

Dated: 03-09-2022

To,  
Manager - Listing Compliance  
National Stock Exchange of India Limited  
'Exchange Plaza'. C-1, Block G,  
Bandra Kurla Complex, Bandra (E),  
Mumbai - 400 051

**Ref.: Solex Energy Limited Symbol: SOLEX**

**Sub-Submission of Annual Report 2021-22 under Regulation 34 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015**

**Dear Sir/ Ma'am**

Pursuant to Regulation 34 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, we are enclosing a copy of Annual Report of the Company for financial year 2021-22

The Annual Report for the financial year 2021-22 is also uploaded on the Company's website at <https://solex.in/investor/>

This is for your information and record.

Thanking you  
Yours faithfully,  
**For, Solex Energy Limited**

**Chetan Sureshchandra Shah**  
**Chairman & Managing Director**  
**DIN: 02253886**

**Encl.: As Above**

**Solex Energy Ltd.**

STOCK CODE  **NSE** Emerge SYMBOL **SOLEX**

CIN: L40106GJ2014PLC081036

GST: 24AAVCS0328R1ZN

**REGD. OFFICE**

PLOT NO. 131/A, PHASE - 1, H.M.ROAD, G.I.D.C.,  
VITTHAL UDYOGNAGAR, ANAND - 388121, GUJARAT, INDIA

☎ +91 2692 230317

🌐 [www.solex.in](http://www.solex.in)

☎ 1800 572 8787

✉ [info@solex.in](mailto:info@solex.in)

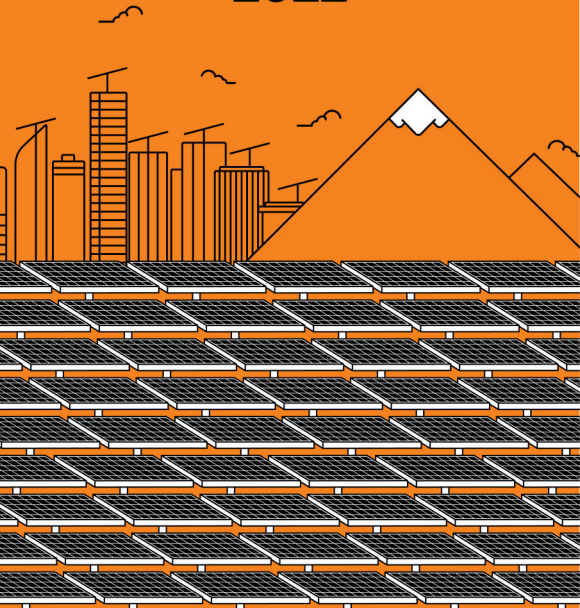
**CORP. OFFICE**

301-303, TRINITY BUSINESS PARK, MADHUVAN CIRCLE,  
L.P. SAVANI ROAD, PAL, SURAT - 395009, GUJARAT, INDIA

☎ +91 261 3559999



# ANNUAL REPORT 2022



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## **CORPORATE INFORMATION**

### **BOARD OF DIRECTORS**

Chetan S. Shah	[DIN 02253886] Chairman & Managing Director (w.e.f. 08-06-2021)
Kalpeshkumar R. Patel	[DIN 01066992] Director
Anil Rathi	[DIN 01405654] Director (w.e.f. 08-06-2021)
Piyush K. Chandak	[DIN 09195922] Director (w.e.f. 08-06-2021)
Vipul M. Shah	[DIN 07859737] Director (w.e.f. 15-07-2021)
Kiran R. Shah	[DIN 06430129] Director
Kamlesh P. Yagnik	[DIN 00709521] Independent Director
Rajeshbhai T. Patel	[DIN 00031218] Independent Director
Dhara D. Patel	[DIN 07927111] Director (upto 06-08-2021)
Vijaykumar S. Virpara	[DIN 08181106] Director (upto 06-08-2021)

### **COMPANY SECRETARY & COMPLIANCE OFFICER**

Manish G. Vaghela	(upto 31-12-2021)
Dilipkumar G. Nikhare	(w.e.f. 01-01-2022)

### **CHIEF FINANCIAL OFFICER**

Mr. Brijesh Leeladhar Hariya	(upto 08-06-2021)
Mrs. Kiran R. Shah	(w.e.f. 08-06-2021)

### **REGISTERED OFFICE & FACTORY**

Plot No. 131/A, Phase 1 Nr. Krimy Industries,  
GIDC Vithal Udyognagar, Anand -388121  
CIN: L40106GJ2014PLC081036  
Email: [info@solex.in](mailto:info@solex.in)  
Web: <https://solex.in/>

### **CORPORATE OFFICE**

301-303, Trinity Business Park, Near Madhuvan Circle,  
L.P. Savani Road, Pal, Surat - 395009, Gujarat, India

### **AUDITORS**

#### **KSA & CO.**

#### **CHARTERED ACCOUNTANTS**

G-6, Ground Floor, International Commerce Centre,  
Near Kadiwala School, Ring Road, Surat-395002.

### **SECRETARIAL AUDITOR**

#### **SUTHAR & SURTI**

#### **PRACTICING COMPANY SECRETARIES**

D-36, Tulsikunj Society, Behind Vaibhav Hall,  
Ghodasar, Ahmedabad – 380050

### **COST AUDITORS**

#### **P.K. CHATTERJEE & ASSOCIATES**

115, Radhey Nagar Housing Society  
Nr. Sargam Shopping Center, Parle Point, Surat -395007



**INTERNAL AUDITOR**

**M/s HRK & Co.,**  
CHARTERED ACCOUNTANTS  
Office No. 117-120, Center Point,  
Above IDBI Bank, N.H. No. 8,  
Near Mahavir Nagar, Vapi, Gujarat - 396195

**BANKER**

**BANK OF BARODA**

Vallabh Vidyangar Branch  
V.V. NAGAR, 388120 ANAND, Gujarat

**STATE BANK OF INDIA**

A-301, 3<sup>rd</sup> Floor, ICC Building, Opp. Civil Hospital,  
Majuragate, Ring Road, Surat-395002

**HDFC BANK LTD**

4th floor, Kanha Capital, Opp. Express Hotel,  
R.C. Dutt Road, Vadodara- 390005, Gujarat

**REGISTRAR & SHARE TRANSFER AGENT**

Skyline Financial Private Limited  
D153A, 1st Floor, Okhla Industrial Area Phase 1, New Delhi – 110 020

**WEBSITE**

[www.solex.in](http://www.solex.in)

**INVESTOR SERVICES MAIL ID**

cs@solex.in

**CORPORATE IDENTITY NUMBER**

L40106GJ2014PLC081036

## NOTICE

Notice is hereby given that the 8<sup>th</sup> Annual General Meeting of Solex Energy Limited will be held on Thursday, 29<sup>th</sup> September, 2022 at 3.00 p.m. through Video Conferencing ("VC")/Other Audio-Visual Means("OAVM") to transact the following businesses:

### ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended on 31<sup>st</sup> March 2022 together with the Reports of the Auditors and the Board thereon.
2. To declare a Dividend of Re. 0.15 per Equity Shares of fully paid up face value of Rs. 10/- each for the financial year March 31, 2022
3. To appoint a director in place of Mrs. Kiran Ritesh Shah (DIN: 09046468) who retires by rotation and being eligible offers herself for re-appointment.
4. **Appointment of Statutory Auditors in place of retiring Auditor**

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 139,142 and other applicable provisions, if any, of the Companies Act, 2013 (the Act) and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment thereof, for the time being in force) and pursuant to recommendation of the Audit Committee and the Board of Directors, M/s. HRK & Co., Chartered Accountants, Vapi (ICAI Firm Registration No.146985W), be and are hereby appointed as Statutory Auditors of the Company in place of, M/s. KSA & Co., Chartered Accountants (ICAI Registration No. 0003822C) whose tenure expires at the ensuing Annual General Meeting, at a remuneration of Rs. 2,25,000/- plus GST and reimbursement of out-of pocket, travelling and living expenses etc., and the said auditors to hold the office from the conclusion of this 08<sup>th</sup> Annual General Meeting till the conclusion of 13<sup>th</sup> Annual General Meeting of the Company.

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including its Committee thereof), be and is hereby authorised to do all such acts, deeds, matters and things as may be considered necessary, desirable or expedient to give effect to this resolution."

**5. Ratification of Remuneration of Cost Auditor payable for the Financial Year 2022-23**

To consider and if thought fit, to pass the following resolution as an Ordinary Resolution

**“RESOLVED THAT** pursuant to the provisions of Section 148 and other applicable provisions, if any, of the Companies Act, 2013 and the Companies (Audit and Auditors) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof, for the time being in force), the remuneration payable for the financial year ending on 31<sup>st</sup> March 2023 to M/S P.K. Chatterjee & Associates, Cost Accountants (Membership No.23674) appointed by the Board of Directors of the company on the recommendation of the Audit Committee to conduct the audit of the cost records of the company for the financial year ending on 31<sup>st</sup> March 2023, amounting to Rs. 35,000 (Rupees Thirty-Five Thousand only) inclusive all taxes as applicable aforesaid audit be is hereby ratified.”

**RESOLVED FURTHER THAT** the Board of Directors of the Company (including Committee(s) of the Board), be and is hereby authorized to do all acts and take all such steps as may be necessary, proper or expedient to give effect to this resolution.”

**SPECIAL BUSINESS**

**6. Creation of a further Mortgage and/or charge under Section 180(1)(a) of the Companies Act, 2013**

To consider and, if thought fit, to pass with or without modifications(s), the following Resolution as a Special Resolution:

**“RESOLVED FURTHER THAT** pursuant to Section 180(1)(a) and all other applicable provisions if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification or re-enactment thereof, for the time being in force), the consent of the Company be and is hereby accorded to the Board of Directors of the Company create / modify a mortgage, Hypothecate, Pledge, Assignment and/or charge, in addition to Mortgage, Hypothecation, Pledge, Assignment and / or charge already created on such terms and conditions and at such time (s) and in such form and manner and with such ranking as to priority, as the board in its absolute discretion thinks fit, on the whole or substantially the whole of the company’s undertakings or all of the undertakings, including the present and/or future properties, whether movable or immovable as may be agreed to be in favour of Banks/ Financial Institutions/Trustees/other Investors hereafter referred to as lenders and/or Debenture Trustees and/or Trustees upto an aggregate amount not exceeding Rs. 350,00,00,000/- Crore (Three Hundred Fifty Crore Only) over and above the aggregate of the paid up share and free reserves, to secure the term loan facility/working capital facilities/Debentures/Bonds, to be issued in one or more tranches, other instruments including foreign currency borrowing tied up/to be tied up by the company together with the interest on the principal amounts compound interest, additional interest, liquidated damages, accumulated interest, premium on prepayment or on redemption, commitment charges, cost, charges, expenses, remuneration of agents/trustees at the respective agreed rates if any, and all other monies payable by the company to the concerned banks/financial institutions/trustees/other investors under the respective Debenture Trust Deed /Loan Agreement/other relevant agreements entered into/to be entered into by the company;

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the board or any committee or person authorized by the board /committee be and is hereby documents/deed/writings/papers/agreements as may be required and to do all the acts, authorized to finalize, settle and execute such deeds, matters 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 regard to creating the Mortgage/Charge as aforesaid or otherwise considered to be in best interest of the Company.”

**7. To appoint Kalpeshkumar Ramanbhai Patel (DIN- 01066992) as Managing Director, designated as Joint Managing Director of the Company.**

To consider and, if thought fit, to pass the following resolution as a Special Resolution:

**“RESOLVED THAT** on recommendation of Nomination and Remuneration Committee and pursuant to the provisions of Sections 196, 197, 198, 203 and other applicable provisions, if any, read with Schedule V of the Companies Act 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, and any other statutory modification(s) or re-enactments(s) thereof for the time being in force, and pursuant to the provisions of the Articles of Association of the Company and such other approvals as may be necessary the consent of the Board subject to approval of Members be and is hereby accorded appoint Mr. Kalpeshkumar Ramanbhai Patel (DIN: 01066992) as the Managing Director designated as Joint Managing Director of the Company for a period of 3 (three) years with effect from August 30, 2022 to August 29, 2025 upon such terms and conditions including the payment of remuneration of Rs. 3,00,000/- (Rupees Three Lakhs) per month for the for the period of one year as stated below:

Other terms	<ol style="list-style-type: none"> <li>1. The total remuneration for any year shall not exceed percentage limits of net profits of the Company as specified in the Companies Act, 2013, calculated in accordance with Section 198, subject to the overall ceiling prescribed under the Section 197 read with Section I of Part II of Schedule V of the Companies Act, 2013 (including any statutory modification(s) or re-enactment thereof, for the time being in force)</li> <li>2. He shall not be entitled to receive sitting fees for attending meetings of the Board of Directors or a Committee thereof.</li> </ol>
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**“RESOLVED FURTHER THAT** in the event of loss or inadequacy of profits in any financial year of the Company during the term the remuneration set out in the aforesaid resolution be paid or granted to Mr. Kalpeshkumar Ramanbhai Patel, as minimum remuneration provided that the total remuneration by way of salary and other allowances shall be as provided in Section II of Part II of Schedule V to the said Act or such other amount as may be provided in the said Schedule V as may be amended from time to time or any equivalent statutory re-enactment(s) thereof.”

**“RESOLVED FURTHER THAT** Board of Directors of the Company and the Nomination and Remuneration Committee be and are hereby severally authorized to do alter and vary such terms of reappointment and remuneration so as to as may be decided by the Board of Directors and dosss all such acts, deeds, matters and things, as may be necessary and expedient to give effect to the above resolution on behalf of the Company.”

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Place: Surat  
Date:30-08-2022

By Order of the Board of  
For Solex Energy Limited

sd/-  
Chetan Shah  
Chairman & Managing Director  
DIN: 02253886



### **Notes:**

- A. The Ministry of Corporate Affairs ("MCA") has vide its circular no. 20/2020 dated 5<sup>th</sup> May, 2020 read with circular nos. 14/2020 and 17/2020 dated 8<sup>th</sup> April, 2020 and 13<sup>th</sup> April, 2020 respectively (collectively referred to as "MCA Circulars") permitted the holding of the Annual General Meeting ("AGM") through VC / OAVM, without the physical presence of the Members at a common venue. MCA had vide circular no. 03/2022 dated 5<sup>th</sup> May, 2022 has allowed the Companies whose AGM are due to be held in the year 2022, to conduct their AGMs on or before 31<sup>st</sup> December, 2022 in accordance with the requirement provided in this Circular. In compliance with the provisions of the Companies Act, 2013 ("Act"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and MCA Circulars, the AGM of the Company is being held through VC / OAVM.
- B. Pursuant to the Circular No. 14/2020 dated April 08, 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 authorised representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e-voting.
- C. The Members can join the AGM in the VC/OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the EGM/AGM through VC/OAVM will be made available for 1000 members on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, 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 EGM/AGM without restriction on account of first come first served basis.
- D. The attendance of the Members attending the AGM through VC/OAVM will be counted for the purpose of reckoning the quorum under Section 103 of the Companies Act, 2013.
- E. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.  
In line with the Ministry of Corporate Affairs (MCA) Circular No. 17/2020 dated April 13, 2020, the Notice calling the AGM has been uploaded on the website of the Company <https://solex.in/>. The Notice can also be accessed from the websites of the Stock Exchange i.e National Stock Exchange of India Limited at <https://www.nseindia.com/> and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
- F. Non-resident Indian shareholders are requested to inform about the following immediately to the Company or its Registrar and Share Transfer Agent or the concerned Depository Participant, as the case may be: -

the change in the residential status on return to India for permanent settlement; the particulars of the NRE account with a Bank in India, if not furnished earlier

- G. Corporate members intending to send their authorized representative to attend the Meeting are requested to send a scanned copy (PDF/JPG Format) certified copy of its Board or Governing Body Resolution/Authority letter / POA authorizing its representative to attend AGM through VC/ OAVM on its behalf and to vote through remote e – voting. The said Resolution/Authorization shall be sent to the Scrutinizer by E-mail through its registered E mail address to [csshaishav@gmail.com](mailto:csshaishav@gmail.com)/[vssk.roc@gmail.com](mailto:vssk.roc@gmail.com) with a Carbon Copy marked to [helpdesk@nsdl.com](mailto:helpdesk@nsdl.com).
- H. The Explanatory Statement, pursuant to Section 102 of the Companies Act ,2013 setting out facts concerning the business under Item No. 4,5,6, and 7 of the Notice is annexed hereto.
- I. Brief profile of Directors seeking reappointment at the Annual General Meeting is provided at Annexure – A to this Notice as prescribed under Regulation 36(3) of the SEBI (Listing Obligation & Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meetings Issued by The Institute of Company Secretaries of India.
- J. The Registrar of Members and Share Transfer Books shall remain closed from 23/09/2022 to 29/09/2022 (both days inclusive) to determine entitlement of the Shareholders to receive Dividend for the Year 2021-22 and for the purpose of 8<sup>th</sup> Annual General Meeting.
- K. The Board of Directors at its Board Meeting held on 30<sup>th</sup> May, 2022 has recommended a Dividend of Re.0.15 Paisa Per Equity Share of the face value of Rs.10/- each. The Dividend, if declared at the Annual General Meeting will be paid to those members of the Company, whose names appear in the Register of Members or Register of Beneficial Ownership as on 22/09/2022. Members are requested to update their bank details with their respective Depository Participants (DP) to receive the amount of Dividend quickly.  
In the event of transfer of shares and the unclaimed dividends to IEPF, Members are entitled to claim the same from the IEPF authority by submitting an online application in the prescribed Form IEPF-5 available on the website <http://www.iepf.gov.in/> and sending a physical copy of the same duly signed to the Company along with the requisite documents enumerated in Form IEPF-5. Members can file only one consolidated claim in a financial year as per the IEPF Rules.
- L. In case of any queries regarding the Annual Report, the Members may write to [cs@solex.in](mailto:cs@solex.in) to receive an email response.

Members may note that Income Tax Act, 1961 as amended by the Finance Act, 2020 mandates that Dividends paid or distributed by a Company shall be taxable in the hands of Members. The Company shall therefore be required to Deduct Tax at Source (TDS) at the time of making the payment of Dividend. In order to enable us to determine the appropriate TDS rate as applicable, members are requested to submit the following documents in accordance with the provisions of the Income Tax Act, 1961.

1. For Resident Shareholders, TDS shall be made under Section 194 of the Income Tax Act, 1961 at 10 % on the amount of Dividend declared and paid by the Company during Financial Year 2021-22 subject to PAN is provided by the Shareholder. If PAN is not provided, TDS would be deducted @ 20 % as per Section 206AA of the Income Tax, 1961.

However, No Tax shall be deducted on the Dividend payable to a resident individual if the total Dividend to be received by them during Financial Year 2021-22 does not exceed Rs. 5000/-.

Tax is not to be deducted if the recipients have furnished a declaration in Form 15G (In case of Senior Citizen Form No. 15H) to the Company to the effect that Tax on his/her total income will be NIL.

Further Shareholder may apply in Form No. 13 to the concern assessing Officer and obtain a Certificate authorizing the Company to pay Dividend without Tax Deduction or with deduction at lower rate.

2. For Non – Resident Shareholders, taxes are required to be withheld 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 withholding tax shall be at the applicable rate at the time in force (plus applicable surcharge and cess) on the amount of Dividend payable to them. However as per Section 90 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. For this purpose, i.e., to avail the tax Treaty benefits, the Non –Resident Shareholder will have to provide the following:

- Self- Attested Copy of Tax Residency Certificate (TRC) obtained from the Tax authorities of the Country which the Shareholder is resident.
- Self –Declaration in Form 10F if all the details required in this form are not mentioned in the TRC.
- Self-Attested Copy of the Permanent Account Number (PAN) allotted by the Indian Income Tax Authorities.
- Self –Declaration, Certifying the following points:
  - a) Member is and will continue to remain a tax resident of the Country of its residence during the Financial Year 2021-22;
  - b) Member is eligible to claim the beneficial DTAA rate for the purposes of tax withholding on Dividend declared by the Company;
  - c) Member has no reason to believe that its claim for the benefits of the DTAA is impaired in any manner;
  - d) Member is the ultimate beneficial owner of its Shareholding in the Company and Dividend receivable from the Company; and
  - e) Member does not have a taxable presence or a Permanent establishment in India during the Financial Year 2021-22.

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 rates shall be depend upon the completeness and satisfactory review by the Company, the documents submitted by the Non- Resident Shareholder.

