <p>(b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.</p>
13	The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
14	The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
15	Details of Benami Property held: During the Period no Proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
16	CSR: The provision of CSR as per section 135 of Companies Act 2013 is not applicable to the company.

### 43. RESEARCH & DEVELOPMENT EXPENSES

The Company has maintained a recognised in-house research and development facility which is registered with the Department of Scientific & Industrial Research (DSIR) under Ministry of Science & Technology, Government of India. The Company maintains details of all expenses incurred specifically for Research & development purposes.

**The expenses incurred during the year specifically for Research & Development purposes are:**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
-------------	--------------------------------------	--------------------------------------

Salary to research staff	37.16	29.75
Material purchased	42.72	7.99
Travelling expenses	1.04	1.06
Other Expenses	0.74	3.66
<b>Total</b>	<b>81.67</b>	<b>42.46</b>

#### 44. RATIOS

Particulars		Numerator	Denominator	As at	As at	% change in ratios	Reasoning
				31st March 2025	31st March 2024		
1	Current Ratio	Current assets	Current liabilities	2.56	3.09	-17.20%	Due to increase in Working capital
2	Debt-Equity Ratio	Total debt	Shareholder's equity	0.13	0.09	50.09%	Due to increase in Borrowings from related party
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	6.53	9.28	-29.67%	Due to increase in Borrowings from related party
4	Return on equity ratio	PAT	Average shareholders' equity	4.65%	4.40%	5.62%	Due to increase in business activity of the company
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	3.84	3.83	0.27%	Due to increase in business activity of the company
6	Trade receivables turnover ratio	Net credit sales	Average trade receivables	3.26	2.53	28.97%	Due to increase in business activity of the company
7	Trade payables turnover ratio	Net credit purchases	Average trade payables	4.72	3.47	35.80%	Due to increase in business activity of the company
8	Net capital turnover ratio	Net sales	Average working capital	1.92	1.43	34.78%	Due to increase in business activity of the company
9	Net profit ratio	PAT	Total turnover	4.37%	6.08%	-28.09%	Due to increase in business activity of the company

10	Return on capital employed	Earning before interest and taxes	Capital Employed	0.09	0.07	35.87%	Due to increase in business activity of the company
11	Return on investment (Bank Deposits)	Profit on investment	Weighted average investment	-	-	-	

Signed in terms of our report of even date

For **BANCERS & Co. LLP**  
Chartered Accountants  
(Firm's Registration No. 0C400331)

**Sd/-**  
**CA Anmol Chhabra**  
(Partner)  
(Membership No. 434305)  
**UDIN: 25434305BMHPBJ4204**  
Place: Bhopal  
Date: May 21, 2025

For and on behalf of the Board of Directors

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

**Sd/-**  
**Pradeep V. Narkhede**  
*Chief Financial Officer*

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

**Sd/-**  
**K.R. Tanuj Reddy**  
*Company Secretary*

## INDEPENDENT AUDITORS' REPORT

To the Members of

AARTECH SOLONICS LIMITED,

**Report on the Audit of the Consolidated Financial Statements**

### Opinion

We have audited the accompanying IND AS Consolidated financial statements of AARTECH SOLONICS LIMITED ("the Holding Company"), its subsidiaries and Associates (the Holding Company and its subsidiaries and Associates together referred to as the "Group") which comprise the Consolidated balance sheet as at March 31, 2025, the Consolidated statement of profit and loss (Including other comprehensive income), The Consolidated Statement of Changes in Equity and Consolidated Cashflow Statement and notes to the financial statements, including a summary of Material accounting policies and other explanatory information.

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Consolidated financial statements give the information required by the Companies Act, 2013, as amended (the "Act") in the manner so required and give a true and fair view in conformity with the IND AS Notified by MCA and Generally Accepted Accounting Practices in India, of the state of affairs of the Group as at March 31, 2025, and its Profit for the year ended on that date.

### Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on the Consolidated financial statements.

### Key Audit Matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We do not have anything to report under Key Audit Matters for the Company relating to financial year ended March 31, 2025

**Emphasis of Matter**

We draw attention to Note 3 to the financial statements, which describes the Company's investment in its Associate, Epsilon Ten Limited, United Kingdom. As of 31st March 2025, the carrying amount of this investment in the Company's Consolidated financial statements is ₹393.10 lakhs. As Epsilon Ten Limited, has accumulated losses and a low net worth as of that date. Management has performed an impairment test based on financial projections and has concluded that the recoverable amount of the investment is lower than its' carrying amount, and therefore, impairment loss has been recognized. Our opinion is not modified in respect of this matter.

**Other Information**

The Company's Board of Directors are responsible for the other information. The other information comprises the information included in the Company's Board of Director's Report but does not include the Consolidated financial statements and our auditor's report thereon.

Our opinion on the Consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the Consolidated financial statements, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information; we are required to report that fact. We have nothing to report in this regard.

**Responsibilities of Management and Those Charged with Governance for the Financial Statements**

The Company's Board of Directors are responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these Consolidated financial statements that give a true and fair view of the financial position and financial performance of the Company in accordance with the accounting principles generally accepted in India, including the Indian accounting standards (IND AS) specified under section 133 of the Act read with the Companies (Accounting Standards) Rules, 2021. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and 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.

In preparing the Consolidated financial statements, the management and the Board of Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board of Directors either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

The Board of Directors are also responsible for overseeing the company's financial reporting process.

**Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, and for the purpose of expressing an opinion on the adequacy and operating effectiveness of the company's internal controls as per Section 143(3)(i) of the act.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of the management and Board of Directors use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the Consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the Consolidated financial statements, including the disclosures, and whether the Consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Materiality is the magnitude of misstatement in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the Consolidated financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatement in the Consolidated financial statements.



We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

### **Other Matter**

The balances of Trade Receivables & Payables, as well their respective classifications, are subject to confirmation procedures. Our opinion is not modified in respect of these matters.

We have also audited the Standalone financial statements of AARTECH SOLONICS LIMITED for the year ended March 31, 2025, on which we have issued a separate auditor's report. Our opinion on the consolidated financial statements is not modified in respect of this matter.

### **Report on Other Legal and Regulatory Requirements**

1. With respect to the matters specified in paragraphs 3(xxi) and 4 of the Companies (Auditor's Report) Order, 2020 (the "Order CARO") issued by the Central Government in terms of Section 143(11) of the Act, to be included in the Auditor's report, according to the information and explanations given to us, and based on the Auditor's Reports on the financial statements of Company and its subsidiaries as at and for the year ended March 31, 2025, included in the consolidated financial statements of the Group, we have not reported any qualifications or adverse remarks.
2. As required by Section 143(3) of the Act, we report that:
  - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit;
  - (b) In our opinion, proper books of account as required by law have been kept by the Group so far as it appears from our examination of those books;
  - (c) The Consolidated balance sheet and the Consolidated statement of profit and loss including other comprehensive income, Consolidated Statement of Changes in Equity and Consolidated Cashflow Statement dealt by this Report are in agreement with the books of account;
  - (d) In our opinion, the aforesaid Consolidated financial statements comply with the Ind AS specified under Section 133 of the Act;
  - (e) On the basis of the written representations received from the directors for the financial year 2024-25, as taken on record by the Board of Directors, none of the directors was disqualified as on March 31, 2025 from being appointed as a director in terms of Section 164 (2) of the Act;
  - (f) With respect to the adequacy of the internal financial controls with reference to financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure A";

- (g) With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, in our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act.
- (h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- i. The Company has disclosed the impact of pending litigations in its Consolidated financial statements.
  - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.
  - iv.
    - a. The management has represented that, to the best of its knowledge and belief as disclosed in the Note 43 of the Consolidated Financial Statements, no funds have been advanced or loaned or invested by the Company to or in any other persons or entities, including foreign entities ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever ("Ultimate Beneficiaries") by or on behalf of the Company, or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - b. The management has represented, that, to the best of its knowledge and belief as disclosed in the Note 43 of the Consolidated Financial Statements, no funds have been received by the Company from any persons or entities, including foreign entities ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the company shall, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries.
    - c. Based on audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e) contain any material misstatement.
  - v. The Dividend declared and paid by the Company during the year and until the date of this audit report is in accordance with the section 123 of the Act.
  - vi. Based on our examination which included test checks, the Company has used accounting software for maintaining books of accounts, which have a feature of recording audit trail (edit log) facility and the same has operated throughout the year for all the relevant transactions recorded in the respective software.
  - vii. With respect to the matter to be included in the Auditor's Report under Section 197(16) of the Act:

In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of Section 197 of

the Act. The remuneration paid to the director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under Section 197(16) of the Act which are required to be commented upon by us

For **B A N C R S & CO. LLP**

*Chartered Accountants*

(Firm's Registration No.: **0C400331**)

**Sd/-**

**CA. Anmol Chhabra**

*Partner*

(Membership No. **434305**)

UDIN: 25434305BMHPBK1594

Place: Bhopal

Date: 21<sup>st</sup> May 2025

**Annexure A to the Independent Auditor's Report on the Consolidated financial statements of AARTECH SOLONICS LIMITED for the year ended 31 March 2025****Report on the internal financial controls with reference to the aforesaid Consolidated financial statements under Clause (i) of Sub-section 3 of Section 143 of the Act****Opinion**

We have audited the internal financial controls with reference to Consolidated financial statements of AARTECH SOLONICS LIMITED ("the Company") and its subsidiaries, as of 31 March 2025 in conjunction with our audit of the Consolidated financial statements of the Company for the year ended on that date.

In our opinion, the Company has, in all material respects, adequate internal financial controls with reference to Consolidated financial statements and such internal financial controls were operating effectively as at 31 March 2025, based on the internal financial controls with reference to financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India (the "Guidance Note").

**Management's and Board of Directors' Responsibilities for Internal Financial Controls**

The Company's Management and the Board of Directors are responsible for establishing and maintaining internal financial controls based on the internal financial controls with reference to Consolidated financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

**Auditors' Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls with reference to Consolidated financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, prescribed under Section 143(10) of the Act, to the extent applicable to an audit of internal financial controls with reference to financial statements. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to Consolidated financial statements were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to Consolidated financial statements included obtaining an understanding of internal financial controls with reference to Consolidated financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the Consolidated financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to financial statements.

### **Meaning of Internal Financial Controls with Reference to Financial Statements**

A company's internal financial controls with reference to Consolidated financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference Consolidated financial statements include those policies and procedures that

1. Pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company;
2. Provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and
3. Provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the Consolidated financial statements.

### **Inherent Limitations of Internal Financial Controls with Reference to Consolidated Financial Statements**

Because of the inherent limitations of internal financial controls with reference to Consolidated financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to Consolidated financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

**For B A N C R S & CO. LLP**

*Chartered Accountants*

**(Firm's Registration No.: 0C400331)**

**Sd/-**

**CA. Anmol Chhabra**

*Partner*

**(Membership No. 434305)**

UDIN: 25434305BMHPBK1594

Place: Bhopal

Date: 21st May 2025

Place of Signature: Bhopal

**CONSOLIDATED BALANCE SHEET AS AT 31<sup>st</sup> MARCH, 2025**
**(Amount in ₹ Lakhs)**

Particulars	Notes	As at 31st March 2025	As at 31st March 2024
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
(a) Property Plant & Equipment & Intangible Assets	2	451.40	450.46
(b) Capital work-in-progress		5.18	
(c) Right-of-use-assets	2	4.41	7.72
(d) Financial assets			
(a) Investments	3	148.23	546.01
(ii) Loans & Advances			-
(iii) Other Financial Assets	4	101.99	69.52
(e) Deferred Tax Assets (Net)	5	158.82	28.29
<b>Current Assets</b>			
(a) Inventories	6	1080.47	774.14
(b) Financial assets			
(i) Investments	7	1170.32	903.02
(ii) Trade Receivables	8	588.78	948.32
(iii) Cash & Cash Equivalents	9	237.66	233.98
(iv) Other Financial Assets	10	1.34	2.77
(c) Other Current Assets	11	314.93	147.68
(d) Current tax assets (net)	12	17.38	0.29
<b>TOTAL ASSETS</b>		<b>4280.93</b>	<b>4112.21</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
(a) Equity Share Capital	13	1588.52	1059.01
(b) Other Equity	14	1557.04	1894.47
<b>Non-Controlling Interest</b>	15	3.83	0.41
<b>Non-current liabilities</b>			
(a) Financial liabilities			
(i) Lease Liabilities	16	-	5.56
(b) Other non-current liabilities	17	14.45	15.85
(c) Deferred Tax Liabilities (Net)			
(d) Provisions	18	34.88	24.28
<b>Current liabilities</b>			
(a) Financial liabilities			
(i) Borrowings	19	558.19	410.94
(ii) Lease Liabilities	16	5.56	3.52
(iii) Trade Payables			
- Total outstanding dues of MSME	20	6.47	36.40
- Total outstanding dues of creditors other than MSME		410.76	513.42
(iv) Other Financial Liabilities	21	54.91	66.78
(b) Other current liabilities	22	46.32	56.42

(c) Current tax liabilities (Net)	23	-	25.14
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>4280.93</b>	<b>4112.21</b>

Significant accounting policies and notes to accounts are integral part of the Financial Statements

Signed in terms of our report of even date

For **BANCERS & Co. LLP**

Chartered Accountants

(Firm's Registration No. 0C400331)

**Sd/-**

**CA Anmol Chhabra**

(Partner)

(Membership No. 434305)

**UDIN: 25434305BMHPBK1594**

Place: Bhopal

Date: May 21, 2025

For and on behalf of the Board of Directors

**Sd/-**

**Amit Anil Raje**

*Chairman & Managing Director*

(DIN: 00282385)

**Sd/-**

**Pradeep V. Narkhede**

*Chief Financial Officer*

**Sd/-**

**Arati Nath**

*CEO & Director*

(DIN: 08741034)

**Sd/-**

**K.R. Tanuj Reddy**

*Company Secretary*



**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2025**
**(Amount in ₹ Lakhs)**

Particulars	Note	For the year ended 31st March 2025	For the year ended 31st March 2024
<b>INCOME</b>			
Income from operations	24	3635.22	3274.41
Other Income	25	297.95	314.71
<b>TOTAL INCOME</b>		<b>3933.17</b>	<b>3589.12</b>
<b>EXPENDITURES</b>			
Cost of materials consumed	26	1,763.42	2189.30
Change in inventories of finished goods and work in process	27	5.32	-45.09
Employee benefit expenses	28	472.80	442.67
Finance costs	29	54.77	56.80
Depreciation and amortization expenses	30	50.33	
Impairment Losses	31	393.10	46.93
Other expenses	32	1,021.95	640.35
<b>TOTAL EXPENSES</b>		<b>3761.68</b>	<b>3330.96</b>
<b>Profit/ (Loss) before exceptional items and tax</b>		<b>171.48</b>	<b>258.16</b>
Share of Profit / (Loss) of Associates and Joint Ventures		2.01	
<b>Profit before tax</b>		<b>173.49</b>	<b>258.16</b>
<b>Tax Expense</b>			
Current Tax	33	27.03	117.29
Earlier Tax		-44.37	5.24
Deferred Tax		-85.59	4.10
<b>Profit for the year</b>		<b>276.42</b>	<b>131.53</b>
<b>Other Comprehensive Income</b>			
(items that will not be subsequently reclassified to profit or loss)			
Remeasurements of defined benefit obligations		-2.07	-1.79
Income tax relating to above mentioned item		0.58	0.50
<b>Other comprehensive income for the year, net of Income tax</b>		<b>-1.50</b>	<b>-1.29</b>
<b>Total comprehensive profit/(loss) for the year, net of income tax</b>		<b>274.92</b>	<b>130.24</b>
<b>Earnings per equity share (Par value of Rs. 5 each)</b>	34		
Basic (₹)		0.87	0.41
Diluted (₹)		0.87	0.41

Significant accounting policies and notes to accounts are integral part of the Financial Statements.

