



# 2020-21

ANNUAL REPORT

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# 2021

# SOLEX ENERGY LIMITED

## ANNUAL REPORT

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## Solex Energy Limited

CIN: L40106GJ2014PLC081036

Registered Office: Plot no. 131/A, Phase 1,

Nr. Krimy Industries, Vthal Udyognagar

G.I.D.C, Anand – 388001

Board of Directors	
Kalpeshkumar Ramanbhai Patel	Chairman cum Managing Director
Rajeshbhai Tulsibhai Patel	Non-Executive Independent Director
Kamlesh Pravin Yagnik	Non-Executive Independent Director
Dharaben Dharmeshkumar Patel	Non-Executive Director
Vijaykumar Savjivbhai Virpara	Non-Executive Director
Kiran Ritesh Shah	Non-Executive Director

Chief Financial Officer & Company Secretary	
Brijesh Leeladhar Hariya	Chief Financial Officer
Manish Govindbhai Vaghela	Company Secretary

Auditors	
Shaishav Y Mistry	Secretarial Auditor
KSA & Co	Statutory Auditors

Banker & RTA	
Banker	Bank of Baroda
RTA	Skyline Financial Private Limited D153A, 1st Floor, Okhla Industrial Area Phase 1, New Delhi – 110 020

## NOTICE

Notice is hereby given that the 7<sup>th</sup> Annual General Meeting of Solex Energy Limited will be held on Thursday, 02<sup>nd</sup> September, 2021 at 2.30 P.M through Video Conferencing (“VC”)/Other Audio-Visual Means(“OASM”) 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 2021 together with the Reports of the Auditors and the Board thereon.
2. To declare a Dividend on Equity Shares of the Company for the Financial Year ended March 31, 2021.
3. To appoint a director in place of Mr. Kalpeshkumar Ramanbhai Patel who retires by rotation and being eligible offers himself for re-appointment.
4. To appoint Statutory Auditors and fix their remuneration in consultation with the Board and in this regard, to pass the following resolution as an Ordinary Resolution:

M/s KSA & Co., Chartered Accountants, Surat (FRN No.0003822C) be and are hereby appointed as a statutory auditor of the Company in accordance with provisions of section 139,142 and other applicable provisions of the Companies Act, 2013 read with the Companies (Audit and Auditors) Rules, 2014 (including any statutory enactment or re-enactment thereof)

- (I) M/s KSA & Co., Chartered Accountants, Surat (FRN No.0003822C) shall hold office for a period of One year from the conclusion of 7<sup>th</sup> Annual General Meeting to the conclusion of the 8<sup>th</sup> Annual General Meeting of the Company and board of directors is hereby authorized to discuss and decide the remuneration payable to M/s. KSA & Co., Chartered Accountants, Surat (FRN No.0003822C) in consultation with them;
- (II) The directors of the Company are hereby authorized to do all acts, deeds, and things and to take all necessary steps and give such directions as may be necessary to give effect to the above resolution.

## **SPECIAL BUSINESS**

### **5. 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 31st March 2022 to M/S P.K.CHATTERJEE & CO., Cost Accountants (Membership No.23674) appointed by the Board of Directors of the company to conduct the audit of the cost records of the company for the financial year ending on 31st March 2022, amounting to Rs. 35,000(Rupees Thirty-Five Thousand only) inclusive all taxes as applicable aforesaid audit be his hereby ratified and confirmed.”

### **6. To consider and if thought fit to pass with or without modification, the following resolution as Special Resolution.**

#### **Regularization of Mr. Chetan Sureshchandra Shah (DIN: 02253886) as Chairman cum Managing Director of the company.**

**RESOLVED THAT** pursuant to the provision of sections 196, 197 and 203 read with Schedule V and other applicable provisions, if any of the Companies Act, 2013 and relevant rules made thereunder, including any statutory amendments or re-enactments thereof, and subject to such consent(s), approval(s) and permissions(s) as may be necessary in this regard and subject to such conditions as may be imposed by any authority while granting such consent(s), approval(s) and permission(s) and as are agreed to by the Board of Directors (hereinafter referred to as the Board, which terms shall unless repugnant to the context or meaning thereof, be deemed to include any committee thereof and any person authorized by the Board in this behalf), consent of the members be and is hereby accorded for the appointment of Mr. Chetan Sureshchandra Shah (DIN: 02253886) as Chairman cum Managing Director of the Company for a period of five years with effect from 06<sup>th</sup> August, 2021 whose office shall not be liable to determination by retirement of director by rotation, on the terms and conditions set out below:

#### **(I) Remuneration**

##### **(a) Basic Salary**

The basic salary of Mr. Chetan Sureshchandra Shah shall be up to Rs. 6,00,000 per month with liberty and authority to the Board to fix the basic salary will be based on periodical increments linked with the performance of the Chairman cum Managing Director.

## (II) Perquisites

In addition to the basic salary, Mr. Chetan Sureshchandra Shah shall be entitled to the following perquisites.

### (a) Accommodation

A housing accommodation maintained by the company or House Rent Allowance in lieu of thereof is subject to a maximum amount of 50% of the basic salary

### (b) Medical Expenses

Reimbursement of medical expenses incurred for self and family as per the rules of the company subject to the maximum amount of 50% of the basic salary.

For the above purpose,

“Family” includes spouse, dependent children and parents and

Medical expenses include insurance premiums for medical and hospitalization policy if any.

### (c) Leave travel Concession

Leave Travel concession for self and family, once a year, incurred in accordance with the rules of the company, subject to a maximum amount of 15% of the basic salary. Here, “Family includes spouse, dependent children and parents.

### (d) Personal Accident Insurance

Personal accident insurance covers an amount, subject to a maximum amount of 10% of the basic salary.

### (e) Provident Fund and Superannuation Fund

Company’s contribution to Provident Fund and Superannuation Fund as per the rules of the Company.

### (f) Leave and Encashment of Leave

Company’s payment for leave and encashment of leave as per the rules of the Company.

### (g) Gratuity

Company’s contribution to gratuity or gratuity fund as per the rules of the Company.

### (h) Use of car and Telephone

Use of chauffeur driven company car for official purposes, telephone at residence and cellular phone as per the rules of the company.

### (i) Reimbursement of Expenses

Reimbursement of entertainment, club fees, travelling and all other expenses incurred during the official business of the company in accordance with the rules of the Company.

**RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Chetan Sureshchandra Shah, Chairman cum Managing Director by way of salary, incentives, perquisites and allowances shall not exceed the maximum remuneration payable in accordance with Schedule V of the Companies Act, 2013;

**FURTHER RESOLVED THAT** Mr. Chetan Sureshchandra Shah, Chairman cum Managing Director be entrusted with such powers and perform such duties as may from time to time be delegated/entrusted to him subject to the supervision and control of the Board;

**FURTHER RESOLVED THAT** the Board of directors of the company be and is hereby authorized to do all such acts, deeds, things, and take all such steps as may be necessary, proper or expedient to give effect to the foregoing resolution and for matters connected therewith or incidental thereto.”

7. **To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.**

**Regularization of Mr. Piyush Kailashchandra Chandak (DIN: 09195922) as Director (Executive) of the company.**

“**RESOLVED THAT** pursuant to applicable provisions of the Companies Act, 2013 and Rules framed there under, including any enactment, re-enactment or modification thereof **Mr. Piyush Kailashchandra Chandak (DIN: 09195922)** whose term office as an additional director expires at the conclusion of this Annual General Meeting be and is hereby appointed as the Director (Executive) of the company, subject to retirement by rotation.”

**RESOLVED FURTHER THAT** any of the directors of the company be and is hereby severally authorized to do all such acts, things, and deeds as may be deemed necessary for giving effect to the above resolution”

8. **To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.**

**Regularization of Mr. Anil Rathi (DIN: 01405654) as Director (Non-Executive) of the company.**

**“RESOLVED THAT** pursuant to applicable provisions of the Companies Act,2013 and Rules framed there under, including any enactment, re-enactment or modification thereof **Mr. Anil Rathi Director (DIN: 01405654)** whose term office as an additional director expires at the conclusion of this Annual General Meeting be and is hereby appointed as the Director (Non-Executive) of the company, subject to retirement by rotation.”

**RESOLVED FURTHER THAT** any of the directors of the company be and is hereby severally authorized to do all such acts, things, and deeds as may be deemed necessary for giving effect to the above resolution”

9. **To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.**

**Regularization of Mrs. Kiran Ritesh Shah (DIN: 09046468) as Director (Executive) of the company.**

**“RESOLVED THAT** pursuant to applicable provisions of the Companies Act,2013 and Rules framed there under, including any enactment, re-enactment or modification thereof **Mrs. Kiran Ritesh Shah (DIN: 09046468)** whose term office as an additional director expires at the conclusion of this Annual General Meeting be and is hereby appointed as the Director (Executive) of the company, subject to retirement by rotation.”

**RESOLVED FURTHER THAT** any of the directors of the company be and is hereby severally authorized to do all such acts, things, and deeds as may be deemed necessary for giving effect to the above resolution”

10. **To consider and if thought fit to pass with or without modification, the following resolution as an Ordinary Resolution.**

**Regularization of Mr. Vipul Mulchand Shah (DIN: 01547319) as Director (Non-Executive) of the company.**

**“RESOLVED THAT** pursuant to applicable provisions of the Companies Act,2013 and Rules framed there under, including any enactment, re-enactment or modification thereof **Mr. Vipul Mulchand Shah (DIN: 01547319)** whose term office as an additional director expires at the conclusion of this Annual General Meeting be and is hereby appointed as the Director (Non-Executive) of the company, subject to retirement by rotation.”

**RESOLVED FURTHER THAT** any of the directors of the company be and is hereby severally authorized to do all such acts, things, and deeds as may be deemed necessary for giving effect to the above resolution.”



11. **To consider and if thought fit to pass with or without modification, the following resolution as a Special Resolution.**

**Change in designation of Mr. Kamlesh Pravin Yagnik, from Additional Independent Non-Executive Director to Independent Non-Executive Director.**

**“RESOLVED THAT** pursuant to the provisions of sections 149, 150, 152 read with Schedule IV and other applicable provisions of the Companies Act, 2013 read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 [including any statutory modification(s) or amendment(s) thereto or re-enactment(s) thereof for the time being in force], **Mr. Kamlesh Pravin Yagnik**, (DIN: 02136528), who was appointed as an Additional Non-Executive Independent Director of the Company by the Board of Directors of the Company and who holds office of the Additional Non-Executive Independent Director up to the conclusion of the Annual General Meeting and who is eligible for being appointed as Non-Executive Independent Director and in respect of whom the Company has received a Notice in writing from a Member under section 160 of the Companies Act, 2013 proposing her candidature for the office of Non-Executive Independent Director, be and is hereby appointed as Non-Executive Independent Director of the Company, not liable to retire by rotation and to hold office for a term of five consecutive years commencing from March 03, 2021 to March 02, 2026.”

12. **To consider and if thought fit to pass with or without modification, the following resolution as Special Resolution.**

**Change in designation of Mr. Kalpeshkumar Ramanbhai Patel from Chairman cum Managing Director to Director (Executive).**

**RESOLVED THAT** pursuant to the provisions Section 152 read with rule 8, 9 and 14 and sections 197 read with Schedule V of the of Companies Act, 2013 and any other applicable provisions of Companies Act, 2013 (including any modification or re-enactment thereof for time being in force) and Article of Association of Company, approval of the members of the company be and is hereby accorded to the change in designation of Mr. Kalpeshkumar Ramanbhai Patel from Chairman cum Managing Director to Director (Executive) of the Company, liable to retire by rotation of Directors, effective from 06th August 2021 as well as the payment of salary, commission and perquisites (hereinafter referred to as "remuneration") of Rs. 300,000/- (Rupees Three Lacs only) per month on such other terms and conditions as per the letter of appointment given to Mr. Kalpeshkumar Ramanbhai Patel by the company.

**RESOLVED FURTHER THAT** the above remuneration payable to Mr. Kalpeshkumar Ramanbhai Patel, shall not exceed the overall ceiling of the total managerial remuneration as provided under section 197 and Schedule V of the Companies Act, 2013 or such other limits as may be prescribed from time to time;

**RESOLVED FURTHER THAT** where in any financial year during the currency of his tenure, the Company has no profits or its profits are inadequate, the remuneration payable to Mr. Kalpeshkumar Ramanbhai Patel, Director (Executive) by way of salary, incentives, perquisites and allowances shall not exceed the maximum remuneration payable in accordance with Schedule V of the Companies Act, 2013;

Place: Vithal Udyognagar

Date: 09.08.2021

By Order of the Board of Directors

For Solex Energy Limited

**Sd/-**

**Manish Govindbhai Vaghela**

**Company Secretary & Compliance  
Officer**

## **Notes:**

- A. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs (“MCA”) has vide its circular nos. 14/2020 and 17/2020 dated April 8, 2020 and April 13, 2020 respectively, in relation to “Clarification on passing of ordinary and special resolutions by companies under the Companies Act, 2013 and the rules made thereunder on account of the threat posed by Covid-19”, circular no. 20/2020 dated May 5, 2020 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means (OAVM)” and Circular no. 02/2021 dated January 13, 2021 in relation to “Clarification on holding of annual general meeting (AGM) through video conferencing (VC) or other audio visual means(OAVM)” (Collectively referred to as “MCA Circulars”) and Securities and Exchange Board of India (“SEBI”) vide its circular no. SEBI/HO/CFD/CMD1/CIR/P/2020/79 dated May 12, 2020 in relation to “Additional relaxation in relation to compliance with certain provisions of SEBI (Listing Obligations and Disclosure Requirements) Regulations 2015 due to Covid-19 pandemic” and circular no. SEBI/ HO/CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 in relation to “Relaxation from compliance with certain provisions of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 due to the CoVID -19 pandemic” (collectively referred to as “SEBI Circulars”) permitted the holding of the Annual General Meeting (“AGM”) through VC / OAVM, without the physical presence of the Members at a common venue. In compliance with the MCA and SEBI Circulars, the AGM of the members of the Company is being held through VC / OAVM. The registered office of the Company shall be deemed to be the venue for the AGM. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- 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 thereat and cast their votes through e-voting.
- C. The Members may 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 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,

- D. Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- E. 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.
- F. 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.
- G. 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 at <https://solex.in/>. The Notice can also be accessed from the websites of the Stock Exchanges i.e. National Stock Exchange of India Limited at <https://www.nseindia.com/> respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. <https://www.evoting.nsdl.com/>
- H. AGM has been convened through VC/OAVM in compliance with applicable provisions of the Companies Act, 2013 read with MCA Circular No. 14/2020 dated April 08, 2020 and MCA Circular No. 17/2020 dated April 13, 2020 and MCA Circular No. 20/2020 dated May 05, 2020.
- I. 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: -
- a) the change in the residential status on return to India for permanent settlement, and
  - b) the particulars of the NRE account with a Bank in India, if not furnished earlier
- J. 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/Authorization etc 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 [dgbhimani@yahoo.co.in](mailto:dgbhimani@yahoo.co.in) with a Carbon Copy marked to [helpdesk@nsdl.com](mailto:helpdesk@nsdl.com).