- M.** Accordingly, in order to enable us to determine the appropriate TDS/ Withholding Tax rate applicable, we request you to provide these details and documents as mentioned above before Thursday, 22/09/2022 in following manner:

The aforesaid forms for tax can be downloaded from the Company's website link <https://solex.in/investor/>.

The aforesaid documents (duly completed and signed) are required to be mail to [cs@solex.in](mailto:cs@solex.in) No Communication on the Tax determination/deduction shall be considered after Thursday, 22/09/2022



Shareholders may note that in case the Tax on said Dividend is deducted at a higher rate in absence of receipt of the aforementioned details/documents, option is available to Shareholders to file the Return of Income as per Income Tax Act, 1961 and claim an appropriate refund, if eligible.

- N. To support the “Green Initiative in Corporate Governance” taken by the Ministry of Corporate Affairs by allowing paperless Compliance and also due to COVID -19 stating that Service of Notices/ Documents including Annual Report can be sent through Electronic mode to the Registered E mail addresses of the Shareholders. Notices/ Documents including the Annual Report are now being sent by Electronic mode to the Shareholders whose E-mail addresses have registered but whose E mail addresses are not registered please send your E –mail ID on [cs@solex.in](mailto:cs@solex.in) Physical mode is not available so please here request to send your updated mail on above E mail IDs.
- O. “The Resident Non-Individual Members i.e. Insurance companies, Mutual Funds and Alternative Investment Fund (AIF) established in India and Non-Resident Non-Individual Members i.e. Foreign Institutional Investors and Foreign Portfolio Investors may alternatively submit the relevant forms / declarations / documents through their respective custodian who is registered on NSDL platform, on or before the aforesaid Thursday, 22/09/2022 timelines.”

Pursuant to Section 108 of Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended and Regulation 44 of SEBI LODR, 2015, the Company is pleased to provide the facility to members to exercise their right to vote on the resolutions proposed to be passed in the AGM by electronic means. The members whose names appear in the Register of Members/ List of Beneficial owners as on **22/09/2022**, being the cut-off date, is entitled to vote on the Resolutions set forth in this Notice. Members may cast their votes on electronic voting systems from any place other than the venue of the meeting (remote e-voting). **The remote e-voting will commence at 9:00 a.m. on 26/09/2022 and will end at 5:00 p.m. on 28/09/2022.** In addition, the facility of voting through electronic voting system shall also be made available at the AGM and the members attending the AGM who have not cast their vote by remote e-voting shall be eligible to vote at the AGM. The Members desiring to vote through remote e-voting are requested to refer to the detailed procedure given hereinafter.

#### **THE INSTRUCTIONS FOR MEMBERS FOR REMOTE E-VOTING AND JOINING GENERAL MEETING ARE AS UNDER:-**

**The remote e-voting period begins on 26/09/2022 at 9:00 A.M. and ends on 28/09/2022 at 5:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter. The Members, whose names appear in the Register of Members / Beneficial Owners as on the record date (cut-off date) i.e. 22/09/2022, may cast their vote electronically. The voting right of shareholders shall be in proportion to their share in the paid-up equity share capital of the Company as on the cut-off date, being 22/09/2022.**

#### **How do I vote electronically using NSDL e-Voting system?**





*The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:*

**167) Step 1: Access to NSDL e-Voting system Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular 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.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>Existing <b>iDeAS</b> user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “<b>Beneficial Owner</b>” icon under “<b>Login</b>” which is available under ‘<b>iDeAS</b>’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “<b>Access to e-Voting</b>” under e-Voting services and you will be able to see e-Voting page. Click on company name or <b>e-Voting service provider i.e. NSDL</b> and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting. If you are not registered for iDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “<b>Register Online for iDeAS Portal</b>” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “<b>Login</b>” which is available under ‘<b>Shareholder/Member</b>’ 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 <b>e-Voting service provider i.e. NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “<b>NSDL Speede</b>” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol>

	<p><b>NSDL Mobile App is available on</b></p> <p>  App Store            Google Play         </p> <div style="display: flex; justify-content: space-around;">   </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their 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 <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> <li>After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</li> <li>If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></li> <li>Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. 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 provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</li> </ol>
Individual Shareholders (holding securities in demat mode) login through their depository participants	<p>You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. 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 i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</p>

**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. NSDL and CDSL.**

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	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 022-23058738 or 022-23058542-43

**B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.**

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

1. 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.
2. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section.
3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.  
*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*
4. Your User ID details are given below:

<b>Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical</b>	<b>Your User ID is:</b>
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID  For example if your DP ID is IN300*** and Client ID is 12***** then your user ID is IN300***12*****.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID  For example if your Beneficiary ID is 12***** then your user ID is 12*****.
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company  For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:
  - a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
  - b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
  - c) How to retrieve your 'initial password'?



- (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, please follow steps mentioned below in **process for those shareholders whose email ids are not registered.**
6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:
  - a) Click on "**Forgot User Details/Password?**" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - b) **Physical User Reset Password?** (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.
  - d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

## **Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.**

### **How to cast your vote electronically and join General Meeting on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.
2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".
3. Now you are ready for e-Voting as the Voting page opens.
4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
5. Upon confirmation, the message "Vote cast successfully" will be displayed.
6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

### **General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to [vssk.roc@gmail.com](mailto:vssk.roc@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in). Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) can also upload their Board Resolution / Power of Attorney / Authority Letter etc. by clicking on ""**Upload Board Resolution / Authority Letter**"" displayed under ""**e-Voting**"" tab in their login.
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "[Forgot User Details/Password?](#)" or "[Physical User Reset Password?](#)" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.
3. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to Kautilya Joshi at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) / [KautilyaJ@nsdl.co.in](mailto:KautilyaJ@nsdl.co.in)

### **Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:**

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to [cs@solex.in](mailto:cs@solex.in)
2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to [cs@solex.in](mailto:cs@solex.in). If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at **step 1 (A)** i.e. **Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**.
3. Alternatively shareholder/members may send a request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for procuring user id and password for e-voting by providing above mentioned documents.
4. In terms of SEBI circular 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 required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

**THE INSTRUCTIONS FOR MEMBERS FOR E-VOTING ON THE DAY OF THE AGM ARE AS UNDER:**

1. The procedure for e-Voting on the day of AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM 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 EGM/AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

**INSTRUCTIONS FOR MEMBERS FOR ATTENDING THE AGM THROUGH VC/OAVM ARE AS UNDER:**

Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for **Access to NSDL e-Voting system**. After successful login, you can see link of "VC/OAVM link" placed under "**Join meeting**" menu against company name. You are requested to click on VC/OAVM link placed under Join Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.

Members are encouraged to join the Meeting through Laptops for better experience.

1. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
2. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
3. Shareholders who would like to express their views/have questions may send their questions in advance mentioning their name demat account number/folio number, email id, mobile number at [cs@solex.in](mailto:cs@solex.in). The same will be replied by the company suitably.



**EXPLANATORY STATEMENT PURSUANT TO SECTION 102(1) OF THE COMPANIES  
ACT 2013.**

**Item No. 3**

Pursuant to Section 152 (6) of the Companies Act, 2013, Mrs. Kiran Shah retires by rotation at this AGM and being eligible, is proposed for re-appointment Kiran Shah has expressed her intention to act as a Director, if reappointed.

**Committee**  
(Brief Profile)

She is having 22 years of experienced in accounting management, day to day accounting entries, reconciliation of account, VAT, Service tax, TDS, GST, and cash register, finance related work such as availed bank loan, providing required documents for bank loan and so on. I also have experience in administrative department as well.

Mrs. Kiran Shah holds 0 Equity Shares of your Company. She has attended 11 Board meetings out of 11 Board Meetings held during the year. She is not related to any other Directors / Key Managerial Personnel of the Company.

She does not hold any directorship in any other company and had not resigned as director from any listed entity in past 3 years.

Except Mrs Kiran Shah and his relatives, none of the Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested, financially or otherwise, in the ordinary resolution set out at Item No. 3 of the Notice.

The Board commends this resolution for your approval.

**Item No. 4**

As per the provisions of the Companies Act, 2013 the tenure of Statutory Auditors i.e. M/s KSA & Co., (Firm Registration No: 003822C), Chartered Accountants of the Company expires on conclusion of this AGM and therefore, the Company is required to appoint Statutory Auditor u/s 139(1) of the Companies Act, 2013. The Board on the recommendation of the Audit Committee recommends the appointment of M/s. HRK & Co., Chartered Accountants, Vapi, having (FRN: 146985W) [Peer Reviewed Firm:014128for approval of shareholders of the Company at the Annual General Meeting.

In accordance with the Disclosure as required under Regulation 36(5) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company hereby declares that the proposed fees payable to M/s. HRK & Co., if appointed by shareholders, will be upto a ceiling of Rs, 2,25,000/- per annum for performing the Statutory Audit of the Company , for providing Quarterly Limited Review Report on Standalone Financial Statements of the Company, for tax audit, for certifications and for Income Tax Assessments etc. The fees for the future years may be escalated based on mutual discussion and approval of the Audit Committee and the Board. There is no material change in the fees payable to the proposed statutory auditor from that paid to the outgoing statutory auditor. The Board recommends to the members of the Company for the appointment of M/s. HRK & Co., Chartered Accountants, Vapi (FRN.: 146985W) as the Statutory Auditor of the Company as the Board is satisfied that and is of the view that M/s. HRK & Co., have the requisite credentials required for the appointment as the Statutory Auditor of the Company and they are having good experience in Energy Industry.

**Credentials of M/s. HRK & Co**

M/s. HRK & Co., is in Audit Assurance, Internal Audit Management, Management Consultancy, Accounting Consultancy, Corporate Consultancy, Corporate Strategies, Structured & Feasibility Studies, Financial Consultancy Debt & Equity, Project Finance, Direct Taxes, Indirect Taxes and so on. They are having experience of more than 25 years.

The Board of Directors recommends the Ordinary Resolution set out at Item 4 of the Notice for approval by the Members.

None of the Directors and Key Managerial Personnel of the Company or their relatives is concerned or interested in this Ordinary Resolution.

**Item No. 5**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors, P.K. Chatterjee & Associates to conduct the audit of the cost records of the company for the financial year ending on 31<sup>st</sup> March 2023 at fees of Rs. 35000 plus the applicable taxes.

In accordance with the provisions of section 148 of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014, the remuneration payable to the Cost Auditors has to be ratified by the shareholders of the company.

The Board of Directors recommends the Ordinary Resolution set out at Item 5 of the Notice for Approval by the Members.

None of the Directors or Key Managerial Personnel and their relatives is interested or concerned in the said Resolution.

**Item No. 6**

In order to facilitate securing the borrowing made by the Company, it would be necessary to create /modify a mortgage and/or charge on the assets or whole or part of the undertaking of the Company. Further, Section 180(1)(a) of the Companies Act, 2013 provides for the power to sell, lease or otherwise dispose of the whole or substantially the whole of the undertaking of the Company subject to the approval of members in the General Meeting, which authorization is also proposed to be Rs. 350/- Crore (Three Hundred Fifty Crore Only) for the Company. Hence, the Special Resolution at Item No.6 of the Notice is being proposed, since the same exceeds the limits provided under Section 180(1)(a) of the Act.

The Directors recommend the Special Resolution as set out at Item No. 6 of the accompanying Notice for members' approval.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

The Board of Directors recommends the Special Resolution set out at Item 6 of the Notice for Approval by the Members.

**Item No. 7**

The Board of Directors of the Company in its meeting held on May 30, 2022 and August 30, 2022 and on the recommendation of the Nomination and Remuneration Committee, had approved the appointment of Mr. Kalpeshkumar Ramanbhai Patel (DIN-01636599) as the Joint Managing Director of the Company for a period of three years with effect from August 30, 2022 to August 29, 2025, subject to the approval of shareholders at the ensuring Annual General Meeting as a Special Resolution.

The office of directorship of Mr. Kalpeshkumar Ramanbhai Patel, shall be liable to retire by rotation. Further, Mr. Kalpeshkumar Ramanbhai Patel is not disqualified from being appointed as Managing Director designated as Joint Managing Director in terms of Section 164 of the Act nor has been debarred from holding the office of a director by virtue of any order from Securities and Exchange Board of India (SEBI) or any such authority.

Mr. Kalpeshkumar Ramanbhai Patel holds a degree of Bachelor of Commerce (B. Com), and Bachelor of Law (LL.B.), Mr. Kalpeshkumar Ramanbhai Patel is the promoter and founder of the Company Solex Energy Limited in 2014 and has been with the Company for 8 Years. He is playing vital role in formulating business strategies and effective implementation of the same. Mr. Kalpeshkumar Ramanbhai Patel is having experience of over 30 years in the solar industry. He has vast experience of accomplishing sales, understanding of market and consumers, and contemporary marketing strategy. His leadership abilities have been instrumental in leading the core team of our Company

Pursuant to Section II of Part II of Schedule V to the Act, the remuneration payable to Mr. Kalpeshkumar Ramanbhai Patel has been recommended by the Nomination and Remuneration Committee and approved by the Board of Directors at its Meeting held on May 30, 2022. The approval of the Members pursuant to Section 197(1) of the Act, (including any statutory amendment(s) or modification(s) thereto or enactment(s) or re-enactment(s) thereof for the time being in force), is sought for appointment and the remuneration payable to Mr. Kalpeshkumar Ramanbhai Patel as the Managing Director of the Company as per details of the remuneration are set in the resolution.

This explanatory statement may also be considered as the requisite abstract under section 190 of the Companies Act, 2013 setting out the terms and conditions of the appointment of Mr. Kalpeshkumar Ramanbhai Patel as the Managing Director of the Company.

Relevant details relating to appointment of Mr. Kalpeshkumar Ramanbhai Patel as required by the Act, the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations") and Secretarial Standard - 2 on General Meetings issued by the ICSI are provided in **Annexure -1** to this Notice.

The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the Special Resolution at Item No. 7 is annexed hereto as **Annexure— 2**.

Pursuant to the amended Section 197 of the Act, companies have been permitted to pay remuneration to managerial personnel in excess of the limits prescribed under Section 197 read with Schedule V to the Act with the consent of the members of the company given by way of a Special Resolution.

It is proposed to seek shareholders' approval for appointment and remuneration payable to Mr. Kalpeshkumar Ramanbhai Patel as Managing Director, in terms of the applicable provisions of the Act and the rules made thereunder.

The Board recommends the Special Resolution as set out in Item No. 7 of this Notice for the approval of the Members.

None of the Directors, Key Managerial Personnel of the Company or their relatives other than Mr. Kalpeshkumar Ramanbhai Patel, is in any way concerned or interested, financially or otherwise, in the proposed Resolution, set out at Item No. 7 of the Notice.

### **ANNEXURE – 1**

**Details of Directors seeking appointment and whose terms of remuneration are being determined at the 8<sup>th</sup> Annual General Meeting to be held on Thursday, September 29, 2022**

**[Pursuant to Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards -2 on General Meetings issued by ICSI]**

<b>Name of the Director</b>	<b>Kalpeshkumar Ramanbhai Patel</b>
<b>Date of Birth</b>	19/10/1970
<b>Age (in years)</b>	51
<b>DIN</b>	01066992
<b>Nationality</b>	Indian
<b>Date of Appointment on Board</b>	13/10/2014
<b>Qualification(s)</b>	B.com, LL.B
<b>Brief Resume</b>	Please refer Annexure -2
<b>Experience in specific functional areas</b>	Accomplishing sales, understanding of market and Formulating consumers, and contemporary marketing strategy
<b>Shareholding in the Company as on the date of notice</b>	15,97,360 equity shares
<b>Disclosure of relationships between directors inter-se</b>	No, Mr. Kalpeshkumar Ramanbhai Patel is a Promoter of the Company. He is not relative of any of the Directors of the Company.
<b>Directorships of other Listed Companies</b>	None
<b>Memberships/Chairmanships of committees in other Listed Companies</b>	None
<b>Remuneration last drawn</b>	Rs. 3,00,000/- per month
<b>Shareholding in the Company as on 31<sup>st</sup> March, 2022</b>	15,97,360 equity shares
<b>No. of Board Meetings attended during the financial year 2021-22</b>	Eight (8)

## ANNEXURE – 2

### Statement of Information as required under Section II, Part II of the Schedule V of the Companies Act, 2013 for item No. 7

#### I. General Information:

- (i) Nature of Industry: Manufacturing of solar photovoltaic modules along with providing turnkey solar solutions across different segments like solar power plants, solar water pumps, and utility scale ground mounted solar power plants.

Date or expected date of commencement of commercial production:—The Company is in operation since 2014

In case of new companies, expected date of commencement of activities as per project approved by financial institutions appearing in the prospectus:- Not applicable

- (ii) Financial performance based on given indicators:

(INR in Lakh)

Particulars	Current Year 2021-22	Previous Year 2020-21
Revenue from operation	7270.17	7,990.20
Profit before Interest and Depreciation	199.02	301.61
Less: Interest	75.07	108.18
Profit Before Depreciation	123.95	193.43
Less: Depreciation	25.16	25.81
<b>Profit Before Tax</b>	<b>122.76</b>	<b>235.65</b>
<b>Less/Add: Tax Expenses</b>		
<b>Current Tax</b>	33.02	66.19
<b>Deferred Tax</b>	(6.20)	4.02
<b>Total Tax Expenses</b>	<b>(2.85)</b>	<b>2.17</b>
<b>Profit for the year</b>	<b>98.79</b>	<b>167.62</b>

- (iii) Foreign investments or collaborators, if any: Not applicable

#### II. Information about the appointee:

- (i) Background Details, Job Profile and his suitability:

Mr. Kalpeshkumar Ramanbhai Patel holds a degree of Bachelor of Commerce (B. Com), and Bachelor of Law (LL.B.), Mr. Kalpeshkumar Ramanbhai Patel is the promoter and founder of the Company Solex Energy Limited in 2014 and has been with the Company for 8 Years. He is playing vital role in formulating business strategies and effective implementation of the same. Mr. Kalpeshkumar Ramanbhai Patel is having experience of over 30 years in the solar industry. He has vast experience of accomplishing sales, understanding of market and consumers, and formulating contemporary marketing strategy. His leadership abilities have been instrumental in leading the core team of our Company.

- (ii) Past Remuneration: Remuneration drawn during the financial year 2021-22: Rs. 36,00,000 per annum
- (iii) Remuneration proposed: As mentioned in the Special Resolution set out in the Notice:



- (iv) Comparative remuneration profile with respect to industry, size of the company, profile of the position and person: The remuneration was recommended by the Nomination and remuneration committee, taking into consideration the size of the Company, the profile of the appointee, the responsibilities shouldered by him and the industry benchmarks. The remuneration proposed to be paid commensurates with the remuneration packages paid to similar senior level appointee in other companies.

Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any:- Besides the remuneration paid to Mr. Kalpeshkumar Ramanbhai Patel as Managing Director designated as Joint Managing Director, does not have any other pecuniary relationship with the Company.

### **III. Other Information:**

- i. Reasons of loss or inadequate profits: The Outbreak of Coronavirus (COVID–19) pandemic globally has caused a slowdown in economic activity and has caused global widespread economic and business disruption leaving uncertainties with respect to its severity, which currently cannot be reasonably ascertained. The proposed remuneration is not falling within the limits specified under section 197 of the Companies Act, 2013. However, the same is in line within the industry standards for managerial remuneration personnel falling under the same cadre.
- ii. Steps taken or proposed to be taken for improvement:- The Company is implementing various long-term measures to improve its cash flow and exploring multiple options of finance from lenders bank and financial institution. On positive outcome efforts in the said direction the Company and its management is hopeful to make optimum utilization of its resources. The promoters also continue to be committed to providing the required operational support to Company in the foreseeable future.
- iii. Expected increase in productivity and profits in measurable terms: In the competitive environment, it is difficult to estimate the revenue/profits in measurable terms. As the Company is taking numerous initiatives to improve its financial position and the management is confident of increase in revenue and profits in coming years.

## **DIRECTOR'S REPORT**

To,  
The Members of  
**SOLEX ENERGY LIMITED**

Your Directors have pleasure in presenting the 8<sup>th</sup> Annual Report of your Company together with the Standalone Audited Financial Statement for the year ended 31<sup>st</sup> March, 2022.