Signed in terms of our report of even date

For **BANCERS & Co. LLP**  
Chartered Accountants  
(Firm's Registration No. 0C400331)

**Sd/-**  
**CA Anmol Chhabra**  
*(Partner)*  
(Membership No. 434305)  
**UDIN: 25434305BMHPBK1594**  
Place: Bhopal  
Date: May 21, 2025

For and on behalf of the Board of Directors

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

**Sd/-**  
**Pradeep V. Narkhede**  
*Chief Financial Officer*

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

**Sd/-**  
**K.R. Tanuj Reddy**  
*Company Secretary*

**STATEMENT OF CASH FLOW FOR THE YEAR ENDED MARCH 31, 2025**

(Amount in ₹ in Lakhs)		
Particulars	For the year ended 31 <sup>st</sup> March 2025	For the year ended 31 <sup>st</sup> March 2024
<b>1. Cash Flows from Operating Activities</b>		
Net Profit and Loss A/c (as per profit and loss account)	276.42	131.53
<b>Adjustments for</b>		
<i>Provision for tax made during the year</i>	-17.34	122.53
<i>Deferred Tax</i>	-85.59	4.10
<i>Depreciation for the year</i>	50.33	46.93
<i>Interest expenses on bank overdraft</i>	39.02	27.35
<i>Interest expenses on other loans</i>	2.52	20.45
<i>Interest on lease liabilities</i>	0.65	0.93
<i>Interest income on debentures</i>	-	-27.38
<i>Interest income on bank deposits</i>	-9.45	-10.32
<i>Interest income others</i>	-0.17	-10.44
<i>Interest income on security deposits</i>	-0.07	-0.06
<i>Net gain/loss on sale of investments</i>	-211.43	-158.57
<i>Gain on investment measured on FVTPL</i>	182.11	-80.46
<i>expected credit loss</i>	-	-0.34
<i>Grant Income</i>	-31.40	-41.03
<i>Profit on sale of property, plant &amp; Equipment</i>	-3.77	0.09
<i>Provision for Gratuity &amp; Leave Encashment (Net)</i>	10.60	-10.42
<i>Other non-operating income</i>	-6.57	-
<b>Operating Profit Before Working Capital Changes</b>	<b>195.87</b>	<b>14.90</b>
<b>Working Capital Changes</b>		
<i>Decrease/(Increase) in Trade Receivable</i>	320.91	158.96
<i>Decrease/(Increase) in Inventories</i>	-306.34	-261.25
<i>Decrease/(Increase) in Other Financial Assets</i>	1.43	95.84
<i>Decrease/(Increase) in Other Current Assets</i>	-167.24	110.61
<i>Increase/(Decrease) in Provisions</i>	-	-1.21
<i>Increase/(Decrease) in Trade Payables</i>	-132.59	89.28
<i>Increase/(Decrease) in Other Financial Liabilities</i>	-11.86	-74.20
<i>Increase/(Decrease) in Other Current Liabilities</i>	-10.10	32.23
<i>Income tax paid during the year</i>	-42.24	-15.96
<b>Net cash generated from operational activity</b>	<b>-152.16</b>	<b>149.20</b>
<b>2. Cash Flows from Investing Activities</b>		
<i>Interest Income</i>	9.69	12.20
<i>Grant Income</i>	31.40	39.63
<i>Non-Current Investment (Net)</i>	397.78	-
<i>Proceeds from disposal of Property, plant &amp; Equipment</i>	8.18	-

<i>Purchase of Property, plant &amp; Equipment (Net)</i>	-49.07	-63.89
<i>Purchase and realization of marketable securities (Net)</i>	-267.30	-288.17
<i>Loss on investments measured at FVTPL</i>	-182.11	
<i>Net gain/loss on sale of Investment</i>	211.43	221.54
<i>Loan &amp; advances</i>	-	-
<i>Security deposit paid</i>	-32.47	-14.34
<b>Net cash generated from Investment activity</b>	<b>127.52</b>	<b>-93.03</b>
<b>3. Cash Flows from Financing Activities</b>		
<i>Proceeds from Short term borrowings (Net)</i>	147.25	145.06
<i>Dividend Paid</i>	-79.43	-52.95
<i>Interest Paid</i>	-41.54	-48.73
<i>Payment of lease Liabilities</i>	2.04	-3.04
<b>Net cash generated from Financing activity</b>	<b>28.31</b>	<b>40.34</b>
<b>4. Net Increase/ (Decrease) in Cash (1+2+3)</b>	<b>3.68</b>	<b>96.51</b>
Cash and cash equivalents at the beginning of the year	233.98	137.48
<b>5. Cash and cash equivalents at the end of the year</b>	<b>237.66</b>	<b>233.98</b>

Signed in terms of our report of even date

For **BANCERS & Co. LLP**  
Chartered Accountants  
(Firm's Registration No. 0C400331)

**Sd/-**  
**CA Anmol Chhabra**  
(Partner)  
(Membership No. 434305)  
**UDIN: 25434305BMHPBK1594**  
Place: Bhopal  
Date: May 21, 2025

For and on behalf of the Board of Directors

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

**Sd/-**  
**Pradeep V. Narkhede**  
Chief Financial Officer

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

**Sd/-**  
**K.R. Tanuj Reddy**  
Company Secretary

**Consolidated Statement of Change in Equity for the year ended 31st March 2025**

(Amount in ₹ Lakhs)

Particulars	Notes	Equity Share Capital
<b>A. Share Capital:</b>		
<b>As at 31st March, 2024</b>	<b>13</b>	1,059.01
Changes in equity share capital during the year		529.51
<b>As at 31st March, 2025</b>		<b>1,588.52</b>

(Amount in ₹ Lakhs)

Particulars	Notes	Retained Earnings	General Reserves	Capital Reserves	Securities Premium	Total
B. Other Equity:						
<b>As at 31st March, 2024</b>		<b>733.60</b>	<b>616.15</b>	<b>35.52</b>	<b>509.20</b>	<b>1,894.47</b>
Changes during the period:						
Profit for the year		276.42	-	-	-	276.42
Profit attributable to minority shareholders		-3.42	-	-	-	-3.42
Dividend paid on equity shares during the period	14	-79.43	-	-	-	-79.43
Remeasurement of defined benefit obligations (Net of tax)		-1.50	-529.51			-531.00
<b>As at 31st March, 2025</b>		<b>925.68</b>	<b>86.64</b>	<b>35.52</b>	<b>509.20</b>	<b>1,557.04</b>

As per our report of even date

For **BANCERS & Co. LLP**  
Chartered Accountants  
(Firm's Registration No. 0C400331)

**Sd/-**  
**CA Anmol Chhabra**  
(Partner)  
(Membership No. 434305)  
**UDIN: 25434305BMHPBK1594**  
Place: Bhopal  
Date: May 21, 2025

For and on behalf of the Board of Directors

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

**Sd/-**  
**Pradeep V. Narkhede**  
Chief Financial Officer

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

**Sd/-**  
**K.R. Tanuj Reddy**  
Company Secretary

## Notes on Consolidated Financial Statements for the Year ended 31st March, 2025

### 1. SIGNIFICANT ACCOUNTING POLICIES

#### 1.1 REPORTING ENTITY:

Aartech Solonics Limited ('the Company' or 'the Parent') is domiciled and incorporated as a private limited company later converted to public company in India under the provisions of the Companies Act, 1956 with its equity shares listed on National Stock Exchange and Bombay Stock Exchange in India. The Company's registered office is at E-2/57, "Ashirwad", Arera Colony, Bhopal - 462016, Madhya Pradesh.

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") and Group's interest in associates and joint ventures for the year ended 31 March 2025. The Group is primarily involved in manufacturing of specialised energy applications related products and services.

#### 1.2 BASIS OF PREPARATION OF FINANCIAL STATEMENTS:

These consolidated financial statements have been prepared in accordance with Indian Accounting Standards (IND AS). The financial statements have been prepared to comply in all material respects with the Indian accounting standards notified under the Companies (Indian Accounting Standards) Rules, 2015, (as amended and as applicable from time to time) and the relevant provisions of the Companies Act, 2013.

The accounting policies adopted in the preparation of consolidated financial statements are consistent for all the periods presented. The consolidated financial statements are presented in INR which is the functional currency, and all values are rounded to the nearest lakh (₹ 1,00,000) except when otherwise indicated. The consolidated financial statements were Authorised for issue in accordance with a resolution of the Board of Directors on May 21, 2025.

#### 1.4 BASIS OF CONSOLIDATION:

##### (a) Subsidiaries

Items of assets, liabilities, equity, income, expenses and cash flows of the parent with those of its subsidiaries are combined like to like basis. For this purpose, income and expenses of the subsidiary are based on the amounts of the assets and liabilities recognized in the consolidated financial statements at the acquisition date.

##### (b) Non-controlling interests (NCI)

NCI are measured initially at their proportionate share of the acquiree's identifiable net assets at the date of acquisition. Changes in the Group's interest in a subsidiary that do not result in a loss of control are accounted for as equity transactions.

##### (c) Loss of control

When the Group loses control over a subsidiary, it derecognizes the assets and liabilities of the subsidiary, and any related NCI and other components of equity. Any resulting gain or loss is recognized in profit or loss. Any interest retained in the former subsidiary is measured at fair value when control is lost.

##### (d) Equity-accounted investees

The Group's interests in equity-accounted investees comprise interests in associates and a joint venture. Associates are those entities in which the Group has significant influence, but not control or joint control, over the financial and operating policies. A joint venture is an arrangement in which the Group has joint control, whereby the Group has rights to the net assets of the arrangement, rather than rights to its assets and obligations for its liabilities.

Interests in associates and the joint venture are accounted for using the equity method. They are initially recognised at cost, which includes transaction costs. Subsequent to initial recognition, the consolidated financial statements include the Group's share of the profit or loss and OCI of equity-accounted investees, until the date on which significant influence or joint control ceases.

**(e) Transactions eliminated on consolidation**

Intra-group balances and transactions, and any unrealised income and expenses (except for foreign currency transaction gains or losses) arising from intra-group transactions, are eliminated. Unrealised gains arising from transactions with equity-accounted investees are eliminated against the investment to the extent of the Group's interest in the investee. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

**1.4 CURRENT VERSUS NON-CURRENT CLASSIFICATION:**

All assets and liabilities have been classified as current or non-current as per the Company's operating cycle. Based on the nature of the business and the time between the acquisition of assets for processing and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current or non-current classification of assets and liabilities. Deferred tax assets and liabilities are classified as non-current assets and liabilities.

**1.5 PROPERTY PLANT & EQUIPMENT:**

Property, plant, and equipment are stated at cost of acquisition less accumulated depreciation and impairment losses, if any. The cost includes taxes, duties, freight, and other incidental expenses related to the acquisition and installation of the respective assets. Subsequent expenditure related to an item of property, plant, and equipment is added to its book value only if it increases the future economic benefits from the existing assets beyond its previously assessed standard of performance.

Depreciation on property, plant, and equipment is provided on a straight-line basis over the useful lives of assets estimated by the management, taking into account the nature of the asset on technical evaluation of the useful life which may not necessarily be in alignment with the indicative useful lives prescribed by Schedule II to the Companies Act 2013. The following useful lives are considered:

<b>Asset Name:</b>	<b>Useful Life</b>
Land	-
Building	30 Years
Plant & Machinery	15 Years
Electrification	10 Years
Office Equipment	5 Years
Computer & Accessories	3 Years
Testing Equipment	15 Years
Furniture & Fixtures	10 Years
Vehicles	8 Years
Tools	15 Years

If significant parts of property, plant, and equipment have different useful lives, they are accounted for as separate items (major components) of property, plant, and equipment. Items of property, plant, and equipment that have been retired from active use and are held for disposal are stated at the lower of their carrying value and estimated net realizable value and are disclosed separately in the financial statements. Any gain or loss on disposal of an item of property, plant, and equipment is recognized in the Statement of Profit and Loss. Capital work-in-progress includes the cost of property, plant, and equipment that are not ready for intended use at the balance sheet date. Advances paid towards the



acquisition of property, plant, and equipment outstanding at each balance sheet date are classified as capital advances under “Other Non-Current Assets”.

### **1.6 INTANGIBLE ASSETS:**

Intangible assets comprise software and technical know-how. Intangible assets are stated at cost of acquisition less accumulated amortization and impairment losses, if any. These intangible assets are amortized on a straight-line basis based on the basis of their useful lives which, in management’s estimate, represent the period during which economic benefits will be derived from their use. Currently the entity holds no intangible assets.

### **1.7 INVESTMENT PROPERTY:**

Investments in land or buildings (including property under construction) which are held to earn rentals and/or for capital appreciation are classified as investment property. Investment properties are initially measured at cost including transaction costs. Subsequent to initial recognition, investment properties are stated at cost net of accumulated depreciation and accumulated impairment losses, if any. The cost comprises the purchase price, borrowing costs if capitalization criteria are met, and directly attributable cost of bringing the investment property to its working condition for the intended use.

Depreciation on investment property is provided on a straight-line basis over the useful lives of assets estimated by the management. Such classes of investment properties and their estimated useful lives are as under:

<b>Asset Name:</b>	<b>Useful Life</b>
Land	Nil

Investment properties are derecognized either when they have been disposed of or when they are permanently withdrawn from use and no future economic benefit is expected from their disposal. On disposal of an investment property, the difference between its carrying amount and net disposal proceeds is recognized in the Statement of Profit and Loss.

### **1.8 REVENUE RECOGNITION:**

Revenue is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Company expects to be entitled in exchange for those goods or services. Revenue is stated exclusive of Goods and Services Tax and net of trade and quantity discount.

Revenue from the sale of products is recognized on transfer of control of products to the customers, which is usually on dispatch or delivery of goods. When the outcome of a project contract can be estimated reliably, revenue from project contracts is recognized under the percentage-of-completion method based on the percentage of costs incurred to date compared to the total estimated contract costs. An expected loss on the project contract is recognized as an expense immediately. Contract revenue earned in excess of billing has been reflected as “Contract assets” and billing in excess of contract revenue has been reflected under “Contract liabilities” in the balance sheet.

Revenue from services represents service income other than from services which are incidental to the sale of products and projects. Revenue from services is recognized as per the terms of the contract with the customer using the proportionate completion method. Revenue from services rendered over a period of time is recognized on a straight-line basis over the period of the performance obligation.

### **1.9 INVENTORIES:**

Inventories comprise all costs of purchase, conversion, and other costs incurred in bringing the inventories to their present location and condition. Raw materials, work-in-progress, finished goods, and traded goods are carried at the lower of cost and net realizable value. Cost is determined on the basis of First in First Out Method (FIFO). The net

realizable value of work-in-progress and finished goods is determined with reference to the estimated selling price less estimated cost of completion and estimated costs necessary to make the sale of related finished goods. Raw materials held for the production of finished goods are not written down below cost except in cases where material prices have declined and it is estimated that the cost of the finished product will exceed its net realizable value.

## **1.10 EMPLOYEES BENEFITS:**

### **(a) Short-term Employee Benefits**

All employee benefits that are payable within twelve months of rendering the service are classified as short-term employee benefits. These include salaries, wages, short-term compensated absences, and the expected cost of ex-gratia payments. Such benefits are recognized in the period during which the employee provides the related service.

