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Annual Report - 2019-20

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BOARD OF DIRECTORS

| | |
|------------------------------|------------------------------------|
| Kalpeshkumar Ramanbhai Patel | Chairman cum Managing Director |
| Rajeshbhai Tulsibhai Patel | Non-Executive Independent Director |
| Kamlesh Narendrabhai Patel | Non-Executive Independent Director |
| Dharaben Dharmeshkumar Patel | Non-Executive Director |
| Vijaykumar Savjibhai Virpara | Non-Executive Director |

CHIEF FINANCIAL OFFICER & COMPANY SECRETARY

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

AUDITORS

| | |
|--------------------|---------------------|
| Shaishav Y. Mistry | Secretarial Auditor |
| G. S. Mathur & Co. | Statutory Auditors |

BANKER & RTA

Bankers

Bank of Baroda

Registrar and Share Transfer Agent

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

NOTICE

Notice is hereby given that the 6th Annual General Meeting of Solex Energy Limited will be held on Friday, 11th September, 2020 at 2.30 p.m. through Video Conferencing (“VC”)/Other Audio Visual Means (“OAVM”) to transact the following businesses:

ORDINARY BUSINESS

1. To receive, consider and adopt the Audited Standalone Financial Statements of the Company for the Financial Year ended on 31st March 2020 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, 2020.
3. To appoint a director in place of Mr Kalpeshkumar Ramanbhai Patel who retire 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:
 - (i) M/S KSA & Co., Chartered Accountants, Surat (FRN No.0003822C) be and are hereby appointed as a statutory auditors 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 modification thereof);
 - (ii) M/s. KSA & Co., Chartered Accountants, Surat (FRN No.0003822C) shall hold office for a period of One year from the conclusion of 6th Annual General Meeting to the conclusion of 7th 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;
 - (iii) 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 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 2021 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 2021, amounting to Rs. 25,000(Rupees Twenty Five Thousands only) inclusive all taxes as applicable aforesaid audit be an dis hereby ratified and confirmed.”

“RESOLVED FURTHER THAT the Board of Directors of Company be and is hereby authorised to alter his agreement of appointment to giving effect to the above resolution.”

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

“RESOLVED THAT pursuant to provisions of Section13, 61 and 64 and other applicable provisions of the Companies Act, 2013 (“the Act”) and the rules framed there under (including any statutory modification(s) or re-enactment(s) thereof for the time being in force), and pursuant to the provisions of Memorandum and the Articles of Association of the Company, consent of the members be and is hereby accorded, to increase the Authorized Share Capital of the Company from existing Rs. 6,00,00,000 (Rupees Six Crore Only) divided into 60,00,000 (Sixty Lacs) Equity Shares of Rs. 10/- each to Rs. 25,00,00,000 (Rupees Twenty Fove Crore Only) divided into 250,00,000 (Two Crore Fifty Lacs) Equity Shares of Rs. 10/- each by creation of additional 190,00,000 (One Crore Ninety Lakhs) Equity Shares of Rs. 10/- each ranking paripassu in all respect with the existing Equity Shares of the Company.”

“RESOLVED FURTHER THAT the Memorandum of Association of the Company be altered in the following manner i.e. existing Clause V of the Memorandum of Association be deleted and same be substituted with the following Clause.:

The authorized share capital of the company is Rs. 25,00,00,000/- (Rupees Twenty Five Crores) divided into 250,00,000 (Two Crore Fifty Lakhs) equity shares of Rs. 10/- (Rupees Ten Only) each.”

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

“**RESOLVED THAT** pursuant to provisions of Section 180(1)(c) and other applicable provisions, If Any, of the Companies Act, 2013 read with rules framed there under, consent of the members of the company be and is hereby accorded to authorize the Board of Directors of the Company (herein after refer to as "Board") to borrow money from time to time whether secured or unsecured for the business of the Company notwithstanding that such borrowings, together with money already borrowed (apart from temporary loans obtained if any, from the bankers in the ordinary course of business) may exceed the aggregate of the paid up capital of the Company and its free reserves, provided that the total amount borrowed shall not at any time exceed the limit of Rs. 350 Crores (Rupees Three hundred Fifty Crores).

By Order of the Board Of Directors
Solex Energy Limited

Sd/-

Manish Govindbhai Vaghela
Company Secretary & Compliance Officer

Place : Vallabh Vidyanagar
Date : 17.08.2020

Notes:

- A. In view of the massive outbreak of COVID-19 pandemic and pursuant to General Circular Nos. 14/2020, 17/2020 and 20/2020 dated April 8, 2020, April 13, 2020 and May 5, 2020, respectively, issued by Ministry of Corporate Affairs and Circular No. SEBI/HO/CFD/CMD1/ CIR/P/2020/79 dated May 12, 2020 issued by Securities and Exchange Board of India (hereinafter collectively referred to as 'Circulars'), the Sixth AGM of the Company will be held through VC / OAVM. The facility for appointment of proxies will not be available for the AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice. Since the AGM will be held through VC / OAVM, the Route Map is not annexed in this Notice.
- B. Pursuant to the provision 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 Obligation & Disclosure Requirements) Requirements 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 agreement with National Securities Depository Limited for facility voting through electronic means, as the authorized e voting's agency.
- C. 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 authorized representatives to attend the AGM through VC/OAVM and participate there at and cast their votes through e – voting.
- D. Members joining the meeting through VC, who have not already cast their vote by means of remote e-voting, shall be able to exercise their right to vote through e-voting at the AGM. The Members who have cast their vote by remote e-voting prior to the AGM may also join the AGM through VC but shall not be entitled to cast their vote again.
- E. 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
- F. 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 with a Carbal Copy marked to helpdesk@nsdl.com.

- G. The Members can join the AGM in the VC/OACM 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/OACM 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 Investor, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.
- H. 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.
- I. 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 www.solex.in. The Notice can also be accessed from the websites of National Stock Exchange of India Limited at www.nseindia.com and on NSE Emerge platform at https://www1.nseindia.com/emerge/index_sme.html. The AGM Notice is also disseminated on the Website of NSDL.
- J. The Explanatory Statement, pursuant to Section 102 of the Companies Act , 2013 setting out facts concerning the business under Item No. 5,6 and 7 of the Notice is annexed hereto.
- K. 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.
- L. The Registrar of Members and Share Transfer Books shall remain closed from 04.09.2020 to 11.09.2020 (both days inclusive) to determine entitlement of the Shareholders to receive Dividend for the Year 2019-20 and for the purpose of Annual General Meeting.
- M. The Board of Directors at its Board Meeting held on 30th July 2020 has recommended a Dividend of Rs.0.50 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 04.09.2020 Members are requested to update their bank details with their respective Depository Participants (DP) to receive the amount of Dividend quickly.
- N. 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 . 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.
- O. In case of any queries regarding the Annual Report, the Members may write to cs@solex.co.in to receive an email response.
- P. 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 7.5% 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.

- Q. 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 Friday, 4th September 2020 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 and marked Carban Copy (CC) to compliances@skylinerta.com No Communication on the Tax determination/deduction shall be considered after Friday, 4th September 2020.

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.

- R. 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 effected 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 and marked Carban Copy (CC) to compliances@skylinerta.com. Physical mode is not available due to COVID -19 so please here request to send your updated mail on above E mail IDs.
- S. 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 Friday 4th September, 2020, 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 Tuesday, 8th September, 2020 and will end at 5:00 p.m. on Thursday, 10th September, 2020. 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.
- T. E-voting - The instructions for shareholders voting electronically are as under:
- (i) The voting period begins on 8th September, 2020, 10:00 a.m. and ends on 10th September, 2020, 5:00 p.m. During this period shareholders' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date (record date) of 4th September , 2020, may cast their vote electronically. The 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 are mentioned below:

How to Log-into 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 :

| Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical | Your User ID is: |
|--|---|
| a) For Members who hold shares in demat account with 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 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, your 'initial password' is communicated to you on your postal address.
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.
 - b) **Physical User Reset Password?**" (If you are holding shares in physical mode) option available on 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 mentioning your demat account number/folio number, your PAN, your name and your registered address.
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 are 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.
- U. 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.
- V. 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 login 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 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 better experience.
 3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting
 4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
 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 cs@sonamquartz.com. 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 | 03/09/1987 |
| 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 |

Explanatory Statement under Section 102 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 2021 as per following details:

| Sr. No. | Name of the Cost Auditor | Industry | Audit Fee |
|---------|--------------------------|--------------|-----------|
| 1. | P. K. Chaterjee & Co. | Solar Sector | 25000/- |

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

The present Authorized Share Capital of the Company is Rs. 6,00,00,000 (Rupees Six Crore Only) divided into 60,00,000 (Sixty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only).

Considering the proposed expansion and growth plans, the Board of Directors have proposed to increase the Authorized Share Capital to Rs. 25,00,00,000/- (Rupees Twenty Five Crores Only) divided into 250,00,000/- (Two Crore Fifty Lakhs) Equity Shares of Rs. 10/- (Rupees Ten Only) each subject to compliance of statutory provisions of the Companies Act, 2013 and also to amend Clause V of the Memorandum of Association.