The Company's financial performance for the year ended on 31<sup>st</sup> March, 2022 is summarized below:

### **1. FINANCIAL HIGHLIGHTS** (Rs. IN LAKH)

Particulars	Current Year 2021-22	Previous Year 2020-21
Revenue from operation	7270.17	7,990.20
Profit before Interest and Depreciation	199.02	301.61
Less: Interest	75.07	108.18
Profit Before Depreciation	123.95	193.43
Less: Depreciation	25.16	25.81
<b>Profit Before Tax</b>	<b>122.76</b>	<b>235.65</b>
<b>Less/Add: Tax Expenses</b>		
<b>Current Tax</b>	33.02	66.19
<b>Deferred Tax</b>	(6.20)	4.02
<b>Total Tax Expenses</b>	(2.85)	2.17
<b>Profit for the year</b>	<b>98.79</b>	<b>167.62</b>

### **2. STATE OF COMPANY'S AFFAIRS**

The operating income decreased from Rs. 7270.17 lakh to Rs. 7,990.20 lakh in the previous year. The Profit before Tax for the year is Rs. 122.76 lakh as against Rs. 235.65 lakh in previous year. The net profit decreased to Rs. 98.79 lakh from Rs. 167.62 lakh in the previous year.

### **3. TRANSFER TO RESERVES IN TERMS OF SECTION 134 (3) (J) OF THE COMPANIES ACT, 2013**

The Board of Directors has transferred Rs. 2,703.62 lakh to General Reserve during the year.

### **4. MATERIAL CHANGES AND COMMITMENTS, 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 STATEMENTS RELATE AND THE DATE OF THE REPORT**

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 of the Company to which the financial statements relate and the date of the report.

### **5. DETAILS OF SUBSIDIARY/JOINT VENTURES/ASSOCIATE COMPANIES**

No company has become or ceased to be Subsidiary Company, Joint Venture Company or Associate Company during the year.

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

There is no change in the nature of the business of the company.

## 7. **MEETINGS OF THE BOARD OF DIRECTORS**

During the year 11 (Eleven) Board Meetings and one Independent Directors' meeting was held, and the details of the number of Board Meeting held during the year as under. The intervening gap between two consecutive meetings was not more than one hundred and twenty days.:

<b>No. of Board Meeting</b>	<b>Date of Board Meeting</b>
01/2021-22	29-04-2021
02/2021-22	06-05-2021
03/2021-22	08-06-2021
04/2021-22	30-06-2021
05/2021-22	15-07-2021
06/2021-22	06-08-2021
07/2021-22	14-11-2021
08/2021-22	30-11-2021
09/2021-22	23-12-2021
10/2021-22	31-12-2021
11/2021-22	09-03-2022

### **Independent Directors' meeting:**

Date of Independent Director Meeting: 30-04-2021

## 8. **CORPORATE GOVERNANCE**

As company is listed as SME on the NSE Platform therefore the compliance with Corporate Governance as specified in Regulation 17, 17A, 18, 19, 20, 21, 22, 23, 24, 24A, 25, 26, 27 and clauses (b) to (i) of sub-regulation (2) of regulation 46 & Para C, D & E of Schedule V are not applicable to the Company.

## 9. **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

A report on Management Discussion and Analysis, as required in terms of Regulation 34(2) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirement) Regulations, 2015, forms part of this report and it deals with the Business Operations and Financial Performance, Research & Development Expansion & Diversification, Risk Management, Marketing Strategy, Safety & Environment, Human Resource Development, significant changes in key financial ratios etc. is attached in "[Annexure-A](#)"

## 10. **DIVIDEND**

The Board of Directors at its meeting held on 30<sup>th</sup> May, 2022 have recommended a payment of dividend of Re. 0.15 per equity share of the face value of Rs. 10/- each for the financial year ended 31<sup>st</sup> March, 2022, subject to approval of the shareholders of the Company at the ensuing Annual General Meeting.



# **11. SHARE CAPITAL** **AUTHORISED SHARE CAPITAL**

As on 31<sup>st</sup> March, 2022, the Authorised Share Capital of the Company is Rs. 8,00,00,000/- (Eight Crore Only) consisting 80,00,000 (Eighty Lakh Only) Equity shares of Rs.10/- each. (The Authorised Share Capital increased from Rs. 6,00,00,000/- to Rs. 8,00,00,000/- in Extra-Ordinary General Meeting dated 15<sup>th</sup> April, 2021.)

## **PAID UP SHARE CAPITAL**

The paid-up share capital of the Company is Rs. 8,00,00,000/- consisting 80,00,000 Equity shares of Rs. 10/- Each, which was increased pursuant to Preferential Issue of 30,60,000 Equity Shares issued during Financial Year 2021-22

# **12. PREFERENTIAL ISSUE AND ALLOTMENT OF EQUITY SHARES**

During the year under review after receiving in principal approval from the Stock Exchanges, the Company has allotted 30,60,000 "Equity Shares" at price of Rs. 35/- each (including Premium of Rs. 25/- Per equity shares), for the below mentioned objectives:

- i) To meet working capital requirement and;
- ii) To meet General Corporate Purpose.

# **13. DETAILS OF UTILIZATION OF FUNDS RAISED THROUGH PREFERENTIAL ALLOTMENT AS SPECIFIED UNDER REGULATION 32 (7A) SEBI (LODR) REGULATIONS, 2015**

During the year under review the company has raised fund of Rs. 10,71,00,000 through preferential issue.

Details utilization of funds as below:

SUPPLIER NAME	PARTICULARS	FUNDS UTILISED (in INR)
Yingku Jinchun Machinery Co Ltd	Purchase of 500 MW Solar Module Production Automation Line	3,33,58,483
Shri Vasudev Industries	Given for security deposit of lease agreement for Factory at Kim, Surat	75,00,000
Wuxi Autowell Supply Chain Management Co Ltd	Purchase of Stringer and Cell Cutter	84,46,051
Gsolar Power Co Ltd	Purchase of Sun Simulator	8,82,480
Wuxi Autowell Supply Chain	Purchase of Stringer and Cell Cutter	11,40,103
M/S. Leybold GmBH	Purchase of Vaccum Pump	1,46,00,744
Gsolar Power Co Ltd	Purchase of Sun Simulator	77,58,920
Dakshin Gujarat Vij Company Limited	DGVCL new connection at Kim Factory	41,12,094
Carrier Air-Conditioning & Refrigeration Limited	Air cooled Screw Chiller with VFD	55,00,000

Jiangsu Huaheng New Energy Co Ltd	Purchase of Solar Cell	2,38,01,125
	<b>TOTAL</b>	<b>10,71,00,000</b>

#### 14. **DEPOSITS**

Your Company has not accepted any deposits from the public within the meaning of Section 73 and 74 of the Companies Act, 2013 and read with the Companies (Acceptance of Deposits) Rules, 2014 for the year ended 31<sup>st</sup> March, 2022.

#### 15. **A STATEMENT INDICATING DEVELOPMENT AND IMPLEMENTATION OF A RISK MANAGEMENT POLICY FOR THE COMPANY INCLUDING IDENTIFICATION THEREIN OF ELEMENTS OF RISK, IF ANY, WHICH IN THE OPINION OF THE BOARD MAY THREATEN THE EXISTENCE OF THE COMPANY**

The Company has formalised Risk Management Policy and system to identify, evaluate, monitor and minimize the identifiable business risk in the Company. This is an ongoing process and the Audit Committee periodically reviews all the risk and suggests the necessary steps to mitigate the risk if any such as strategic, financial, credit, market, liquidity, security, property, IT, legal, regulatory, reputational and other risks those have been identified and assessed, which may threaten the existence of the Company.

There is no such risk which in the opinion of the Board may threaten the existence of the Company.

#### 16. **THE DETAILS ABOUT THE POLICY DEVELOPED AND IMPLEMENTED BY THE COMPANY ON CORPORATE SOCIAL RESPONSIBILITY INITIATIVES TAKEN DURING THE YEAR**

The Company does not fall in any of the criteria of Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014 and hence the Company is not required to comply with the same.

#### 17. **DIRECTORS & KEY MANAGERIAL PERSONNEL**

In accordance with the provisions of the Companies Act, 2013 and Articles of Association of the Company, Mrs. Kiran Ritesh Shah (DIN: 09046468) will retire by rotation at the ensuing Annual General Meeting and being eligible has offered herself for reappointment.

The Board of directors, on the recommendations of the Nomination and Remuneration Committee (NRC), had appointed Mr. Piyush Kailashchandra Chandak, Mr. Anil Rathi and Mr. Chetan Shah as an Additional Director w. e. f. June 08, 2021 and they have been appointed as Directors in the 07<sup>th</sup> Annual General Meeting held on September 02, 2021

Mr. Brijesh Leeladhar Hariya has resigned from the Post of Chief Financial Officer w.e.f. June 08, 2021, and Mrs. Kiran Ritesh Shah has been appointed as Chief Financial Officer (CFO) w. e. f. June 8, 2021 for a period of five years.

The Board of directors, on the recommendations of the Nomination and Remuneration Committee (NRC), had appointed Mr. Vipul Mulchand Shah as an Additional Director w. e. f. July 15, 2021 and he has been appointed as Director in the 07<sup>th</sup> Annual General Meeting held on September 02, 2021

Mrs. Dhara Patel and Mr. Vijaykumar Virpara have resigned from the Post of Director w.e.f. August 06, 2021

Mr. Manish Vaghela has resigned from the Post of Company Secretary & Compliance Officer w.e.f. December 31, 2021 and Mr. Dilipkumar Nikhare has been appointed as Company Secretary & Compliance Officer designated as Key Managerial Personnel w.e.f. January 01, 2022.

**Summary of Appointment and Cessation:**

Sr No.	Name of Directors/KMP	Designation	Appointment/ Cessation/Change in Designation	Effective Date
1	Chetan Sureshchandra Shah	Director	Appointment	08-06-2021
2	Piyush Kailashchandra Chandak	Director	Appointment	08-06-2021
3	Anil Rathi	Director	Appointment	08-06-2021
4	Kiran Ritesh Shah	Director and CFO	Appointment	08-06-2021
5	Brijesh Leeladhar Hariya	CFO	Cessation	08-06-2021
6	Dhara Patel	Director	Cessation	06-08-2021
7	Vijaykumar Virpara	Director	Cessation	06-08-2021
8	Manish Vaghela	Company Secretary	Cessation	31-12-2021
8	Dilipkumar Gajanand Nikhare	Company Secretary	Appointment	01-01-2022

All the Independent Directors of the Company have furnished declarations that they meet the criteria of independence as prescribed under the Companies Act, 2013 and under SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations").

**18. NOMINATION AND REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee, framed a policy for selection and appointment of Directors, senior Management and their remuneration including criteria for determining qualifications, positive attributes, Independence of a director. The said policy has also been uploaded on the Company's website at <https://solex.in/investor/> and the Criteria for Remuneration to Non-Executive Directors (NEDs) Remuneration to Managerial Personnel Particulars of Employees and related disclosures also uploaded on the Company's website at <https://solex.in/criteria-of-making-payments-to-non-executive-directors/>

**19. ANNUAL EVALUATION OF THE PERFORMANCE OF THE BOARD, ITS COMMITTEES AND OF INDIVIDUAL DIRECTORS**

The Board of Directors has carried out an annual evaluation of its own performance, its Committees and Individual Directors pursuant to the requirements of the Companies Act, 2013 and rules made thereunder and the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and schedule prescribed thereunder.

Further, the Independent Directors, at their exclusive meeting held on Friday, April 30, 2021 during the year reviewed the performance of the Board, its Chairman and Non-Executive Directors and other items as stipulated under the Listing Regulations.

## 20. AUDITORS

### Statutory Auditors

The Board of Directors at its meeting held on 30<sup>th</sup> August, 2022, as per the recommendation of the Audit Committee, and pursuant to the provisions of Section 139(9) of the Companies Act, 2013, has recommended to appoint M/s. HRK & Co., Chartered Accountants, (Firm Registration No: 146985), Vapi in place of retiring Auditor M/s. KSA & Co., Chartered Accountants (ICAI Registration No. 0003822C) whose tenure expires at the ensuing Annual General Meeting subject to the approval of the members at the 8<sup>th</sup> Annual General Meeting of the Company to hold the office from the conclusion of this 08th Annual General Meeting till the conclusion of 13th Annual General Meeting of the Company.

The Company has received a certificate from the proposed statutory auditor, to the effect that if they are appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013 read with the rules, if any.

The Auditors' Report annexed to the financial statements for the year under review does not contain any qualifications.

### Internal Auditors

M/s HRK & Co., has resigned from the position of Internal Auditor w.e.f. 22/08/2022, The Board took note of the same in the board meeting held on 30<sup>th</sup> August, 2022

The Board of Directors in their meeting held on 30<sup>th</sup> August, 2022 appointed M/s. Savjani & Associates, Chartered Accountants, as Internal Auditor of the Company in terms of Section 138 of the Companies Act, 2013 and rules made thereunder, for financial year FY 2022-2023, upon recommendation of the Audit Committee.

### Secretarial Auditors

Pursuant to the provisions of Section 204 of the Companies Act, 2013 and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Company has appointed M/s. Suthar & Surti, Practicing Company Secretaries, Ahmedabad on 28/06/2022 for the FY 2021-22 to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith marked as "[Annexure -B](#)" to this Report. The Secretarial Auditor has made following observations in their Audit Report and the comments of the Management is as under on the same:

Sr No.	Observation	Comments of Management
1.	Company has not closed its Trading Window for sale/purchase and dealing in Company's Equity Shares for all designated persons and their immediate relatives for half year ended on 30/09/2021	Due to oversight Company failed to give notice for closure of trading window. None of promoter / insider / director of the Company have inadvertently traded during that period and the Company has strengthened the compliance system to avoid such failure in future.
2.	Company has received notice for non-compliance from NSE dated 14/07/2021 for violation of Regulation 29(3) of SEBI (LODR) Regulations, 2015	Stock Exchange has imposed fine of Rs. 10,000/- on Company and company has paid fine on 24/12/2021. Company has strengthened



		the compliance system to avoid such failure in future.
3.	During the year Company has made appointment of Directors but company has not made corporate announcement affirming that Directors being appointed are not debarred from holding the office of Director by virtue of SEBI order or any other authority pursuant to NSE circular dated 20/06/2018	Due to oversight affirmation could not be given in announcement, however The Company has strengthened the compliance system to avoid such mistake.
4.	Company has not submitted altered Memorandum of Association to Stock Exchange as per Regulation 30 of SEBI (LODR) Regulations, 2015	Due to oversight altered copy of Memorandum of Association was not submitted, however the Company has strengthened the compliance system to avoid such failure in submission.
5.	Company has not given a public notice by way of advertisement before sending the notices and copies of the financial statements as per MCA general circular No. 20/2020 dated 05/05/2020	Due to oversight Company was failed to give public notice as per MCA general circulars, however the Company has strengthened the compliance system to avoid such failure.
6.	Company has not provided details of appointment of new Directors or re-appointment of a director to the shareholders pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and secretarial Standards – 2 issued by The Institute of Company Secretaries of India	Due to oversight Company was failed to give such information, however the Company has strengthened the compliance system to avoid such failure.

## 21. **DISCLOSURE REGARDING MAINTENANCE OF COST RECORDS**

Pursuant to Section 148 of the Companies Act, 2013 read with the Companies (Cost Records and Audit) Amendment Rules, 2014, the cost audit records maintained by the Company in respect of its activity are required to be audited.

Your directors had, on the recommendation of the Audit Committee, appointed M/s P.K. Chatterjee & Associates, to audit the cost accounts of the Company for the financial year ending 31<sup>st</sup> March 2023 on a remuneration of Rs. 35,000/- inclusive of all taxes as applicable. As required under the Companies Act, 2013, the remuneration payable to the Cost Auditors is required to be placed before the Members in a general meeting for their ratification. Accordingly, a Resolution seeking Members' ratification for the remuneration payable to M/S P.K. Chatterjee & Associates, the Cost Auditors is included at Item No. 5 of the Notice convening the Annual General Meeting.

## 22. **EXPLANATION OR COMMENTS ON DISQUALIFICATIONS, RESERVATIONS, ADVERSE REMARKS OR DISCLAIMERS IN THE AUDITOR'S REPORTS**

There have been no disqualifications, reservations, adverse remarks or disclaimers in the auditor's reports, requiring explanation or comments by the Board.

## 23. **COMMITTEES OF THE BOARD**

In compliance with the requirement of applicable laws and as part of best governance practices, the Company has following Committees of the Board as on 31<sup>st</sup> March, 2022:

- i. Audit Committee
- ii. Nomination and Remuneration Committee

#### **AUDIT COMMITTEE**

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Rajeshbhai Tulsibhai Patel	Chairman	Non-Executive-Independent Director
Mr. Kamlesh Pravin Yagnik	Member	Non-Executive-Independent Director
Mr. Vipul Mulchand Shah	Member	Non-Executive Director

#### **NOMINATION AND REMUNERATION COMMITTEE**

<b>Name of the Director</b>	<b>Status in Committee</b>	<b>Nature of Directorship</b>
Mr. Rajeshbhai Tulsibhai Patel	Chairman	Non-Executive-Independent Director
Mr. Kamlesh Pravin Yagnik	Member	Non-Executive-Independent Director
Mr. Vipul Mulchand Shah	Member	Non-Executive Director

#### **Terms of Reference:**

Audit Committee:

Every Audit Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include—

- (i) the recommendation for appointment, remuneration and terms of appointment of auditors of the company;
- (ii) review and monitor the auditor's independence and performance, and effectiveness of audit process;
- (iii) examination of the financial statement and the auditors' report thereon;
- (iv) approval or any subsequent modification of transactions of the company with related parties;

Provided that the Audit Committee may make omnibus approval for related party transactions proposed to be entered into by the company subject to such conditions as may be prescribed

Provided further that in case of transaction, other than transactions referred to in section 188, and where Audit Committee does not approve the transaction, it shall make its recommendations to the Board:

Provided also that in case any transaction involving any amount not exceeding one crore rupees is entered into by a director or officer of the company without obtaining the approval of the Audit Committee and it is not ratified by the Audit Committee within three months from the date of the transaction, such transaction shall be voidable at the option of the Audit Committee and if the transaction is with the related party to any director or is authorised by any other director, the director concerned shall indemnify the company against any loss incurred by it:

Provided also that the provisions of this clause shall not apply to a transaction, other than a transaction referred to in section 188, between a holding company and its wholly owned subsidiary company.

- (v) scrutiny of inter-corporate loans and investments;
- (vi) valuation of undertakings or assets of the company, wherever it is necessary;
- (vii) evaluation of internal financial controls and risk management systems;
- (viii) monitoring the end use of funds raised through public offers and related matters.

#### Nomination and Remuneration Committee:

Every Nomination and Remuneration Committee shall act in accordance with the terms of reference specified in writing by the Board which shall, inter alia, include—

- (i) The Nomination and Remuneration Committee shall identify persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, recommend to the Board their appointment and removal and shall specify the manner for effective evaluation of performance of Board, its committees and individual directors to be carried out either by the Board, by the Nomination and Remuneration Committee or by an independent external agency and review its implementation and compliance.
- (ii) The Nomination and Remuneration Committee shall formulate the criteria for determining qualifications, positive attributes and independence of a director and recommend to the Board a policy, relating to the remuneration for the directors, key managerial personnel and other employees.
- (iii) The Nomination and Remuneration Committee shall, while formulating the policy under sub-section (3) ensure that—
  - (a) the level and composition of remuneration is reasonable and sufficient to attract, retain and motivate directors of the quality required to run the company successfully;
  - (b) relationship of remuneration to performance is clear and meets appropriate performance benchmarks; and
  - (c) remuneration to directors, key managerial personnel and senior management involves a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the company and its goals.

#### **24. PARTICULARS OF LOANS GIVEN, INVESTMENTS MADE, GUARANTEES GIVEN AND SECURITIES PROVIDED**

There were no loans, guarantees or investments made by the Company under section 186 of the Companies Act, 2013 during the year.

#### **25. DIRECTORS' RESPONSIBILITY STATEMENT**

Pursuant to the provisions of Section 134 (3)(c) of the Companies Act, 2013, the Board of Directors hereby confirms that,

- i. the applicable Accounting Standards have been followed in preparation of the financial statements and there are no material departures from the said standards;
- ii. reasonable and prudent accounting policies have been used in preparation of the financial statements and that they have been consistently applied and that reasonable and prudent judgments and estimates have been made in respect of items not concluded by the year end, so as to give a true and fair view of the state of affairs of the Company as at 31st March, 2022 and of the profit for the year ended on that date;
- iii. proper and sufficient care has been taken for maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv. the financial statements have been prepared on a going concern basis;
- v. proper internal financial controls were in place and were adequate and operating effectively; proper systems to ensure compliance with the provisions of applicable laws were in place and were adequate and operating effectively.

