

Empowering India  
Shaping a new Future

# 28th Annual Report 2019-2020

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## MANAGING DIRECTOR'S PERSPECTIVE

Dear Shareholders,

It gives me immense pleasure to represent you 28<sup>th</sup> Annual Report of your company M/s. Zodiac Energy Limited. As you all are aware, we all are passing through the testing time of COVID-19 pandemic and global shutdown. Businesses are facing upheaval task to stay afloat and survive in this situation. The situation of pandemic in China since mid-January has disrupted the supply chain heavily in the fourth quarter of the financial year under review. The deteriorating situation in India since mid-March has forced us to go for total shutdown. Historically, the maximum business is being conducted in fourth quarter and disruption as described above has affected our performance significantly. Due to disruption in supply chain in last quarter, the company could not be able to book sale for many projects in Q4, FY 19-20 and forced to shift the same for FY 20-21.

Despite of the adverse impact stated as above, I am pleased to inform you all that your company has made modest growth of 7.75 % in revenue for fiscal year 2019-20 compare to previous financial year. Based on initial estimate of growth and in order to bring good talent for future growth of business, the company invested significantly by inducting skilled and experienced employees and hence, employee cost has risen significantly and due to that effect as well as the effect of pandemic, the profits for FY 19-20 remained at the same level of FY 18-19.

This positive performance amid pandemic time was possible mainly on account of continued support of shareholder's and pragmatic leadership provided by the Board of Directors. The support at all the levels of operations by all the employees of your Company also played crucial role in achieving this result. I would like to thank the entire management team, the work force, the bankers and the Business Associates of the company for enabling your Company to perform well in this troubled time. I have also taken this opportunity to thank my fellow Directors for their immense efforts in formulating and steering your Company's strategies and policies.

In the year under review, your company stood first in the residential rooftop scheme floated by Govt. of Gujarat thru "SURYA GUJARAT" scheme. 40% of total global Energy consumption is consumed by residential & commercial buildings. In order to harness solar energy for buildings, the deployment of building integrated solar photovoltaic (BIPV) is gaining popularity across the globe and more and more developers and Architects are using solar panels to partly cover energy requirements of the building.

Your company has signed agreement with SOLAXESS AG of Switzerland as an exclusive distributor for India for the unique film developed by them on which visible light gets reflected and infra-red light passes through it. This film when applied on solar panels gives the appearance of glass facade to solar panel and at the same time generating solar energy for building. Your company looks forward to develop big market for this film in India in coming years.

The renewable energy is now fast catching up with fossil fuel energy and from being marginalised source, it is fast becoming mainstream energy source. The nations across world are changing their usage pattern to embrace more and more renewable energy sources, Solar being the major among them. Now, Govt. also want user ready solutions from renewable energy sources instead of plain vanilla solutions and new PPAs are being signed for round the clock supply of renewable energy by mixing solar, wind and energy storage options. By rough estimate by 2030 India will have deployment of 450 GW of solar Energy from present level of 40 GW creating huge opportunities for your company.

The Govt. of India is giving ample thrust to deploy solar energy in India. At the same time due to reduction in capital costs in recent years, cost of solar energy is lower than fossil fuel-based energy and hence, heavier and more clients are embracing the solar energy. Your company is prepared for being the part of the journey towards fossil fuel free world.

I am confident that your Company will achieve greater heights in the times to come and also will deliver long term value addition to all the stakeholders, namely shareholders, customers and employees.

Thank you all very much and I look forward to receive even greater support from all of you.

With warm Regards,

Kunjbihari Shah

Chairman & Managing Director

## CORPORATE INFORMATION

Board of Directors:		Key Managerial Personnel:
Mr. Pranav Mehta Chairman Emeritus	Mr. Kunjbihari Shah Managing Director	Ms. Shefali Karar Chief Financial Officer
Ms. Parul Shah Whole Time Director	Mr. Bhargav Mehta Whole Time Director	
Mr. Kamlesh Mistry Whole Time Director (Upto August 31, 2019)	Mr. Jugalkishor Shah Non-Executive Director (Upto March 11, 2020)	Ms. Niyati Parikh Company Secretary & Compliance Officer
Mr. Dhaval Shah Non -Executive Independent Director	Mr. Kalpesh Joshi Non -Executive Independent Director	
Mr. Jaxay Shah Non -Executive Independent Director (w.e.f. March 12, 2020)		Bankers: AXIS Bank

<b>Registered Office:</b> U.G.F 4-5-6, Milestone Building, Nr. Khodiyar Restaurant, Nr. Drive-In Cinema, Thaltej, Ahmedabad - 380 054, Gujarat <b>Tel No:</b> +91 79- 27471193 <b>Email:</b> cs@zodiacenergy.com <b>Web:</b> www.zodiacenergy.com <b>CIN:</b> L51909GJ1992PLC017694
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<b>Registrar and Transfer Agent:</b> <b>M/s. Link Intime India Private Limited</b> 5th Floor, Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C.G Road, Ellisbridge, Ahmedabad- 380 006. <b>Tel No.:</b> +91 79 -2646 5179
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<b>Statutory Auditors</b> <b>M/s. Manubhai &amp; Shah LLP</b> Chartered Accountants G-4 Capstone, Opp. Chirag Motors, Sheth Mangaldas Road, Ellisbridge, Ahmedabad - 380 006 <b>Tel:</b> +91-79-26470000 <b>E-mail:</b> kshiti@msglobal.co.in	<b>Secretarial Auditor</b> <b>Mr. Anand Lavingia</b> Practicing Company Secretary Office No. 415-416, 4th Floor, Pushpam Complex, Opp. Seema Hall, Anand Nagar Road, Satellite, Ahmedabad - 380 015 <b>Tel:</b> +91-79 4005 1702 <b>E-Mail:</b> krishivadvisory@gmail.com
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Committees of Board of Directors:			
Audit Committee		Stakeholders' Relationship Committee	
Mr. Dhaval Shah	Chairman	Mr. Kalpesh Joshi	Chairman
Mr. Kalpesh Joshi	Member	Mr. Dhaval Shah	Member
Mr. Kunjbihari Shah	Member	Mr. Kunjbihari Shah	Member
Nomination and Remuneration Committee			
Mr. Dhaval Shah	Chairman		
Mr. Kalpesh Joshi	Member		
Mr. Jugalkishor Shah*	Member		
Mr. Jaxay Shah <sup>#</sup>	Member		
*Upto March 11, 2020			
W.e.f. March 12, 2020			#

### Important Communication to Members:

The Ministry of Corporate Affairs has taken a 'Green Initiative in the Corporate Governance' by allowing paperless compliances by the companies and has issued circulars stating that service of notice /documents including Annual Report can be sent by e-mail to its members. To support this green initiative of the Government in full measure, members who have not registered their e-mail addresses, so far, are requested to register their e-mail addresses, in respects of electronic holding with the Depository through their concerned Depository Participants.

## DIRECTORS' REPORT

Dear Shareholders,

The Board of Directors hereby submits the report of the business and operations of your Company ("the Company"), along with the audited financial statements, for the financial year ended March 31, 2020.

### Financial Highlights:

(Amount in Lakhs)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Revenue from Operations	6,818.31	6,328.00
Other Income	31.01	14.25
Total Income	6,849.32	6,342.25
Less: Total Expenses before Depreciation, Finance Cost and Tax	6,337.53	5,850.87
Profit before Depreciation, Finance Cost and Tax	511.79	491.38
Less: Depreciation	10.69	11.28
Less: Finance Cost	73.85	27.86
Profit Before Tax	427.26	452.24
Less: Current Tax	125.10	140.85
Less: Deferred tax Liability	(0.81)	(2.82)
Less: Pervious year tax adjustment	2.85	4.10
Profit after Tax	300.11	310.12

### PERFORMANCE HIGHLIGHTS:

During the year under review, the revenue from operation of the Company stood at 6,818.31 Lakhs as compared to 6,328.00 Lakhs during the financial year 2018-2019 which states around 7.75% growth in the revenue. Your Company has recorded total income to the tune of 6849.32 Lakhs during the financial year 2019-20 compared to 6342.25 Lakhs in the corresponding previous financial year.

During the year, your Company has generated earnings before interest, depreciation and tax (EBIDTA) of 511.79 Lakhs as compared to 491.38 Lakhs in the previous year. The net profit after tax stood at 300.11 Lakhs during the current financial year 2019-20 as compared to 310.11 Lakhs in the previous financial year 2018-19 which states stability in the profit of the Company.

Our profit remained stable due to increase in administrative cost as well as Finance Cost during the year. However, the revenue from operation was increased in proportion of the increased in expenses. Hence, the stability in the profit is due to increase in sale of goods as well as increase in other income during the year.

### EFFECTS OF COVID -19 ON THE BUSINESS OF THE COMPANY:

The COVID-19 pandemic towards the end of financial year under review created lot of uncertainty on supply as well as demand side and instrumental in creating high volatility in the market.

The COVID-19 pandemic has few adverse effects on the solar sector in India too such as shortage of manpower, adherence to social distancing, lack of parts and equipment. The reverse migration of skilled and unskilled labour etc.

At present 80% of the solar cells and modules used in Indian projects are coming from China. This pandemic situation has affected the manufacturing capacities of China since mid-January 2020, due to this many ship container companies had also stopped functioning out of Chinese ports and transporting goods from China to other countries, including India. This created huge disruption in supplies of components for the projects to be executed and due to this we could not book the sale of many projects and same has been shifted to Q1-FY 2020-21.

The brighter side of this pandemic situation is that during the lock-down, the solar power plants installed by clients were continuously earning for them. Due to this, many clients in residential, industrial, and commercial sector are thinking positively for installing solar power plants for their electricity requirements.

The Government of Gujarat has given tremendous and commendable support to resume businesses in this pandemic situation. We appreciate their support.

### DIVIDEND:

Your Directors do not recommend any dividend on Equity Shares for the year under review.

**TRANSFER TO GENERAL RESERVE:**

Your Directors do not propose transfer of any amount to the General Reserves. Full amount of net profit is carried to reserve & Surplus account of the Company.

**CHANGE IN NATURE OF BUSINESS:**

During the year, your Company has not changed its business or object and continues to be in the same line of business as per main object of the Company.

**SHARE CAPITAL:**

During the year under review there were no changes have taken place in the authorized and paid-up share capital of the Company:

**Authorized Capital: -**

The Authorized Capital of the Company is ₹7,50,00,000/- divided into 7500000 Equity Shares of ₹ 10/-

**Issued, Subscribed & Paid-up Capital: -**

The present Paid-up Capital of the Company is ₹7,31,67,200/- divided into 7316720 Equity Shares of ₹10/- each.

**DIRECTORS AND KEY MANAGERIAL PERSONNEL:**
**Chairman emeritus: -**

Our Board of Directors has appointed Mr. Pranav Mehta as a Chairman Emeritus of the Company with effect from September 16, 2017.

Mr. Pranav Mehta is a well-respected name, in India as well as other countries, in the area of Solar Energy for his dedicated advocacy and action for wide spread solar penetration and sustainable growth, not only with the governments but also the corporate sector and he continues to work in the policy advocacy and supporting environmental activities in India and elsewhere in the other countries.

**Constitution of Board: -**

As on the date of this report, the Board comprises following Directors;

Name of Director	Category Cum Designation	Date of Appointment at current Term & designation	Total Directorship <sup>2</sup>	No. of Committee <sup>1</sup>		No. of Shares held as on March 31, 2020
				in which Director is Members	in which Director is Chairman	
Mr. Kunjbihari Shah	Managing Director	September 08, 2017	1	2	-	4391520 Equity Shares
Ms. Parul Shah	Whole-Time Director	September 08, 2017	1	-	-	212400 Equity Shares
Mr. Bhargav Mehta	Whole-Time Director	September 26, 2017	1	-	-	-
Mr. Jaxay Shah	Non-Executive Director	March 12, 2020	8	-	-	56000 Equity Shares
Mr. Dhaval Shah	Independent Director	September 22, 2018	3	1	1	-
Mr. Kalpesh Joshi	Independent Director	September 22, 2018	2	3	1	-

<sup>1</sup> Committee includes Audit Committee and Shareholders' Grievances Committee across all Public Companies.

<sup>2</sup> Excluding Section 8 Company & struck of Companies

The composition of Board complies with the requirements of the Companies Act, 2013 ("Act"). Further, in pursuance of Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("Listing Regulations"), the Company is exempted from the requirement of having composition of Board as per Regulation 17 of Listing Regulations.

None of the Directors of Board is a member of more than ten Committees or Chairman of more than five committees across all the Public companies in which they are Director. The necessary disclosures regarding Committee positions have been made by all the Directors.

None of the Director of the Company is serving as a Whole-Time Director / Managing Director in any Listed Company and is holding position of Independent Director in more than 3 Listed Company. Neither any of the Director of the Company is holding position as Director in more than 7 listed entities nor any of the Director of the Company serve as an Independent Director in more than 7 listed entities.

**DISCLOSURE BY DIRECTORS:**

The Directors on the Board have submitted notice of interest under Section 184(1) i.e. in Form MBP 1, intimation under Section 164(2) i.e. in Form DIR 8 and declaration as to compliance with the Code of Conduct of the Company.

**BOARD MEETING:**

Regular meetings of the Board are held at least once in a quarter. Additional Board meetings are convened, as and when required, discussing and deciding on various business policies, strategies and other businesses. The Board meetings are generally held at the registered office of the Company.

During the year under review, Board of Directors of the Company met 7(Seven) times viz on May 27, 2019; July 03, 2019; August 31, 2019; October 18, 2019; November 14, 2019; February 15, 2020 and March 11, 2020.

The details of attendance of each Director at the Board Meetings are given below;

Name of Director	Date of Original Appointment	Date of Appointment at current Designation	Date of Cessation	Number of Board Meetings Eligible to attend	Number of Board Meetings attended
Mr. Kunjbihari Shah	June 22, 1992	September 08, 2017	-	07	07
Ms. Parul Shah	April 01, 1998	September 08, 2017	-	07	07
Mr. Kamlesh Mistry	February 21, 2014	September 08, 2017	August 31, 2019	03	01
Mr. Bhargav Mehta	September 26, 2017	September 26, 2017	-	07	07
Mr. Jugalkishor Shah	September 08, 2017	September 22, 2018	March 11, 2020	07	06
Mr. Kalpesh Joshi	September 08, 2017	September 22, 2018	-	07	07
Mr. Dhaval Shah	September 08, 2017	September 22, 2018	-	07	07
Mr. Jaxay Shah	March 12, 2020	March 12, 2020	-	00	00

The gap between two consecutive meetings was not more than one hundred and twenty days as provided in section 173 of the Act.

**INDEPENDENT DIRECTORS:**

In terms of Section 149 of the Companies Act, 2013 and rules made there under, the Company has two Non-Promoter Non-Executive Independent Directors in line with the act. The Company has received necessary declaration from each Independent Director under Section 149 (7) of the Companies Act, 2013 that they meet the criteria of independence laid down in Section 149 (6) of the Act. Further, all the Independent Directors of the Company have registered themselves in the Independent Director Data Bank.

A separate meeting of Independent Directors was held on March 11, 2020 to review the performance of Non-Independent Directors and Board as whole and performance of Chairperson of the Company including assessment of quality, quantity and timeliness of flow of information between Company management and Board.

**INFORMATION ON DIRECTORATE:**

During the year under review, Mr. Kamlesh Mistry, Whole Time Director of the Company has tendered resignation with effect from August 31, 2019. The Board placed on record its appreciation for the guidance and contribution made by Mr. Kamlesh Mistry during his tenure on the Board.

Further, Mr. Jugalkishor Shah, Non-Executive Director of the Company has tendered his resignation with effect from March 11, 2020. The Board placed on record its appreciation for the guidance and contribution made by Mr. Jugalkishor Shah during his tenure on the Board.

The Board of Directors of the Company in their Meeting held on March 11, 2020 has appointed Mr. Jaxay Shah as an Additional (Non-Executive) Director of the Company with effect from March 12, 2020.

In the opinion of the Board of Directors and Nomination and Remuneration Committee, Mr. Jaxay Shah qualifies to be appointed as Non-Executive Director and hence recommends his appointment as Non-Executive Director on the Board of the Company. Necessary resolution for his appointment as Non-Executive Director is proposed for the approval of the Members at the ensuing Annual General Meeting.

In accordance with the provisions of the Articles of Association and Section 152 of the Companies Act, 2013, Mr. Bhargav Mehta, Whole Time Director of the Company, retires by rotation at the ensuing annual general meeting. He, being eligible, has offered himself for re-appointment as such and seeks re-appointment. The Nomination and Remuneration Committee and Board of Directors recommend his re-appointment on the Board.

The relevant details, as required under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and Secretarial Standard, of the person seeking re-appointment/ appointment as Director are also provided in Notes to the Notice convening the 28<sup>th</sup> Annual General meeting.

#### KEY MANAGERIAL PERSONNEL:

In accordance with Section 203 of the Companies Act, 2013, Mr. Kunjbihari Shah, Managing Director, Ms. Parul Shah, Whole Time Director, Mr. Bhargav Mehta, Whole-Time Director, Ms. Shefali Karar, Chief Financial Officer and Ms. Niyati Parikh, Company Secretary and Compliance officer, continued to be Key Managerial Personnel of the Company during the Financial Year 2019-2020.

#### PERFORMANCE EVALUATION:

The Board of Directors has carried out an annual evaluation of its own performance, board committees, chairman and individual directors pursuant to the provisions of the Act.

The performance of the board was evaluated by the board after seeking inputs from all the directors on the basis of the criteria such as the board composition and structure effectiveness of board processes information and functioning etc.

The performance of the committees was evaluated by the board after seeking inputs from the committee members on the basis of the criteria such as the composition of committees, effectiveness of committee meetings etc.

In addition, the performance of chairman was also evaluated on the key aspects of his role.

The Board and the Nomination and Remuneration Committee reviewed the performance of the individual Directors on the basis of the criteria such as the contribution of the individual Director to the Board and Committee Meetings like preparedness on the issues to be discussed meaningfully and constructive contribution and inputs in meetings etc.

#### DIRECTORS' RESPONSIBILITY STATEMENT:

Pursuant to section 134(5) of the Companies Act, 2013, the board of directors, to the best of their knowledge and ability, confirm that:

- In preparation of annual accounts for the year ended March 31, 2020, the applicable accounting standards have been followed and that no material departures have been made from the same;
- The Directors had selected such accounting policies and applied them 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 at the end of the financial year and of the profit or loss of the Company for that year;
- The Directors had 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;
- The Directors had prepared the annual accounts for the year ended March 31, 2020 on going concern basis.
- The Directors had laid down the internal financial controls to be followed by the Company and that such Internal Financial Controls are adequate and were operating effectively; and
- The Directors had devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

#### COMMITTEE OF BOARD:

The Board of Directors, in line with the requirement of the act, has formed various committees, details of which are given hereunder.

##### A. Audit Committee: -

Audit Committee meeting is generally held for the purpose of recommending the half yearly and yearly financial result. Additional meeting is held for the purpose of reviewing the specific item included in terms of reference of the Committee. The detailed term of reference of the Committee is as per Section 177 of the Companies Act, 2013 and Part C of Schedule II to Listing Regulations.

During the year under review, Audit Committee met 2(Two) Times during the Financial Year 2019-20, viz. on May 27, 2019 and November 14, 2019.

The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the Financial Year 2019-20		
			Held	Eligible to attend	Attended
Mr. Dhaval Shah	Non-Executive Independent Director	Chairperson	2	2	2
Mr. Kalpesh Joshi	Non-Executive Independent Director	Member	2	2	2
Mr. Kunjbihari Shah	Managing Director	Member	2	2	2

The Statutory Auditors and Chief Financial Officer of the Company are invited in the meeting of the Committee wherever required. Further, the Company Secretary of the Company is acting as Secretary to the Audit Committee.

Recommendations of Audit Committee, wherever/whenever given, have been accepted by the Board.

**Vigil Mechanism:**

The Company has established a vigil mechanism and accordingly framed a Whistle Blower Policy. The policy enables the employees to report to the management instances of unethical behavior actual or suspected fraud or violation of Company's Code of Conduct.

Further the mechanism adopted by the Company encourages the Whistle Blower to report genuine concerns or grievances and provide for adequate safe guards against victimization of the Whistle Blower who avails of such mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases. The functioning of vigil mechanism is reviewed by the Audit Committee from time to time. None of the Whistle blowers has been denied access to the Audit Committee of the Board. The Whistle Blower Policy of the Company is available on the website of the Company [www.zodiacenergy.com](http://www.zodiacenergy.com).

**B. Stakeholder's Grievance & Relationship Committee:**

The Stakeholder's Grievance & Relationship Committee is made mainly to focus on the redressal of Shareholders' / Investors' Grievances, if any, like Transfer / Transmission / Demat of Shares; Loss of Share Certificates; Non-receipt of Annual Report; Dividend Warrants; etc. The Stakeholders Relationship Committee shall meet at least four times a year with a maximum interval of 120 days between two consecutive meetings and shall report to the Board on a quarterly basis regarding the status of redressal of complaints received from the shareholders of the Company. The detailed term of reference of the Committee is as per Section 178 of the Companies Act, 2013 and Part D of Schedule II to Listing Regulations.

During the year under review, Stakeholder's Grievance & Relationship Committee met 4(Four) times viz on May 27, 2019; August 31, 2019; November 14, 2019 and February 15, 2020.

The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the Financial Year 2019-20		
			Held	Eligible to attend	Attended
Mr. Kalpesh Joshi	Non-Executive Independent Director	Chairperson	4	4	4
Mr. Dhaval Shah	Non-Executive Independent Director	Member	4	4	4
Mr. Kunjbihari Shah	Managing Director	Member	4	4	4

During the year, the Company had not received any complaints from the Shareholders. There was no complaint pending as on March 31, 2020.

**C. Nomination and Remuneration Committee:**

The Nomination and Remuneration committee is formed in line with the provisions of Section 178 of the Companies Act, 2013. Nomination and Remuneration Committee meetings are generally held for identifying the persons who are qualified to become Directors and may be appointed in senior management and recommending their appointments and removal. Further, the committee shall also meet as and when the need arises for review of Managerial Remuneration. The detailed terms of reference of the Committee is as per Section 178 of the Companies Act, 2013 and Part D of Schedule II to Listing Regulations.