- K. The Explanatory Statement, pursuant to Section 102 of the Companies Act ,2013 setting out facts concerning the business under Item No. 5, 6, 7, 8, 9, 10, 11 and 12 of the Notice is annexed hereto.
- L. 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.
- M. The Registrar of Members and Share Transfer Books shall remain closed from 27.08.2021 to 02.09.2021 (both days inclusive) to determine entitlement of the Shareholders to receive Dividend for the Year 2020-21 and for the purpose of Annual General Meeting.
- N. The Board of Directors at its Board Meeting held on 30<sup>th</sup> June 2021 has recommended a Dividend of Rs.0.30 Paise 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 26.08.2021. Members are requested to update their bank details with their respective Depository Participants (DP) to receive the amount of Dividend quickly.
- O. Members who wish to claim Dividends, which remain unclaimed, are requested to either correspond with the Corporate Secretarial Department at the Company's registered office or the Company's Registrar and Share Transfer Agent for revalidation and encashment before the due dates. The details of such unclaimed dividends are available on the Company's website at [www.solex.in](http://www.solex.in) . Members are requested to note that the dividend remaining unclaimed for a continuous period of seven years from the date of transfer to the Company's Unpaid Dividend Account shall be transferred to the Investor Education and Protection Fund (IEPF). In addition, all shares in respect of which dividend has not been paid or claimed for seven consecutive years or more shall be transferred by the Company to demat account of the IEPF Authority within a period of thirty days of

such shares becoming due to be a period of thirty days of such shares becoming due to be transferred to the IEPF.

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.

P. In case of any queries regarding the Annual Report, the Members may write to [cs@solex.co.in](mailto:cs@solex.co.in) to receive an email response.

Q. 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 2020-21 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 2020-21 does not exceed Rs.5000/-. Please note that this includes the future Dividends if any such may be declared by the Board in the Financial Year 2020-21.

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 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 2020-21;
  - 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 2020-21.

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.

R. 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, 26<sup>th</sup> August 2021 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.co.in](mailto:cs@solex.co.in) No Communication on the Tax determination/deduction shall be considered after Thursday, 26<sup>th</sup> August 2021

Shareholder 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.

- S. 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 affected by sending the same 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.co.in](mailto:cs@solex.co.in) Physical mode is not available due to COVID -19 so please here request to send your updated mail on above E mail IDs.
- T. 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 **Thursday 26<sup>th</sup> August, 2021**, 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 10:00 a.m. on Monday, 30<sup>th</sup> August, 2021 and will end at 5:00 p.m. on Wednesday, 01<sup>st</sup> September, 2021.** 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 ARE AS UNDER: -**

The remote e-voting period begins on 30<sup>th</sup>, August, 2021 at 10:00 A.M. and ends on 01<sup>st</sup>, September, 2021 at 05:00 P.M. The remote e-voting module shall be disabled by NSDL for voting thereafter.

**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:

**Step 1: Log-in to NSDL e-Voting system at <https://www.evoting.nsdl.com/>**

**Step 2: Cast your vote electronically on NSDL e-Voting system.**

Details on Step 1 is mentioned below:

**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 ‘Shareholders’ section.
3. A new screen will open. You will have to enter your User ID, your Password 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. Your password details 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.
- 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.

**Details on Step 2 is given below:**

**How to cast your vote electronically on NSDL e-Voting system?**

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.

2. After click on Active Voting Cycles, you will be able to see all the companies “EVEN” in which you are holding shares and whose voting cycle is in active status.
3. Select “EVEN” of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. 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.
6. Upon confirmation, the message “Vote cast successfully” will be displayed.
7. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.
8. 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 [dgbhimani@yahoo.co.in](mailto:dgbhimani@yahoo.co.in) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
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.: 1800-222-990 or send a request to (Name of NSDL Official) at [evoting@nsdl.co.in](mailto:evoting@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.co.in](mailto:cs@solex.co.in)  
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.co.in](mailto:cs@solex.co.in)

**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 the 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 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:**

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access the same at <https://www.evoting.nsdl.com> under shareholders/members log in by using the remote e-voting credentials. The link for VC/OAVM will be available in shareholder/members 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 the last-minute rush. Further members can also use the OTP-based login for logging into the e-Voting system of NSDL.
2. Members are encouraged to join the Meeting through Laptops for a better experience.
3. Further Members will be required to allow Camera and use the Internet at a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through laptops 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.
5. 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 (company email id). The same will be replied by the company suitably.

**INFORMATION REQUIRED PURSUANT TO SECRETARIAL STANDARD ON GENERAL MEETING (SS-2) AND PURSUANT TO REGULATION 36 OF THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS 2015, IN RESPECT OF DIRECTORS SEEKING APPOINTMENT/RE-APPOINTMENT AT THE ANNUAL GENERAL MEETING**

**Director retire by rotation and eligible for reappointment**

Mr. Kalpeshkumar Ramanbhai Patel

Name of Director	Kalpeshkumar Ramanbhai Patel
Date of Birth	19/10/1970
Date of appointment	13/10/2014
No. equity share held in the Company	3479360
Disclosure of relationships between directors inter se	N.A
Qualification	B.com, L.L.B
List of outside Directorship held in public Company	Nil
Chairman/Member of the Committee of the Board of directors of the Company	Nil
Chairman/Member of the Committee of the Board of directors of the Company	Nil

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

**Item No. 5**

The Board, on the recommendation of the Audit Committee, has approved the appointment and remuneration of the Cost Auditors to conduct the audit of the cost records of the company for the financial year ending on 31st March 2022 as per the following details:

Sr No.	Name of the Cost Auditor	Industry	Audit Fee
1.	P.K. Chatterjee & CO.	Solar Sector	35000/-

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.

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

Accordingly, consent of the members is sought for passing an Ordinary Resolution for item No.5.

**Item No. 6**

On the recommendation of the Nomination and Remuneration Committee, the Board of Directors of your company in its meeting held on 06<sup>th</sup> August 2021 has approved the appointment and terms of remuneration of Mr. Chetan Sureshchandra Shah as the Chairman cum Managing Director of the company for a period of five years.

The Nomination & Remuneration Committee in its meeting held on Dated 06<sup>th</sup> August 2021 has approved the appointment and terms of remuneration of Mr. Chetan Sureshchandra Shah as the Chairman cum Managing Director of the company for a period of five years.

Mr. Chetan Sureshchandra Shah, aged 52 years, is a commerce graduate. He has over 11 years of rich experience working in the Solar industry. He has undergone experience of more than 3500 installations of Solar Plants and Solar water pumps across the Indian and African continent.

He joined the company as an Additional Director w.e.f. 08<sup>th</sup> June 2021 and since then has been contributing to the growth and development of the company.

The Board of Directors strongly believes the induction of Mr. Chetan Sureshchandra Shah as the Chairman cum Managing Director of the company will greatly help the company to further its growth in the coming period.

In order to regularize his appointment as a Chairman cum Managing Director the approvals of the members of the company are sought at the ensuing annual general meeting.

Mr. Chetan Sureshchandra Shah is eligible for appointment as a Chairman cum Managing Director under the provision of the Companies Act, 2013 and rules made thereunder. In terms of section 152, Mr. Chetan Sureshchandra Shah has consented to act as the Chairman cum Managing Director of the company, if so appointed.

In accordance with Section 196(4) of the Companies Act, 2013, the approval by a resolution at the general meeting of the members of the company as required for the appointment and terms of remuneration of Mr. Chetan Sureshchandra Shah as the Chairman cum Managing Director of the company.

Accordingly, consent of the Members is sought for passing an Ordinary Resolution as set out in item no. 06 of the accompanying Notice for appointment and terms of remuneration of Mr. Chetan Sureshchandra Shah as the Chairman cum Managing Director of the company for a period of five years w.e.f. 06.08.2021.

Mr. Chetan Sureshchandra Shah, being an appointee, and his relatives are deemed to be interested in the said resolution.

None of the Directors and Key Managerial Personal of the company and their relatives is concerned or interested, financially or otherwise, in the said resolution.

The Board commends the Special Resolution as set out in item no. 06 of the 7<sup>th</sup> AGM Notice for the approval of the members.

#### **Item No. 7**

Mr. Piyush Kailashchandra Chandak (DIN: 09195922) was appointed an additional director of the Company on 08<sup>th</sup> June 2021 by the Board of Directors of the Company. According to the provision of Section 161 of the Companies Act, 2013, he may hold office as director only up to the date of the ensuing Annual General Meeting. However, in order to regularize his appointment as a Director the approvals of the members of the company are sought.

Mr. Piyush Kailashchandra Chandak (DIN: 09195922) is not disqualified from being appointed as Director in terms of Section 164(2) of the Companies Act, 2013 and has complied with requirements of obtaining Directors Identification Number in terms of Section 153 of the said Act.

The Board considers that it is desirable that the Company should continue to avail itself of his services and recommend passing the necessary resolution as an Ordinary Resolution.

Except, Mr. Piyush Kailashchandra Chandak no other directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed resolution.

#### **Item No.8**

Mr. Anil Rathi (DIN: 01405654) was appointed an additional director of the Company on 08<sup>th</sup> June 2021 by the Board of Directors of the Company. According to the provision of Section 161 of the Companies Act, 2013, he may hold office as director only up to the date of the ensuing Annual General Meeting. However, in order to regularize his appointment as a Director the approvals of the members of the company are sought.

Mr. Anil Rathi is not disqualified from being appointed as Director in terms of Section 164(2) of the Companies Act, 2013 and has complied with requirements of obtaining Directors Identification Number in terms of Section 153 of the said Act.

The Board considers that it is desirable that the Company should continue to avail itself of his services and recommend passing the necessary resolution as an Ordinary Resolution.

Except, Mr. Anil Rathi no other directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed resolution.

#### **Item No.9**

Mrs. Kiran Ritesh Shah was appointed an additional director of the Company on 03<sup>rd</sup> March 2021 by the Board of Directors of the Company. According to the provision of Section 161 of the Companies Act, 2013, he may hold office as director only up to the date of the ensuing Annual General Meeting. However, in order to regularize his appointment as a Director the approvals of the members of the company are sought.

Mrs. Kiran Ritesh Shah is not disqualified from being appointed as Director in terms of Section 164(2) of the Companies Act, 2013 and has complied with requirements of obtaining Directors Identification Number in terms of Section 153 of the said Act.

The Board considers that it is desirable that the Company should continue to avail itself of his services and recommend passing the necessary resolution as an Ordinary Resolution.

Except, Mrs. Kiran Ritesh Shah no other directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed resolution.

#### **Item No.10**

Mr. Vipul Mulchand Shah was appointed an additional director of the Company on 15<sup>th</sup> July 2021 by the Board of Directors of the Company. According to the provision of Section 161 of the Companies Act, 2013, he may hold office as director only up to the date of the ensuing Annual General Meeting. However, in order to regularize his appointment as a Director the approvals of the members of the company are sought.



Mr. Vipul Mulchand Shah is not disqualified from being appointed as Director in terms of Section 164(2) of the Companies Act, 2013 and has complied with requirements of obtaining Directors Identification Number in terms of Section 153 of the said Act.

The Board considers that it is desirable that the Company should continue to avail itself of his services and recommend passing the necessary resolution as an Ordinary Resolution.

Except, Mr. Vipul Mulchand Shah no other directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed resolution.

### **Item No.11**

Mr. Kamlesh Pravin Yagnik was appointed as Additional Non-Executive Independent Directors on the Board of your Company pursuant to the provisions of section 149 of the Companies Act, 2013 ("the Act") read with the Companies (Appointment and Qualifications of Directors) Rules, 2014 and Regulation 17 of the SEBI (Listing Obligations and Disclosure Requirements), Regulations, 2015 by the Board of Directors at their meeting held on 03<sup>rd</sup> March 2021. He has hold office as Additional Non-Executive Independent Directors of the Company up to the conclusion of the ensuing Annual General Meeting pursuant to the provisions of Section 161 of the Companies Act, 2013.

Mr. Kamlesh Pravin Yagnik is not disqualified from being appointed as Director in terms of Section 164(2) of the Companies Act, 2013 and has complied with requirements of obtaining Directors Identification Number in terms of Section 153 of the said Act.

Mr. Kamlesh Pravin Yagnik would not be entitled to sitting fees for attending the Meetings of the Board of Directors and committee meeting of the company. He will not be entitled to any commission.

Mr. Kamlesh Pravin Yagnik has completed a Master of Technology (MTech) from the Indian Institute of Technology, Bombay.

