



# ANNUAL REPORT

## 2022-23







# INSIDE THIS REPORT

<b>MD's Message to Shareholders</b>	<b>001</b>
<b>Key Achievements During the Financial year</b>	<b>003</b>
<b>Corporate Information</b>	<b>004</b>
<b>Director's Report</b>	<b>006</b>
<b>Annexure to the Board of Director's Report</b>	<b>019</b>
Annexure – A Policies	<b>019</b>
Annexure - B – Annual Report on Corporate Social Responsibility	<b>020</b>
Annexure C - AOC-2 Particulars Of Contracts/Arrangements Made With Related Parties	<b>023</b>
Annexure - D - Secretarial Audit Report	<b>025</b>
Annexure-E – Particulars of Employees	<b>032</b>
Annexure - F – Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and Outgo	<b>034</b>
<b>Management Discussion and Analysis Report</b>	<b>036</b>
<b>Report on Corporate Governance</b>	<b>046</b>
<b>Financial Section:</b>	<b>085</b>
Independent Auditor's Report	<b>085</b>
Annexure "A" To Auditor's Report	<b>092</b>
Annexure "B" To Auditor's Report	<b>098</b>
Statement of Balance Sheet	<b>101</b>
Statement of Profit & Loss for the Year ended March 31, 2023	<b>103</b>
Statement of Cash Flow for the year ended on March 31, 2023	<b>106</b>
Notes forming part of Financial Statement	<b>109</b>
<b>Notice of 31st Annual General Meeting</b>	<b>155</b>

# MD's Message to Shareholders



Dear Shareholders,

It gives me immense pleasure to represent you 31st Annual report of your company M/s. Zodiac Energy Limited.

The COVID-19 Pandemic has left its irreversible footprint on the global history, and it has changed the humanity in many ways.

The Russia-Ukraine war, which has been considered to last few weeks initially has stretched to more than one and half year now and the impact it has created has changed the dynamics of world business and entire global supply chain has been disturbed.

The financial year 2022-23 was one of the toughest for business in general in terms of global turmoil, unprecedented inflation across the globe, supply chain disruptions, increase in interest rates.

In particular, the solar industry in India was hit badly by imposition of 40% Basic Custom Duty on solar modules, imposition of ALMM

by Ministry of New & Renewable Energy by which imported Chinese modules were prohibited to be used in all Govt. assisted and net metering scheme, the sudden rise in prices of solar modules etc.

All the these effected the Indian Solar Sector very adversely and the overall deployment of solar in India was reduced to 12.3 GW in comparison of previous year's solar deployment of 12.8 GW.

The company withstood all the adversities and despite of all these challenges, the company registered sales turnover of ₹ 138.49 Crore, a minor drop of 3.78 % in turnover against ₹ 143.94 Crore turnover in previous financial year. The net profit dropped by 41.58 % over last year at ₹ 3.18 Crore. The EPS for the year is ₹ 2.18 per share.

Despite the adverse global and local conditions and slowdown in solar deployment in India during the year under review, the company was able to sustain its turnover and profitability due to 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 surviving these difficult times.

I would like to thank the board of Directors, management team, the work force, the bankers, and the Business Associates of the company for enabling your Company to sail through 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.

Now, as we have left the effects of COVID-19 pandemic behind and the global economy is again stabilising with rebooted supply chain and robust demand with strong push by Government to achieve 500 GW of



renewable by 2030 and net zero targets by 2070, as committed by honourable PM shri Narendra Modi, the outlook for coming years is very encouraging.

As mentioned last year, your company is going ahead with nationwide presence in solar energy field and in line with that plan, the company has shortlisted Lucknow in Uttar Pradesh and Pune in Maharashtra to be next destinations for company's operations with plans to open more branches in coming time across the nation.

In line with GoI push for renewables, the Govt. and PSU market for solar power is rising exponentially. The company is taking efforts to take maximum business from that.

The honourable prime minister of India has announced in COP26 that India will be having NET ZERO carbon emission by 2070 and by 2030 more than 50% installed power plants capacity will be from Renewable sources.