During the year under review, Nomination & Remuneration Committee met 2 (Two) times viz on August 31, 2019 and March 11, 2020.

The composition of the Committee and the details of meetings attended by its members are given below:

Name of the Directors	Category	Designation	Number of meetings during the Financial Year 2019-20		
			Held	Eligible to attend	Attended
Mr. Dhaval Shah	Non-Executive Independent Director	Chairperson	2	2	2
Mr. Kalpesh Joshi	Non-Executive Independent Director	Member	2	2	2
Mr. Jugalkishor Shah	Non-Executive Director	Member	2	2	2

The Nomination and Remuneration committee was reconstituted by the Board of Directors on March 11, 2020, due to appointment of Mr. Jaxay Shah as Member of the Committee with effect from March 12, 2020. The present constitution of the Committee is as follows;

Name of the Directors	Category	Designation
Mr. Dhaval Shah	Non-Executive Independent Director	Chairperson
Mr. Kalpesh Joshi	Non-Executive Independent Director	Member
Mr. Jaxay Shah	Non-Executive Director	Member

**Nomination and Remuneration Policy:**

Nomination and Remuneration Policy in the Company is designed to create a high-performance culture. It enables the Company to attract motivated and retained manpower in competitive market, and to harmonize the aspirations of human resources consistent with the goals of the Company. The Company pays remuneration by way of salary, benefits, perquisites and allowances to its Executive Directors and Key Managerial Personnel.

The Nomination and Remuneration Policy, as adopted by the Board of Directors, is placed on the website of the Company at [www.zodiaccenergy.com](http://www.zodiaccenergy.com) and is annexed to this Report as **Annexure - A**.

**REMUNERATION OF DIRECTORS:**

The details of remuneration paid during the Financial Year 2019-20 to Directors of the Company is provided in (Form MGT-9) which is annexed to this Report as **Annexure - B**.

**PUBLIC DEPOSIT:**

The company has not accepted any deposits from the public. Hence, the directives issued by the Reserve Bank of India & the Provision of Section 73 to 76 of the Company Act, 2013 or any other relevant provisions of the Act and the Rules there under are not applicable.

**PARTICULARS OF LOANS, GUARANTEES, INVESTMENTS & SECURITY:**

Details of Loans, Guarantees, Investments and Security covered under the provisions of Section 186 of the Companies Act, 2013 are given in the notes to the Financial Statement.

**EXTRACT OF ANNUAL RETURN:**

The details forming part of the extract of the Annual Return in Form MGT-9 is annexed to this Report as **"Annexure-B"**.

**CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES:**

Particulars of contracts or arrangements with related parties referred to in Section 188(1) of the Companies Act, 2013, is annexed to this Report, Form AOC-2 as **"Annexure - C"**.

**DISCLOSURE OF REMUNERATION:**

The ratio of the remuneration of each whole-time director to the median of employees' remuneration as per Section 197(12) of the Companies Act, 2013, read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 is annexed to this Report as **Annexure - D**. Refer to tables 3A(a) in **Annexure - D**.

Additionally, statement containing the names of top 10 employees in terms of remuneration drawn also forms part of **Annexure - D**. Refer to tables 3B(a) in **Annexure - D**.

Further, 1) There were no such employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees, 2) there were no such employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month, 3) there were no such employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company and 4) there are no employees who are posted outside India and in receipt of a remuneration of ₹ 60 lakh or more per annum or ₹ 5 lakh or more a month.

**MATERIAL CHANGES AND COMMITMENT:**

There are no material changes and commitments, affecting the financial position of the Company, have occurred between the ends of financial year of the Company i.e. March 31, 2020 to the date of this Report.

**SEXUAL HARASSMENT OF WOMEN AT WORKPLACE:**

To foster a positive workplace environment, free from harassment of any nature, we have institutionalized the Anti-Sexual Harassment Initiative (ASHI) framework, through which we address complaints of sexual harassment at the all workplaces of the Company. Our policy assures discretion and guarantees non-retaliation to complainants. We follow a gender-neutral approach in handling complaints of sexual harassment and we are compliant with the law of the land where we operate.

During the year under review, there were no incidences of sexual harassment reported.

**ENERGY CONSERVATION, TECHNOLOGY ABSORPTION AND FOREIGN EXCHANGE EARNINGS AND OUTGO:**

The information on conservation of energy, technology absorption and foreign exchange earnings and outgo stipulated under Section 134(3)(m) of the Act read with rule 8 of The Companies (Accounts) Rules, 2014, as amended from time to time is annexed to this Report as **Annexure -E**.

**SECRETARIAL STANDARDS OF ICSI:**

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

**RISK MANAGEMENT:**

A well-defined risk management mechanism covering the risk mapping and trend analysis, risk exposure, potential impact and risk mitigation process is in place. The objective of the mechanism is to minimize the impact of risks identified and taking advance actions to mitigate it. The mechanism works on the principles of probability of occurrence and impact, if triggered. A detailed exercise is being carried out to identify, evaluate, monitor and manage both business and non-business risks.

**INTERNAL FINANCIAL CONTROL SYSTEMS AND THEIR ADEQUACY:**

Your Company has an effective internal control system, which ensures that all the assets of the Company are safeguarded and protected against any loss from unauthorized use or disposition.

The Internal Auditors of the Company carry out review of the internal control systems and procedures. The internal audit reports are reviewed by Audit Committee.

Your Company has also put in place adequate internal financial controls with reference to the financial statements commensurate with the size and nature of operations of the Company. During the year, such controls were tested and no material discrepancy or weakness in the Company's internal controls over financial reporting was observed.

**CORPORATE GOVERNANCE:**

Your Company strives to incorporate the appropriate standards for corporate governance. However, pursuant to Regulation 15(2) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 the Company is not required to mandatorily comply with the provisions of certain regulations of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and therefore the Company has not provided a separate report on Corporate Governance, although few of the information are provided in this report under relevant heading.

**MANAGEMENT DISCUSSION AND ANALYSIS REPORT:**

In terms of Regulation 34, and Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 a review of the performance of the Company, for the year under review, Management Discussion and Analysis Report, is presented in a separate section forming part of this Annual Report.

**STATUTORY AUDITOR AND THEIR REPORT:**

Pursuant to the provisions of Section 139 of the Companies Act, 2013 read with rules made thereunder, M/s. Manubhai & Shah LLP, Ahmedabad (FRN: 106041W/W100136), were appointed as Statutory Auditors of the Company to hold office till conclusion of the 30<sup>th</sup> Annual General Meeting (AGM) of the company to be held in the calendar year 2022.

The Notes to the financial statements referred in the Auditors Report are self-explanatory and therefore do not call for any comments under Section 134 of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark. The Auditors' Report is enclosed with the financial statements in this Annual Report.

**REPORTING OF FRAUD:**

The Auditors of the Company have not reported any fraud as specified under Section 143(12) of the Companies Act, 2013.

**SECRETARIAL AUDITOR AND THEIR REPORT:**

Pursuant to the provisions of Section 204 of the Act read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, your Company has appointed Mr. Anand Lavingia, Practicing Company Secretary, Ahmedabad to conduct the Secretarial Audit of the Company for the financial year 2019-2020. The Secretarial Audit Report is annexed herewith as "Annexure - F" to this Report.

**GENERAL DISCLOSURE:**

Your Directors state that the Company has made disclosures in this report for the items prescribed in section 134 (3) of the Act and Rule 8 of The Companies (Accounts) Rules, 2014 and other applicable provisions of the act and listing regulations, to the extent the transactions took place on those items during the year. Your Directors further state that no disclosure or reporting is required in respect of the following items as there were no transactions on these items during the year under review;

- (i) Issue of Equity Shares with differential rights as to dividend, voting or otherwise;
- (ii) Issue of shares (including sweat equity shares) to employees of the Company under any scheme save and ESOS;
- (iii) Annual Report and other compliances on Corporate Social Responsibility;
- (iv) There is no revision in the Board Report or Financial Statement;
- (v) No significant or material orders were passed by the Regulators or Courts or Tribunals which impact the going concern status and Company's operations in future;
- (vi) Information on subsidiary, associate and joint venture companies.

**ACKNOWLEDGEMENT:**

Your Directors wish to place on record their sincere appreciation for significant contributions made by the employees at all levels through their dedication, hard work and commitment, enabling the Company to achieve good performance during the year under review.

Your Directors also take this opportunity to place on record the valuable co-operation and support extended by the banks, government, business associates and the shareholders for their continued confidence reposed in the Company and look forward to having the same support in all future endeavors.

**Registered office:**

U.G.F 4-5-6, Milestone Building, Nr. Khodiyar  
Restaurant, Nr. Drive-In Cinema, Thaltej,  
Ahmedabad - 380 054, Gujarat

By order of the Board of Directors

For, **ZODIAC ENERGY LIMITED**

**CIN: L51909GJ1992PLC017694**

**Place:** Ahmedabad

**Date:** September 01, 2020

**Kunjbihari Shah**  
**Managing Director**  
**DIN 00622460**

**Parul Shah**  
**Whole Time Director**  
**DIN 00378095**

## Annexure A

### NOMINATION & REMUNERATION POLICY

This Nomination and Remuneration Policy is being formulated in Compliance with Section 178 of the Companies Act, 2013 read along with the applicable rules thereto. The Board has also constituted Nomination and Remuneration Committee (NRC) as on 8<sup>th</sup> September, 2017. This policy on nomination and remuneration updated by Directors, Key Managerial Personnel and Senior Management has been formulated and approved by the Board of Directors on 10.10.2017.

#### 1. DEFINITIONS:

- i) **“Act”** means the Companies Act, 2013 (and the rules framed thereunder).
- ii) **“Board”** means Board of Directors of the Company.
- iii) **“Director”** means a director on the Board of the Company
- iv) **“Committee”** means the Nomination and Remuneration Committee [of the Company as constituted or re-constituted by the Board.
- v) **“Company”** or **“The Company”** Zodiac Energy Limited.
- vi) **“Independent Director”** means a Director referred to in Section 149(6) of the Act read with regulation 16(1)(b) of the Listing Regulations.
- vii) **Key Managerial Personnel (KMP) means:**
  - a) the Chief Executive Officer or the managing director or the manager, as applicable;
  - b) the company secretary;
  - c) the whole-time director;
  - d) the Chief Financial Officer; and
  - e) such other officer as may be prescribed.
- viii) **“Senior Management”** shall mean officers/personnel of the Company who are members of its core management team excluding the Board and normally this shall comprise all members of management one level below the executive directors, including all functional heads.
- ix) **“Listing Regulations”** means the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.  
 Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Act and/or the Listing Regulations as may be amended from time to time shall have the meaning respectively assigned to them in the Act and/or the Listing Regulations.
- x) **“Remuneration”** means any money or its equivalent given or passed to any person for services rendered by him and includes prerequisites as defined under the Income Tax act, 1961.

#### 2. OBJECTIVE:

The objectives of this Policy are set forth below:

- (a) to lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Directors (independent, executive and non-executive) and persons who may be appointed in Senior Management and Key Managerial Personnel positions;
- (b) to ensure that 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;
- (c) to ensure that relationship of remuneration to performance is clear and meets appropriate performance benchmarks;
- (d) To carry out evaluation of the performance of Directors, as well as Key Managerial and Senior Management personnel and provide necessary report to the Board for further evaluation by the Board; and
- (e) to ensure that the remuneration paid to the Directors, Key Managerial Personnel and Senior Management personnel 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.

#### 3. ROLE OF THE COMMITTEE:

The role of the Committee shall, inter-alia, include the following:

- I. formulation of the criteria for determining qualifications, positive attributes and independence of a Director and recommend to the Board a policy relating to, the remuneration of the Directors, Key Managerial Personnel and Senior Management personnel;
- II. formulation of criteria for evaluation of performance of Independent Directors and the Directors;
- III. devising a policy on diversity of the Board;
- IV. identifying persons who are qualified to become Directors and who may be appointed in senior management positions in accordance with the criteria laid down, and recommend to the Board their appointment and removal;
- V. whether to extend or continue the term of appointment of the Independent Director, on the basis of the report of performance evaluation of Independent Directors; and
- VI. Any other functions as may be assigned by the Board from time to time.

#### 4. APPOINTMENT AND REMOVAL OF DIRECTOR, KEY MANAGERIAL PERSONNEL AND SENIOR MANAGEMENT PERSONNEL:

- a) The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as a Director and recommend the same to the Board. Key Managerial Personnel other than Managing Director shall be appointed as per the Act. Senior Management personnel shall be appointed as per the Company's policy formulated in this regard.

- b) A person should possess adequate qualification, expertise and experience for the position he / she is considered for appointment. The Committee shall have authority to decide whether qualification, expertise and experience possessed by a person is sufficient / satisfactory for the position.
- c) The Company shall not appoint or continue the employment of any person as a Whole-time Director 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.

**5. TERM/TENURE:**

**Managing Director/Whole-time Director:**

The Company shall not appoint or re-appoint any person as its Executive Chairman, Managing Director or Executive Director 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.

**Independent Director:** An Independent Director shall hold office for a term up to five consecutive years on the Board and shall 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 of up to maximum of 5 years each, 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 is restricted to seven listed companies as an Independent Director and three listed companies as an Independent Director in case such person is serving as a Whole-time Director of a listed company or such other number as may be prescribed under the Act.

**6. EVALUATION:**

The Committee shall carry out evaluation of performance of Director, KMP and Senior Management personnel yearly or at such intervals as may be considered necessary.

**7. REMOVAL:**

The Committee may recommend with reasons to be recorded in writing, removal of a Director, KMP or Senior Management personnel subject to the provisions and Compliance of the Act and the policy of the Company.

**8. RETIREMENT:**

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

**Remuneration to Managing Director / Whole-time Directors:**

- a) The Remuneration/ Commission, as applicable, to be paid to Managing Director / Whole-time Directors, etc. shall be governed as per provisions of Act or any other enactment for the time being in force and the approvals obtained from the Members of the Company.
- b) Committee shall make such recommendations to the Board, as it may consider appropriate with regard to remuneration to Managing Director / Whole-time Directors.

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

- a) The Non-Executive / Independent Directors may receive sitting fees and such other remuneration as permissible under the provisions of the Act and the Listing Regulations. The amount of sitting fees shall be such as may be recommended by the Committee and approved by the Board.
- b) All the remuneration of the Non- Executive / Independent Directors (excluding remuneration for attending meetings as prescribed under Section 197 (5) of the Act shall be subject to ceiling/ limits as provided under the Act or any other enactment for the time being in force. The amount of such remuneration shall be such as may be recommended by the Committee and approved by the Board or the shareholders of the Company, as the case may be.
- c) An Independent Director shall not be eligible to get stock options and also shall not be eligible to participate in any share-based payment schemes of the Company.
- d) Any remuneration paid to Directors for services rendered which are of professional in nature shall not be considered as part of the remuneration for the purposes of clause (b) above if the following conditions are satisfied:
  - i) The Services rendered are of a professional nature; and
  - ii) In the opinion of the Committee, the director possesses the requisite qualification for the practice of that profession
- e) The Compensation Committee of the Company, constituted for the purpose of administering the Employee Stock Option/ Purchase Schemes, shall determine the stock options and other share-based payments to be made to Directors (other than Independent Directors).

**9. IMPLEMENTATION**

- i. The Committee may issue guidelines, procedures, formats, reporting mechanism and manuals in supplement and for better implementation of this policy as considered appropriate.
- ii. The Committee may delegate any of its power to one or one member of its member.

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## Annexure - B

### FORM MGT - 9 -EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2020

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

**1) Registration and Other Details:**

CIN	:	L51909GJ1992PLC017694
Registration Date	:	May 22, 1992
Name of the Company	:	Zodiac Energy Limited
Category / Sub-Category of the Company	:	Public Company limited by shares/ Indian Non-Government Company
Address of the Registered Office and contact details	:	U.G.F 4-5-6, Milestone Building, Nr. Khodiyar Restaurant, Nr. Drive-In Cinema, Thaltej, Ahmedabad - 380 054 Tel: +91 79 - 27471193; Email: cs@zodiacenergy.com; Web: www.zodiacenergy.com
Whether listed Company	:	Yes
Name, address and contact details of Registrar and Transfer Agent, if any	:	Link Intime India Private Limited 5th Floor, Amarnath Business Centre-1, (ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C.G Road, Ellisbridge, Ahmedabad- 380 006. Email: ahmedabad@linkintime.co.in Tel: +91 - 79 - 2646 5179;

**2) Principal Business Activity of the Company:** All the business activities contributing 10% or more of the total turnover of the Company shall be stated.

Name and Description of main Products / Services	NIC Code of the Product / Service	% to total turnover of the Company
Electric power generation using solar energy	35105	100.00%

**3) 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
N.A.					

**4) Shareholding Pattern (Equity Share Capital Breakup as percentage of Total Equity):**

**I. Category-wise Shareholding:**

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	5299920	-	5299920	72.44	5299920	-	5299920	72.44	-
b) Central Govt.	-	-	-	-	-	-	-	-	-
c) State Govt.	-	-	-	-	-	-	-	-	-
d) Bodies Corporate	-	-	-	-	-	-	-	-	-
e) Banks/FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(1):	5299920	-	5299920	72.44	5299920	-	5299920	72.44	-

Category of Shareholders	No. of Shares held at the beginning of year				No. of Shares held at the end of year				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(2) Foreign									
a) NRIs - Individuals	-	-	-	-	-	-	-	-	-
b) Other - Individuals	-	-	-	-	-	-	-	-	-
c) Bodies Corporate	-	-	-	-	-	-	-	-	-
d) Banks / FI	-	-	-	-	-	-	-	-	-
e) Any Other	-	-	-	-	-	-	-	-	-
Sub-Total (A)(2):	-	-	-	-	-	-	-	-	-
Total Shareholding of Promoters (A) = (A)(1)+(A)(2)	5299920	-	5299920	72.44	5299920	-	5299920	72.44	-
<b>B. Public Share Holding</b>									
<b>(1) Institutions</b>									
a) Mutual Funds/UTI	-	-	-	-	-	-	-	-	-
b) Banks / FI	-	-	-	-	-	-	-	-	-
c) Central Govt.	-	-	-	-	-	-	-	-	-
d) State Govt.(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Company	-	-	-	-	-	-	-	-	-
g) FIIs	-	-	-	-	-	-	-	-	-
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-Total (B)(1):	-	-	-	-	-	-	-	-	-
<b>(2) Non-Institution</b>									
<b>a) Bodies Corporate</b>									
i. Indian	210000	-	210000	2.87	286000	-	286000	3.91	1.04
ii. Overseas	-	-	-	-	-	-	-	-	-
<b>b) Individuals</b>									
i. Individual Shareholders holding nominal share capital up to ₹ 1 lakh	1096000	16000	1112000	15.20	1013000	11000	1024000	14.00	(1.20)
i. Individual Shareholders holding nominal share capital in excess of ₹ 1 lakh	440400	-	440400	6.02	474400	0	474400	6.48	0.46
<b>c) Others (specify)</b>									
NRI (Reparable/Non-Reparable basis)	22000	-	22000	0.30	16000	-	16000	0.21	(0.08)
HUF	208000	400	208400	2.84	208000	400	208400	2.84	-
Clearing Members	24000	-	24000	0.33	8000	0	8000	0.11	(0.22)
Sub-Total (B)(2):	2000400	16400	2016800	27.57	2005400	11400	2016800	27.57	-
Total Public Shareholding (B)=(B)(1)+(B)(2)	2000400	16400	2016800	27.57	2005400	11400	2016800	27.57	-
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	7300320	16400	7316720	100.00	7305320	11400	7316720	100.00	-

**II. Shareholding of Promoters & Promoters Group:**

Name	Shareholding at beginning of year		Date wise Increase/ Decrease in Shareholding*			Cumulative Shareholding		Shareholding at end of year	
	No. of Share	% of total shares	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares^	No. of Share	% of total shares of
Kunjibhari Shah	4391520	60.02	-	-	-	4391520	60.02	4391520	60.02
Jugalkishor Shah	692000	9.46	-	-	-	692000	9.46	692000	9.46
Parul Shah	212400	2.90	-	-	-	212400	2.90	212400	2.90
Geetaben Shah	2400	0.03	-	-	-	2400	0.03	2400	0.03
Apeksha Patwa	400	0.00	-	-	-	400	0.00	400	0.00
Arunaben Shah	400	0.00	-	-	-	400	0.00	400	0.00
Nehaben Patwa	400	0.00	-	-	-	400	0.00	400	0.00
Rinki Shah	400	0.00	-	-	-	400	0.00	400	0.00

\* As per the record of the Company.

^ Cumulative % of Shares of the Company is calculated on the basis of current capital of the Company.

There was no change took place in the shareholding of Promoters and Promoters Group.