### **(b) Post-employment and Other Long-term Benefits**

**Defined Contribution Plans:** The Company's superannuation scheme and employee state insurance scheme are defined contribution plans. Contributions under these schemes are recognized as expenses in the Statement of Profit and Loss during the period in which the employee renders the related service.

**Defined Benefit Plans and Other Long-term Benefits:** The Company's gratuity, pension, medical benefit, and retirement gift schemes are defined benefit plans. Other long-term benefits include leave wages, retention bonuses, silver jubilee, and star awards. The present value of the obligation under these defined benefit plans and other long-term benefits is determined through actuarial valuation using the Projected Unit Credit Method. This method recognizes each period of service as giving rise to an additional unit of employee benefit entitlement and measures each unit separately to build up the final obligation. For funded plans, the fair value of the plan assets is subtracted from the gross obligation under the defined benefit plans to recognize the obligation on a net basis. Provident fund is considered a defined benefit plan since any additional obligations due to investment risk and interest rate risk must be met by the Company.

For defined benefit plans, remeasurements, which include actuarial gains and losses, the return on plan assets (excluding amounts included in net interest on the net defined benefit liability or asset), and any changes in the effect of asset ceiling (where applicable), are recognized in Other Comprehensive Income (OCI) and reflected in retained earnings. These remeasurements are not reclassified to profit or loss. For other long-term benefits, all remeasurements, including actuarial gains or losses, are charged to the Statement of Profit and Loss.

### **The Company recognizes the following items in the net defined benefit obligation as expenses in the Statement of Profit and Loss:**

- service cost, including current service cost, past service cost, and gains and losses on curtailments and settlements.
- Net interest expense or income.

Provision for leave wages, pension, medical benefits, retention bonuses, silver jubilee, and star awards expected to be utilized within the next 12 months is treated as short-term employee benefits, while those expected to be utilized beyond 12 months are treated as long-term employee benefits. For presentation purposes, the allocation between short-term and long-term provisions is determined by an actuary.

## **1.11 LEASES:**

The Company's lease asset class consist of leases for Office building. The Company assesses whether a contract is (or contains) a lease at inception of a contract. A contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. to assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

1. The contract involves the use of an identified asset.

2. The Company has substantially all the economic benefits from the use of the asset through the period of the lease.
3. The Company has the right to direct the use of the asset.

**Where the Company is the lessee:**

At the date of commencement of the lease, the Company recognizes a Right-of-Use asset (ROU) and a corresponding lease Liability for all lease arrangements in which it is a lessee except for leases with a term of twelve months or less (short-term leases) and leases of low-value assets. For these short-term and low value asset leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses, if any. ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and the useful life of the underlying asset.

The Lease liability is initially measured at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or;

if not readily determinable, using the incremental borrowing rate. Lease payments included in the measurement of the lease liability comprise fixed lease payments (including in-substance fixed payments), less any lease incentives receivable, variable lease payments that depend on an index or a rate, and payments of penalties for terminating the lease if the lease term reflects the exercise of an option to terminate the lease. The Lease liability is subsequently measured by increasing the carrying amount to reflect interest on the lease liability (using the effective interest method) and by reducing the carrying amount to reflect the lease payments made.

**Where the Company is the lessor:**

Leases in which the Company does not transfer substantially all the risks and rewards of ownership of an asset is classified as operating leases. Rental income from operating lease contracts is recognized on a straight-line basis over the lease term.

**1.12 IMPAIRMENT OF NON-FINANCIAL ASSETS:**

The Company assesses at each reporting date whether there is an indication that an asset may be impaired. If any indication exists, or when an annual impairment testing for an asset is required, the Company estimates the asset's recoverable amount. The recoverable amount is the higher of an asset's or Cash Generating Unit's (CGU) fair value less costs of disposal and its value in use. When the carrying amount of an asset or CGU exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

In assessing value in use, the estimated future cash flows are discounted to their present value using a pretax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. In determining fair value less costs of disposal, recent market transactions are taken into account. If no such transactions can be identified, an appropriate valuation model is used.

**1.13 FOREIGN CURRENCY TRANSACTIONS:**

The Company is exposed to currency fluctuations on foreign currency transactions. Transactions in foreign currency are recorded at the exchange rate prevailing on the transaction date. Exchange differences on settled transactions are recognized in the Statement of Profit and Loss.

**Translation:** Monetary assets and liabilities in foreign currency at year-end are translated at the closing exchange rate, with resultant exchange differences recognized in the Statement of Profit and Loss. Nonmonetary items are stated using the exchange rate at the date of transaction or when fair value was determined.

**1.14 FAIR VALUE MEASUREMENT:**

The Company measures financial instruments at fair value at each balance sheet date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either:

- in the principal market for the asset or liability
- In the absence of a principal market, in the most advantageous market for the asset or liability

The principal or the most advantageous market must be accessible to the Company. The fair value of an asset or a liability is measured using the assumptions that market participants would use when pricing the asset or liability, assuming that market participants act in their economic best interest. The fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefits by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

Assets and liabilities measured at fair value are categorized within the fair value hierarchy;

- **Level 1:** Quoted (unadjusted) prices in active markets for identical assets or liabilities.
- **Level 2:** Valuation techniques with directly or indirectly observable inputs
- **Level 3:** Valuation techniques with unobservable inputs.

Transfers between levels in the hierarchy are reassessed at each reporting period. The Company uses various methods and assumptions, including discounted cash flow analysis and market prices, to determine fair value. All methods are approximations and may differ from actual realized values.

**1.15 FINANCIAL INSTRUMENTS:**

A financial instrument is any contract that results in a financial asset for one entity and a financial liability or equity instrument for another entity.

**Financial Assets**

**Initial Recognition and Measurement:** On initial recognition, financial assets are recognized at fair value, except for trade receivables which are recognized at transaction price as they do not contain a significant financing component. For financial assets recognized at fair value through profit and loss (FWPL), transaction costs are recognized in the Statement of Profit and Loss. For other financial assets, transaction costs are included in the acquisition value.

**Subsequent Measurement:** Financial assets are classified into the following categories for subsequent measurement:

**(a) Financial assets at amortized cost:** Financial assets at amortized cost: Financial assets are measured at amortized cost if held within a business model aimed at holding these assets to collect contractual cash flows, and the contractual terms give rise to cash flows that are solely payments of principal and interest. After initial measurement, these assets are measured at amortized cost using the Effective Interest Rate (EIR) method. Amortized cost takes into account discounts, premiums, and fees that are integral to the EIR. EIR amortization is included in finance income in the Statement of Profit and Loss. Impairment losses are recognized in the Statement of Profit and Loss. This category typically includes trade and other receivables, loans, and other financial assets.

**(b) Financial assets including derivatives at fair value through profit or loss (FVTPL):** Financial assets including derivatives at fair value through profit or loss (FVTPL): These financial assets are measured at fair value through profit and loss unless they are measured at amortized cost or FVTOCI upon initial recognition. Transaction costs for these assets are immediately recognized in the Statement of Profit and Loss.

**(c) Financial assets at fair value through other comprehensive income (FVTOCI):** Derivative instruments in this category are measured at fair value initially and at each reporting date. Changes in fair value are recognized in Other Comprehensive Income (OCI).

**(d) Equity instruments:** Equity investments in subsidiaries and associates are measured at cost.

**Derecognition:** A financial asset is derecognized primarily when;

(a) The right to receive cash flows from the asset has expired, or

(b) The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a pass-through arrangement; and either (i) the Company has transferred substantially all the risks and rewards of the asset, or (ii) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Upon derecognition of a financial asset, the difference between the carrying amount and the consideration received is recognized in the Statement of Profit and Loss,

**Impairment of Financial Assets:** The Company uses the expected credit loss (ECL) model for impairment of financial assets such as deposits, trade receivables, contract assets, and other financial assets resulting from transactions within the scope of Ind AS 115. The simplified approach is used for trade receivables and contract assets, recognizing impairment based on lifetime ECLS. For other financial assets, the Company assesses whether there has been a significant increase in credit risk since initial recognition. If credit risk has not increased significantly, twelve-month ECL is used; otherwise, lifetime ECL is applied. If credit quality improves, impairment loss allowance reverts to twelve-month ECL. ECL is the difference between contractual cash flows and the cash flows expected to be received, discounted at the original EIR.

ECL impairment loss allowance (or reversal) is recognized in the Statement of Profit and Loss under 'Other expenses.'

### **Financial Liabilities**

**Initial Recognition and Measurement:** Financial liabilities are classified at initial recognition as financial liabilities at fair value through profit or loss (FWPL), payables, or derivatives designated as hedging instruments. They are recognized at fair value, with transaction costs recognized in the Statement of Profit and Loss for FVTPL liabilities, and included in the acquisition or issue value for other financial liabilities.

**Subsequent Measurement:** Financial liabilities, including derivatives, designated at FVTPL are measured at fair value. Other financial liabilities, such as deposits, are measured at amortized cost using the EIR method. For trade and other payables maturing within one year, the carrying amount approximates fair value.

**Derecognition:** A financial liability is derecognized when the obligation is discharged, cancelled, or expired. An exchange or modification of terms with the same lender that results in substantially different terms is treated as derecognition of the original liability and recognition of a new one. The difference in carrying amounts is recognized in the Statement of Profit and Loss.

**Offsetting of Financial Instruments:** Financial assets and liabilities are offset and the net amount reported in the balance sheet if there is a legally enforceable right to offset and an intention to settle on a net basis or to realize the assets and settle the liabilities simultaneously.

## **1.16 TAXES ON INCOME:**

Income-tax expense includes both current tax and deferred tax.

- **Current Tax:** This is calculated based on the taxable profit for the year in accordance with the relevant provisions of the Income Tax Act, 1961. It is recognized in the Statement of Profit and Loss unless it relates to items recognized in

Other Comprehensive Income (OCI) or directly in equity. In such cases, current tax is also recognized in OCI or equity. Advance taxes and provisions for current income taxes are presented in the balance sheet after offsetting advance tax paid and income tax provisions arising in the same tax jurisdiction.

**-Deferred Tax:** Deferred Tax reflects the Tax effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. It is recognized using the balance sheet method at the Tax rates that have been enacted or substantively enacted by the balance sheet date. Deferred Tax assets are recognized to the extent that It is probable that future taxable profits will be available against which the deductible temporary differences can be utilized. These assets are reviewed at each balance sheet date and written down when It is no longer probable that sufficient taxable profits will be available. Deferred Tax related to items recognized outside profit or loss is also recognized outside profit or loss, either in OCI or directly in equity.

#### **1.17 PROVISIONS AND CONTINGENCIES:**

Provisions are recognized when the company has a present obligation (legal or constructive) as a result of past events, and it is probable that an outflow of resources will be required to settle the obligation, and a reliable estimate can be made of the amount. Provisions are discounted to their present value when the effect of time value of money is material.

Contingent Liabilities are disclosed when there is a possible obligation that arises from past events, the existence of which will be confirmed by the occurrence or non-occurrence of future events not wholly within the control of the company, or a present obligation that arises from past events where it is not probable that an outflow of resources will be required or the amount of the obligation cannot be measured reliably.

Contingent Assets are not recognized in the financial statements.

#### **1.18 EARNINGS PER SHARE:**

Basic earnings per share is calculated by dividing the net profit attributable to equity shareholders by the weighted average number of equities shares outstanding during the year.

Diluted earnings per share adjusts the net profit and the weighted average number of shares for the effects of all dilutive potential equity shares.

#### **1.19 CASH & CASH EQUIVALENTS:**

Cash and cash equivalents comprise cash, cheques in hand, cash at bank, and short-term deposits with maturities of three months or less. Deposits with maturities over three months are classified as "Other bank balances."

#### **1.20 GOVERNMENT GRANTS AND SUBSIDIES:**

Government grants and subsidies are recognized when there is reasonable assurance that the company will comply with the conditions attached and that the grant or subsidy will be received. Revenue-related grants are recognized in the Statement of Profit and Loss on a systematic basis over the periods necessary to match them with the related costs they are intended to compensate. Asset-related grants are deducted from the carrying amount of the asset.

#### **1.21 NON-CURRENT ASSETS HELD FOR SALE AND DISCONTINUED OPERATIONS:**

Non-current assets or disposal groups are classified as "held for sale" if:

- A decision has been made to sell,
- They are available for immediate sale in their present condition,
- They are being actively marketed,
- Sale is expected within 12 months of the balance sheet date.



Such assets are measured at the lower of their carrying amount and fair value less costs to sell and are not depreciated or amortized.

A discontinued operation is a component that has been disposed of or is classified as held for sale and represents a separate major line of business or geographical area of operations. The results of discontinued operations are presented separately in the Statement of Profit and Loss.

## **1.22 SIGNIFICANT ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS:**

The preparation of financial statements in accordance with Ind AS requires management to make estimates and assumptions that affect reported amounts of revenue, expenses, assets, and liabilities. Actual results may differ from these estimates. Any revisions to accounting estimates are recognized prospectively.

### **KEY ASSUMPTIONS AND ESTIMATING UNCERTAINTY:**

These assumptions and estimates have a significant risk of causing material adjustments to the carrying amounts of assets and liabilities within the next financial year. The Company bases its assumptions and estimates on parameters available when the financial statements were prepared. Circumstances may change due to market changes or other developments beyond the Company's control, and such changes are reflected in the assumptions when they occur.

#### **a. TAXES:**

Significant management judgment is required to determine the amount of deferred tax assets that can be recognized, based on the likely timing and level of future taxable profits together with future tax planning strategies.

#### **b. PROVISIONS:**

Significant estimates are involved in determining provisions related to liquidated damages, onerous contracts, warranty costs, asset retirement obligations, and legal and regulatory proceedings. Provisions for onerous sales contracts are made when total contract costs exceed expected contract revenue. The provision for warranty, liquidated damages, and onerous contracts is based on the best estimate required to settle the present obligation at the end of the reporting period. Legal proceedings often involve complex issues and substantial uncertainties, requiring considerable judgment in determining the probability of a present obligation and estimating the obligation amount reliably. Internal and external counsel are generally involved in this determination process. Estimates are revised periodically.

#### **c. PROPERTY, PLANT, AND EQUIPMENT AND INTANGIBLE ASSETS:**

Depreciation charges are based on estimates of an asset's expected useful life and residual value. These estimates are determined by management when the asset is acquired and reviewed periodically, including at each financial year-end. They are based on historical experience with similar assets and anticipated future events, such as changes in technology.

#### **d. EMPLOYEE BENEFITS:**

The Company's obligation for employee benefits is determined based on actuarial valuations, which involve making various assumptions that may differ from actual developments in the future. These include the determination of the discount rate, future salary increases, and mortality rates. These liabilities are highly sensitive to changes in these assumptions, and all assumptions are reviewed at each reporting date. The discount rate is based on government bond interest rates, and mortality rates are based on publicly available tables for India. Future salary increases and gratuity increases are based on expected future inflation rates.

#### **e. IMPAIRMENT OF NON-FINANCIAL ASSETS:**

The Company assesses at each balance sheet date whether there is any indication that an asset or group of assets (cash-generating unit) may be impaired. If any indication exists, the Company estimates the recoverable amount, which is the greater of the asset's net selling price and its value in use. Estimated future cash flows are discounted to present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific



to the asset. If the recoverable amount is less than the carrying amount, an impairment loss is recognized in the Statement of Profit and Loss. If an impairment loss no longer exists, the recoverable amount is reassessed and the asset is reflected at the recoverable amount, subject to a maximum of depreciable historical cost had no impairment been recognized.