A copy of the proposed Memorandum of Association of the Company incorporating the above proposed changes is available for inspection at the Registered Office of the Company on any working day during working hours. Also the copies of the same are available for inspection in physical and electronic form.

None of the Directors, Key Managerial Personnel of the Company or their relatives are deemed to be interested or concerned, either financially or otherwise, in the said resolution.

The members are requested to approve item No. 6 by way of passing an Ordinary Resolution.

Item No. 7

The provisions of Section 180(l)(c) of the Companies Act, 2013 provides that the Board of Directors of a company shall borrow monies (apart from temporary loans obtained or to be obtained from the Company's bankers in the ordinary course of business) from time to time on behalf of the Company up to the aggregate of its paid up share capital and free reserve, and consent of the shareholders by a special resolution is required in case where the money to be borrowed, together with the money already borrowed by the company will exceed aggregate of its paid up share capital and free reserves.

The company is constantly reviewing opportunities for new and expansion of its business operations and would, therefore required to borrow in order to achieve greater financial flexibility and therefore proposed that the board of directors of the company be authorized to borrow from time to time such sum of money even though the money so borrowed together with money already borrowed exceed in the aggregate of the paid up share capital and free reserves of the company provided however that the total borrowing (apart from temporary loans obtained or to be obtained from company's bankers in the ordinary course of business) shall not exceed as specified in proposed resolution.

It is, therefore, proposed that a special resolution be passed by the members of the Company authorizing the Board to lend money / make deposits as provided in the special resolution.

None of the Directors, Key Managerial Personnel and their relatives are interested or concern in the resolution.

BOARD'S REPORT

To,
The Members of
SOLEX ENERGY LIMITED.

Your Directors have immense pleasure in presenting the Sixth Annual General Meeting on the business and operations of the Company together with the Audited Financial Statements of your Company for the Financial Year 2019-20.

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 31.03.2020 compared to the previous year is as below:

| Particulars | 2017-18 | 2016-17 |
|------------------------------------|----------------|----------------|
| Total Revenue | 1,38,41,64,932 | 1,49,33,79,256 |
| Profit before depreciation and tax | 6,56,90,069 | 7,38,76,613 |
| Profit before tax | 6,24,34,382 | 6,80,42,275 |
| Profit after tax | 4,45,11,034 | 4,97,24,755 |
| Earnings Per Share (EPS) | 9.01 | 10.07 |

❖ HIGHLIGHTS OF PERFORMANCE

Total Revenue for the year increased to 13841.64 lacs as compared to Rs. 14933.79 lacs in the previous year. Profit before Tax for the year was Rs.624.34 lacs as compared to Rs. Rs.680.42 lacs in the previous year. Profit after Tax for the year was Rs.445.11 lacs as compared to Rs. 497.24 lacs in the previous year.

❖ DIVIDEND

Your Directors are pleased to recommend a Dividend of Rs. 0.50/- Paise (@ 5%) on fully paid up equity share of ₹ 10/- each for the financial year 2019- 20 subject to approval of the shareholders at the ensuing Annual General Meeting.

❖ FIXED DEPOSITS

The Company has not accepted any deposit from 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 any change in the capital structure of the company during the financial year ended 31st March 2020.

❖ DIRECTORS AND KMP

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

| Sr. No. | Name of Director/KMP | Appointment/cessation/ change in designation | Effective date |
|---------|--------------------------------|---|----------------|
| 1. | Mahendrabhai Lallubhai Machhi | Cessation as Non – Executive Independent Director | 14.11.2019 |
| 2. | Chetan Sureshchandra Shah | Appointed as additional director | 18.01.2020 |
| 3. | Jankiben Jaydeepsinh Ssisodiya | Cessation as Company Secretary and Compliance Officer | 27.02.2020 |

❖ DECLARATION BY INDEPENDENT DIRECTORS

Mr. Rajeshbhai Tulsibhai Patel, and Mr. Kamlesh Narendrabhai Patel were the Independent Directors of the Company as on 31st March, 2020 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.

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 28th May 2019, 29th June 2019, 6th July 2019, 6th August 2019, 21st September 2019, 14th November 2019, 18th January 2020 and 10th February 2020 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 Narendrabhai Patel (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 28th May 2019, 29th June 2019, 6th August 2019 and 14th November 2019.

❖ **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/WHISTLE BLOWER 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 <http://solex.in/Vigil-Mechanism.aspx>.

❖ **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 ₹ 1,02,00,000 or more per annum or ₹ 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 is not applicable to the Company. However, Company is complying all other SEBI regulations and listing agreement.

❖ **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 the arms 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 frame work 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 31st March 2020. 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 at 31st March, 2020 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, 2020; 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, 2020.

❖ **STATUTORY AUDITORS’ AND INDEPENDENT AUDITORS’ REPORT**

Presently, the Company’s statutory auditor is M/s. G. S. Mathur & Co., Chartered Accountants, (008744N) Ahmedabad who were reappoint in 5th Annual General Meeting till the conclusion of 6th Annual General Meeting.

The members of the Audit committee at their Meeting held on 30th July, 2020 have recommended to 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 form this Annual General Meeting till to 7th 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 proposed statutory auditor, to the effect that if they are appointed, it would be in accordance with the provisions of Section 141 of the Companies Act, 2013 read with the rules, if any.

The Company has received a certificate from 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 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.Chaterjee & 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 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.Chaterjee & 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 IMPLIMENTATION OF RISK MANAGEMENT POLICY**

Risk affects every organization by one way or other. Thus planning to handle such risk in future is of vital importance for every organization. Your Company always focuses on identifying and monitoring the risk and to take precautionary steps for risks affecting to 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 future during the year under review.

❖ **DISCLOSURE UNDER THE SEXUAL HARASSEMENT OF WOMEN AT 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 2019-20 is 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 31st March, 2020 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 there under.

❖ **ACKNOWLEDGEMENT**

The Board records its 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

Sd/-

Kalpeshkumar Ramanbhai Patel
Chairman cum Managing Director

Place : Vithal Udyognagar
Date : 17.08.2020

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 2019-20 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 are in compliance 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**

Sd/-

Kalpeshkumar Patel
Managing Director

Brijesh Leeladhar Hariya
Chief Financial Officer

Place : Vithal Udyognagar
Date : 30.07.2020

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 compliances 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 evaluation of every Director's performance and to provide 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 long term sustainability of talented managerial persons and create competitive advantage.
3. Ensure that level and composition of remuneration is reasonable and sufficient, 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 there under, 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. Kamlesh Narendrabhai Patel, Member (Non-Executive Independent Director)
- ii. Mr. Rajeshbhai Tulsibhai Patel, 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, 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;

- j. strive to attend the general meetings of the Company;
- k. keep themselves well informed about the Company and the external environment in which it operates;
- l. do not to unfairly obstruct the functioning of an otherwise proper Board or committee of the Board;
- m. moderate and arbitrate in the interest of the Company as a whole, in situations of conflict between management and shareholder's interest.
- n. 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 1st 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

Place : Vithal Udyognagar
Date : 17.08.2020

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 | 7,22,400 |
| 2. | Jankiben Jaydeepsinh Sisodiya* | Company Secretary | 2,15,224 |
| 3. | Brijesh Laeeladhar Hariya | Chief Financial Officer | 7,70,369 |

Notes:

- The Non-Executive and Independent Directors do not receive remuneration or sitting fees for attending the Board Meetings.
- During FY 2019-20, 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:

| | |
|--|-------------------|
| Total no. of Permanent Employees on Company's roll | 31.03.2020 |
| Excl KMPs | 66 |
| Incl KMPs | 2 |

By the order of the board of
Solex Energy Limited

Sd/-

Kalpeshkumar Ramanbhai Patel
Chairman cum Managing Director

Place : Vithal Udyognagar
Date : 17.08.2020

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 31ST MARCH, 2020.