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

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding		Shareholding at end of year	
	No. of Share	% of total shares	Date	Increase/ Decrease in shareholding	Reason	No. of Share	% of total shares	No. of Share	% of total shares
Nitin Parikh Brokerage Services Limited	42000	0.57	10-May-19	14000	Market Buy	56000	0.77	118000	1.61
			24-May-19	20000	Market Buy	76000	1.04		
			31-May-19	4000	Market Buy	80000	1.09		
			07-Jun-19	8000	Market Buy	88000	1.20		
			21-Jun-19	4000	Market Buy	92000	1.26		
			29-Jun-19	10000	Market Buy	102000	1.39		
			05-Jul-19	6000	Market Buy	108000	1.48		
			12-Jul-19	2000	Market Buy	110000	1.50		
			19-Jul-19	2000	Market Buy	112000	1.53		
			02-Aug-19	2000	Market Buy	114000	1.56		
			09-Aug-19	2000	Market Buy	116000	1.59		
			16-Aug-19	2000	Market Buy	118000	1.61		
Anmol Share Traders Limited	96000	1.31	-	-	-	96000	1.31	96000	1.31
Shona Jayesh Parikh	94000	1.28	-	-	-	94000	1.28	94000	1.28
Anilbhai Jaswantlal Mehta	92000	1.26	-	-	-	92000	1.26	92000	1.26
Narendrabhai Ramalal Patel-HUF	80000	1.09	24-May-19	2000	Market Buy	82000	1.12	60000	0.82
			31-May-19	4000	Market Buy	86000	1.18		
			12-Jul-19	(24000)	Market Sell	62000	0.85		
			19-Jul-19	(2000)	Market Sell	60000	0.82		
			26-Jul-19	(2000)	Market Sell	58000	0.79		
			13-Mar-20	2000	Market Buy	60000	0.82		
Jaxay Sharadkumar Shah	-	-	10-Jan-20	10000	Market Buy	10000	0.14	56000	0.77
			17-Jan-20	20000	Market Buy	30000	0.41		
			24-Jan-20	10000	Market Buy	40000	0.55		

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding		Shareholding at end of year	
	No. of Share	% of total shares	Date	Increase/Decrease in shareholding	Reason	No. of Share	% of total shares	No. of Share	% of total shares
			31-Jan-20	8000	Market Buy	48000	0.66		
			14-Feb-20	4000	Market Buy	52000	0.71		
			28-Feb-20	4000	Market Buy	56000	0.77		
Shitalbhai Priyasharan Shah	50400	0.69	-	-	-	50400	0.69	50400	0.69
Jibhaibhai Keshavlal Patel HUF	8000	0.11	05-Apr-19	2000	Market Buy	10000	0.14		
			12-Apr-19	3524	Market Buy	13524	0.18		
			19-Apr-19	4476	Market Buy	18000	0.25		
			26-Apr-19	2000	Market Buy	20000	0.27		
			29-Jun-19	2000	Market Buy	22000	0.30		
			19-Jul-19	8000	Market Buy	30000	0.41		
			27-Dec-19	4000	Market Buy	34000	0.46	34000	0.46
Beeline Broking Limited	28000	0.38	12-Apr-19	(2000)	Market Sell	26000	0.36		
			26-Apr-19	(4000)	Market Sell	22000	0.30		
			03-May-19	(8000)	Market Sell	14000	0.19		
			17-May-19	2000	Market Buy	16000	0.22		
			24-May-19	(10000)	Market Sell	6000	0.08		
			21-Jun-19	2000	Market Buy	8000	0.11		
			29-Jun-19	(2000)	Market Sell	6000	0.08		
			12-Jul-19	8000	Market Buy	14000	0.19		
			19-Jul-19	(2000)	Market Sell	12000	0.16		
			16-Aug-19	(2000)	Market Sell	10000	0.14		
			30-Aug-19	(2000)	Market Sell	8000	0.11		
			06-Sep-19	2000	Market Buy	10000	0.14		
			13-Sep-19	(2000)	Market Sell	8000	0.11		
			20-Sep-19	2000	Market Buy	10000	0.14		
			27-Sep-19	2000	Market Buy	12000	0.16		
			04-Oct-19	2000	Market Buy	14000	0.19		
			11-Oct-19	6000	Market Buy	20000	0.27		
			18-Oct-19	(2000)	Market Sell	18000	0.25		
			25-Oct-19	2000	Market Buy	20000	0.27		
			01-Nov-19	(6000)	Market Sell	14000	0.19		
			08-Nov-19	(8000)	Market Sell	6000	0.08		
			15-Nov-19	(2000)	Market Sell	4000	0.05		
			22-Nov-19	6000	Market Buy	10000	0.14		
			06-Dec-19	2000	Market Buy	12000	0.16		
			13-Dec-19	2000	Market Buy	14000	0.19		
			20-Dec-19	4000	Market Buy	18000	0.25		
			31-Dec-19	4000	Market Buy	22000	0.30		
			10-Jan-20	(2000)	Market Sell	20000	0.27		
			24-Jan-20	2000	Market Buy	22000	0.30		
			31-Jan-20	(2000)	Market Sell	20000	0.27		
			07-Feb-20	2000	Market Buy	22000	0.30	32000	0.44

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding		Shareholding at end of year	
	No. of Share	% of total shares	Date	Increase/Decrease in shareholding	Reason	No. of Share	% of total shares	No. of Share	% of total shares
			06-Mar-20	4000	Market Buy	26000	0.36		
			13-Mar-20	2000	Market Buy	28000	0.38		
			20-Mar-20	4000	Market Buy	32000	0.44		
Manjula Suresh Shah	22000	0.30	23-Aug-19	2000	Market Buy	24000	0.33	24000	0.33
Amit S Shah	24000	0.33	-	-	-	-	-	24000	0.33
Manoj Agarwal	34000	0.46	10-Jan-20	(12000)	Market Sell	22000	0.30		
			06-Mar-20	(2000)	Market Sell	20000	0.27	20000	0.27

\* The trading in the shares of the Company took place on almost daily basis, therefore the date wise increase/ decrease in Shareholding of top ten Shareholders are taken on the basis of weekly BenPoze.

#### IV. Shareholding of Directors and Key Managerial Personnel:

Name	Shareholding at beginning of year		Date wise Increase/Decrease in Shareholding*			Cumulative Shareholding during the year^		Shareholding at end of year	
	No. of Share	% of total shares of the Company	Date	Increase/Decrease in shareholding	Reason	No. of Share	% of total shares of the Company	No. of Share	% of total shares of the Company
Kunjbihari Shah	4391520	60.02	-	-	-	4391520	60.02	4391520	60.02
Jugalkishor Shah	692000	9.46	-	-	-	692000	9.46	692000	9.46
Parul Shah	212400	2.90	-	-	-	212400	2.90	212400	2.90

\* As per the record of the Company.

^ Cumulative % of Shares of the Company is calculated on the basis of current capital of the Company.

#### 5) Indebtedness

(Amount in Lakhs)

Particulars	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
<b>A. Indebtedness at the beginning of the financial year</b>				
i) Principal Amount	410.79	-	-	410.79
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total A (i+ii+iii)</b>	<b>410.79</b>	<b>-</b>	<b>-</b>	<b>410.79</b>
<b>B. Change in Indebtedness during the financial year</b>				
Additions	169.11	-	-	169.11
Reduction	-	-	-	-
<b>Net Change B</b>	<b>169.11</b>	<b>-</b>	<b>-</b>	<b>169.11</b>
<b>C. Indebtedness at the end of the financial year</b>				
i) Principal Amount	579.90	-	-	579.90
ii) Interest due but not paid	-	-	-	-
iii) Interest accrued but not due	-	-	-	-
<b>Total C (i+ii+iii)</b>	<b>579.90</b>	<b>-</b>	<b>-</b>	<b>579.90</b>

**6) Remuneration of Directors and Key Managerial Personnel**
**A) Remuneration to Managing Director, Whole-time Directors and/or Manager**

(Amount in Lakhs)

Particulars of Remuneration	Kunjbihari Shah Managing Director	Parul Shah Whole-Time Director	Kamlesh Mistry* Whole-Time Director	Bhargav Mehta Whole-Time Director	Total Amount
Gross salary					
(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961	24.00	18.00	6.00	3.60	51.60
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-			-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-			-	-
Stock option	-			-	-
Sweat Equity	-			-	-
Commission	-			-	-
as % of profit	-			-	-
others (specify)	-			-	-
Others, please specify	-			-	-
<b>Total (A)</b>	<b>24.00</b>	<b>18.00</b>	<b>6.00</b>	<b>3.60</b>	<b>51.60</b>

\*Upto August 31, 2019

**B) Remuneration to other Directors**

(Amount in Lakhs)

Particulars of Remuneration	Jugalkishor Shah# Non-Executive Director	Dhaval Shah Independent Director	Kalpesh Joshi Independent Director	Total Amount
<b>a) Independent Director</b>				
(i) Fees for attending board/ committee meeting.	-	0.90	0.90	1.80
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
<b>Total (a)</b>	<b>-</b>	<b>0.90</b>	<b>0.90</b>	<b>1.80</b>
<b>b) Other Non-Executive Directors</b>				
(i) Fees for attending board/ committee meeting.	0.63	-	-	0.63
(ii) Commission	-	-	-	-
(iii) Other, specify	-	-	-	-
<b>Total (b)</b>	<b>0.63</b>	<b>-</b>	<b>-</b>	<b>0.88</b>
<b>Total Managerial Remuneration (A+B)</b>	<b>0.63</b>	<b>0.90</b>	<b>0.90</b>	<b>2.43</b>

# Upto March 11, 2020

**C) Remuneration to Key Managerial Personnel**

(Amount in Lakhs)

Particulars of Remuneration	Shefali Karar Chief Financial Officer	Niyati Parikh Company Secretary	Total Amount
Gross salary	6.25	3.00	9.25
(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.			
(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-	-
(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	-	-	-
Stock option	-	-	-
Sweat Equity	-	-	-
Commission	-	-	-
as % of profit	-	-	-
others (specify)	-	-	-
Others, please specify	-	-	-
Total	6.25	3.00	9.25

**7) Penalties / Punishment/ Compounding of Offences**

Type	Section of the Companies Act	Brief Description	Details of Penalty/ Punishment/ Compounding fees imposed	Authority (RD/ NCLT/ Court)	Appeal made if any (give details)
A. Company					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					
B. Directors					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					
C. Other Officers in Default					
Penalty	N.A.	N.A.	N.A.	N.A.	N.A.
Punishment					
Compounding					

**Registered office:**

U.G.F 4-5-6, Milestone Building, Nr. Khodiyar Restaurant, Nr. Drive-In Cinema, Thaltej, Ahmedabad - 380 054, Gujarat

 By order of the Board of Directors  
For, **ZODIAC ENERGY LIMITED**  
CIN: L51909GJ1992PLC017694

Place: Ahmedabad

Date: September 01, 2020

 Kunjbihari Shah  
Managing Director  
DIN 00622460

 Parul Shah  
Whole Time Director  
DIN 00378095

## Annexure - C

### FORM NO. AOC-2 - PARTICULARS OF CONTRACTS/ARRANGEMENTS MADE WITH RELATED PARTIES

Forms for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in Section 188(1) of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto (Pursuant to Section 134(3)(h) of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

**A. Details of contracts or arrangements or transactions not at arm's length basis:**

There were no contracts or arrangements or transactions entered into by the Company during the financial year ended on March 31, 2020, which were not at arm's length basis.

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

Sr. No.	Particulars	RPT - 1
1.	Name(s) of the related party and nature of relationship	Zenith Power Projects Private Limited Companies Controlled by directors or relatives of directors
2.	Nature of contracts/ arrangements/ transactions	Sale of Materials
3.	Duration of the contracts / arrangements/ transactions	F.Y. 2019-20
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	On Market Price
5.	Date(s) of approval by the Board	May 27, 2019
6.	Amount paid as advances, if any	NIL

**Registered office:**

U.G.F 4-5-6, Milestone Building, Nr. Khodiyar  
 Restaurant, Nr. Drive-In Cinema, Thaltej,  
 Ahmedabad - 380 054, Gujarat

By order of the Board of Directors

For, **ZODIAC ENERGY LIMITED**

CIN: L51909GJ1992PLC017694

**Place:** Ahmedabad

**Date:** September 01, 2020

**Kunjbihari Shah**  
**Managing Director**  
 DIN 00622460

**Parul Shah**  
**Whole Time Director**  
 DIN 00378095

## Annexure - D

### Particulars of Employees

(Pursuant to Section 197(12) read with Rules made thereunder)  
 Disclosures pertaining to remuneration and other details as required under  
 Section 197(12) of the Companies Act, 2013 read with Rules made there under.

**3A. Information as per Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

- a) The ratio of remuneration of each director to the median remuneration of employees for the financial year and the Percentage increase in remuneration of each director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year:

Sr. No.	Name	Designation	Nature of Payment	Ratio against median employee's remuneration	Percentage Decrease
1.	Kunjibhari Shah	Managing Director	Remuneration	11.02:1	53.30%
2.	Parul Shah	Whole-Time Director	Remuneration	8.27:1	53.32%
3.	Bhargav Mehta	Whole-Time Director	Remuneration	1.65:1	--

- b) The percentage increase/decrease in the median remuneration of employees in the financial year:

Median remuneration of Employees increases by 0.58% in F.Y. 2019-20 from F.Y. 2018-19.

- c) The number of permanent employees on the rolls of the Company: 50 Employees as on March 31, 2020

- d) Average percentile increases already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

The average salaries of the employees increased by 27.27% over a previous year. The average remuneration increased due to increase in number of employees of the Company and qualitative payout to the existing employee. The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

**3B. Information as per Rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014:**

- a) List of top ten employees in terms of remuneration drawn:

Employee Name	Designation	Qualifications and experience of the employee	Date of Joining	Remuneration Received	Age	Last employment held by employee
Chandramohan C Vachher	Vice President	BSC	October 23, 2018	23,20,005.40	58	Sterling & Wilson Ltd Ahmedabad
Arasu D Thirunavukk	Vice President-Operation	MBA & ICWA	September 01, 2019	18,67,600	59	Clean Max Enviro Energy Solutions Private Limited
Anurag Mittal	Business Head	M.B.A	April 1, 2016	17,66,452.67	35	Eleetrotherm Solar Ltd.
Hardik Oza	Sr. Projects Manager	B.E Electrical	December 01, 2017	11,17,087.67	39	Sterling & Wilson Ltd Ahmedabad
Bhupat Kanani	Sr. Project Manager	ITI	May 01, 2014	6,28,991	54	BSNL Contractor
Shefali N. Karar	Chief Financial officer	B.A.	February 02, 2011	6,25,286	42	Appar Intermediates Pvt Ltd
Ravi Prajapati	Business Development Manager	B. E. IC /MBA(MKTG)	March 11, 2018	5,47,357	32	Eleetrotherm Solar Ltd.
Jharana Joshi*	SCM Manager	BSC Chemistry	August 01, 2018	4,44,882.50	44	GENSOL ENGINEERING P LTD.
Malhar Jani	Business Development Manager	B.E Electrical	February 12, 2018	4,39,371	31	Grase Renewable Private Limited
Arun K. Soni	Head-Residential Solar Rooftop	B.E Electrical & M. B. A Finance	January 20, 2020	4,35,500	47	Indus Towers Limited

\*Upto October 01, 2019

- b) Employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees:

There were no such employees employed throughout the financial year, was in receipt of remuneration for that year which, in the aggregate, was not less than one crore and two lakh rupees.

- c) Employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month:

There were no such employees employed for a part of the financial year, was in receipt of remuneration for any part of that year, at a rate which, in the aggregate, was not less than eight lakh and fifty thousand rupees per month.

- d) Employees employed throughout the financial year or part thereof, was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company:

There was no such employees employed throughout the financial year or part thereof who was in receipt of remuneration in that year which, in the aggregate, or as the case may be, at a rate which, in the aggregate, is in excess of that drawn by the managing director or whole-time director or manager and holds by himself or along with his spouse and dependent children, not less than two percent of the equity shares of the company.

The Board of Directors of the Company affirmed that remuneration of all the Key Managerial Personnel of the Company are as per the Remuneration Policy of the Company.

**Registered office:**

U.G.F 4-5-6, Milestone Building, Nr. Khodiyar  
Restaurant, Nr. Drive-In Cinema, Thaltej,  
Ahmedabad - 380 054, Gujarat

By order of the Board of Directors

For, **ZODIAC ENERGY LIMITED**

CIN: L51909GJ1992PLC017694

**Place:** Ahmedabad

**Date:** September 01, 2020

**Kunjbihari Shah**  
Managing Director  
DIN 00622460

**Parul Shah**  
Whole Time Director  
DIN 00378095

## Annexure - E

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

Information as required under Section 134(3)(m) of the Companies Act, 2013 read with rule 8(3) of the Companies (Accounts) Rules, 2014 are set out as under:

#### A. CONSERVATION OF ENERGY:

##### i.) The steps taken or impact on conservation of energy:

Your Company is engaged in the business of generation of energy using solar energy. Your Company is putting its sincere efforts in contributing towards green energy. We have introduced various new products and solutions for producing clean energy. As the nature of our operations is covered under conservation of energy itself. Hence there are no separate activities undertaken by the Company under the head of "Conservation of energy".

##### ii.) The steps taken by the Company for utilizing alternate sources of energy:

Your Company is already engaged in the business of generation of energy using solar energy and thereby using eco-friendly source of generation of energy.

##### iii.) The capital investment on energy conservation equipment:

During the year under review, Company has not incurred any capital investment on energy conservation equipment.

#### B. TECHNOLOGY ABSORPTION:

##### i.) The effort made towards technology absorption:

The Company has not imported any technology and hence there is nothing to be reported here.

##### ii.) The benefit derived like product improvement, cost reduction, product development or import substitution:

None

##### iii.) in case of imported technology (imported during the last three years reckoned from the beginning of the financial year) -

- a. The details of technology imported: Nil
- b. The year of import: Not Applicable
- c. Whether the technology has been fully absorbed: Not Applicable
- d. If not fully absorbed, areas where absorption has not taken place, and the reasons thereof: Not Applicable

##### iv.) The expenditure incurred on Research and Development:

During the year under review, the Company has not incurred any Expenditure on Research and Development

#### C. FOREIGN EXCHANGE EARNINGS & EXPENDITURE:

The particulars relating to foreign exchange earnings and outgo during the year under review are as under:

(Amount in Lakhs)

Sr No	Particulars	2019-20	2018-19
1.	Foreign Exchange Earned	-	-
2.	Foreign Exchange Outgo	634.01	599.05

#### Registered office:

U.G.F 4-5-6, Milestone Building, Nr. Khodiyar Restaurant, Nr. Drive-In Cinema, Thaltej, Ahmedabad - 380 054, Gujarat

By order of the Board of Directors

For, ZODIAC ENERGY LIMITED

CIN: L51909GJ1992PLC017694

Place: Ahmedabad

Date: September 01, 2020

Kunjbihari Shah  
Managing Director  
DIN 00622460

Parul Shah  
Whole Time Director  
DIN 00378095

## Annexure - F

### Secretarial Audit Report

Form No. MR-3

#### SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2020

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No. 9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

To,  
The Members,  
**Zodiac Energy Limited**  
U.G.F-4,5,6, Milestone Building, Near Khodiyar Restaurant,  
Near Drive In Cinema, Thaltej Ahmedabad -380 054

I have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by **Zodiac Energy Limited** (hereinafter called "the Company"). Secretarial Audit was conducted in a manner that provided me a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing my opinion thereon.

Based on my verification of the Company's books, papers, minutes books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, I hereby report that, in my opinion, the Company has, during the audit period covering the financial year ended on March 31, 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.

I have examined the books, papers, minutes books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2020 according to the provisions of:

- i. The Companies Act, 2013 ('the Act') and the rules made there under as applicable;
- 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 (FEMA) and the rules and regulations made there under to the extent of Foreign Direct Investment;
- 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 and circulars/ guidelines/Amendments issued there under;
  - b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 2015 and circulars/ guidelines/Amendments issued there under; and
  - c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars/ guidelines/Amendments issued there under.
- vi. Revised Secretarial Standards issued by the Institute of Company Secretaries of India.

During the period under review the Company has complied with the provisions of the Act, Rules made there under, Regulations, guidelines etc. mentioned above.

I have relied on the representation made by the Company and its Officers for systems and mechanism formed by the Company for compliances under other general applicable Acts, Laws and Regulations as applicable to the Company as given in **Annexure A**.

During the Period under review, provisions of the following Acts, Rules, Regulations, and Standards are not applicable to the Company,

- i. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993; - The Company is not registered as Registrar to an Issue & Share Transfer Agent. However, the Company has appointed Link Intime India Private Limited as Registrar & Share Transfer Agent in accordance with the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.
- ii. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and circulars/ guidelines/Amendments issued there under.
- iii. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009;
- iv. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- v. The Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014;
- vi. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and
- vii. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings.

**I further report that -**

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors, Independent Directors and Woman Director. 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 Companies Act, 2013 and rules made thereunder.

Adequate notice is given to all Directors to schedule the Board Meetings, agenda and detailed notes on agenda were sent 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.

All decisions of the Board and Committees were carried with requisite majority.

**I further report that -**

There are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

**Place:** Ahmedabad  
**Date:** August 31, 2020

**Anand Lavingia**  
**Practicing Company Secretary**  
**ACS No.: 26458C P No.: 11410**  
**UDIN: A026458B000640060**

**Note:** This Report is to be read with my letter of even date which is annexed as Annexure A and Annexure B forms an integral part of this report.

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**Annexure A****List of other applicable Acts, Laws and Regulations during the Audit Period**

1. The Industrial Employment (Standing Orders) Act, 1946
2. The Minimum Wages Act, 1948
3. The Payment of Wages Act, 1936
4. The Employees' Provident Fund and Miscellaneous Provisions Act, 1952
5. The Payment of Bonus Act, 1965
6. The Employees' State Insurance Act, 1948
7. The Workmen Compensation Act, 1923 ("WCA")
8. The Equal Remuneration Act, 1976
9. The Maternity Benefit Act, 1961
10. The Child Labour (Prohibition and Regulation) Act, 1986
11. The Sexual Harassment at Workplace (Prevention, Prohibition and Redressal) Act, 2013
12. The Micro, Small and Medium Enterprises Development Act, 2006
13. The Foreign Exchange Management Act, 1999
14. The Competition Act, 2002
15. The Consumer Protection Act, 1986 (COPRA)
16. The Shops and Establishments legislations in various States
17. The Indian Contract Act, 1872
18. Transfer of Property Act, 1882 ("TP Act")
19. The Indian Stamp Act, 1899
20. The Registration Act, 1908
21. The Specific Relief Act, 1963
22. The Negotiable Instruments Act, 1881
23. The Trade Marks Act, 1999 (Trade Marks Act)
24. The Payment of Gratuity Act, 1972
25. The Apprentices Act, 1961
26. The Equal Remuneration Act, 1976
27. The Maternity Benefit Act, 1961

**Annexure B**

To,  
The Members,  
**Zodiac Energy Limited**  
U.G.F-4,5,6, Milestone Building, Near Khodiyar Restaurant,  
Near Drive In Cinema, Thaltej Ahmedabad -380 054

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

1. Maintenance of secretarial records is the responsibility of the management of the Company. My responsibility is to express an opinion on these secretarial records based on my audit.
2. I have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done on test basis, on the records and documents provided by the Management of the Company, to ensure that correct facts are reflected in secretarial records. I believe that the processes and practices followed by me provide a reasonable basis for my opinion.
3. I have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. My examination was limited to verification of procedures on test basis.
5. Wherever required, I have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor the efficacy or effectiveness with which the management has conducted the affairs of the Company.