Mr. Kamlesh Pravin Yagnik has over three decades of post-qualification experience in research, business and consulting in the areas of Energy, Climate Change and Technology. Currently, he is working as Senior Climate Action Expert on European Union-sponsored International Urban Co-operation project. He is also working as Chief Resilience Officer for Surat. He is acting as a Chairman of Resilience Strata Research and Action Forum, a not-for-profit Company working for building the resilience of habitats. He represents small and medium enterprises working in flood-prone areas of South Gujarat, India, as Past President of The Southern Gujarat Chamber of Commerce and Industry. An engineer by training, he has studied vulnerabilities, impact and adaptation strategies for climate change in Surat. In collaboration with the local government, he has worked on an end-to-end early-warning system for river floods. He has also initiated various e-governance projects for administration. His areas of interest include Urban Resilience, Climate Change and Energy Management.

Mr. Kamlesh Pravin Yagnik does not hold any shares in the Company.

The Board considers that it is desirable that the Company should continue to avail itself of its services and recommend passing the necessary resolution as a Special Resolution.

Except, Mr. Kamlesh Pravin Yagnik no other directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed resolution.

### **Item No.12**

The board of Directors at their meeting held on 06<sup>th</sup> August 2021 noted the request received from Mr. Kalpeshkumar Ramanbhai Patel about his desire to step down as the Executive Director of the company due to change of management of the company.

Mr. Kalpeshkumar Ramanbhai Patel will continue to be an Executive director of the company on the Board of Directors of the Company.

Pursuant to the recommendation by the Nomination and Remuneration Committee, the Board of Directors at their meeting held on 6<sup>th</sup> August 2021, has appointed Mr. Kalpeshkumar Ramanbhai Patel as an Executive Director of the Company w.e.f. 06<sup>th</sup> August 2021 at fixed remuneration of Rs.300,000/- (Rupees Three Lacs) per month and on such other terms and conditions as per the letter of appointment given to Mr. Kalpeshkumar Ramanbhai Patel by the company. The company requires the approval of the shareholders of the company by way of Special Resolution passed in the General Meeting as per the provision of section 152, 196, 197 and other applicable provisions, if any, of the Companies Act, 2013

Except, Mr. Kalpeshkumar Ramanbhai Patel no other directors, Key Managerial Personnel or their relatives are concerned or interested in the proposed resolution.

The Board recommends the Resolution set forth at item No.12 of the Notice for approval of the members as a Special Resolution.

## BOARD'S REPORT

To,  
The Members of  
SOLEX ENERGY LIMITED.

Your Directors have immense pleasure in presenting the Seventh Annual General Meeting on the business and operations of the Company together with the Audited Financial Statements of your Company for the Financial Year 2020-21.

The Directors Report is prepared based on the Standalone Financial Statements of the Company and the Report on the performance and financial position of the Company.

- FINANCIAL RESULTS

The Summary of the financial performance of the Company for the year ended 31.03.2021 compared to the previous year is as below:

Particulars	F.Y 2020-21	F.Y 2019-20
<b>Total Revenue</b>	79,90,20,000	1,38,41,64,932
<b>Profit before depreciation and tax</b>	2,53,86,000	6,56,9,0069
<b>Profit before tax</b>	2,35,65,000	6,24,34,382
<b>Profit after tax</b>	1,67,62,000	4,45,11,034
<b>Earnings Per Share (EPS)</b>	3.39	9.01

- HIGHLIGHTS OF PERFORMANCE

Total Revenue for the year decreased to 7990.20 lacs as compared to Rs. 13841.64 lacs in the previous year. Profit before Tax for the year was Rs.235.65 lacs as compared to Rs. 624.34 lacs in the previous year. Profit after Tax for the year was Rs.167.62 lacs as compared to Rs. 445.11 lacs in the previous year.

- DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs.0.30/- Paise (@ 3%) on a fully paid-up equity share of Rs. 10/- each for the financial year 2020 - 21 subject to the approval of the shareholders at the ensuing Annual General Meeting.

- FIXED DEPOSITS

The Company has not accepted any deposit from the public falling within the ambit of Section 73 of the Companies Act, 2013 and the Companies (Acceptance of Deposits) Rules, 2014.

- **CHANGE IN CAPITAL STRUCTURE OF THE COMPANY**

There is no change in the capital structure of the company during the financial year ended 31st March 2021.

- **DIRECTORS AND KMP**

During the year under review and thereafter, the following changes took place with regard to Directors and Key Managerial Personnel:

Sr. No.	Name of Directors/KMP	Appointment/Cessation/Change in Designation	Effective Date
1.	Kamlesh Narendrabhai Patel	Cessation	11.02.2021
2.	Kiran Ritesh Shah	Appointment	03.03.2021
3.	Kamlesh Pravin Yagnik	Appointment	03.03.2021

- **DECLARATION BY INDEPENDENT DIRECTORS**

Mr. Rajeshbhai Tulsibhai Patel, Mr. Kamlesh Narendrabhai Patel and Mr. Kamlesh Pravin Yagnik were the Independent Directors of the Company as of 31<sup>st</sup> March 2021 pursuant to the provisions of Section 149(10) of the Act.

The Board of Directors of the Company hereby confirms that all the Independent Directors duly appointed by the Company have given the declaration and they meet the criteria of Independence as provided under Section 149(6) of the Act.

- **ANNUAL EVALUATION**

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 Act and the Listing Regulations.

- **REMUNERATION POLICY**

The Board has, on the recommendation of the Nomination & Remuneration Committee framed a policy for selection and appointment of Directors, Senior Management Personnel, and their remuneration. The Remuneration Policy is attached as [Annexure "A"](#).

- **NO. OF MEETINGS**

During the year, Eight (8) Board Meetings were convened and held on 30<sup>th</sup> July 2020, 17<sup>th</sup> August 2020, 24<sup>th</sup> September 2020, 26<sup>th</sup> October 2020, 11<sup>th</sup> November 2020, 01<sup>st</sup> February 2021, 03<sup>rd</sup> March 2021, and 17<sup>th</sup> March 2021 the intervening gap between the meetings was within the period prescribed under the Companies Act, 2013.

- **AUDIT COMMITTEE**

The Board has constituted an Audit Committee pursuant to the provisions of Section 177(1) of the Companies Act, 2013. The Composition of the Audit Committee is as under:

Mr. Rajeshbhai Tulsibhai Patel (Chairman)

Mr. Vijaykumar Savjubhai Virpara  
(Member)

Mr. Kamlesh Pravin Yagnik (Member)

The recommendations of the Audit Committee were accepted by the Board of Directors of the Company from time to time.

During the year four meeting of the committee was held on 30<sup>th</sup> July 2020, 11<sup>th</sup> November 2020, 02<sup>nd</sup> February 2021, and 17<sup>th</sup> March 2021.

- **SUBSIDIARY, JOINT VENTURE, AND ASSOCIATE COMPANIES**

The Company has neither subsidiary nor Joint Venture Company nor Associate Company.

- **INTERNAL CONTROL SYSTEMS AND THEIR ADEQUACY**

The Company has established effective internal control systems to ensure accurate, reliable, and timely compilation of financial statements, to safeguard assets of the Company, and to detect and mitigate irregularities and frauds. The Company's management has adequate internal control procedures over financial reporting.

In accordance with the requirements of Section 143(3)(i) of the Companies Act, 2013, the Statutory Auditors have confirmed the adequacy and operating effectiveness of the internal financial control systems over financial reporting.

- **VIGIL MECHANISM/WHISTLEBLOWER POLICY**

The Company has established Vigil Mechanism system and framed Whistle Blower Policy. Whistle Blower Policy is disclosed on the website of the Company at <https://solex.in/investor/> Under the tab of Corporate Governance > Policy > 9. Vigil Mechanism

- **PARTICULARS OF EMPLOYEE AND REMUNERATION**

The details of employees of the Company in terms of remuneration drawn as required under Section 134 of the Companies Act, 2013 and Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are annexed hereto **Annexure "B"** and forms part of this Report.

There is no employee drawing remuneration of Rs. 1,02,00,000 or more per annum or Rs. 8,50,000 or more per month or for any part of the year and hence the particulars required to be

disclosed under Section 134 of the Companies Act, 2013 read with Rule 5(2) the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are not furnished.

- CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, AND FOREIGN EXCHANGE EARNING & OUTGO

The particulars required to be disclosed in this report pursuant to the provision of the Companies (Accounts) Rules, 2014 are given in [Annexure "C"](#) forming part of this report.

- CORPORATE GOVERNANCE REPORT AND CERTIFICATE

SEBI Regulation on compliance of conditions of Corporate Governance does not apply to the Company. However, Company is complying with all other SEBI regulations and listing agreements.

- MANAGEMENT'S DISCUSSION AND ANALYSIS

A detailed review of the operations, performance, and future outlook of the Company is given in the Management's Discussion and Analysis appearing as [Annexure "D"](#) to this Report.

- RELATED PARTY TRANSACTIONS

The Company has entered into transactions with the related party in the ordinary course of business and at an arm's length basis. The particulars of contracts or arrangements entered into by the Company with related parties referred to in sub-section (1) of Section 188 of the Act in the prescribed Form AOC-2 is enclosed as per [Annexure "E"](#).

- DIRECTORS RESPONSIBILITY STATEMENT

Based on the framework of internal financial controls and compliance systems established and maintained by the internal, statutory, cost and Secretarial auditor auditors and the reviews performed by the Management and the relevant Board Committees, including the Audit Committee, the Board is of opinion that the Company's internal financial controls were adequate and effective during the year ended on 31<sup>st</sup> March 2021. Accordingly pursuant to Section 134 (5) of the Companies Act 2013, based on the above and the representation received from the Operating Management, the Board of Directors, to the best of their knowledge and ability confirm that:

1. In the preparation of the annual accounts, the applicable accounting standards have been followed, and that there were no material departures therefrom;
2. They have in the selection of the accounting policies, consulted the statutory auditors and have applied their recommendations consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as of 31st March, 2021 and of the profit of the Company for the year ended on that date;
3. They have taken proper and sufficient care for the 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;
4. They have prepared the annual accounts on a going concern basis

5. They have laid internal financial controls to be followed by the Company and that such internal financial controls are adequate and were operating effectively during the year ended on 31st March 2021; and
6. Proper systems have been devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively during the year ended on 31st March, 2021.

❖ **STATUTORY AUDITORS' AND INDEPENDENT AUDITORS' REPORT**

Presently, the Company's statutory auditor is M/s. KSA & Co., Chartered Accountants, (0003822C) Surat who were appointed in 6<sup>th</sup> Annual General Meeting till the conclusion of 7<sup>th</sup> Annual General Meeting.

The members of the Audit Committee at their Meeting held on 30th July 2020 have recommended the appointment of M/s. KSA & Co., Chartered Accountants, Surat having (Firm Registration Number 0003822C) Statutory Auditors of the Company subject to the approval of members of the Company at the ensuing Annual General Meeting of the Company to conduct the audit for the 1 (One) financial years from this Annual General Meeting till to 7<sup>th</sup> Annual General Meeting at such remuneration as may be decided by the Board and auditors mutually. Their appointment and payment of remuneration are to be confirmed and approved in the ensuing Annual General Meeting.

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.

❖ **SECRETARIAL AUDITOR**

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 Mr. Shaishav Y Mistry, Company Secretaries in Practice, to undertake the Secretarial Audit of the Company. The Report of the Secretarial Audit is annexed herewith as [Annexure "F"](#). The Company is complying with the secretarial standards as prescribed by The Institute of Company Secretaries of India.

❖ **COST AUDITORS**

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 & Co. to audit the cost accounts of the Company for the financial year ending 31st March 2021 on a remuneration of Rs. 25,000/- 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 & Co., the Cost Auditors is included at Item No. 5 of the Notice convening the Annual General Meeting.

❖ **PARTICULARS OF LOANS, GUARANTEES, OR INVESTMENTS**

The Company has not done any transactions for Loans, guarantees, and investments covered under Section 186 of the Companies Act, 2013.

❖ **DEVELOPMENT AND IMPLEMENTATION OF RISK MANAGEMENT POLICY**

Risk affects every organization in one way or other. Thus, planning to handle such risks in the future is of vital importance for every organization. Your Company always focuses on identifying and monitoring the risk and taking precautionary steps for risks affecting your Company. There are certain risks like Price Risk, Government Policies, Human Resource, Competition etc. and have planned to manage such risk by adopting best management practices.

❖ **CORPORATE SOCIAL RESPONSIBILITY**

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.

❖ **EXTRACT OF THE ANNUAL RETURN U/S 92(3) OF THE ACT AS PER FORM MGT-9**

The Extract of Annual Return as required under section 92(3) of the Companies Act, 2013 and Rule 12(1) of the Companies (Management and Administration) Rules, 2014 in Form MGT-9 is annexed herewith for your kind perusal and information as per [Annexure "G"](#).

❖ **DETAILS OF SIGNIFICANT OR MATERIAL ORDER PASSED**

There were no significant and material orders passed by any Regulator or Court or Tribunal impacting the going concern status and Company's operations in the future during the year under review.

❖ **DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT THE WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT 2013**

The Company has in place an Anti-Sexual Harassment Policy in line with the requirements of the Sexual Harassment of Women at the 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. The summary of sexual harassment complaints received and disposed off during the financial year 2020-21 are as under:

Number of Complaints Received	NIL
Number of Complaints Disposed off	NIL

• **CHANGE IN THE NATURE OF BUSINESS**



During the year under review, there was no change in the nature of business of the Company and there is no material change and/or commitments, affecting the financial position of the Company, during the period from 31<sup>st</sup> March 2021 till the date of this report.

- **REPORTING OF FRAUDS**

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 the Act and Rules framed thereunder.