## **26. BUSINESS RESPONSIBILITY REPORT**

The Company has been exempted from reporting on Business Responsibility Report as per Regulation 34(2)(f) of SEBI (Listing Obligation and Disclosure Requirements) Regulations, 2015.

## **27. DETAILS IN RESPECT OF FRAUDS REPORTED BY AUDITORS UNDER SUB-SECTION (12) OF SECTION 143 OTHER THAN THOSE WHICH ARE REPORTABLE TO THE CENTRAL GOVERNMENT**

There was no instance of fraud during the year under review, which required the Statutory Auditors to report to the Audit Committee and /or Board under Section 143(12) of Act and Rules framed thereunder.

## **28. A STATEMENT ON DECLARATION GIVEN BY INDEPENDENT DIRECTORS UNDER SUB-SECTION (6) OF SECTION 149;**

All Independent Directors (IDs) have given declaration that they meet the criteria of independence as laid down under section 149(6) of the Companies Act, 2013 and Regulation 16(1)(b) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015. The details terms of appointment of IDs are disclosed on the company's website with following link <https://solex.in/investor/>

## **29. ANNUAL RETURN**

In terms of Section 92(3) of the Companies Act, 2013 and Rule 12 of the Companies (Management and Administration) Rules, 2014, the Annual Return of the Company is available on the website of the Company at the link <https://solex.in/annual-return-under-section-92-of-the-companies-act-2013/>

## **30. PARTICULARS OF EMPLOYEES AND RELATED DISCLOSURES**

Disclosures pertaining to remuneration and other details as required under Section 197(12) of the Act read with Rule 5(1) & 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed herewith as "[Annexure -C](#)" to this report.

## **31. PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES REFERRED TO IN SUB-SECTION (1) OF SECTION 188**

All related party transactions that were entered during the financial year were in the ordinary course of the business of the Company and were on arm's length basis. There were no materially significant related party transactions entered with Promoters, Directors, Key Managerial Personnel or other persons which may have a potential conflict with the interest of the Company. The transactions entered into, pursuant to the omnibus approval so granted, are audited and a statement giving details of all related party transactions is placed before the Audit Committee and the Board of Directors for their approval. The policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions as approved by the Audit Committee and the Board of Directors is uploaded on the website of the Company <https://solex.in/investor/>. Form AOC-2 is annexed herewith as "[Annexure -D](#)" to this report.

## **32. FAMILIARISATION PROGRAMME OF INDEPENDENT DIRECTORS**

The Objective of a familiarization program is to ensure that the Independent Directors are updated on the business environment and overall operations of the Company. This enables the Independent Directors to make better informed decisions in the interest of the Company and its stakeholders.



In Compliance with the requirements of SEBI Regulations, the Company has put in place a familiarization program for the Independent Directors to familiarize them with their role, rights and responsibility as Directors, the working of the Company, nature of industry in which the Company operates, business model etc.

A familiarization program was conducted for Independent Directors on areas such as the core functions and operations of the Company, overview of the industry, financials and the performance of the Company by site visits to plant location.

The details of such familiarisation programmes for Independent Directors are posted on the website of the Company and can be accessed at <https://solex.in/investor/>

### **33. VIGIL MECHANISM/WHISTLE BLOWER POLICY**

Pursuant to the provisions of section 177(9) & (10) of the Companies Act, 2013 and Regulation 22 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, a Vigil Mechanism or 'Whistle Blower Policy' for directors, employees and other stakeholders to report genuine concerns has been established. The Company has built a reputation for doing business with honesty and integrity over the years, and has shown zero tolerance for any sort of unethical behaviour or wrongdoing or suspected fraud or violation of the Company's Code of Conduct or policy. The Audit Committee reviews the functioning of the Whistle Blower mechanism on a quarterly basis. Whistle-blower Policy and Code of Business Conduct have been hosted on the website of the Company. ( <https://solex.in/investor/> )

### **34. COMPLIANCE WITH SECRETARIAL STANDARDS ON BOARD AND ANNUAL GENERAL MEETINGS**

The company is in compliance with the Secretarial Standard on Meeting of the Board of Directors (SS-1) and General Meeting (SS-2) issued by the Institute of Company Secretaries of India and approved by the Central Government.

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

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8 of The Companies (Accounts) Rules, 2014, is annexed herewith as "[Annexure- E](#)".

### **36. INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company believes that a strong internal control framework is necessary for business efficiency, management effectiveness and safeguarding assets. The Company has a well-defined internal control system in place, which is designed to provide reasonable assurance related to operation and financial control. The Management of the Company is responsible for ensuring that Internal Financial Control has been laid down in the Company and that controls are adequate and operating adequately.

The audit scope, reporting framework is defined in charter of the Internal Audit, which is approved by the Audit Committee of the Board of Directors. The Internal Auditors evaluates the efficacy and adequacy of internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all the locations of the Company. Based on the report of the Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are placed before the Audit Committee of the Board. The Internal Audit also continuously evaluates the various processes being followed by the Company and suggests value addition, to strengthen such processes and make them more effective.

**37. ANY SIGNIFICANT AND MATERIAL ORDER PASSED BY REGULATORS OR COURTS OR TRIBUNALS**

No orders were passed by the regulators or courts or tribunals impacting the going concern status and company's operation in future during the year under review.

**38. A STATEMENT UNDER SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013**

The Company has in place a Prevention of sexual harassment policy in line with the requirements of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

Your Company has adopted a policy on prevention, prohibition and redressal of sexual harassment at the workplace in line with the provisions of the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules made there under. Your Company has constituted an Internal Complaints Committee to handle all clearing and forwarding Agency where our employees are working and Manufacturing site.

Disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013:

- a. number of complaints filed during the financial year: Nil
- b. number of complaints disposed of during the financial year: Nil
- c. number of complaints pending as on end of the financial year: Nil

**39. DISCLOSURE IN RESPECT OF EQUITY SHARES TRANSFERRED IN THE 'SOLEX ENERGY LIMITED- UNCLAIMED SUSPENSE ACCOUNT':**

There are no such instances during the year which requires transfer of equity shares to Unclaimed Suspense Account.

**40. ACKNOWLEDGEMENT**

Your Directors wish to express their grateful appreciation to the continued co-operation received from the Banks, Government Authorities, Customers, Vendors and Shareholders during the year under review. Your Directors also wish to place on record their deep sense of appreciation for the committed service of the executives, staff and workers of the Company.

**Date: 30-08-2022**  
**Place: Surat**

**By Order of the Board of Directors**  
**For, Solex Energy Limited**

**sd/-**  
**Chetan Shah**  
**Chairman & Managing Director**  
**DIN: 00031187**

## **ANNEXURE “A” THE BOARD REPORT**

### **MANAGEMENT DISCUSSION AND ANALYSIS REPORT**

**This report covers the operations and financial performance of the Company for the year ended 31<sup>st</sup> March, 2022 and forms part of the Annual Report.**

#### **INDUSTRY STRUCTURE AND DEVELOPMENT**

Solex is a leading Manufacturer of Solar PV module in India. Changing economic and business conditions, technological innovation and technology adoption are making the markets more competitive. Your company is all geared up to meet the challenges of the current dynamic market conditions. The customer focus has shifted to cost saving and alternate solution. Solex always provides the optimum solution to its customer.

There are challenging times across the world. Almost every business every individual is being impacted in these times and your Company is no exception to it. This is the time for us to show what we are made up of. We must work harder and smarter, delight our customers now more than ever. The true spirit is founded on our enthusiasm, on our constant will to renew, on our willingness to assume responsibility and to ensure that we succeed. Your Company backed by a list of Multinational and Indian Corporate Giants and remarkable processing talents was able to face those challenges by bolstering talent and cost-effective plans across the Company.

#### **OPPORTUNITIES & THREATS**

While we have always known that each business stands uniquely apart in its thinking, objectives and resources, we believe the timing is opportune to run them independently. The year gone by is proof of our long-term approach to doing business whether from the point of view of strategy, operations or sustainability. After considerable thought, we believe that recognizing our businesses as explained earlier is the most efficient and sustainable way to move to the next level and stay true to “SOLEX ENERGY” mission to enhance the value of our customer’s products by delivering best quality and consistently improve the quality for the Customer.

India’s power sector is one of the most diversified in the world. Sources of power generation range from conventional sources such as coal, lignite, natural gas, oil, hydro and nuclear power to viable non-conventional sources such as wind, solar, and agricultural and domestic waste. Electricity demand in the country has increased rapidly and is expected to rise further in the years to come. In order to meet the increasing demand for electricity in the country, massive addition to the installed generating capacity is required. So renewable energy sector especially solar energy is most valuable in India as well as in World and our Company is working in this sector so we have a bright future. Government has also taken initiative steps for using solar source in electricity consumption like subsidy.

The Outbreak of Coronavirus (COVID–19) pandemic globally has caused a slowdown in economic activity and has caused global widespread economic and business disruption leaving uncertainties with respect to its severity, which currently cannot be reasonably ascertained. But as per the recent Bloomberg report that India will be 0% impacted by the global slowdown, your company will be growing leaps & bounds in solar manufacturing sector. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time.

The existing expanded scale of our operations, future developments, low overheads, and qualities of products matching with International Standards are our inherent strengths. This in turn continues to give us unparalleled platform to be more competitive. We are focused to deliver superior values to customers, ensuring international qualities for all the products and services. Solex is meeting and/or exceeding all global norms in product quality & manufacturing thus making it the most suitable candidate for exports of PV modules in many international markets.

Ample opportunities exist for India as a whole for the solar PV market as China has been seen as a dampener in world supplies of PV modules due to lack of focus on quality products and unethical business practices.

The Indian government has given solar energy significant preference in the country's renewable energy mix. In 2014, the Government of India launched the Rooftop Subsidy program and Golden Sun Demonstration (GSD) program. Under GSD, 50% monetary support has been provided in the form of subsidy for large grid connected rooftop having capacity >300 kW, and 70% support for off- grid systems. Under Solar Mission 2014, the Indian government has set a target of installing 100 GW installed capacity of solar electricity by 2022, out of which, 40 GW is projected to be through grid connected rooftop solar systems. In addition, under centralized grid connection and stand-alone solar energy strategy development, the government aims to ensure energy security for the nation to achieve '24 × 7 power to all'. Moreover, the government plans to invest USD 3.1 billion on state aid for India's solar panel manufacturing industry, to increase India's photovoltaic capacity, thus propelling the growth of the solar power market.

The India solar power market is expected to grow at a CAGR of more than 40% during the forecast period 2020-2025. Major factors driving the market studied are the declining cost of the solar module and the government policies like allowing 100% FDI under automatic route for renewable power generation and distribution projects which is expected to increase the participation from global players into the Indian market. Moreover, the sharp decline in prices of solar technologies in the recent years by about 52% between 2010 and 2015 (in kWh terms) has been one of the biggest drivers in the adoption of solar PV in the country.

#### **SEGMENT-WISE OR PRODUCT-WISE PERFORMANCE**

The Company operates in only single segment. Hence segment wise performance is not applicable.

#### **OUTLOOK**

The Company continues to maintain its relatively stable and progressive growth outlook. The initiative taken by your Company for reducing overheads and Finance Costs, build a strong relationship with all our Customers, Vendors and Employees on the values of ethical and transparent working system, improving new standards of production process into our existing product lines which will optimize the production time without compromising on the quality, improving operating parameters and optimizing parameters and optimizing operating costs will enable the Company to face challenging in coming crisis. Domestic & export outlook are very bright and Solex will be rightly placed to export to European, North American markets. Your company is sure to commence by the end of current financial year.

#### **RISK MANAGEMENT**

Renewable energy sector has a certain specific set of risk characteristics, which needs to be carefully evaluated and mitigated. In order to effectively manage the same, the Company has evolved proactive Risk Management System, which is adhered to. The risk management covers the entire process from capital investment, competitors' activities, new entrants etc. Continual reforms and emphasis on technological developments shall reduce the exposure to risk. Certifications costs are prohibitive hence adding new product certifications will add to the cost of the product thereby making it priced high.



## INTERNAL CONTROL SYSTEMS

The Company believes that a strong internal control framework is necessary for business efficiency, management effectiveness and safeguarding assets. The Company has a well-defined internal control system in place, which is designed to provide reasonable assurance related to operation and financial control. The Management of the Company is responsible for ensuring that Internal Financial Control has been laid down in the Company and that controls are adequate and operating adequately.

The audit scope, reporting framework is defined in charter of the Internal Audit, which is approved by the Audit Committee of the Board of Directors. The Internal Auditors evaluates the efficacy and adequacy of internal control system, its compliance with operating systems and policies of the Company and accounting procedures at all the locations of the Company. Based on the report of the Internal Auditors, process owners undertake corrective action in their respective areas and thereby strengthen the controls. Significant audit observations and corrective actions thereon are placed before the Audit Committee of the Board. The Internal Audit also continuously evaluates the various processes being followed by the Company and suggests value addition, to strengthen such processes and make them more effective.

## MATERIAL DEVELOPMENTS IN HUMAN RESOURCES / INDUSTRIAL RELATIONS FRONT, INCLUDING NUMBER OF PEOPLE EMPLOYED

The focus is on the capability development, performance management and employee engagement. This is expected to improve the cost competitiveness through greater levels of employee participation, commitment and involvement.

Industrial Relations continued to be cordial. Coaching & mentoring is a continuous process at Solex for select talent across the organisation with an intent of developing future leaders. Internal employees have been given opportunities to take up higher roles and grow in the system. Overall functional training and organising cultural events kept the team engaged and motivated. The Company had 68 employees on its rolls, as on March 31, 2022

## DISCUSSION ON FINANCIAL PERFORMANCE WITH RESPECT TO OPERATIONAL PERFORMANCE FINANCIAL PERFORMANCE

(Rs. IN Lakh)

Particulars	Current Year 2021-22	Previous Year 2020-21
Revenue from operation	7270.17	7,990.20
Profit before Interest and Depreciation	199.02	301.61
Less: Interest	75.07	108.18
Profit Before Depreciation	123.95	193.43
Less: Depreciation	25.16	25.81
<b>Profit Before Tax</b>	<b>122.76</b>	<b>235.65</b>
<b>Less/Add: Tax Expenses</b>		
<b>Current Tax</b>	33.02	66.19
<b>Deferred Tax</b>	(6.20)	4.02
<b>Total Tax Expenses</b>	(2.85)	2.17
<b>Profit for the year</b>	<b>98.79</b>	<b>167.62</b>

The performance analysis for the year; we achieved a Net Revenue of Rs.7990.20 /-lakh during the year. The Interest & Finance Costs for the year stood at Rs.108.18 lakh.



**DETAILS OF SIGNIFICANT CHANGES (I.E. CHANGE OF 25% OR MORE AS COMPARED TO THE IMMEDIATELY PREVIOUS FINANCIAL YEAR) IN KEY FINANCIAL RATIOS, ALONG WITH DETAILED EXPLANATIONS THEREOF, INCLUDING:**

Particulars	Current Year 2021-22	Previous Year 2020-21	% Variance	Reason (for change of 25% or more)
Debtors Turnover	1.89	1.43	32.39%	Deviation in ratio is due to The Debtors were reduced as compare to Sale
Inventory Turnover	5.93	11.03	-46.21%	Deviation in ratio is due to PV module Raw materials were purchased in March-22, the actual production starts in 2022-23
Interest Coverage Ratio	2.64	3.04	-13.26%	-
Current Ratio	2.22	1.64	35.74%	Deviation in ratio is due to The Company has raised the new fund during the previous year and utilised for working capital.
Debt Equity Ratio	0.61	0.51	18.57%	-
Operating Profit Margin (%)	1.18	2.51	-52.99%	Deviation in ratio is due to the margin is decreased as compare to previous year.
Net Profit Margin (%)	1.37	2.1	-88.73%	Deviation in ratio is due to the margin is decreased as compare to previous year.
Return on Net Worth	0.66	1.27	-47.93%	Deviation in ratio is due to the company has issued new share capital during the year 2021-22

**DISCLOSURE OF ACCOUNTING TREATMENT:**

The Company is responsible for the preparation and presentation of the financial statements that gives a true and fair view of the net profit of the financial position, financial performance and cash flows of the Company in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India.

**CAUTIONARY STATEMENT**

Statement in this management analysis detailing the Company's objectives, projections, estimates, expectations, or predictions may be "forward looking" statements within the meaning of applicable laws and regulations. Actual results may differ materially from those expressed in the statement. Important factors that may influence your Company's operations include Global and domestic supply and demand conditions affecting selling prices, input availability and prices, changes in Government policies, regulations, tax regimes, economic development within and outside the country and other allied factors. The Company assumes no responsibility to publicly amend, modify or revise the forward-looking statement on the basis of subsequent developments, information or events.

For and on behalf of the Board  
Solex Energy Limited

sd/-  
Chetan Shah  
Chairman & Managing Director  
DIN: 02253886

Place: Surat  
Date: 30-08-2022

**ANNEXURE “B” THE BOARD REPORT****Form No. MR-3****SECRETARIAL AUDIT REPORT****FOR THE FINANCIAL YEAR ENDED 31<sup>st</sup> March, 2022**

[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,  
Solex Energy Limited  
CIN: L40106GJ2014PLC081036  
Reg. Office: Plot No. 131/A, Phase 1,  
Nr. Krimy Industries,  
GIDC Vithal Udyognagar,  
Anand - 388121

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **M/S. SOLEX ENERGY LIMITED** (hereinafter called the “Company”). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the Company’s books, papers, minute books, forms and returns filed and other records maintained by the Company and also 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 on **31<sup>st</sup> March, 2022** complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined on the test basis books, papers, minute books, forms and returns filed and other records maintained by Company and produced before us for the audit period, according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the Rules made thereunder;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the Rules made thereunder;
- (iii) The Depositories Act, 1996 and the Regulations, as amended from time to time and Bye-laws framed thereunder;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act') viz.:-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015;
  - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018;
  - (d) The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014; **(Not applicable to the Company during the audit period)**
  - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; **(Not applicable to the Company during the audit period)**
  - (f) 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;
  - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; **(Not applicable to the Company during the audit period)** and
  - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998. **(Not applicable to the Company during the audit period)**
- (vi) Other Laws which are applicable to the Company;
- The Electricity Act, 2003
  - National Renewable Energy Act, 2015
- (vii) Management has, in its Representation Letter, identified and confirmed the applicability of compliance of all laws as being specifically applicable to the company, relating to Labor/Pollution/Environment/Production process etc., apart from other general laws.

We have also examined compliance with the applicable Clauses/ Regulations of the following:

- (i) Mandatory Secretarial Standards issued by The Institute of Company Secretaries of India ; and
- (ii) Provisions of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015;

We further report, that compliance by the Company of applicable financial laws, like direct and indirect tax laws, has not been reviewed in this Audit since the same have been subject to review by Tax Auditor / Other designated professionals.

We further report that, during the year under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent mentioned below;

- a. Company has not closed its Trading Window for sale/purchase and dealing in Company's Equity Shares for all designated persons and their immediate relatives for half year ended on 30/09/2021.
- b. Company has received notice for non-compliance from NSE dated 14/07/2021 for violation of Regulation 29(3) of SEBI (LODR) Regulations, 2015 and Stock Exchange has imposed fine of Rs. 10,000/- on Company and company has paid fine on 24/12/2021.
- c. During the year Company has made appointment of Directors but company has not made corporate announcement affirming that Directors being appointed are not debarred from holding the office of Director by virtue of SEBI order or any other authority pursuant to NSE circular dated 20/06/2018.
- d. Company has not submitted altered Memorandum of Association to Stock Exchange as per Regulation 30 of SEBI (LODR) Regulations, 2015.
- e. Company has not given a public notice by way of advertisement before sending the notices and copies of the financial statements as per MCA general circular No. 20/2020 dated 05/05/2020.
- f. Company has not provided details of appointment of new Directors or re-appointment of a director to the shareholders pursuant to Regulation 36(3) of SEBI (LODR) Regulations, 2015 and secretarial Standards – 2 issued by The Institute of Company Secretaries of India

We further report that:

- a. the Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors / Committee(s) that took place during the period under review were carried out in compliance with the provisions of the Act.
- b. Adequate notices were given to all the directors to schedule the Board Meetings, Agenda and detailed notes on Agenda were sent at least seven days in advance, and 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. As per the minutes of the meetings duly recorded and signed by the Chairman, there were no dissenting views mentioned by the members of the Board of Directors. All the decisions of the Board and Committees were carried out with requisite majority.
- c. Based on the general review of compliance mechanisms established by the company and on the basis of management representation, there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with all the applicable laws, rules, regulations and guidelines, standards etc.

