

AARTECH SOLONICS LIMITED

39th ANNUAL REPORT



2020-2021

CORPORATE INFORMATION

BOARD OF DIRECTORS

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

KEY MANAGERIAL PERSONNEL

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

BOARD COMMITTEES

• AUDIT COMMITTEE

Mr. Prashant Dattatray Lowlekar	: Chairman
Mr. Kshitij Negi	: Member
Mr. Amit Anil Raje	: Member

• NOMINATION AND REMUNERATION COMMITTEE

Mr. Kshitij Negi	: Chairman
Mr. Prashant Dattatray Lowlekar	: Member
Mr. Anil Anant Raje	: Member

• STAKEHOLDERS RELATIONSHIP COMMITTEE

Mr. Kshitij Negi	: Chairman
Mr. Anil Anant Raje	: Member
Mr. Amit Anil Raje	: Member

BANKERS

HDFC Bank

STATUTORY AUDITOR

M/s S. Ramanand Aiyer & Co. (FRN: 005313C)
Chartered Accountants

SECRETARIAL AUDITOR

M/s APVN & Associates
Company Secretaries

REGISTRAR AND TRANSFER AGENT

Bigshare Services Pvt. Ltd.

1st Floor, Bharat Tin Works Building,
Opp. Vasant Oasis, Makwana Road
Marol, Andheri East,
Mumbai – 400 059 (MH)
Tel.: +91 22 6263 8200
Email: info@bigshareonline.com
Website: www.bigshareonline.com

REGISTERED OFFICE

E-2/57, Ashirvad, Arera Colony, Bhopal – 462016 (MP)
Tel.: +91 755 4276335
Email : treddy@aartechsolonics.com
Website : www.aartechsolonics.com
CIN : L31200MP1982PLC002030
ISIN : INE01C001018
BSESME SCRIP ID/CODE: AARTECH/542580

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LETTER TO THE SHAREHOLDERS

I hope this letter finds you all safe and healthy – free from the scars of the multiple waves of the pandemic – which continues to present a real threat to society at large at a global level.

Your company has continued to persevere through the challenging times. I am pleased to share that your company has been operative throughout the pandemic in compliance with government regulations and guidelines with several agile adaptations in its workings. Besides that, your company has engaged in various initiatives to mitigate the serious challenges due to the COVID-19 situation at a grass-root level.

Your company takes this opportunity to acknowledge the support and contributions from its Board of Directors. Your company appreciates the wholesome contribution of Sh. Ravi Shingwekar who served at the post of independent director for many years. Your company welcomes its new independent director Sh. Kshitij Negi and wishes the very best for his tenure in the company.

I am pleased to share that your company got the rare privilege of being amongst the selected few companies handpicked by the Indian Army to provide emergency supplies of its latest ultracapacitor based jump starting devices for Class A Vehicles in light of the tense border situation. I am also pleased to share that your company has bagged a pioneering first-of-its-kind technology demonstration project in Indian context for a pulse power application using ultracapacitors for a reputed government research lab. Your company looks to consolidate its offerings for the defence sector through this and other associated initiatives.

Consolidating on its in-house strengths, your company has invested in several technology development as well as manufacturing initiatives that have lead to direct import substitution across multiple product / customer segments.

I am also pleased to report that your company has successfully built and type tested an enclosure for a 33kV rated Current Limiting Protector (CLiP) from M/s G&W Electric Co., USA for a major petrochemical project in India. Your company now stands in the esteemed company of discerning multinational companies worldwide with such proven offerings.

Your company's subsidiaries are advancing in their respective objectives. Faradigm Ultracapacitors Pvt. Ltd. has progressed in being able to deliver industry ready offerings in energy storage. AIC-Aartech Solonics Pvt. Ltd., supported by Atal Innovation Mission, NITI AAYOG has continued to engage with the startup ecosystem in India and abroad and focusing on building win-win prospects with all its stakeholders.

A look at the numbers will indicate that your company has maintained and marginally improved its top line and bottom line despite the disruptions abound due to COVID-19. This is largely due to agile

efforts from the executive team at AARTECH, innovative techno-marketing initiatives, adaptations to our product mix and effective client interactions.

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

As your company recently completed its 2nd year of listing and a step closer to meeting requirements for main board listing, it continues towards its long-term vision to unlock value for all its stakeholders. Your company looks forward to your continued support into the future towards this vision.

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

Amit Anil Raje
CMD, Aartech Solonics Limited
DIN: 00282385

06th September, 2021.