- **ACKNOWLEDGEMENT**

The Board records it's thanks to the Company's Bankers, Financial Institutions, Government, Collaborators and other agencies for their support extended to the Company and look forward to their continued support.

**By the order of the board of**

**Solex Energy Limited**

**Date: 06.08.2021**

**Place: Vithal Udyognagar**

**Sd/-**

**Kalpeshkumar Ramanbhai Patel  
Chairman cum Managing Director**

## MANAGING DIRECTOR 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 2020-21 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 Solex Energy Limited**

**Date: 30.06.2021**  
**Place: Vithal Udyognagar**

**Sd/-**  
**Kalpeshkumar Patel**  
**Managing Director**

**Sd/-**  
**Brijesh Leeladhar Hariya**  
**Chief Financial Officer**

## ANNEXURE "A" THE BOARD REPORT

This policy on nomination and remuneration of Directors, Key Managerial Personnel, and Senior Management has been formulated by the Committee, in compliance with Section 178 of the Companies Act, 2013 read along with applicable rules thereto.

Objectives of the Committee  
The 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 of Directors, key managerial personnel, and other employees.

Formulation of criteria for evaluation of the Independent Director and to carry out an evaluation of every Director's performance and to provide the necessary report to the Board for further evaluation.

Devising a policy on Board diversity.

Identify persons who are qualified to become Director and persons who may be appointed in Key Managerial and Senior Management positions in accordance with the criteria laid down in this policy.

1. To provide to Key Managerial Personal and Senior Management reward linked directly to their effort, performance, dedication, and achievement relating to the Company's operations.
2. To retain, motivate and promote talent and to ensure the long-term sustainability of talented managerial persons and create competitive advantage.
3. Ensure that level and composition of remuneration is reasonable and sufficient, the relationship of remuneration to performance is clear, and meets appropriate performance benchmarks.
4. To carry out any other function as is mandated by the Board from time to time and/or enforced by any statutory notification, amendment, or modification, as may be applicable.
5. To perform such other functions as may be necessary or appropriate for the performance of its duties.
6. To develop a succession plan for the Board and to regularly review the plan.

Definitions:

- "Act": - Act means the Companies Act, 2013 and Rules framed thereunder, as amended from time to time.
- "Board": - Board means Board of Directors of the Company.
- "Director": -Directors means Directors of the Company.
- "Committee": -Committee means Nomination and Remuneration Committee of the Company as constituted or reconstituted by the Board, from time to time.
- "Company": - Company means Solex Energy Limited.

- "Independent Director": - As provided under the Companies Act, 2013, 'Independent director' shall mean a non-executive director, other than a nominee director of the Company:
  - a. who, in the opinion of the Board, is a person of integrity and possesses relevant expertise and experience;
  - b. i. who is or was not a promoter of the Company or its holding, subsidiary or associate Company;
    - ii. who is not related to promoters or directors in the Company, its holding, subsidiary or associate Company;
  - c. apart from receiving director's remuneration, has or had no pecuniary relationship with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, during the two immediately preceding financial years or during the current financial year;
  - d. none of whose relatives has or had pecuniary relationship or transaction with the Company, its holding, subsidiary or associate Company, or their promoters, or directors, amounting to two percent. or more of its gross turnover or total income or fifty lakh rupees or such higher amount as may be prescribed, whichever is lower, during the two immediately preceding financial years or during the current financial year;
  - e. who, neither himself nor any of his relatives-
    - i. holds or has held the position of a key managerial personnel or is or has been employee of the Company or its holding, subsidiary or associate Company in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed;
    - ii. is or has been an employee or proprietor or a partner, in any of the three financial years immediately preceding the financial year in which he is proposed to be appointed; of-
      - a. a firm of auditors or Company secretaries in practice or cost auditors of the Company or its holding, subsidiary or associate Company; or
      - b. any legal or a consulting firm that has or had any transaction with the Company, its holding, subsidiary or associate Company amounting to ten per cent or more of the gross turnover of such firm;
    - iii. holds together with his relatives two per cent or more of the total voting power of the Company; or
    - iv. is a Chief Executive or director, by whatever name called, of any non-profit organization that receives twenty-five per cent or more of its receipts from the Company, any of its promoters, directors or its holding, subsidiary or associate Company or that holds two per cent or more of the total voting power of the Company; or
  - f. who possesses such other qualification as may be prescribed under the applicable statutory provisions/ regulations
  - g. is a material supplier, service provider or customer or a lessor or lessee of the Company;

- h. who is not less than 21 years of age?
- “Key Managerial Personnel”: - Key Managerial Personnel (KMP) means-
  - i. the Chief Executive Officer or the managing director or the manager;
  - ii. the Whole-Time Director;
  - iii. the Company Secretary;
  - iv. the Chief Financial Officer; and
  - v. such other officer as may be prescribed under the applicable statutory provisions/regulations

“Senior Management”: - The expression “senior management” means personnel of the Company who are members of its core management team excluding Board of Directors comprising all members of management one level below the executive directors, including the functional heads.

“Nomination and Remuneration Committee” shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013.

“Policy or This Policy” means, “Nomination and Remuneration Policy”.

“Remuneration” means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

### Guiding Principles

The Policy ensures that

- i. 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.
- ii. Relationship of remuneration to performance is clear and meets appropriate performance benchmarks.
- iii. 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.

Applicability:

The Policy is applicable to

- i. Directors (Executive and Non-Executive)
- ii. Key Managerial Personnel
- iii. Senior Management Personnel
- iv. Employees

## **Constitution of the Nomination and Remuneration Committee:**

The Board has the power to constitute/ reconstitute the Committee from time to time in order to make it consistent with the Company's policy and applicable statutory requirement. At present, the Nomination and Remuneration Committee comprises of following Directors:

- i. Mr. Rajeshbhai Tulsibhai Patel, Member (Non-Executive Independent Director)
- ii. Mr. Kamlesh Pravin Yagnik, Member (Non-Executive Independent Director)
- iii. Mr. Vijaykumar Savjibhai Virpara (Non-Executive Director)

### Membership:

- a. The Committee shall consist of a minimum 3 non-executive directors, majority of them being independent.
- b. Minimum two (2) members shall constitute a quorum for the Committee meeting.
- c. Membership of the Committee shall be disclosed in the Annual Report.
- d. Term of the Committee shall be continued unless terminated by the Board of Directors.

### Chairman:

- a. Chairman of the Committee shall be an Independent Director.
- b. Chairperson of the Company may be appointed as a member of the Committee but shall not be a Chairman of the Committee.
- c. In the absence of the Chairman, the members of the Committee present at the meeting shall choose one amongst them to act as Chairman.
- d. Chairman of the Nomination and Remuneration Committee meeting could be present at the Annual General Meeting or may nominate some other member to answer the shareholders' queries.

### Frequency of Meetings:

The Committee shall meet at such regular intervals as may be required.

### Committee Members' Interests:

- a. A member of the Committee is not entitled to be present when his or her own remuneration is discussed at a meeting or when his or her performance is being evaluated.
- b. The Committee may invite such executives, as it considers appropriate, to be present at the meetings of the Committee.

### Secretary:

1. The Company Secretary of the Company shall act as Secretary of the Committee.

Voting:

- a. Matters arising for determination at Committee meetings shall be decided by a majority of votes of Members present and voting and any such decision shall for all purposes be deemed a decision of the Committee.
- b. In the case of equality of votes, the Chairman of the meeting will have a casting vote.

General Appointment Criteria:

- i. The Committee shall consider the ethical standards of integrity and probity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and accordingly recommend to the Board his / her appointment.
- ii. The Company should ensure that the person so appointed as Director/ Independent Director/ KMP/ Senior Management Personnel shall not be disqualified under the Companies Act, 2013, rules made there under or any other enactment for the time being in force.
- iii. The Director/ Independent Director/ KMP/ Senior Management Personnel shall be appointed as per the procedure laid down under the provisions of the Companies Act, 2013, rules made there under, or any other enactment for the time being in force.
- iv. The Company shall not appoint or continue the employment of any person as Managing Director/Whole-time Director/Manager who has attained the age of seventy years. Provided that the term of the person holding this position may be extended beyond the age of seventy years with the approval of shareholders by passing  
a special resolution based on the explanatory statement annexed to the notice for such motion indicating the justification for extension of appointment beyond seventy years.

Term / Tenure:

The Term / Tenure of the Directors shall be governed as per provisions of the Companies Act, 2013 and rules made there under as amended from time to time.

1. Managing Director/Whole-time Director/Manager (Managerial Person):- The Company shall appoint or re-appoint any person as its Managerial Person for a term not exceeding five years at a time. No re-appointment shall be made earlier than one year before the expiry of term.
2. Independent Director: - An Independent Director shall hold office for a term up to five consecutive years on the Board of the Company and will be eligible for re-appointment on passing of a special resolution by the Company and disclosure of such appointment in the Board's Report. No Independent Director shall hold office for more than two consecutive terms,
3. but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director. Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly. At the time of appointment of Independent Director it should be ensured that number of Boards on which such Independent Director serves as an Independent Director.

Evaluation:

The Committee shall carry out evaluation of performance of every Director, KMP and Senior Management at regular interval (yearly).

#### Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made there under or under any other applicable Act, rules and regulations or any other reasonable ground, the Committee may recommend to the Board for removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

#### Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP, Senior Management in the same position/ remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

#### Criteria for Evaluation of the Board:

Following are the Criteria for evaluation of performance of the Board:

##### 1. Executive Directors:

The Executive Directors shall be evaluated on the basis of targets/Criteria given to executive Directors by the Board from time to time

##### 2. Non-Executive Director:

The Non-Executive Directors shall be evaluated on the basis of the following criteria i.e. whether they:

- a. act objectively and constructively while exercising their duties;
  - b. exercise their responsibilities in a bona fide manner in the interest of the Company;
  - c. devote sufficient time and attention to their professional obligations for informed and balanced decision making;
  - d. do not abuse their position to the detriment of the Company or its shareholders or for the purpose of gaining direct or indirect personal advantage or advantage for any associated person;
  - e. refrain from any action that would lead to loss of his independence
  - f. inform the Board immediately when they lose their independence,
  - g. Assist the Company in implementing the best corporate governance practices.
  - h. strive to attend all meetings of the Board of Directors and the Committees;
  - i. participate constructively and actively in the committees of the Board in which they are chairpersons or members strive to attend the General Meetings of the Company
3. keep themselves well informed about the Company and the external environment in which it operates;
  4. do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;



5. Moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
6. Abide by Company's Memorandum and Articles of Association, Company's policies and procedures including code of conduct, insider trading etc.

#### Policy on Board diversity:

The Board of Directors shall have the optimum combination of Directors from the different areas/fields like production, Management, Quality Assurance, Finance, Sales and Marketing, Supply chain, Research and Development, Human Resources etc or as may be considered appropriate. The Board shall have at least one Board member who has accounting or related financial management expertise and financially literate.

#### Remuneration:

The Committee will recommend the remuneration to be paid to the Managing Director, Whole Time Director, KMP and Senior Management Personnel to the Board for their approval. The level and composition of remuneration so determined by the Committee shall be reasonable and sufficient to attract, retain and motivate directors, Key Managerial Personnel and Senior Management of the quality required to run the Company successfully. The relationship of remuneration to performance should be clear and meet appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive pay reflecting short and long-term performance objectives appropriate to the working of the Company and its goals:

#### General:

1. The remuneration / compensation / commission etc. to Managerial Person, KMP and Senior Management Personnel will be determined by the Committee and recommended to the Board for approval. The remuneration / compensation / commission etc. shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
2. The remuneration and commission to be paid to Managerial Person shall be as per the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
3. Increments to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the slabs approved by the Shareholders in the case of Managerial Person. Increments will be effective from the date of reappointment in respect of Managerial Person and 1<sup>st</sup> April in respect of other employees of the Company.
4. Where any insurance is taken by the Company on behalf of its Managerial Person, KMP and any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel. Provided that if such person is proved to be guilty, the premium paid on such insurance shall be treated as part of the remuneration.

#### Remuneration to Managerial Person, KMP and Senior Management:

1. Fixed pay: Managerial Person, KMP and Senior Management shall be eligible for a monthly remuneration as may be approved by the Board on the recommendation of the Committee in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force. The break-up of the pay scale and quantum of perquisites including, employer's contribution to P.F, pension scheme, medical expenses, club fees etc.

shall be decided and approved by the Board on the recommendation of the Committee and approved by the shareholders and Central Government, wherever required.

2. **Minimum Remuneration:** If, in any financial year, the Company has no profits or its profits are inadequate, the Company shall pay remuneration to its Managerial Person in accordance with the provisions of Schedule V of the Companies Act, 2013 and if it is not able to comply with such provisions, with the prior approval of the Central Government.
3. **Provisions for excess remuneration:** If any Managerial Person draws or receives, directly or indirectly by way of remuneration any such sums in excess of the limits prescribed under the Companies Act, 2013 or without the prior sanction of the Central Government, where required, he / she shall refund such sums to the Company and until such sum is refunded, hold it in trust for the Company. The Company shall not waive recovery of such sum refundable to it unless permitted by the Central Government

**Remuneration to Non-Executive / Independent Director:**

1. **Remuneration / Commission:** The remuneration / commission shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made there under for the time being in force.
2. **Sitting Fees:** The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of Board or Committee thereof. Provided that the amount of such fees shall not exceed the maximum amount as provided in the Companies Act, 2013, per meeting of the Board or Committee or such amount as may be prescribed by the Central Government from time to time.
3. **Limit of Remuneration /Commission:** Remuneration /Commission may be paid within the monetary limit approved by shareholders, subject to the limit not exceeding 1% of the net profits of the Company computed as per the applicable provisions of the Companies Act, 2013.

**Minutes of Committee Meeting:**

Proceedings of all meetings must be minute and signed by the Chairman of the said meeting or the Chairman of the next succeeding meeting. Minutes of the Committee meeting will be tabled at the subsequent Board and Committee meeting.