#### **f. IMPAIRMENT OF FINANCIAL ASSETS:**

The Company assesses impairment on financial assets based on the Expected Credit Loss (ECL) model. The provision matrix is based on historically observed default rates over the expected life of the financial assets and is adjusted for forward-looking estimates. At each reporting date, the historical default rates are updated and changes in forward-looking estimates are analyzed.

## **2. PROPERTY, PLANT & EQUIPMENT**

(Amount in ₹ Lakhs)

	Plant & Machinery	Land	Building	Office Equipment	Furniture and fixture	Computers	Vehicles	Total	Right-of-use assets
<b>Gross Block</b>									
As at 31st March 2024	202.30	17.91	210.71	46.71	25.51	14.24	6.77	524.14	14.35
Additions	3.84	-	-	15.23	2.47	2.44	25.10	49.07	-
Disposals	-6.87	-	-	-	-	-	-5.08	-11.95	-
As at 31st March 2025	199.28	17.91	210.71	61.94	27.97	16.67	26.78	561.27	14.35
<b>Accumulated Depreciation</b>									
As at 31st March 2024	28.16	-	20.13	10.53	6.42	5.72	2.72	73.68	6.63
Depreciation charge for the period	16.93	-	10.25	8.03	3.14	5.98	2.69	47.02	3.31
Disposals	-6.87	-	-	-	-	-	-3.97	-10.84	-
As at 31st March 2025	38.22	-	30.38	18.56	9.56	11.70	1.43	109.86	9.94
<b>Net Carrying Value</b>									
As at 31st March 2024	174.14	17.91	190.58	36.19	19.08	8.51	4.05	450.46	7.72
As at 31st March 2025	161.05	17.91	180.33	43.39	18.41	4.97	25.35	451.40	4.41
<b>Capital Work-In-Progress</b>									
Land at Babai Industrial Area	-	3.24	-	-	-	-	-	3.24	-
CWIP - Plant & Machinery	1.95	-	-	-	-	-	-	1.95	-
	1.95	3.24	-	-	-	-	-	5.18	-

#### **Notes:**

**2.1** There are no immovable properties held by the Company as at 31st March 2025 and 31st March 2024.

**2.2** Plant & Machinery Included Plant & Machinery, Electrification & Testing Equipments.

**2.3** Office Equipment Included Tools

**3. NON-CURRENT INVESTMENTS**
**(Amount in ₹ Lakhs)**

	Particulars	As at 31st March 2025	As at 31st March 2024
<b>A.</b>	<b>Investment in subsidiaries in unquoted equity shares, fully paid *</b>		
	AIC- Aartech Solonics Pvt Ltd	0.01	0.01
	Faradigm Ultracapacitors Private Limited	-	-
<b>B.</b>	<b>Investment in associates in unquoted equity shares, fully paid *</b>		
	Enerqual Technology Private Limited	4.62	4.62
	Epsilon Ten Ltd	393.10	393.10
	Provision for Impairment losses in Epsilon Ten Ltd	-393.10	-
<b>C.</b>	<b>Investment in Quoted equity shares, fully paid up</b>		
	<i>(Measured at Fair Value through Profit and Loss (FVTPL))</i>		
	Jay Kailash Namkeen Limited	-	73.41
	Rudra Global Infra Products Limited	41.22	-
	Reliance Industries Limited	0.87	-
	Agarwal Tough Glass India Limited	23.78	-
	NTPC Green Energy Limited	0.86	-
<b>D.</b>	<b>Unquoted equity instruments, fully paid up</b>		
	Umangshridhar Designs Private Limited	25.00	25.00
	Ansheo Nutraware Private Limited	0.25	0.25
	Bozobaka Labs Private Limited	0.32	0.32
<b>E.</b>	<b>Investment properties</b>		
	Land Seac Chandukhedi	34.46	34.46
	Land Phoenix	14.85	14.85
<b>Total</b>		<b>148.23</b>	<b>546.01</b>
	Aggregate amount of quoted investments	66.72	73.41
	Aggregate market value of quoted investments	66.72	73.41
	Aggregate amount of unquoted investments	81.51	472.60
	Aggregate amount of Impairment in value of investments	-393.10	-

**4. OTHER FINANCIAL ASSETS - NON-CURRENT**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Security deposit	101.99	69.52
(Unsecured, considered good)		
<b>Total</b>	<b>101.99</b>	<b>69.52</b>

**5. DEFERRED TAX ASSETS (NET)**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
MAT Credit	78.95	35.50
Deferred Tax Assets/(Liabilities) Refer Note No. 33	79.87	-7.22
<b>Total</b>	<b>158.82</b>	<b>28.29</b>

**6. INVENTORIES**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Raw Material	890.26	578.61
Work-In-Progress	161.40	164.42
Stock-in-Trade	28.80	31.10
Finished Goods	-	-
<b>Total</b>	<b>1,080.47</b>	<b>774.14</b>

**7. CURRENT INVESTMENTS**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>Investment in Mutual Fund</b>		
<b>Quoted Measured at Fair Value through Profit and Loss (FVTPL)</b>		
Aditya Birla Sunlife Equity Advantage Growth Fund 480.31 Units (Previous 3,935.98 units)	3.97	30.60
Nippon India Ultra Short Duration Fund Growth Plan Nil Units (Previous 2,947.26 units)	-	108.77
Aditya Birla Sun Life Overnight Fund Growth Plan 1.11 Units (Previous 1.11 units)	0.02	0.01
DSP Mid Cap Fund Regular Plan Growth 2,900.12 Units (Previous 18,591.81 units)	3.79	21.62
HDFC Small Cap Fund Regular Plan 1,545.28 Units (Previous 11,037.25 units)	1.87	12.99
HDFC Large Cap Fund Regular Growth Plan 185.23 Units (Previous 1,161.83 units)	2.00	11.93

Bandhan Bond Fund Medium Term Plan Growth <i>11,390.63 Units (Previous 19,818.65 units)</i>	5.10	8.22
Bandhan Ultra Short-Term Fund Regular Plan <i>Nil Units (Previous 51,484.98 units)</i>	-	7.16
Invesco India Money Market Fund Regular Growth <i>46.28 Units (Previous 46.28 units)</i>	1.38	1.29
Kotak Emerging Equity Scheme Growth Regular Plan <i>447.97 Units (Previous 12,637.43 units)</i>	0.53	12.95
Kotak Equity Opportunities Fund Growth Regular Plan <i>169.41 Units (Previous 6,994.37 units)</i>	0.53	20.03
Nippon India Banking & Financial Services Fund Growth Plan <i>404.53 Units (Previous 8,750.09 units)</i>	2.33	44.77
Nippon India Growth Fund Growth Plan <i>216.40 Units (Previous 2,137.07 units)</i>	8.03	69.72
Nippon India Large Cap Fund Growth Plan <i>2,29,903.26 Units (Previous 1,40,057.76 units)</i>	191.89	109.51
Nippon India Multi Cap Fund Growth Plan <i>3,109.81 Units (Previous 7,777.58 units)</i>	8.37	19.03
Nippon India Short Term Fund Growth Plan <i>11,512.27 Units (Previous Nil units)</i>	5.94	-
Nippon India Small Cap Fund Growth Plan <i>6,674.80 Units (Previous Nil units)</i>	10.00	-
Nippon India Value Fund Growth Plan <i>2,002.66 Units (Previous 5,202.62 units)</i>	4.17	9.91
Nippon India Gold Savings Fund Growth Plan <i>12,379.49 Units (Previous 8,343.35 units)</i>	4.24	2.19
Nippon India Multi Asset Fund Growth Plan (MFGPG) <i>Nil Units (Previous 2,89,732.93 units)</i>	-	52.09
Nippon India Nifty Small cap 250 Index Fund Growth Plan <i>59,903.79 Units (Previous Nil units)</i>	17.35	-
Nippon India Pharma Fund Growth Plan <i>2,079.77 Units (Previous Nil units)</i>	10.01	-
Nippon India Nifty Midcap 150 Index Fund Growth Plan <i>91,142.77 Units (Previous 1,34,283.26 units)</i>	19.65	27.01
Tata Balances Advantage Fund Regular Plan Growth <i>Nil Units (Previous 44,978.12 units)</i>	-	8.41
Nippon India Flexi Cap Fund Growth Plan <i>Nil Units (Previous 4,33,596.088 units)</i>	-	62.50
Nippon India Corporate Bond Fund Growth Plan <i>Nil Units (Previous 70,843.94 units)</i>	-	38.25
Tata Resources & Energy Fund Regular Plan Growth <i>Nil Units (Previous 17,496.42 units)</i>	-	6.75
Nippon India Power & Infra Fund Growth Plan	44.85	-

14,102.79 Units (Previous Nil units)		
Nippon India Consumption Fund Growth Plan 4,076.15 Units (Previous Nil units)	7.42	-
Nippon India Small Cap Fund Growth Plan (466218393367) Nil Units (Previous 1,895.82 units)	-	2.68
Nippon India Fixed Horizon Fund XI V Series 5 Growth Plan 2,99,985.00 Units (Previous 2,99,985.00 units)	35.50	32.65
Nippon India Equity Saving Fund Growth Plan 2,90,454.30 Units (Previous Nil units)	45.01	-
Tata Digital India Fund Regular Growth Plan 555.49 Units (Previous 4,447.58 units)	0.25	1.88
Tata Multi Cap Fund Regular Growth Plan 4,056.66 Units (Previous 28,400.97 units)	0.52	3.64
Tata Small Cap Fund Regular Growth Plan 715.86 Units (Previous 5,677.86 units)	0.26	1.84
Nippon India Power & Infra Fund Growth Plan (466218393367) Nil Units (Previous 9,191.34 units)	-	28.45
Nippon India Multi Asset Fund Growth Plan (MFGPG) (466218393367) Nil Units (Previous 1,11,074.80 units)	-	19.97
UTI Large & Mid Cap Fund Regular Plan Growth 1,447.44 Units (Previous 137.86 units)	2.37	0.20
UTI Nifty 200 Momentum 30 Index Fund Regular Plan Growth 8,714.72 Units (Previous 718.10 units)	1.67	0.15
UTI BSE Low Volatility Index Fund Regular Plan Growth 12,046.65 Units (Previous 967.80 units)	1.86	0.15
Nippon India Nifty IT Index Fund Growth Plan Nil Units (Previous 4,99,975.00 units)	-	45.72
Nippon India Nifty Bank Index Fund Growth Plan Nil Units (Previous 4,99,975.00 units)	-	50.14
Nippon India Nifty 500 Equal Weight Index Fund Growth Plan 8,03,073.93 Units (Previous Nil units)	67.09	-
Nippon India Nifty 500 Momentum 50 Index Fund Growth Plan 11,82,178.19 Units (Previous Nil units)	87.93	-
Groww Large Cap Fund Regular Plan Growth 4,43,470.52 Units (Previous Nil units)	174.68	-
Groww Short Duration Fund Regular Plan Growth 7,052.81 Units (Previous Nil units)	143.58	-
Groww Overnight Fund Regular Plan Growth 12.66 Units (Previous Nil units)	0.17	-
Axis Nifty Midcap 50 Index Fund Regular Plan Growth 61,304.32 Units (Previous Nil units)	10.58	-
Bandhan Nifty 500 Value 50 Index Fund Regular Plan Growth 63,366.96 Units (Previous Nil units)	5.88	-

Groww Multicap Fund Regular Plan Growth 21,16,597.99 Units (Previous Nil units)	189.12	-
Groww Nifty India Railways PSU Index Fund Regular Growth 1,99,990.00 Units (Previous Nil units)	18.77	-
Nippon India Large Cap Fund Growth Plan 11,301.63 Units (11,301.63 Nil units)	9.44	8.84
Kotak Nifty Next 50 Index Fund Growth Regular Plan 17,515.34 Units (17,515.34 Nil units)	3.14	3.02
Kotak Global Innovation Fund Growth Regular Plan 999.95 Units (999.95 Nil units)	0.09	0.09
Nippon India Innovation Fund Growth Plan 1,49,992.50 Units (1,49,992.50 Nil units)	18.94	17.90
<b>Total</b>	<b>1,170.32</b>	<b>903.02</b>
Aggregate amount of quoted investments	1,170.32	903.02
Aggregate market value of quoted investments	1,170.32	903.02

## 8. TRADE RECEIVABLES

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>Trade receivables</b>		
-Secured, considered good		-
-Unsecured, considered good	588.78	948.32
-Credit impaired	91.61	126.73
-Less: allowances for expected credit loss	-91.61	-126.73
<b>Total</b>	<b>588.78</b>	<b>948.32</b>

### 8.1. Trade Receivables ageing schedule: As at 31st March 2025

(Amount in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	573.30	11.17	4.32	-	-	588.78
(ii) Undisputed trade Receivables – Significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade Receivables – credit impaired	-	10.98	29.79	44.18	6.66	91.61
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-

(v) Disputed trade Receivables – Significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade Receivables – credit impaired	-	-	-	-	-	-
Less: allowances for expected credit loss	-	-10.98	-29.79	-44.18	-6.66	-91.61
	<b>573.30</b>	<b>11.17</b>	-	-	-	<b>588.78</b>

## 8.2. Trade Receivables ageing schedule: As at 31st March 2024

(Amount in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Less than 6 months	6 months - 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed trade receivables – considered good	844.18	104.15				948.32
(ii) Undisputed trade Receivables – Significant increase in credit risk	-	-	-	-	-	-
(iii) Undisputed trade Receivables – credit impaired	-	25.77	68.16	9.24	23.57	126.73
(iv) Disputed trade receivables – considered good	-	-	-	-	-	-
(v) Disputed trade Receivables – Significant increase in credit risk	-	-	-	-	-	-
(vi) Disputed trade Receivables – credit impaired	-	-	-	-	-	-
Less: allowances for expected credit loss	-	-25.77	-68.16	-9.24	-23.57	-126.73
	<b>844.18</b>	<b>104.15</b>	-	-	-	<b>948.32</b>

## 9. CASH & CASH EQUIVALENTS

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Balances with banks:		
-Bank deposits with Bank	166.87	195.99
-in Current accounts	68.21	31.88
Cash in hand	-	0.09
Others (Includes imprest given to employees for incurring expenses)	2.58	6.01
<b>Total</b>	<b>237.66</b>	<b>233.98</b>

**9.1** There are no repatriation restrictions with regard to cash and cash equivalents as at the end of the reporting period and prior periods.