(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:

(Amount in Rs.)

| Particulars | 2019-20 | 2018-19 |
|-------------------------------|-------------|----------------|
| Total foreign exchange out go | 3,78,92,604 | 8,56,14,501.55 |
| Total foreign exchange inflow | - | - |

By the order of the board of
Solex Energy Limited

Sd/-

Kalpeshkumar Ramanbhai Patel
Chairman cum Managing Director

Place : Vithal Udyognagar
Date : 17.08.2020

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 ₹ 13841.64 /-lacs during the year. The Interest & Finance Costs for the year stood at ₹ 114.32 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

Sd/-
Kalpeshkumar Ramanbhai Patel
Chairman cum Managing Director

Place : Vithal Udyognagar
Date : 17.08.2020

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

| (1) Purchase of goods and services | |
|---|---|
| (a) Name(s) of the related party and nature of relationship | Nemji EVPV Pvt Ltd, Mr. Chetan Sureshchandra Shah is Director in Nemji EVPV Pvt. Ltd. and he holds additional directorship in the Company. |
| (b) Nature of contracts/arrangements/transactions | Purchase of Solar Products |
| (c) Duration of the contracts/arrangements/transactions | 27.01.2020 to 05.03.2020 |
| (d) Date(s) of approval by the Board, if any | 17.01.2020 |
| (e) Amount paid as advances, if any: | Nil |
| (2) Purchase of Goods and Services | |
| (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 of Security Software |
| (c) Duration of the contracts/arrangements/transactions | 17.02.2020 to 23.03.2020 |
| (d) Date(s) of approval by the Board, if any | 17.01.2020 |
| (e) Amount paid as advances, if any: | NIL |
| (3) Sale of Goods and Services | |
| (a) Name(s) of the related party and nature of relationship | Nemji.Com Mr. Chetan Sureshchandra Shah is HUF Director and he holds additional directorship in the our Company. |
| (b) Nature of contracts/arrangements/transactions | Purchase of Laptops |
| (c) Duration of the contracts/arrangements/transactions | 29.01.2020 to 23.03.2020 |
| (d) Date(s) of approval by the Board, if any | 17.01.2020 |
| (e) Amount paid as advances, if any: | NIL |
| (4) Leasing of Property | |
| (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/transactions | 01.04.2019 to 31.03.2020 |
| (d) Date(s) of approval by the Board, if any | 28.05.2019 |
| (e) Amount paid as advances, if any: | NIL |

Sd/-

Kalpeshkumar Ramanbhai Patel
Chairman cum Managing Director

Place : Vithal Udyognagar
Date : 17.08.2020

ANNEXURE “F” THE BOARD REPORT

Form No. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED 31ST MARCH, 2020

[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, 2020** 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, 2020** 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).
- (iii) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation 2015.

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

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.

Place : Navsari
Date : 17.08.2020

For **Shaishav Y. Mistry**
Company Secretary
M No. A43921
C P No.: 16361
UDIN: A043921B000586562

ANNEXURE

To,
The Members,
SOLEX ENERGY LIMITED
Vithal Udyognagar.

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.

Place : Navsari
Date : 17.08.2020

For **Shaishav Y. Mistry**
Company Secretary
M No. A43921
C P No.: 16361
UDIN: A043921B000586562

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,

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) 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, 2020 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 |
| 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. | CHETAN SURESHCHANDRA SHAH | 02253886 | 18/01/2020 (Resign As on 30.07.2020.) |

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**

Company Secretary

M No. A43921

C P No.: 16361

UDIN: A043921B000586562

Place : Navsari

Date : 17.08.2020

ANNEXURE “G” THE BOARD REPORT**FORM NO. MGT. 9****EXTRACT OF ANNUAL RETURN**

as on the financial year ended on 2020

[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:

| | |
|--|---|
| CIN | L40106GJ2014PLC081036 |
| Registration Date | 13/10/2014 |
| Name of the Company | Solex Energy Limited |
| Category/Sub-category of the Company | Limited Company |
| Address of the Registered office & contact details | Plot No. 131/A, G.I.D.C. Estate, Phase I, Nr. Krimy Industries, Vithal Udyognagar Gujarat, India. PH. NO: (02692) 230317 E-MAIL: sesin2009@gmail.com |
| Whether listed Company | Yes (NSE EMERGE) |
| Name, Address & contact details of the Registrar & Transfer Agent, if any. | Skyline Financial Services Private Limited D-153 A, 1 ST 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. No. | Name and Address of The Company | CIN/GLN | 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

| Category of Shareholders | Shares Held at beginning of the Year 31/03/2019 | | | | Shares Held at the End of the Year 31/03/2020 | | | | % Change during the year |
|---|---|----------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| A. Promoters | | | | | | | | | |
| (1) Indian | | | | | | | | | |
| a) Individual/HUF | 3479360 | 0 | 3479360 | 70.43 | 3479360 | 0 | 3479360 | 70.43 | |
| b) Central Govt | - | - | - | - | - | - | - | - | |
| c) State Government | - | - | - | - | - | - | - | - | |
| d) Bodies Corporate | - | - | - | - | - | - | - | - | |
| e) Banks/FI | - | - | - | - | - | - | - | - | |
| f) Any Other | - | - | - | - | - | - | - | - | |
| Sub-Total (A)(1) | 3479360 | 0 | 3479360 | 70.43 | 3479360 | 0 | 3479360 | 70.43 | |
| (2) Foreign | | | | | | | | | |
| a) NRI Individuals | - | - | - | - | - | - | - | - | |
| b) Other Individuals | - | - | - | - | - | - | - | - | |
| c) Bodies Corporate | - | - | - | - | - | - | - | - | |
| d) Banks /FI | - | - | - | - | - | - | - | - | |
| e) Any Other | - | - | - | - | - | - | - | - | |
| Sub-Total (A)(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| Total Shareholding of Promoters(A) | 3479360 | 0 | 3479360 | 70.43 | 3479360 | 0 | 3479360 | 70.43 | |
| B. Public Shareholding | | | | | | | | | |
| (1) Institutions | | | | | | | | | |
| a) Mutual Funds | - | - | - | - | - | - | - | - | |
| b) Banks/FI | - | - | - | - | - | - | - | - | |
| c) Central Government | - | - | - | - | - | - | - | - | |
| d) State Government | - | - | - | - | - | - | - | - | |
| e) Venture Capital Fund | | | | | | | | | |
| f) Insurance Companies | | | | | | | | | |
| g) FIs | | | | | | | | | |
| h) Foreign Venture Capital Fund | | | | | | | | | |
| i) Any Other Foreign | | | | | | | | | |
| j) Any Other | | | | | | | | | |
| Sub-Total (A)(2) | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| (2) Non-Institutions | | | | | | | | | |
| a) Bodies Corporate | | | | | | | | | |
| 1) Indian | 312185 | 0 | 312185 | 6.32 | 36480 | 0 | 36480 | 0.74 | |
| 2) Overseas | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |

A) Category-wise Share Holding (Contd...)

| Category of Shareholders | Shares Held at beginning of the Year 31/03/2019 | | | | Shares Held at the End of the Year 31/03/2020 | | | | % Change during the year |
|--|---|----------|----------------|-------------------|---|----------|----------------|-------------------|--------------------------|
| | Demat | Physical | Total | % of Total Shares | Demat | Physical | Total | % of Total Shares | |
| (b) Individuals | | | | | | | | | |
| 1) Individual shares holders having nominal share capital upto Rs. 1,00,000 | 428295 | 0 | 428295 | 8.67 | 396000 | 0 | 396000 | 8.02 | |
| 2) Individual shares holders having nominal share capital Excess of Rs. 1,00,000 | 470160 | 0 | 470160 | 9.52 | 812160 | 0 | 812160 | 16.44 | |
| c) Others | | | | | | | | | |
| a) HUF | 238000 | 0 | 238000 | 4.82 | 202000 | 0 | 202000 | 4.09 | |
| b) Non Resident Indian | 12000 | 0 | 12000 | 0.24 | 12000 | 0 | 12000 | 0.24 | |
| c) Foreign National | 0 | 0 | 0 | 0.00 | 0 | 0 | 0 | 0.00 | |
| d) Clearing Members | 0 | 0 | 0 | 0.00 | 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 | |
| Sub-Total (B)(2) | 1460640 | 0 | 1460640 | 29.57 | 1460640 | 0 | 1460640 | 29.57 | |
| Total Public Shareholding (B) | 1460640 | 0 | 1460640 | 29.57 | 1460640 | 0 | 1460640 | 29.57 | |
| 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 | |
| Grand Total | 4940000 | 0 | 4940000 | 100.00 | 4940000 | 0 | 4940000 | 100.00 | |

B) Shareholding of Promoters

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding 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 | - | - |
| | TOTAL | 34,79,360 | 70.43 | - | 34,79,360 | 70.43 | - | - |

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

| Sr. No. | Shareholder's Name | Shareholding at the beginning of the year | | | Share holding at the end of the year | | |
|---------|--------------------|---|---|---|--------------------------------------|---|---|
| - | - | - | - | - | - | - | - |

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

| Sr. No. | For Each of the Top 10 Shareholders | 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 |
| 1. | Beeline Broking Limited | 270000 | 5.46 | 268000 | 5.93 |
| 2. | Shah Bijal Mukesh | 196000 | 3.97 | 196000 | 3.97 |
| 3. | Smitaben Upendrabhai Shelat | 60000 | 1.21 | 60000 | 1.21 |
| 4. | Upendra Naranji Shelat | 58000 | 1.17 | 58000 | 1.17 |
| 5. | Shah Nalinkumar L | 42000 | 0.85 | 42000 | 0.85 |
| 6. | Dharmeshkumar Chandrakantbhai Patel | 40000 | 0.81 | 40000 | 0.81 |
| 7. | Ileshkumar Sureshbhai Patel | 40000 | 0.81 | 40000 | 0.81 |
| 8. | Shah Parthi Jital | 30000 | 0.61 | 30000 | 0.61 |
| 9. | Adheesh Kabra | 28000 | 0.57 | 28000 | 0.57 |
| 10. | JM Financial Services Ltd | - | - | 26000 | 0.53 |