**Place:** Ahmedabad  
**Date:** August 31, 2020

**Anand Lavingia**  
Practicing Company Secretary  
ACS No.: 26458C P No.: 11410  
UDIN: A026458B000640060

## MANAGEMENT DISCUSSION AND ANALYSIS REPORT

The discussion hereunder covers Company's performance and its business outlook for the future. This outlook is based on assessment of the current business environment and Government policies. The change in future economic and other developments are likely to cause variation in this outlook.

### Economic Outlook:

#### ➤ Global Economy:

World economy has been growing consistently at an average CAGR of ~3% during the last four years. World economic growth in 2019 slowed markedly, confirming the weakness that had emerged in the second half of 2018. The trade tensions between the USA and China, the tumultuous geo-political environment and persistent uncertainty linked to the Brexit negotiations curbed consumption and investments. With the economic environment becoming more uncertain, firms turned cautious on long term investments. Faced with sluggish demand, global trade slowed to a standstill as firms scaled back industrial production. Central banks reacted aggressively to the weaker activity. Over the course of the year, several— including the US Federal Reserve, the European Central Bank (ECB), and large emerging market central banks— cut interest rates, while the ECB also restarted asset purchases. These policies averted a deeper slowdown. Lower interest rates and supportive financial conditions reinforced still-resilient purchases of nondurable goods and services, encouraging job creation.

However, due to pandemic COVID-19 situation further worsened in the first quarter of CY20. In this globally spread pandemic situation, protecting lives and allowing health care systems to cope have required isolation, lockdowns, and widespread closures to slow the spread of the virus. The health crisis is therefore having a severe impact on economic activity. According to International Monetary Fund (IMF), global growth in 2020 is projected to contract by 3% due to this. In the coming months, a clearer picture of the economic consequences of the epidemic and impact on financial markets will emerge.

### Outlook:

The extent of COVID-19 impact will depend on how economic policy will provide cushion to the impact of the decline in activities on people, firm, the financial systems and ensure economic recovery can begin quickly once the pandemic fades. Targeted fiscal, monetary, and financial market measures are vital as the economic fallout reflects particularly acute shocks in specific sectors. The fiscal response in affected countries has been swift and sizable in many advanced economies as well as developing economies. Such actions will help maintain economic relationships throughout the shutdown and are essential to enable activity to gradually normalise once the pandemic abates and containment measures are lifted.

#### ➤ Indian Economy:

2019 has been a challenging year that saw the September quarter GDP growth plunge to 4.5% y-o-y primarily due to a sharp deceleration in investment growth. Corrective measures to boost investments and infuse liquidity in the economy such as reducing the repo rate and slashing the Corporate Tax rate have yet to bear fruit. In India, growth softened in 2019 as economic and regulatory uncertainty, together with concerns about the health of the nonbanking financial sector, weighed on demand.

There was a strong hope of recovery in the last quarter of the current fiscal. However, the COVID-19 epidemic made the recovery extremely difficult in the near to medium term. The outbreak has presented fresh challenges for the Indian economy, causing severe disruptive impact on both demand and supply side elements that has the potential to disturb India's growth story over short term. The IMF has cut its projections for India's economic growth to 1.9% for the current financial year, the lowest since the 1991 balance of payments (BoP) crisis and against its 5.8% forecast earlier.

The RBI unleashed a stimulus package to increase liquidity in the Indian banking system as it vowed to whatever it takes to support financial markets hit by the spread of an unprecedented health emergency. The RBI has provided measures like, Cash Reserve Ratio (CRR) reduction, allow banks to borrow from their investment of Statutory Liquidity Ratio (SLR) securities, cut the reverse repo rate to 3.75% v/s repo rate at 4.4%, allowed moratorium on repayment of instalments for term loans outstanding, permitted to allow deferment on payment of interest w.r.t all such working capital facilities o/s.

### Outlook:

The likely duration, intensity and spread of the coronavirus has brought lot of uncertainty into the global and domestic economic outlook. The concerns have transformed from the impact of imports from China on domestic supply chains, into a domestic and external demand shock, the duration of which remains uncertain, with social distancing and lockdowns raising the prospect of production shutdowns and job losses in some sectors.

In the near term, the negative impact of the COVID-19 outbreak on economic growth and sentiment may be modestly mitigated by higher Government spending, a brighter outlook for crop yields and emergency stockpiling of essential items. Furthermore, the fall in commodity prices would provide some cushion to earnings in the near term, which provides a bit of comfort. The course correction of economic recovery in India will be smoother and faster than that of many other advance countries. The UNCTAD in its latest report 'The Covid-19 shock to Developing Countries' has predicted that major economies least exposed to recession would be China and India.

### Industry structure and developments:

Installed renewable power generation capacity has gained pace over the past few years, posting a CAGR of 17.33 per cent between FY16-20. With the increased support of Government and improved economics, the sector has become attractive from investors perspective. As India looks to meet its energy demand on its own, which is expected to reach 15,820 TWh by 2040, renewable energy is set to play an important role. As a part of its Paris Agreement commitments, the Government has set an ambitious target

of achieving 175 gigawatt (GW) of renewable energy capacity by 2022. These include 100 GW of solar capacity addition and 60 GW of wind power capacity. Government plans to establish renewable energy capacity of 500 GW by 2030.



In Union Budget 2020-21, The Ministry of New and Renewable Energy (MNRE) received a major boost with budgetary allocation going up by 48% in comparison to the revised allocation in last fiscal. In her budget speech, FM Nirmala Sitharaman, while presenting a 16-point action plan for the agriculture sector aimed at doubling farmers' income by 2022, announced the allocation of ₹1,000 crore for extending the Kisan Urja Suraksha Evam Utthaan Mahabhiyan (KUSUM) scheme. This would aid farmers in adopting solar power for agricultural purposes and utilise barren/ unproductive land for generating revenues.

The production of PV systems has followed a classic learning curve effect, with significant cost reduction occurring alongside large rises in efficiency and production output. In 2019, 114.9 GW of solar PV system installations were completed, according to the International Energy Agency (IEA). With over 100% year-on-year growth in PV system installation, PV module makers dramatically increased their shipments of solar modules in 2019. They actively expanded their capacity and turned themselves into gigawatt GW players. According to Pulse Solar, five of the top ten PV module companies in 2019 have experienced a rise in solar panel production by at least 25% compared to 2019.

Due to COVID-19 on Power and Renewable sector. At country level, power demand has reduced by 25-28% (y-o-y) during the months of April and May 2020. Since renewable plants are must run as per the MNRE, they face lower risk of any potential back-down due to lower demand by DISCOMs. MNRE has further clarified that 'Must Run' status remains unchanged during the period of lock down and the payment to RE generators be done on regular basis as was being done prior to lockdown.

#### Opportunities and Threats:

Opportunity	Threats
<ul style="list-style-type: none"> <li>As on April 30, 2020, the installed renewable energy capacity stood at 87.26 GW, of which, solar and wind comprised 34.81 GW and 37.74 GW, respectively.</li> <li>According to the data released by Department for Promotion of Industry and Internal Trade (DPIIT), FDI inflow in the Indian non-conventional energy sector stood at US\$ 9.22 billion between April 2000 and March 2020.</li> <li>India plans to add 30 GW of renewable energy capacity along a desert on its western border such as Gujarat and Rajasthan.</li> <li>The Government is committed to increased use of clean energy sources and is already undertaking various large-scale sustainable power projects and promoting green energy heavily.</li> <li>It is expected that by 2040, around 49 per cent of the total electricity will be generated by renewable energy</li> </ul>	<ul style="list-style-type: none"> <li>Change in Policy and Regulations</li> <li>New entrants in the market and intense competition by existing players</li> <li>Technology may become obsolete due to Innovation in Technology</li> <li>Impact of COVID-19 on Power and Renewable sector</li> </ul>

#### Outlook:

Most industry experts don't see a deep impact on renewable power sector. However, in the short term there would be slowdown in capacity addition.

With the right investments in green technologies, India is well positioned to achieve renewable energy targets. The pursuit towards cleaner energy will have a crucial role in enabling the country's transition to a fully sustainable energy system. The Indian power sector has an investment potential of ₹15 trillion over the next four to five years, which indicates immense opportunities in power generation, distribution, transmission and equipment. While there is plenty of capital chasing the opportunities in the renewable sector, there are several risks that need to be kept in view, including counterparty risks both in terms of developers and procurers.

#### Risk and Concerns:

The Company is exposed to business risks which may be internal as well as external. The Company has a comprehensive risk management system in place, which is tailored to the specific requirements of its business considering various factors such as size and nature of inherent risks and the regulatory environment of the Company. The risk management system enables it to recognize and analyse risks early and to take the appropriate action. The senior management of the Company regularly reviews the risk

management processes of the Company for effective risk management. The major risks identified by the businesses are systematically addressed through mitigation actions on a continual basis.

#### Internal Financial Control Systems and their adequacy:

Internal Control system and adequacy Internal Control measures and systems are established to ensure the correctness of the transactions and safe guarding of the assets. Thus, internal control is an integral component of risk management. The Internal control checks and internal audit programmes adopted by our Company plays an important role in the risk management feedback loop, in which the information generated in the internal control process is reported back to the Board and Management. The internal control systems are modified continuously to meet the dynamic change. Further the Audit Committee of the Board of Directors reviews the internal audit reports and the adequacy and effectiveness of internal controls.

#### Financial Performance and Review of Operations:

##### Financial Highlights:

(Amount in Lakhs)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Revenue from Operations	6818.31	6328.00
Other Income	31.01	14.25
Total Income	6849.32	6342.25
Less: Total Expenses before Depreciation, Finance Cost and Tax	6337.53	5850.87
Profit before Depreciation, Finance Cost and Tax	511.79	491.38
Less: Depreciation	10.69	11.28
Less: Finance Cost	73.85	27.86
Profit Before Tax	427.26	452.24
Less: Current Tax	125.10	140.85
Less: Deferred tax Liability	(0.81)	(2.82)
Less: Pervious year tax adjustment	2.85	4.10
Profit after Tax	300.12	310.12

Details of significant changes (i.e. change of 25% or more as compared to the immediately previous financial year) in key financial ratios, along with detailed explanations therefor:

Ratios	2019-20	2018-19	Difference	Change in %	Remarks
Debtors Turnover Ratio (In Days)	115	81	34	-29.57%	Increase in Average debtors over the previous year is more compared to increase in Turnover and hence debtors turnover ratio is reduced.
Inventory Turnover (In Days)	48	33	15	-31.25%	Increase in Average Inventory over the previous year is more compared to increase in Turnover and hence inventory turnover ratio is reduced.
Interest Coverage Ratio (EBIT/Interest)	9.65	66.49	-56.85	-85%	The company has used more working capital facility available from banks and hence Finance cost of the company increased from the last year resulting into reduction in Interest Coverage ratio.
Current Asset Ratio	2.13	3.53	-1.41	-40%	Advance received from Customer is higher compared to previous year resulted into lower current Asset Ratio
Debt Equity Ratio	0.25	0.20	0.05	23%	The company has used working capital facility little more compared to previous year resulting into slight increase in debt equity ratio.
Operating Profit Margin (%)	7.15%	7.43 %	--	-4%	--
Net Profit Margin (%)	4.40%	4.90%	--	-10%	--
Return on Net Worth	12.78%	15.14%	--	-16%	--

**Material developments in Human Resources / Industrial Relations front, including number of people employed:**

The company recognizes its human capital as its most important resource, and takes pride in the commitment, competence and dedication shown by its employees. Company is committed to nurturing, enhancing and retaining all its employees through superior Learning and Organizational development. The company recognizes that its employees are critical pillar to support the organization's growth and its sustainability in the long run. Ongoing in-house and external training is provided to the employees at all levels to update their knowledge and upgrade their skills and abilities. As on March 31, 2020, the Company had total 50 full time employees. The industrial relations have remained harmonious throughout the year.

**Cautionary Note:**

Statements in this Report, describing the Company's objectives, projections, estimates and expectations may constitute 'forward looking statements' within the meaning of applicable laws and regulations. Forward looking statements are based on certain assumptions and expectations of future events. These statements are subject to certain risks and uncertainties. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized. The actual results may be different from those expressed or implied since the Company's operations are affected by many external and internal factors, which are beyond the control of the management. Hence the Company assumes no responsibility in respect of forward-looking statements that may be amended or modified in future on the basis of subsequent developments, information or events.

## INDEPENDENT AUDITOR'S REPORT

### TO THE MEMBERS OF ZODIAC ENERGY LIMITED

#### Report on the Audit of the Financial Statements

#### Opinion

We have audited the accompanying financial statements of **ZODIAC ENERGY LIMITED** ("the Company"), which comprise the Balance Sheet as at March 31, 2020, the Statement of Profit and Loss and the Statement of Cash Flows for the year ended on that date, and notes to the financial statements, including a summary of the significant accounting policies and other explanatory information (hereinafter referred to as "the financial statements").

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 Companies Act, 2013 (hereinafter referred to as "the Act") in the manner so required and give a true and fair view in conformity with the Indian Accounting Standards prescribed under section 133 of the Act read with the Rule 7 of the Companies (Accounts) Rules, 2014, as amended and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2020, the profit and its cash flows for the year ended on that date.

#### Basis for Opinion

We conducted our audit of the financial statements in accordance with the Standards on Auditing specified under section 143(10) of the Act (hereinafter referred to as "SAs"). 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 (hereinafter referred to as "ICAI") together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules made thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

#### 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. We have determined the matters described below to be the key audit matters to be communicated in our report.

Sr No.	Key Audit Matter	How our audit addressed the key audit matter
1	<p><b>Recoverability Assessment of Trade Receivable:</b></p> <p>As at the balance sheet date, the value of Trade Receivable amounted to Rs 2533.66 lakhs representing 58% of the total Assets Trade receivables of the Company comprises mainly receivables in relation to the</p> <p>I. Service Provided to Power Distribution Companies</p> <p>II. Subsidy Receivable from Power Distribution Companies.</p> <p>III. Service provided to other customers</p> <p>The increasing challenges over the economy and operating environment during the year have increased the risks of default on receivables from the Company's customers.</p> <p>In particular, in the event of insolvency of customers, the Company is exposed to potential risk of financial loss when the customers fail to meet their contractual obligations in accordance with the requirements of the agreements.</p> <p>The recoverable amount was estimated by management based on their specific recoverability assessment on individual customer with reference to the ageing profile, historical payment pattern and the past record of default of the customer.</p> <p>Management make provision based on the established model as well as specific provision against individual balances with reference to its recoverable amount. For the purpose of establishing provisioning model to make provision for expected credit loss, significant judgments and assumptions, including the credit risks of customers, the timing and amount of realization of these receivables, are required to be made.</p>	<p>We tested the design and operating effectiveness of key controls focusing on the following:</p> <ul style="list-style-type: none"> <li>- Identification of loss events, including early warning and default warning indicator.</li> <li>- Assessment and approval of individual loss provisions;</li> </ul> <p>We have performed the following procedures in relation to the recoverability of trade receivables:</p> <ul style="list-style-type: none"> <li>• Tested the accuracy of ageing of trade receivables at year end on a sample basis;</li> <li>• Obtained a list of outstanding receivables and identified any debtors with financial difficulty through discussion with management;</li> <li>• Assessed the recoverability of the unsettled receivables on a sample basis through our evaluation of management's assessment with reference to the credit profile of the customers, historical payment pattern of customers, publicly available information and latest correspondence with customers and to consider if any additional provision should be made; and</li> <li>• Tested subsequent settlement of trade receivables after the balance sheet date on a Sample basis if any,</li> </ul> <p>We have reviewed that the appropriateness is in accordance with presentation of disclosures against relevant accounting standards.</p>

2.	<b>Inventory:</b> As at the balance sheet date, the value of inventory amount to Rs 1120.31 lakhs representing 25% of the total Assets Due to COVID - 19 restrictions and lock down the Company was unable to carry out physical verification of inventory as on the year end.	Inventory verification was carried out by the management subsequent to the year end. We have tested the controls of the management over inventory existence during the year of the Company. We have consequently performed alternate audit procedures to audit the existence of inventory
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#### Information Other than the Financial Statements and Auditor's 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 and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The other information is expected to be made available to us after the date of this auditor's report.

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

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

#### Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in section 134(5) of the Act with respect to the preparation of these financial statements that give a true and fair view of the financial position, financial performance, of the Company in accordance with the accounting principles generally accepted in India. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding 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 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 SA 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 the 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 financial controls relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3) (i) of the Act, we are also responsible for expressing our opinion on whether the Company has adequate internal financial controls 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 for the financial year ended on March 31, 2020 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 Section 143(3) of the Act, based on our audit we report that:

- 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.
- 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.
- The Balance Sheet, the Statement of Profit and Loss and the Statement of Cash Flow dealt with by this Report are in agreement with the relevant books of account.
- 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.
- On the basis of the written representations received from the directors as on March 31, 2020 taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2020 from being appointed as a director in terms of Section 164 (2) of the Act.
- 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 - A". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended, we report that in our opinion and to the best of our information and according to the explanation given to us, the remuneration paid or provided by the company to its directors during the year is in accordance with the provisions of the section 197 of the Act.
- With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended in our opinion and to the best of our information and according to the explanations given to us:
  - The Company does not have any pending litigations which would impact its financial position.
  - The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
  - There were no amounts which were required to be transferred to the Investor Education and Protection Fund the by the Company.

As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure - B", a statement on the matters specified in the paragraphs 3 and 4 of the order.

For Manubhai & Shah LLP  
 Chartered Accountants  
 Firm Reg. No. 106041W/W100136

Place: Ahmedabad  
 Date: June 27, 2020

(K.M. Patel)  
 Partner  
 Membership Number: 045740  
 UDIN: 20045740AAAAA2154

**ANNEXURE - A TO THE INDEPENDENT AUDITOR'S REPORT**

(Referred to in paragraph 1 (f) under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

**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 **Zodiac Energy Limited** ("the Company") as of March 31, 2020 in conjunction with our audit of the financial statements of the Company for the period 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 ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting 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 judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls system over financial reporting.

**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 authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the 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 31 March 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.

For Manubhai & Shah LLP  
Chartered Accountants  
Firm Reg. No. 106041W/W100136

Place: Ahmedabad  
Date: June 27, 2020

(K.M. Patel)  
Partner  
Membership Number: 045740  
UDIN: 20045740AAAABA2154

## ANNEXURE - B TO THE INDEPENDENT AUDITOR'S REPORT

(Annexure Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report on financial statements for the year ended March 31, 2020 to the members of Zodiac Energy Limited)

**Report on Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of Zodiac Energy Limited ('the Company')**

### 1. In respect of fixed assets:

- a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- b) The fixed assets have been physically verified by the management once in a year which we consider reasonable having regard to the size of the Company and the nature of its assets. According to the information and explanations given to us, no material discrepancies were noticed on such verification.
- c) The company does not have immovable properties. Hence reporting requirement under this clause is not applicable to the company and hence not reported upon.

### 2. In respect of Inventories:

The inventory has been physically verified by the management at reasonable intervals. The discrepancies noticed on verification between physical stock and book records were not material and have been dealt with in books of accounts.

### 3. In respect of loans granted to parties covered in the register maintained u/s 189 of the Act:

The Company has not granted any loans, secured or unsecured, to companies, firms, and limited liabilities partnerships or other parties covered in the register maintained under Section 189 of the Act. Therefore, the provisions of Clause 3 (iii) [(a) to (c)] of the Order are not applicable to the Company.

### 4. In respect of compliance of section 185 and 186 of the Act:

In our opinion and according to the information and explanations given to us, the company has not made loans or investments or provided guarantees and securities in respect of which provisions of sections 185 and 186 of the Act are applicable.

### 5. In respect of deposits:

The Company has not accepted deposits within the meaning of Sections 73 to 76 or any other relevant provisions of the act and the rules framed thereunder.

### 6. In respect of maintenance of cost records:

To the best of knowledge and according to information and explanation given to us, the maintenance of cost records has not been specified by Central Government under section 148(1) of the Act for the business activity carried out by the company. Thus, reporting requirement under clause 3(vi) of the order is not applicable to the Company.

### 7. In respect of statutory dues:

- a) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, the Company is generally regular in depositing the undisputed statutory dues, including provident fund, employees' state insurance, income tax, goods and service tax, custom duty, cess and other material statutory dues, as applicable, with appropriate authorities.
- b) According to the information and explanations given to us and the records of the Company examined by us, in our opinion, no undisputed amounts payable in respect of statutory dues as applicable were in arrears as at March 31, 2020 for a period of more than six months from the date they became payable.
- c) According to the information and explanations given to us and the records of the Company examined by us, there are no dues of Income Tax, Wealth Tax, Service Tax, and Value Added Tax which have not been deposited on account of any dispute.

### 8. In respect of dues to financial institutions / banks / debentures:

To the best of our knowledge and according to the information and explanation given to us, the company has not defaulted in the repayment of loan to the bank. The Company has neither taken any loan from Government/financial institution nor issued debentures.

### 9. In respect of money raised by way of public offer and application of term loan:

The Company did not raise any money by way of initial public offer or further public offer (including debt instruments) during the year. Further the company has not raised any term loans during the year. Accordingly, reporting requirement under paragraph 3 (ix) of the Order is not applicable.

### 10. In respect of fraud:

According to the information and explanations given to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.

### 11. In respect of managerial remuneration in accordance with Section 197 of the Act:

According to the information and explanations given to us, managerial remuneration has been paid or provided in accordance with the requisite approvals mandated by the provisions of Section 197, read with Schedule V to the Act.

**12. In respect of Nidhi company:**

In our opinion and according to the information and explanations given to us, the Company is not a Nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.

**13. In respect of transactions with related parties in compliance of section 177 and 188 of the Act and its disclosures:**

According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

**14. In respect of preferential allotment or private placement of shares or debentures:**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year.

**15. In respect of non-cash transactions with directors or persons:**

According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, reporting requirement under paragraph 3(xv) of the Order is not applicable.

**16. In respect of company is required to be registered under section 45-IA of the Reserve Bank of India Act, 1934:**

The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934.