The concept of energy storage to reduce the dependence on fossil fuels is gaining the momentum and lot of work is being undertaken in this field. Your company also plans to foray into Energy Storage business to tap the full potential of its activities.

India is embarked to deploy green hydrogen technology and aim to become No. 1 in the world in green hydrogen space. Your company also plans to be present in the value chain of green hydrogen in coming time.

Your company is prepared for being the part of these journey of energy transmission by world. I am confident that your Company will achieve greater heights in the times to come and will deliver long term value addition to all the stakeholders, namely shareholders, customers, and employees.

I thank you all very much and I look forward to receiving even greater support from all of you.

Stay safe.

With warm Regards,

**Kunjbihari Shah**  
**Managing Director**

# Key Achievements During the Financial Year



**IRM Energy Limited - 3.123 MW**



**AMC - 3MW**



**Esdee Paints - 500 kW**



**Torrent Power - 341 kW**



**GIFT City - 140 kW**



**GUDC - 114 kW**



# CORPORATE INFORMATION

## Board of Directors

<b>Mr. Kunjbihari Shah</b>	Managing Director
<b>Mrs. Parul Kunjbihari Shah</b>	Whole Time Director
<b>*Mr. Bhargav Mehta</b> (Upto March 31, 2023)	Whole Time Director
<b>Mr. Jaxay Shah</b>	Non- Executive Director
<b>Mr. Dhaval Shah</b>	Non- Executive Independent Director
<b>Mr. Kalpesh Lalitchandra Joshi</b>	Non- Executive Independent Director
<b>Mr. Ambar Jayantilal Patel</b>	Non- Executive Independent Director
<b>Mr. Rakesh Arvindbhai Patel</b>	Non- Executive Independent Director

## Key Managerial Personnel

<b>Mrs. Shefali Nirmal Karar</b>	Chief Financial Officer
<b>*Miss Niyati Dipesh Parikh:</b> (Upto July 15, 2023)	Company Secretary and Compliance officer
<b>**Mr. Parth Nitinbhai Shah</b> (w.e.f. July 16, 2023)	Company Secretary and Compliance officer

## Statutory Auditors

**M/s DJNV & Co**  
Chartered Accountants

## Secretarial Auditors

**M/s SCS & Co LLP**  
Practicing Company Secretaries

## Registered Office

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

Tel No: +91 79- 27471193  
Email: cs@zodiacenergy.com  
Web: www.zodiacenergy.com  
CIN: L51909GJ1992PLC017694

## Registrar and Transfer Agent

**M/s. 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

Tel No.: +91 79 -2646 5179

## Bankers

AXIS Bank

# COMMITTEES OF BOARD OF DIRECTORS

## Audit Committee

Name	Designation
Mr. Dhaval Shah	Chairman
Mr. Kalpesh Joshi	Member
Mr. Kunjbihari Shah	Member

## Stakeholders' Relationship Committee

Name	Designation
Mr. Kalpesh Joshi	Chairman
Mr. Dhaval Shah	Member
Mr. Kunjbihari Shah	Member

## Nomination and Remuneration Committee

Name	Designation
Mr. Dhaval Shah	Chairman
Mr. Kalpesh Joshi	Member
Mr. Jaxay Shah	Member



# Directors' Report

Dear Shareholders,

Your Directors are pleased to present the 31st Annual Report along with the audited financial statements of your Company for the financial year ended March 31, 2023.

## Financial Performance:

The Audited Financial Statements of the Company as on March 31, 2023, are prepared in accordance with the relevant applicable Ind AS and Regulation 33 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and the provisions of the Companies Act, 2013 ("Act").

