

Aartech Solonics

14 August 2026

Tanuj Reddy – Company Secretary & Compliance Officer: Good morning, everyone. On behalf of Aartech Solonics Ltd., I extend a warm welcome to all our shareholders, investors, analysts, and other participants who have joined today's investor interaction through Google Meet. I am Tanuj Reddy, Company Secretary and Compliance Officer of Aartech Solonics Ltd., and I will be hosting and moderating today's interaction.

Today's interaction is being conducted primarily to discuss the financial performance of Aartech Solonics Ltd. for the quarter ended June 30, 2026. The management will take us through the company's performance for the quarter, discuss the key financial and operational developments during the period, and provide its perspective on the business outlook. This will be followed by a question-and-answer session, where participants will have an opportunity to interact with the management and seek clarifications on the quarterly performance and related matters.

As there is no separate investor presentation being circulated for today's interaction, the discussion will primarily be based on the company's financial results for the quarter ended June 30, 2026, along with other information and disclosures already available in the public domain.

Before we proceed, I would like to introduce the management representatives who are joining us today. We have with us Ms. Aarti Nath, CEO and Director of the company, and Mr. Pradeep Narkhede, CFO of the company. We are pleased to have the management team with us today and thank them for joining this interaction.

Before we begin, let me briefly explain the format of today's interaction. The meeting will have two broad parts. First, the management will discuss the company's financial performance for the quarter ended June 30, 2026, including the key movements in revenue, profitability, and other relevant financial and operational parameters. The management will also provide relevant commentary on the factors that have contributed to the quarterly performance and the broad outlook for the business.

Following this, we will move to the question-and-answer session. Participants will be able to ask questions directly to the management during the question-and-answer session. Since this interaction is being conducted through Google Meet, I would request all participants to keep their microphones muted while the management is making its opening remarks. During the Q&A session, participants may use the raise-hand option. Once I call your name, please unmute yourself, briefly introduce yourself, and then proceed with your question. After asking the question, I would request you to kindly mute yourself again.

If you have multiple questions, I would request you to first raise the most important question. Depending on the time available, we can take up additional questions subsequently.

Before we proceed, I would like to place the customary disclaimer on record. Certain statements that may be made during today's interaction may contain forward-looking statements concerning the company's business, future plans, expectations, and outlook on prospects. Such statements are based on the company's current expectations and assumptions and are subject to various risks, uncertainties, and other factors. Actual results may differ materially from those expressed or implied in such forward-looking statements.

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Participants are requested to consider these statements in conjunction with the company's financial results and other disclosures made by the company with the stock exchanges and other publicly available information. The company does not undertake any obligation to publicly update or revise any forward-looking statements except as may be required under applicable laws and regulations.

I would also like to clarify that, as a listed company, the company follows the principles of fair and equal disclosure. Accordingly, the management will restrict its comments during today's interaction to information that has already been publicly disclosed or that can appropriately be discussed in this forum. The company will not disclose any unpublished price-sensitive information or material non-public information during this interaction. In case any question seeks information that has not been publicly disclosed, the management may not be able to comment on that particular aspect. Any material information requiring disclosure will be communicated to the stock exchanges in accordance with the applicable regulatory requirements.

For today's discussion, participants may refer to the financial results of the company for the quarter ended June 30, 2026, which have been duly disclosed to the stock exchanges and are available in the public domain. The discussion today is intended to provide additional context around the reported quarterly performance and allow investors to interact directly with the management.

With these introductory remarks, we can now proceed with the discussion. I would now like to invite Ms. Aarti Nath, CEO and Director, to take us through the company's financial performance for the quarter ended June 30, 2026, and the key developments during the quarter. Ma'am, over to you.

Aarti Nath – CEO & Director: Thank you, Tanuj, and good afternoon, everyone. I warmly welcome all of you to our first-quarter investor meeting. Many of you may be attending for the first time, so I will provide a brief background about our company.

Aartech Solonics Ltd. was incorporated in 1982 and deals in specialized energy applications across multiple segments that cater to the thermal power sector on the generation side and to the distribution and transmission side. We also have a bouquet of products in other diversified segments, including the defense sector, the plastic enclosure sector, and other services that we offer on the electrical engineering services side.