For Manubhai & Shah LLP  
Chartered Accountants  
Firm Reg. No. 106041W/W100136

Place: Ahmedabad  
Date: June 27, 2020

(K.M. Patel)  
Partner  
Membership Number: 045740  
UDIN: 20045740AAAABA2154

**ZODIAC ENERGY LIMITED**  
**CIN: L51909GJ1992PLC017694**  
**BALANCE SHEET AS AT MARCH 31, 2020**

(Amount in Lakhs)

Particulars		Note No	As at	
			March 31, 2020	March 31, 2019
<b>A</b>	<b>EQUITY AND LIABILITIES</b>			
<b>1</b>	<b>Shareholders' funds</b>			
	(a) Share capital	3	731.67	731.67
	(b) Reserves and surplus	4	1,616.38	1,316.26
			<b>2,348.05</b>	<b>2,047.93</b>
<b>2</b>	<b>Non-Current Liabilities</b>			
	(a) Long term provisions	5	32.22	27.36
			<b>32.22</b>	<b>27.36</b>
<b>3</b>	<b>Current liabilities</b>			
	(a) Short-term borrowings	6	579.90	410.79
	(b) Trade payables			
	Outstanding dues to Micro and Small Enterprise		-	-
	Outstanding dues to creditors Others than Micro and Small Enterprise	7	431.44	182.91
	(c) Other current liabilities	8	821.18	54.51
	(d) Short Term Provision	9	110.51	120.77
			<b>1,943.03</b>	<b>768.98</b>
	<b>TOTAL</b>		<b>4,323.30</b>	<b>2,844.27</b>
<b>B</b>	<b>ASSETS</b>			
<b>1</b>	<b>Non-current assets</b>			
	(a) Property, Plant and Equipment	10	56.81	46.73
	(b) Intangible Assets	10	1.40	0.62
	(c) Deferred Tax Asset (Net)	11	8.77	7.96
	(d) Long term Loans and Advances	12	45.01	44.60
	(e) Other Non-current Asset	13	76.32	29.60
			<b>188.31</b>	<b>129.51</b>
<b>2</b>	<b>Current assets</b>			
	(a) Inventories	14	1,120.31	663.64
	(b) Trade Receivable	15	2,533.66	1,763.21
	(c) Cash and Bank Balances	16	91.07	48.64
	(d) Short-term loans and advances	17	389.95	239.27
			<b>4,134.99</b>	<b>2,714.76</b>
	<b>TOTAL</b>		<b>4,323.30</b>	<b>2,844.27</b>
	Significant accounting policies	2		
	Accompanying notes to the financial statements	3-33		

As per our report of even date attached  
For Manubhai & Shah LLP  
Chartered Accountants  
Firm Reg. No. 106041W/W100136

(K.M. Patel)  
Partner  
Membership Number: 045740  
Place: Ahmedabad  
Date: June 27, 2020

For and on behalf of the Board of Directors,  
Zodiac Energy Limited

Kunjbihari Shah  
Managing Director  
DIN: 00622460

Shefali Karar  
Chief Financial Officer  
Place: Ahmedabad

Parul Shah  
Whole Time Director  
DIN: 00378095

Niyati Parikh  
Company Secretary  
Date: June 27, 2020

**ZODIAC ENERGY LIMITED**  
**CIN: L51909GJ1992PLC017694**

**STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2020**

(Amount in Lakhs)

Particulars		Note No.	For the Year Ended	
			March 31, 2020	March 31, 2019
I	Revenue from Operations	18	6,818.31	6,328.00
II	Other Income	19	31.01	14.25
III	Total revenue		6,849.33	6,342.25
IV	Expenses			
	Cost of Material	20	5,844.93	5,476.31
	Employee Benefit Expenses	21	278.62	212.94
	Finance Cost	22	73.85	27.86
	Depreciation and Amortisation Expense	10	10.69	11.28
	Other Expenses	23	213.98	161.61
	Total expenses		6,422.07	5,890.00
V	Profit before tax (I-II)		427.26	452.25
VI	Tax expense:			
	Current tax		125.10	140.85
	Previous year tax adjustment		2.85	4.10
	Deferred Tax Adjustments		(0.81)	(2.82)
			127.14	142.13
VII	Profit for the year (4-5)		300.12	310.12
	Earnings per share			
	Basic & Diluted	27	4.10	4.24
	Significant Accounting Policies	2		
	Notes to Accounts	3 to 33		

As per our report of even date attached  
 For Manubhai & Shah LLP  
 Chartered Accountants  
 Firm Reg. No. 106041W/W100136

(K.M. Patel)  
 Partner  
 Membership Number: 045740

Place: Ahmedabad  
 Date: June 27, 2020

For and on behalf of the Board of Directors,  
 Zodiac Energy Limited

Kunjbihari Shah  
 Managing Director  
 DIN: 00622460

Parul Shah  
 Whole Time Director  
 DIN: 00378095

Shefali Karar  
 Chief Financial Officer

Place: Ahmedabad

Niyati Parikh  
 Company Secretary

Date: June 27, 2020

**ZODIAC ENERGY LIMITED**  
**CIN: L51909GJ1992PLC017694**

**CASH FLOW STATEMENT FOR THE YEAR ENDED AS AT MARCH 31, 2020**

(Amount in Lakhs)

Particulars		For the year ended on	
		March 31, 2020	March 31, 2019
<b>(A)</b>	<b>Cash flow from Operating Activities:</b>		
	Net Profit before Tax	427.26	452.24
	<b>Adjustments:</b>		
	Depreciation and assets written off	10.69	11.28
	Interest paid	73.85	27.86
	Interest Income	(28.15)	(8.73)
	Balances written off	(2.47)	3.17
	Loss on Sale of Fixed Assets	-	3.31
	Foreign exchange fluctuation loss/(gain)	21.19	(5.51)
	<b>Operating profit before working capital changes</b>	<b>502.37</b>	<b>483.62</b>
	<b>Adjustments for working capital changes:</b>		
	(Increase) in Inventories	(456.68)	(186.00)
	(Increase) in Trade Receivables	(770.48)	(708.09)
	(Increase)/Decrease in loans and advances	(157.09)	(112.73)
	Increase/(Decrease) in Trade Payables	227.34	93.35
	Increase / (Decrease) in Other Current Liabilities	775.17	(44.29)
	Increase/(Decrease) in Provisions	4.84	5.44
		(376.90)	(952.32)
	<b>Cash (used in) operations</b>	<b>125.47</b>	<b>(468.70)</b>
	Less: Taxes paid	(138.19)	(84.15)
	<b>Net Cash Flow (used in) Operating activities</b>	<b>(12.72)</b>	<b>(552.85)</b>
<b>(B)</b>	<b>Cash flow from Investing Activities:</b>		
	Interest Income	28.15	8.73
	Sale of fixed assets	-	10.00
	Net Investment in Fixed Deposit/earmarked accounts	(83.75)	44.85
	Purchase of Fixed assets	(21.54)	(4.36)
	<b>Net Cash Flow From/ (used in) Investing activities</b>	<b>(77.14)</b>	<b>59.22</b>
<b>(C)</b>	<b>Cash flow from Financing Activities:</b>		
	Repayment of Long-Term Borrowings	-	(34.90)
	Proceeds of Short-Term Borrowings	169.11	370.78
	Interest paid	(73.85)	(27.86)
	<b>Net Cash Flow from Financing activities</b>	<b>95.26</b>	<b>308.02</b>
	<b>Net Increase/(Decrease) in Cash &amp; Cash Equivalents (A+ B+C)</b>	<b>5.40</b>	<b>(185.60)</b>

	Cash & Cash Equivalents at the beginning of the year	13.00	198.60
	Cash & Cash Equivalents at the end of the year	18.40	13.00
<b>Notes:</b>			
1	Figures in brackets represents outflow.		
2	The Cash Flow Statement has been prepared under 'Indirect Method'.		
3	Previous year's figures have been regrouped/reclassified wherever applicable.		
4	Components of cash and cash equivalents: -		
	<b>Particulars</b>	<b>2019-2020</b>	<b>2018-2019</b>
	Cash and Cash Equivalents		
	Balances with banks -in current account	2.00	2.43
	Cash on Hand	16.40	10.57
		<b>18.40</b>	<b>13.00</b>
	Other Bank Balance	72.67	35.64
	<b>Total</b>	<b>91.07</b>	<b>48.64</b>

As per our report of even date attached  
 For Manubhai & Shah LLP  
 Chartered Accountants  
 Firm Reg. No. 106041W/W100136

For and on behalf of the Board of Directors,  
 Zodiac Energy Limited

(K.M. Patel)  
 Partner

Kunjbihari Shah  
 Managing Director  
 DIN: 00622460

Parul Shah  
 Whole Time Director  
 DIN: 00378095

Membership Number: 045740

Shefali Karar  
 Chief Financial Officer

Niyati Parikh  
 Company Secretary

Place: Ahmedabad  
 Date: June 27, 2020

Place: Ahmedabad

Date: June 27, 2020

## ZODIAC ENERGY LIMITED

### Notes to Financial Statements for the year ended March 31, 2020

#### 1. Background & Basis of Preparation of Financial Statements:

(i) Zodiac Energy Limited ('ZEL' or 'the Company') is a Public Listed Company domiciled and headquartered in India. The Company was incorporated on 22/05/1992 as a Private Limited Company and converted into public company on 29/08/2017 and was listed on SME platform of National Stock Exchange of India Limited w.e.f 05/12/2017. The Company is primarily engaged in installation of Power Generation Plant/Items.

#### (ii) Basis of preparation of Financial Statements:

These financial statements are prepared in accordance with Generally Accepted Accounting principles in India (GAAP) under the historical cost convention on the accrual basis. GAAP comprises mandatory Accounting Standards as prescribed under Section 133 of the Companies Act, 2013 ('Act') read with Rule 7 of the Companies (Accounts) Rules, 2014, the provisions of the Act (to the extent notified). The accounting policies have been consistently applied by the Company except where a newly issued Accounting Standard is initially adopted or a revision to an existing Accounting Standards requires a change in accounting policy hereto in use.

#### (iii) Use of Estimates:

The preparation of financial statements in conformity with generally accepted accounting principles requires management of the Company to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent liabilities at the date of financial statements and the reported amount of revenues and expenses during the reporting period. Difference between the actual results and estimates are recognized in the period in which the results are known/ materialized.

#### 2. Statement of Significant Accounting Policies:

The accounting policies set out below have been applied consistently to the periods presented in these financial statements.

##### a. Property, Plant and Equipment and Depreciation:

- (i) Fixed Assets are stated at cost less depreciation. Direct cost comprises of all expenditure of capital in nature attributable to bringing the fixed asset to working condition for its intended use and incidental expenses including interest relating to acquisition, until fixed assets are ready to be put to use.
- (ii) Depreciation on fixed assets is provided on the straight-line method over the useful lives of assets as prescribed under Part C to Schedule II to the Companies Act, 2013.

##### b. Intangible assets and amortisation:

- (i) An intangible asset is recognised, only where it is probable that future economic benefits attributable to the asset will accrue to the enterprise and the cost can be measured reliably. Intangibles are stated at cost, less accumulated amortization and impairment losses, if any.
- (ii) Capitalized software provides significant future benefits. Cost of softwares are amortized over a period of 3 years.

##### c. Impairment of Assets:

- (i) The carrying amounts of assets are reviewed at each balance sheet date if there is any indication of impairment based on internal/external factors. On such indication, the recoverable amount of the assets is estimated and if such estimation is less than its carrying amount, the carrying amount is reduced to its recoverable amount. The recoverable amount is the greater of the asset's net selling price and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using weighted average cost of capital. A previously recognized impairment loss is further provided or reversed depending on changes in circumstances.
- (ii) After impairment, depreciation/ amortization is provided on the revised carrying amount of the asset over its remaining useful life.

##### d. Inventories:

Raw materials, packing materials, stores and spares are valued lower of cost and net realizable value. Cost of Raw materials, packing materials, stores and spares is determined on First In First Out (FIFO) basis.

##### e. Foreign Currency transactions:

###### I. Initial Recognition:

Foreign currency transactions are recorded in the reporting currency, by applying to the foreign currency amount the exchange rate between the reporting currency and the foreign currency at the date of the transaction.

###### II. Conversion:

Foreign currency monetary items outstanding as on Balance Sheet date are revalued at exchange rate prevailing on balance sheet date (closing rate). Non-monetary items which are carried in terms of historical cost denominated in a foreign currency are reported using the exchange rate at the date of the transaction.

###### III. Exchange Difference:

Exchange differences arising on the settlement of monetary items, or on reporting monetary items of company at rates different from those at which they were initially recorded during the year, or reported in previous financial statements, are recognized as income or as expenses in the year in which they arise.

##### f. Revenue Recognition:

- (i) Sales are recognised on transfer of significant risks and rewards of ownership of the goods to the buyer which is on dispatch of

goods to buyer. Sales figures are net of Goods and Service Tax and adjustment in respect of discounts, rate difference, etc. Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

(ii) **Interest:**

Interest on bank deposits are recognized on time proportion basis taking into account the amounts invested and the rate applicable.

(iii) **All Other Income:** Other income is recognized on accrual basis.

**(a) Subsidy:**

Government Subsidy is recognised only when there is reasonable assurance that the company will comply with the conditions attached to them, and the subsidy will be received.

**(b) Employee Benefits:**

**I. Defined Contribution Plan:**

Contribution paid/payable to the employees' provident fund is as per statute and are recognized as expense during the year in which the employees perform the services.

**II. Defined Benefit Obligation:**

Gratuity liability for eligible employees is defined benefit obligation and are provided for on the basis of actuarial valuation on projected unit credit method made at the end of each financial year. Obligation is measured at the present value of estimated future cash flows using discounted rate that is determined by reference to market yields at the Balance Sheet date on Government Securities where the currency and terms of the Government Securities are consistent with the currency and estimated terms of the defined benefit obligation. Actuarial gains / losses are immediately taken to Statement of Profit and Loss.

**III. Short term employee benefits:**

All employee benefits payable wholly within twelve months of rendering the service are classified as short term employee benefits and they are recognized in the period in which the employee renders the related service. The Company recognizes the undiscounted amount of short term employee benefits expected to be paid in exchange for services rendered as a liability (accrued expense) after deducting any amount already paid.

**g. Segment Reporting:**

Segments have been identified and reported taking into account nature of products and services, the differing risks and returns and the internal business reporting systems.

**h. Leases:**

Lease, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased asset during the lease term, are classified as operating leases. Lease payments under operating lease are recognised as an expense in the profit and loss account on a straight-line basis over the lease term, considering the renewal terms, if appropriate.

**i. Earnings Per Share:**

Basic earnings per share (EPS) is calculated by dividing the net profit or loss after tax for the period attributable to equity shareholders by the weighted average number of equity shares outstanding during the period. Diluted earnings per share is computed by adjusting the number of shares used for basic EPS with the weighted average number of shares that could have been issued on the conversion of all dilutive potential equity shares. The weighted average number of equity shares and potential equity shares outstanding during the period and for all the period presented is adjusted for events, such as bonus shares, other than the conversion of potential equity shares, that have changed the number of equity shares outstanding, without a corresponding change in resources.

**j. Taxes on Income:**

Income Tax expense comprises of current tax and deferred tax (charge or credit).

**i. Current tax** is the amount of tax payable on the taxable income for the year as determined in accordance with the provision of the Income Tax Act, 1961.

**ii. Deferred tax** is recognized, on timing differences, being the difference between taxable income and accounting income that originate in one period and are capable of subsequent periods. Deferred Tax Assets in respect of unabsorbed depreciation and carry forward of losses are recognized if there is virtual certainty that there will be sufficient future taxable income available to realize such losses.

**k. Provisions, Contingent Liabilities and Contingent Assets:**

**i. A provision** is recognized when the Company has a present obligation as a result of past event; it is probable that an outflow of resources will be required to settle the obligation, in respect of which a reliable estimate can be made. Provisions are not discounted to its present value and are determined based on best estimate required to settle the obligation at the balance sheet date. These are reviewed at each balance sheet date and adjusted to reflect the current best estimates.

**ii. Contingent Liabilities** are not recognized but are disclosed in the notes. Contingent Assets are neither recognized nor disclosed in the financial statements.

**l. General:**

Any other accounting policy not specifically referred to are consistent with generally accepted accounting principles.

## Notes to Financial Statement for the year ended as at March 31, 2020

(Amount in Lakhs)

Particulars		As At	
		March 31, 2020	March 31, 2019
<b>3</b>	<b>Share Capital</b>		
<b>a.</b>	<b>Authorised Capital</b>		
	7500000 Equity Shares of ₹10/- each (Previous Year 7500000 Equity Shares of ₹10/- each)	750.00	750.00
<b>b.</b>	<b>Issued, subscribed and fully paid-up equity Shares</b>		
	7316720 Equity Shares of ₹10/- each (Previous Year 7316720 shares)	731.67	731.67
<b>c.</b>	<b>Reconciliation of number of shares outstanding</b>		
	No of shares at the beginning of the year	731.67	731.67
	Addition during the year		
	Issued during the year	-	-
	<b>No. of shares at the end of the year</b>	<b>731.67</b>	<b>731.67</b>

<b>d.</b>	<b>Details of shareholders holding more than 5% shares in the Company:</b>				
	Name of Shareholder	March 31, 2020		March 31, 2019	
		No. of Shares held	% of Holding	No. of Shares held	% of Holding
	Mr. Kunjbihari J. Shah	4391520	60.02%	4391520	60.02%
	Mr. Jugalkishor H. Shah	692000	9.46%	692000	9.46%
	<b>Total</b>	<b>5083520</b>	<b>69.48%</b>	<b>5083520</b>	<b>69.48%</b>

<b>e.</b>	<b>Other details of equity shares for a period of five years immediately preceding March 31, 2020:</b>
	2683360 Equity shares of ₹10/- each aggregating to ₹268,33,600 were allotted during the year ended March 31, 2018 as fully paid bonus shares by capitalization of free reserves of the Company.

### f. Terms / Rights attached to equity shares:

Equity shares of ₹10 each

- The Company has only one class of shares referred to as equity shares having a par value of Rs 10 per share.
- The equity shares are entitled to receive dividend as declared from time to time.
- The voting rights of equity shareholders are in proportion to their share of paid up equity capital of the company.
- As per the Companies Act 2013, the holders of equity shares will be entitled to receive residual assets of the Company, after distribution of all preferential amounts in the event of liquidation of the Company. The distribution will be in proportion to the number of equity shares held by the shareholders.

(Amount in Lakhs)

Particulars		As At	
		March 31, 2020	March 31, 2019
4	<b>Reserves and Surplus</b>		
	Securities Premium		
	At the commencement of the year	784.33	784.33
	<b>Balance at the end of the year (A)</b>	<b>784.33</b>	<b>784.33</b>
	<b>Surplus as per Statement of Profit and loss</b>		
	Balance as per last year Financial Statement	531.93	221.81
	Add: Net Profit for the year	300.12	310.12
	<b>Balance at the end of the year (B)</b>	<b>832.04</b>	<b>531.93</b>
	<b>Total (A) +(B)</b>	<b>1,616.38</b>	<b>1,316.26</b>

(Amount in Lakhs)

Particulars		As At	
		March 31, 2020	March 31, 2019
5	<b>Long term provisions:</b>		
	Provision for Employee Benefits		
	Provision for Gratuity (Refer note 24)	32.22	27.36
	<b>Total</b>	<b>32.22</b>	<b>27.36</b>

(Amount in Lakhs)

Particulars		As At	
		March 31, 2020	March 31, 2019
6	<b>Short term Borrowings</b>		
	Secured	-	-
	Working Capital Loan from Bank*	579.90	410.79
	<b>Total</b>	<b>579.90</b>	<b>410.79</b>

\*Working Capital Loan is secured by first charge over Stock, Book Debts and all current assets of the company and collaterally secured by personal guarantee of the directors of the company.

(Amount in Lakhs)

Particulars		As At	
		March 31, 2020	March 31, 2019
7	<b>Trade Payables</b>		
	Dues to Micro, Small and Medium Enterprises	-	-
	Outstanding dues to Others	431.44	182.91
	<b>Total</b>	<b>431.44</b>	<b>182.91</b>

In the absence of any information from vendors regarding registration under the "Micro Small and Medium Enterprise Act, 2006" the company is unable to comply with the disclosures required to be made under the said Act.