The summarized financial highlight is depicted below:

(Amount in Lakhs)

Particulars	F.Y. 2022-23	F.Y. 2021-22
Revenue from Operations	13,765.92	14,297.05
Other Income	83.70	97.58
Total Income	13,849.62	14,394.63
Less: Total Expenses before Depreciation, Finance Cost and Tax	13,015.91	13,409.50
Profit before Depreciation, Finance Cost and Tax	833.71	985.13
Less: Depreciation	77.38	61.40
Less: Finance Cost	318.13	160.04
Profit Before Tax	438.20	763.69
Less: Current Tax	125.00	219.47
Less: Deferred tax Liability	(5.73)	(1.80)
Less: Pervious year tax adjustment	-	-
Profit after Tax	318.93	546.02
Other comprehensive income	(5.13)	4.64
Total Comprehensive Income	313.80	550.66

There are no material changes and commitments affecting the financial position of the Company, which have occurred between the end of the financial year and the date of this report. Further, there has been no change in nature of business of your Company.

Previous year figures have been regrouped / re-arranged wherever necessary.

**Performance Highlights:**

During the year under review, your Company has recorded total Revenue from Operations to the tune of ₹13,765.92 Lakhs during the financial year 2022-23 compared to ₹14,297.05 Lakhs in the corresponding previous financial year.

Your Company has recorded total income of ₹ 13,849.62 Lakhs during the Financial Year 2022-23 as compared to ₹14,394.63 Lakhs in the corresponding previous financial year.

During the year, your Company has generated earnings before interest, depreciation and tax (EBIDTA) of ₹ 833.71 Lakhs as compared to ₹985.13 Lakhs in the previous year. The net profit after tax for the financial year 2022-23 stood at ₹318.93 Lakhs as compared to ₹546.02 Lakhs during the previous financial year 2021-22 which states decrease of almost 41.60% in the profit of the Company.

Earnings per share stood at ₹2.18 on face value of ₹10/- each.

Profit of your Company has decreased due to decrease in Turnover of the Company as well as addition in Finance Cost of the Company. As compared to that there is reduction in Cost of material consumed and in Commission / Sales promotion expenses in other expense. Hence, as the result of that profit of your Company has increased at robust growth.

**Dividend:**

The Board of Directors ("Board"), after considering holistically the relevant circumstances and keeping in view the tremendous growth opportunities that your company is currently engaged with, has decided that it would be prudent not to recommend any dividend for the year under review.

**Transfer of Shares and Unpaid/Unclaimed Dividend to Investor Education and Protection Fund:**

There is no money lying to unpaid / unclaimed dividend account pertaining to any of the previous years with the Company. As such the Company is not required to transfer such amount to the Investor Education and Protection Fund established by the Central Government in pursuant to the provisions of Sections 124 and 125 of the Act, read with the Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016. Further, the provisions related to the shares in respect of which dividend has not been paid/claimed for the consecutive period of seven (7) years or more which are required to be transferred to the demat account of the IEPF Authority, are not applicable to the Company.



**Transfer to 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.

**Changes in Share Capital:**

During the year under review, there was no change in Authorised, Issued, Subscribed and Paid-up Share Capital of the Company. The Company has not issued any equity shares with differential rights during the year.

The Authorised and Paid up share Capital of the Company as on March 31, 2023 was:

**Authorized Capital: -**

The Authorized Capital of the Company is ₹ 15,00,00,000/- divided into 1,50,00,000 Equity Shares of ₹ 10/- each.

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

The present Paid-up Capital of the Company is ₹ 14,63,34,400/- divided into 1,46,33,440 Equity Shares of ₹10/- each.

**Employees Stock Option Scheme (ESOS):**

The Shareholders of the Company vide Postal Ballot dated March 16, 2023 have approved Zodiac Employee Stock Option Plan-2023. The Shareholders of the Company have approved to grant total option of 2,92,670 (Two Lakhs Ninety Two Thousand Six hundred Seventy Only) fully paid up equity shares of ₹10 each of the Company ("Equity Share(s)"), under one or more tranches to the employees of the Company.

The Nomination and Remuneration committee has granted total 1,76,000 equity stock options of the face value of Rs. 10 each ('ESOPs'), at the grant price of Rs. 10 (Rupees Ten only) per option to the eligible employees of the Company on May 22, 2023.