## 10. OTHER FINANCIAL ASSETS

(Amount in ₹ Lakhs)



Particulars	As at 31st March 2025	As at 31st March 2024
Accrued Interest on deposits with bank	1.34	1.66
Other Receivable	-	1.12
<b>Total</b>	<b>1.34</b>	<b>2.77</b>

## 11. OTHER CURRENT ASSETS

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
<i>(Unsecured, considered good, unless otherwise stated)</i>		
Advance to employees	0.55	-
Advance to Supplier	228.34	40.30
Prepaid Expenses	7.74	6.77
Balances with statutory/government authorities	78.29	100.62
<b>Total</b>	<b>314.93</b>	<b>147.68</b>

## 12. CURRENT TAX ASSETS (NET)

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Advance income-tax (net of provision for taxation)		
<b>Total</b>	<b>314.93</b>	<b>147.68</b>

## 13. SHARE CAPITAL

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
<b>13.1 Authorized Share Capital:</b>		
<b>Aartech Solonics Limited - Holding Company</b>		
5,00,00,000 Equity shares of ₹ 5 each	2,500.00	1,500.00
(Previous Year 1,50,00,000 Equity shares of ₹ 10 each)		
<b>AIC-Aartech Solonics Limited - Subsidiary Company</b>		
10,000 Equity shares of ₹10 each	1.00	1.00
<b>Faradigm Ultracapacitors Private Limited - Subsidiary Company</b>	1.00	1.00
10,000 Equity shares of ₹10 each		
<b>Total</b>	<b>2,502.00</b>	<b>1,502.00</b>
<b>13.2 Issued, subscribed and Paid up:</b>		
3,17,70,375 Equity shares of ₹ 5 each fully paid	1,588.52	1,059.01
<b>Total</b>	<b>1,588.52</b>	<b>1,059.01</b>

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

(Number of equity shares)

Particulars	As at	As at
-------------	-------	-------

	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Equity Shares at the beginning of the year	1,05,90,125	1,05,90,125
Add: Equity shares issued during the year	-	-
- Split of Equity shares	1,05,90,125	-
- as fully paid up bonus shares	1,05,90,125	-
Less: Shares cancelled on buy back of Equity Shares	-	-
<b>Equity Shares at the end of the year</b>	<b>3,17,70,375</b>	<b>1,05,90,125</b>

#### 13.4. Terms / rights attached to Equity Shares

Company has only one class of equity shares having a par value of ₹ 5 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.

#### 13.5. Details of shareholding more than 5% shares in the Company:

Particulars	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
	No. of Shares	% held	No. of Shares	% held
<b>Aartech Solonics Limited</b>				
Anil Anant Raje	7,014,000	22.08%	23,38,000	22.08%
Chhaya Anil Raje	4,199,997	13.22%	13,99,999	13.22%
Amit Anil Raje	4,703,500	14.80%	15,63,600	14.76%
Kailash Kabra	1,767,000	5.56%	7,24,000	6.84%
Veena Rajesh			5,49,000	5.18%
<b>Faradigm Ultracapacitors Private Limited</b>				
Aartech Solonics Limited	9,500	95.00%	9,500	95.00%
Mr. Anil Anant Raje (Minority Interest)	500	5.00%	500	5.00%
<b>AIC-Aartech Solonics Private Limited</b>				
Aartech Solonics Limited	9,900	99.00%	9,900	99.00%
Mr. Anil Anant Raje (Minority)	100	100.00%	100	100.00%

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

#### 13.6. Details of shares held by promoter at the end of the year:

Particulars	As at 31 <sup>st</sup> March 2025		% Change during the year
	No. of Shares	% held	
<b>Aartech Solonics Limited</b>			
Anil Anant Raje	7,014,000	22.08%	0.00%

Chhaya Anil Raje	4,199,997	13.22%	0.00%
Amit Anil Raje	4,703,500	14.80%	0.27%
<b>Faradigm Ultracapacitors Private Limited</b>			
Aartech Solonics Limited	9,500	95.00%	0.00%
Mr. Anil Anant Raje (Minority Interest)	500	5.00%	0.00%
<b>AIC-Aartech Solonics Private Limited</b>			
Aartech Solonics Limited	9,900	99.00%	0.00%
Mr. Amit Anil Raje (Minority Interest)	100	1.00%	0.00%

Particulars	As at 31st March 2024		% Change during the year
	No. of Shares	% held	
<b>Name of Share Holders</b>			
<b>Aartech Solonics Limited</b>			
Anil Anant Raje	2338000	22.08%	0.00%
Chhaya Anil Raje	1399999	13.22%	0.00%
Amit Anil Raje	1563600	14.76%	0.00%
<b>Faradigm Ultracapacitors Private Limited</b>			
Aartech Solonics Limited	9,500	95.00%	0.00%
Mr. Anil Anant Raje (Minority Interest)	500	5.00%	0.00%
<b>AIC-Aartech Solonics Private Limited</b>			
Aartech Solonics Limited	9,900	99.00%	0.00%
Mr. Amit Anil Raje (Minority Interest)	100	1.00%	0.00%

#### 14. OTHER EQUITY

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>(A) General Reserves</b>		
-Balance as per last Financial Statements	616.15	616.15
- Transferred from profit and loss account during the period/ year	-529.51	
<b>Closing Balance</b>	<b>86.64</b>	<b>616.15</b>
<b>(B) Capital Reserves</b>		
-Balance as per last Financial Statements	35.52	35.52
-Transferred from profit and loss account during the period/ year		
<b>Closing Balance</b>	<b>35.52</b>	<b>35.52</b>
<b>(C) Securities Premium</b>		
- Balance as per last Financial Statements	509.20	509.20
- Increase due to issuance of equity shares at premium during the year		
<b>Closing Balance</b>	<b>509.20</b>	<b>509.20</b>

<b>(D) Retained earnings</b>		
-Balance as per last Financial Statements	733.60	654.66
-Profit for the year	276.42	131.53
-Profit attributable to minority shareholders	-3.42	1.64
-Dividend paid on equity shares during the period	-79.43	-52.95
-Remeasurement of defined benefit obligations (Net of tax)	-1.50	-1.29
<b>Closing Balance</b>	<b>925.68</b>	<b>733.60</b>
<b>Total (a+b+c+d)</b>	<b>1,557.04</b>	<b>1,894.47</b>

#### 14.1. General Reserve

Under the Companies Act 1956, general reserve was created through an annual transfer of net income at a specified percentage in accordance with the Companies (Transfer of profits to reserves) Rules, 1975. Consequent to introduction of the Act, there is no such requirement to mandatorily transfer a specified percentage of the net profit to general reserve.

#### 14.2. Capital Reserve

The purpose for which a capital reserve is created is for preparing the company for sudden events like inflation, business expansion, funds for a new project. A capital reserve is created from capital profit earned through sales of capital assets such as the sale of fixed assets, profit on the sale of shares.

#### 14.3. Securities premium

Security premium represents share issued at premium less share issue expenses. The reserve is utilized in accordance with the provisions of the Companies Act, 2013.

#### 14.4. Retained earnings

Retained earnings are the accumulated profits/(losses) earned by the Company till date and includes other comprehensive income that will not be reclassified subsequently to profit and loss account, less any transfers to general reserve.

### 15. MINORITY INTEREST

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>AIC - AARTECH SOLOMONICS PRIVATE LIMITED</b>		
- Share Capital of AIC-Aartech Solonics Pvt Ltd	0.01	0.01
-Profit & Loss of AIC-Aartech Solonics Pvt Ltd	-0.68	-1.44
	<b>-0.67</b>	<b>-1.43</b>
<b>FARADIGM ULTRACAPACITORS PRIVATE LIMITED</b>		
Share Capital of Faradigm Ultracapacitors Pvt Ltd	0.05	0.05
Profit & Loss of Faradigm Ultracapacitors Pvt Ltd	4.44	1.79
	<b>4.49</b>	<b>1.84</b>
<b>Total</b>	<b>3.83</b>	<b>0.41</b>

### 16. LEASE LIABILITIES - NON-CURRENT

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
-------------	--------------------------------------	--------------------------------------

Lease liabilities	-	5.56
<b>Total</b>	-	<b>5.56</b>
Lease liabilities - Current	5.56	3.52
<b>Total</b>	<b>5.56</b>	<b>3.52</b>

## 17. OTHER NON-CURRENT LIABILITIES

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Deferred government grant	14.45	15.85
<b>Total</b>	<b>14.45</b>	<b>15.85</b>

## 18. PROVISIONS - NON-CURRENT

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Provision for compensated absences	20.72	16.42
Provision for gratuity	14.17	7.86
<b>Total</b>	<b>34.88</b>	<b>24.28</b>

## 19. BORROWINGS

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Bank Overdraft	558.19	410.94
<b>Total</b>	<b>558.19</b>	<b>410.94</b>

**19.1.** Interest charged by HDFC Bank @ 8.5% (Floating Rate) on CC Account.

**19.2. Primary Securities:** - Hypothecation of Stocks and Debtors.

**19.3. Collateral Securities:** - Industrial property approx. 14,779 sq. feet at plot no. 35A/36, Sector-B, Industrial area, Mandideep, District Raichur, pledged as security for CC account with HDFC Bank amounting to Rs 5,12,00,000 and 8 no. Flat at Indus Mandideep approx. 450 sq. feet each pledged as security for CC account with HDFC Bank amounting to Rs 67,25,000.

## 20. TRADE PAYABLES

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Micro, Small and Medium Enterprises	6.47	36.40
Others	410.76	513.42
<b>Total</b>	<b>417.23</b>	<b>549.82</b>

**20.1. Trade Payables ageing schedule: As at 31st March 2025**

(Amount in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Unbilled/Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed- MSME	-	6.47	-	-	-	6.47
(ii) Undisputed- Others	2.90	407.86	-	-	-	410.76
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-
	<b>2.90</b>	<b>414.33</b>	-	-	-	<b>417.23</b>

**20.2. Trade Payables ageing schedule: As at 31st March 2024**

(Amount in ₹ Lakhs)

Particulars	Outstanding for following periods from due date of payment					
	Unbilled/Not due	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) Undisputed- MSME	-	36.40	-	-	-	36.40
(ii) Undisputed- Others	1.25	511.38	-	0.11	0.68	513.42
(iii) Disputed dues- MSME	-	-	-	-	-	-
(iv) Disputed dues- others	-	-	-	-	-	-
	<b>1.25</b>	<b>547.79</b>	-	<b>0.11</b>	<b>0.68</b>	<b>549.82</b>

**20.3. Details of monthly stock and book debts statement submitted to Bank:**

Particulars	Period	Amount as per books of account	Amount as reported in the statement	Amount of Difference *
Inventory	Apr-24	716.58	716.58	-
Trade Receivables	Apr-24	821.17	821.17	-
Trade Payables	Apr-24	502.56	502.56	-
Advance from Customer	Apr-24	35.72	35.72	-
Advance to Suppliers	Apr-24	97.99	97.99	-
Sales	Apr-24	129.76	129.76	-
Inventory	May-24	868.45	868.45	-
Trade Receivables	May-24	601.26	601.26	-
Trade Payables	May-24	500.09	500.09	-
Advance from Customer	May-24	34.40	34.40	-
Advance to Suppliers	May-24	72.50	72.50	-
Sales	May-24	268.89	268.89	-
Inventory	Jun-24	641.42	641.42	-
Trade Receivables	Jun-24	724.02	724.02	-
Trade Payables	Jun-24	443.11	443.11	-
Advance from Customer	Jun-24	28.39	28.39	-
Advance to Suppliers	Jun-24	72.25	72.25	-

Sales	Jun-24	262.28	262.28	-
Inventory	Jul-24	773.13	773.13	-
Trade Receivables	Jul-24	679.85	679.85	-
Trade Payables	Jul-24	546.95	546.95	-
Advance from Customer	Jul-24	29.60	29.60	-
Advance to Suppliers	Jul-24	126.97	126.97	-
Sales	Jul-24	230.21	230.21	-
Inventory	Aug-24	797.80	797.80	-
Trade Receivables	Aug-24	502.59	502.59	-
Trade Payables	Aug-24	484.86	484.86	-
Advance from Customer	Aug-24	26.35	26.35	-
Advance to Suppliers	Aug-24	55.41	55.41	-
Sales	Aug-24	163.59	163.59	-
Inventory	Sep-24	693.73	693.73	-
Trade Receivables	Sep-24	813.85	813.85	-
Trade Payables	Sep-24	533.05	533.05	-
Advance from Customer	Sep-24	28.39	28.39	-
Advance to Suppliers	Sep-24	72.24	72.24	-
Sales	Sep-24	546.81	546.81	-
Inventory	Oct-24	678.17	678.17	-
Trade Receivables	Oct-24	958.62	958.62	-
Trade Payables	Oct-24	616.75	616.75	-
Advance from Customer	Oct-24	28.63	28.63	-
Advance to Suppliers	Oct-24	48.53	48.53	-
Sales	Oct-24	379.33	379.33	-
Inventory	Nov-24	707.58	707.58	-
Trade Receivables	Nov-24	897.09	897.09	-
Trade Payables	Nov-24	582.79	582.79	-
Advance from Customer	Nov-24	24.59	24.59	-
Advance to Suppliers	Nov-24	81.79	81.79	-
Sales	Nov-24	201.55	201.55	-
Inventory	Dec-24	728.55	728.55	-
Trade Receivables	Dec-24	875.91	875.91	-
Trade Payables	Dec-24	542.32	542.32	-
Advance from Customer	Dec-24	25.37	25.37	-
Advance to Suppliers	Dec-24	92.69	92.69	-
Sales	Dec-24	374.35	374.35	-
Inventory	Jan-25	870.67	870.67	-
Trade Receivables	Jan-25	1,105.59	1,105.59	-
Trade Payables	Jan-25	572.09	572.09	-
Advance from Customer	Jan-25	24.69	24.69	-
Advance to Suppliers	Jan-25	106.07	106.07	-



Sales	Jan-25	393.57	393.57	-
Inventory	Feb-25	707.76	707.76	-
Trade Receivables	Feb-25	997.80	997.80	-
Trade Payables	Feb-25	568.78	568.78	-
Advance from Customer	Feb-25	24.67	24.67	-
Advance to Suppliers	Feb-25	77.18	77.18	-
Sales	Feb-25	237.71	237.71	-
Inventory	Mar-25	759.46	759.46	-
Trade Receivables	Mar-25	711.10	674.31	36.79
Trade Payables	Mar-25	418.17	417.52	0.65
Advance from Customer	Mar-25	25.08	25.08	-
Advance to Suppliers	Mar-25	66.48	68.66	-2.18
Sales	Mar-25	381.61	381.61	-

\* The above differences are due to late booking of Purchases/payment to suppliers/amount received from customer/TDS Deductions after the submission of stock and debtors statement to Bank.

**20.4.** The Micro, Small and Medium Enterprises have been identified by the Company from the available information, which has been relied upon by the auditors. According to such identification, the disclosure in respect to Micro and Small Enterprises as per MSMED Act, 2006 is as follows:

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
-Principal amount due to micro and small enterprises	6.47	36.40
-Interest due on above	-	-
-the amount of interest paid by the buyer in terms of section 16 of the Micro, Small and Medium Enterprises Development Act, 2006 (27 of 2006), along with the amount of the payment made to the supplier beyond the appointed day during each accounting year	-	-
-the amount of interest due and payable for the period of delay in making payment (which has been paid but beyond the appointed day during the year) but without adding the interest specified under the Micro, Small and Medium Enterprises Development Act, 2006	-	-
-The amount of interest accrued and remaining unpaid at the end of each accounting year	-	-
-the amount of further interest remaining due and payable even in the succeeding years, until such date when the interest dues above are actually paid to the small enterprise, for the purpose of disallowance of a deductible expenditure under section 23 of the Micro, Small and Medium Enterprises Development Act, 2006	-	-
<b>Total</b>	<b>6.47</b>	<b>36.40</b>

The above information has been given in respect of such vendors to the extent they could be identified as micro and small enterprises as per MSMED Act, on the basis of information available with the Company, from the date when vendors provided their confirmation that they are covered under MSMED Act.