(Amount in Lakhs)

Particulars		As At	
		March 31, 2020	March 31, 2019
8	<b>Other Current Liabilities</b>		
	Advance from customers	804.77	33.57
	Security Deposit	2.02	1.03
	Unpaid Expenses	8.44	6.31
	Payable to employees	1.23	1.03
	Statutory Dues	4.71	12.57
	<b>Total</b>	<b>821.18</b>	<b>54.51</b>

(Amount in Lakhs)

Particulars		As At	
		March 31, 2020	March 31, 2019
9	<b>Short Term Provision</b>		
	Provision for Employee Benefits		
	Provision for Gratuity (Refer Note. 24)	0.69	0.71
	Others		
	Provision for Income Tax (Net of Advance Tax)	109.82	120.06
	<b>Total</b>	<b>110.51</b>	<b>120.77</b>

(Amount in Lakhs)

Particulars		As At	
		March 31, 2020	March 31, 2019
11	<b>Deferred Tax Asset /Liability:</b>		
	<b>Deferred Tax Assets</b>		
	On difference between of WDV of assets as per books and as per Income Tax	0.21	0.15
	Expenses allowable on payment basis	8.56	7.81
	<b>Net Deferred tax Asset</b>	<b>8.77</b>	<b>7.96</b>

(Amount in Lakhs)

Particulars		As At	
		March 31, 2020	March 31, 2019
12	<b>Long Term Loans and Advances</b>		
	Security Deposit (Unsecured Considered Good)	45.01	44.60
	<b>Total</b>	<b>45.01</b>	<b>44.60</b>

**10. Property, Plant and Equipment**

(Amount in Lakhs)

Particulars	Gross Block				Depreciation				Net Block	
	As at 01/04/2019	Additions	Deductions	As at 31/03/2020	As at 01/04/2019	During the year	Deductions	As at 31/03/2020	As at 31/03/2020	As at 31/03/2019
<b>Tangible assets</b>										
Plant & Machinery	13.96	1.03	-	14.98	8.79	0.50	-	9.29	5.70	5.17
Computers	11.12	1.59	-	12.71	8.85	1.03	-	9.88	2.83	2.27
Furniture & Fittings	14.77	-	-	14.77	9.47	0.78	-	10.25	4.52	5.30
Office Equipment	16.34	17.73	-	34.07	12.09	2.63	-	14.72	19.35	4.25
Vehicles	53.39	-	-	53.39	23.66	5.32	-	28.99	24.41	29.73
<b>Sub total (A)</b>	<b>109.58</b>	<b>20.34</b>	<b>-</b>	<b>129.93</b>	<b>62.86</b>	<b>10.27</b>	<b>-</b>	<b>73.12</b>	<b>56.81</b>	<b>46.73</b>
Previous Year	120.96	4.36	15.73	109.58	54.42	10.85	2.42	62.86	46.73	-
<b>Intangible assets</b>										
Software	4.32	1.20	-	5.52	3.70	0.42	-	4.12	1.40	0.62
<b>Sub total (B)</b>	<b>4.32</b>	<b>1.20</b>	<b>-</b>	<b>5.52</b>	<b>3.70</b>	<b>0.42</b>	<b>-</b>	<b>4.12</b>	<b>1.40</b>	<b>0.62</b>
Previous Year	4.32	-	-	4.32	3.27	0.43	-	3.70	0.62	-
<b>Total ₹(A+B)</b>	<b>113.90</b>	<b>21.54</b>	<b>-</b>	<b>135.44</b>	<b>66.55</b>	<b>10.69</b>	<b>-</b>	<b>77.24</b>	<b>58.20</b>	<b>47.35</b>
Previous year	125.28	4.36	15.73	113.90	57.69	11.28	2.42	66.55	47.35	-

(Amount in Lakhs)

Particulars		As At	
		March 31, 2020	March 31, 2019
13	Other Non-current Asset		
	Fixed Deposit with bank with maturity period of more than one year	76.32	29.61
	<b>Total</b>	<b>76.32</b>	<b>29.61</b>

(Amount in Lakhs)

Particulars		As At	
		March 31, 2020	March 31, 2019
14	Inventories		
	Raw Material	1,120.31	663.64
	<b>Total</b>	<b>1,120.31</b>	<b>663.64</b>

(Amount in Lakhs)

Particulars		As At	
		March 31, 2020	March 31, 2019
15	Trade Receivable		
	Unsecured Considered Good:		
	Outstanding for a period exceeding six months from the due date of payment#	431.68	316.74
	Outstanding for less than six months*	2,101. 98	1,446. 47
	<b>Total</b>	<b>2,533.66</b>	<b>1,763.21</b>

#Above receivables include subsidy receivable amounting to ₹50.23 Lakhs (Previous Year - ₹236.23 Lakhs).

\*Above receivables includes subsidy receivable amounting to ₹777.10 Lakhs (Previous year - ₹421.94 Lakhs).

(Amount in Lakhs)

Particulars		As At	
		March 31, 2020	March 31, 2019
16	Cash and Bank Balances		
(i)	Cash and Cash Equivalents		
	Cash on hand	16.40	10.57
	Balances with Banks		
	in current account	2.00	2.43
(ii)	Other Bank Balances		
	in Fixed Deposit Accounts*	72.67	35.64
	<b>Total</b>	<b>91.07</b>	<b>48.64</b>

\* Fixed Deposits are held as security against performance guarantee.

(Amount in Lakhs)

Particulars		As At	
		March 31, 2020	March 31, 2019
17	Short term loans and Advances		
	Unsecured Considered Good:		
	Balance with tax authorities	166.42	169.71
	Advance to Employees	10.20	6.37
	Advances recoverable in cash or in kind or value to be received.	5.49	3.54
	Advance to suppliers	207.85	59.65
	<b>Total</b>	<b>389.95</b>	<b>239.27</b>

(Amount in Lakhs)

18	Revenue from Operations	For the year ended	
		March 31, 2020	March 31, 2019
	Revenue from Operations		
	Sale of Goods	6,800.28	6,282.38
	Sale of services	18.04	45.62
	<b>Total</b>	<b>6,818.31</b>	<b>6,328.00</b>

(Amount in Lakhs)

19	Other Income	For the year ended	
		March 31, 2020	March 31, 2019
	Other Income		
	Interest Income	28.15	8.73
	Amount Written Back	2.47	-
	Foreign Exchange fluctuation gain	-	5.51
	Other Miscellaneous Income	0.39	-
	<b>Total</b>	<b>31.01</b>	<b>14.25</b>

(Amount in Lakhs)

20	Cost of Material	For the year ended	
		March 31, 2020	March 31, 2019
	Cost of Material		
	Raw Material		
	Opening Stock	663.64	477.64
	Add: Purchase and Purchase expenses	6,301.61	5,662.31
	Less: Closing stock of Raw material	1,120.31	663.64
	<b>Raw material Consumed</b>	<b>5,844.93</b>	<b>5,476.31</b>
Consumption details:			
Item description		Amount (in ₹)	
		2019-20	2018-19
Panels		3,359.79	2,513.87
Inverters		363.50	1,251.61
Cables		107.90	183.60
Others (Items consisting less than 10% of Total amount of consumption)		2,013.74	1,527.24
<b>Total</b>		<b>5,844.93</b>	<b>5,476.31</b>

(Amount in Lakhs)

21	Employee Benefits Expense	For the year ended	
		March 31, 2020	March 31, 2019
	Salary	203.25	134.29
	Director Remuneration	51.68	59.56
	Direct Sitting Fees	2.43	2.68
	Staff Welfare expense	8.83	5.14
	Contribution to PF and Other Funds	12.43	11.27
	<b>Total</b>	<b>278.62</b>	<b>212.94</b>

(Amount in Lakhs)

22	Finance Cost	For the year ended	
		March 31, 2020	March 31, 2019
	Interest on Working Capital Loan	49.41	6.91
	Bank Charges	24.44	14.93
	Loan Processing Fees	-	6.02
	<b>Total</b>	<b>73.85</b>	<b>27.86</b>

(Amount in Lakhs)

23	Other Expenses	For the year ended	
		March 31, 2020	March 31, 2019
	Rates and Taxes	2.44	6.42
	Insurance Premium	2.79	2.48
	Electricity Expense	3.14	3.60
	Repair & Maintenance	0.45	1.22
	Travelling Expense	32.33	35.43
	Bad Debts	-	3.17
	Professional Fees	7.35	13.62
	Auditor's Remuneration*	2.97	2.55
	Stationery & Printing Expenses	3.04	2.66
	Sales Promotion Expenses	94.08	50.89
	Filing and Registration Fees	5.08	4.79
	Stamping Expenses	13.64	7.73
	Loss on Foreign Exchange fluctuation	21.19	-
	Donation	0.70	0.15
	Loss on sale of Plant and Machinery	-	3.31
	Miscellaneous Expenses	24.78	23.61
	<b>Total</b>	<b>213.98</b>	<b>161.61</b>
*	<b>Payment to Statutory Auditors</b>		
	Audit Fees	0.75	0.75
	Tax Audit and Other Taxation Services	2.18	1.64
	Attestation and Certification	0.03	0.15
	OPE	0.01	0.01
	<b>Total</b>	<b>2.97</b>	<b>2.55</b>

<b>24</b>	<b>Employee benefits</b>		
1)	Short term employee benefits:		
	The liability towards short-term employee benefits in the form of contribution to Provident Fund for the year ended March 31, 2020 has been recognized in the Statement of Profit and Loss.		
2)	Post-employment benefits:		
	The following disclosures are made in accordance with AS-15 (Revised) pertaining to Defined Benefit Plans in terms of gratuity: (Amount in Lakhs)		
	<b>Particulars</b>	<b>Year ended on March 31, 2020</b>	<b>Year ended on March 31, 2019</b>
	<b>Net employee benefit expense recognized in Statement of Profit &amp; Loss:</b>		
	Current service cost	4.28	1.97
	Interest cost on benefit obligation	2.18	1.78
	Net actuarial (gain) / loss recognised in the year	(0.85)	1.93
	Past service cost- vested benefit recognized during the year	-	-
	<b>Net benefit expense</b>	<b>5.62</b>	<b>5.68</b>
	<b>Changes in the present value of the defined benefit obligation are as follows:</b>		
	Opening defined benefit obligation	28.07	22.62
	Interest cost	2.18	1.78
	Current service cost	4.28	1.97
	Actuarial (gains) / losses on obligation	(0.85)	1.93
	Benefit Directly paid by Employer	(0.78)	(0.23)
	Past service cost- vested benefit recognized during the period	-	-
	<b>Closing defined benefit obligation</b>	<b>32.91</b>	<b>28.07</b>
	<b>Amount Recognised in Balance Sheet:</b>		
	Defined benefit obligation	32.91	28.07
	<b>Plan Liability</b>	<b>32.91</b>	<b>28.07</b>

There are no plan assets at the beginning and at the end of the year.

	<b>The principal assumptions used in determining gratuity obligation for the Company's plans are shown below:</b>		
	<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
	Discount Rate per annum	6.82%	7.78%
	Expected salary increase per annum	8.00%	8.00%
	Attrition rate	2.00%	2.00%

## 25 Segment information

The Company is primarily engaged in Installation of Power Generation Plant/Items which is the only primary reportable segment as per Accounting Standard 17 - Segment Reporting. The Company's operations are primarily in India, accordingly there is no reportable secondary geographical segment.

26	<b>Related Party Disclosures:</b>	
	Related party disclosures as required under the Accounting Standard AS - 18 on "Related Party Disclosures" notified under Companies Act, 2013 are given below:	
i	<b>List of Related Parties &amp; Relationship:</b>	
(a)	<b>Key Managerial Personnel (KMP):</b>	
	Shri Kunjbihari J. Shah	Managing Director
	Smt. Parul Shah	Wholetime Director
	Shri Kamlesh Mistry	Wholetime Director (upto 31/08/2019)
	Shri. Bhargav C. Mehta	Wholetime Director
	Shri Jugalkishor H. Shah	Non-Executive Director (Upto 11/03/2020)
	Shri Jaxay Shah	Non-Executive Director (W.e.f. 12/03/2020)
	Shri Dhaval Shah	Independent Director
	Shri Kalpesh Joshi	Independent Director
	Smt. Shefali Karar	Chief Financial Officer
	Smt. Niyati Parikh	Company Secretary
(b)	<b>Companies controlled by directors or relatives of directors:</b>	
	Zenith Power Projects Private Limited	

(Amount in Lakhs)

ii	<b>Transactions with Related Parties:</b>				
	Particulars	KMP		Companies / Enterprise controlled by directors / relative of directors	
		2019-20	2018-19	2019-20	2018-19
	<b>Sale of Material</b>				
	Zenith Power Projects Private Limited	-	-	44.76	47.74
	<b>Loan Taken</b>				
	K J Shah	203.31	516.50	-	-
	Parul K Shah	29.52	55.12	-	-
	<b>Loan Repaid</b>				
	K J Shah	203.31	516.50	-	-
	Parul K Shah	29.52	55.82	-	-
	<b>Managerial Remuneration</b>				
	Shri K J Shah	24.00	24.00	-	-
	Smt. Parul Shah	18.00	18.00	-	-
	Shri Kamlesh Mistry	6.00	12.00	-	-
	Shri. Bhargav C. Mehta	3.60	5.70	-	-
	Smt. Shefali Karar	6.25	4.55		
	Smt. Niyati Parikh	3.00	1.58		
	<b>Directors' Sitting Fees</b>				
	Shri. Dhaval Shah	0.90	1.13	-	-
	Shri J.H. Shah	0.63	0.88	-	-
	Shri Kalpesh Joshi	0.90	0.68	-	-

iii **Balance at the year end**

There is no balance outstanding at the year ended on March 31,2020 and March 31,2019.

(Amount in Lakhs)

<b>27</b>	<b>Earnings Per Share:</b>		
	<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
	Net profit for the year attributable to Equity Shareholders (in Lakhs)	300.12	310.12
	Weighted average number of equity shares of face value of ₹10 each outstanding during the year (in No)	73.17	73.17
	Basic and diluted Earnings Per Share of ₹10 each (in ₹)	4.10	4.24

(Amount in Lakhs)

<b>28</b>	<b>Contingent liabilities and capital commitments</b>		
	<b>Particulars</b>	<b>As at March 31, 2020</b>	<b>As at March 31, 2019</b>
	Bank Guarantees issued by bankers and outstanding	494.02	124.97

(Amount in Lakhs)

<b>29</b>	<b>Value of Imports on C.I.F. Basis:</b>		
	<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
	Purchase of raw material	634.01	599.05

(Amount in Lakhs)

<b>30</b>	<b>Earning in foreign currency:</b>		
	<b>Particulars</b>	<b>2019-20</b>	<b>2018-19</b>
	FOB Value of exports	-	-

- 31 In the opinion of the Board, the current assets, loans and advances are approximately of the value stated, if realized in the ordinary course of the business, provision for depreciation and all known liabilities are adequate and not in excess of the amount reasonably necessary.
- 32 The COVID-19 pandemic is rapidly spreading across the world as well as in India and has caused shutdown of its offices from 24<sup>th</sup> March 2020. The Company has resumed operations in a phased manner in line with the directives of the Government of India. The Company's management has made initial assessment of likely adverse impact on business, and believes that the impact is likely to be from short to medium term in nature. The management does not see any long-term risks in the Company's ability to continue as a going concern and meeting its liabilities as and when they fall due.
- 33 Previous year figures have been regrouped/reclassified to make them comparable with those of current year.

For Manubhai & Shah LLP  
 Chartered Accountants  
 Firm Reg. No. 106041W/W100136

(K.M. Patel)  
 Partner

Membership Number: 045740

Place: Ahmedabad  
 Date: June 27, 2020

For and on behalf of the Board of Directors,  
 Zodiac Energy Limited

Kunjbihari Shah  
 Managing Director  
 DIN: 00622460

Shefali Karar  
 Chief Financial Officer  
 Place: Ahmedabad

Parul Shah  
 Whole Time Director  
 DIN: 00378095

Niyati Parikh  
 Company Secretary  
 Date: June 27, 2020

## NOTICE OF 28<sup>TH</sup> ANNUAL GENERAL MEETING

**NOTICE** is hereby given that the 28<sup>th</sup> (Twenty-Eighth) Annual General Meeting (AGM) of the Members of Zodiac Energy Limited ("the Company") will be held on Monday, September 28, 2020 at 04:00 P.M. IST through Video Conferencing ("VC") / Other Audio-Visual Means ("OAVM") to transact the following businesses:

**ORDINARY BUSINESSES:**

1. To receive, consider and adopt the audited financial statements for the financial year ended on March 31, 2020 and the Reports of the Board of Directors and Auditors thereon.
2. To appoint a Director in place of Mr. Bhargav Mehta (DIN 03125599), who retires by rotation and being eligible, offers himself for re-appointment.

**SPECIAL BUSINESSES:**

3. **To Appoint Mr. Jaxay Shah (DIN: 00468436) as a Non-Executive Director of the company:**

*To consider and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolutions;*

**"RESOLVED THAT** pursuant to the provisions of Section 152 and any other applicable provisions of the Companies Act, 2013 ("the Act") and the Rules made there under (including any statutory modification(s) or re-enactments thereof for the time being in force), Mr. Jaxay Shah (DIN: 00468436), who was appointed as an Additional(Non-Executive) Director of the Company with effect from March 12, 2020 by the Board of Directors and who holds office up to the date of this Annual General Meeting of the Company under Section 161 of the Companies Act, 2013 (the Act) and is eligible for appointment and who has submitted a declaration to that effect and declaration under Section 164 of the Companies Act, 2013 declaring that he is not disqualified to become the Director and in respect of whom the Company has received a notice in writing from a member under Section 160 of the Companies Act, 2013 signifying his intention to propose Mr. Jaxay Shah (DIN: 00468436) as a candidate for the office of a Non-Executive Director of the Company and whose appointment has been recommended by Nomination and Remuneration Committee and Board of Directors of the Company, be and is hereby appointed as Non-Executive Director of the Company liable to retire by rotation.

**RESOLVED FURTHER THAT** the Board of Directors of the Company be and are hereby authorised to do all such acts, deeds, matters and things as may be deemed necessary to give effect to the above resolution including certifying and filing of necessary forms with the Registrar of Companies and issue appointment letter to Mr. Jaxay Shah (DIN: 00468436) and filing of other necessary forms and documents with the Registrar of Companies."

4. **To revise Remuneration payable to Mr. Kunjbihari Shah (DIN 00622460), Managing Director of the Company:**

*To consider and if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolutions;*

**"RESOLVED THAT**, pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V to the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors (hereinafter referred to as "the Board"), the approval of the Members of the Company be and is hereby accorded for revision in salary and perquisites (hereinafter referred to as "remuneration") payable to Mr. Kunjbihari Shah (DIN 00622460), Managing Director of the Company as set out in the explanatory statement attached hereto with effect from September 01, 2020, for his existing remaining term until revised further with other terms and conditions remaining unchanged as per the agreement dated September 20, 2017 entered into between him and the Company and with the power to the Board of Directors to alter and modify the same, as per the provisions of the Act and in the best interest of the Company.

**RESOLVED FURTHER THAT**, subject to the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the Remuneration payable to Mr. Kunjbihari Shah (DIN 00622460) as set out in the explanatory statement attached hereto, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors (or any Committee thereof) be and is hereby authorized to undertake all acts, deeds and execute all documents and pass relevant resolutions for the purpose of giving effect to this resolution, including modification and amendment of any revisions, thereof and to enter into relevant agreement with the Director, as required, from time to time and to undertake all such steps, as may be deemed necessary in this matter.

**RESOLVED FURTHER THAT** the Executive Directors and the Company Secretary of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, Ahmedabad, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution."

5. **To revise Remuneration payable to Ms. Parul Shah (DIN 00378095), Whole-Time Director of the Company:**

*To consider and if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolutions;*

**“RESOLVED THAT**, pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V to the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors (hereinafter referred to as “the Board”), the approval of the Members of the Company be and is hereby accorded for revision in salary and perquisites (hereinafter referred to as “remuneration”) payable to Ms. Parul Shah (DIN 00378095), Whole-Time Director of the Company as set out in the explanatory statement attached hereto with effect from September 01, 2020, for her existing remaining term until revised further with other terms and conditions remaining unchanged as per the agreement dated September 20, 2017 entered into between her and the Company and with the power to the Board of Directors to alter and modify the same, as per the provisions of the Act and in the best interest of the Company.

**RESOLVED FURTHER THAT**, subject to the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the Remuneration payable to Ms. Parul Shah (DIN 00378095) as set out in the explanatory statement attached hereto, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors (or any Committee thereof) be and is hereby authorized to undertake all acts, deeds and execute all documents and pass relevant resolutions for the purpose of giving effect to this resolution, including modification and amendment of any revisions, thereof and to enter into relevant agreement with the Director, as required, from time to time and to undertake all such steps, as may be deemed necessary in this matter.

**RESOLVED FURTHER THAT** the Executive Directors and the Company Secretary of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, Ahmedabad, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution.”

6. **To revise Remuneration payable to Mr. Bhargav Mehta (DIN 03125599), Whole-Time Director of the Company:**

*To consider and if thought fit, to pass, with or without modification(s), the following resolutions as Special Resolutions;*

**“RESOLVED THAT**, pursuant to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013, and Schedule V to the Act read with Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 and other applicable rules, regulations issued by the Ministry of Corporate Affairs in this regard including any statutory amendments, modifications or re-enactment thereof and all other statutory approvals, as may be required and on recommendation of Nomination and Remuneration Committee and pursuant to approval of the Board of Directors (hereinafter referred to as “the Board”), the approval of the Members of the Company be and is hereby accorded for revision in salary and perquisites (hereinafter referred to as “remuneration”) payable to Mr. Bhargav Mehta (DIN 03125599), Whole-Time Director of the Company as set out in the explanatory statement attached hereto with effect from September 01, 2020, for his existing remaining term until revised further with other terms and conditions remaining unchanged as per the agreement dated September 29, 2017 entered into between him and the Company and with the power to the Board of Directors to alter and modify the same, as per the provisions of the Act and in the best interest of the Company.

**RESOLVED FURTHER THAT**, subject to the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the Remuneration payable to Mr. Bhargav Mehta (DIN 03125599) as set out in the explanatory statement attached hereto, in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Schedule V to the Companies Act, 2013.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors (or any Committee thereof) be and is hereby authorized to undertake all acts, deeds and execute all documents and pass relevant resolutions for the purpose of giving effect to this resolution, including modification and amendment of any revisions, thereof and to enter into relevant agreement with the Director, as required, from time to time and to undertake all such steps, as may be deemed necessary in this matter.

**RESOLVED FURTHER THAT** the Executive Directors and the Company Secretary of the Company, either jointly or severally be and are hereby authorized to file the said resolution with the Registrar of Companies, Ahmedabad, and to do all such acts, deeds and things as may be necessary, expedient and incidental thereto to give effect to the above resolution.”

7. **To increase the Authorised Share Capital of the Company and make consequent alteration in Clause V of the Memorandum of Association:**

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

**“RESOLVED THAT** pursuant to the provisions of Section 13, 61 and other applicable provisions, if any of the Companies Act, 2013 and rules framed thereunder (including any statutory modification(s) or re-enactment thereof for the time being in force), the approval of the Members of the Company be and is hereby accorded for increase in Authorised Share Capital of the Company from ₹7,50,00,000/- (Rupees Seven Crore Fifty Lakh only) divided into 7500000 (Seventy Five Lakh only) Equity Shares of ₹10/- (Rupees Ten Only) each, to ₹15,00,00,000/- (Rupees Fifteen Crore Only) divided into 15000000 (One crore Fifty Lakhs Only) Equity Shares of ₹ 10/- (Rupees Ten Only) each and that existing Clause V of the Memorandum of Association of the Company be replaced with following new Clause V:

“V. The Authorised Share Capital of the Company is ₹15,00,00,000/- (Rupees Fifteen Crore Only) divided into 15000000 (One crore Fifty Lakhs Only) Equity Shares of ₹ 10/- (Rupees Ten Only) each, ranking pari passu in all respect.”

**RESOLVED FURTHER THAT** for the purpose of giving effect to this resolution, the Board be and is hereby authorised to do all such acts, deeds, matters and things as they may in their absolute discretion deem necessary, proper or desirable and to settle any question, difficulty or doubt that may arise in this regard and to sign and execute all necessary documents, applications, returns and writings as may be necessary, proper, desirable or expedient, in the best interest of the Company.”