Requisite disclosures as required under Regulation 14 of Securities Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021 read with SEBI circular no. CIR/CFD/POLICY CELL/2/2015 dated June 16, 2015 with regard to Zodiac Employee Stock Option Plan-2023 is available on the website of the Company at <https://zodiacenergy.com/images/pdf/DISCLOSURES-AS-REQUIRED-UNDER-REGULATION-14-OF-SEBI-ESOP.pdf>

M/s. SCS and Co LLP, Company Secretaries, Secretarial Auditors of the Company have issued a certificate with respect to the implementation of Zodiac Employee Stock Option Plan-2023 which would be placed before the members at the ensuing Annual General Meeting of the Company and a copy of the same shall be available for inspection at the registered office.

**Subsidiaries/Associates/ Joint Ventures:**

The Company does not have subsidiaries, associates and joint ventures companies in

the period under review.

**Details of Material Changes from the end of the financial year till the Date of this Report:**

No Material Changes have taken place from the end of the financial year till the date of this report.

**Change in MOA and AOA:**

During the year under review, the members of the Company vide Postal Ballot dated June 24, 2022 have approved Alteration of the Object Clause of the Memorandum of Association of the Company by inserting clause 63 in Clause III Part [B] in the MoA and approved Alteration in Articles of Association of the Company by altering Clause 98 (Chairman of the Board).

**Change in the Registered Office:**

During the year, there was no change in address of registered office of the Company. The Registered office of the Company is situated at U.G.F-4,5,6, Milestone Building, Near Khodiyar Restaurant, Near Drive In Cinema, Thaltej, Ahmedabad - 380054.

**Deposits:**

There were no outstanding deposits within the meaning of Section 73 and 74 of the Act read with rules made thereunder at the end of the financial year 2022-23 or the previous financial years. Your Company did not accept any deposit during the year under review.

**Particulars of loans, guarantees or investments:**

There are no loans, investments, guarantees, and security in respect of which provisions of section 185 of the Companies Act, 2013 is applicable. The Company has complied with the provisions of Section 186 of the Companies Act, 2013, to the extent applicable. The particulars of loans, guarantee and investments made during the year under review are disclosed in the financial statements.

**Management Discussion and Analysis:**

Management Discussion and Analysis Report for the year under review, as stipulated under the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), is presented in a separate section, forming part of the Annual Report.

**Directors and Key Managerial Personnels:**

As of March 31, 2023, your Company's Board had eight members comprising of three Executive Directors, one Non-Executive & Non- Independent Director and four Independent Directors. The Board has one woman Executive Director. The details of Board and Committee composition, tenure of Directors, areas of expertise and other details are available in the Corporate Governance Report, which forms part of this Annual Report.

During the year, Mr. Pranav Mehta, ceased to be Chairman Emeritus of the Company w.e.f. December 15, 2022 due to his sad demise.

In accordance with the provisions of Section 152 of the Act, read with rules made



thereunder and Articles of Association of the Company, Mrs. Parul Shah (DIN: 00378095) is liable to retire by rotation at the ensuing Annual General Meeting (AGM) and being eligible offers herself for re-appointment.

The Board recommends the re-appointment of above Director for your approval. Brief details of Directors proposed to be re-appointed, as required under Regulation 36 of the SEBI Listing Regulations, are provided in the Notice of the AGM.

Pursuant to provision of Section 203 of the Act, Mr. Kunjbihari Shah, Managing Director, Mrs. Parul Shah, Whole Time Executive Director, Mr. Bhargav Mehta Whole Time Executive Director, Mrs. Shefali Karar, Chief Financial Officer and Ms. Niyati Parikh, Company Secretary are Key Managerial Personnels of the Company as on March 31, 2023.

Subsequent to closure of the year under review, Mr. Bhargav Mehta (DIN: 03125599), Whole Time Director of the Company resigned with effect from April 01, 2023, due to some personal reasons. Also after closure of Financial year, Ms. Niyati Parikh resigned from the post of Company Secretary and Compliance officer of the Company w.e.f. July 15, 2023 (after closing of business hours) & Mr. Parth Shah is appointed as a Company Secretary and Compliance officer of the Company w.e.f July 16, 2023.