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 | 34,79,360 | 70.43 | 34,79,360 | 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. | Mahendrabhai Lallubhai Machi | Nil | Nil | Nil | Nil |
| 4. | Rajeshbhai Tulsibhai Patel | Nil | Nil | Nil | Nil |
| 5. | Kamlesh Narendrabhai Patel | Nil | Nil | Nil | Nil |
| 6. | Jankiben Jaydeepsinh Sisodiya | Nil | Nil | Nil | Nil |
| 7. | Vaibhavkumar Nagindas Shah | Nil | Nil | Nil | Nil |
| 8. | Brijesh Leeladhar Hariya | 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 | 6,45,47,286 | - | - | 6,45,47,286 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 6,45,47,286 | - | - | 6,45,47,286 |
| Change in Indebtedness during the financial year | | | | |
| * Addition | 837,687,484 | - | - | 837,687,484 |
| * Reduction | 851,362,088 | - | - | 851,362,088 |
| Net Change | (-13674604) | - | - | (-13674604) |
| Indebtedness at the end of the financial year | | | | |
| i) Principal Amount | 5,08,72,682 | - | - | 5,08,72,682 |
| ii) Interest due but not paid | - | - | - | - |
| iii) Interest accrued but not due | - | - | - | - |
| Total (i+ii+iii) | 5,08,72,682 | - | - | 5,08,72,682 |

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 | 7,22,400 | 7,22,400 |
| | (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 | - | - |
| | Total (A) | 7,22,400 | 7,22,400 |
| | 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) | Jankiben Jaydeepsinh Sisodiya (CS) | |
| 1. | Gross salary (a) Salary as per provisions contained in section 17(1) of the Income-tax Act, 1961 | 7,70,369 | 2,15,224 | 9,85,593 |
| | (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 - others, specify... | - | - | - |
| 5. | Others | - | - | - |
| | Total | 7,70,369 | 2,15,224 | 9,85,593 |
| | 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

Place : Vithal Udyognagar
Date : 17.08.2020

INDEPENDENT AUDITORS' REPORT

To the Members of **Solex Energy Limited**

Report on the Audit of the Standalone Financial Statements

Opinion

We have audited the financial statements of SOLEX ENERGY LIMITED ("the Company"), which comprise the balance sheet as at 31st March 2020, and the statement of Profit and Loss and statement of cash flows 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 statements give the information required by 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 31st March, 2020, its profit/loss 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. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the 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 Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial statements and auditors' report thereon

The Company's board of directors is responsible for the preparation of the other information. The other information comprises the information included in the 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.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

There are no Key Audit Matters Reportable as per SA 701 issued by ICAI.

Responsibilities of Management and Those Charged with Governance for the Standalone Financial Statements.

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the accounting Standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls, that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is 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 management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Those Board of Directors are also responsible for overseeing the Company's financial reporting process.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional 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 Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system 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 management.
- ❖ Conclude on the appropriateness of management's 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 represent 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.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

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 Companies Act, 2013, we give in the 'Annexure A', a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

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.
 - e) On the basis of the written representations received from the directors as on 31st March, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2020 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 and the operating effectiveness of such controls, refer to our separate Report in 'Annexure B'.
 - g) With respect to the matter to be included in the Auditor's Report under section 197(16), In our opinion and according to the information and explanations given to us, the remuneration paid by the Company to its directors during the current year is in accordance with the provisions of section 197 of the Act. The remuneration paid to any director is not in excess of the limit laid down under section 197 of the Act. The Ministry of Corporate Affairs has not prescribed other details under section 197(16) which are required to be commented upon by us.
 - h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company does not have any pending litigations which would impact its financial position.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

As per our report even date attached

For : G. S. Mathur & Co.

Chartered Accountants

F. R. No. 00874N

CA Bhargav Vaghela

Partner

M.No. 124619

Place : Anand

Date : 01.08.2020

UDIN : 20124619AAAADI3954

“Annexure A” to the Independent Auditors’ Report

The Annexure referred to in paragraph 1 of Our Report on “Other Legal and Regulatory Requirements”.

We report that:

- i. a. The company has maintained proper records showing full particulars, including quantitative details and situation of its fixed assets.
- b. As explained to us, fixed assets have been physically verified by the management at reasonable intervals; no material discrepancies were noticed on such verification.
- c. The title deeds of immovable properties are held in the name of the company.
- ii. As explained to us, inventories have been physically verified during the year by the management at reasonable intervals. No material discrepancy was noticed on physical verification of stocks by the management as compared to book records.
- iii. According to the information and explanations given to us and on the basis of our examination of the books of account, the Company has not granted any loans, secured or unsecured, to companies, firms, Limited Liability Partnerships or other parties listed in the register maintained under Section 189 of the Companies Act, 2013. Consequently, the provisions of clauses iii (a), (b) and (c) of the order are not applicable to the Company.
- iv. In respect of loans, investments, guarantees, and security, provisions of section 185 and 186 of the Companies Act, 2013 have been complied with.
- v. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.
- vi. we have broadly reviewed the books pursuant to the rules made by the central government for the maintenance of cost records under section 148(1) of the companies act 2013 and are of the opinion that prima facie the prescribed accounts and records have been made and maintained. we have however not made a detailed examination of the cost records with a view to determine whether they are accurate or complete.
- vii. a. According to the records of the company, undisputed statutory dues including Provident Fund, Investor Education and Protection Fund, Employees’ State Insurance, Income-tax, Sales-tax, Service Tax, Goods and Service tax, Custom Duty, Excise Duty, value added tax, cess and any other statutory dues to the extent applicable, have generally been regularly deposited with the appropriate authorities. According to the information and explanations given to us there were no outstanding statutory dues as on 31st March 2020 for a period of more than six months from the date they became payable.
- b. According to the information and explanations given to us, there is no amount payable in respect of income tax, service tax, sales tax, customs duty, excise duty, value added tax and cess whichever applicable, which have not been deposited on account of any disputes.
- viii. In our opinion and according to the information and explanations given by the management, we are of the opinion that, the Company has not defaulted in repayment of dues to a financial institution, bank, Government or debenture holders, as applicable to the company.
- ix. the company has not raised any money by way of initial public offer or further public offer (including debt instruments) or taken any term loan during the year.
- x. According to the information and explanations given to us, we report that no fraud by the company or any fraud on the Company by its officers or employees has been noticed or reported during the year.
- xi. According to the information and explanations given to us, we report that managerial remuneration has been paid in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Companies Act.
- xii. The company is not a Nidhi Company. Therefore, clause (xii) of the order is not applicable to the company.
- xiii. According to the information and explanations given to us, all transactions with the related parties are in compliance

with sections 177 and 188 of Companies Act, 2013 where applicable and the details have been disclosed in the Financial Statements etc. as required by the applicable accounting standards.

- xiv. The company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year under review.
- xv. Provisions of section 192 of Companies Act, 2013 have been complied with in case of non-cash transactions entered by the company with directors or persons connected with him.
- xvi. The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

As per our report even date attached

For : G. S. Mathur & Co.

Chartered Accountants

F. R. No. 00874N

Place : Anand

Date : 01.08.2020

UDIN : 20124619AAAADI3954

CA Bhargav Vaghela

Partner

M.No. 124619

“Annexure B” Report on Internal Financial Controls Over Financial Reporting

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, 2020 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 issued by the Institute of Chartered Accountants of India. These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the “Guidance Note”) and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. 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 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 and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the 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.

Meaning of Internal Financial Controls Over Financial Reporting

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

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, 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 to future periods are subject to the risk that the internal financial control over financial reporting 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 and such internal financial controls over financial reporting were operating effectively as at March 31, 2020, 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 issued by the Institute of Chartered Accountants of India.

As per our report even date attached

For : G. S. Mathur & Co.

Chartered Accountants

F. R. No. 00874N

Place : Anand

Date : 01.08.2020

UDIN : 20124619AAAADI3954

CA Bhargav Vaghela

Partner

M.No. 124619

BALANCE SHEET AS AT 31st March, 2020

(Amt. in ₹)

| PARTICULARS | Note | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|------|---------------------------------------|---------------------------------------|
| I. EQUITY AND LIABILITIES | | | |
| 1. SHARE HOLDERS FUND | | | |
| (a) Share Capital | 2 | 49,400,000 | 49,400,000 |
| (b) Reserves and Surplus | 3 | 172,091,379 | 130,358,061 |
| (c) Money received against share warrants | | - | - |
| 2. Share application money pending allotment | | | |
| | | - | - |
| 3. Non-current liabilities | | | |
| (a) Long-term borrowings | 4 | - | 1,255,954 |
| (b) Deferred tax liabilities (Net) | | 687,229 | 163,881 |
| (c) Other Long term liabilities | | - | - |
| (d) Long-term provisions | | 50,035,786 | 35,524,791 |
| 4. Current liabilities | | | |
| (a) Short-term borrowings | 5 | 50,872,682 | 63,291,332 |
| (b) Trade payables | | 354,816,099 | 416,423,892 |
| i) Total outstanding dues of MESEs | | 344,016,493 | 365,649,832 |
| ii) Total outstanding dues other than MESEs | | 10,799,606 | 50,774,060 |
| (c) Other current liabilities | 6 | 15,380,583 | 8,303,250 |
| (d) Short-term provisions | 7 | 16,300,306 | 6,182,139 |
| TOTAL | | 709,584,065 | 710,903,300 |
| II. ASSETS | | | |
| (1) Non-current assets | | | |
| (a) Property Plant & Equipment | 8 | | |
| (i) Tangible assets | | 10,481,500 | 11,932,355 |
| (ii) Intangible assets | | 780,013 | 641,871 |
| (iii) Capital work-in-progress | | - | 236,000 |
| (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 | 9 | - | - |
| (2) Current assets | | | |
| (a) Current investments | | - | - |
| (b) Inventories | 10 | 51,244,590 | 58,319,703 |
| (c) Trade receivables | 11 | 556,701,399 | 555,818,920 |
| (d) Cash and cash equivalents | 12 | 5,820,226 | 6,366,756 |
| (e) Short-term loans and advances | 13 | 44,440,729 | 51,606,787 |
| (f) Other current assets | 14 | 40,115,608 | 25,980,908 |
| TOTAL | | 709,584,065 | 710,903,300 |
| Contingent liabilities | 15 | 94,731,929 | 79,972,564 |
| Significant accounting policies | 1 | | |

The accompanying notes are an integral part of financial statements.