8. To consider and approve the issuance of Bonus Shares:

*To consider and if thought fit, to pass, with or without modification(s), the following resolutions as an Ordinary Resolutions;*

**“RESOLVED THAT** in accordance with Section 63 of the Companies Act, 2013 read with Rule 14 of the Companies (Share Capital and Debentures) Rules, 2014 (including any statutory modification(s) or re-enactment(s) thereof for the time being in force) and subject to all other applicable provisions, if any, of the Companies Act, 2013 read with applicable rules, circulars and notifications for the time being in force and subject to regulations/guidelines issued by the Securities and Exchange Board of India (SEBI) (as amended from time to time), including the Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, Reserve Bank of India (RBI) and on recommendation of the Board of Directors (hereinafter referred to as ‘the Board’) and subject to such approvals, consents, permissions and sanctions as may be necessary from appropriate authorities, consent and the approval of the Members of the Company be and is hereby accorded to the Board of Directors of the Company, for capitalization of ₹7,31,67,200/- (Rupees Seven Crore Thirty One Lakhs Sixty Seven Thousand Two Hundred Only) out of sum outstanding to the credit of the Securities Premium account as per the Audited Financial Statements of the Company, or such other amount as may be considered necessary by the Board for the purpose of issue of Bonus Shares of ₹ 10/- (Rupees Ten only) each, credited as fully paid-up to the existing holders of the Equity Shares of the Company, whose names appear on the Register of Members maintained by the Company/ List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) as on record date as determined by the Board, in the proportion of 1 (One) Bonus Equity Share of ₹ 10/- (Rupees Ten only) each, for every 1 (One) existing fully paid-up Equity Shares of ₹ 10/- (Rupees Ten only) each held by Member/ Beneficial Owner and that the Bonus Shares so distributed shall, for all purposes, be treated as an increase in the paid- up capital of the Company.

**RESOLVED FURTHER THAT** the Bonus Shares so allotted shall be subject to the Memorandum and the Articles of Association of the Company and shall rank pari-passu in all respects with the fully paid-up Equity Shares of the Company.

**RESOLVED FURTHER THAT** no letter of allotment shall be issued in respect of the Bonus Shares and in the case of Members who hold Equity Shares in dematerialized form, the Bonus Shares shall be credited to the respective beneficiary accounts of the Members, held with their respective Depository Participants and in the case of Members who hold Equity Shares in physical form, the Share Certificates in respect of the Bonus Shares shall be dispatched, within such time as prescribed by law and the relevant authorities.

**RESOLVED FURTHER THAT** the issue and allotment of the Bonus Shares to Non-Resident Indians, Foreign Institutional Investors (FIIs) & other foreign investors, shall be subject to the approval of the Reserve Bank of India and such other Regulatory authorities, as may be necessary.

**RESOLVED FURTHER THAT** the Board of Directors of the Company and/or a duly constituted Committee thereof, be and is hereby authorized to take necessary steps for listing of such Equity Shares on the Stock Exchanges where the securities of the Company are listed, as per the applicable guidelines, rules and regulations.

**RESOLVED FURTHER THAT** for the purpose of giving effect to this Resolution, the Board of Directors of the Company and/or a duly constituted Committee thereof, be and is hereby authorized to do all such acts, deeds, matters and things and to give such directions as may be necessary or expedient and to settle any question, difficulty or doubt that may arise in this regard as the Board in its absolute discretion may deem necessary or desirable and its decision shall be final and binding.”

**Registered office:**

U.G.F 4-5-6, Milestone Building, Nr. Khodiyar Restaurant,  
Nr. Drive-In Cinema, Thaltej, Ahmedabad - 380 054,  
Gujarat

By order of the Board of Directors  
For, ZODIAC ENERGY LIMITED

Place: Ahmedabad

Date: September 01, 2020

Kunjibhari Shah  
Managing Director  
DIN 00622460

#### **IMPORTANT NOTES**

1. In view of the continuing Covid-19 pandemic, social distancing is a norm to be followed, the Government of India, Ministry of Corporate Affairs allowed conducting Annual General Meeting through Video Conferencing (VC) or Other Audio-Visual Means (OAVM) and dispensed the personal presence of the members at the meeting. Accordingly, the Ministry of Corporate Affairs issued Circular No. 14/2020 dated April 8, 2020, Circular No. 17/2020 dated April 13, 2020, Circular No. 20/2020 dated May 5, 2020 and Circular No. 22/2020 dated June 15, 2020 prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 28<sup>th</sup> Annual General Meeting (AGM) of the members will be held through VC/OAVM. Hence, members can attend and participate in the AGM through VC/OAVM only. The detailed procedure for participation in the meeting through VC/OAVM is as per note no. 13 and available at the Company's website [www.zodiacenergy.com](http://www.zodiacenergy.com). The deemed venue for the AGM shall be the Registered Office of the Company.
2. Information regarding appointment/re-appointment of Director(s) and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard II is annexed hereto.
3. Though, pursuant to the provisions of the Act, a Member is entitled to attend and vote at the AGM is entitled to appoint a proxy to attend and vote on his/her behalf, since this AGM is being held pursuant to the Circular No. 14/2020 dated April 8, 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 and hence the Proxy Form and Attendance Slip are not annexed to this Notice.
4. Institutional/Corporate Shareholders (i.e. other than individuals/HUF, NRI, etc.) are required to send a scanned copy (PDF/JPEG Format) of its Board Resolution or governing body Resolution/Authorization etc., authorizing its representative to attend the Annual General Meeting through VC/OAVM on its behalf and to vote through remote e-voting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through their registered email address to [krishivadvisory@gmail.com](mailto:krishivadvisory@gmail.com) with copies marked to the Company at [cs@zodiacenergy.com](mailto:cs@zodiacenergy.com) and to National Securities Depository Limited (NSDL) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
5. 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.
6. Since the AGM will be held through VC/OAVM, the route map of the venue of the Meeting is not annexed hereto.
7. In line with the aforesaid Ministry of Corporate Affairs (MCA) Circulars and SEBI Circular dated May 12, 2020, the Notice of AGM along with Annual Report 2019-20 is being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories. Member may note that Notice and Annual Report 2019-20 has been uploaded on the website of the Company at [www.zodiacenergy.com](http://www.zodiacenergy.com). The Notice can also be accessed from the websites of the Stock Exchange i.e. National Stock Exchange of India Limited at [www.nseindia.com](http://www.nseindia.com) and the AGM Notice is also available on the website of NSDL i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
8. Those shareholders who have not yet registered their e-mail address are requested to get their e-mail addresses submitted, by following the procedure given below:
  - (a) In case shares are held in physical mode, please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) by email to [cs@zodiacenergy.com](mailto:cs@zodiacenergy.com).
  - (b) In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self-attested scanned copy of PAN card), AADHAR (self-attested scanned copy of Aadhar Card) to [cs@zodiacenergy.com](mailto:cs@zodiacenergy.com).
  - (c) Alternatively, member may send an e-mail request to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) for obtaining User ID and Password by proving the details mentioned in Point (a) or (b) as the case may be.
  - (d) It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants and in respect of physical holdings with the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited, having its office at C 101, 247 Park, LBS Rd, Surya Nagar, Gandhi Nagar, Vikhroli West, Mumbai, Maharashtra 400 083, India, by following the due procedure.
  - (e) Those shareholders who have already registered their e-mail address are requested to keep their e-mail addresses validated with their depository participants / the Company's Registrar and Share Transfer Agent, Link Intime India Private Limited to enable servicing of notices / documents / annual Reports electronically to their e-mail address.
9. It is clarified that for permanent submission of e-mail address, the shareholders are however requested to register their email address, in respect of electronic holdings with the depository through the concerned depository participants, by following the due procedure.
10. Members seeking any information with regard to the accounts or any matter to be placed at the AGM or who would like to ask questions or registered themselves as Speaker, are requested to write to the Company mentioning their name demat account number/folio number, email id, mobile number at [cs@zodiacenergy.com](mailto:cs@zodiacenergy.com) on or before September 20, 2020 so as to enable the management to keep the information ready. The Company reserves the right to restrict the number of speakers depending on the availability of time for the AGM.
11. Members holding the shares in dematerialized form are requested to notify immediately, the information regarding change of address and bank particulars to their respective Depository Participant.
12. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Companies Act, 2013 and all other documents referred to in the Notice will be available for inspection in electronic mode.

### 13. PROCESS AND MANNER FOR MEMBERS OPTING FOR VOTING THROUGH ELECTRONIC MEANS AND PARTICIPATING AT THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:

- Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 8, 2020, April 13, 2020, May 5, 2020 and SEBI Circular dated May 12, 2020, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with NSDL, as the Authorised e-voting agency for facilitating voting through electronic means. The facility of casting votes by a member using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.
- The Register of Members and Share Transfer Books of the Company will be closed from Tuesday, September 22, 2020 to Monday, September 28, 2020 (both days inclusive) and same will be re-opened from Tuesday, September 29, 2020 onwards. Members whose names are recorded in the Register of Members or in the Register of Beneficial Owners maintained by the Depositories as on the Cut-off date i.e. Monday, September 21, 2020, shall be entitled to avail the facility of remote e-voting as well as e-voting system on the date of the AGM. Any recipient of the Notice, who has no voting rights as on the Cut-off date, shall treat this Notice as intimation only.
- A person who has acquired the shares and has become a member of the Company after the dispatch of the Notice of the AGM and prior to the Cut-off date i.e. Monday, September 21, 2020, shall be entitled to exercise his/her vote either electronically i.e. remote e-voting or e-voting system on the date of the AGM by following the procedure mentioned in this part.
- The remote e-voting will commence on 9:00 A.M. on Friday, September 25, 2020 and will end on 5:00 P.M. on Sunday, September 27, 2020. During this period, the members of the Company holding shares as on the Cut-off date i.e. Friday, September 21, 2020 may cast their vote electronically. The members will not be able to cast their vote electronically beyond the date and time mentioned above and the remote e-voting module shall be disabled for voting by NSDL thereafter.
- Once the vote on a resolution is cast by the member, he/she shall not be allowed to change it subsequently or cast the vote again.
- The voting rights of the members shall be in proportion to their share in the paid-up equity share capital of the Company as on the Cut-off date i.e. Monday, September 21, 2020.
- The Company has appointed CS Anand S Lavingia, Practicing Company Secretary (Membership No. ACS: 26458; CP No: 11410), to act as the Scrutinizer for conducting the remote e-voting process as well as the e-voting system on the date of the AGM, in a fair and transparent manner.

### INSTRUCTIONS FOR CASTING VOTES BY REMOTE E-VOTING

The remote e-voting period begins on 9:00 A.M. on Friday, September 25, 2020 and will end on 5:00 P.M. on Sunday, September 27, 2020. The remote e-voting module shall be disabled by NSDL for voting thereafter.

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

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

**Step 1. Log-in to NSDL e-Voting system at [www.evoting.nsdl.com](http://www.evoting.nsdl.com).**

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

**Details on Step 1 is mentioned below:**

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

- Visit the e-Voting website of NSDL. Open web browser by typing the following URL: [www.evoting.nsdl.com](http://www.evoting.nsdl.com) either on a Personal Computer or on a mobile.
- Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholders' section.
- 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 e services 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.
- 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***

- Your password details are given below:

- a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.
- b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the 'initial password' which was communicated to you. Once you retrieve your 'initial password', you need to enter the 'initial password' and the system will force you to change your password.
- c) How to retrieve your 'initial password'?
  - (i) If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.
  - (ii) If your email ID is not registered, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) or at [cs@zodiacenergy.com](mailto:cs@zodiacenergy.com) mentioning your demat account number/folio number, your PAN, your name and your registered 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](http://www.evoting.nsdl.com).
  - b) Physical User Reset Password? (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).
  - c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address.
7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.
8. Now, you will have to click on "Login" button.
9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see the Home page of e-Voting. Click on e-Voting. Then, click on Active Voting Cycles.
2. After click on Active Voting Cycles, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle is in active status.
3. Select "EVEN" of company for which you wish to cast your vote.
4. Now you are ready for e-Voting as the Voting page opens.
5. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.
6. Upon confirmation, the message "Vote cast successfully" will be displayed.
7. You can also take the print out of the votes cast by you by clicking on the print option on the confirmation page.
8. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

**General Guidelines for shareholders**

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory (ies) who are authorized to vote, to the Scrutinizer by e-mail to [krishivadvisory@gmail.com](mailto:krishivadvisory@gmail.com) with copies marked to the Company at [cs@zodiacenergy.com](mailto:cs@zodiacenergy.com) and to National Securities Depository Limited (NSDL) at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).
2. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password" or "Physical User Reset Password" option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com) to reset the password.

In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of [www.evoting.nsdl.com](http://www.evoting.nsdl.com) or call on toll free no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

**INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO VOTE DURING THE ANNUAL GENERAL MEETING:**

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.

**CONTACT DETAILS**

<b>Company</b>	<b>ZODIAC ENERGY LIMITED</b> U.G.F-4,5,6, Milestone Building, Near Khodiyar Restaurant, Near Drive In Cinema, Thaltej Ahmedabad-380 054 <b>Tel No.</b> +91-079 2747 1193; <b>Email:</b> cs@zodiacenergy.com; <b>Web:</b> www.zodiacenergy.com
<b>Registrar and Transfer Agent</b>	<b>Link Intime India Private Limited</b> 5th Floor, 506 TO 508, Amarnath Business Centre - 1 ( ABC-1), Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off C G Road, Ellisbridge, Ahmedabad - 380006, Gujarat, India <b>Tel No.:</b> +91 79 26465179/86; <b>Fax:</b> +91 79 26465179 <b>Email:</b> ahmedabad@linkintime.co.in; <b>Web:</b> www.linkintime.co.in
<b>e-Voting Agency&amp; VC / OAVM</b>	<b>Email:</b> evoting@nsdl.co.in NSDL help desk 1800-222-990
<b>Scrutinizer</b>	<b>Mr. Anand S Lavingia</b> <b>Email:</b> krishivadvisory@gmail.com; <b>Tel No.:</b> +91 79 - 4005 1702

**INSTRUCTIONS FOR SHAREHOLDERS/MEMBERS TO ATTEND THE ANNUAL GENERAL MEETING THROUGH VC/OAVM:**

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@zodiacenergy.com. The same will be replied by the company suitably.

## EXPLANATORY STATEMENT

(Pursuant to Section 102 (1) of the Companies Act 2013 and Secretarial Standard 2 on General Meetings)

### Item No. 3:

#### To Appoint Mr. Jaxay Shah (DIN: 00468436) as a Non-Executive Director of the company: ORDINARY RESOLUTIONS

Mr. Jaxay Shah (DIN 00468436) was appointed as an Additional (Non-Executive) Director in accordance with the provisions of Section 161 of the Companies Act, 2013 by the Board of Directors at its Board Meeting held on March 11, 2020. Pursuant to the provisions of Section 161 of the Companies Act, 2013, Mr. Jaxay Shah (DIN 00468436) will hold office up to the date of the ensuing AGM. The Company has received notice in writing under the provisions of Section 160 of the Companies Act, 2013, from a member proposing the candidature of Mr. Jaxay Shah (DIN 00468436) for the office of Non-Executive Director of the Company and to be appointed as such under the provisions of Section 152 of the Companies Act, 2013.

The Nomination and Remuneration Committee and the Board of Directors has, at their respective meetings held on March 11, 2020, considered and recommended the appointment of Mr. Jaxay Shah (DIN 00468436) as a Non-Executive Director of the Company liable to retire by rotation. In the opinion of Nomination and Remuneration Committee and the Board, Mr. Jaxay Shah (DIN 00468436), the Non-Executive Director proposed to be appointed, fulfills the conditions specified in the Companies Act, 2013 and the Rules made thereunder.

Mr. Jaxay Shah (DIN 00468436) is having Experience of more than a decade. He is National Chairman of CREDAI (Confederation of Real Estate Developer's Associations of India), Chairman of ASSOCHAM Gujarat Council and Managing Director of Savvy Group and Promoter of Kensville Golf Club and Savvy Swaraj Sports Living township and MD of Savvy Group.

The Company has received from Mr. Jaxay Shah (DIN 00468436) (i) consent in writing to act as director in Form DIR 2 pursuant to Rule 8 of Companies (Appointment & Qualification of Directors) Rules 2014, (ii) intimation in Form DIR 8 in terms of Companies (Appointment & Qualification of Directors) Rules, 2014, to the effect that he is not disqualified under Sub-section (2) of Section 164 of the Companies Act, 2013.

The resolution seeking the approval of members for the appointment of Mr. Jaxay Shah (DIN 00468436) as Non-Executive Director of the Company applicable provisions of the Companies Act, 2013 and the Rules made thereunder is proposed by the Board of Directors. Further, he will be liable to retire by rotation.

The Board recommends the matter and the resolution set out under Item No. 3 for the approval of the Members by way of passing Ordinary Resolutions.

Except Mr. Jaxay Shah (DIN 00468436) himself and his relatives to the extent their shareholding in the Company, none of the Directors or Key Managerial Personnel and their immediate relatives are concerned or interested, financially or otherwise, except to their shareholding, in the aforesaid resolution.

### Item No. 4:

#### To revise Remuneration payable to Mr. Kunjbihari Shah (DIN 00622460), Managing Director of the Company: SPECIAL RESOLUTIONS

Mr. Kunjbihari Shah (DIN 00622460) is acting as Director of the Company since June 22, 1992. Later on, the Board of Directors of the Company, in their Meeting held on September 08, 2017, had appointed Mr. Kunjbihari Shah (DIN 00622460) as Managing Director of the Company for a period of 5 years w.e.f. September 08, 2017. The terms and conditions of appointment and remuneration of Mr. Kunjbihari Shah (DIN 00622460) as Managing Director of the Company was also approved by the Members of the Company in their Extra-ordinary General Meeting held on September 15, 2017.

The Company has entered in to an Agreement on September 20, 2017 with Mr. Kunjbihari Shah (DIN 00622460) which specify the terms and conditions of appointment and remuneration of Mr. Kunjbihari Shah (DIN 00622460) as Managing Director of the Company. The said agreement is available on the website of the Company - [www.zodiacenergy.com](http://www.zodiacenergy.com).

However, looking to the contributions made by Mr. Kunjbihari Shah (DIN 00622460) which helped the Company to grow at faster rate than past, and on the recommendation of the Nomination and Remuneration Committee of the Company, the Board, in its meeting held on September 01, 2020 has considered the revision in salary and perquisites (hereinafter referred to as "remuneration") payable to Mr. Kunjbihari Shah (DIN 00622460), Managing Director of the Company as set out in this explanatory statement with effect from September 01, 2020, subject to the approval of the Shareholders. The other terms and conditions of his appointment, as approved by the Shareholders vide their resolution dated September 15, 2017 and agreed between the Company and Mr. Kunjbihari Shah (DIN 00622460) shall remain unchanged.

The Nomination and Remuneration Committee has noted that the Company has not made any default in repayment of its dues to Banks or Financial Institutions.

Further, as per the provisions of Section 197 the Companies Act, 2013 as amended from time and time, the minimum Remuneration payable to Mr. Kunjbihari Shah (DIN 00622460), in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Schedule V to the Companies Act, 2013 or any other applicable limits, as provided by the Central Government in this regard, from time to time.

Pursuant to Sections 196, 197, 198 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to Mr. Kunjbihari Shah (DIN 00622460) is now being submitted to the Members for their approval by way of Special Resolution.

The relevant disclosures in terms of Schedule V to the Companies Act, 2013 is given hereunder;

**General Information:**

**Nature of Industry:** The Company is primarily engaged in installation of Power Generation Plant/Items.

**Date or expected date of commencement of commercial production:** The Commercial Production has been commenced since incorporation of the Company.

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

**Financial performance based on given indicators:**

(Amount in Lakhs)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Revenue from Operations	6818.31	6328.00
Other Income	31.01	14.25
Total Income	6849.32	6342.25
Less: Total Expenses before Depreciation, Finance Cost and Tax	6337.53	5850.87
Profit before Depreciation, Finance Cost and Tax	511.79	491.38
Less: Depreciation	10.69	11.28
Less: Finance Cost	73.85	27.86
Profit Before Tax	427.25	452.24
Less: Current Tax	125.10	140.85
Less: Deferred tax Liability	(0.81)	(2.82)
Less: Pervious year tax adjustment	2.85	4.10
Profit after Tax	300.11	310.11

**Foreign investments or collaborations, if any:** No collaborations have been made by the Company with any of foreign entity. Further, as at March 31, 2020, total holding of NRI Shareholders was 12000 Equity Shares.

**Information about the appointee:**

**Background Details:** Mr. Kunjbihari Shah (DIN 00622460) holds degree of Bachelor of Engineering (Mechanical Branch) from the L.D Engineering College, Ahmedabad affiliated with Gujarat University. He was appointed as Director of the Company on June 22, 1992. He is having more than 25 years of experience in field of energy with specialization in captive and co-generation power plants. He has worked extensively in the designing, engineering and construction of captive power plants of more than 100 MW, large scale solar power plants and energy efficiency measurements. Nonetheless he is also working in solar energy spectrum since 2009 in land selection, design, supply, installation, commissioning and O&M of large and small ground and roof mounted solar power plants and other form of renewable energy. He was designated as Managing Director of the Company on September 08, 2017 for a period of 5 years.

**Past Remuneration:** In the financial year 2019-20, Mr. Kunjbihari Shah (DIN 00622460) was paid total remuneration and perquisite of ₹ 24.00 Lakh as Managing Director.

**Recognition or awards:** Nil.

**Job Profile and his suitability:** Mr. Kunjbihari Shah (DIN 00622460) is responsible for the expansion and overall management of the business of the Company. His experience and knowledge have helped the Company to great extent.

**Revised Terms and conditions of Remuneration: -**

- Basic Salary up to ₹ 4,00,000/- per month for the existing remaining term w.e.f. September 01, 2020;
- Mr. Kunjbihari Shah (DIN 00622460) will be paid perquisites and allowances like HRA, medical reimbursement, travelling allowances, club fees and other payments in the nature of perquisites and allowances as agreed by the Board of Directors, subject to overall ceiling of remuneration stipulated in sections 2(78) and 197 read with Schedule V to the Act.

**Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Mr. Kunjbihari Shah (DIN 00622460), the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

**Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Mr. Kunjbihari Shah (DIN 00622460) has pecuniary relationship to the extent he is Promoter - Director - Shareholder of the Company. He is also husband of Ms. Parul Shah (DIN: 00378095), Whole-Time Director of the Company.

In compliance with the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of revised remuneration specified above are now being submitted to the Members for their approval. Further, remuneration proposed above shall be valid for the existing remaining term of Mr. Kunjbihari Shah (DIN 00622460) until revised further with other terms and conditions remaining unchanged as per the agreement dated September 20, 2017 entered into between him and the Company.

The Board of Directors is of the view that the revision in Remuneration payable to Mr. Kunjbihari Shah (DIN 00622460) for the existing remaining term as Managing Director will be beneficial to the operations of the Company and the same is commensurate with his abilities and experience and accordingly recommends the Special Resolution at Item No. 4 of the accompanying Notice for approval by the Members of the Company.

Except Mr. Kunjbihari Shah (DIN 00622460) himself and Ms. Parul Shah (DIN: 00378095) and their relatives to the extent of their shareholding in the Company, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

The statement of additional information required to be disclosed as per Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard II issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

**Item No. 5:**

**To revise Remuneration payable to Ms. Parul Shah (DIN 00378095), Whole-Time Director of the Company: SPECIAL RESOLUTIONS**

Ms. Parul Shah (DIN 00378095) is acting as Director of the Company since April 01, 1998. Later on, the Board of Directors of the Company, in their Meeting held on September 08, 2017, had appointed Ms. Parul Shah (DIN 00378095) as Whole-Time Director of the Company for a period of 5 years w.e.f. September 08, 2017. The terms and conditions of appointment and remuneration of Ms. Parul Shah (DIN 00378095) as Whole-Time Director of the Company was also approved by the Members of the Company in their Extraordinary General Meeting held on September 15, 2017.

The Company has entered in to an Agreement on September 20, 2017 with Ms. Parul Shah (DIN 00378095) which specifies the terms and conditions of appointment and remuneration of Ms. Parul Shah (DIN 00378095) as Whole-Time Director of the Company. The said agreement is available on the website of the Company - [www.zodienergy.com](http://www.zodienergy.com).

However, looking to the contributions made by Ms. Parul Shah (DIN 00378095) which helped the Company to grow at faster rate than past, and on the recommendation of the Nomination and Remuneration Committee of the Company, the Board, in its meeting held on September 01, 2020 has considered the revision in salary and perquisites (hereinafter referred to as "remuneration") payable to Ms. Parul Shah (DIN 00378095), Whole-Time Director of the Company as set out in this explanatory statement with effect from September 01, 2020, subject to the approval of the Shareholders. The other terms and conditions of his appointment, as approved by the Shareholders vide their resolution dated September 15, 2017 and agreed between the Company and Ms. Parul Shah (DIN 00378095) shall remain unchanged.

The Nomination and Remuneration Committee has noted that the Company has not made any default in repayment of its dues to Banks or Financial Institutions.

Further, as per the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the minimum Remuneration payable to Ms. Parul Shah (DIN 00378095), in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Schedule V to the Companies Act, 2013 or any other applicable limits, as provided by the Central Government in this regard, from time to time.

Pursuant to Sections 196, 197, 198 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to Ms. Parul Shah (DIN 00378095) is now being submitted to the Members for their approval by way of Special Resolution.

**The relevant disclosures in terms of Schedule V to the Companies Act, 2013 is given hereunder;**

**Nature of Industry:** The Company is primarily engaged in installation of Power Generation Plant/Items.

**Date or expected date of commencement of commercial production:** The Commercial Production has been commenced since incorporation of the Company.

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

**Financial performance based on given indicators:**
**(Amount in Lakhs)**

Particulars	F.Y. 2019-20	F.Y. 2018-19
Revenue from Operations	6818.31	6328.00
Other Income	31.01	14.25
Total Income	6849.32	6342.25
Less: Total Expenses before Depreciation, Finance Cost and Tax	6337.53	5850.87
Profit before Depreciation, Finance Cost and Tax	511.79	491.38
Less: Depreciation	10.69	11.28
Less: Finance Cost	73.85	27.86
Profit Before Tax	427.25	452.24
Less: Current Tax	125.10	140.85
Less: Deferred tax Liability	(0.81)	(2.82)
Less: Pervious year tax adjustment	2.85	4.10
Profit after Tax	300.11	310.11

**Foreign investments or collaborations, if any:** No collaborations have been made by the Company with any of foreign entity. Further, as at March 31, 2020, total holding of NRI Shareholders was 12000 Equity Shares.

**Information about the appointee:**

**Background Details:** Ms. Parul Shah (DIN 00378095) is the Whole Time Director of our Company. She holds Bachelor of Commerce from Sahjanand Arts & Commerce College affiliated from Gujarat University. She was appointed as Director of the Company on April 01, 1998. She has 20 years of experience in field of general administration and management of the business. Presently, she is looking after the general administration and Human Resource department of the Company.

**Past Remuneration:** In the financial year 2019-20, Ms. Parul Shah (DIN 00378095) was paid total remuneration and perquisite of ₹ 18.00 Lakh as Whole-Time Director.

**Recognition or awards:** Nil.

**Job Profile and his suitability:** Ms. Parul Shah (DIN 00378095) is responsible to look after the administration and Human Resource function of our Company.

**Revised Terms and conditions of Remuneration: -**

- Basic Salary up to ₹ 2,00,000/- per month for the existing remaining term w.e.f. September 01, 2020;
- Ms. Parul Shah (DIN 00378095) will be paid perquisites and allowances like HRA, medical reimbursement, travelling allowances, club fees and other payments in the nature of perquisites and allowances as agreed by the Board of Directors, subject to overall ceiling of remuneration stipulated in sections 2(78) and 197 read with Schedule V to the Act.

**Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Ms. Parul Shah (DIN 00378095), the responsibilities shouldered by her and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

**Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Ms. Parul Shah (DIN 00378095) has pecuniary relationship to the extent she is Director - Shareholder of the Company. She is also wife of Mr. Kunjbihari Shah (DIN: 00622460), Managing Director of the Company.

In compliance with the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of revised remuneration specified above are now being submitted to the Members for their approval. Further, remuneration proposed above shall be valid for the existing remaining term of Mr. Santosh Kataria (DIN 02855068) until revised

further with other terms and conditions remaining unchanged as per the agreement dated September 20, 2017 entered into between her and the Company.

The Board of Directors is of the view that the revision in Remuneration payable to Ms. Parul Shah (DIN 00378095) for the existing remaining term as Whole-Time Director will be beneficial to the operations of the Company and the same is commensurate with her abilities and experience and accordingly recommends the Special Resolution at Item No. 5 of the accompanying Notice for approval by the Members of the Company.

Except Ms. Parul Shah (DIN 00378095) herself and Mr. Kunjbihari Shah and their relatives to the extent of their shareholding in the Company, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

The statement of additional information required to be disclosed as per Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard II issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

**Item No. 6:**

**To revise Remuneration payable to Mr. Bhargav Mehta (DIN 03125599), Whole-Time Director of the Company: SPECIAL RESOLUTIONS**

Mr. Bhargav Mehta was appointed by the Board of Directors of the Company, in their Meeting held on September 26, 2017 as Whole-Time Director of the Company for a period of 5 years w.e.f. September 26, 2017. The terms and conditions of appointment and remuneration of Mr. Bhargav Mehta (DIN 03125599) as Whole-Time Director of the Company was also approved by the Members of the Company in their Extra-ordinary General Meeting held on September 29, 2017.

The Company has entered in to an Agreement on September 29, 2017 with Mr. Bhargav Mehta (DIN 03125599) which specifies the terms and conditions of appointment and remuneration of Mr. Bhargav Mehta (DIN 03125599) as Whole-Time Director of the Company. The said agreement is available on the website of the Company - [www.zodiaccenergy.com](http://www.zodiaccenergy.com).

However, looking to the contributions made by Mr. Bhargav Mehta (DIN 03125599) which helped the Company to grow at faster rate than past, and on the recommendation of the Nomination and Remuneration Committee of the Company, the Board, in its meeting held on September 01, 2020 has considered the revision in salary and perquisites (hereinafter referred to as "remuneration") payable to Mr. Bhargav Mehta (DIN 03125599), Whole-Time Director of the Company as set out in this explanatory statement with effect from September 01, 2020, subject to the approval of the Shareholders. The other terms and conditions of his appointment, as approved by the Shareholders vide their resolution dated September 29, 2017 and agreed between the Company and Mr. Bhargav Mehta (DIN 03125599) shall remain unchanged.

The Nomination and Remuneration Committee has noted that the Company has not made any default in repayment of its dues to Banks or Financial Institutions.

Further, as per the provisions of Section 197 the Companies Act, 2013 as amended from time to time, the minimum Remuneration payable to Mr. Bhargav Mehta (DIN 03125599), in the event of loss or inadequacy of profit in any Financial Year, shall be as per the limit set out in Section II of Part II of Schedule V to the Companies Act, 2013 or any other applicable limits, as provided by the Central Government in this regard, from time to time.

Pursuant to Sections 196, 197, 198 and all other applicable provisions of the Act and the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (including any statutory modification(s) or re-enactment thereof for the time being in force), the remuneration payable to Mr. Bhargav Mehta (DIN 03125599) is now being submitted to the Members for their approval by way of Special Resolution.

**The relevant disclosures in terms of Schedule V to the Companies Act, 2013 is given hereunder;**

**Nature of Industry:** The Company is primarily engaged in installation of Power Generation Plant/Items.

**Date or expected date of commencement of commercial production:** The Commercial Production has been commenced since incorporation of the Company.

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

**Financial performance based on given indicators:**

(Amount in Lakhs)

Particulars	F.Y. 2019-20	F.Y. 2018-19
Revenue from Operations	6818.31	6328.00
Other Income	31.01	14.25
Total Income	6849.32	6342.25
Less: Total Expenses before Depreciation, Finance Cost and Tax	6337.53	5850.87
Profit before Depreciation, Finance Cost and Tax	511.79	491.38
Less: Depreciation	10.69	11.28
Less: Finance Cost	73.85	27.86
Profit Before Tax	427.25	452.24
Less: Current Tax	125.10	140.85
Less: Deferred tax Liability	(0.81)	(2.82)
Less: Pervious year tax adjustment	2.85	4.10
Profit after Tax	300.11	310.11

**Foreign investments or collaborations, if any:** No collaborations have been made by the Company with any of foreign entity. Further, as at March 31, 2020, total holding of NRI Shareholders was 12000 Equity Shares.

**Information about the appointee:**

**Background Details:** Mr. Bhargav Mehta (DIN 03125599) is the Whole Time Director of our Company. He holds Bachelor of Technology in Chemical Engineering from the Madras University. He has served as Managing Director of Hindustan Fluorocarbons Limited, a Government of India enterprise and also served as advisor of Essar Group for new business initiative, especially solar PV energy. He has served as Director of Business Development (India) for Sun-Edison Group USA and he is one of the pioneers of solar PV industry in India and instrumental in setting Solar PV power plants of nearly 100 MW across the country. He is having more than 40 years of experience in field of Renewable Energy, Chemical and Petrochemical Sector with public and private sector enterprises.

**Past Remuneration:** In the financial year 2019-20, Mr. Bhargav Mehta (DIN 03125599) was paid total remuneration and perquisite of ₹ 3.60 Lakh as Whole-Time Director.

**Recognition or awards:** Nil.

**Job Profile and his suitability:** Mr. Bhargav Mehta (DIN 03125599) is responsible for the expansion and overall management of the business of the Company. His experience and knowledge have helped the Company to great extent.

**Revised Terms and conditions of Remuneration: -**

- I. Basic Salary up to ₹ 1,00,000/- per month for the existing remaining term w.e.f. September 01, 2020;
- II. Mr. Bhargav Mehta (DIN 03125599) will be paid perquisites and allowances like HRA, medical reimbursement, travelling allowances, club fees and other payments in the nature of perquisites and allowances as agreed by the Board of Directors, subject to overall ceiling of remuneration stipulated in sections 2(78) and 197 read with Schedule V to the Act.

**Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be with respect to the country of his origin):**

Taking into consideration the size of the Company, the profile of Mr. Bhargav Mehta (DIN 03125599), the responsibilities shouldered by him and the industry benchmarks, the remuneration proposed to be paid is commensurate with the remuneration packages paid to similar senior level incumbents, in other companies.

**Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any.**

Mr. Bhargav Mehta (DIN 03125599) has pecuniary relationship to the extent he is Director of the Company.

In compliance with the provisions of Sections 196, 197, 198 and other applicable provisions of the Act, read with Schedule V to the Act, the terms of revised remuneration specified above are now being submitted to the Members for their approval. Further, remuneration proposed above shall be valid for the existing remaining term of Mr. Bhargav Mehta (DIN 03125599) until revised further with other terms and conditions remaining unchanged as per the agreement dated September 29, 2017 entered into between him and the Company.

The Board of Directors is of the view that the revision in Remuneration payable to Mr. Bhargav Mehta (DIN 03125599) for the existing remaining term as Whole-Time Director will be beneficial to the operations of the Company and the same is commensurate with his abilities and experience and accordingly recommends the Special Resolution at Item No. 6 of the accompanying Notice for approval by the Members of the Company.

Except Mr. Bhargav Mehta (DIN 03125599) himself, none of the Directors or Key Managerial Personnel of the Company including their relatives is interested or concerned in the Resolution.

The statement of additional information required to be disclosed as per Regulation 36(3) of SEBI (LODR) Regulations, 2015 and Secretarial Standard II issued by ICSI is attached at the end of this Explanatory Statement and must be read as the part of this Notice.

**Item No:7**

**To increase the Authorized Share Capital of the Company and make consequent alteration in Clause V of the Memorandum of Association: SPECIAL RESOLUTIONS**

In order to broad base capital structure of the Company and to enable the Company to issue further shares, it is proposed to increase the authorized share capital of the Company from ₹7,50,00,000/- (Rupees Seven Crore Fifty Lakh only) divided into 7500000 (Seventy-Five Lakh only) Equity Shares of ₹10/- (Rupees Ten Only) each, to ₹15,00,00,000/- (Rupees Fifteen Crore Only) divided into 15000000 (One crore Fifty Lakhs Only) Equity Shares of ₹10/- (Rupees Ten Only), by way of creation of an additional 7500000 (Seventy-Five Lakh only) Equity Shares of ₹10/- (Rupees Ten only) each, ranking *pari passu* in all respect with existing equity shares of the company, aggregating to ₹7,50,00,000/- (Rupees Seven Crore Fifty Lakh only).

As a consequence of increase of authorized share capital of the Company, the existing authorized share capital clause (Clause V) in the Memorandum of Association of the Company is required to be altered accordingly. The proposed increase of authorized share capital requires the approval of members of the Company in general meeting under Sections 13, 61, 64 and other applicable provisions of the Companies Act, 2013, as well as any other applicable statutory and regulatory approvals.

The Draft amended Memorandum of Association has been placed on the website of the Company - [www.zodiacenergy.com](http://www.zodiacenergy.com) for Members' Inspection.

Therefore, the Board recommends the resolution hereof for approval of the shareholders as Special Resolution.

None of the directors or any key managerial personnel or any relative of any of the directors/key managerial personnel of the Company is, in anyway, concerned or interested in the above Resolution except to the extent of their shareholding in the Company.

**Item:8****To consider and approve the issuance of Bonus Shares: ORDINARY RESOLUTIONS**

With a view to capitalize the Security Premium Account and to rationalize the capital structure, Board of Directors in its meeting held on Tuesday, September 01, 2020 have proposed to issue bonus shares at the ratio of 1:1 (i.e. one bonus equity share of ₹ 10/- for every one fully paid up equity shares of ₹ 10/- each held) to the shareholders as on the record date as may be decided by the Board of Directors after approval of Shareholders in the ensuing Annual General Meeting.

This bonus allotment will rationalize the paid-up capital of the company with the funds employed in the company.

The fully paid-up Bonus Shares shall be distributed to the Members of your Company, whose names appear on the Register of Members maintained by the Company/ List of Beneficial Owners as received from the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) on the Record Date as determined by the Board of Directors of the Company. The Bonus Shares so allotted shall rank pari-passu in all respects with the fully paid-up equity shares of the Company as existing on the Record Date.

The existing issued, subscribed and paid-up Share Capital of the Company shall be increased after capitalization of ₹7,31,67,200/- (Rupees Seven Crore Thirty One Lakhs Sixty Seven Thousand Two Hundred Only) out of sum outstanding to credit balance of securities premium account as per the audited accounts of the company for the financial year ended 31<sup>st</sup> March, 2020.

The Paid-Up Equity Share Capital after Bonus Issue will be ₹14,63,34,400/- (Rupees Fourteen Crore Sixty-Three Lakhs Thirty-Four Thousand Four Hundred Only) divided into 14633440 (One Crore Forty-Six Lakh Thirty-Three Thousand Four Hundred Forty Only) Equity Shares of ₹ 10/- (Rupees Ten Only) each.

As per the provisions of Sections 63 of the Companies Act, 2013, approval of the shareholders is required to be accorded for issuance of Bonus Shares to the members of the Company by way of passing Ordinary Resolutions.

The Board recommends the matter and the resolution set out under Item No. 8 for the approval of the Members by way of passing Ordinary Resolutions.

None of the Promoter(s), Director(s), Manager(s) and Key Managerial Personnel(s) and their relative(s) is/are, in any way, concerned or interested in the said resolution, except to the extent of their equity shareholdings held by them in the Company.

**Registered office:**

U.G.F 4-5-6, Milestone Building, Nr. Khodiyar Restaurant,  
Nr. Drive-In Cinema, Thaltej, Ahmedabad - 380 054,  
Gujarat

By order of the Board of Directors

For, ZODIAC ENERGY LIMITED

**Place:** Ahmedabad

**Date:** September 01, 2020

**Kunjbihari Shah**  
**Managing Director**  
**DIN 00622460**

### Annexures to Notice of 28<sup>th</sup> Annual General Meeting

Disclosure under Regulation 36 (3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standards-II issued by ICSI for Item No. 2, 3, 4,5 and 6:

Name	Mr. Jaxay Shah	Mr. Kunjbihari Shah	Ms. Parul Shah	Mr. Bhargav Mehta
Date of Birth	September 04, 1968	May 14, 1967	April 11, 1971	July 10, 1949
Qualification	Bachelor of Engineering Civil	Bachelor of Engineering (Mechanical Branch)	Bachelor of Commerce	Bachelor of Technology in Chemical Engineering
Experience - Expertise in specific functional areas - Job profile and suitability	He is having Experience of more than a decade. He is National Chairman of CREDAI (Confederation of Real Estate Developer's Associations of India), Chairman of ASSOCHAM Gujarat Council and Managing Director of Savvy Group and Promoter of Kensville Golf Club and Savvy Swaraj Sports Living township and MO of Savvy Group.	He is a Bachelor of Engineering (Mechanical Branch). He is one of the Promoters of our Company and has the distinction of leading the Company. He is having more than 25 years of experience in field of energy with specialization in captive and cogeneration power plants. He has worked extensively in the designing, engineering and construction of captive power plants of more than 100 MW, large scale solar power plants and energy efficiency measurements. Nonetheless he is also working in solar energy spectrum since 2009 in land selection, design, supply, installation, commissioning and O&M of large and small ground and roof mounted solar power plants and other form of renewable energy.	She is a Bachelor of Commerce from Sahjanand Arts & Commerce College affiliated from Gujarat University. She has 20 years of experience in field of general administration and management of the business. Presently, she is looking after the general administration and Human Resource department of the Company.	He has served as Managing Director of Hindustan Fluorocarbons Limited, a Government of India enterprise and also served as advisor of Essar Group for new business initiative, especially solar PV energy. He has served as Director of Business Development (India) for Sun-Edison Group USA and he is one of the pioneers of solar PV industry in India and instrumental in setting Solar PV power plants of nearly 100 MW across the country. He is having more than 40 years of experience in field of Renewable Energy, Chemical and Petrochemical Sector with public and private sector enterprises.
No. of Shares held as on March 31, 2020	56000 Equity Shares	4391520 Equity Shares	212400 Equity Shares	--
Terms & Conditions	Liable to retire by ration.	There is no change or modifications in the Terms and Conditions except revision in the Remuneration.	There is no change or modifications in the Terms and Conditions except revision in the Remuneration.	There is no change or modifications in the Terms and Conditions except revision in the Remuneration.
Remuneration Last Drawn	Not Applicable	₹ 24.00 Lakh for F.Y. 2019-20	₹ 18.00 Lakh for F.Y. 2019-20	₹ 3.60 Lakh for F.Y. 2019-20
Remuneration sought to be paid	Not Applicable	₹ 4.00 Lakh per month w.e.f. September 01, 2020	₹ 2.00 Lakh per month w.e.f. September 01, 2020	₹ 1.00 Lakh per month w.e.f. September 01, 2020
Number of Board Meetings attended during the Financial Year 2019-20	Not Applicable	7 Meetings	7 Meetings	7 Meetings

Date of Original Appointment	March 12, 2020	June 22, 1992	April 01, 1998	September 26, 2017
Date of Appointment in current terms	March 12, 2020	September 08, 2017	September 08, 2017	September 26, 2017
Directorships held in public companies including deemed public companies	Zodiac Energy Limited	Zodiac Energy Limited	Zodiac Energy Limited	Zodiac Energy Limited
Memberships / Chairmanships of committees of public companies**	Nil	Membership Committees - 2	Nil	Nil
Inter-se Relationship with other Directors.	Nil	Husband of Ms. Parul Shah	Wife of Mr. Kunjbihari Shah	Nil

\*\*Includes only Audit Committee and Stakeholders' Relationship Committee.

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# Your Green Energy Partner

## FOR CREATIVE & SMART SOLUTIONS

To be a world class renewable energy solutions provider by establishing footprint across all major segments of the renewable power industry and by providing world class, innovative and cost effective products and solutions



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**E-mail:** [info@zodiacenergy.com](mailto:info@zodiacenergy.com), **Web:** [www.zodiacenergy.com](http://www.zodiacenergy.com)

**CIN:** L51909GJ1992PLC017694

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