#### **Disclosure by Directors:**

The Directors on the Board have submitted notice of interest under Section 184(1) of the Companies Act, 2013 i.e. in Form MBP 1, intimation under Section 164(2) of the Companies Act, 2013 i.e. in Form DIR 8 and declaration as to compliance with the Code of Conduct of the Company.

Further, the Company has received declarations from all the Independent Directors of the Company confirming that they meet with the criteria of independence as prescribed both under sub-section (6) of Section 149 of the Act and Regulation 16(1)(b) of the SEBI Listing Regulations and there has been no change in the circumstances which may affect their status as an Independent Director. Further, In the opinion of the Board, all our Independent Directors possess requisite qualifications, experience, expertise including the Proficiency and hold high standards of integrity for the purpose of Rule 8(5)(iiia) of the Companies (Accounts) Rules, 2014. List of key skills, expertise and core competencies of the Board, including the Independent Directors, is provided at page no 52 of this Annual Report.

#### **Committees of Board:**

Details of various Committees constituted by the Board, including the committees mandated pursuant to the applicable provisions of the Act and SEBI Listing Regulations, are given in the Corporate Governance Report, which forms part of this Integrated Annual Report.

#### **Number of meetings of the Board:**

The Board met 9 (Nine) times during the year under review. The details of board meetings and the attendance of the Directors are provided in the Corporate Governance Report, which forms part of this Integrated Annual Report.

**Independent Directors' Meeting:**

The Independent Directors met on February 10, 2023, without the attendance of Non-Independent Directors and members of the management. The Independent Directors reviewed the performance of Non-Independent Directors, the Committees and the Board as a whole along with the performance of the Chairman of the Company, taking into account the views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

**Board Evaluation and familiarization Programme :**

The Board adopted a formal mechanism for evaluating its performance and as well as that of its Committees and individual Directors, including the Chairman of the Board. The exercise was carried out through a structure devaluation process covering various aspects of the Boards functioning such as composition of the Board & committees, experience & competencies, performance of specific duties & obligations, contribution at the meetings and otherwise, independent judgment, governance issues etc.

During the year under review, the Company has also conducted familiarization of the Directors on different aspects.

**Policy on Directors' appointment and remuneration:**

Your Company's Policy on Directors' appointment and remuneration and other matters (Remuneration Policy) provided in Section 178(3) of the Act is available on the website of the Company at <https://zodiacenergy.com/images/pdf/Criteria-of-making-payments-to-Non-Executive-Directors.pdf>

The Remuneration Policy for selection of Directors and determining Directors' independence sets out the guiding principles for the Nomination and Remuneration Committee for identifying the persons who are qualified to become the Directors. Your Company's Remuneration Policy is directed towards rewarding performance based on review of achievements. The Remuneration Policy is in consonance with existing industry practice.

We affirm that the remuneration paid to the Directors is as per the terms laid out in the Remuneration Policy.

**Directors' Responsibility Statement:**

Pursuant to Section 134(5) of the Act, the Board, to the best of their knowledge and based on the information and explanations received from the Company, confirm that:

a) in the preparation of the annual financial statements, the applicable accounting standards have been followed and there are no material departures;

b) they have selected such accounting policies and applied them consistently and 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 2022-23 and of the profit of the Company for that period;

c) they have taken proper and sufficient care for the 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 fraud and other irregularities;

d) they have prepared the annual financial statements on a going concern basis;

e) they have laid down internal financial controls to be followed by the Company and such internal financial control are adequate and operating effectively;

f) they have devised proper systems to ensure compliance with the provisions of all applicable laws and that such systems are adequate and operating effectively.

### **Internal Financial control system and their adequacy:**

The details in respect of internal financial control and their adequacy are included in Management Discussion and Analysis Report, which forms part of this Integrated Annual Report.

### **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.

### **Board policies:**

The details of various policies approved and adopted by the Board as required under the Act and SEBI Listing Regulations are provided in **Annexure A** to this report.