**Deviations from this policy:**

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

**By the order of the board of  
Solex Energy Limited**

**Sd/-**

**Kalpeshkumar Ramanbhai Patel  
Chairman cum Managing Director**

**Date: 06.08.2021  
Place: Vithal Udhonagar**

## ANNEXURE "B" THE BOARD REPORT

Statement of Disclosure of Remuneration in accordance with Section 197(12) of the Companies Act, 2013 and Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Details of Director and KMPs remuneration: -

Sr. No.	Name	Designation	Remuneration (Amount in Rs.)
1.	Kalpeshkumar Ramanbhai Patel	Managing Director	12,00,000
2.	Manish Govindbhai Vaghela	Company Secretary	1,60,000
3.	Brijesh Laeeladhar Hariya	Chief Financial Officer	7,09,477

Notes:

- The Non-Executive and Independent Directors do not receive remuneration or sitting fees for attending the Board Meetings.
- During FY 2020-21, No employee received remuneration in excess of the highest paid directors.
- The Company pays remuneration to the Executive Directors, Key Managerial Personnel and other employees in accordance with its Remuneration Policy.

Other Disclosures:

<b>Total no. of Permanent Employees on Company's roll</b>	31.03.2021
<b>Excl KMPs</b>	67
<b>Incl KMPs</b>	3

By the order of the board of  
Solex Energy Limited

Sd/-

Kalpeshkumar Ramanbhai Patel  
Chairman cum Managing Director

Date: 06.08.2021  
Place: Vithal Udhoynagar

## ANNEXURE 'C' TO THE DIRECTOR'S REPORT

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 31<sup>ST</sup> MARCH, 2021.

**(A) CONSERVATION OF ENERGY:**

Energy conservation measures taken during the year include the following:

- Monitoring closely high energy consuming equipment.
- Installation of capacitors bank for achieving optimum power factor.
- Use of Stabilizers on entire factory lighting thereby achieving overall reduction in energy consumption.
- Optimum uses of compressors & monitoring air losses
- Impact of the measures of 1, 2, 3 & 4 above for reduction of energy consumption and consequent impact on the cost of production of goods. Saving in fuel cost was achieved.

**(B) TECHNOLOGY ABSORPTION:**

- The Company is using Latest technology for manufacturing of the products and same has been fully absorbed.
- The Company is continuously improving its quality and installed Latest Equipment and new Testing & Measuring equipment.

**(C) FOREIGN EXCHANGE EARNINGS AND OUTGO**

Particulars	2020-21	2019-20
Total foreign exchange outgo	61,56,53,886	3,78,92,604
Total foreign exchange inflow	0.00	0.00

**By the order of the board of  
Solex Energy Limited**

**Sd/-**

**Kalpeshkumar Ramanbhai Patel  
Chairman cum Managing Director**

**Date: 06.08.2021  
Place: Vithal Udhoynagar**

## ANNEXURE “D” THE BOARD REPORT

### MANAGEMENT DISCUSSION AND ANALYSIS 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. 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.

#### Performance Analysis

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

#### 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 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 is causing 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. In many countries, businesses are being forced to cease or limit their operations for long or indefinite period of time. Measures taken to contain the spread of the virus including travel bans, quarantines, social distancing and closure of non-essential services have triggered disruptions to the business worldwide, resulting in an economic slowdown and uncertainties pertaining to the future operations.

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.

### 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.

### 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.

### Internal Control Systems

There are adequate internal control systems operating in the Company, which are commensurate with the size and operations of the Company. The Audit Committee supervises the checks and controls exercised, and reports any suggestions or deviations on a continuing basis. The authority and responsibility of every employee is defined, thus leaving no scope for any deviation.

Further, during the current year the Company has maintained ISO 9001 – 2008 Certification. This has further improved the efficiency and the responsibility of the employees.

### Human Resources

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.

### 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.

**By the order of the board of  
Solex Energy Limited**

**Date: 06.08.2021  
Place: Vithal Udyognagar**

**Sd/-  
Kalpeshkumar Ramanbhai Patel  
Chairman cum Managing Director**

## ANNEXURE "E" 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>Purchase of Goods and Services</b>	
	a ) Name(s) of the related party and nature of relationship	Pramukh Systems Mr. Kamlesh Narendrabhai Patel is proprietor of Pramukh System and he holds independent directorship in the Company.
	(b) Nature of contracts/arrangements/transactions	Purchase Repair & Maintain - Computers & Printers
	(c) Duration of the contracts/arrangements/ transactions	01.04.2020 to 31.03.2021
	(d) Date(s) of approval by the Board, if any	30.07.2020
	(e) Amount paid as advances, if any:	NIL
<b>(2)</b>	<b>Leasing of Property</b>	
	(a) Name(s) of the related party and nature of relationship	Kalpeshkumar Ramanbhai Patel, He is Chairman Cum Managing Director.
	(b) Nature of contracts/arrangements/transactions	Property on Lease
	(c) Duration of the contracts/arrangements/	01.04.2020 to 31.03.2021
	(d) Date(s) of approval by the Board, if any	30.07.2020
	(e) Amount paid as advances, if any:	NIL

**By the order of the board of  
Solex Energy Limited**

**Date: 06.08.2021**  
**Place: Vithal Udyognagar**

**Sd/-**  
**Kalpeshkumar Ramanbhai Patel**  
**Chairman cum Managing Director**



## ANNEXURE "F" THE BOARD REPORT

Form No. MR-3

### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31<sup>ST</sup> MARCH, 2021.

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies

(Appointment and Remuneration of Managerial Personnel) Rules, 2014].

To,

The Members,

**SOLEX ENERGY LIMITED**

**(CIN: L40106GJ2014PLC081036)**

**REGISTERED OFFICE: PLOT NO. 131/A, PHASE 1 NR. KRIMY INDUSTRIES,**

**GIDC VITHAL UDYOGNAGAR ANAND GJ 388121 IN.**

We have conducted the Secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **SOLEX ENERGY LIMITED** (hereinafter called the Company). Secretarial Audit was conducted in accordance with the Guidance Notes issued by the Institute of Company Secretaries of India and 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, minutes, 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 **31st March, 2021** 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 the books, papers, minute books, forms and returns filed and the other records maintained by **SOLEX ENERGY LIMITED** for the financial year ended on **31st March, 2021** according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;

- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings – As informed to us, there were no FDI transaction in the Company during the year under review.
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992('SEBI Act'):-
  - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
  - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
  - (c) 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 – Company has appointed SEBI registered Category-I Registrar and Share Transfer Agent.
  - (d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

We further report that there were no actions/events in pursuance of the following regulations requiring compliance thereof by the Company during the period of this report:

- (a) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
  - (b) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
  - (c) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
  - (d) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (vi) Other Applicable Acts

As informed to us, there are no laws which have specific applicability to the Company other than general laws applicable to the industry generally.

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India.

(ii) The Listing Agreements entered into by the Company with National Stock Exchange of India Limited. (NSE Emerge).

During the Period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, standards, etc. mentioned above.

(iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015.

**\*\*During the Period under review:**

(i) The Company has made 01(one) non-compliance under listing regulation 13(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulation 2015 (according to which company is required to submit a statement of shareholders complaints with 21 days from end of each quarter), as per notice received dated **21<sup>st</sup>August,2020, NSE/LIST-SOP/REG-13(3)/FINES/101248**, Board noted the non-compliance and pay penalty/fine for the non-compliance.

We further report that:

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 that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice was 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.

Majority decision is carried through while the dissenting members' views are captured and recorded as part of the minutes. However, there were no any dissenting views,

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

**Date :05.08.2021.**

**Place: NAVSARI**

**For, Shaishav Y Mistry**

**Practicing Company Secretary**

**M No. A43921**

**C P No.:16361**

**UDIN: A043921C000740463**

**ANNEXURE**

To,

The Members,

**SOLEX ENERGY LIMITED**

**(CIN: L40106GJ2014PLC081036)**

**REGISTERED OFFICE: PLOT NO. 131/A, PHASE 1 NR. KRIMY INDUSTRIES,  
GIDC VITHAL UDYOGNAGAR ANAND GJ 388121 IN**

Our report of even date is to be read along with this letter.

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our 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 the provisions of Corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to the verification of procedures on test basis.
6. The Secretarial Audit Report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Date :05.08.2021.**

**Place: NAVSARI**

**For, Shaishav Y Mistry**

**Practicing Company Secretary**

**M No. A43921**

**C P No.:16361**

**UDIN: A043921C000740463**

**CERTIFICATE OF NON-DISQUALIFICATION**

**OF DIRECTORS**

**(Pursuant to Regulation 34(3) and Schedule V Para C clause**

**(10)(i) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015)**

To,

The Members of

**SOLEX ENERGY LIMITED**

**(CIN: L40106GJ2014PLC081036)**

REGISTERED OFFICE: PLOT NO. 131/A, PHASE 1 NR. KRIMY INDUSTRIES,

GIDC VITHAL UDYOGNAGAR ANAND GJ 388121 IN

I have examined the relevant registers, records, forms, returns and disclosures received from the Directors of **SOLEX ENERGY LIMITED having (CIN: L40106GJ2014PLC081036)** and having registered office at **PLOT NO. 131/A, PHASE 1, NR. KRIMY INDUSTRIES, GIDC, VITHAL UDYOGNAGAR - 388121** (hereinafter referred to as 'the Company'), produced before me by the Company for the purpose of issuing this Certificate, in accordance with Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In my opinion and to the best of my information and according to the verifications (including Directors Identification Number (DIN) status at the portal [www.mca.gov.in](http://www.mca.gov.in)) as considered necessary and explanations furnished to me by the Company & its officers, I hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ending on **31st March, 2021** have been debarred or disqualified from being appointed or continuing as Directors of companies by the Securities and Exchange Board of India, Ministry of Corporate Affairs or any such other Statutory Authority.

Sr. No.	Name of Director	DIN	Date of appointment in Company
01.	KALPESHKUMAR RAMANBHAI PATEL	01066992	13/10/2014
02.	KAMLESH NARENDRABHAI PATEL	07920530	24/10/2017 Resign As on 11/02/2021)
03.	RAJESHBHAI TULSIBHAI PATEL	07920531	24/10/2017
04.	DHARA DHARMESHKUMAR PATEL	07927111	17/07/2018
05.	VIJAYKUMAR SAVJIBHAI VIRPARA	08181106	17/07/2018
06.	KIRAN RITESH SHAH	09046468	03/03/2021
07.	KAMLESH PRAVIN YAGNIK	02019379	03/03/2021

Ensuring the eligibility of for the appointment / continuity of every Director on the Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification. This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For, Shaishav Y Mistry**

**Date: 05.08.2021.**  
**Place: NAVSARI**

**Practicing Company Secretary**  
**M No. A43921**  
**C P No.:16361**  
**UDIN: A043921C000740485**

## ANNEXURE "G" THE BOARD REPORT

**FORM NO. MGT. 9**

### EXTRACT OF ANNUAL RETURN

As on the financial year ended on March 2021

[Pursuant to section 92(3) of the Companies Act, 2013 and rule 12(1) of the Companies (Management and Administration) Rules, 2014]

#### REGISTRATION & OTHER DETAILS:

<b>CIN</b>	L40106GJ2014PLC081036
<b>Registration Date</b>	13/10/2014
<b>Name of the Company</b>	Solex Energy Limited
<b>Category/Sub-category of the Company</b>	Limited Company
<b>Address of the Registered office &amp; contact details</b>	Plot No. 131/A, G.I.D.C. Estate, Phase I, Nr. Krimy Industries, Vithal Udyognagar Gujarat, India. PH. NO: (02692) 230317 E-MAIL: cs@solex.co.in
<b>Whether listed Company</b>	Yes (NSE EMERGE)
<b>Name, Address &amp; contact details of the Registrar &amp; Transfer Agent, if any.</b>	Skyline Financial Services Private Limited D-153 A, 1 <sup>ST</sup> Floor, Okhla Industrial Area, Phase I, New Delhi -110 020. Contact Number: 011-41044923

#### PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

(All the business activities contributing 10 % or more of the total turnover of the company shall be stated)

S. No.	Name and Description of main products / services	NIC Code of the Product/ service	% to total turnover of the
1.	Solar Panels, lamps and solar instruments	4010	100

PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES



Sr.	Name and Address No.	CIN/GLN of The Company	Holding/ Subsidiary/Associate	% of Shares Held	Applicable Section
1.	-	-	-	-	-
2.	-	-	-	-	-

SHARE HOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

A) Category-wise Share Holding		Shares Held at beginning of the Year 31/03/2020				Shares Held at the End of the Year 31/03/2021			
S. No.	Category of Shareholders	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares
<b>A</b>	<b>Promoters</b>								
<b>1</b>	<b>Indian</b>								
a)	Individual HUF	3479360	0	3479360	70.43	3479360	0	3479360	70.43
b)	Central Govt	0	0	0	0.00	0	0	0	0.00
c)	State Government	0	0	0	0.00	0	0	0	0.00
d)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00
e)	Banks/FI	0	0	0	0.00	0	0	0	0.00
f)	Any Other	0	0	0	0.00	0	0	0	0.00
	<b>Sub-Total (A)(1)</b>	<b>3479360</b>	<b>0</b>	<b>3479360</b>	<b>70.43</b>	<b>3479360</b>	<b>0</b>	<b>3479360</b>	<b>70.43</b>
<b>2</b>	<b>Foreign</b>								
a)	NRI Individuals	0	0	0	0.00	0	0	0	0.00
b)	Other Individuals	0	0	0	0.00	0	0	0	0.00
c)	Bodies Corporate	0	0	0	0.00	0	0	0	0.00
d)	Banks /FI	0	0	0	0.00	0	0	0	0.00
e)	Any Other	0	0	0	0.00	0	0	0	0.00
	<b>Sub-Total (A)(2)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
	<b>Total Shareholding of Promoters(A)</b>	<b>3479360</b>	<b>0</b>	<b>3479360</b>	<b>70.43</b>	<b>3479360</b>	<b>0</b>	<b>3479360</b>	<b>70.43</b>