For and on behalf of the board

For : Solex Energy Limited

Kalpeshkumar R. Patel
Managing Director
DIN - 01066992

Kamlesh Narendrabhai Patel
Director
DIN - 07920530

Brijesh Leeladhar Hariya
Chief Financial Officer

As per our report even date attached

For : G S Mathur & Co.
Chartered Accountants
F. R. No. 008744N

CA Bhargav Vaghela
Partner
M. No. 124619

Place : Anand
Date : 30.07.2020

Place : Anand
Date : 30.07.2020

STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED 31ST March, 2020

(Amt. in ₹)

| PARTICULARS | Note | Year Ended 31 st March, 2020 | Year Ended 31 st March, 2019 |
|---|------|--|--|
| I. REVENUE FROM OPERATIONS | 16 | 1,380,369,936 | 1,490,591,358 |
| II. OTHER INCOME | 17 | 3,794,996 | 2,787,897 |
| III. TOTAL REVENUE (I + II) | | 1,384,164,932 | 1,493,379,256 |
| IV. EXPENSES : | | | |
| Cost of materials consumed | 18 | 1,151,161,724 | 1,255,648,057 |
| Purchases of Stock-in-Trade | | - | - |
| Changes in inventories of Finished Goods | 19 | 12,329,993 | 31,903,859 |
| Employee benefits expense | 20 | 12,122,147 | 12,760,791 |
| Finance costs | 21 | 11,432,160 | 7,451,729 |
| Depreciation and amortization expense | 8 | 3,255,687 | 5,834,338 |
| Other expenses | 22 | 131,428,839 | 111,738,206 |
| Total Expenses | | 1,321,730,550 | 1,425,336,981 |
| V. Profit before exceptional and extraordinary items and tax (III-IV) | | 62,434,382 | 68,042,275 |
| VI. Exceptional items | | - | - |
| VII. Profit before extraordinary items and tax (V - VI) | | 62,434,382 | 68,042,275 |
| VIII. Extraordinary Items | | - | - |
| IX. Profit before tax (VII- VIII) | | 62,434,382 | 68,042,275 |
| X. Tax Expense: | | | |
| (1) Current tax | | 17,400,000 | 19,000,000 |
| (2) Deferred tax | | 523,348 | (682,480) |
| XI. Profit (Loss) for the period from continuing operations (VII-VIII) | | 44,511,034 | 49,724,755 |
| XII. Profit/(loss) from discontinuing operations | | - | - |
| XIII. Tax expense of discontinuing operations | | - | - |
| XIV Profit/(loss) from Discontinuing operations (after tax) (XII-XIII) | | - | - |
| XV Profit (Loss) for the period (XI + XIV) | | 44,511,034 | 49,724,755 |
| XVI Earnings per equity share: | | | |
| (1) Basic | | 9.01 | 10.07 |
| (2) Diluted | | 9.01 | 10.07 |

For and on behalf of the board
For : **Solex Energy Limited**

Kalpeshkumar R. Patel
Managing Director
DIN - 01066992

Kamlesh Narendrabhai Patel
Director
DIN - 07920530

Brijesh Leeladhar Hariya
Chief Financial Officer

As per our report even date attached
For : **G S Mathur & Co.**
Chartered Accountants
F. R. No. 008744N

CA Bhargav Vaghela
Partner
M. No. 124619

Place : Anand
Date : 30.07.2020

Place : Anand
Date : 30.07.2020

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST March, 2020

(Amt. in ₹)

| PARTICULARS | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|---------------------------------------|---------------------------------------|
| [I] Cash flow From Operating Activities | | |
| Net Profit (Loss) As per Profit & Loss Account | 44,511,034 | 49,724,755 |
| a. Tax and Extra-Ordinary Item :- | | |
| Income Tax | 17,400,000 | 19,000,000 |
| Deffered Tax | 523,348 | (682,480) |
| Net Profit (Loss) before tax | 62,434,382 | 68,042,275 |
| b. Adjustments :- | | |
| Interest and finance cost | 11,432,160 | 7,451,729 |
| Depreciation | 3,255,687 | 5,834,338 |
| Interest Income | (2,290,579) | (1,406,992) |
| Operating profit (loss) before working capital changes | 74,831,650 | 79,921,351 |
| c. Adjustments :- | | |
| Decrease/(Increase) in Trade Receivables | (882,479) | (176,348,029) |
| Decrease/(Increase) in Inventories | 7,075,113 | 11,927,228 |
| (Decrease)/Increase in Short term Borrowings | (12,418,650) | 4,501,319 |
| (Decrease)/Increase in Trade Payables | (61,607,793) | 142,889,701 |
| (Decrease)/Increase in Other Current liabilities | 7,077,333 | 1,355,346 |
| (Decrease)/Increase in Short term Provision | 10,118,168 | (5,478,685) |
| (Decrease)/Increase in Long term provision | 14,510,995 | 10,245,074 |
| Net Cash Flow before tax and extra ordinary item | 38,704,337 | 69,013,306 |
| Direct Taxes Paid | (17,400,000) | (19,000,000) |
| Less: Extraordinary Items | - | - |
| Net Cash Flow from Operating Activities | 21,304,337 | 50,013,306 |
| [II] CASH FLOW FROM INVESTING ACTIVITIES: | | |
| a. Acquisition of Property Plant & Equipment | (2,188,355) | (8,582,608) |
| b. Sale of Property Plant & Equipment | 245,381 | - |
| c. Increase in Capital Work in Progress | 236,000 | (236,000) |
| d. Dividend received | - | - |
| e. Interest Income | 2,290,579 | 1,406,992 |
| f. Decrease/(Increase) in Non Current Investment | - | - |
| g. Decrease/(Increase) in Long term loan and advances | - | - |
| h. Decrease/(Increase) in Other Non Current Asset | - | 88,920 |
| i. Decrease/(Increase) in Short term loans and advances | 7,166,058 | (16,428,532) |
| j. Decrease/(Increase) in Other Current Asset | (14,134,700) | (5,861,158) |
| Net Cash Flow from Investing Activities | (6,385,037) | (29,612,386) |

CASH FLOW STATEMENT FOR THE YEAR ENDED 31ST March, 2020

(Amt. in ₹)

| PARTICULARS | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| [III] CASH FLOW FROM FINANCIAL ACTIVITIES : | | |
| a. Due to Increase in Share Capital | - | - |
| b. Repayment of Long Term Borrowings | (1,255,954) | (2,582,246) |
| c. Share Premium Received | 500,000 | - |
| d. Share Issue Expense (squared off against Securities Premium) | (300,000) | (21,874) |
| e. Interest & Finance Cost | (11,432,160) | (7,451,729) |
| f. Dividend Paid | (2,977,716) | (5,918,400) |
| Net Cash Flow from Financing Activities | (15,465,829) | (15,974,250) |
| | | |
| Net Increase in Cash and Equivalent.(I+II+III) | (546,530) | 4,426,670 |
| Cash And Cash Equivalents as at the Beginning of the year | 6,366,756 | 1,940,086 |
| | | |
| Cash And Cash Equivalents as at the year end | 5,820,226 | 6,366,756 |

Notes :

- Cash Flow Statement has been prepared under the 'Indirect Method' as set out in the Accounting Standard (AS)- 3 "Cash Flow Statements" as specified in the Companies (Accounts) Rules, 2014.

The accompanying notes are an integral part of the financial Statements.

For and on behalf of the board

For : Solex Energy Limited

Kalpeshkumar R. Patel
Managing Director
DIN - 01066992

Kamlesh Narendrabhai Patel
Director
DIN - 07920530

Brijesh Leeladhar Hariya
Chief Financial Officer

As per our report even date attached

For : G S Mathur & Co.
Chartered Accountants
F. R. No. 008744N

CA Bhargav Vaghela
Partner
M. No. 124619

Place : Anand
Date : 30.07.2020

Place : Anand
Date : 30.07.2020

NOTES ON ACCOUNTS TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2020

Note : 1 SIGNIFICANT ACCOUNTING POLICIES

1. Corporate Information

The Solex Energy Limited (the 'Company') is a public limited domiciled and incorporated in India under Indian Companies Act. The registered office of the company is located at Plot No.131/A, Phase 1, Nr. Krimy Industries, GIDC, Vitthal Udyognagar, Anand – 388121, India. The principal business of the company is manufacturing of solar panels and other renewable energy devices and installation of system on EPC basis.