Coming to the first-quarter results, our total revenue from operations for June 30, 2026, was 728 lakhs, versus 433 lakhs on a year-on-year basis. As we can clearly see, revenues have grown by approximately one and a half times, representing a strong order book, good execution of the products in place, and the fact that we had a strong pipeline at the beginning of the year to execute these orders. In the first quarter, we already had an order book of around {? 7 crores ?} from the last financial year, which was executed in this year.

If we look at the other expenses, on the expenses side, the cost of material consumed was around 3.36 crores, marginally increased on a year-on-year basis. This shows the considerable effort and bandwidth that have been applied to material expenses and procurement expenses, and that a lot of rate contracts and savings have been achieved there.

Employee benefit expenses have marginally increased to around 119 lakhs, clearly representing the increments given on an annual basis to all our employees, along with performance bonuses that

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were paid out in the first quarter.

Total expenses, if we compare them on a year-on-year basis, increased from 469 lakhs to around 7.2 crores. If we compare them marginally on a percentage basis, the percentage appears to be at an equal level year-on-year. There were no exceptional items for this quarter, and total profit before tax increased significantly from 73 lakhs to 119 lakhs.

Management: The reasons are very evident. The top line has grown significantly on a year-on-year basis when we compare it. This has also been mitigated by a lot of disciplined expense outlays on the procurement side and on the other expenses.

The first quarter is normally, I would say, subdued for our businesses because the third and fourth quarters are normally the heavier ones, when a lot of order execution takes place. But this year, we have had record numbers, representing that the company has good traction and good control over its orders in hand. We also expect that the next 3 quarters are going to be very healthy in terms of revenues and margins.

If I have to go segment-wise, our Bus Trunking System, which is our flagship product, generated revenue of around 123 lakhs, followed by Control and Relay Panels, which generated around 224 lakhs. Our plastic enclosure business generated around 40 lakhs, and our project businesses, which mainly cater to the defense segment, generated around 156 lakhs.

One of the interesting segments that we are also pursuing now is trading. We are looking at specialized items being traded domestically and in overseas markets, which gives us confidence that we will also be able to understand the new technologies emerging in the world, understand the engineering concepts, and establish a marketable presence under the name of our company. The trading segment generated around 181 lakhs, totaling around 7 crores.

In the end, I would just like to say that, on the assets and liabilities side as well, the balance sheet is very healthy, with negligible debt on our books. In fact, we have only non-fund-based liabilities continuing on our books, and we have been a cash-rich company for many years, continuing to be so through the last quarter as well.

The expectation and strategy that we continue to follow is that we will keep our balance sheet very light and leverage this in the long term. Thank you. Any questions are more than welcome.

Operator: Thank you, ma'am, for taking us through the company's financial performance for the quarter ended June 30, 2026, and for providing the relevant context around the quarterly numbers. I believe that gives our investors a useful overview of the company's performance during the quarter.

We will now move to the question-and-answer session. For the benefit of all participants, I will briefly [inaudible] feature on Google Meet [inaudible] yourself, introduce yourself briefly, and proceed with your questions. I would request everyone to keep their questions concise and primarily focused on the company's quarterly financial performance, the factors affecting the results, and other matters relevant to the company's business and publicly disclosed information.

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With that, let's begin the question-and-answer session. Are there any questions? I can see that Mr. Amitabh Vatsya has raised his hand. Sir, you may please unmute yourself and go ahead with your question.

Amitabh Vatsya: Hi. Thank you for organizing the call. I wanted to understand some of the products that your company has been developing in a very discreet manner. There has not been much discussion about many of the products being developed, which I believe I have read about in the literature uploaded on your website through the magazine that you publish.

Could you say something about your product development philosophy and how this paradigm and ultracapacitor tool that you have developed for defense will be industrialized soon, or what the timeline visibility is with respect to some of the products that you believe are poised for growth?