<b>B</b>	<b>Public Shareholding</b>								
<b>1</b>	<b>Institutions</b>								
a)	Mutual Funds	0	0	0	0.00	0	0	0	0.00
b)	Banks/FI	0	0	0	0.00	0	0	0	0.00
c)	Central Government	0	0	0	0.00	0	0	0	0.00
d)	State Government	0	0	0	0.00	0	0	0	0.00
e)	Venture Capital Fund	0	0	0	0.00	0	0	0	0.00
f)	Insurance Companies	0	0	0	0.00	0	0	0	0.00
g)	FIs	0	0	0	0.00	0	0	0	0.00
h)	Foreign Venture Capital Fund	0	0	0	0.00	0	0	0	0.00
i)	Any Other Foreign	0	0	0	0.00	0	0	0	0.00
j)	Any Other	0	0	0	0.00	0	0	0	0.00
	<b>Sub-Total (B)(1)</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0.00</b>
<b>2</b>	<b>Non-Institutions</b>								
<b>a)</b>	<b>Bodies Corporate</b>								
1)	Indian	36480	0	36480	0.74	106000	0	106000	2.15
2)	Overseas	0	0	0	0.00	0	0	0	0.00
<b>b)</b>	<b>Individuals</b>								
1)	Individual shares holders having nominal share capital up to Rs. 1,00,000	396000	0	396000	8.02	534480	0	534480	10.82
2)	Individual shares holders having nominal share capital Excess of Rs. 1,00,000	812160	0	812160	16.44	692160	0	692160	14.01
<b>c)</b>	<b>Others</b>								
a)	HUF	202000	0	202000	4.09	108000	0	108000	2.19
b)	Non-Resident Indian	12000	0	12000	0.24	18000	0	18000	0.36
c)	Foreign National	0	0	0	0.00	0	0	0	0.00
d)	Clearing Members	2000	0	2000	0.04	2000	0	2000	0.04
e)	Trust	0	0	0	0.00	0	0	0	0.00

f)	Foreign Bodies-DR	0	0	0	0.00	0	0	0	0.00
g)	NBFC Registered With RBI	0	0	0	0.00	0	0	0	0.00
	<b>Sub-Total (B)(2)</b>	<b>1460640</b>	<b>0</b>	<b>1460640</b>	<b>29.57</b>	<b>1460640</b>	<b>0</b>	<b>1460640</b>	<b>29.57</b>
	<b>Total Public Shareholding (B)</b>	<b>1460640</b>	<b>0</b>	<b>1460640</b>	<b>29.57</b>	<b>1460640</b>	<b>0</b>	<b>1460640</b>	<b>29.57</b>
c)	Shares Held by Custodian for GDRs & ADRs	0	0	0	0.00	0	0	0	0.00
D)	IEPF	0	0	0	0.00	0	0	0	0.00
	<b>Grand Total</b>	<b>4940000</b>	<b>0</b>	<b>4940000</b>	<b>100.00</b>	<b>4940000</b>	<b>0</b>	<b>4940000</b>	<b>100.00</b>

### B) Shareholding of Promoters

Sr. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the company	%of Shares Pledged / encumbered to total shares	
1.	Kalpeshkumar R. Patel	34,79,360	70.43	-	34,79,360	70.43	-	-
	<b>TOTAL</b>	<b>34,79,360</b>	<b>70.43</b>	<b>-</b>	<b>34,79,360</b>	<b>70.43</b>	<b>-</b>	<b>-</b>

### C) Change in Promoters' Shareholding (please specify, if there is no change)

Sr. No.	Shareholding at the beginning of the year	Cumulative Shareholding during the year
-	-	-

### D) Shareholding Pattern of top ten Shareholders: (other than Directors, Promoters and Holders of GDRs and ADRs):

Sr. No.		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	For Each of the Top 10 Shareholders				
1.	Beeline Broking Limited	-	-	68000	1.38
2.	Shah Bijal Mukesh (HUF)	-	-	88000	1.78
3.	Smitaben Upendrabhai Shelat	-	-	60000	1.21
4.	Upendra Naranji Shelat	-	-	58000	1.17
5.	Gaurang Upendrabhai Shelat	-	-	68160	1.38
6.	Shikha Ayush Patodia	-	-	72000	1.46

E) Shareholding of Directors and Key Managerial Personnel:

Sr. No.	Shareholding of each Directors and each Key Managerial Personnel	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of shares	% of total shares of the company	No. of shares	% of total shares of the company
	At the beginning of the year				
1.	Kalpeshkumar Ramanbhai Patel	3479360	70.43	3479360	70.43
	At the end of the year				
		34,79,360	70.43	34,79,360	70.43

2.	Dhara Dharmeshkumar Patel	Nil	Nil	Nil	Nil
3.	Kiran Ritesh Shah	Nil	Nil	Nil	Nil
4.	Rajeshbhai Tulsibhai Patel	Nil	Nil	Nil	Nil
5.	Kamlesh Narendrabhai Patel	Nil	Nil	Nil	Nil
6.	Manish Govindbhai Vaghela	Nil	Nil	Nil	Nil
7.	Brijesh Leeladhar Hariya.	Nil	Nil	Nil	Nil
8.	Vijaykumar Savjibhai Virpara	Nil	Nil	Nil	Nil
9.	Kamlesh Pravin Yagnik	Nil	Nil	Nil	Nil

#### F. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	5,08,72,682	-	-	5,08,72,682
i) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	5,08,72,682	-	-	5,08,72,682

Change in Indebtedness during the financial year				
* Addition	61419745	-	-	61419745
* Reduction	*****	-	-	*****
Net Change	61419745	-	-	61419745
Indebtedness at the end of the financial year				
i) Principal Amount	112292427	-	-	112292427
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	112292427	-	-	112292427

## G. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

### A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

Sr. No.	Particulars of Remuneration	Name of MD/WTD/Manager	Total Amount
		Kalpeshkumar R. Patel	
1.	Gross salary		
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	12,00,000	12,00,000
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961		
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961		
2.	Stock Option		
3.	Sweat Equity		

4.	Commission - as % of profit		
5.	Others, please specify		
	<b>Total (A)</b>	12,00,000	12,00,000
	Ceiling as per the Company Act.	Not Applicable	

**B. REMUNERATION TO OTHER DIRECTORS: NIL**

**C. REMUNERATION TO KEY MANAGERIAL PERSONNEL OTHER THAN MD/MANAGER/WTD**

Sr. No.	Particulars of Remuneration	Name of Key Managerial Personnel		Total Amount
		Brijesh Leeladhar Hariya (CFO)	Manish Govindbhai Vaghela (CS)	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961	7,09,477	1,60,000	8,69,477
	(b) Value of perquisites u/s 17(2) Income-tax Act, 1961			
	(c) Profits in lieu of salary under section 17(3) Income-tax Act, 1961			
2.	Stock Option			
3.	Sweat Equity			
4.	Commission - as % of profit			
5.	Others, please specify			
	<b>Total (A)</b>	<b>7,09,477</b>	<b>1,60,000</b>	<b>8,69,477</b>
	Ceiling as per the Company Act.		Not Applicable	

**H. PENALTIES / PUNISHMENT/ COMPOUNDING OF OFFENCES: NIL**

**By the order of the board of  
Solex Energy Limited**

**Sd/-**

**Kalpeshkumar Ramanbhai Patel  
Chairman cum Managing Director**

**Date: 06.08.2021  
Place: Vithal Udhyognagar**



## 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, 2021, 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, 2021, 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, 2016 ("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, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2021 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, 2021 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.

**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) Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
  - b) All fixed assets have not been physically verified by the management during the year but there is a regular program of verification which in our opinion, is reasonable having regard to the size of the Company and the nature of its assets. No material discrepancies were noticed on such verification.
  - c) According to the information and explanations given to us by the management, the title deeds of the immovable properties included in property plans and equipment are held in the name of the Company.
- ii. The management has conducted physical verification of inventory at reasonable intervals during the year and no material discrepancies were noticed on such physical verification.
- iii. According to the information and explanation given to us by the management, the Company has not granted loans to companies, firms or other parties covered in the register maintained under section 189 of the Companies Act, 2013.
- iv. In our opinion and according to the information and explanations given to us, provisions of section 185 and 186 of the Companies Act 2013 in respect of loans to directors including entities in which they are interested and in respect of loans and advances given, investments made and, guarantees, and securities given have been complied with by the Company.
- v. 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.
- vi.
  - 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.)
Income Tax Act, 1961	Income Tax	2,02,380	FY 2017-18	NA	-	2,02,380
Income Tax Act, 1961	Income Tax (DDT)	5,63,570	FY 2018-19	NA	-	5,63,570
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	NA	-	87,33,438
Jharkhand Goods and Services Tax, Act 2017	SGST	87,33,438	Jul 2017- Mar 2018	NA	-	87,33,438

- vii. In our opinion and according to the information and explanations gives to us by the management, the Company has not defaulted in repayment of loans or borrowing to a financial institution, bank or government or dues to debenture holders.
- viii. 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. However, The Company has raised money of Rs. 2,22,00,000/- by term loans under the Covid Emergency Credit Line Scheme to meet the liquidity crunch and cash flow mismatch on account of outbreak of COVID-19. The fund has been utilized for that purpose during the year.
- ix. Based upon the audit procedures performed for the purpose of reporting the true and fair view of the financial statements and according to the information and explanations given to us by the management, we report that no material fraud by the Company or no material fraud on the Company by the officers and employees of the Company has been noticed or reported during the year.

- x. According to the information and explanations given by the management, the managerial remuneration has been paid/provided by the company to its directors in accordance with provisions of section 197 read with Schedule V of the Act.
- xi. 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.
- xii. 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.
- xiii. According to the information and explanations given to us and on an overall examination of the balance sheet, the company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review and hence, reporting requirements under clause 3(xiv) are not applicable to the company and, not commented upon.
- xiv. 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.
- xv. According to the information and explanations given to us, the provisions of section 45-1A of the Reserve Bank of India Act, 1934 are not applicable to the Company.

## **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, 2021 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, 2021, 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

Arun Kanodiya  
Membership no.: 077131  
Place: Surat  
Date: 30.06.2021



## Balance Sheet as at 31st March, 2021

(Amount in Rs.)

Particulars	Note No.	As at 31-03-2021	As at 31-03-2020
<b>I EQUITY AND LIABILITIES</b>			
<b>1 Shareholders' funds</b>			
(a) Share Capital	2	49,400,000	49,400,000
(b) Reserves and Surplus	3	186,383,002	172,091,379
(c) Money received against share warrants		-	-
		<b>235,783,002</b>	<b>221,491,379</b>
<b>2 Share application money pending allotment</b>		-	-
<b>3 Non-current liabilities</b>			
(a) Long Term Borrowings	4	10,166,600	-
(b) Deferred Tax Liabilities (Net)	1(f)	470,076	687,229
(c) Other Long-Term Liabilities		-	-
(d) Long Term Provisions		64,164,295	50,035,786
		<b>74,800,971</b>	<b>50,723,015</b>
<b>3 Current liabilities</b>			
(a) Short Term Borrowings	5	102,125,827	50,872,682
(b) Trade Payables			
-Total Outstanding dues of MSMEs	6	211,647,855	344,016,493
-Total Outstanding dues of creditors other than MSMEs	6	106,793,406	10,799,606
(c) Other Current Liabilities	7	18,673,623	16,227,670
(d) Short Term Provisions	8	8,124,780	15,453,219
		<b>447,365,491</b>	<b>437,369,670</b>
<b>TOTAL EQUITY AND LIABILITIES</b>			
		<b>757,949,464</b>	<b>709,584,064</b>
<b>II ASSETS</b>			
<b>1 Non-current assets</b>			
(a) Fixed Assets :			
(i) Tangible Assets	9		
(ii) Intangible Assets	9	8,576,087	10,481,500
(iii) Capital work-in-process		714,579	780,013
(iv) Intangible assets under development		-	-
(b) Non-current Investments		-	-
(c) Deferred Tax Assets (net)		-	-
(d) Long Term Loans and Advances		-	-
(e) Other Non-current Assets		-	-
		<b>9,290,667</b>	<b>11,261,514</b>
<b>2 Current assets</b>			
(a) Current Investment			
(a) Inventories	10		
(b) Trade Receivables	11	79,922,321	51,244,590
(c) Cash and Cash Equivalents	12	555,959,600	556,701,399
(d) Short Term Loan and Advances	13	20,677,084	5,820,224
(e) Other Current assets	14	54,903,589	44,440,729
		37,196,203	40,115,608
<b>TOTAL ASSETS</b>		<b>748,658,797</b>	<b>698,322,550</b>
Contingent Liabilities Significant	15		
Accounting Policies	1	<b>757,949,464</b>	<b>709,584,064</b>
The accompanying notes are an integral part of financial statements.		86,651,822	94,731,929

## Statement of Profit and Loss for the year ended on 31st March, 2021

(Amount in Rs.)