2. Statement of Compliance

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.

3. The spread of COVID 19 pandemic and consequent national lockdowns had not impacted on business operations of the company. The management monitoring the situation closely and its conducting its business operation with all relevant Government directives and will continue to closely monitor any material changes to future economic conditions and take actions as are appropriate based on future economic conditions.

4. Authorized Share Capital

The Company has adopted the accrual system of accounting and the accounts are prepared on a going concern concept.

In respect of Authorized Share Capital:

The Company has Authorized share capital during the year 60,00,000 Shares of Rs.10/- each.

In respect of Issued, Subscribed & Paid up Share Capital:

The Company has no change in issued, subscribed and paid up share capital for the year.

5. Share Premium

The company has Rs. 546,44,693 as share premium. Further, Share issue expenses relating to IPO conducted during financial year 2017-18 to the extent of Rs. 300,000 has been net off against share premium and Subsidy received related to IPO is adjusted against share premium.

6. Accounting Policies

Significant accounting policies adopted in the preparation and presentation of the accounts is as under:-

a) Basis of Accounting

The Company has adopted the accrual system of accounting and the accounts are prepared on a going concern concept.

b) Property, Plant and Equipment

Property, plant and equipment is stated at cost less accumulated depreciation and accumulated impairment losses, if any. Cost includes purchase price (net of trade discount and rebates) and any directly attributable cost of bringing the asset to its working condition for its intended use.

Intangible assets are recorded at the consideration paid for acquisition of such assets and carried at cost less accumulated amortization and impairment loss, if any.

Capital work in progress is stated at cost, net of accumulated impairment loss, if any. When significant parts of plant and equipment are required to be replaced at intervals, the Company depreciates them separately based on their specific useful lives. Likewise, when a major inspection is performed, its cost is recognised in the carrying amount of the plant and equipment as a replacement if the recognition criteria are satisfied. All other repair and maintenance costs are recognised in the statement of profit and loss as incurred.

Estimated useful lives of the Tangible and Intangible assets are as follows:

| Tangible Assets | Useful lives (Years) |
|---|----------------------|
| Furniture & Fixtures | 7 |
| Plant & Machinery | 5 |
| Plant & Machinery (Renewable Energy Device manufacturing) | 3 |
| Computer | 3 |
| Office Equipment | 5 |
| Vehicle | 10 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2020

| Intangible Assets | Useful lives (Years) |
|-------------------|----------------------|
| Software | 10 |
| Trademark | 1 |

Depreciation

Depreciation commences when an asset is ready for its intended use. Freehold land and assets held for sale are not depreciated.

Depreciation is recognised on the cost of assets (other than freehold land and properties under construction) 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.

Capital subsidy received for machinery purchased is reduced from acquisition cost of respective assets. Depreciation on subsidy received during the year is recalculated till date of acquisition of assets and Current year depreciation has been derived.

c) 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:

| Import of | Currency (Foreign) | Currency (Indian Rs.) |
|-----------|--------------------|-----------------------|
| Material | USD 512326.76 | 3,70,66,603.81 |
| Machinery | EURO 4000 | 3,22,000 |
| Machinery | USD 7000 | 5,04,000 |

d) Revenue Recognition

Revenue is recognized when invoice is generated / raised. Accordingly, O&M charges recovered from various customers for next 5 year has been booked as sales for the year & proposed estimated cost / expenses has been made in profit & loss.

e) 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.

7. 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 present 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 proportion to maintenance income for remaining period of contract. The outstanding obligation towards O&M charges is Rs. 5,00,35,786.16/- as on date of balance sheet.

8. 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.

9. Miscellaneous Expenditure

The company has system for write off miscellaneous expenditure in connection with Pre-operative and Preliminary expenses over a period of 5 years in equal installments for other Capital Expenditure to write off over a period of 5 years.

10. 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 2019-20, the DTA and DTL comprise of the effect of the following time difference.

| Particulars | Deferred tax liability |
|---|------------------------|
| Depreciation claimed Excess upto 31-03-2020 | 18,81,193 |
| DTL as on 31-03-2020 | 6,87,229 |
| Opening Balance of DTL as on 01-04-2019 | 1,63,881 |
| Provision for the year | (5,23,348) |

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.

11. Payments to Auditors

| Auditors Remuneration | 2019-20 | 2018-19 |
|-----------------------|-----------------|-----------------|
| Audit Fees | 1,25,000 | 2,75,000 |
| Tax Audit Fees | 25,000 | 25,000 |
| Company Law Matters | - | - |
| Other Services | 75,000 | - |
| Total | 2,25,000 | 3,00,000 |

12. Transaction with Related Party (As per AS 18)

| Name of Related Party | Relation | Payment made (Amount in Rs.) | Nature of transactions |
|-----------------------|----------|------------------------------|------------------------|
| Kalpesh R Patel | Director | 15,12,000 | Rent on Building |
| Kalpesh R Patel | Director | 7,22,400 | Salary |
| JankiSisodiya | CS | 2,10,434 | Salary |
| JankiSisodiya | CS | 4,790 | Bonus |
| Kalpesh R Patel | Director | 1,28,244 | Expenses (Current) |
| Brijesh Hariya | CFO | 6,96,180 | Salary |
| Brijesh Hariya | CFO | 74,189 | Bonus |

13. 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 st March 2020 | 31 st March 2019 |
|--|-----------------------------|-----------------------------|
| Principal amount remaining unpaid@..... | 35,48,16,099 | 41,64,23,892 |
| 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.

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

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

16. 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.

17. 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.

18. 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).

19. Inventories

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

Inventories valuation 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 as specified under management representation.

20. Segment Reporting

Operating segments are reported in a manner consistent with the internal reporting provided to the chief operating decision maker. The chief operating decision maker is responsible for allocating resources and assessing performance of the operating segments.

For and on behalf of the board

For : Solex Energy Limited

Kalpeshkumar R. Patel
Managing Director
DIN - 01066992

Kamlesh Narendrabhai Patel
Director
DIN - 07920530

Brijesh Leeladhar Hariya
Chief Financial Officer

As per our report even date attached

For : G S Mathur & Co.
Chartered Accountants
F. R. No. 008744N

CA Bhargav Vaghela
Partner
M. No. 124619

Place : Anand
Date : 30.07.2020

Place : Anand
Date : 30.07.2020

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2020

| PARTICULARS | As at 31 st March, 2020 | | As at 31 st March, 2019 | |
|--|------------------------------------|-------------------|------------------------------------|-------------------|
| | Number | Rs. | Number | Rs. |
| Note : 2 SHARE CAPITAL (Amt. in ₹) | | | | |
| <u>Authorised Share Capital</u> | | | | |
| Equity Shares of ₹ 10/- Each | 6,000,000 | 60,000,000 | 6,000,000 | 60,000,000 |
| <u>Issued</u> | | | | |
| Equity Shares of ₹ 10/- Each | 4,940,000 | 49,400,000 | 4,940,000 | 49,400,000 |
| <u>Subscribed & Paid up</u> | | | | |
| Equity Shares of ₹ 10/- each | 4,940,000 | 49,400,000 | 4,940,000 | 49,400,000 |
| Total | 4,940,000 | 49,400,000 | 4,940,000 | 49,400,000 |

Note : 2.1 Share Capital Reconciliation (Amt. in ₹)

| PARTICULARS | Equity Shares | | Preference Shares | |
|---|---------------|------------|-------------------|------------|
| | Number | Rs. | Number | Rs. |
| Shares outstanding at the beginning of the year | 4,940,000 | 49,400,000 | 4,940,000 | 49,400,000 |
| Add : Shares Issued during the period by bonus | - | - | - | - |
| Add : Shares Issued during the period by IPO | - | - | - | - |
| Less : Shares bought back during the period | - | - | - | - |
| Shares outstanding at the end of the period | 4,940,000 | 49,400,000 | 4,940,000 | 49,400,000 |

Note : 2.2 Shares held by each shareholder holding more than Five percent shares of share capital (Amt. in ₹)

| Name of Shareholder | As at 31 st March, 2020 | | As at 31 st March, 2019 | |
|---------------------|------------------------------------|--------------|------------------------------------|--------------|
| | No. of Shares held | % of Holding | No. of Shares held | % of Holding |
| Kalpeshkumar Patel | 3,479,360 | 70.43% | 3,479,360 | 70.43% |