Management: Thank you, Amitabh. I would like to answer your question. The philosophy of product development has been very clear for our organization, and to state it as a one-line mantra, every product needs to carry some value addition in the existing applications in the world and address the pain points that we are solving for our ultimate customer.

Coming to ultracapacitors or energy storage devices, this technology has been with the organization for the last 15, more than 15 years now. We have been trying to apply ourselves to various applications for ultracapacitors, whether in locomotives for railways, as engine-starting devices in army tanks, or in applications as sophisticated as providing nanotechnology-based ultracapacitors in missiles.

Based on the applications, of course, the product development varies, and the R&D behind it also varies. At this point in time, with all the disclosures that I can make regarding ultracapacitors and their applications, these are mainly highly proprietary, and there are many legal commitments not to disclose them because these commitments are with sensitive customers such as the Indian Army.

I would just like to express that the products are made in India, for India, for nation-building, and for very critical applications used in difficult terrains for larger machines, equipment, or heavy vehicles that are deployed in extreme terrains. Thank you.

Amitabh Vatsya: Okay. I have one other follow-up question, which is not related. With respect to the CRP product that you have, could you throw some light on the margin profile of the CRP that you produce vis-à-vis your peers? Some of your listed peers are generating higher margins there, so I wanted to understand whether we are cross-subsidizing our CRP margins through other developmental products, how competitive we are with respect to this relay panel, and whether you can discuss or group it together with other electrical products.

Management: All right. Thank you again for your question on CRP. CRP has been our bread-and-butter product for many years now, and the pricing strategy that we offer on this product is around 10% plus. We have been focusing on products starting from the very preliminary product line of, let us say, 11 kV to 220 kV.

Our competitors in the market are, according to your research, offering higher margins than we are achieving. One reason could be that if you move into the higher ratings, such as 415 kV to 750 kV,

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margins naturally increase because a lot of competition gets filtered out.

Our long-term vision is to reach that level. For that, we have been trying to strengthen ourselves through a lot of original equipment manufacturing of relays, on which we are currently collaborating with many companies. It is very much on our agenda to start this as our own manufacturing and move to higher-rated panels.

Amitabh Vatsya: Okay. What is the roadmap for moving from 220 kV to 415 kV and 765 kV? The companies I am referring to are also not into higher kV ratings. I wanted to understand your positioning in the supply chain. Would you like to work with, let us say, Schneider Electric, or would you like to have your own brand? You are fairly well recognized in industrial systems, such as NTPC and the entire ecosystem. I believe you are recognized as a manufacturer yourself, if I am not mistaken.

Management: One essential criterion for understanding this issue is product segmentation in control and relay panels. The control and relay panels that we are offering right now are for distribution and transmission utilities.

However, there are many new business segments coming through EPCs that offer good margins, and the supply chain is slightly stagnant because the deliveries are not very clear. But they do offer good margins, and we are also trying to procure them.

Regarding the roadmap beyond 220 kV to 415 kV, as I already reiterated, we are looking for good collaboration partners among relay manufacturers who would partner with us to move into the higher orbit. Possibly, in the future, we are also suitably looking at manufacturing our own relays and entering that segment.

Amitabh Vatsya: Okay. Would this require some kind of certification from PGCIL or any industry certification that you would need to establish your presence as a brand or manufacturer?

Management: Yes, a lot of type-test certificates and type testing need to be completed on the product. In addition, major establishments such as PGCIL, or global type-testing organizations such as KEMA, are required to validate your product before it is introduced to the market.

Amitabh Vatsya: Okay, okay. Thank you for the clarity. If someone would like to visit your plant, how feasible would it be for an investor like me to visit?

Management: You and the other investors are more than welcome to visit our factory premises. The coordinates can be provided by our Compliance Officer for your reference.

Amitabh Vatsya: Okay, thank you.

Operator: Would any other investor like to raise concerns with the management? Yes, Ms. Shivani, please go ahead.

Shivani: Hello to everyone present in the meeting. The company's financial performance has improved, but the stock price has not reflected this to the same extent. How does the management view this?