NOTICE OF ANNUAL GENERAL MEETING

NOTICE is hereby given that the 39th Annual General Meeting of the members of **Aartech Solonics Limited** (CIN L31200MP1982PLC002030) will be held on Wednesday, the 29th Day of September, 2021 at 04:00 P.M at the registered office of the Company at E-2/57, Ashirvad, Arera Colony, Bhopal, Madhya Pradesh, 462016 to transact the following business:

ORDINARY BUSINESS:

1. To receive, consider and adopt:
 - a) the Audited Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of the Board of Directors and Auditors' thereon; and
 - b) the Audited Consolidated Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of the Auditors thereon.
2. To declare final dividend on equity shares at the rate 5% [i.e., Re. 0.50/- (Rupee Fifty Paise Only) per Equity Share] for the financial year ended 31 March, 2021.
3. To appoint a director in place of Amit Anil Rajee (DIN: 00282385), who retires by rotation in terms of Section 152(6) of the Companies Act, 2013 and, being eligible, offers himself for re-appointment.

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

"RESOLVED THAT pursuant to the provisions of Section 152 of the Companies Act, 2013, Mr. Amit Anil Rajee (DIN: 00282385), who retires by rotation at this meeting and being eligible has offered himself for re-appointment, be and is hereby re-appointed as the Managing Director of the Company, liable to rotation."

SPECIAL BUSINESS:

4. 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 Sections 149, 152 and other applicable provisions, if any, of the Companies Act, 2013, the Companies (Appointment and Qualifications of Directors) Rules, 2014, read with Schedule IV to the Act and Regulation 17 and all other applicable regulations of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the appointment of Mr. Kshitij Negi (DIN: 09046425), who meets the criteria for

independence as provided in Section 149(6) of the Act along with the rules framed there-under, and Regulation 16(1) (b) of SEBI Listing Regulations and who has submitted a declaration to that effect, and who is eligible for appointment as an Independent Director of the Company, be and is hereby appointed as Independent Director of the Company for a term of five years commencing February 08th, 2021 to February 07th, 2026, not liable to retire by rotation.

RESOLVED FURTHER THAT the Board of Directors (which term shall, unless repugnant to the context or meaning thereof, be deemed to include a duly authorized 'Committee' thereof) be and is hereby authorized to do and perform all such acts, deeds, matters or things as may be considered necessary, appropriate, expedient or desirable to give effect to above resolution."

5. RE-APPOINTMENT OF INDEPENDENT DIRECTOR

To consider and, if thought fit, to pass the following resolution as **SPECIAL RESOLUTION**: -

"RESOLVED THAT pursuant to the provisions of Sections 149 and 152 read with Schedule IV and other applicable provisions, if any, of the Companies Act, 2013 ("the Act") and the Companies (Appointment and Qualification of Directors) Rules, 2014 and the applicable provisions of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force, the consent of the members be and is hereby accorded for the re-appointment of Mr. Prashant Dattatray Lowlekar (DIN: 08041377) as an Independent Director of the Company for his second consecutive term for a period of five years with effect from February 27th, 2022 on the Board of the Company.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all acts and take all such steps as be necessary, proper or expedient to give effect to this resolution."

6. TO INCREASE THE AUTHORISED SHARE CAPITAL OF THE COMPANY AND AMEND THE CAPITAL CLAUSE IN THE MEMORANDUM OF ASSOCIATION

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**: -

"RESOLVED THAT pursuant to provisions of Section 61 and 64 and any other applicable provisions, if any, of the Companies Act, 2013, including rules notified thereunder, as may be amended from time to time (including any statutory modification or re-enactment thereof for the time being in force); the consent of the members of the Company be and is hereby accorded, to increase Authorised Share Capital of the Company from Rs. 10,00,00,000 (Rupees Ten Crore Only) divided into 1,00,00,000 (One Crore) equity shares of Rs. 10/- each to Rs. 15,00,00,000 (Rupees Fifteen Crore Only) divided into 1,50,00,000 (One Crore Fifty Lacs) equity shares of Rs. 10/- each by creation of additional 50,00,000 (Fifty Lacs) equity shares of Rs. 10/- each.

RESOLVED FURTHER THAT pursuant to provisions of Section 13, 61 and 64 and any other applicable provisions, if any, of the Companies Act, 2013 (including any statutory modification or re-enactment thereof for the time being in force) and rules framed thereunder; the consent of the members of the Company be and is

hereby accorded, for substituting Clause V of the Memorandum of Association of the Company with the following clause:

V. The Authorised Share Capital of the Company is Rs. 15,00,00,000 (Rupees Fifteen Crore Only) divided into 1,50,00,000 (One Crore Fifty Lacs) equity shares of Rupees 10/- (Ten Only) each.”