### **Corporate Social Responsibility (CSR):**

In accordance with the provisions of section 135 of the Companies Act, 2013, the Company is required to do CSR Expenditure for the financial year 2022-23 as Net profit of the Company exceeded the specified threshold in the preceding financial year 2021-22. However, Pursuant to Section 135 (9) of Companies Act, 2013, Where the amount to be spent by a company does not exceed fifty lakh rupees, the requirement for constitution of the Corporate Social Responsibility Committee shall not be applicable and the functions of such Committee provided under this section shall, in such cases, be discharged by the Board of Directors of such company. As the CSR Expenditure of the Company is not exceeding Rs. Fifty Lakhs, the Company has not constituted CSR Committee and the functions of CSR committees has been discharged by the Board of Directors of the Company. In compliance with the provisions of Section 135, the board of Directors of the Company has formulated CSR policy and the same has been placed on the website of the Company.

The board of Directors of the Company has sanctioned the CSR Expenditure for the year & authorized Mr. Kunjbihari Shah, Managing Director of the Company to do CSR Expenditure in the activities as specified under Schedule VII of the Companies Act, 2013 and also made him responsible for indicating the activities to be undertaken by the Company, monitoring the implementation of the framework of the CSR activity and recommending the amount to be spent on CSR activities.

The Annual Report on CSR activities in prescribed format is annexed as an **Annexure –B**.

**Website:**

As per Regulation 46 of SEBI (LODR) Regulations, 2015, the Company has maintained a functional website namely “ <https://zodiacenergy.com/> ” containing the information about the Company. The website of the Company is also containing information like Policies, Shareholding Pattern, Financial Results and information of the designated officials of the Company who are responsible for assisting and handling investor grievances for the benefit of all stakeholders of the Company, etc.

**Corporate Governance Report:**

Your Company is committed to good corporate governance practices. The Corporate Governance Report as stipulated by SEBI Listing Regulations, forms part of this Integrated Annual Report along with the required certificate from a Practicing Company Secretary regarding compliance of the conditions of Corporate Governance as stipulated.

In compliance with Corporate Governance requirements as per the SEBI Listing Regulations, your Company has formulated and implemented a Code of Conduct for all Board members and senior management personnel of the Company (Code of Conduct), who have affirmed the compliance thereto.

The Code of Conduct, is available on the website of the Company at <https://zodiacenergy.com/images/pdf/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20Management%20Personnel.pdf>

**Annual Return:**

Pursuant to Section 134(3) (a) of the Act, the draft annual return as on March 31, 2023 prepared in accordance with Section 92(3) of the Act is made available on the website of your Company and can be assessed using the <https://zodiacenergy.com/Annual-Report.php>

**Transactions with Related Parties:**

All transactions with related parties are placed before the Audit Committee for its approval. An omnibus approval from Audit Committee is obtained for the related party transactions which are repetitive in nature.

All transactions with related parties entered into during the financial year were at arm's length basis and in the ordinary course of business and in accordance with the provisions of the Act and the rules made thereunder, the SEBI Listing Regulations



and the Company's Policy on Related Party Transactions.

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**.

The Company did not enter into any related party transactions during the year which could be prejudicial to the interests of minority shareholders.

No loans / investments to / in the related party have been written off or classified as doubtful during the year.

The Policy on Related Party Transactions is available on the Company's website and can be assessed using the link <https://zodiacenergy.com/images/pdf/Related-Party-Transaction.pdf>

### **Insurance:**

Your Company has taken appropriate insurance for all assets against foreseeable perils.

### **Statutory Auditors & Auditors' Report:**

Pursuant to the provisions of Section 139 of the Act read with rules made thereunder, as amended from time to time, M/s. D J N V & Co, Chartered Accountants (Firm Registration No. 115145W), was appointed as Statutory Auditors of the Company for a period of five years from the conclusion of 30th Annual General Meeting till the conclusion of 35th Annual General Meeting of the Company to be held in the year 2027. In accordance with the provisions of the Act, the appointment of Statutory Auditors is not required to be ratified at every AGM.

The Statutory Auditors have however confirmed that they are not disqualified to continue as Statutory Auditors and are eligible to hold office as Statutory Auditors of your Company.