**21. OTHER FINANCIAL LIABILITIES**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Employee related payable	54.91	66.78
Deferred government grant	-	-
<b>Total</b>	<b>54.91</b>	<b>66.78</b>

**22. OTHER CURRENT LIABILITIES**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Advance received from customers	25.08	29.97
Expense Payable	9.05	6.05
Dividend Payable	-	-
<b>Statutory dues payable</b>		
- TDS payable	9.94	18.38
- Professional Tax payable	0.09	0.07
- GST Payable	-	-
- Other Statutory Dues	2.16	1.95
<b>Total</b>	<b>46.32</b>	<b>56.42</b>

**23. CURRENT TAX LIABILITIES (Net)**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Provision for Income Tax	-	25.14
<b>Total</b>	<b>-</b>	<b>25.14</b>

**24. REVENUE FROM OPERATIONS**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Sale of Products	3,490.28	3,142.36
Sale of Service	144.95	132.06
<b>Total</b>	<b>3,635.22</b>	<b>3,274.41</b>

**25. OTHER INCOME**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
-Interest Income:		
Bank deposit	9.45	10.44

Debentures	-	-
Others	0.17	5.46
On security deposits at amortised cost	0.07	0.06
-Net gain/(- loss) on sale of investments	211.43	158.57
-Gain on investments measured at FVTPL	-	80.46
-Reversal of expected credit loss	38.63	0.34
-Rental income	2.64	2.58
-Grant Income	30.00	41.04
-Deferred Income of Grant received from NITI Aayog	1.40	
-Profit on Sale of Fixed Assets	3.77	0.02
-Miscellaneous income	0.39	15.73
<b>Total</b>	<b>297.95</b>	<b>314.71</b>

## 26. COST OF MATERIALS CONSUMED

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Purchase of Raw Materials	2,075.08	2,405.46
Opening Balance of Raw Materials	578.61	362.45
Less: Closing Balance of Raw Materials	890.26	578.61
<b>Total</b>	<b>1,763.42</b>	<b>2,189.30</b>

## 27. CHANGE IN INVENTORIES

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Finished goods/Stock-in-Trade:		
Opening Balance	31.10	31.40
Less: Closing Balance	28.80	31.10
	<b>2.30</b>	<b>0.30</b>
Work-in-Progress:		
Opening Balance	164.42	119.03
Less: Closing Balance	161.40	164.42
	<b>3.02</b>	<b>-45.39</b>
<b>Total</b>	<b>5.32</b>	<b>-45.09</b>

## 28. EMPLOYEE BENEFIT EXPENSES

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Salaries and Wages	428.08	416.10
Contribution to provident and other funds	14.03	12.71
Gratuity expense	11.20	5.15

Leave encashment expense	8.29	0.08
Staff Welfare Expenses	11.20	8.64
<b>Total</b>	<b>472.80</b>	<b>442.67</b>

**29. FINANCE COST**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Interest Expenses:		
-Bank overdraft	39.02	27.35
-Other loans	2.52	3.10
-Lease liabilities	0.65	0.93
Bank charges	12.58	24.81
Other finance charges	-	0.61
<b>Total</b>	<b>54.77</b>	<b>56.80</b>

**30. DEPRECIATION AND AMORTISATION EXPENSES**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Depreciation on property, plant and equipment	47.02	43.61
Amortisation of right-of-use assets	3.31	3.32
<b>Total</b>	<b>50.33</b>	<b>46.93</b>

**31. IMPAIRMENT LOSSESS**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Impairment Loss on Associates (Epsilon Ten Limited)	393.10	-
<b>Total</b>	<b>393.10</b>	<b>-</b>

**32. OTHER EXPENSES**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Advertisement & business promotion	21.20	25.33
Annual Listing Fees	7.35	2.99
Operation & factory expenses	103.89	46.66
Job work expenses	28.42	23.59
Legal and professional charges	171.14	128.29
Printing and stationery	3.87	1.89
Power and fuel	21.06	19.97
Rent	18.25	18.16

Transportation	51.04	38.12
Repair & Maintenance Machinery	6.59	3.92
Repair & Maintenance Building	26.30	55.75
Repair & Maintenance Computer	0.99	1.09
Repair & Maintenance Others	7.11	5.98
Commission and brokerage	65.84	48.32
Payment to auditors*	2.90	2.90
Security expenses	3.42	3.21
Net loss on foreign currency transactions and translation	18.51	0.82
Travelling and conveyance	45.43	42.53
Loss on sale of property, plant and equipment	-	0.09
Insurance expenses	1.83	1.85
Late Delivery Charges	81.66	30.71
Research and development expenses	44.50	14.23
Rates and taxes	18.67	4.47
Loss on investments measured at FVTPL	182.11	-
Loss on equity investments	-	-
Expected credit loss	-	86.65
Communication expenses	5.20	4.75
Selling expenses	9.99	3.72
Miscellaneous expenses	74.67	24.37
<b>Total Expenses</b>	<b>1,021.95</b>	<b>640.35</b>
* Payment To Auditors:		
-Statutory Audit Fees	2.90	2.90
-Other Professional Fees	-	-
<b>Total</b>	<b>2.90</b>	<b>2.90</b>

### 33. TAX EXPENSE

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>A. CURRENT TAX</b>		
- Current tax on profits for the year	27.03	117.29
-Tax for earlier years	-44.37	5.24
<b>B. DEFERRED TAX</b>		
-Current period	-85.59	4.10
<b>Tax expense for the year</b>	<b>-102.93</b>	<b>126.63</b>
Re-measurement of defined benefit obligations	0.58	0.50

#### 33.1. Changes in deferred tax assets/(deferred tax liabilities) from 1st April 2024 to 31st March 2025

(Amount in ₹ Lakhs)

Particulars	Opening balance as at 1st April 2024	Recognised in statement of profit and loss	Recognised in other comprehensive income	Balance as at 31st March 2025
<b>Deferred tax asset/ (deferred tax liabilities) arising on account of</b>				
-Difference between accounting base and tax base of property, plant and equipment	-38.06	2.70	-	-40.76
-Provision for gratuity	2.68	-1.26	0.58	3.94
-Provision for leave encashment	4.57	-1.19	-	5.76
-Bonus payable	0.64	-0.06	-	0.70
-Fair value of investments	-20.81	-47.62	-	26.81
-Adjustments on account of application of IND AS 116	0.38	0.06	-	0.32
-Business losses and unabsorbed depreciation	7.59	-49.57	-	57.16
-Security deposits	0.05	0.02	-	0.03
-Expected credit loss	35.74	10.74	-	25.00
<b>Total</b>	<b>-7.22</b>	<b>-86.17</b>	<b>0.58</b>	<b>78.95</b>

### 33.2. Changes in MAT Credit from 1st April 2024 to 31st March 2025

(Amount in ₹ Lakhs)

Particulars	Opening balance as at 1st April 2024	Recognised in statement of profit and loss	Recognised in other comprehensive income	Balance as at 31st March 2025
-MAT Credit	35.50	-44.37	-	79.87
<b>Total</b>	<b>35.50</b>	<b>-44.37</b>	<b>-</b>	<b>79.87</b>

Note: Deferred tax assets and liabilities have been recognised in accordance with the provisions of IND AS 12 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.

### 34. EARNING PER SHARE

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
-Profit/(loss) attributable to equity shareholders for basic/diluted earnings per share	274.92	130.24
-Weighted average number of equity share capital for basic earnings per share	317.70	317.70
-Effect of potential shares during the year	-	-
-Weighted average number of equity shares for diluted earnings per share	317.70	317.70
-Earning per equity share of face value of Rs 5 each:		

Basic earning per share	0.87	0.41
Diluted earning per share	0.87	0.41

Basic EPS amounts are calculated by dividing the profit/loss for the period attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the year.

Diluted EPS amounts are calculated by dividing the profit/loss attributable to equity holders of the company by the weighted average number of Equity shares outstanding during the period plus the weighted average number of Equity shares that would be issued on conversion of all the dilutive potential Equity shares into Equity shares.

### 35. CONTINGENT LIABILITIES & OTHER COMMITMENTS

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Claims against the company not acknowledged as debt;	-	-
Guarantees;	711.15	718.97
Interest On MSME creditors outstanding for more than 45 days	-	-
There are no other commitments to be reported	-	-

### 36. RELATED PARTY DISCLOSURE

#### 36.1. Names of related parties and description of relationship:

S. No.	Name of Related Party	Relation
1	AIC- Aartech Solonics Private Limited	Subsidiary Company
2	Faradigm Ultracapacitors Private Limited	Subsidiary Company
3	Anil Anant Raje	Non-executive Director
4	Amit Anil Raje	Chairman & Managing Director
5	Arati Nath	CEO & Director
6	Prashant Dattatray Lowlekar	Independent Director
7	Kshitij Negi	Independent Director
8	Supriya Sunil Chitre	Independent Director
9	Pradeep Vasant Narkhede	Chief Financial Officer
10	Umang Shridhar Designs Private Limited	Enterprises where key management personnel exercise significant influence
11	Aartech Solonics UK Limited	Enterprises where key management personnel exercise significant influence
12	Enerqual Technology Private Limited	Associate Company
13	K. R. Tanuj Reddy	Company Secretary

#### 36.2 Transactions with related parties for the year ended:

(Amount in ₹ Lakhs)

S. No.	Name of related party	Nature of Transaction	As at	As at
			31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024



1	Aartech Solonics UK Limited	Business Consulting Services Expenses	79.86	53.68
2	Aartech Solonics UK Limited	Engineering & Technical Services	19.09	-
3	Anil Anant Raje	Rent for Head Office	18.00	18.00
4	Anil Anant Raje	Sitting Fees	0.15	0.45
5	Anil Anant Raje	Technical Consultancy	30.00	17.50
6	Prashant Dattatray Lowlekar	Sitting Fees	1.05	0.75
7	Kshitij Negi	Sitting Fees	0.75	0.30
8	Supriya Sunil Chitre	Sitting Fees	0.60	-
9	Amit Anil Raje	Directors Remuneration	37.32	32.87
10	Arati Nath	Directors Remuneration	35.50	31.07
11	Pradeep Vasant Narkhede	Salaries	15.68	14.47
12	K. R. Tanuj Reddy	Salaries	10.12	8.38

### 36.3 Balance with related parties for the period ended:

(Amount in ₹ Lakhs)

S. No.	Name of related party	Nature of Transaction	As at	As at
			31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
1	Umang Shridhar Design Private Limited	Investment in Equity	25.00	25.00
2	Enerqual Technology Private Limited	Investment in Equity	6.62	4.62

## 37. EMPLOYEE BENEFIT PLANS

### 37.1. Defined contribution plans:

The Company, in respect of qualifying employees contributes towards the following plans:

- Provident fund
- Employees' state insurance
- Labour welfare fund

### 37.2. During the year the Company has recognized the following amounts in the Statement of Profit and Loss:

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
-Employer's contribution to employees' state insurance	1.80	1.63
-Employer's contribution to employees' provident fund	11.27	10.19
<b>Total</b>	<b>13.07</b>	<b>11.82</b>

### 37.3. Defined benefit plan:

Company has made an arrangement with Life Insurance Corporation for Gratuity Benefits and Leave Encashment. Now the company makes annual contributions to the Employees' Group Gratuity-cum-Life Assurance Scheme' and 'Leave Encashment including compensated absence' of the Life Insurance Corporation of India, a funded defined benefit plan

for eligible employees. The present value of the defined benefit obligation and the related current service cost were measured using the Projected Unit Credit Method, with actuarial valuations.

#### 37.4. Reconciliation of present value of defined benefit obligation

(Amount in ₹ Lakhs)

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
- Present value of defined benefit obligation at the beginning of the year	50.52	44.47	19.24	20.34
- Interest cost	3.66	3.33	1.39	1.53
- Current service cost	5.35	4.43	2.40	2.12
- Benefits paid	-1.74	-3.16	-2.12	-0.60
- Past service cost	-	-	3.16	-
- Re-measurement (gain)/losses recognised in other comprehensive income	4.00	1.45	-	-4.15
<b>Present value of defined benefit obligation at the end of the year</b>	<b>61.80</b>	<b>50.52</b>	<b>24.07</b>	<b>19.24</b>

#### 37.5. Reconciliation of fair value of planned assets:

(Amount in ₹ Lakhs)

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
- Fair value of plan assets at the beginning of the period	42.66	36.12	2.81	3.20
- Expected return on plan assets	2.88	2.62	0.09	0.23
- Contributions	1.90	7.42	2.57	-
- Benefits paid	-1.74	-3.16	-2.12	-0.60
- Actuarial gain/(loss) on plan assets	1.93	-0.34	-	-0.02
<b>Fair Value of Plan Asset at the end of the Period</b>	<b>47.63</b>	<b>42.66</b>	<b>3.36</b>	<b>2.81</b>

#### 37.6. Reconciliation of present value of the obligations and the fair value of the plan assets:

(Amount in ₹ Lakhs)

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
- Fair value of plan assets	47.63	42.66	3.36	2.81
- Present value of defined benefit obligation	-61.80	-50.52	-24.07	-19.24
<b>Net liability recognised in the balance sheet</b>	<b>-14.17</b>	<b>-7.86</b>	<b>-20.72</b>	<b>-16.42</b>
- Liability- current		-		-
- Liability- non-current	-14.17	-7.86	-20.72	-16.42
	<b>-14.17</b>	<b>-7.86</b>	<b>-20.72</b>	<b>-16.42</b>

#### 37.7. Expenses recognised in the statement of profit and loss:

(Amount in ₹ Lakhs)

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
-Current service cost	3.66	4.43	2.40	2.12
-Past service cost	-	-		
-Interest cost on benefit obligation	5.35	3.33	1.39	1.53
-Net actuarial (gain)/loss recognized in the period	-	-	3.26	-4.14
-Expected return on plan asset	-2.88	-2.62	-0.19	-0.23
<b>Total expenses included in employee benefits expense</b>	<b>6.13</b>	<b>5.15</b>	<b>6.86</b>	<b>-0.72</b>

**37.8. Re-measurement of recognised in other comprehensive income:**

(Amount in ₹ Lakhs)

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
-Actuarial (gain)/loss for the year on projected benefit obligation	-4.00	-1.45	-	-
-Actuarial gain/(loss) for the year on planned assets	1.93	-0.34	-	-
<b>Recognised in other comprehensive income</b>	<b>-2.07</b>	<b>-1.79</b>	<b>-</b>	<b>-</b>

**37.9. Maturity profile of defined benefit obligation:**

(Amount in ₹ Lakhs)

Particulars	Gratuity	Leave Encashment
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2025
-01 Apr 2025 to 31 Mar 2025	3.66	-
-01 Apr 2026 to 31 Mar 2027	9.61	-
-01 Apr 2027 to 31 Mar 2028	1.99	-
-01 Apr 2028 to 31 Mar 2029	1.38	-
-01 Apr 2029 to 31 Mar 2030	4.13	-
-01 Apr 2030 Onwards	41.02	-

**37.10. A quantitative sensitivity analysis for significant assumption:**

(Amount in ₹ Lakhs)

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
<b>Increase/(decrease) on present value of defined benefits obligation at the end of the year</b>				
<b>Discount rate</b>				
+ 100 basis points	57.19	46.65	22.16	17.69
- 100 basis points	-67.08	-54.96	-26.28	-21.02
<b>Future salary increases rate</b>				
+ 100 basis points	67.12	55.02	26.30	21.04
- 100 basis points	-57.08	-46.54	-22.12	-17.65
<b>Attrition rate</b>				
+ 100 basis points	62.33	51.16	24.34	19.52

- 100 basis points	61.20	-49.80	-23.78	-18.91
--------------------	-------	--------	--------	--------

The sensitivity analyses above have been determined based on a method that extrapolates the impact on defined benefit obligation as a result of reasonable changes in key assumptions occurring at the end of the reporting period.