We further report that during the audit period the Company has conducted following specific actions/events which could have a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above:



- 1) During the year Company has made allotment of 9,59,258 Equity shares on preferential basis at issue price of Rs. 35/- (including premium of Rs. 25/-) on 29/04/2021.
- 2) During the year Company has made allotment of 21,00,742 Equity shares on preferential basis at issue price of Rs. 35/- (including premium of Rs. 25/-) on 06/05/2021.

**For, Suthar & Surti**  
**Company Secretaries**  
**Firm Reg. No.: P2018GJ068000**

**sd/**  
**Sharvil B. Suthar**  
**Partner**  
**Mem. No.: F11466**  
**C.O.P. No.: 20228**  
**UDIN: F011466D000772138**  
**P/R. No.: 1586/2021**

**Date: 10-08-2022**  
**Place: Ahmedabad**

To,  
The Members,  
Solex Energy Limited  
CIN: L40106GJ2014PLC081036  
Reg. Office: Plot No. 131/A, Phase 1,  
Nr. Krimy Industries,  
GIDC Vithal Udyognagar,  
Anand - 388121

Our report of even date provided in Form MR-3 is to be read along with this letter.

1. Maintenance of secretarial records is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on my audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification was done on test basis to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedure on test basis, for the purpose of issuing Secretarial Audit Report.
6. 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.
7. We have conducted our audit in the manner specified under Section 204 of the Companies Act, 2013 and Rules made there under, which seeks an opinion and reasonable assurance about the compliance status of various applicable acts and rules to the Company.

For, Suthar & Surti  
Company Secretaries  
Firm Reg. No.: P2018GJ068000

sd/  
Sharvil B. Suthar  
Partner  
Mem. No.: F11466  
C.O.P. No.: 20228  
UDIN: F011466D000772138  
P/R. No.: 1586/2021  
Date: 10-08-2022  
Place: Ahmedabad

## ANNEXURE “C” THE BOARD REPORT

### STATEMENT OF DISCLOSURE OF REMUNERATION u/s 197 of the Companies Act 2013 and rule 5 of the companies (Appointment and Remuneration of Managerial Personnel) rules, 2014

#### 1. PARTICULARS OF REMUNERATION

- I. Ratio of remuneration of each Executive Director to the median remuneration of employees of the Company for the financial year 2021-22, the percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any during the financial year 2021-22 are as under:

Sr. No.	Name of Director/ KMP	Designation	Ratio of Remuneration of each director to median remuneration of employees	Percentage (%) increase in Remuneration
1	Chetan Sureshchandra Shah	Chairman and Managing Director	1.97:1	Nil
2	Kalpeshkumar Ramanbhai Patel	Executive Director	1.40:1	116.67
3	Piyush Kailashchandra Chandak	Executive Director	0.18:1	Nil
3	Anil Rathi	Non-Executive Director	Nil	Nil
4	Vipul Mulchand Shah	Non-Executive Director	Nil	Nil
5	Kamlesh Pravin Yagnik	Independent Non-Executive Director	Nil	N.A.
6	Rajeshbhai Tulsibhai Patel	Independent Non-Executive Director	Nil	N.A.
7	Kiran Ritesh Shah	Executive Director	Nil	Nil
8	Kiran Ritesh Shah	Chief Financial Officer	0.43:1	79.70
9	Dilipkumar Gajanand Nikhare	Company Secretary	0.05:1	Nil
10	Manish G. Vaghela	Company Secretary	0.08:1	Nil
11	Dhara D. Patel*	Director	Nil	Nil
12	Vijaykumar S. Virpara*	Director	Nil	Nil

\* Dhara Patel and Vijaykumar S. Virpara has resigned from the post of director w.e.f. 06/08/2021

Sr. No.	Particulars	Details
1	% Increase in the median remuneration of employee in the Financial Year 2021-22	40.67%
2	Total number of permanent employees on the rolls of the Company as on 31st March, 2022 (on standalone basis)	68
3	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	The average increase in the remuneration of both, the managerial and employees was determined based on the overall performance of the Company. Further the criteria for remuneration of employees is based on the internal evaluation of key performance areas while the remuneration of the managerial personnel is based on the remuneration policy as recommended by the Nomination and Remuneration Committee and approved by the board of directors.
4	Affirmation that the remuneration is as per the remuneration policy of the company	Company affirms that the remuneration is as per the remuneration policy of the company

- i. Employees who are employed throughout the year and in receipt of remuneration aggregating Rs. 1,02,00,000/- [one crore and two lakh rupees] or more per year: Nil
- ii. Employees who are employed part of the year and in receipt of remuneration aggregating Rs. 8,50,000/- [eight lakh and fifty thousand rupees] per month: Nil
- iii. Employees who are employed throughout the year or part thereof, is 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 holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company: Nil

For and on behalf of the Board  
 Solex Energy Limited

sd/-  
 Chetan Shah  
 Chairman & Managing Director  
 DIN: 02253886

Place: Surat  
 Date: 30-08-2022

## ANNEXURE “D” THE BOARD REPORT

### AOC-2

**[Pursuant to clause (h) of sub-section (3) of section 134 of the Companies Act, 2013 and Rule 8(2) of the 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.**

A. Details of contracts or arrangements or transactions not at arm's length basis:  
During the year, The Company has not entered into any contracts or arrangements with any of the related party which are not on arm's length basis.

B. Details of material contracts or arrangement or transactions at arm's length basis:

<b>1.</b>	<b>Lease Rent Paid</b>	
(a)	Name(s) of the related party and nature of relationship	Kalpeshkumar Ramanbhai Patel, Director of the Company
(b)	Nature of contracts/arrangements/transactions	Rent Payment
(c)	Duration of the contracts/arrangements/transactions	5 Years
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	16,80,000/-
(e)	Date(s) of approval by the Board, if any:	30-06-2021
(f)	Amount paid as advances, if any:	Nil
<b>2.</b>	<b>Sale of Goods and Services</b>	
(a)	Name(s) of the related party and nature of relationship	Bhanuben Ramanbhai Patel, Director Interested
(b)	Nature of contracts/arrangements/transactions	Sales
(c)	Duration of the contracts/arrangements/transactions	Ongoing transactions (year to year)
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	1,34,622/-
(e)	Date(s) of approval by the Board, if any:	Nil
(f)	Amount paid as advances, if any:	Nil
<b>3.</b>	<b>Lease Rent Paid</b>	
(a)	Name(s) of the related party and nature of relationship	Shri Vasudev Industries, Director Interested
(b)	Nature of contracts/arrangements/transactions	Rent Payment
(c)	Duration of the contracts/arrangements/transactions	15 Years
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	59,00,000/-
(e)	Date(s) of approval by the Board, if any:	30-06-2021
(f)	Amount paid as advances, if any:	Nil



<b>4.</b>	<b>Purchase of Goods and Services</b>	
(a)	Name(s) of the related party and nature of relationship	Pramukh System, Director Interested
(b)	Nature of contracts/arrangements/transactions	Repair & Maintenance Expenses and Fixed Assets Purchases and purchase of Computer and Printer
(c)	Duration of the contracts/arrangements/transactions	Ongoing transactions (year to year)
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	1,11,071/-
(e)	Date(s) of approval by the Board, if any:	Nil
(f)	Amount paid as advances, if any:	Nil
<b>5.</b>	<b>Purchase of Goods and Services</b>	
(a)	Name(s) of the related party and nature of relationship	Nemji EVPV Pvt Ltd Director Interested
(b)	Nature of contracts/arrangements/transactions	Purchase of Rooftop
(c)	Duration of the contracts/arrangements/transactions	5 Years
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	3,14,820/-
(e)	Date(s) of approval by the Board, if any:	30-06-2021
(f)	Amount paid as advances, if any:	Nil
<b>6.</b>	<b>Purchase of Goods and Services</b>	
(a)	Name(s) of the related party and nature of relationship	Nemji.com HUF Director Interested
(b)	Nature of contracts/arrangements/transactions	Purchase of Computer, Printer and Computer Stationery
(c)	Duration of the contracts/arrangements/transactions	Ongoing transactions (year to year)
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	6,03,556/-
(e)	Date(s) of approval by the Board, if any:	Nil
(f)	Amount paid as advances, if any:	Nil
<b>7.</b>	<b>Availing of Services</b>	
(a)	Name(s) of the related party and nature of relationship	Tech Nemji, Relative of Director Interested
(b)	Nature of contracts/arrangements/transactions	Software Services Purchase
(c)	Duration of the contracts/arrangements/transactions	5 years
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	52,900/-
(e)	Date(s) of approval by the Board, if any:	Nil
(f)	Amount paid as advances, if any:	Nil
<b>8.</b>	<b>Sale of Goods and Services</b>	

(a)	Name(s) of the related party and nature of relationship	Oyster Industries Private Limited, Director Interested
(b)	Nature of contracts/arrangements/transactions	Sales
(c)	Duration of the contracts/arrangements/transactions	Ongoing transactions (year to year)
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	10,10,090/-
(e)	Date(s) of approval by the Board, if any:	Nil
(f)	Amount paid as advances, if any:	Nil
<b>9.</b>	<b>Availing of Services</b>	
(a)	Name(s) of the related party and nature of relationship	VSSK & Co., Director Interested
(b)	Nature of contracts/arrangements/transactions	Professional Services (Internal Audit Fee & GST Audit and Annual Return Fees)
(c)	Duration of the contracts/arrangements/transactions	5 years
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	1,25,000/-
(e)	Date(s) of approval by the Board, if any:	Nil
(f)	Amount paid as advances, if any:	Nil

\*All transaction entered by the Company is at market rate and on arm's length basis

For and on behalf of the Board  
Solex Energy Limited

sd/-  
Chetan Shah  
Chairman & Managing Director  
DIN: 02253886

Place: Surat  
Date: 30-08-2022

## ANNEXURE- E

**Information as per Section 134(3) (m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Board Report for the year ended on 31<sup>st</sup> March, 2022.**

### **A. CONSERVATION OF ENERGY**

- (i) **The steps taken or impact on conservation of energy;**

<b>Electricity</b>	<b>Current Year</b>	<b>Previous Year</b>
Unit Consumption	95493	94800
Total Amount	1060330	760123
Average Cost	11.10	8.01
Own generation:	NA	NA

- (ii) The steps taken by the company for utilising alternate sources of energy: Nil  
 (iii) The capital investment on energy conservation equipments: Nil

### **B. TECHNOLOGY ABSORPTION**

- a) **The efforts made towards technology absorption:** The Company continues to adopt and use the latest technologies to improve the productivity and quality of its services and products.
- b) **The benefits derived like product improvement, cost reduction, product development or import substitution:** The Company has not made any investment and taken any specific measure to reduce energy cost per unit. However, it intends to conserve energy for future generation.
- c) **In case of imported technology (imported during the last three years reckoned from the beginning of the financial year):** The company has imported solar manufacturing technology (machinery) from China

- i. the details of technology imported - solar manufacturing machineries as under:

<b>SUPPLIER NAME</b>	<b>PARTICULARS</b>	<b>FUNDS UTILISED (in INR)</b>
Yingku Jinchun Machinery Co Ltd	Purchase of 500 MW Solar Module Production Automation Line	3,33,58,483
Shri Vasudev Industries	Given for security deposit of lease agreement for Factory at Kim, Surat	75,00,000
Wuxi Autowell Supply Chain Management Co Ltd	Purchase of Stringer and Cell Cutter	84,46,051
Gsolar Power Co Ltd	Purchase of Sun Simulator	8,82,480

Wuxi Autowell Supply Chain	Purchase of Stringer and Cell Cutter	11,40,103
M/S. Leybold GmBH	Purchase of Vaccum Pump	1,46,00,744
Gsolar Power Co Ltd	Purchase of Sun Simulator	77,58,920
Dakshin Gujarat Vij Company Limited	DGVCL new connection at Kim Factory	41,12,094
Carrier Air-Conditioning & Refrigeration Limited	Air cooled Screw Chiller with VFD	55,00,000
Jiangsu Huaheng New Energy Co Ltd	Purchase of Solar Cell	2,38,01,125
	<b>TOTAL</b>	<b>10,71,00,000</b>

- ii. the year of import - 2021-22
- iii. whether the technology been fully absorbed - Yet to be absorbed
- iv. if not fully absorbed, areas where absorption has not taken place, and the reasons thereof :- manufacturing unit where the Machinery is setup is not yet

(iv) The expenditure incurred on Research and Development: **Nil**

#### C. FOREIGN EXCHANGE EARNING AND OUTGO

(Amt. in INR)

Particulars	2021-22	2020-21
Earning: Export in terms of actual inflow	-	-
Outgo: Imports in terms of actual outflows	<b>6,79,79,072</b>	61,56,53,886

For and on behalf of the Board  
 Solex Energy Limited

sd/-  
 Chetan Shah  
 Chairman & Managing Director  
 DIN: 02253886

Place: Surat  
 Date: 30-08-2022

**CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER CERTIFICATION**  
**Compliance Certificate**  
**Regulation 17(8) and 33(2) (a) of SEBI (LODR) 2015.**

- A. We have reviewed audited Financial Statements and cash flow statement for the year 2021-22 and that to the best of our knowledge and belief:
- (1) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
  - (2) These statements together present a true and fair view of the listed entity's affairs and comply with existing accounting standards, applicable laws, and regulations.
- B. There are, to the best of our knowledge and belief, no transactions entered into by the listed entity during the year which are fraudulent, illegal, or violative of the listed entity's code of conduct.
- C. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of internal control systems of the listed entity pertaining to financial reporting and have disclosed to the auditors and the audit committee, deficiencies in the design or operation of such internal controls, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.

We have indicated to the auditors and the Audit committee

- (1) Significant changes in internal control over financial reporting during the year;
- (2) Significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
- (3) 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 listed entity's internal control system over financial reporting.

For Sorex Energy Limited

sd/-  
Chetan Shah  
Chairman & Managing Director

sd/-  
Kiran Shah  
Director & Chief Financial Officer

Date: 30.05.2022  
Place: Surat



## **INDEPENDENT AUDITOR'S REPORT**

To the Members of Solex Energy Limited

### **Report on the audit of the Standalone Financial Statements**

#### **Opinion**

We have audited the accompanying financial statements of Solex Energy Limited ("the Company") which comprises the Balance Sheet as at March 31, 2022, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and notes to the financial statements, including a summary of significant 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 financial statement 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 accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2022, its profit and its cash flows 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 Companies Act, 2013, as amended ("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 obtained by us is sufficient and appropriate to provide a basis for our opinion.

#### **Information other than the Financial Statements and Auditor's Report thereon**

The Company's Board of Directors is responsible for the other information. The other information comprises Board's Report including Annexures to Board's Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

#### **Management's Responsibilities for the Standalone Financial Statements**

The Board of Directors of the Company are responsible for the preparation and presentation of the financial statements that gives a true and fair view of the net profit of the financial position, financial performance and cash flows of the Company in accordance with the applicable accounting standards prescribed under Section 133 of the Act read with relevant rules issued thereunder and other accounting principles generally accepted in India. 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 the design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, 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 is 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 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. Under Section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls with reference to financial statements in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the Board of Directors.
- Conclude on the appropriateness of the 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 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 financial statements, including the disclosures, and whether the financial statements represents the underlying transactions and events in a manner that achieves fair presentation.

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.



## Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure 1" a statement on the matters specified in paragraphs 3 and 4 of the Order.
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 Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account;
  - d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended;
  - e) On the basis of the written representations received from the directors as on March 31, 2022 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2022 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 over financial reporting of the Company with reference to these financial statements and the operating effectiveness of such controls, refer to our separate Report in "Annexure 2" to this report;
  - g) In our opinion, the managerial remuneration for the year ended March 31, 2022 has been paid/provided by the Company to its directors in accordance with the provisions of section 197 read with Schedule V to 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, as amended in our opinion and to the best of our information and according to the explanations given to us:
    - 1) The Company does not have major pending litigations which would impact its financial position.
    - 2) The Company does not have long-term contracts including derivative contracts, for which there are material foreseeable losses.
    - 3) There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

**For KSA & Co.**  
**Firm reg. no. : 0003822C**  
**Chartered Accountants**

**sd/-**  
**Arun Kanodiya**  
**Membership no.: 077131**  
**UDIN: 22077131ANYLOC8618**  
**Place: Surat**  
**Date :30.05.2022**

**Annexure 1 referred to in clause 1 of paragraph on the report on other legal and regulatory requirements of our report of even date**

**Re: Solex Energy Limited**

- i.
  - a) A) Company has maintained proper records showing full particulars, including quantitative details and situation of Property, Plant and Equipment.  
B) Company has maintained proper records showing full particulars of intangible assets.
  - b) The major Property, Plant and Equipment of the company have been physically verified by the management at reasonable intervals during the year and no material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us by the management, 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) The company has not revalued its Property, Plant and Equipment (including Right of Use assets) or intangible assets or both during the year.
  - e) According to the information and explanations given to us by the management, no proceedings have been initiated or are pending against the company for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (45 of 1988) and rules made thereunder.
- ii.
  - a) The management has conducted physical verification of inventory at reasonable intervals during the year, in our opinion, the coverage and procedure of such verification by the management is appropriate. As informed to us, any discrepancies of 10% or more in the aggregate for each class of inventory were not noticed on such verification.
  - b) The company has been sanctioned working capital limits in excess of five crore rupees, in aggregate, from banks or financial institutions on the basis of security of current assets; quarterly returns or statements filed by the company with such banks or financial institutions are generally in agreement with the books of account of the Company.
- iii. The Company has during the year, not made investments in, provided any guarantee or security or granted any loans or advances in the nature of loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or any other parties. Accordingly, the provisions of clause 3(iii) of the Order are not applicable.
- iv. According to the information and explanation given to us, the company has no loans, investments, guarantees or security where provisions of section 185 and 186 of the Companies Act, 2013 are to be complied with.
- v. In our opinion, the Company has complied with the directives issued by the Reserve Bank of India, the provisions of Sections 73 to 76 and other relevant provisions of the Act and the, Companies (Acceptance of Deposits) Rules, 2014 (as amended) as applicable, with regard to the deposits accepted or amounts which are deemed to be deposits. According to the information and explanations given to us, no order

has been passed by the Company Law Board or National Company Law Tribunal or Reserve Bank of India or any Court or any other Tribunal, in this regard.

vi. We have broadly reviewed the books of account maintained by the Company pursuant to the rules made by the Central Government for the maintenance of cost records under section 148(1) of the Companies Act, 2013, related to the manufacture and are of the opinion that prima facie, the specified accounts and records have been made and maintained. We have not, however, made a detailed examination of the same.

vii.vii.

- a) The Company is generally regular in depositing with appropriate authorities undisputed statutory dues including provident fund, employees' state insurance, income-tax, duty of custom, value added tax, goods and services tax, cess and other statutory dues applicable to it.
- b) According to the information and explanations given to us by the management, no undisputed amounts payable in respect of provident fund, employees' state insurance, income tax, duty of custom, value added tax, cess and other material statutory dues were outstanding, at the year end, for a period of more than six months from the date they became payable.
- c) According to the records of the Company, the dues outstanding of income-tax, sales-tax, service tax, duty of custom, duty of excise, value added tax, goods and services tax and cess on account of any dispute, are as follows :

Name of the statute	Nature of dues	Amount of Demand (Rs.)	Period for which amounts relates to	Forum where dispute is pending	Amount paid (Rs.)	Amount unpaid (Rs.)
Gujarat Value Added Tax Act, 2003	Gujarat CST	58,65,258	FY 2016-17	Deputy Commissioner of State Tax, Appeal-6, Vadodara	3,17,000	55,48,258
Gujarat Value Added Tax Act, 2003	Gujarat VAT	28,40,591	FY 2016-17	Deputy Commissioner of State Tax, Appeal-6, Vadodara	3,00,000	25,40,591
Central Goods and Services Tax, Act 2017	CGST	87,33,438	Jul 2017- Mar 2018	High Court of Jharkhand	31,29,348	56,04,090
Jharkhand Goods and Services Tax, Act 2017	SGST	87,33,438	Jul 2017- Mar 2018	High Court of Jharkhand	8,69,439	78,63,999

viii. According to the information and explanation given to us, no transactions which were not recorded earlier in the books of account have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961);



ix.