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Management: Thank you, Shivani, for your question. What I would like to comment here is that the synergies reflected in the books through better revenues and improved performance should be appropriately considered by investors. Because it is a free market, I believe that in the future they will definitely consider and incorporate this in the pricing of the stock.

Operator: Are there any further questions? Yes, Mr. Dev Agarwal, please go ahead.

Dev Agarwal – Shagun Capital: Good afternoon, ma'am. I am Dev Agarwal from Shagun Capital. In the previous conference call, you mentioned that we had an order pipeline of 100 crores. Have we seen any conversion from that? That is my first question.

Management: Thank you, Mr. Dev. In our previous earnings call, the management mentioned that we had total inquiries of around 100 crores for which we had submitted quotations. However, the orders in hand were around 10–15 crores, if I am not mistaken. I am sorry, did you have something more to ask?

Dev Agarwal – Shagun Capital: Yes. Actually, I think it was the pipeline, which consisted of the inquiries themselves. Do you see any further conversion from those inquiries, or are we also seeing other inquiries apart from that 100 crores?

Management: Yes, we are very much in the middle of a lot of activities, mainly because these are long-gestation projects that come our way. The inquiries are still active, and we should be able to generate some good numbers in this financial year.

Even if I remain very conservative about the projects being delayed because of many ecosystem changes, including policy changes and so on, I expect that we should be able to reach approximately that number by this financial year or around the same time in the next financial year.

Dev Agarwal – Shagun Capital: That is quite good. I have seen in the company's disclosures and annual reports that we are developing various kinds of products in a very niche segment, including BTS, ultracapacitors, and various other products. Which segment do you believe will see the most growth in the future?

As you mentioned, ultracapacitors have also been developed, particularly AAPM and EMLAS. They are being produced in collaboration with IIT Bombay and the Indian Army as well. Which segment do you see as the biggest growth driver for our future projections?

Management: I would take it a little more philosophically, Mr. Dev. Every product has its own life cycle, and many parameters depend on when the product is being applied, where it is being applied, and at what time.

To make it more objective, I would like to say that, at this point in time, many new industries are opening up. For example, for the bus transfer system, we were looking particularly at Gencos. However, the segment has now expanded beyond Gencos to refineries, process industries, cement industries, and many newer areas where this product can be applicable.

Similarly, the products currently being developed, such as AAPM, have a very interesting application at the current stage in the areas where the Indian Army is working. Yes, of course, they

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will also have many more applications in newer industries that will follow, not only in India but around the globe as well.

Dev Agarwal – Shagun Capital: Certainly, ma'am. I have a follow-up question. If we look at data centers and the power sector, there is a significant tailwind in these sectors. Do you see any demand coming from data centers or other industries, particularly where BTS is used?

Management: Yes. To be very categorical, data centers are currently being developed in India, and we have different product lines to offer. Particularly on the energy storage side, we are looking at applications that would be helpful for data centers.

This can also include applications such as flywheels, ultracapacitors, rectifiers, and many other products that should work out over the long term for such newer industries.

Dev Agarwal – Shagun Capital: Certainly, ma'am. If time allows, I have one more question about ultracapacitors. In the earlier conference call, you mentioned that we have a product named EMLAS, which is used on Vikrant or another ship where fighter jets fly over a very short distance. What is the approval timeline for this ultracapacitor from the Navy or any other agency that provides approval?

For ultracapacitors, the Indian Army is also providing approvals, along with other agencies. How long does it take for them to provide approval, and why would they choose you as the supplier for their critical products?

Management: The timelines vary from product to product and also depend on the budgets available for such products. Typically, technical evaluation takes approximately 18 to 24 months, during which they place the prototype in the actual field and observe the variations, efficiency, and robustness of the product.

Thus, it typically takes around 24 months. However, that is only for the technical evaluation. Breaking the entry barrier, demonstrating your product, and convincing them about the product definitely takes much longer.

If I have to answer this, the technology on which we are currently working will possibly be more applicable after 5 years, and we are working on it today for that reason. What we are seeing today is the result of work that we started 5 years ago, and the results can now be seen.