### 37.11. The major categories of plan assets as a percentage of total

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
-Insurance managed funds	100%	100%

### 37.12. Actuarial assumptions

#### (i) Economic assumptions:

The principal assumptions are the discount rate and salary growth rate. The discount rate is generally based upon the market yields available on Government bonds at the accounting date relevant to currency of benefit payments for a term that matches the liabilities. Salary growth rate is Company's long term best estimate as to salary increases and takes account of inflation, seniority, promotion, business plan, HR policy and other relevant factors on long term basis as provided in relevant accounting standard. These valuation assumptions are as follows:

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
-Discount rate (in %)	6.75%	7.25%	6.75%	7.25%
-Future salary increase (in %)	5.00%	5.00%	5.00%	5.00%
-Attrition rate (in %)	5.00%	5.00%	5.00%	5.00%

#### (ii) Demographic assumptions

Particulars	Gratuity		Leave Encashment	
	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
-Retirement age (Years)	58	58	58	58
-Mortality rate inclusive of provision for disability	IALM 2012-14		IALM 2012-14	

### 37.13. Description of risk exposures

Valuations are based on certain assumptions, which are dynamic in nature and vary over time. As such Company is exposed to various risks as follow –

- Salary increases
- Investment risk
- Discount rate
- Mortality and disability
- Withdrawals

### 37.14. Maturity profile of defined benefit obligation

Particulars	Gratuity	Leave Encashment
-------------	----------	------------------

	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024	31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024
Average duration of the defined benefit obligation (in years)	13	14	14	15

### 37.15. Other long-term benefits:

An actuarial valuation of compensated absences has been carried out by an independent actuary using the Projected Unit Credit method. The amount recognised as an expense towards compensated absences for the year aggregated to Rs. 6,86,394.00 (31 March 2024: Rs. Nil).

## 38. LEASE LIABILITIES

As per IND AS 116, Lease liabilities are measured at the present value of the remaining lease payments, discounted using the lessee's incremental borrowing rate as of 1 April 2022. The weighted average lessee's incremental borrowing rate applied to the lease liabilities on 1 April 2022 was 9%.

### 38.1. Lease liabilities are presented in the balance sheet as follows:

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
-Current	-	3.52
-Non-current	-	5.56
<b>Total</b>	-	9.08

The lease liabilities are secured by the related underlying assets. The undiscounted maturity analysis of lease liabilities are disclosed in note 35.

The Company has lease for the head office. With the exception of short-term leases and leases with variable lease payments, each lease is reflected on the balance sheet as a right-of-use asset and a lease liability.

Each lease generally imposes a restriction that, unless there is a contractual right for the Company to sublet the asset to another party, the right-of-use asset can only be used by the Company. Leases are either non-cancellable or may only be cancelled by incurring a substantive termination fee. Some leases contain an option to extend the lease for a further term. The Company is prohibited from selling or pledging the underlying leased assets as security against the Company's other debts and liabilities. For this lease, the Company must keep those properties in a good state of repair and return the properties in their original condition at the end of the lease. Further, the Company must insure items of property, plant and equipment and incur maintenance fees on such items in accordance with the lease contracts.

The Company has considered automatic extension option available for the property leases in lease period assessment since the Company can enforce its right to extend the lease beyond the initial lease period as the Company is likely to be benefited by exercising the extension option.

### 38.2. The recognised right-of-use assets relate to the lease pertaining to the office building as at:

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
<b>Right-of-use assets- office building:</b>		
-Opening balance as at the beginning of the year	7.72	11.04

-Add: Additions on account of new leases entered during the year	-	-
-Less: Termination/ modifications	-	-
-Less: Amortisation expense charged on the right-of-use assets	-3.31	-3.32
<b>Closing balance as at the end of the year</b>	<b>4.41</b>	<b>7.72</b>

**38.3. The following are amounts recognised in statement of profit and loss:**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Amortisation expense of right-of-use assets	3.31	3.32
Interest expense on lease liabilities	0.65	0.93
Rent expense	18.00	18.00
<b>Total</b>	<b>21.96</b>	<b>22.25</b>

**38.4. Lease payments not recognised as a liability:**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Expenses relating to short term leases (included in other expenses)	18.25	18.16
<b>Total</b>	<b>18.25</b>	<b>18.16</b>

**38.5. The table below describes the nature of the Company's leasing activities by type of right-of-use asset recognised on balance sheet:**

Particulars	No of right-of-use assets leased	Range of remaining term (in years)	Average remaining lease term (in years)
-Office	1	3.09	3.09

The company has a right to extend/terminate its leasing arrangements beyond the initial agreement/lock in period. For the assessment of lease term as per Ind AS 116, the management of the Company has considered the extension options and not considered the early termination options wherever available for its property leases in its lease period assessment since the Company is likely to be benefited from a longer lease tenure.

**39. FINANCIAL INSTRUMENTS - FAIR VALUES & RISK MANAGEMNT**
**39.1. Financial instruments by category**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025		As at 31 <sup>st</sup> March 2024	
	FVTPL	Amortised cost	FVTPL	Amortised cost
<b>Financial assets</b>				
-Loans	-	-	-	-
-Investments	1,170.32	148.23	903.02	546.01
-Trade receivables	-	588.78	-	948.32
-Cash and cash equivalents	-	237.66	-	233.98

-Other financial assets	-	103.33	-	72.29
<b>Total</b>	<b>1,170.32</b>	<b>1,078.00</b>	<b>903.02</b>	<b>1,800.60</b>
<b>Financial liabilities</b>				
-Trade payables	-	417.23	-	549.82
-Borrowings	-	558.19	-	410.94
-Lease liabilities	-	-	-	9.08
-Other financial liabilities	-	54.91	-	66.78
<b>Total</b>	<b>-</b>	<b>1,030.33</b>	<b>-</b>	<b>1,036.62</b>

### 39.2. Fair value hierarchy

This section explains the judgements and estimates made in determining the fair values of the financial instruments that are:

- (a) recognised and measured at fair value and
- (b) measured at amortised cost and for which fair values are disclosed in these financial statements.

To provide an indication about the reliability of the inputs used in determining fair value, the Company has classified its financial instruments into the three levels prescribed under Ind AS 113. An explanation of each level follows underneath the table.

**Assets and liabilities which are (a) recognised and measured at fair value and (b) measured at amortised cost for which fair values are disclosed:**

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025				
	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
-Loans	-	-	-	-	-
-Investments	1,318.55	1,170.32	-	148.23	1,318.55
-Trade receivables	588.78	-	-	588.78	588.78
-Cash and cash equivalents	237.66	-	-	237.66	237.66
- Other financial assets	103.33	-	-	103.33	103.33
<b>Total</b>	<b>2,248.32</b>	<b>1,170.32</b>	<b>-</b>	<b>1,078.00</b>	<b>2,248.32</b>
<b>Financial liabilities</b>					
-Trade payables	417.23	-	-	417.23	417.23
-Borrowings	558.19	-	-	558.19	558.19
-Lease liabilities	-	-	-	-	-
-Other financial liabilities	54.91	-	-	54.91	54.91
<b>Total</b>	<b>1,030.33</b>	<b>-</b>	<b>-</b>	<b>1,030.33</b>	<b>1,030.33</b>

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2024
-------------	-----------------------



	Carrying amount	Level 1	Level 2	Level 3	Total
<b>Financial assets</b>					
-Loans	-	-		-	-
-Investments	1,449.03	903.02	-	546.01	1,449.03
-Trade receivables	948.32	-	-	948.32	948.32
-Cash and cash equivalents	233.98	-		233.98	233.98
- Other financial assets	72.29	-	-	72.29	72.29
<b>Total</b>	<b>2,703.62</b>	<b>903.02</b>	<b>-</b>	<b>1,800.60</b>	<b>2,703.62</b>
<b>Financial liabilities</b>					
-Trade payables	549.82	-	-	549.82	549.82
-Borrowings	410.94	-	-	410.94	410.94
-Lease liabilities	9.08			9.08	9.08
-Other financial liabilities	66.78	-	-	66.78	66.78
<b>Total</b>	<b>1,036.62</b>	<b>-</b>	<b>-</b>	<b>1,036.62</b>	<b>1,036.62</b>

**Level 1:** Level 1 hierarchy includes financial instruments measured using quoted prices. This includes listed equity instruments, traded bonds and mutual funds that have quoted price. The fair value of all equity instruments (including bonds) which are traded in the stock exchanges is valued using the closing price as at the reporting period.

**Level 2:** The fair value of financial instruments that are not traded in an active market (for example, traded bonds, over-the counter derivatives) is determined using valuation techniques which maximise the use of observable market data and rely as little as possible on entity-specific estimates. If all significant inputs required to fair value an instrument are observable, the instrument is included in level 2.

**Level 3:** If one or more of the significant inputs is not based on observable market data, the instrument is included in level 3. This is the case for unlisted equity securities. There have been no transfers between any of the above levels for the years mentioned above.

#### Valuation technique used to determine fair value

Specific valuation techniques used to value financial instruments include:

- the financial instruments is determined using discounted cash flow analysis.

#### Valuation process

**(i) Level 1** - The fair value of investments in mutual fund units is based on the net asset value (NAV) as stated by the issuers of these mutual fund units in the published statements as at the Balance Sheet date. NAV represents the price at which the issuer will issue further units of mutual fund and the price at which issuers will redeem such units from the investors.

**(ii) Level 3** valuations are discussed with CFO and the finance team at least once every year.

The main level 3 inputs used by the Company are derived and evaluated as follows:

- Risk adjusted discount rates are estimated based on expected cash inflows arising from the instrument and the entity's knowledge of the business and how the current economic environment is likely to impact it.

Changes in level 2 and 3 fair values are analysed at the end of each reporting period during the yearly valuation discussion between the CFO and the finance team.

The carrying amounts of trade receivables, trade payables, cash and cash equivalents, other bank balances and other financial assets and liabilities are considered to be the same as their fair values, due to their short-term nature. Non-current loans represent security deposits and other non-current financial assets represents bank deposits (due for maturity after twelve from the reporting date) and interest accrued but not due on bank deposits, the carrying value of which approximates the fair values as on the reporting date.

### **39.3. Financial risk management**

The Company has exposure to the following risks arising from financial instruments:

- (i) Credit risk;
- (ii) Liquidity risk; and
- (iii) Market risk

#### **(a) Risk management framework**

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The board of directors has authorized respective business managers to establish the processes, who ensures that executive management controls risks through the mechanism of properly defined framework.

The Company's risk management policies are established to identify and analyses the risks faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. Risk management policies and systems are reviewed by the business managers periodically to reflect changes in market conditions and the Company's activities. The Company, through its training and management standards and procedures, aims to maintain a disciplined and constructive control environment in which all employees understand their roles and obligations.

<b>Risk</b>	<b>Exposure arising from</b>	<b>Measurement</b>	<b>Management</b>
Credit risk	Cash and cash equivalents, financial assets measured at amortised cost	Ageing analysis	Bank deposits, diversification of asset base, credit limits and collateral
Liquidity risk	Borrowings and other liabilities	Rolling cash flow forecasts	Availability of committed credit lines and borrowing facilities
Market risk - foreign exchange	Recognised financial assets and liabilities not denominated in Indian rupee (INR)	Cash flow forecasting	Forward contract/hedging, if required
Market risk - interest rate	Recognised variable rate financial liabilities denominated in Indian rupee (INR)	Sensitivity analysis	Mix of borrowings taken at fixed and floating rates
Market risk - security price	Investments in equity securities	Sensitivity analysis	Diversification of portfolio, with focus on strategic investments

### 39.4. Credit risk

Credit risk is the risk that a customer or counterparty to a financial instrument fails to discharge an obligation to the company. The company's maximum exposure to credit risk is limited to the carrying amount of following types of financial assets.

- Cash and cash equivalents
- Trade receivables
- Loans carried at amortised cost, and
- Other financial assets

#### (a) Credit Risk Management

The Company assesses and manages credit risk of financial assets based on following categories arrived on the basis of assumptions, inputs and factors specific to the class of financial assets.

- a) Low credit risk
- b) Moderate credit risk
- c) High credit risk

#### (b) The Company provides for expected credit loss based on the following:

Risk	Categorisation of items	Provision for expenses credit loss
Low credit risk	Cash and cash equivalents, other bank balances, loans, and other financial assets measured at amortised cost	12 month expected credit loss/life time expected credit loss
Moderate credit risk	Trade receivables Current investment - Quoted	Loss allowance is always measured at lifetime expected credit losses

#### Assets under credit risk –

(Amount in ₹ Lakhs)

Particulars	Credit rating	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Loans	Low credit risk	-	-
Cash and bank balances	Low credit risk	237.66	233.98
Other financial assets	Low credit risk	103.33	72.29
Trade receivables	Moderate credit risk	588.78	948.32

#### (c) Cash & cash equivalents and bank deposits

Since the Company deals with only high rated banks and financial institutions, credit risk in respect of cash and cash equivalents, other bank balances and bank deposits is evaluated as very low.

#### (d) Other financial assets measured at amortised cost

Other financial assets measured at amortised cost includes security deposits, etc. Credit risk is evaluated based on Company's knowledge of the credit worthiness of those parties and loss allowance is measured. Since this category includes loans and receivables of varied natures and purpose, there is no trend that the Company can draw to apply consistently to entire population. For such financial assets, the Company's policy is to provide for 12 month

expected credit losses upon initial recognition and provide for lifetime expected credit losses upon significant increase in credit risk. The Company does not have any expected loss based impairment recognised on such assets.

**(e) Credit risk exposure**

The Company recognizes lifetime expected credit losses on trade receivables using a simplified approach, wherein Company has defined percentage of provision by analysing historical trend of default (net of any recoveries from the insurance companies, if any) relevant to each business segment based on the criteria defined above and such provision percentage determined have been considered to recognise life time expected credit losses on trade receivables (other than those where default criteria are met in which case the full expected loss against the amount recoverable is provided for).

**(f) Detail of trade receivables (net of allowances) that are past due is given below:-**

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Not due and overdue less than 6 months	573.30	844.18
Overdue more than 6 months	11.17	104.15
<b>Total</b>	<b>584.47</b>	<b>948.32</b>

**39.5. Liquidity risk**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time or at reasonable price. The Company's objective is to at all times maintain optimum levels of liquidity to meet its cash and liquidity requirements. The Company closely monitors its liquidity position and maintains adequate source of financing through the use of short-term bank deposits, demand loans and cash credit facility. Processes and policies related to such risks are overseen by senior management.

**(a) Maturities of financial liabilities**

The table below provides details regarding the undiscounted contractual maturities of significant financial liabilities:

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2025			
	Less than 1 year	1 to 5 years	More than 5 years	Total
Trade payables	417.23	-	-	417.23
Borrowings	558.19	-	-	558.19
Lease liabilities	-	-	-	-
Other financial liabilities	54.91	-	-	54.91
<b>Total</b>	<b>1,030.33</b>	<b>-</b>	<b>-</b>	<b>1,030.33</b>

(Amount in ₹ Lakhs)

Particulars	31 <sup>st</sup> March 2024			
	Less than 1 year	1 to 5 years	More than 5 years	Total

Trade payables	549.82	-	-	549.82
Borrowings	410.94	-	-	410.94
Lease liabilities	3.52	5.56	-	9.08
Other financial liabilities	66.78	-	-	66.78
<b>Total</b>	<b>1,031.06</b>	<b>5.56</b>	<b>-</b>	<b>1,036.62</b>

### 39.6. Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: currency rate risk, interest rate risk and other price risks, such as equity price risk and commodity price risk. Financial instruments affected by market risks include loans and borrowings, deposits and foreign currency receivables and payables. The sensitivity analysis in the following sections relate to the position as at 31 March 2025. The sensitivity of the relevant profit and loss item is the effect of the assumed changes in the respective market risks. This is based on the financial assets and financial liabilities held as of 31 March 2025.