- a) In our opinion, the company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender during the year;
- b) Company is not declared wilful defaulter by any bank or financial institution or other lender;
- c) According to the information and explanation given to us, term loans were applied for the purpose for which the loans were obtained;
- d) According to the information and explanation given to us, funds raised on short term basis have not been utilised for long term purposes;
- e) According to the information and explanation given to us, 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;
- f) According to the information and explanation given to us, the company has not raised loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies;

x.

- a) According to the information and explanations given to us by the management, the Company has not raised any money by way of initial public offer/ further public offer/debt instruments;
- b) According to the information and explanations given to us by the management, the company has made preferential allotment of shares during the year and the requirements of section 42 and section 62 of the Companies Act, 2013 have been complied with and the funds raised have been used for the purpose for which the funds were raised;

xi.

- a) According to the information and explanation given to us, any fraud by the company or any fraud on the company has not been noticed or reported during the year;
- b) According to the information and explanation given to us, no report under sub-section (12) of section 143 of the Companies 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 explanation given to us, no whistle-blower complaints, received during the year by the company;

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 188 and section 177 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, the company has an internal audit system commensurate with the size and nature of its business;
- b) We have considered the reports of the Internal Auditors for the period under audit;

- 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. According to the information and explanations given to us, we are of the opinion that the company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934 and the company is not a Core Investment Company (CIC) as defined in the regulations made by the Reserve Bank of India, accordingly the provisions of clause 3(xvi) of the Order are not applicable;
- xvii. According to the information and explanations given to us and based on the audit procedures conducted we are of opinion that the company has not incurred any cash losses in the financial year and the immediately preceding financial year;
- xviii. There has been no resignation of the statutory auditors during the year and accordingly, the provisions of clause 3(xviii) of the Order is not applicable;
- xix. On the basis of the financial ratios, ageing and expected dates of realisation 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 indicating that company is incapable 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. The provisions of Section 135 towards corporate social responsibility are not applicable on the company. Accordingly, the provisions of clause 3(xx) of the Order is not applicable.
- xxi. The reporting under clause (xxi) is not applicable in respect of audit of standalone financial statements of the Company. Accordingly, no comment has been included in respect of said clause under this report.

**For KSA & Co.**

**Firm reg. no. : 0003822C**

**Chartered Accountants**

**sd/-**

**Arun Kanodiya**

**Membership no. : 077131**

**UDIN:22077131ANYLOC8618**

**Place : Surat**

**Date : 30.05.2022**

**Annexure 2 to the Independent auditor's report of even date on the financial statements of Solex Energy Limited****Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ('the Act')**

We have audited the internal financial controls over financial reporting of Solex Energy Limited (the Company') as of March 31, 2022 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

**Management's Responsibility for Internal Financial Controls**

The Company's Management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting 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 (the 'Guidance Note') issued by the Institute of Chartered Accountants of India (ICAI). 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 the 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 Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting with reference to these financial statements based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing as specified under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls and, both issued by the ICAI. 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 over financial reporting with reference to these financial statements was 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 system over financial reporting with reference to these financial statements and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, with reference to these 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 judgment, including the assessment of the risks of material misstatement of the 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 system over financial reporting with reference in these financial statements.



### **Meaning of Internal Financial Controls Over Financial Reporting With Reference to these Financial Statements**

A company's internal financial control over financial reporting with reference to these financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of the financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial control over financial reporting with reference to these financial statements includes 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 the financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the AS financial statements.

### **Inherent Limitations of Internal Financial Controls Over Financial Reporting with reference to these Financial Statements**

Because of the inherent limitations of internal financial controls over financial reporting, with reference to these 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 over financial reporting with reference to these financial statements to future periods are subject to the risk that the internal financial control over financial reporting with reference to these financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

### **Opinion**

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting with reference to these financial statements and such internal financial controls over financial reporting with reference to these financial statements were operating effectively as at March 31, 2022, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

**For KSA & Co.**  
**Firm reg. no. : 0003822C**  
**Chartered Accountants**

**sd/-**  
**Arun Kanodiya**  
**Membership no. : 077131**  
**UDIN :22077131ANYLOC8618**  
**Place : Surat**  
**Date :30.05.2022**

**Balance Sheet as at 31st March, 2022**

		(Rs. in Lakhs)	
Particulars	Note No.	As at 31-03-2022	As at 31-03-2021
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	2	800.00	494.00
(b) Reserves and Surplus	3	2,703.62	1,863.83
(c) Money received against share warrants		-	-
		<b>3,503.62</b>	<b>2,357.83</b>
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long Term Borrowings	4	1,300.10	101.67
(b) Deferred Tax Liabilities (Net)	1(f)	1.85	4.70
(c) Other Long Term Liabilities		-	-
(d) Long Term Provisions	5	501.06	641.64
		<b>1,803.01</b>	<b>748.01</b>
<b>3 Current liabilities</b>			
(a) Short Term Borrowings	6	831.67	1,108.26
(b) Trade Payables			
-Total Outstanding dues of MSMEs	7	574.56	2,116.48
-Total Outstanding dues of creditors other than MSMEs	7	681.89	1,067.93
(c) Other Current Liabilities	8	64.42	99.74
(d) Short Term Provisions	9	4.73	81.25
		<b>2,157.28</b>	<b>4,473.65</b>
<b>TOTAL EQUITY AND LIABILITIES</b>		<b>7,463.90</b>	<b>7,579.49</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Property, Plant & Equipment and Intangible Assets			
(i) Property, Plant and Equipment	10	62.71	85.76
(ii) Intangible Assets	10	6.43	7.15
(iii) Capital work-in-process	10	2,407.84	0.00
(iv) Intangible assets under development			
		<b>2,476.99</b>	<b>92.91</b>
(b) Non-current Investments			
(c) Deferred Tax Assets (net)			
(d) Long Term Loans and Advances			
(e) Other Non-current Assets	11	187.43	154.14
		<b>2,664.41</b>	<b>247.05</b>
<b>2 Current assets</b>			
(a) Current Investment		-	-
(b) Inventories	12	1,424.40	799.22
(c) Trade Receivables	13	2,074.85	5,559.60
(d) Cash and Cash Equivalents	14	227.94	206.77
(e) Short Term Loan and Advances	15	529.01	394.89
(f) Other Current assets	16	543.28	371.96
		<b>4,799.49</b>	<b>7,332.45</b>
<b>TOTAL ASSETS</b>		<b>7,463.90</b>	<b>7,579.49</b>
Contingent Liabilities	17	2,226.78	866.52
Significant Accounting Policies	1		
The accompanying notes are an integral part of financial statements.			

As per our report of even date  
For KSA & Co.  
ICAI Firm Reg. No. : 003822C  
Chartered Accountants

For and on behalf of Board of Directors of  
Solex Energy Limited

**sd/**  
Chetan S. Shah  
Chairman & Managing Director  
DIN : 02253886

**sd/**  
Kalpeshkumar R Patel  
Director  
DIN : 01066992

**sd/**  
Arun Kanodiya  
Partner  
Membership No : 077131

**sd/**  
Dilip G Nikhare  
Company Secretary

**sd/**  
Kiran R Shah  
Chief Financial Officer

Place : Surat  
Date : 30.05.2022

Place : Surat  
Date : 30.05.2022



**Statement of Profit and Loss for the year ended on 31st March, 2022**

(Rs. in Lakhs, unless otherwise stated)

Particulars	Note	For the Year ended on	
		31-03-2022	31-03-2021
		(Audited)	(Audited)
<b>I INCOME</b>			
(a) Revenue from Operations	18	7,232.79	7,962.10
(b) Other Income	19	37.38	28.11
<b>Total Income</b>		<b>7,270.17</b>	<b>7,990.20</b>
<b>II EXPENSES</b>			
(a) Cost of Materials Consumed	20(a)	5,710.28	6,053.04
(b) Purchases of Stock in Trade		-	-
(c) Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	20(b)	150.48	(198.63)
(d) Employee Benefit Expenses	21	229.53	186.98
(e) Financial Costs	22	75.07	108.18
(f) Depreciation and Amortization Expenses	10	25.16	25.81
(g) Other Expenses	23	956.89	1,586.77
<b>Total Expenses</b>		<b>7,147.41</b>	<b>7,762.15</b>
<b>III Profit/(Loss) before exceptional and extraordinary items and tax (I - II)</b>		<b>122.76</b>	<b>228.06</b>
<b>IV Exceptional Items (Prior period Items)</b>		-	7.60
<b>V Profit/(Loss) before extraordinary items and tax (III+IV)</b>		<b>122.76</b>	<b>235.65</b>
<b>VI Extraordinary items</b>		-	-
<b>VII Profit / (Loss) before tax (V+VI)</b>		<b>122.76</b>	<b>235.65</b>
<b>VIII Tax Expenses</b>			
Current tax for the year		33.02	66.19
Adjustment of tax relating to earlier periods		(6.20)	4.02
Deferred tax		(2.85)	(2.17)
<b>Total tax expenses</b>		<b>23.97</b>	<b>68.04</b>
<b>IX Profit/(Loss) from continuing operations (VII - VIII)</b>		<b>98.79</b>	<b>167.62</b>
<b>X Profit/(Loss) before Tax from Discontinuing Operations</b>		-	-
<b>XI Tax Expense from Discontinuing Operations</b>		-	-
<b>XII Profit/(Loss) after Tax from Discontinuing Operations (X-XI)</b>		-	-
<b>XIII Profit/(Loss) for the period/year</b>		<b>98.79</b>	<b>167.62</b>
<b>XIV Details of equity share capital</b>			
Paid-up equity share capital (No. of shares in Lakhs)		80.00	49.40
Face Value (in Rs.)		10.00	10.00
<b>XV Earnings per share (in Rs.)</b>			
(a) Basic		1.28	3.39
(b) Diluted		1.28	3.39

As per our report of even date  
For KSA & Co.  
ICAI Firm Reg. No. : 003822C  
Chartered Accountants

sd/  
Arun Kanodiya  
Partner  
Membership No : 077131

Place : Surat  
Date : 30.05.2022

For and on behalf of Board of Directors of  
Solex Energy Limited

sd/  
Chetan S. Shah  
Chairman & Managing Director  
DIN : 02253886

sd/  
Dilip G Nikhare  
Company Secretary

Place : Surat  
Date : 30.05.2022

sd/  
Kalpeshkumar R Patel  
Director  
DIN : 01066992

sd/  
Kiran R Shah  
Chief Financial Officer

**Cash Flow Statement for the year ended on 31st March, 2022**

		(Rs. in Lakhs)	
Particulars	For the year ended 31st March, 2022	For the year ended 31st March, 2021	
<b>I Cash Flow from Operating Activities :</b>			
Net Profit Before Tax and Extraordinary items	122.76	235.65	
Adjustment for:			
Add : Depreciation	25.16	25.81	
Loss on Sale of Fixed Assets	0.21	0.00	
Financial Charges	75.07	108.18	
	223.20	369.64	
Less : Interest Income	24.72	14.27	
<b>Operating Profit before Working Capital Changes</b>	<b>198.48</b>	<b>355.38</b>	
<u>Increase/(decrease) in Working Capital</u>			
Increase/(Decrease) in Long Term Provision	(140.58)	141.29	
Increase/(Decrease) in Current Liabilities	(2,316.38)	99.96	
Increase/(Decrease) in Inventories	(625.18)	(286.78)	
Increase/(Decrease) in Trade Receivables	3,484.74	7.42	
Cash Flow before extraordinary items	601.08	317.26	
Less: Tax paid	26.82	70.21	
<b>Net Cash Flow from Operating activities</b>	<b>574.26</b>	<b>247.05</b>	
<b>II Cash Flow from Investing Activities :</b>			
Add: Interest Income	24.72	14.27	
Increase/(Decrease) in capital work in progress	0.00	(104.63)	
Proceeds from sale of fixed assets	3.75	0.00	
Increase/(Decrease) in Long Term Loans and Advances (Assets)	0.00	29.19	
Increase/(Decrease) in Short Term Loans and Advances	(134.12)	0.00	
Increase/(Decrease) in Other Non Current Assets	(33.28)	0.00	
Increase/(Decrease) in Other Current Assets	(171.32)	0.00	
	(310.25)	(61.17)	
Less: Net Increase in Fixed Assets	2,413.20	6.10	
	2,413.20	6.10	
<b>Net Cash Flow from Investing activities</b>	<b>(2,723.45)</b>	<b>(67.27)</b>	
<b>III Cash Flow from Financing Activities :</b>			
Less: Interest & Finance Cost Paid	75.07	108.18	
Dividend Paid	24.00	24.70	
	99.07	132.88	
Add: Increase in Share Capital	306.00	0.00	
Share Premium	765.00	0.00	
Increase in Long Term Liabilities	1,198.43	101.67	
	2,269.43	101.67	
<b>Net Cash Flow from Financing activities</b>	<b>2,170.36</b>	<b>(31.21)</b>	
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>	<b>21.17</b>	<b>148.57</b>	
Add: <b>Opening Balance of Cash and Cash Equivalents</b>	<b>206.77</b>	<b>58.20</b>	
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>227.94</b>	<b>206.77</b>	
The accompanying notes are an integral part of financial statements.			

As per our report of even date  
For KSA & Co.  
ICAI Firm Reg. No. : 003822C  
Chartered Accountants

**sd/**  
**Arun Kanodiya**  
Partner  
Membership No : 077131

Place : Surat  
Date : 30.05.2022

For and on behalf of Board of Directors of  
Solex Energy Limited

**sd/**  
**Chetan S. Shah**  
Chairman & Managing Director  
DIN : 02253886

**sd/**  
**Dilip G Nikhare**  
Company Secretary

Place : Surat  
Date : 30.05.2022

**sd/**  
**Kalpeshkumar R Patel**  
Director  
DIN : 01066992

**sd/**  
**Kiran R Shah**  
Chief Financial Officer

**SOLEX ENERGY LIMITED**

**Notes forming part of the Audited financial statements**

**NOTE 1 : SIGNIFICANT ACCOUNTING POLICIES**

- a. Corporate information  
Solex Energy Limited ("the Company") is a manufacturer of solar photo-voltaic cells and modules as well as in the Engineering, Procurement and Construction (EPC) in the solar energy market, wherein the manufactured cells/modules are utilized. The registered office of the company is located at Plot No. 131/A, Phase 1, Nr. Krimy Industries, GIDC, Vitthal Udhyog Nagar, Anand, Gujarat, India – 388121
- b. The outbreak of corona virus (Covid-19) pandemic globally and in India is causing significant disturbance and slowdown of economic activity. The Company's operations and revenue during the period were impacted due to covid-19. The Company has taken into account the possible impact of Covid-19 in preparation of the financial statements, including its assessment of the recoverable value of its assets based on the internal and external information up to the date of approval of these financial statements and current indicators of future economic conditions.
- c. **Significant Accounting Policies**
- i. Statement of compliance**  
The financial statements have been prepared in accordance with Accounting Standards ("AS") notified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014, as amended.
- All assets and liabilities have been classified as current and non-current as per the Company's normal operating cycle and other criteria set out in the Schedule II to the Companies Act, 2013. Based on the nature of products and services and their realization in cash and cash equivalents, the Company has ascertained its operating cycle as 12 months for the purpose of current and non-current classification of assets and liabilities.
- ii. Basis of preparation and presentation**  
The financial statements have been prepared on a historical cost basis. The Company has adopted the accrual system of accounting and the accounts are prepared on a going concern concept.
- The functional and presentation currency of the Company is Indian Rupee ("Rs.") which is the currency of the primary economic environment in which the Company operates.
- iii. Property, Plant and Equipment**  
Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use.
- Intangible assets are recorded at the consideration paid for acquisition of such assets and carried at cost less accumulated amortization and impairment loss, if any.
- Capital work in progress is stated at cost, net of accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.
- Estimated useful lives of the Tangible and Intangible assets are as follows:
- | Tangible Assets   | Useful lives (Years) |
|---|----------------------|
| Furniture & Fixtures                                      | 7                    |
| Plant & Machinery   | 5                    |
| Plant & Machinery (Renewable Energy Device manufacturing) | 3                    |
| Computer  | 3                    |
| Office Equipment  | 5                    |
| Vehicle   | 10                   |
| Software  | 10                   |
| Trademark   | 1                    |
- Depreciation  
Depreciation commences when an asset is ready for its intended use.
- Depreciation is recognised on the cost of assets less their residual values over their estimated useful lives, using the straight-line method as prescribed in Schedule II to the Companies Act, 2013.
- Intangible Assets are amortised on straight line basis over the asset's anticipated useful life estimated by management.
- iv. Foreign Currency Transaction**  
The functional currency of the company is Indian Rupee.
- Income & Expenses in foreign currencies are recorded at exchange rates prevailing on the date of the transaction. Foreign Currency denominated monetary assets and liabilities are translated at the exchange rate prevailing on the transaction date and exchange gains and losses arising on settlement and restatement are recognized in the statement of profit and loss account.
- The Company has outstanding balances payable of Foreign currency of \$ 387448 (equivalent to Rs. 293.71 Lacs) on year end which is unhedged foreign currency exposure.
- During the year company has direct import of material and also machinery with their parts as follows:

**SOLEX ENERGY LIMITED**
**Notes forming part of the Audited financial statements**

Import of	Currency	Currency (Foreign)	Currency (Indian Rs. In Lakhs)
Material	USD	993793.57	757.86
Machinery	USD	1504112.00	1135.51
Machinery	EURO	170216.00	146.01

**v. Revenue Recognition**

Revenue from contracts with customers is recognized when control of goods or services are 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. The Company has concluded that it is the principal in its revenue arrangement because it typically controls the goods or services before transferring them to the customers.

Revenue from sale of goods is recognized at the point when control of asset is transferred to the customer, generally on delivery of the goods.

Revenue on installation and commissioning contracts are recognized as per terms of contracts. Revenue from maintenance contracts are recognized pro-rata over the period of the contract.

**vi. Retirement Benefits**

The company is complying the provision of EPF and employer contribution and administration charges for the same are debited to profit & loss Account.

As per information provided to us provisions of Gratuity are applicable to the Company and have comply the provision of Gratuity Act and provision for the period is debited to profit & Loss Account

**d. Provisions, Contingent Liability & Contingent Assets**

Provisions involving substantial degree estimation in measurement are recognized when there is a result of past events and it is probable that there is a presence obligation as result of past events and it is probable that there will be an outflow of resources. Contingent liabilities are not recognized but disclosed in notes. Contingent Assets are neither recognized nor disclosed in the financial statement.

For the year company has executed various tenders and recovered O&M charges from various customers from services and maintenance during future period as specified under respective contracts and has been provided in proportionate maintenance income for remaining period of contract. The outstanding obligation towards O&M charges is Rs. 5,01,06,282 as on date of balance sheet.

**e. Use of Estimates**

The preparation of financial statements in conformity with the generally accepted accounting principles requires estimates and assumptions to be made that affect the reported amount of assets and liabilities on the date of financial statements and the reported amount of revenues and expenses during the reported period. Difference between the actual and estimates are recognized in the period in which the result are known or materialize.

**f. Provision for Current and Deferred Tax**

Current income tax expense comprises of taxes on income from operations in India. Income tax payable in India is determined in accordance with the applicable rates and the provisions of the Income Tax Act, 1961. A provision made for income tax annually, based on tax liability computed, after considering tax allowances and exemptions. Tax expense for a year comprises of current tax and deferred tax

During the year 2021-22, the Deferred Tax Asset (DTA) and Deferred Tax Liability(DTL) comprise of the effect of the following time difference.

	(Rs. In Lakhs)
Depreciation claimed Excess up to 31-03-2022	7.34
DTL as on 31.03.2022 @ 25.168%	1.85
Opening Balance of DTL as on 31.03.2021	4.70
The amount credited to Profit & Loss Account	-2.85

Advance taxes and provisions for current income taxes are prescribed in the balance sheet after offsetting advance tax paid and income tax provision arising in the same tax jurisdiction and the intention is to settle the asset and liability on net basis.