Dev Agarwal – Shagun Capital: Certainly, ma'am. Thank you for that. If we look at the company's R&D expenditure for FY25, as given in the annual report, it is around 45 lakhs. In the newer annual report, which will be uploaded soon, I believe the R&D expenditure will also not be very significant compared with the amount of development we are undertaking and the critical products we are developing for the defense, data center, and power sectors.

What is unique about the R&D team? How are we, including Mr. Amit Karandikar, developing such good products with such low R&D expenditure?

Management: Typically, many technology companies, when they are evaluated, are assessed based on their books and the amount of R&D expenditure that has actually been incurred.

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For us, we do not believe in having a lot of overheads that are construed as R&D expenses, whether in terms of human resources or R&D procurement. We work on a very frugal basis and understand the technology and its application.

Our strategy is very simple. We first try to understand the technology and its applications, make a prototype, and get it validated, which takes a long time. We then carry out iterations, try to make a more robust product, and introduce it to the market for technical evaluation.

While one can always ask why the R&D expenses are very low, we also need to understand that we normally try to capitalize all our R&D expenses and convert them into assets because that is something that will help us in the long run rather than simply expensing them.

Dev Agarwal – Shagun Capital: Certainly. That was helpful, ma'am. Thank you very much.

Operator: Yes, Mr. Amitabh, please go ahead.

Amitabh Vatsya: Thank you for the opportunity again. I wanted to understand the Indian Railways as a customer or potential customer for us. Many upgrades in electrical systems and modernization are taking place in Indian Railways. Do we see Indian Railways as a target customer?

Also, could you throw some light on oil and gas? I noticed that you supplied to Dangote refinery in the past, and they are undertaking significant capital expenditure again on a much larger scale. Do we see oil and gas as an opportunity, and which of our product lines could gain traction because of these two users?

Management: In oil and refineries, we are again considering the segment as a process industry, and our flagship product, the Bus Transfer System, is more suitable for it.

In our previous executions, Dangote had been given a turnkey contract by Reliance, and Reliance had then given us the Bus Transfer System applications to be implemented there. So, yes, oil and refineries are industries that definitely offer very promising opportunities for our Bus Transfer System, where we have also proved our credentials.

On the ultracapacitor side, as I mentioned, it is not limited to the defense sector. We can also look at energy-starting devices not only for vehicles but also for automobiles, aerospace, and similar industries.

Amitabh Vatsya: Regarding ultracapacitors, if you are looking at so many use cases, then for the technology to become popular and be democratized, it has to be low-cost. What is the main factor that needs to change for the cost to fall so that ultracapacitors can gain industry traction in automobiles or locomotives and become mainstream? The technology has to be affordable for it to gain momentum.

Management: When technology becomes commoditized, it will become more customer-friendly. However, that is not our focus at present. We are looking at the pain points of our customers where this application is truly suitable and can create a significant difference in the way they are currently working. That is our focus right now.

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Amitabh Vatsya: Okay, understood. Thank you.

Operator: With that, I believe we have addressed the key questions raised by our investors and analysts today. I would like to take this opportunity to thank all our shareholders, investors, and analysts for joining today's interaction and for the constructive questions and observations.

I would also like to thank our management team for taking the time to discuss the company's financial performance for the quarter ended June 30, 2026, and for addressing the questions raised during the session.

We appreciate the continued interest and confidence of our investors in Aartech Solonics Ltd. The company remains committed to maintaining transparent, timely, and consistent communication with all its shareholders and to complying with all applicable disclosure and regulatory requirements. Any material information requiring disclosure will continue to be communicated through the appropriate regulatory channels.

With this, we come to the end of today's interaction. Thank you, everyone, for joining us today, and have a great day ahead.

{? Vistad Irani ?}: I am {? Vistad Irani ?} on behalf of {? Aartech Solonics Ltd. ?}. Thank you once again to all the participants for joining us today and for giving us your valuable time. We appreciate your continued support and interest in the company. Have a very good day. Thank you.

Note: {? ... ?} indicates a figure or name where audio clarity was insufficient for confident transcription. Verify against the source audio or the company's published filings.

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