Particulars	Note	For the Year ended on	
		31-03-2021	31-03-2020
<b>I INCOME</b>			
(a) Revenue from Operations	16	79,62,09,708	1,38,03,69,936
(b) Other income	17	28,10,682	37,94,996
<b>Total Income</b>		<b>79,90,20,390</b>	<b>1,38,41,64,932</b>
<b>II EXPENSES</b>			
(a) Cost of Materials Consumed	18(a)	60,53,03,762	1,15,11,61,724
(b) Purchases of Stock in Trade		-	-
(c) Changes in Inventories of Finished Goods, Work in Progress and Stock in Trade	18(b)	-1,98,62,511	1,23,29,993
(d) Employee Benefit Expenses	19	1,86,97,847	1,21,22,147
(e) Financial Costs	20	1,08,18,010	1,14,32,160
(f) Depreciation and Amortization Expenses	9	25,80,940	32,55,687
(g) Other Expenses	21	15,86,76,719	13,14,28,839
<b>Total Expenses</b>		<b>77,62,14,766</b>	<b>1,32,17,30,550</b>
<b>III Profit/(Loss) before exceptional and extraordinary items and tax (I - II)</b>		<b>2,28,05,623</b>	<b>6,24,34,382</b>
<b>IV Exceptional Items (Prior period Items)</b>		7,59,870	-
<b>V Profit/(Loss) before extraordinary items and tax (III+IV)</b>		<b>2,35,65,493</b>	<b>6,24,34,382</b>
<b>VI Extraordinary items</b>		-	-
<b>VII Profit / (Loss) before tax (V+VI)</b>		<b>2,35,65,493</b>	<b>6,24,34,382</b>
<b>VIII Tax Expenses</b>			
Current tax for the year		66,19,352	1,74,00,000
Adjustment of tax relating to earlier periods		4,01,671	-
Deferred tax		-2,17,153	5,23,348
<b>Total tax expenses</b>		<b>68,03,870</b>	<b>1,79,23,348</b>
<b>IX Profit/(Loss) from continuing operations (VII - VIII)</b>		<b>1,67,61,623</b>	<b>4,45,11,034</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>1,67,61,623</b>	<b>4,45,11,034</b>
<b>XIV Details of equity share capital</b>			
Paid-up equity share capital		49,40,000	49,40,000
Face Value (in Rs.)		10.00	10.00
<b>XV Earnings per share (in Rs.)</b>			
(a) Basic		3.39	9.01
(b) Diluted		3.39	9.01

## Cash Flow Statement for the year ended on 31st March, 2021

(Amount in Rs.)

Particulars	For the year ended 31st March,2021	For the year ended 31st March,2020
<b>I <u>Cash Flow from Operating Activities :</u></b>		
Net Profit Before Tax and Extraordinary items	2,35,65,493	6,24,34,382
<u>Adjustment for:</u>		
Add : Depreciation	25,80,940	32,55,687
Financial Charges	1,08,18,010	1,14,32,160
	3,69,64,443	7,71,22,229
Less : Interest Income	14,26,541	22,90,579
Profit on Sale of Investment	-	-
<b>Operating Profit before Working Capital Changes</b>	<b>3,55,37,902</b>	<b>7,48,31,650</b>
<u>Increase/(decrease) in Working Capital</u>		
Increase/(Decrease) in Long Term Provision	1,41,28,509	1,45,10,995
Increase/(Decrease) in Current Liabilities	99,95,821	-5,68,30,942
Increase/(Decrease) in Inventories	-2,86,77,731	70,75,113
Increase/(Decrease) in Trade Receivables	7,41,799	-8,82,479
<b>Cash Flow before extraordinary items</b>	<b>3,17,26,300</b>	<b>3,87,04,337</b>
Less: Tax paid	70,21,023	1,74,00,000
<b>Net Cash Flow from Operating activities</b>	<b>2,47,05,277</b>	<b>2,13,04,337</b>
<b>II <u>Cash Flow from Investing Activities :</u></b>		
Add: Interest Income	14,26,541	22,90,579
Decrease in capital work in progress	-	2,36,000
Decrease in Short Term Loans and Advances	-1,04,62,860	71,66,058
Decrease in Other Current Assets	29,19,405	-1,41,34,700
	-61,16,914	-44,42,063
Less: Net Increase in Fixed Assets	6,10,093	19,42,974
	6,10,093	19,42,974
<b>Net Cash Flow from Investing activities</b>	<b>-67,27,007</b>	<b>-63,85,037</b>
<b>III <u>Cash Flow from Financing Activities :</u></b>		
Less: Interest & Finance Cost Paid	1,08,18,010	1,14,32,160
Dividend Paid	24,70,000	29,77,716
Share issue Expense (squared off against Securities Premium)	-	3,00,000
Decrease in Long Term Liabilities	-	12,55,954
	1,32,88,010	1,59,65,830
Add: Subsidy Received	-	5,00,000
Increase in Long Term Liabilities	1,01,66,600	-
	1,01,66,600	5,00,000

<b>Net Cash Flow from Financing activities</b>	<b>-31,21,410</b>	<b>-1,54,65,830</b>
<b>Net Increase/Decrease in Cash and Cash Equivalents</b>	<b>1,48,56,860</b>	<b>-5,46,530</b>
Add: <b>Opening Balance of Cash and Cash Equivalents</b>	<b>58,20,224</b>	<b>63,66,754</b>
<b>Closing Balance of Cash and Cash Equivalents</b>	<b>2,06,77,084</b>	<b>58,20,224</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

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

**Kalpeshkumar R Patel, MD**  
Managing Director  
DIN : 01066992

**Chetan S. Shah**  
Director  
DIN : 02253886

**Arun Kanodiya**  
Partner  
Membership No : 077131

**Manish G Vaghela**  
Company Secretary

**Kiran R Shah**  
Chief Financial Office

Place : Surat  
Date : 30.06.2021

Place : Surat  
Date : 30.06.2021

## **Solex Energy Limited**

**Notes to the financial statements for the year ended March 31, 2021**

**CIN: L40106GJ2014PLC08136**

### **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 Udhyognagar, 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 has 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:

<b>Tangible Assets</b>	<b>Useful lives (Years)</b>
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.

#### v. 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.

During the year company has direct import of material and also machinery with their parts as follows:

<b>Import of</b>	<b>Currency (Foreign)</b>	<b>Currency (Indian Rs.)</b>
Material	EURO 700	62,755
Material	USD 136235	1,04,25,112

#### 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 not applicable to the Company.

#### 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. 6,41,64,295 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 2020-21, the Deferred Tax Asset (DTA) and Deferred Tax Liability(DTL) comprise of the effect of the following time difference.

Particulars	Deferred tax liability
Depreciation claimed Excess up to 31-03-2021	16,89,704
DTL as on 31-03-2021 @ 27.82%	4,70,076
Opening Balance of DTL as on 01-04-2020	6,87,229
The amount credited to Profit & Loss Account	2,17,153

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**

Particulars	FY 2020-21	FY 2019-20
Statutory Audit Fees	1,25,000	1,25,000
Tax Audit Fees	25,000	25,000
Other Services	1,00,000	75,000
Total	2,50,000	2,25,000

**h. Transaction with Related Party (As per AS 18)**

Name of Related Party	Relation	Payment made	Nature of transactions
Kalpesh R Patel	Director	16,80,000	Rent on Building
Kalpesh R Patel	Director	12,00,000	Remuneration
Pramukh System	Director's Concern	1,62,841	Repair & Maintenance Expenses and Fixed Assets Purchases
Manish G Vaghela	CS	1,60,000	Remuneration
Janki Sisodiya	CS	30,000	Professional Fees
Brijesh Hariya	CFO	7,00,297	Remuneration
Brijesh Hariya	CFO	19,614	Bonus
Kiran R Shah	CFO	21,302	Remuneration
Kiran R Shah	CFO	844	Bonus

**i. 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:**

Particulars	31 <sup>st</sup> March, 2021	31 <sup>st</sup> March, 2020
Principal amount remaining unpaid@.....	21,16,47,855	35,48,16,099
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.



j. Balance of sundry Debtors/ Creditors/Loans/Advances and deposits are subject to confirmation, reconciliation and necessary adjustments.

k. Previous year's figures have been re-grouped or re-arranged wherever necessary to make them comparable with the current year figures.

**l. 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.

**m. Earnings per share**

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.

**n. Impairment of Assets**

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).

**o. Inventories**

Inventories are stated at lower of cost and net realisable value.

Raw materials are stated at Cost. Raw Materials cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

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.

Traded Goods cost includes cost of purchase and other costs incurred in bringing the inventories to their present location and condition.

**p. Segment Reporting**

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 Marker (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.

- q. The GST Authorities have adjusted the balance in Electronic Credit Ledger of Rs. 39,77,727/- and balance in Electronic Cash Ledger of Rs. 21,060/- against the outstanding demand of Rs. 1,74,66,876/- The Company based on its assessment believes that the aforesaid is fully recoverable and accordingly no provision is required.
- r. The BREDA has raised the penalty of Rs. 16,48,116/- 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.

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

Kalpeshkumar R Patel  
Managing Director  
DIN: 01066992

Chetan S. Shah  
Director  
DIN: 02253886

Kiran R Shah  
Chief Financial Officer

Place: Surat  
Date: 30/06/2021

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

Arun Kanodiya  
Partner  
Membership No: 077131

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

<b>Note : 3 RESERVES AND SURPLUS</b>		
Particulars	As at 31.03.2021 (Rs.)	As at 31.03.2020 (Rs.)
<b>(a) <u>Security Premium Reserve</u></b>		
Opening Balance	5,46,44,692	5,44,44,692
Add : Subsidy Received	-	5,00,000
Less : Premium utilised for Issue Expenses	-	3,00,000
Closing Balance	<b>5,46,44,692</b>	<b>5,46,44,692</b>
<b>(b) <u>Surplus/ (deficit) in the statement of profit and loss</u></b>		
Opening balance	11,74,46,687	7,59,13,369
Add : Net Profit for the current year	1,67,61,623	4,45,11,034
Less : Final Dividend	24,70,000	24,70,000
Less : Dividend Distribution Tax	-	5,07,716
Closing Balance	<b>13,17,38,310</b>	<b>11,74,46,687</b>
<b>Total</b>	<b>18,63,83,002</b>	<b>17,20,91,379</b>
<b>Note : 4 LONG TERM BORROWINGS</b>		
Particulars	As at 31.03.2021 (Rs.)	As at 31.03.2020 (Rs.)
<b>A <u>Secured borrowings</u></b>		
(a) Term Loans from bank of baroda (refer Note 5.1 below)	1,01,66,600	-
<b>Total</b>	<b>1,01,66,600</b>	<b>-</b>
<b>Note : 5 SHORT TERM BORROWINGS</b>		
Particulars	As at 31.03.2021 (Rs.)	As at 31.03.2020 (Rs.)
<b>A <u>Secured Borrowings</u></b>		
Loans repayable on demand from banks		
Cash Credit from the Bank of Baroda(refer Note 5.1 below)	7,95,48,812	4,91,67,267
Bank of Baroda TL-2820	-	16,80,181
Short-term Loans (refer Note 5.1 below)	2,25,77,015	-
<b>B <u>Unsecured Borrowings</u></b>	-	25,234
<b>Total</b>	<b>10,21,25,827</b>	<b>5,08,72,682</b>

**Note: The following Common Security is given against Cash Credit of Rs. 7,95,48,811.75/- and term loan of Rs.**

**5.1 1,88,66,666.70/- for Fund Based facility availed from Bank of Baroda and the same Common Security is given against total letter of credit of Rs. 2,25,77,015/- and total Bank Guarantee of Rs. 8,66,04,502/- for Non-Fund Based facility availed of Bank of Baroda :**

- 1 Composit Hypothecation Agreement of entire raw material, stock in process, stores & spares, packing materials, finished goods, book-debts, entire machineries, equipments, electrical installations, furniture & fixtures, office equipments and other movable fixed assets of the company, situated at factory and office, present & future (except vehicle financed by NBFCs).
- 2 Extention of 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.
- 3 Extention of equitable mortgage of Shop No.G-90, Ground Floor, "Jyoti Metal Corporation", Puja Estate, Opp. Akira Marble, Anand-Sujitra Road, Karamsad, admeasuring 18.58 sq.mtrs bearing Survey No.770/paiki 2 of Karamsad standing in the name of Mr. Kalpeshkumar Ramanbhai Patel.
- 4 Extention of equitable mortgage of leasehold 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.
- 5 Extention of 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.
- 6 Create equitable mortgage of industrial shed admeasuring 5795.00 sq mtrs and construction thereon admeasuring of 2925.50 sq.mtr. Situated at revenue survey no. 341 (old revenue survey no.147), near Vasad-Sarsa Road, Village-Aanklawadi, Dist: Anand in the name of Mr. Kalesh R Patel.
- 7 Pledge of FDR of Rs. 35,00,000.
- 8 Pledge of 14,82,000 equity shares of the company held by Mr. Kalpeshkumar Patel (Director).