**g. Payments to Auditors**

	(Rs. In Lakhs)	
Particulars	FY 2021-22	FY 2020-21
Statutory Audit Fees	1.25	1.25
Tax Audit Fees	1.00	1.10
Other Services	0.25	0.15
<b>Total</b>	<b>2.50</b>	<b>2.50</b>



**SOLEX ENERGY LIMITED**
**Notes forming part of the Audited financial statements**

h. Transaction with Related Party (As per AS 18)			
<b>Name of Related Party</b>	<b>Nature of transactions</b>	<b>Relation</b>	<b>Payment made (Rs. In Lakhs)</b>
Kalpesh R Patel	Rent on Building	Director	16.80
Kalpesh R Patel	Remuneration	Director	32.00
Bhanuben Ramanbhai Patel	Sales	Director Mother (Kalpesh R Patel)	1.35
Chetan S Shah	Remuneration	Chairman and Managing Director	45.00
Chetan S Shah	Consulting Fee	Chairman and Managing Director	3.00
Piyush Chandak	Commission	Director	0.80
Piyush Chandak	Remuneration	Director	4.00
Shri Vasudev Industries	Rent on Factory	Director Partner (Piyush Chandak)	50.00
Shri Vasudev Industries	Rent Deposit	Director Partner (Piyush Chandak)	75.00
Pramukh System	Repair & Maintenance Expenses and Fixed Assets Purchases	Director's Concern (Kamlesh Patel)	0.89
Pramukh System	Computer and Printer	Director's Concern (Kamlesh Patel)	0.22
Manish G Vaghela	Remuneration	CS	1.80
Nemji EVPV Pvt Ltd	Purchase	Common Director (Chetan S Shah)	3.15
Nemji.com (Prop Chetan S Shah (HUF))	Purchase of Computer Stationery	HUF firm of Director (Chetan S Shah)	3.65
Nemji.com (Prop Chetan S Shah (HUF))	Computer and Printer	HUF firm of Director (Chetan S Shah)	2.38
Tech Nemji (Prop. Paulami Chetan Kumar Shah)	Software Services Purchased	Prop Firm of Wife of Director (Chetan S Shah)	0.34
Tech Nemji (Prop. Paulami Chetan Kumar Shah)	Spin Asset Software	Prop Firm of Wife of Director (Chetan S Shah)	0.19
Kiran R Shah	Bonus	Director & CFO	0.16
Kiran R Shah	Remuneration	Director & CFO	4.94
Oyster Industries Private Limited	Sales	Common Director (Anil Rathi)	10.10
VSSK & Co.	Internal Audit Fee	Director Partner (Vipul Shah)	0.50
VSSK & Co.	GST Audit and Annual Return Fees	Director Partner (Vipul Shah)	0.75
Anil Rathi	Unsecured Loan taken	Director	50.00
Kalpesh R Patel	Unsecured Loan taken	Director	159.00
Piyush Chandak	Unsecured Loan taken	Director	25.00
Satyanarayan U. Rathi	Unsecured Loan taken	Promoter	50.00
Vipul Mulchand Shah	Unsecured Loan taken	Director	77.00
Arun Patodia	Unsecured Loan taken	Promoter	15.00
Bhavna Agarwal	Unsecured Loan taken	Promoter	25.00
Krishna Patodia	Unsecured Loan taken	Promoter	10.00
Pukhraj Agarwal	Unsecured Loan taken	Promoter	57.00



**SOLEX ENERGY LIMITED**
**Notes forming part of the Audited financial statements**
**i. Closing Balance with Related Party (As per AS 18)**

(Rs. in Lakhs)

Name of Related Party	Nature of Transaction	Relation	Amount Outstanding as on 31.03.2022
Kalpesh R Patel	Rent on Building	Director	1.26
Kalpesh R Patel	Remuneration	Director	1.50
Bhanuben Ramanbhai Patel	Sales	Director Mother (Kalpesh R Patel)	1.35
Chetan S Shah	Remuneration	Chairman and Managing Director	2.90
Piyush Chandak	Remuneration	Director	0.40
Shri Vasudev Industries	Rent on Factory	Director Partner (Piyush Chandak)	13.50
Shri Vasudev Industries	Rent Deposit	Director Partner (Piyush Chandak)	75.00
Pramukh System	Repair & Maintenance Expenses and Fixed Assets Purchases	Director's Concern (Kamlesh Patel)	0.17
Nemji.com (Prop Chetan S Shah (HUF))	Purchase of Computer Stationery	HUF firm of Director (Chetan S Shah)	0.39
Tech Nemji (Prop. Paulami Chetan Kumar Shah)	Software Services Purchased	Prop Firm of Wife of Director (Chetan S Shah)	0.09
Kiran R Shah	Remuneration	Director & CFO	0.32
Anil Rathi	Unsecured Loan	Director	50.00
Kalpesh R Patel	Unsecured Loan	Director	159.00
Piyush Chandak	Unsecured Loan	Director	25.00
Satyanarayan U. Rathi	Unsecured Loan	Promoter	50.00
Vipul Mulchand Shah	Unsecured Loan	Director	77.00
Arun Patodia	Unsecured Loan	Promoter	15.00
Bhavna Agarwal	Unsecured Loan	Promoter	25.00
Krishna Patodia	Unsecured Loan	Promoter	10.00
Pukhraj Agarwal	Unsecured Loan	Promoter	57.00

**j. Micro and small enterprise under the Micro, Small and Medium Enterprise Development Act, 2006 have been determined based on the information available with the company and required disclosures are given below:**

(Rs. In Lakhs)

Particulars	31.03.2022	31.03.2021
Principal amount remaining unpaid@.....	574.56	2116.48
Interest due thereon @.....	Nil	Nil
The amount of Interest paid along with the amounts of the payment made to the supplier beyond the appointed day @.....	Nil	Nil
The amount of Interest due and payable for the year@.....	Nil	Nil
The amount of Interest accrued and remaining unpaid @.....	Nil	Nil
The amount of further interest due and payable even in the succeeding years, until such date when the interest dues as above are actually paid@.....	Nil	Nil

Due to Micro and Small Enterprise have been determined to the extent such parties have been identified on the basis of information collected by the Management. This has been relied upon by the auditors.

@ Amounts unpaid to Micro and Small Enterprises vendors on account of retention money have not been considered for the purpose of interest calculation.

@ Amounts unpaid to Micro and Small Enterprises vendors on account of terms of payment have not been considered for the purpose of interest calculation.

**k. Balance of sundry Debtors/ Creditors/Loans/Advances and deposits are subject to confirmation, reconciliation and necessary adjustments.**
**i. Previous year's figures have been re-grouped or re-arranged wherever necessary to make them comparable with the current year figures.**
**m. Cash & Cash equivalents (for purpose of cash flow statement)**

Cash & Cash equivalents in the cash flow statement comprise cash at bank, cash in hand and fixed deposit with bank.

**SOLEX ENERGY LIMITED**
**Notes forming part of the Audited financial statements**

- |    |   |
|----|---|
| n. | <b>Earnings per share</b><br>Basic earnings per share is computed by dividing the profit / (loss) after tax for the period by the number of the equity shares outstanding during the year. Diluted earnings per share is computed by dividing the profit / (loss) after tax as adjusted for dividend, interest and other charges to expenses or income relating to the dilutive potential equity shares, by the weighted average number of equity shares which could have been issued on the conversion of all dilutive potential equity shares.  |
| o. | <b>Impairment of Assets</b><br>Assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable. An impairment loss is recognized for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs of disposal and value in use. In assessing value in use, the estimate future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessment 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. For the purpose of assessing impairment, assets are grouped at the lowest levels for which there are separately identifiable cash inflows which are largely independent of the cash inflows from other assets or groups of assets (cash-generating units). |
| p. | <b>Inventories</b><br>Inventories are stated at lower of cost and net realisable value. Costs of inventories are determined on a weighted average basis.<br>Raw materials is stated at Cost. Raw Materials cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.<br>Finished Goods is valued based on method which carried by the management which includes cost of direct materials, labour and proportion of manufacturing overheads based on the normal operating capacity.<br>Traded Goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.  |
| q. | <b>Segment Reporting</b><br>The Company is a manufacturer of solar photo-voltaic cells and modules as well as in the Engineering, Procurement and Construction (EPC) in the solar energy market, wherein the manufactured cells/modules are utilized. Based on the "management approach" as defined in AS-17 Segment Reporting, the Chief Operating Decision Maker (CODM) evaluates the Company's performance and allocates resources based on an analysis of various performance indicators by the overall business segment, i.e. the performance of the EPC projects. As the allocation of resources and profitability of the business is evaluated by CODM on an overall basis, with evaluation into individual categories to understand the reason for variations, no separate segments have been identified. Accordingly no additional disclosure has been made for the segment revenue, segment results and the segment assets and liabilities.   |
| r. | The Company has borrowed fund from Banks on the basis of security of current assets and the company has filed monthly statement of current assets with the Bank and the same are generally in agreement with books of accounts.   |
| s. | The GST Authorities have adjusted the balance in Electronic Credit Ledger of Rs. 39.78 Lacs and balance in Electronic Cash Ledger of Rs. 0.21 Lacs against the outstanding demand of Rs. 174.67 Lacs in Solex Jharkhand Unit. The Company has filed appeal against the same in the Hight Court, Jharkhand. The management based on its assessment believes that the aforesaid is fully recoverable and accordingly no provision is required.  |
| t. | The GST Authorities have raised demand of Rs. 11.46 Lacs in Solex Chhattisgarh Unit. The management based on its assessment believes that the aforesaid is fully recoverable and accordingly no provision is required.  |
| u. | The BREDA has raised the penalty of Rs. 16.48 Lacs against the company for the deficiency in the contracts. The Company based on its assessment believes that the aforesaid is not payable and accordingly no provision is made   |
| v. | <b>Analytical Ratio</b>   |

#### o. Analytical Ratio

Ratio	Numarator	Denominator	Period	Current Period	Previous Period	% Variance
a) Current Ratio	Current assets	Current Liabilities	C/year	2.22		
			P/Year		1.64	35.74%
b) Debts Equity Ratio	Total debt	Shareholder's equity	C/year	0.61		
			P/Year		0.51	18.57%
c) Debts Service Coverage Ratio	Earnings available for debt service	Debt service	C/year	2.30		
			P/Year		6.59	-65.09%
d) Return on Equity Ratio(ROE)	Net profits after taxes	Average shareholder's equity	C/year	0.03		
			P/Year		0.06	-52.52%
e) Inventory Turnover Ratio	Cost of goods sold OR sales	Average Inventory	C/year	5.93		
			P/Year		11.03	-46.21%
f) Trade Receivable Turnover	Revenue	Average trade receivable	C/year	1.89		
			P/Year		1.43	32.39%
g) Trade Payable Turnover Ratio	Purchases of services and other expenses	Average trade payable	C/year	3.35		
			P/Year		2.30	46.01%
h) Net Capital Turnover Ratio	Revenue	Average Working capital	C/year	2.63		
			P/Year		2.91	-9.70%
i) Net Profit Ratio	Net profit	Revenue	C/year	0.01		
			P/Year		0.02	-35.12%
j) Return on Capital Employed(ROCE)	Earning before interest and taxes	Capital Employed	C/year	0.03		
			P/Year		0.10	-65.52%
k) Return on Investment(ROI)	Income generated from investments	Time weighted average investments	C/year	N.A.	N.A.	N.A.
			P/Year	N.A.	N.A.	N.A.

**SOLEX ENERGY LIMITED**

Notes forming part of the Audited financial statements

**Note : 2 SHARE CAPITAL**

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	Amount (Rs. in Lakhs)	No. of Shares	Amount (Rs. in Lakhs)
<b>Authorised Share Capital</b>				
Equity shares of Rs 10/- each with voting rights	80,00,000	800.00	60,00,000	600.00
<b>Total</b>	<b>80,00,000</b>	<b>800.00</b>	<b>60,00,000</b>	<b>600.00</b>
<b>Issued, Subscribed and fully paid Share Capital</b>				
Equity shares of Rs 10/- each with voting rights	80,00,000	800.00	49,40,000	494.00
<b>Total</b>	<b>80,00,000</b>	<b>800.00</b>	<b>49,40,000</b>	<b>494.00</b>

**Note 2.1 Reconciliation of the number of shares outstanding at the beginning and at the end of the year :**

Particulars	No. of Shares	Amount (Rs. in Lakhs)
At April 1, 2019	49,40,000	494.00
Changes during the year	-	0.00
At March 31, 2020	49,40,000	494.00
Changes during the year	-	0.00
At March 31, 2021	49,40,000	494.00
Changes during the year	30,60,000	306.00
<b>At March 31, 2022</b>	<b>80,00,000</b>	<b>800.00</b>

**Note 2.2 Details of shareholders holding more than 5% shares in the company :**

Particulars	As at 31-03-2022		As at 31-03-2021	
	No. of Shares	% of total shares	No. of Shares	% of total shares
<b>Equity shares with voting rights</b>				
Kalpeshkumar Patel	15,97,360	19.97%	34,79,360	70.43%
Chetan Sureshchandra Shah	4,72,172	5.90%		
Shivprakash Unkarchand Rathi	4,71,653	5.90%		
Satyanarayan Unkarchand Rathi	4,71,655	5.90%		
Anil Rathi	4,71,654	5.90%		
Other less than 5%	45,15,506	56.44%	14,60,640	29.57%
<b>Total</b>	<b>80,00,000</b>	<b>100.00%</b>	<b>49,40,000</b>	<b>100.00%</b>

No shares have been reserved for issue under options and contracts/commitments for the sale of shares/disinvestment.  
 The company has not allotted any shares pursuant to contracts, without payment being received in cash.  
 The company has not allotted any bonus shares.  
 The company has not bought back any shares.  
 No shares have been forfeited by the company.

### 2.3 Shareholding of Promoters (Shares held by promoters at the end of the year)

Sr. No.	Name of Promoter	No. of shares Held	% of total shares	% change during the year
1	Kalpeshkumar Ramanbhai Patel	15,97,360	19.97	(54.09%)
2	Chetan Sureshchandra Shah	4,72,172	5.90	-
3	Satyanarayan Unkarchand Rathi	4,71,655	5.90	-
4	Anil Rathi	4,71,654	5.90	-
5	Shivprakash Unkarchand Rathi	4,71,653	5.90	-
6	Krishna Patodia	3,11,492	3.89	-
7	Sapna Vipul Shah	2,76,059	3.45	-
8	Shakuntala Mulchand Shah	2,76,057	3.45	-
9	Kailashchandra Bansilal Chandak	2,58,493	3.23	-
10	Pukhraj Ganeshilal Agrawal	2,20,494	2.76	-
11	Agrawal Bhavana	2,20,492	2.76	-
12	Paulomi Chetan Shah	1,40,533	1.76	-
13	Piyush Chandak	1,29,247	1.62	-
14	Kavitadevi Kailashchandra Chandak	77,548	0.97	-
15	Shikha Ayush Patodia	72,000	0.90	-
16	Kavita Piyush Chandak	51,698	0.65	-
17	Patodia Arunkumar Kashiprasad	44,499	0.56	-
18	Narayan Arun Patodia	44,498	0.56	-
19	Sunita Arunkumar Patodia	44,498	0.56	-



**SOLEX ENERGY LIMITED**

**Notes forming part of the Audited financial statements**

**Note : 3 RESERVES AND SURPLUS**

		(Rs. in Lakhs)	
Particulars	As at 31.03.2022	As at 31.03.2021	
<b>(a) <u>Securities Premium</u></b>			
Opening Balance	546.45	546.45	
Add : Premium on shares issued during the year	765.00	-	
Closing Balance	<b>1,311.45</b>	<b>546.45</b>	
<b>(b) <u>Surplus/ (deficit) in the statement of profit and loss</u></b>			
Opening balance	1,317.38	1,174.47	
Add : Net Profit for the current year	98.79	167.62	
Less : Final Dividend	24.00	24.70	
Closing Balance	<b>1,392.17</b>	<b>1,317.38</b>	
<b>Total</b>	<b>2,703.62</b>	<b>1,863.83</b>	

**Note : 4 LONG TERM BORROWINGS**

		(Rs. in Lakhs)	
Particulars	As at 31.03.2022	As at 31.03.2021	
<b>A. <u>Secured borrowings</u></b>			
(a) Term Loans from Bank of Baroda (refer Note 6.1 below) (Repayment term include One year moratorium period, repayment in 40 Monthly instalment from Oct 2021)	61.00	101.67	
(b) Term Loans from bank of baroda (ECLS)(refer Note 6.1 below) (Repayment term include 24 Month moratorium period, repayment in 36 Monthly instalment from April 2024)	100.00	-	
(c) Term Loans from state bank of india (refer Note 6.1 below) (Repayment term include 17 Months moratorium period, repayment in 91 Monthly instalment from April 2023)	671.10	-	
Sub-total	832.10	101.67	
<b>B. <u>Loans and advances from Related Parties</u></b>			
Loans and advances from Related Parties - Unsecured	468.00	-	
Sub-total	468.00	-	
<b>Total</b>	<b>1,300.10</b>	<b>101.67</b>	

**Note : 5 LONG TERM PROVISIONS**

		(Rs. in Lakhs)	
Particulars	As at 31.03.2022	As at 31.03.2021	
Unsecured, considered good - Provision for I&C - Supply	501.06	641.64	
<b>Total</b>	<b>501.06</b>	<b>641.64</b>	

**SOLEX ENERGY LIMITED**
**Notes forming part of the Audited financial statements**
**Note : 6 SHORT TERM BORROWINGS**

		(Rs. in Lakhs)	
	Particulars	As at 31.03.2022	As at 31.03.2021
<b>A</b>	<b>Secured Borrowings</b>		
a)	Loans repayable on demand from banks		
	Cash Credit from the Bank of Baroda(refer Note 6.1 below)	790.99	795.49
	Short-term Loans	-	225.77
b)	Current maturities of long-term debt (refer Note 6.1 below)	40.68	87.00
<b>B</b>	<b>Unsecured Borrowings</b>	-	-
<b>Total</b>		<b>831.67</b>	<b>1,108.26</b>

**Note:** The Company has been sanctioned Fund Based Limit comprising of Term Loan of Rs. 4000 Lacs & Cash Credit Limit of Rs. 1900 Lacs & Rs. 115 Lacs ECLS by Consortium of Bank of Baroda & State bank of India. Additionally Non-Fund based Limit amounting to Rs. 3575 Lacs comprising of Inland LC/Foreign LC/SBLC & Bank Gurantee Performance/Financial sanction by Consortium of Bank of Baroda & State bank of India. The Company is sanctioned an additional amount of Rs. 100 Lacs under ECLS by Bank of Baroda. Following are the main terms and conditions of the sanction.

- 6.1
- A Joint deed of Hypothecation with first pari-passu charge of all consortium member Banks on entire stock of raw material, Plant & Machinery and Book Debts, both present and future (excluding machinery/ equipments hypothecated to other financial institutions)
- B Pari-passu charge by equitable mortgage of house situated at B/2,Punit Society,Behind Purnima Society,Opp Flora Ghar Ghanti,Anand-Sojitra Road, Anand,admeasuring 112.87 sq.mtrs,R.S.No.1606/2,FP No.124/B,TPS No.4 of Anand Nagar Palika standing in the name of Kalpeshkumar Ramanbhai Patel.
- C Pari-passu charge by equitable mortgage of Shop No.G-90,Ground Floor,"Jyoti Metal Corporation",Puja Estate,Opp.Akira Marble,Anand-Sujitra Road,Karmsad,admeasuring 18.58 sq.mtrs bearing Survery No.770/paiki 2 of Karamsad standing in the name of Mr. Kalpeshkumar Ramanbhai Patel.
- D Pari-passu charge by equitable mortgage of leashold factory land bearing R.S.No.755/p (original R.S.No.755),Plot No.131/A admeasuring 821 sq mtrs and construction thereon admeasuring of 1653.63 sq mtrs,GIDC Estate,Vithal Udyognagar,Tal.and Dist.Anand belonging to Mr. Kalpeshkumar Ramanbhai Patel.
- E Pari-passu charge by equitable mortgage of lease hold property situated at R.S.No.755 paiki Plot No.131/B Phase I,M/s. Gujarat Renewable & Packaging, Behind Sun Energy,GIDC Vithal Udyognagar admeasuring 696.01 sq.mtrs and construction thereon admeasuring of 500.05 Sq. Mtr.belonging to Mr.Kalpeshkumar R Patel.
- F Pari-passu charge by equitable mortgage of factory Land & Building at Block no 938, Plot no 1(A-Type), Tadkeshwar, Mandvi, Surat admeasuring 36742.88 sq.mtrs and construction thereon admeasuring of 242151 Sq. Mtr.belonging to M/s Shree Vasudev Industries.
- G Pari-passu charge by extention of charge on Bunglow No 106, Shree Sant Tukaram Co-op. Housing Society Ltd., Part 3, Bhatar Road, Surat admeasuring 340.15 sq.mtrs and construction thereon admeasuring of 4394 Sq. Mtr.belonging to Mr. Chetan Shah, Mr Jayesh Shah and Mr Paresh Shah.
- H Pari-passu charge by 203-204, Adhyashakti Complex, Beside Honest Hotel, \*/A, National Highway, Lalpar, Morbi, Gujarat-363642.belonging to Mr. Vipul Shah.
- I Pledge of 14.82 Lacs equity shares of the company held by Mr. Kalpeshkumar Patel (Director).