7. TO APPROVE THE ISSUANCE OF BONUS SHARES

To consider and if thought fit, to pass the following resolution as a **SPECIAL RESOLUTION**: -

“RESOLVED THAT pursuant to Section 63 of the Companies Act, 2013 and other applicable provisions, if any, including rules notified thereunder, as may be amended from time to time (including any statutory modification or re-enactment thereof for the time being in force) read with Regulation 293 and other relevant provisions, laid down in Chapter XI of the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018, applicable provisions of Article of Association of the Company and applicable Regulatory Authorities and such permissions, sanctions and approvals as may be required in this regard; the consent of the members of the Company be and is hereby accorded for issue upto 35,30,047 equity shares of Rs. 10/- each as bonus shares of an aggregate nominal value upto Rs. 3,53,00,470/- (Rupees Three Crore Fifty-Three Lac Four Hundred and Seventy Only), as bonus shares to the shareholders out of the Securities Premium Account.

RESOLVED FURTHER THAT:

- a. The bonus issue of shares will be made in the ratio of 1:2 [i.e. 1 (One) fully paid up equity shares for every 2 (Two) equity shares held] to the shareholders on such date (Record Date) as may be determined by the board of director(s) after approval of Shareholders in general meeting.
- b. The Equity Shares so issued shall upon allotment have the same rights of voting as the existing equity shares and be treated for all other purposes pari-passu with the existing equity shares of the Company.
- c. Share Certificates shall be issued to those to whom the bonus shares are allotted within the time prescribed in the Companies Act, 2013. With regard to the shares held in dematerialized form, the Bonus shares will be credited to the respective demat account of the holders.
- d. No members shall entitle to a fraction of an equity shares as a result of implementation of this resolution and no certificate or coupon or cash shall be issued for fraction of equity shares and the bonus shall be rounded to the lower integer.
- e. All fractions of bonus equity shares shall be ignored and accordingly the number of issuance of bonus share may be reduced.

RESOLVED FURTHER THAT for the purpose of giving effect to this resolution, the Board of Director of the Company be and is hereby authorized to do all acts, deeds, matters and things necessary, proper or desirable and

to sign and execute all necessary documents, authority letters, applications and returns with Stock Exchange, SEBI, Superintendent of Stamps, NSDL, CDSL, RTA or any other authority.”

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

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

**Place: Bhopal
Dated: 06/09/2021**

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

NOTES:

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

4. Corporate Members intending to send their authorized representatives to attend the Meeting pursuant to Section 113 of the Companies Act, 2013 are requested to send to the Company, a certified true copy of the relevant Board of Directors resolution together with their respective specimen signatures authorizing their representative(s) to attend and vote on their behalf at the Meeting.
5. The Register of Members and the Share Transfer books of the Company will remain closed from 22nd day of September 2021 to 29th day of September, 2021 (both days inclusive) for the purpose of the Annual General Meeting.
6. The voting rights of members shall be in proportion to their shares in the paid-up equity share capital of the Company as on cut-off date. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on cut-off date i.e. 21st September, 2021, only shall be entitled to avail facility of voting at the venue of the meeting. A person who is not a member as on the cutoff date should treat this notice for information purpose only.
7. Any person, who acquires shares of the Company and becomes a member of the Company after dispatch of the Notice and holding shares as on cut-off date, may cast vote as provided in the Notice convening the Meeting, which is available on the website of the Company.
8. Shareholders may be aware that the Companies Act, 2013, permits service of the Notice of the Annual General Meeting through electronic mode. In view of this the Company would communicate the important and relevant information, events and send the documents including the intimations, notices, annual reports, financial statements etc. in electronic form, to the email address of the respective Member. To support green initiative of the Government in full measure, Members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses in the following manner: The shareholders who are holding shares in demat form and have not yet registered their e-mail IDs with their Depository Participant are requested to register their e-mail address at the earliest. Electronic copy of the Annual Report including Notice of the 39th Annual General Meeting of the Company inter-alia indicating the manner of voting along with Attendance Slip, Proxy Form is being sent to all the members whose email IDs are registered with the Company/Depository Participant (s) for communication purposes. However, those members who desire to have a physical copy may request for the same to Company. For members who have not registered their email IDs, physical copies of the Annual Report are being sent in the permitted mode. The Annual Report of the Company will also be made available on the Company's website www.aartechsolonics.com.
9. Members seeking clarifications on the Annual Report are requested to send in written queries to the Company at least one week before the date of the Meeting. This would enable the Company to compile the information and provide replies in the meeting.
10. The Company or its Registrars and Transfer Agents, Bigshare Services Private Limited cannot act on any request received directly from the Members holding shares in electronic form for any change of bank particulars or bank mandates. Such changes are to be advised only to the Depository Participants.