Note : 3 Reserves and surplus (Amt. in ₹)

| PARTICULARS | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| a. Securities Premium Account | | |
| Opening Balance | 54,444,692 | 54,466,566 |
| Add : Subsidy Received | 500,000 | - |
| Less : Premium Utilised for Issue Expenses | 300,000 | 21,874 |
| Closing Balance | 54,644,692 | 54,444,692 |
| b. Surplus | | |
| Opening balance | 75,913,369 | 32,107,014 |
| Add : Net Profit/(Net Loss) For the current Period | 44,511,034 | 49,724,755 |
| Add : Transfer from Reserves | - | - |
| Less : Proposed Dividends | - | - |
| Less : Interim Dividends | - | - |
| Less : Final Dividend (Rs. 0.50 per share) | 2,470,000 | 4,940,000 |
| Less : Dividend Distribution Tax | 507,716 | 978,400 |
| Less : Issue of Bonus Shares | - | - |
| Closing Balance | 117,446,687 | 75,913,369 |
| Total ₹ | 172,091,379 | 130,358,061 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2020**Note : 4 LONG-TERM BORROWINGS**

(Amt. in ₹)

| PARTICULARS | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <u>Secured</u> | | |
| (a) Term loans | | |
| from banks | | |
| Bank of Baroda-Term Loan-2601 (Secured By Hypothication of Stock & Book Debt) | - | 956,528 |
| Kotak Bank TL - 152931165 (Secured By _____) | - | 299,426 |
| CAR Hyundai I-10 - 697 (Secured By Respective Vehicle) | - | - |
| <u>Unsecured</u> | - | - |
| Total ₹ | - | 1,255,954 |

Note : 5 SHORT- TERM BORROWINGS

(Amt. in ₹)

| PARTICULARS | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--|---------------------------------------|---------------------------------------|
| <u>Secured</u> | | |
| Loans repayable on demand | | |
| Bank of Baroda CC-0055 (Secured By Hypothication of Stock & Book Debt) | 49,167,267 | 59,943,898 |
| Bank of Baroda TL-02820 (Secured By Hypothication of Plant & Machinery) | 1,680,181 | 2,543,472 |
| Bank of Baroda-Term Loan-2601 (Secured By Hypothication of Plant & Machinery) | - | - |
| Kotak Bank TL - 152931165 (Secured By _____) | - | 600,287 |
| CAR Loan-Maruti ECO (Secured By Maruti Eco Car) | - | - |
| CAR Loan-Innova (Secured By Respective Vehicle) | - | - |
| VCC Bank A/c-4151 (Secured By Fixed Deposit of the Director) | - | - |
| CAR Hyundai I-10 - 697 (Secured By Respective Vehicle) | - | 142,538 |
| From Others | - | - |
| <u>Unsecured</u> | 25,234 | 61,137 |
| Total ₹ | 50,872,682 | 63,291,332 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2020

Note : 6 OTHER CURRENT LIABILITIES

(Amt. in ₹)

| PARTICULARS | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--------------------------------------|---------------------------------------|---------------------------------------|
| Advance Received From Customer | 15,330,583 | 8,303,250 |
| Advance Received From Customer | 15,330,583 | 8,303,250 |
| Security Deposit Taken (of PI Solar) | 50,000 | - |
| Total ₹ | <u>15,380,583</u> | <u>8,303,250</u> |

Note : 7 SHORT-TERM PROVISIONS

(Amt. in ₹)

| PARTICULARS | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--------------------------------|---------------------------------------|---------------------------------------|
| (a) Others | 16,289,306 | 6,174,139 |
| Telephone Bill Payable | 12,646 | 10,918 |
| Rent Payable | 12,000 | 10,000 |
| Audit Fees Payable | 225,000 | 180,000 |
| Electricity Bill Payable | 117,568 | 125,674 |
| Professional Tax Payable | 6,070 | 6,620 |
| TDS Payable | 427,271 | 1,966,772 |
| Provident Fund Payable | 72,478 | 93,153 |
| GST PAYABLE | 341,268 | 164,636 |
| Interest Payable | 595,126 | - |
| Income Tax Provision | 16,979,879 | 19,000,000 |
| Less : Advance Tax & TDS Paid | <u>2,500,000</u> | <u>15,383,635</u> |
| | 14,479,879 | 3,616,365 |
| (b) Dividend Payable - 2017-18 | 8,000 | 8,000 |
| (c) Dividend Payable - 2018-19 | 3,000 | - |
| Total ₹ | <u>16,300,306</u> | <u>6,182,139</u> |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST MARCH, 2020

Note : 8. FIXED ASSETS

(Amt. in ₹)

| Particulars | Gross Block | | | Residual Value | Carrying Amount | Useful Life Years | Accumulated Depreciation | | | Net Block | | |
|---|----------------------------|------------------------|--|------------------|-------------------|-------------------|--------------------------------|------------------------------------|--|-------------------|--------------------------------|-------------------------------|
| | Balance as at 1 April 2019 | Additions/ (Disposals) | Revaluations/ (Impairments)/ Capital Subsidy | | | | Balance as at 31st March, 2020 | Depreciation charge for the Period | Adjustment due to Changed in Depreciation Method | On disposals | Balance as at 31st March, 2020 | Balance as at 31st March 2019 |
| a Tangible Assets | | | | | | | | | | | | |
| Furniture & Fixture | 317,031 | - | - | 15,852 | 301,179 | 7 | 43,026 | - | - | 118,027 | 199,004 | 134,433 |
| Plant & Machinery | 1,705,939 | 1,136,857 | - | 642,140 | 12,200,657 | 5 | 2,106,600 | - | - | 6,440,986 | 6,401,810 | 1,746,872 |
| Plant & Machinery (Renewable Energy Device manufacturing) | 13,302,715 | - | - | 665,136 | 12,637,579 | 3 | 268,957 | - | - | 12,763,581 | 539,134 | 4,147,659 |
| Computer | 826,607 | 107,210 | - | 46,691 | 887,126 | 3 | 174,671 | - | - | 724,970 | 208,847 | 485,360 |
| Office Equipment | 1,281,619 | 300,836 | - | 79,123 | 1,503,332 | 5 | 249,303 | - | - | 924,867 | 657,588 | 698,398 |
| Vehicle | 3,448,716 | 429,148 | 273,500 | 180,218 | 3,424,145 | 10 | 336,968 | 28,119 | - | 1,129,246 | 2,475,118 | 2,477,516 |
| Total | 30,882,626 | 1,974,051 | 273,500 | 1,629,159 | 30,954,019 | | 3,179,525 | 28,119 | - | 22,101,678 | 10,481,500 | 9,690,239 |
| b Intangible Assets | | | | | | | | | | | | |
| Total | 703,258 | 214,304 | - | 45,878 | 871,684 | 10 | 76,162 | - | - | 137,548 | 780,013 | 135,718 |
| c Capital Work In Progress | | | | | | | | | | | | |
| Total | 236,000 | - | 236,000 | - | - | - | 76,162 | - | - | 137,548 | 780,013 | 135,718 |
| d Intangible assets under Development | | | | | | | | | | | | |
| Total | 31,821,884 | 2,188,355 | 509,500 | 1,675,037 | 1,825,702 | | 3,255,687 | 28,119 | - | 22,239,226 | 11,261,513 | 9,825,957 |

For and on behalf of the board

For : Solex Energy Limited

Kalpeshkumar R. Patel
Managing Director
DIN - 01066992

Kamlesh Narendrabhai Patel
Director
DIN - 07920530

Brijesh Leeladhar Hariya
Chief Financial Officer

CA Bhargav Vaghela
Partner
M. No. 124619

Place : Anand
Date : 30.07.2020

As per our report even date attached

For : G S Mathur & Co.
Chartered Accountants
F. R. No. 008744N

Place : Anand
Date : 30.07.2020

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2020

Note : 9 OTHER NON-CURRENT ASSETS

(Amt. in ₹)

| PARTICULARS | As at 31 st March, 2020 | As at 31 st March, 2019 |
|--------------------|---------------------------------------|---------------------------------------|
| Miscellaneous Exps | - | - |
| Total ₹ | - | - |

Note : 10 INVENTORIES

(Amt. in ₹)

| PARTICULARS | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Raw Materials and components (As Certified by Management) | 31,906,936 | 26,652,056 |
| Finished goods (As Certified by Management) | 19,337,654 | 31,667,647 |
| Total ₹ | 51,244,590 | 58,319,703 |

Note : 11 TRADE RECEIVABLES

(Amt. in ₹)

| PARTICULARS | As at 31 st March, 2020 | As at 31 st March, 2019 |
|---|---------------------------------------|---------------------------------------|
| Trade receivables outstanding for a period less than six months from the date they are due for payment | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 429,646,794 | 502,476,637 |
| Unsecured, considered doubtful | - | - |
| Less: Provision for doubtful debts | - | - |
| Trade receivables outstanding for a period exceeding six months from the date they are due for payment | | |
| Secured, considered good | - | - |
| Unsecured, considered good | 127,054,605 | 53,342,283 |
| Unsecured, considered doubtful | - | - |
| Less: Provision for doubtful debts | - | - |
| Total ₹ | 556,701,399 | 555,818,920 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2020**Note : 12 CASH AND CASH EQUIVALENTS**