**SOLEX ENERGY LIMITED**
**Notes forming part of the Audited financial statements**

J Pledge of FDR of Rs. 70.00 Lacs in the name of the company.

K Personal Guarantee of Director/Guarantor (LDOC33)

a. Kalpeshkumar Ramanbhai Patel

b. Anil Rathi

c. Vipul Mulchand Shah

d. Piyush Kailashchandra Chandak

e. Chetan Sureshchandra Shah

f. Jayesh Shah

g. Paresh Shah

i. Shri Vasudev Industries & its partners i) Mr Vasudev Agarwal, ii) Mr Piyush Chandak and iii) Mr Ayush Patodia.

Unsecured loan Amounting to Rs. 940 Lacs to be introduced by Promoter/Promoter relative/Director/Director Relative

L without interest till the continuance of the Loan as per condition of Consortium of Bank of Baroda & State bank of India.

**Note : 7 TRADE PAYABLES**

(Rs. in Lakhs)		
Particulars	As at 31.03.2022	As at 31.03.2021
<b>Trade payables for goods and services</b>		
Total Outstanding dues of micro enterprises and small enterprise	574.56	2,116.48
Total Outstanding dues creditors other than micro enterprises and small enterprise	681.89	1,067.93
Outstanding for a period more than three years from the date they are due		
i) MSME	-	
ii) Others	17.48	
iii) Disputes MSME	-	
iv) Disputes Other	-	
Outstanding for a period 2-3 years from the date they are due		
i) MSME	2.11	
ii) Others	0.31	
iii) Disputes MSME	-	
iv) Disputes Other	-	
Outstanding for a period 1-2 Years from the date they are due		
i) MSME	0.04	
ii) Others	45.23	
iii) Disputes MSME	-	
iv) Disputes Other	-	
Outstanding for a period Less than one Years from the date they are due		
i) MSME	572.41	
ii) Others	618.87	
iii) Disputes MSME	-	
iv) Disputes Other	-	
<b>Total</b>	<b>1,256.45</b>	<b>0.00</b>

**SOLEX ENERGY LIMITED**
**Notes forming part of the Audited financial statements**
**Note : 8 OTHER CURRENT LIABILITIES**

(Rs. in Lakhs)		
Particulars	As at 31.03.2022	As at 31.03.2021
(a) Statutory Remittances		
TDS Payable	24.54	18.87
TCS Payable	0.25	0.96
GST Payable	-	1.17
Provident Fund Payable	1.10	1.41
Professional Tax Payable	0.13	0.13
(b) Others		
Advances from customers	5.41	40.93
Salary & Wages Payable	28.19	21.26
Director's Remuneration Payable	4.79	-
Security Deposit Taken (of PI Solar)	-	15.00
<b>Total</b>	<b>64.42</b>	<b>99.74</b>

**Note : 9 SHORT TERM PROVISIONS**

(Rs. in Lakhs)		
Particulars	As at 31.03.2022	As at 31.03.2021
(a) Others		
Telephone Bill Payable	-	0.15
Audit Fees Payable	3.28	2.25
Electricity Bill Payable	0.20	1.05
Provision for I&C - Supply	-	7.67
Provision for Gratuity	0.84	-
Provision for Installation Charges	-	13.17
Provision for Net Meter Charges	-	0.66
Registration Fee payable	0.30	-
Income Tax Provision (Net of Advance Tax)	-	56.19
(b) Dividend payable-2017-18	0.08	0.08
(c) Dividend payable-2018-19	0.03	0.03
<b>Total</b>	<b>4.73</b>	<b>81.25</b>

**Note : 11 OTHER NON-CURRENT ASSETS**

(Rs. in Lakhs)		
Particulars	As at 31.03.2022	As at 31.03.2021
EMD Deposits	99.03	68.33
Securities Deposits	88.39	85.81
<b>Total</b>	<b>187.43</b>	<b>154.14</b>



**SOLEX ENERGY LIMITED**
**Notes forming part of the Audited financial statements**
**Note : 12 INVENTORIES**

(Rs. in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) Finished Goods	337.17	392.00
(b) Raw Materials and Components	1,087.23	407.22
<b>Total</b>	<b>1,424.40</b>	<b>799.22</b>

**Note : 13 TRADE RECEIVABLES**

(Rs. in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) <u>Due Less than six months</u>		
Secured, considered good		
Unsecured, considered good	1,087.67	2,190.90
Doubtful	-	-
	1,087.67	2,190.90
Less : Provision for doubtful trade receivables	-	-
	<b>1,087.67</b>	<b>2,190.90</b>
(b) <u>Others</u>		
Secured, considered good	-	-
Unsecured, considered good	987.19	3,368.70
Doubtful	-	-
	987.19	3,368.70
Less : Provision for doubtful trade receivables	-	-
	<b>987.19</b>	<b>3,368.70</b>
Outstanding for a period more than three years from the date they are due		
i) Undisputed Trade Receivables - considered good	59.46	
ii) Undisputed Trade Receivables - considered doubtful	-	
iii) Disputed Trade Receivables - considered good	-	
iv) Disputed Trade Receivables - considered doubtful	-	
Outstanding for a period 2-3 Years from the date they are due		
i) Undisputed Trade Receivables - considered good	155.54	
ii) Undisputed Trade Receivables - considered doubtful	-	
iii) Disputed Trade Receivables - considered good	-	
iv) Disputed Trade Receivables - considered doubtful	-	
Outstanding for a period 1-2 Years from the date they are due		
i) Undisputed Trade Receivables - considered good	681.13	
ii) Undisputed Trade Receivables - considered doubtful	-	
iii) Disputed Trade Receivables - considered good	-	
iv) Disputed Trade Receivables - considered doubtful	-	
Outstanding for a period 6 month to 1 year from the date they are due		
i) Undisputed Trade Receivables - considered good	91.06	
ii) Undisputed Trade Receivables - considered doubtful	-	
iii) Disputed Trade Receivables - considered good	-	
iv) Disputed Trade Receivables - considered doubtful	-	



**SOLEX ENERGY LIMITED**
**Notes forming part of the Audited financial statements**

Outstanding for a period Less than 6 months from the date they are due

i) Undisputed Trade Receivables - considered good	1,087.67
ii) Undisputed Trade Receivables - considered doubtful	-
iii) Disputed Trade Receivables - considered good	-
iv) Disputed Trade Receivables - considered doubtful	-

(Debt of Rs. 134622/- is due from Related Party.)

<b>Total</b>	<b>2,074.85</b>
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**Note : 14 CASH AND CASH EQUIVALENTS**

(Rs. in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
(a) <b>Cash on hand</b>	34.02	21.26
(b) <b>Balances with Banks :</b>		
Bank of Baroda	-	1.72
Bank of Baroda	189.41	-
Bank of Baroda	-	73.40
(c) <b>Repatriation Restriction</b>		
Bank of Baroda A/c-1195 (Escrow)	4.40	110.28
(d) <b>Earmarked Balances with Bank</b>		
HDFC Dividend A/c-0822	0.03	0.03
Bank of Baroda-Dividend	0.08	0.08
<b>Total</b>	<b>227.94</b>	<b>206.77</b>

**Note : 15 SHORT TERM LOANS AND ADVANCES**

(Rs. in Lakhs)

Particulars	As at 31.03.2022	As at 31.03.2021
Advance for Material Purchase: Unsecured	23.92	40.77
Fixed Deposits (held as Margin Money Deposits against Guarantees/Letter of Credit and Pledge against the Borrowings)	420.01	348.04
Net meter Charges Receivable	0.07	-
Other Deposits	85.02	6.08
<b>Total</b>	<b>529.01</b>	<b>394.89</b>

**SOLEX ENERGY LIMITED**

**Notes forming part of the Audited financial statements**

**Note : 16 OTHER CURRENT ASSETS**

(Rs. in Lakhs)		
Particulars	As at 31.03.2022	As at 31.03.2021
Prepaid Expenses	24.96	19.05
Sardar Sarovar Narmada Nigam Ltd-Bond	-	8.17
Advance to Staff	6.58	2.63
<b>Balance with Statutory/ Govt. Authorities:</b>		
Income Tax Refund Receivable	43.51	20.78
TDS Receivable-FY 2021-22	52.04	-
TDS Receivable-FY 2020-21	-	59.93
TCS Receivable-FY 2020-21	-	2.14
TDS Receivable-FY 2019-20	-	1.15
TCS Receivable-FY 2021-22	0.20	-
GST Refund Receivable	19.16	78.54
GST Credit Ledger Balance	289.73	80.96
GST Cash Ledger Balance	41.66	27.50
GST TDS Receivable	25.65	25.30
GST Net Adjustment account	-	32.01
VAT Receivable	6.17	6.17
Other Current Assets	33.63	7.64
<b>Total</b>	<b>543.28</b>	<b>371.96</b>

**Note : 17 CONTINGENT LIABILITIES**

(Rs. in Lakhs)		
Particulars	As at 31.03.2022	As at 31.03.2021
Bank Guarantee for O&M Contracts	1,003.43	866.05
EPCG License	949.67	-
Demand raised by VAT Department	87.06	-
GST Outstanding Demand	186.13	-
TDS Outstanding Demand at Traces	0.49	0.47
<b>Total</b>	<b>2,226.78</b>	<b>866.52</b>

**SOLEX ENERGY LIMITED**
**Notes forming part of the Audited financial statements**
**Note : 10 Property, Plant & Equipment and Intangible Asset**

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	As on 01-04-2021	Additions during the year	Deduction during the year	As on 31-03-2022	As on 01-04-2021	Depreciation for the year	Deduction during the year	As on 31-03-2022	As on 31-03-2022	As on 31-03-2021
<b>A</b>										
<b>Property, Plant &amp; Equipment</b>										
Plant and machinery	128.75	-	-	128.75	81.07	16.18	-	97.25	31.50	47.68
Plant and machinery(Renewable Energy Devise Manufacturing)	133.03	-	-	133.03	128.32	-	-	128.32	4.71	4.71
Furniture and Equipments	3.23	-	-	3.23	1.61	0.42	-	2.03	1.20	1.62
Electrical Installations	-	-	-	-	-	-	-	-	-	-
Computer System	14.29	4.62	-	18.91	8.91	2.83	-	11.74	7.17	5.38
Vehicle	36.04	-	5.80	30.25	14.66	2.98	1.83	15.80	14.44	21.38
Office Equipment	16.36	0.55	-	16.91	11.37	1.85	-	13.21	3.70	4.99
<b>Sub Total</b>	<b>331.70</b>	<b>5.17</b>	<b>5.80</b>	<b>331.07</b>	<b>245.94</b>	<b>24.25</b>	<b>1.83</b>	<b>268.36</b>	<b>62.71</b>	<b>85.76</b>
<b>B</b>										
<b>Intangible Assets</b>										
Intangible Assets	9.40	0.19	-	9.59	2.26	0.91	-	3.17	6.43	7.15
<b>C</b>										
<b>Capital Work in Progress</b>										
Capital Work in Progress	-	2,407.84	-	2,407.84	-	-	-	-	2,407.84	-
<b>D</b>										
<b>Intangible assets under Development</b>										
<b>Total</b>	<b>341.11</b>	<b>2,413.20</b>	<b>5.80</b>	<b>2,748.51</b>	<b>248.20</b>	<b>26.16</b>	<b>1.83</b>	<b>271.53</b>	<b>2,476.99</b>	<b>92.91</b>
Previous Year's Figure	335.01	6.10	-	341.11	222.39	25.81	-	248.20	92.91	112.62

**Capital Work in Progress (CWP) Ageing Schedule**

CWP	Amount of CWP for a period of				Total
	Less than 1 year	1-2 year	2-3 year	More than 3 Years	
Project in progress	2,407.84	-	-	-	2,407.84
Projects temporarily suspended	-	-	-	-	-

<b>Note : 18 REVENUE FROM OPERATIONS</b>		
	<b>(Rs. in Lakhs)</b>	
<b>Particulars</b>	<b>For the year ended 31-03-2022</b>	<b>For the year ended 31-03-2021</b>
(a) Sale of Products - Finished Goods	5,998.88	5,958.42
(b) Sale of Services		
Installation and Commission Charges	1,052.52	1,883.24
Annual Maintenance Income recognised during the year	181.39	120.44
<b>Total</b>	<b>7,232.79</b>	<b>7,962.10</b>
<b>Note : 19 OTHER INCOME</b>		
<b>Particulars</b>	<b>For the year ended 31-03-2022</b>	<b>For the year ended 31-03-2021</b>
Interest Income	24.72	14.27
Subsidy - DIC Interest	-	2.40
Gain on Forex Transaction	3.73	1.99
Insurance Claim Income	-	1.82
Creditors written off	-	4.31
Interest on Income Tax Refund	1.36	-
Other Income	7.57	3.32
<b>Total</b>	<b>37.38</b>	<b>28.11</b>
<b>Note : 20(a) COST OF MATERIAL CONSUMED</b>		
<b>Particulars</b>	<b>For the year ended 31-03-2022</b>	<b>For the year ended 31-03-2021</b>
Inventories at the beginning of the year	311.57	319.07
Add: Purchases during the year	6,485.94	6,141.19
	6,797.52	6,460.26
Less: Inventories at the end of the year	1,087.23	407.22
<b>Total</b>	<b>5,710.28</b>	<b>6,053.04</b>
<b>Note : 20(b) CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
<b>Particulars</b>	<b>For the year ended 31-03-2022</b>	<b>For the year ended 31-03-2021</b>
Inventories at the end of the year:		
- Work-in-progress	-	-
- Finished goods	337.17	392.00
- Stock-in-trade	-	-
	337.17	392.00
Inventories at the beginning of the year:		
- Work-in-progress	-	-
- Finished goods	487.65	193.38
- Stock-in-trade	-	-
	487.65	193.38
<b>Net (increase) / decrease</b>	<b>150.48</b>	<b>(198.63)</b>

<b>Note : 21 EMPLOYEE BENEFIT EXPENSES</b>		
<b>Particulars</b>	<b>For the year ended 31-03-2022</b>	<b>For the year ended 31-03-2021</b>
Staff Welfare Exp	0.59	1.03
Wages and Salary Expenses	184.49	163.04
Director Remuneration	26.00	12.00
Bonus Expenses	7.69	3.49
Contribution to Provident Funds	7.36	5.93
Group Health Insurance Expense	2.56	1.50
Gratuity Exp	0.84	0.00
<b>Total</b>	<b>229.53</b>	<b>186.98</b>

<b>Note : 22 FINANCE COSTS</b>		
<b>Particulars</b>	<b>For the year ended 31-03-2022</b>	<b>For the year ended 31-03-2021</b>
(a) Interest Expense on:		
Term Loan	10.18	10.00
Buyer's Credit/Letter of Credit	8.83	1.66
Cash Credit	33.15	64.62
Interest on Late Payment of TDS	0.09	0.30
(b) Bank Charges and Commission	22.82	31.60
<b>Total</b>	<b>75.07</b>	<b>108.18</b>

**Note 23 OTHER EXPENSES**

<b>Particulars</b>	<b>For the year ended 31-03-2022</b>	<b>For the year ended 31-03-2021</b>
<b>Manufacturing Expenses</b>		
Annual Maintenance Charges (Prov.)	40.81	261.72
Clearing & Forwarding Expenses	25.41	4.17
Custom Duty Expenses	-	8.44
Freight Expenses - Inward	13.88	7.36
Net Meter Charges	2.97	20.54
Packing and Forwarding Expenses	0.09	0.04
Production Expenses	643.22	1,074.09
Registration Fees Expenses	9.78	4.08
Sub-total	736.17	1,380.44



<b><u>Selling and Administrative Expenses</u></b>		
Administrative Expenses	0.24	0.30
Advertisement Expenses	0.45	1.85
Audit Fees	2.25	2.25
Bad-debts written off	13.40	-
Commission on Sales	1.27	17.49
Communication and Internet Expenses	4.56	0.20
Courier & Postage Expenses	0.88	1.41
Donation Expenses	0.02	0.38
Electric Expenses	0.21	0.24
Exhibition Expenses	14.95	1.45
G.I.D.C Expenses	-	0.03
GST Reversal Expenses	-	0.22
Guest Hospitality Expenses	0.55	0.08
Gujarat VAT Paid	7.85	0.31
Inspection Charges	0.00	0.12
Insurance Expenses	16.03	10.85
Kasar & Discount	1.08	0.49
Key Men Insurance Premium	2.94	2.85
Legal Fees	0.26	0.84
Liquidated Damages (LD)	34.57	17.75
Loading & Unloading Expenses	1.48	11.42
Loss on sale of fixed assets	0.21	-
Market Makers Fees	-	3.00
Membership Fees	1.15	1.18
Miscellaneous Expenses	-	0.10
Notified Area Tax	0.77	0.77
Office Expenses	7.51	6.73
Penalty/Late Fees	0.43	0.06
Petrol and Diesel Expenses	8.33	6.95
Printing and Stationery Expenses	2.28	1.93
Professional Fees Expenses	19.95	35.59
Professional Tax - Company	0.02	0.02
Rent Expenses	33.18	28.52
Repairs & Maintenance Expenses	8.00	4.04
ROC Fees	2.77	0.10
Round off	(0.00)	0.00
Sales Promotion Expenses	0.06	0.51
Security Expenses	1.16	0.99
Site Expenses	0.04	0.29
Software & Subscription Expenses	5.04	1.68
Stamp Duty Expenses	0.78	13.27
Telephone & Mobile Expenses	0.14	4.45
Tender Fees Expenses	1.77	2.42
Training Expenses	-	0.50
Transportation Expenses - Outward	-	8.57
Travelling Expenses - Local & Foreign	24.13	13.63
Web Hosting Charges	-	0.49
Sub-total	220.73	206.33
<b>Total</b>	<b>956.89</b>	<b>1,586.77</b>

<b>Notes:</b>		
<b>Particulars</b>	<b>For the year ended 31-03-2022</b>	<b>For the year ended 31-03-2021</b>
<b>Payments to the auditors comprises</b>		
As auditors - statutory audit	1.25	1.25
As auditors - tax audit	1.00	1.10
For taxation matters	0.25	0.15
<b>Total</b>	<b>2.50</b>	<b>2.50</b>

As per our report of even date  
 For KSA & Co.  
 ICAI Firm Reg. No. : 003822C  
 Chartered Accountants

**sd/**  
**Arun Kanodiya**  
 Partner  
 Membership No : 077131

Place : Surat  
 Date : 30.05.2022

For and on behalf of Board of Directors of  
 Solex Energy Limited

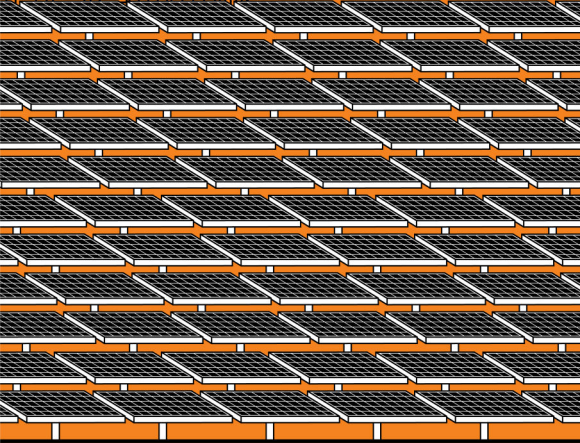
**sd/**  
**Chetan S. Shah**  
 Chairman & Managing Director  
 DIN : 02253886

**sd/**  
**Dilip G Nikhare**  
 Company Secretary

Place : Surat  
 Date : 30.05.2022

**sd/**  
**Kalpeshkumar R Patel**  
 Director  
 DIN : 01066992

**sd/**  
**Kiran R Shah**  
 Chief Financial Officer



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## **Solex Energy Ltd.**

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L.P. Savani Road, Pal, Surat - 395009, Gujarat, India**

**Regd. Office: Plot No. 131/A, Phase - 1, H.M.Road, G.I.D.C., Vitthal Udyognagar,  
Anand - 388121, Gujarat, India**