#### (a) Interest rate risk

The Company's fixed deposits are carried at fixed rate. Therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

#### (b) Interest rate risk exposure

The exposure of the Company's borrowing to interest rate changes at the end of the reporting period are as follows:

Particulars	(Amount in ₹ Lakhs)	
	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Variable rate borrowings	-	-
Fixed rate borrowings	558.19	410.94
<b>Total</b>	<b>410.94</b>	<b>265.89</b>

#### Sensitivity

Since, the interest rate on Company's borrowings is fixed. Thus, there is no impact of change in interest rate on Company's borrowings.

#### (c) Price risk

##### Exposure from investments in mutual funds:

The Company's exposure to price risk arises from investments in mutual funds held by the Company and classified in the balance sheet as fair value through profit or loss. To manage its price risk arising from investments in mutual funds, the Company diversifies its portfolio. Diversification of the portfolio is done in accordance with the limits set by the Company.

**Sensitivity**

The sensitivity to profit or loss (net of taxes) in case of an increase in price of the instrument by 5% keeping all other variables constant would have resulted in corresponding impact on (losses)/profits by ₹ 42.24 lakhs (31 March 2024 ₹ 32.59 lakhs).

**(d) Foreign exchange risks**

The Company is exposed to foreign exchange risk arising from foreign currency transactions, primarily with respect to US Dollar. Foreign exchange risk arises from recognised assets and liabilities denominated in a currency that is not the Company's functional currency. The Company does not use forward contracts and swaps for speculative purposes.

The Company's exposure to foreign currency risk at the end of the reporting period expressed in ₹, are as follows:

Particulars		As at 31st March 2025		As at 31st March 2024	
		Foreign currency	Indian Rupee (₹)	Foreign currency	Indian Rupee (₹)
Trade payables	United States Dollar (USD)		-	78,540	6,620,922
	Russian Rubal (RUB)	23,310,000	24,855,300	3,704,400	3,630,312
Advance to suppliers	Pound Sterling (GBP)	140,000	15,737,500	-	-

**Sensitivity**

The sensitivity to profit or loss from changes in the exchange rates arises mainly from financial instruments denominated in USD. In case of a reasonably possible change in INR/USD exchange rates of +/- 5 % (previous years +/- 5%) at the reporting date, keeping all other variables constant, there would have been corresponding impact on losses/profits of ₹ 14.65 lakhs (31 March 2024: ₹ 3.70 Lakhs)

**40. CAPITAL MANAGEMENT**

For the purposes of the Company's capital management, capital includes equity attributable to the equity holders of the Company and all other equity reserves. The primary objective of the Company's capital management is to ensure that it maintains an efficient capital structure and maximize shareholder value. The Company manages its capital structure and makes adjustments in light of changes in economic conditions and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders or issue new shares. The Company is not subject to any externally imposed capital requirements. No changes were made in the objectives, policies or processes for managing capital during the year ended 31 March 2025; 31 March 2024.

The Company monitors capital using net debt to equity ratio, which is net debt (as reduced by cash and cash equivalent) divided by total equity.

(Amount in ₹ Lakhs)

Particulars		As at 31st March 2025	As at 31st March 2024
Short term borrowings	refer note 19	558.19	410.94

Lease liabilities	refer note 16	-	9.08
Less: Cash and cash equivalents	refer note 9	-237.66	-233.98
<b>Net Debts</b>		<b>320.53</b>	<b>186.04</b>
Equity share capital	refer note 13	1,588.52	1,059.01
Other equity	refer note 14g	1,557.04	1,894.47
<b>Total Capital</b>		<b>3,145.56</b>	<b>2,953.48</b>
<b>Gearing ratio</b>		<b>10.19%</b>	<b>6.30%</b>

#### 41. REVENUE FROM CONTRACTS WITH CUSTOMERS

Ind AS 115: Revenue from Contracts with Customers, establishes a framework for determining whether, how much and when revenue is recognized and requires disclosures about the nature, amount, timing and uncertainty of revenues and cash flows arising from customer contracts. Under Ind AS 115, revenue is recognized through a 5-step approach:

- (i) Identify the contract(s) with customer;
- (ii) Identify separate performance obligations in the contract;
- (iii) Determine the transaction price;
- (iv) Allocate the transaction price to the performance obligations; and
- (v) Recognise revenue when a performance obligation is satisfied.

##### (a) Disaggregation of revenue

The Company has performed a disaggregated analysis of revenues considering the nature, amount, timing and uncertainty of revenues. This includes disclosure of revenues by geography.

(Amount in ₹ Lakhs)

<b>Revenue from Operations</b>	<b>As at 31<sup>st</sup> March 2025</b>	<b>As at 31<sup>st</sup> March 2024</b>
<b>Revenue by geography</b>		
Export	129.08	137.13
Domestic	3,506.14	3,137.28
<b>Total</b>	<b>3,635.22</b>	<b>3,274.41</b>
<b>Revenue by geography</b>		
Revenue at point of time	-	-
Revenue over the period of time	3,635.22	3,274.41
<b>Total</b>	<b>3,635.22</b>	<b>3,274.41</b>

##### (b) Revenue recognised in relation to contract liabilities

Ind AS 115 also requires disclosure of 'revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period' and 'revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods. Same has been disclosed as below:

(Amount in ₹ Lakhs)

<b>Particulars</b>	<b>As at 31<sup>st</sup> March 2025</b>	<b>As at 31<sup>st</sup> March 2024</b>
--------------------	---	---



Revenue recognised in the reporting period that was included in the contract liability balance at the beginning of the period	-	-
Revenue recognised in the reporting period from performance obligations satisfied (or partially satisfied) in previous periods	-	-
<b>Total</b>	-	-

**(c) Assets and liabilities related to contracts with customers**

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025		As at 31st March 2024	
	Non-current	Current	Non-current	Current
<b>Contract liabilities related to sale of goods</b>				
Advance from customers	-	25.08	-	29.97
Advance from related parties	-	-	-	-
<b>Contract assets</b>				
Trade receivables (including unbilled revenue)	-	588.78	-	948.32

**(d) Reconciliation of revenue recognised in Statement of Profit and Loss with Contract price**

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Contract price	3,635.22	3,274.41
Less: discount, rebates, credits etc.	-	-
<b>Total</b>	<b>3,635.22</b>	<b>3,274.41</b>

**(e) Significant changes in contract assets and liabilities**

(Amount in ₹ Lakhs)

Particulars	As at 31st March 2025	As at 31st March 2024
Opening balance (Advance from customer)	29.97	0.74
Add: addition during the year	-	29.23
Less: revenue recognised during the year from opening liability	4.89	-
<b>Closing Balance</b>	<b>25.08</b>	<b>29.97</b>

**42. RECONCILIATION OF LIABILITIES ARISING FROM FINANCING ACTIVITIES PURSUANT TO IND AS 7- STATEMENT OF CASH FLOWS**

The changes of the Company's liabilities arising from financing activities can be classified as follows:

(Amount in ₹ Lakhs)

Particulars	Equity Share Capital	Long-term Borrowings	Lease	Total
<b>Opening Balance as on 01st April 2024</b>	1,059.01	410.94	9.08	1,479.03
<b>Cash flows:</b>				
Interest paid	-	39.02		39.02

Payment towards lease liabilities	-		1.39	1.39
Additions during the year	-	108.22		108.22
<b>Non-Cash changes:</b>				
Issue of Bonus Shares	529.51			529.51
Interest expense on lease liabilities	-		0.65	0.65
<b>Closing Balance as on 31st March 2025</b>	<b>1,588.52</b>	<b>558.19</b>	<b>11.11</b>	<b>2,157.82</b>

#### 43. ADDITIONAL REGULATORY INFO

##### **S.No. Additional regulatory information not disclosed elsewhere in the financial statements**

- 1 All the Title Deed of the Immovable Properties is registered in the name of the Company; therefore, no disclosure required.
- 2 The Company has not revalued its property, plant and equipment (including right-of-use assets) or intangible assets or both during the current or previous year.
- 3 As per the information and declaration given by the management, Company has not any intangible Assets under development; therefore, no disclosure required.
- 4 As per the information and declaration given by the management, Company has not any Capital work-in-progress; therefore, no disclosure required.
- 5 The Company has borrowings from banks or financial institutions on the basis of security of current assets and liabilities; it shall disclose the following: -
  - (a) monthly statements of current assets and liabilities filed by the Company with banks or financial institutions are in agreement with book of accounts. (except in the month of June-24, September-24, December-24 & March-25).
  - (b) refer note 18.4 for summary of reconciliation and reasons of material discrepancies.
- 6 As the Company does not have any loan or other borrowing from any lender, therefore disclosure of wilful defaulter is not applicable.
- 7 The Company does not have any transactions with companies struck off.
- 8 The Company has complied with the number of layers of companies prescribed under the Companies Act, 2013.
- 9 The Company has not entered into any scheme of arrangement which has an accounting impact on current or previous financial year.
- 10 The Company does not have any charges or satisfaction which is yet to be registered with Registrar of Companies (ROC) beyond the statutory period.
- 11 The Company has not advanced or loaned or invested funds to any other persons or entities, including foreign entities (Intermediaries) with the understanding that the Intermediary shall:
  - (a) directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - (b) provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.

- 12 The Company has not received any fund from any persons or entities, including foreign entities (Funding Party) with the understanding (whether recorded in writing or otherwise) that the Company shall:
- directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the company (Ultimate Beneficiaries) or
  - provide any guarantee, security or the like to or on behalf of the Ultimate Beneficiaries.
- 13 The Company does not have any such transaction which is not recorded in the books of accounts that has been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (such as, search or survey or any other relevant provisions of the Income Tax Act, 1961.
- 14 The Company has not traded or invested in crypto currency or virtual currency during the current or previous year.
- 15 Details of Benami Property held: During the Period no Proceeding has been initiated or pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- 16 CSR: The provision of CSR as per section 135 of Companies Act 2013 is not applicable to the company.

#### 44. RESEARCH & DEVELOPMENT EXPENSES

The Company has maintained a recognised in-house research and development facility which is registered with the Department of Scientific & Industrial Research (DSIR) under Ministry of Science & Technology, Government of India. The Company maintains details of all expenses incurred specifically for Research & development purposes.

The expenses incurred during the year specifically for Research & Development purposes are:

(Amount in ₹ Lakhs)

Particulars	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Salary to research staff	37.16	29.75
Material purchased	42.72	7.99
Travelling expenses	1.04	1.06
Other Expenses	0.74	3.66
<b>Total</b>	<b>81.67</b>	<b>42.46</b>

#### 45. SUBSIDIARIES & ASSOCIATES

Particulars	Country of Incorporation	Share Holding
<b>Subsidiaries:</b>		
AIC-Aartech Solonics Private Limited	India	99%
Faradigm Ultracapacitors Private Limited	India	95%
<b>Associates:</b>		
Enerqual Technology Private Limited	India	30%

Particulars of investment in associates:	As at 31 <sup>st</sup> March 2025	As at 31 <sup>st</sup> March 2024
Enerqual Technology Private Limited	6.62	4.62
Epsilon Ten Ltd	-	393.10
<b>Total</b>	<b>6.62</b>	<b>397.72</b>

**45.1.** The Company does not have sufficient and appropriate information despite several follow-ups regarding the financial statement of Enerqual Technologies Pvt. Ltd (“Associate”) due to the ongoing dispute with the Associate entity. Accordingly, the Company has not included the impact in the Consolidated financial statement of the Group. Further, the dispute is not going to have any material impact in the consolidated financial statement of the Group.

#### 46. ADDITIONAL INFORMATION FOR CONSOLIDATED FINANCIAL STATEMENT

(Amount in ₹ Lakhs)

Name of the entity in the Group	Net Assets		Share in Profit or Loss		Share on Other Comprehensive Income		Share on Total Comprehensive Income	
	% of Consolidated Amount	Amount	% of Consolidated Amount	Amount	% of Consolidated Amount	Amount	% of Consolidated Amount	Amount
<b><u>Parent:</u></b>								
Aartech Solonics Limited	102.36%	3,223.67	53.77%	148.64	100.00%	-1.50	53.52%	147.15
<b><u>Subsidiaries:</u></b>								
AIC-Aartech Solonics Private Limited	-4.32%	-136.04	27.23%	75.28		-	27.38%	75.28
Faradigm Ultracapacitors Private Limited	1.96%	61.76	18.26%	50.49		-	18.36%	50.49
<b><u>Associates:</u></b>								
Enerqual Technology Private Limited		-	0.73%	2.01		-	0.73%	2.01
	<b>100.00%</b>	<b>3,149.39</b>	<b>100.00%</b>	<b>276.42</b>	<b>100.00%</b>	<b>-1.50</b>	<b>100.00%</b>	<b>274.92</b>

#### 47. RATIOS

Particulars	Numerator	Denominator	As at	As at	% change in ratios	Reasoning
			31 <sup>st</sup> March 2025	31 <sup>st</sup> March 2024		

1	Current Ratio	Current assets	Current liabilities	2.71	3.43	-21.11%	Due to increase in Working capital
2	Debt-Equity Ratio	Total debt	Shareholder's equity	0.14	0.09	51.09%	Due to increase in Borrowings from related party
3	Debt Service Coverage Ratio	Earnings available for debt service	Debt Service	6.37	9.86	-35.36%	Due to increase in Borrowings from related party
4	Return on equity ratio	PAT	Average shareholders equity	4.46%	4.77%	-6.52%	Due to increase in business activity of the company
5	Inventory turnover ratio	Cost of goods sold	Average Inventory	3.33	3.22	3.37%	Due to increase in business activity of the company
6	Trade receivables turnover ratio	Net credit sales	Average trade receivables	3.27	2.54	28.45%	Due to increase in business activity of the company
7	Trade payables turnover ratio	Net credit purchases	Average trade payables	5.01	4.76	5.27%	Due to increase in business activity of the company
8	Net capital turnover ratio	Net sales	Average working capital	1.76	1.28	38.07%	Due to increase in business activity of the company
9	Net profit ratio	PAT	Total turnover	3.98%	6.26%	-36.44%	Due to increase in business activity of the company
10	Return on capital employed	Earnings before interest and taxes	Capital Employed	0.09	0.07	26.49%	Due to increase in business activity of the company
11	Return on investment (Bank Deposits)	Profit on investment	Weighted average investment	-	-	-	

Signed in terms of our report of even date

For **BANCERS & Co. LLP**  
Chartered Accountants  
(Firm's Registration No. 0C400331)

**Sd/-**  
**CA Anmol Chhabra**  
(Partner)  
(Membership No. 434305)  
**UDIN: 25434305BMHPBK1594**  
Place: Bhopal  
Date: May 21, 2025

For and on behalf of the Board of Directors

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

**Sd/-**  
**Pradeep V. Narkhede**  
Chief Financial Officer

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

**Sd/-**  
**K.R. Tanuj Reddy**  
Company Secretary

*If undelivered please return to:*

**CIN:** L31200MP1982PLC002030

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

**Tel No** +91 755 4276335, **E-mail id:** [treddy@aartechsolonics.com](mailto:treddy@aartechsolonics.com)

**Website:** [www.aartechsolonics.com](http://www.aartechsolonics.com)