(Amt. in ₹)

| PARTICULARS | As at 31st March, 2020 | As at 31st March, 2019 |
|-----------------------------------|--|--|
| a. Balances with banks | 3,112,611 | 3,127,750 |
| Kotak Bank- 7008 | - | 191,051 |
| Bank of Baroda-1121 | 228,517 | 2,463,415 |
| Bank of Baroda- Dividend | 7,823 | 8,000 |
| State Bank Of India-4794 | - | 24,649 |
| Bank of Baroda A/c-1195- (Escrow) | 226,232 | 440,636 |
| Bank of Baroda A/c-1292 | 2,647,039 | - |
| HDFC Dividend A/c - 0822 | 3,000 | - |
| b. Cash on hand & Equivalent | 2,707,615 | 3,239,006 |
| Total ₹ | 5,820,226 | 6,366,756 |

Note : 13 SHORT-TERM LOANS AND ADVANCES

(Amt. in ₹)

| PARTICULARS | As at 31st March, 2020 | As at 31st March, 2019 |
|-------------------------------|--|--|
| Advance for Material Purchase | 11,762,629 | 8,002,608 |
| Secured, considered good | - | - |
| Unsecured, considered good | - | - |
| Various EMD Deposites | 32,678,100 | 43,604,179 |
| Total ₹ | 44,440,729 | 51,606,787 |

Note : 14 OTHER CURRENT ASSETS

| PARTICULARS | As at 31st March, 2020 | As at 31st March, 2019 |
|---|--|--|
| Prepaid Insurance | 515,177 | 359,327 |
| Prepaid Expenses | 66,085 | 45,750 |
| Sardar Sarovar Narmada Nigam Ltd - Bond | 762,587 | - |
| Advance to Staff | 66,797 | 658,286 |
| Balances with statutory/ govt authorities | 38,701,156 | 24,887,990 |
| Total ₹ | 40,115,608 | 25,980,908 |

Note : 15 CONTINGENT LIABILITIES

| PARTICULARS | As at 31st March, 2020 | As at 31st March, 2019 |
|---------------------|--|--|
| Bank Guarantee | 94,684,609 | 79,925,244 |
| Liability on Traces | 47,320 | 47,320 |
| Total Rs. | 94,731,929 | 79,972,564 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2020

Note : 16 REVENUE FROM OPERATIONS

(Amt. in ₹)

| PARTICULARS | Year Ended 31 st March, 2020 | Year Ended 31 st March, 2019 |
|--------------------------------------|--|--|
| Sale of Products | | |
| Finished Goods | 1,259,518,150 | 1,411,204,547 |
| Sale of Services | | |
| Installation & Commissioning Charges | 120,851,786 | 79,386,811 |
| Total ₹ | <u>1,380,369,936</u> | <u>1,490,591,358</u> |

Note : 17 OTHER INCOME

(Amt. in ₹)

| PARTICULARS | Year Ended 31 st March, 2020 | Year Ended 31 st March, 2019 |
|----------------------------------|--|--|
| Freight Charges - Sales | - | (2,250) |
| Interest on Deposit | 2,290,579 | 1,180,489 |
| Gain / Loss on Forex Transaction | 568,904 | 1,265,598 |
| Duty Drawback | - | 43,797 |
| Insurance Claim Income | 314,138 | 73,760 |
| DIC Interest | - | 226,503 |
| Baddebts Recovery | 596,875 | - |
| Other Income | 24,500 | - |
| Total ₹ | <u>3,794,996</u> | <u>2,787,897</u> |

Note : 18 COST OF MATERIALS CONSUMED

(Amt. in ₹)

| PARTICULARS | Year Ended 31 st March, 2020 | Year Ended 31 st March, 2019 |
|--|--|--|
| Inventories at the Beginning of the year | 26,652,056 | 6,675,425 |
| Add: Purchases during the Period | 1,156,416,604 | 1,275,624,688 |
| less: inventories at the end of the Period | 31,906,936 | 26,652,056 |
| Cost of Materials Consumed | <u>1,151,161,724</u> | <u>1,255,648,057</u> |

Note : 19 CHANGES IN INVENTORIES OF FINISHED GOODS

(Amt. in ₹)

| PARTICULARS | Year Ended 31 st March, 2020 | Year Ended 31 st March, 2019 |
|---|--|--|
| Inventories at the beginnig of the year | 31,667,647 | 63,571,506 |
| Inventories at the end of the Period | 19,337,654 | 31,667,647 |
| Total ₹ | <u>12,329,993</u> | <u>31,903,859</u> |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2020**Note : 20 EMPLOYEE BENEFITS EXPENSE**

(Amt. in ₹)

| PARTICULARS | Year Ended 31 st March, 2020 | Year Ended 31 st March, 2019 |
|------------------------|--|--|
| Salary Exps | 10,579,690 | 10,965,525 |
| Staff Welfare expenses | 69,744 | 100,857 |
| Staff Bonus Exps. | 272,713 | 494,409 |
| Directors Remuneration | 1,200,000 | 1,200,000 |
| Total ₹ | 12,122,147 | 12,760,791 |

Note : 21 FINANCE COSTS

(Amt. in ₹)

| PARTICULARS | Year Ended 31 st March, 2020 | Year Ended 31 st March, 2019 |
|-----------------------|--|--|
| Bank Charges | 288,203 | 843,841 |
| Bank Gurantee Charges | 3,167,368 | 2,127,500 |
| Interest Expense | 980,887 | - |
| Interest On Car Loan | 2,055 | 25,298 |
| Interest On CC | 6,805,767 | 4,072,573 |
| Interest On Term Loan | 187,880 | 382,517 |
| Total ₹ | 11,432,160 | 7,451,729 |

Note : 22 OTHER EXPENSES

(Amt. in ₹)

| PARTICULARS | Year Ended 31 st March, 2020 | Year Ended 31 st March, 2019 |
|---------------------------------------|--|--|
| <u>Manufacturing Expenses</u> | | |
| Freight Expenses | 3,876,194 | 6,105,604 |
| Production Expenses | 85,027,594 | 74,980,039 |
| Custom Duty | 3,501,336 | 2,007,312 |
| <u>Administrative Expenses</u> | | |
| Advertisement Exps | 385,558 | 572,247 |
| Annual Maintenance Charges Prov. | 14,510,995 | 10,245,074 |
| Auditor's Remuneration | 225,000 | 300,000 |
| Bad Debts Written Off | 3,137,668 | 1,944,840 |
| Commission On Sales | 1,094,990 | 1,674,948 |
| Computer & Printer Exps | - | 3,588 |
| Courier & Postage Exps | 266,336 | 93,288 |
| Credit Report Charges | - | 5,045 |
| Donation Exp | 106,088 | 42,000 |
| Exhibition Expense | 693,600 | 622,320 |
| GIDC Charges | - | 4,337 |
| Inspection Charges. | 94,400 | 28,814 |
| Insurance Exps | 1,167,029 | 1,187,908 |
| Interest on Income Tax & TDS | 86,457 | 544,449 |
| Issue Exps | 9,208 | 1,976 |
| Kasar & Discount | 385,121 | 70,341 |

NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED 31ST March, 2020

Note : 22 OTHER EXPENSES

(Amt. in ₹)

| PARTICULARS | Year Ended 31 st March, 2020 | Year Ended 31 st March, 2019 |
|--|--|--|
| Key Men Insurance Premium | 579,058 | 362,715 |
| Legal fees | 218,001 | 46,300 |
| Loading & Unloading Exps | 315,388 | 184,392 |
| Loss on sale of fixed assets | 107,090 | - |
| Membership fess | 79,300 | 78,110 |
| Miscellaneous expenditure written off during the Period | - | 89,220 |
| Net Meter Charges | 2,960,499 | 1,873,488 |
| Notified Area Tax | 76,714 | 76,714 |
| Office Exps | 511,125 | 460,499 |
| Petrol & Diesel Exps | 376,568 | 290,671 |
| Printing & Stationery Exps | 247,352 | 255,258 |
| Processing Fees | 1,876,327 | 105,693 |
| Professional Fees | 1,223,899 | 971,823 |
| Professional Tax - Company | 2,500 | 2,400 |
| Registration Fees | 390,918 | 474,179 |
| Rent Expense | 2,002,000 | 1,926,000 |
| Repair & Maintainance Exps | 313,784 | 435,635 |
| ROC Fees | 14,469 | 7,900 |
| Round Off | 1,493 | (2,855) |
| Sales Promotion Exps | 82,636 | - |
| Security Exps | 112,082 | 130,641 |
| Site Exps | 208,344 | 5,315 |
| Software & Subscription Exps | 16,778 | - |
| Stamp Duty Exp | 1,160,972 | 1,189,925 |
| Telephone & Mobile Exps | 192,025 | 197,008 |
| Tender Fees | 478,696 | 463,967 |
| Travelling Exps- Local & Foreign | 2,287,465 | 2,088,142 |
| Penalty/Late Fee (related to VAT/CST/Service/PT/GST/Other) | 833,536 | (437,223) |
| Web Hosting Charges | 192,246 | 28,160 |
| Total ₹ | 131,428,839 | 111,738,206 |



SOLEX ENERGY LTD

Plot No. -131 - A, Phase - 1 , Nr. Krimy Biscuit, G.I.D.C,
Vithal Udyognagar -388121, Anand, Gujarat, India.

Phone: +912692230317, Mo.: +91-94265 91750; Fax: +912692231216

Email: sales@solex.in | purchase@solex.in | solexin14@gmail.com | Website: www.solex.in