**Note : 6 TRADE PAYABLES**

Particulars	As at 31.03.2021 (Rs.)	As at 31.03.2020 (Rs.)
<b>Trade payables for goods and services</b>		
-Total Outstanding dues of micro enterprises and small enterprise	21,16,47,855	34,40,16,493
-Total Outstanding dues creditors other than micro enterprises and small enterprise	10,67,93,406	1,07,99,606
<b>Total</b>	<b>31,84,41,261</b>	<b>35,48,16,099</b>

<b>Note : 7 OTHER CURRENT LIABILITIES</b>		
<b>Particulars</b>	<b>As at 31.03.2021 (Rs.)</b>	<b>As at 31.03.2020 (Rs.)</b>
(a) Current maturities of long-term debt	87,00,067	-
(b) Statutory Remittances		
TDS Payable	18,87,278	4,27,271
TCS Payable	96,252	-
GST Payable	1,17,274	3,41,268
Provident Fund Payable	1,40,548	72,478
Professional Tax Payable	12,880	6,070
(c) Others		
Advances from customers	40,93,375	1,53,30,583
Salary & Wages Payable	21,25,950	-
Security Deposit Taken (of PI Solar)	15,00,000	50,000
<b>Total</b>	<b>1,86,73,623</b>	<b>1,62,27,670</b>

**Note : 8 SHORT TERM PROVISIONS**

<b>Particulars</b>	<b>As at 31.03.2021 (Rs.)</b>	<b>As at 31.03.2020 (Rs.)</b>
(a) Others		
Telephone Bill Payable	15,167	12,646
Rent Payable	-	12,000
Audit Fees Payable	2,25,000	2,25,000
Electricity Bill Payable	1,05,057	1,17,568
Provision for I&C - Supply	7,66,525	-
Provision for Installation	13,16,679	-
Provision for Net Meter	66,000	-
Interest payable	-	5,95,126
Income Tax Provision (Net of Advance Tax)	56,19,352	1,44,79,879
(b) Dividend payable-2017-18	8,000	8,000
(c) Dividend payable-2018-19	3,000	3,000
<b>Total</b>	<b>81,24,780</b>	<b>1,54,53,219</b>

Particulars	GROSS BLOCK				DEPRECIATION				NET BLOCK		(Amount in Rs)
	As on 01-04-2020	Additions during the year	Deduction during the year	As on 31-03-2021	As on 01-04-2020	Depreciation for the year	Deduction during the year	As on 31-03-2021	As on 31-03-2021	As on 31-03-2020	
<b>A</b>											
<b>Tangible Fixed Assets</b>											
Plant and machinery	1,28,42,796	32,000	-	1,28,74,796	64,40,986	16,65,976	-	81,06,962	47,67,834	64,01,810	
Plant and machinery(Renewable Energy/Devisse Manufacturing)	1,33,02,715	-	-	1,33,02,715	1,27,63,581	68,597	-	1,28,32,178	4,70,537	5,39,134	
Furniture and Equipments	3,17,031	6,000	-	3,23,031	1,18,027	43,053	-	1,61,080	1,61,951	1,99,004	
Computer System	9,33,817	4,95,170	-	14,28,987	7,24,970	1,66,154	-	8,91,124	5,37,863	2,08,847	
Vehicle	36,04,364	-	-	36,04,364	11,29,246	3,36,712	-	14,65,958	21,38,406	24,75,118	
Office Equipment	15,82,455	53,998	-	16,36,453	9,24,867	2,12,089	-	11,36,957	4,99,496	6,57,588	
	<b>3,25,83,178</b>	<b>5,87,168</b>	-	<b>3,31,70,346</b>	<b>2,21,01,678</b>	<b>24,92,581</b>	-	<b>2,45,94,259</b>	<b>85,76,087</b>	<b>1,04,81,500</b>	
<b>B</b>											
<b>Intangible Assets</b>											
Intangible Assets	9,17,562	22,925	-	9,40,487	1,37,548	88,359	-	2,25,907	7,14,579	7,80,013	
<b>C</b>											
<b>Capital Work in Progress</b>											
<b>D</b>											
<b>Intangible assets under Development</b>											
<b>Total</b>	<b>3,35,00,740</b>	<b>6,10,093</b>	-	<b>3,41,10,833</b>	<b>2,22,39,226</b>	<b>25,80,940</b>	-	<b>2,48,20,166</b>	<b>92,90,667</b>	<b>1,12,61,514</b>	

<b>Note : 10 INVENTORIES</b>		
<b>Particulars</b>	<b>As at 31.03.2021 (Rs.)</b>	<b>As at 31.03.2020 (Rs.)</b>
(a) Finished Goods	3,92,00,165	1,93,37,654
(b) Raw Materials and Components	4,07,22,156	3,19,06,936
<b>Total</b>	<b>7,99,22,321</b>	<b>5,12,44,590</b>

<b>Note : 11 TRADE RECEIVABLES</b>		
<b>Particulars</b>	<b>As at 31.03.2021 (Rs.)</b>	<b>As at 31.03.2020 (Rs.)</b>
(a) <u>Due more than six months</u>		
Secured, considered good	-	-
Unsecured, considered good	21,90,89,815	12,70,54,605
Doubtful	-	-
	21,90,89,815	12,70,54,605
Less : Provision for doubtful trade receivables	-	-
	21,90,89,815	12,70,54,605
(a) <u>Others</u>		
Secured, considered good	-	-
Unsecured, considered good	33,68,69,785	42,96,46,794
Doubtful	-	-
	33,68,69,785	42,96,46,794
Less : Provision for doubtful trade receivables	-	-
	33,68,69,785	42,96,46,794
<b>Total</b>	<b>55,59,59,600</b>	<b>55,67,01,399</b>

<b>Note : 12 CASH AND CASH EQUIVALENTS</b>		
<b>Particulars</b>	<b>As at 31.03.2021 (Rs.)</b>	<b>As at 31.03.2020 (Rs.)</b>
(a) Cash on hand	21,26,316	27,07,613
(b) <u>Balances with Banks :</u>		
Bank of Baroda-1121	1,72,225	2,28,517
Bank of Baroda-Dividend	7,823	7,823
Bank of Baroda A/c-1195 (Escrow)	1,10,27,648	2,26,232
Bank of Baroda A/c-1292	73,40,072	26,47,039
HDFC Dividend A/c-0822	3,000	3,000
<b>Total</b>	<b>2,06,77,084</b>	<b>58,20,224</b>

**Note : 13 SHORT TERM LOANS AND ADVANCES**

Particulars	As at 31.03.2021 (Rs.)	As at 31.03.2020 (Rs.)
Advance for Material Purchase:	40,77,456	1,17,62,629
Various Deposits:		
EMD Deposits	68,32,865	3,26,78,100
Securities Deposits	85,81,373	-
Fixed Deposits (held as Margin Money Deposits against Guarantees/Letter of Credit and Pledge against the Borrowings)	3,48,04,395	-
Other Deposits	6,07,500	-
<b>Total</b>	<b>5,49,03,589</b>	<b>4,44,40,729</b>

**Note : 14 OTHER CURRENT ASSETS**

Particulars	As at 31.03.2021 (Rs.)	As at 31.03.2020 (Rs.)
Prepaid Expenses	19,04,588	5,81,262
Sardar Sarovar Narmada Nigam Ltd-Bond	8,16,582	7,62,587
Advance to Staff	2,62,633	66,797
Balance with Statutory/ Govt. Authorities:	3,42,12,400	3,87,01,156
Other Current Assets	-	3,806
<b>Total</b>	<b>3,71,96,203</b>	<b>4,01,15,608</b>

**Note : 15 CONTINGENT LIABILITIES**

Particulars	As at 31.03.2021 (Rs.)	As at 31.03.2020 (Rs.)
Bank Guarantee	8,66,04,502	9,46,84,609
Liability of Traces	47,320	47,320
<b>Total</b>	<b>8,66,51,822</b>	<b>9,47,31,929</b>



## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31<sup>ST</sup> MARCH 2021

<b>Note : 16 REVENUE FROM OPERATIONS</b>		
Particulars	For the year ended 31-03-2021 (Rs.)	For the year ended 31 03-2020 (Rs.)
(a) Sale of Products - Finished Goods	59,58,42,053	1,25,95,18,150
(b) Sale of Services		
Installation and Commission Charges	18,83,23,917	12,08,51,786
Annual Maintenance Income recognised during the year	1,20,43,737	-
<b>Total</b>	<b>79,62,09,708</b>	<b>1,38,03,69,936</b>
<b>Note : 17 OTHER INCOME</b>		
Particulars	For the year ended 31-03-2021 (Rs.)	For the year ended 31 03-2020 (Rs.)
Interest Income	14,26,541	22,90,579
Subsidy - DIC Interest	2,40,045	-
Gain on Forex Transaction	1,98,853	5,68,904
Insurance Claim Income	1,82,349	3,14,138
Creditors written off	4,30,764	5,96,875
Other Income	3,32,130	24,500
<b>Total</b>	<b>28,10,682</b>	<b>37,94,996</b>
<b>Note : 18(a) COST OF MATERIAL CONSUMED</b>		
Particulars	For the year ended 31-03-2021 (Rs.)	For the year ended 31 03-2020 (Rs.)
Inventories at the beginning of the year	3,19,06,936	2,66,52,056
Add: Purchases during the year	61,41,18,982	1,15,64,16,604
Less: Inventories at the end of the year	4,07,22,156	3,19,06,936
<b>Total</b>	<b>60,53,03,762</b>	<b>1,15,11,61,724</b>
<b>Note : 18(b) CHANGES IN INVENTORIES OF FINISHED GOODS</b>		
Particulars	For the year ended 31-03-2021 (Rs.)	For the year ended 31 03-2020 (Rs.)
Inventories at the end of the year:	3,92,00,165	1,93,37,654
Inventories at the beginning of the year:	1,93,37,654	3,16,67,647
<b>Net (increase) / decrease</b>	<b>-1,98,62,511</b>	<b>1,23,29,993</b>

<b>Note : 19 EMPLOYEE BENEFIT EXPENSES</b>		
<b>Particulars</b>	<b>For the year ended 31-03-2021 (Rs.)</b>	<b>For the year ended 31- 03-2020 (Rs.)</b>
Staff Welfare Exp	1,02,689	69,744
Wages and Salary Expenses	1,63,03,833	1,05,79,690
Director Remuneration	12,00,000	12,00,000
Bonus Expenses	3,48,657	2,72,713
Contribution to Provident Funds	5,92,961	-
Group Health Insurance Expense	1,49,707	-
<b>Total</b>	<b>1,86,97,847</b>	<b>1,21,22,147</b>

<b>Note : 20 FINANCE COSTS</b>		
<b>Particulars</b>	<b>For the year ended 31-03-2021 (Rs.)</b>	<b>For the year ended 31- 03-2020 (Rs.)</b>
(a) Interest Expense on:		
Term Loan	10,00,373	1,87,880
Buyer's Credit/Letter of Credit	1,66,286	-
Cash Credit	64,61,923	68,05,767
Car Loan	-	2,055
Interest on Late Payment of TDS	29,519	-
Others	-	9,80,887
(b) Bank Charges and Commission	31,59,909	34,55,571
<b>Total</b>	<b>1,08,18,010</b>	<b>1,14,32,160</b>

**Note 21 OTHER EXPENSES**

Particulars	For the year ended 31-03-2021 (Rs.)	For the year ended 31- 03-2020 (Rs.)
<b><u>Manufacturing Expenses</u></b>		
Annual Maintenance Charges (Prov.)	2,61,72,246	1,45,10,995
Clearing & Forwarding Expenses	4,16,991	-
Custom Duty Expenses	8,44,195	35,01,336
Freight Expenses - Inward	7,36,077	38,76,194
Net Meter Charges	20,53,976	29,60,499
Packing and Forwarding Expenses	3,890	-
Production Expenses	10,74,09,152	8,50,27,594
Registration Fees Expenses	4,07,605	3,90,918
<b><u>Selling and Administrative Expenses</u></b>		
Administrative Expenses	29,568	-
Advertisement Expenses	1,85,363	3,85,558
Audit Fees	2,25,000	2,25,000
Bad-debts written off	-	31,37,668
Commission on Sales	17,49,275	10,94,990
Communication and Internet Expenses	20,435	-
Courier & Postage Expenses	1,41,040	2,66,336
Donation Expenses	37,500	1,06,088
Electric Expenses	24,085	-
Exhibition Expenses	1,45,000	6,93,600
G.I.D.C Expenses	3,116	-
GST Reversal Expenses	22,324	-
Guest Hospitality Expenses	8,410	-
Gujarat VAT Paid	31,311	-
Inspection Charges	11,800	94,400
Insurance Expenses	10,84,576	11,67,029
Interest on TDS	-	86,457
Kasar & Discount	49,086	3,85,121
Key Men Insurance Premium	2,85,197	5,79,058
Legal Fees	84,377	2,18,001
Liquidated Damages (LD)	17,74,544	-
Loading & Unloading Expenses	11,41,638	3,15,388
Loss on sale of fixed assets	-	1,07,090
Market Makers Fees	3,00,000	9,208
Membership Fees	1,17,556	79,300
Miscellaneous Expenses	9,529	-
Notified Area Tax	76,714	76,714
Office Expenses	6,73,278	5,11,125

Penalty/Late Fees	6,460	8,33,536
Petrol and Diesel Expenses	6,95,056	3,76,568
Printing and Stationery Expenses	1,93,329	2,47,352
Processing Fees Expenses	-	18,76,327
Professional Fees Expenses	35,59,261	12,23,899
Professional Tax - Company	2,400	2,500
Rent Expenses	28,52,000	20,02,000
Repairs & Maintenance Expenses	4,04,234	3,13,784
ROC Fees	9,700	14,469
Round off	92	1,493
Sales Promotion Expenses	51,220	82,636
Security Expenses	99,477	1,12,082
Site Expenses	29,000	2,08,344
Software & Subscription Expenses	1,67,659	16,778
Stamp Duty Expenses	13,26,780	11,60,972
Telephone & Mobile Expenses	4,44,646	1,92,025
Tender Fees Expenses	2,41,606	4,78,696
<b>Particulars</b>	<b>For the year ended 31-03-2021</b>	<b>For the year ended 31- 03-2020</b>
	<b>(Rs.)</b>	<b>(Rs.)</b>
Training Expenses	50,000	-
Transportation Expenses - Outward	8,57,290	-
Travelling Expenses - Local & Foreign	13,63,022	22,87,465
Web Hosting Charges	48,628	1,92,246
<b>Total</b>	<b>15,86,76,719</b>	<b>13,14,28,839</b>

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

Arun Kanodiya  
Partner  
Membership No : 077131

Place : Surat  
Date : 30.06.2021

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

Kalpeshkumar R Patel  
Managing Director  
DIN : 01066992

Manish G Vaghela  
Company Secretary

Chetan S. Shah  
Director  
DIN : 02253886

Kiran R Shah  
Chief Financial Officer

# Get In Touch With Us



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SURAT | ANAND | PATNA

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Surat - 395009, Gujarat, India

Regd. Office: Plot No. 131/A, Phase-1, H. M. Road, GIDC, Vitthal Udyognagar-388 121,  
Dist: Anand (Gujarat) India