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. There are no qualifications or reservations, or adverse remarks or disclaimers given by Statutory Auditors of the Company and therefore do not call for any comments under Section 134 of the Act. The Auditors' Report is enclosed with the financial statements in this Annual Report.

### **Secretarial Audit Report:**

Pursuant to the provisions of Section 204 of the Act, read with the rules made thereunder, the Board has reappointed M/s SCS & Co LLP, Practicing Company Secretaries, to undertake the Secretarial Audit of the Company. The Secretarial Audit Report for the year under review is provided as **Annexure-D** of this report.

The Secretarial Auditors have provided for following observation in their report:

Sr No	Observation of Secretarial Auditor	Company Reply
1	Member of Promoter Group Mr. Jay Shah had entered into Contra Trade for a period less than 6 months.	The company has uploaded PIT Code on its website and also circulated to its Designated persons.  Company will arrange sessions to update all the designated Persons with the provisions of the PIT Regulations.
2.	As per the amended provisions of regulation 23(9) of SEBI (LODR) Regulations, 2015, the company was required to file the Related party transactions with the Stock Exchanges for Half Year ended on March 31, 2022 within 15 days from the date of publication of its standalone financial results.  However, the company filed Related party transactions for half year ended on March 31, 2022 on May 26, 2022, resulting in delay of 3 days.	Company Secretary tried uploading XBRL on Exchanges as she was facing problem in Revised utility post amendment in Regulation 23(9) of LODR.  Issue was resolved with a delay of few days and therefore she couldn't file Compliance under Regulation 23(9) within due date.  The Management will now file all compliances much ahead of due date to avoid last days hustle on Portal.
3.	Delay by Company in entering majority of UPSI Sharing Entries in software (Structured Digital Database).	Management of Company will be more alert in making entries of UPSI Sharing into software the same day on which UPSI is shared to any Designated Persons.  Delay was unintentional, to make all compliance within due date, UPSI sharing entries into software got delayed.

#### Cost Auditors:

Cost Audit is not applicable to our Company. Hence, there is no need to appoint a Cost Auditor.

#### Secretarial Standards:

During the year under review, the Company has complied with all the applicable provisions of Secretarial Standard-1 and Secretarial Standard-2 issued by the Institute of Company Secretaries of India.

#### Reporting of frauds by Auditors:

During the year under review, the Statutory Auditors and Secretarial Auditor have not reported any instances of fraud committed against the Company by its officers or employees to the Audit Committee or the Board under section 143(12) of the Act.

**Particulars of Employees:**

The Company had 90 employees as on March 31, 2023.

The percentage increase in remuneration, ratio of remuneration of each Director and Key Managerial Personnel (KMP) (as required under the Act) to the median of employees' remuneration, as required under Section 197 of the Act, read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 & the statement containing particulars of employees as required under Section 197 of the Act, read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, are provided in **Annexure-E** of this report.

The statement containing particulars of employees as required under Section 197 of the Act, read with rule 5(2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, will be provided upon request. In terms of Section 136 of the Act, the Integrated Annual Report is being sent to the shareholders and others entitled thereto, excluding the information on employees' particulars which is available for inspection by the shareholders at the Registered Office of the Company during business hours on working days of the Company. If any shareholder is interested in obtaining a copy thereof, such shareholder may write to the Company Secretary in this regard.

**Prevention of Sexual Harassment 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.

Further, the company has complied with provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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

**Vigil Mechanism:**

The Company has adopted a Whistle Blower Policy and has established the necessary vigil mechanism for Directors and employees in confirmation with Section 177 of the Act and Regulation 22 of SEBI Listing Regulations, to facilitate reporting of the genuine concerns about unethical or improper activity, without fear of retaliation.

The vigil mechanism of the Company provides for adequate safeguards against victimization of Directors and employees who avail of the mechanism and also provides for direct access to the Chairman of the Audit Committee in exceptional cases.

No person has been denied access to the Chairman of the Audit Committee. The said Policy is uploaded on the website of the Company at <https://zodiacenergy.com/images/pdf/whistle-Blower-Policy.pdf>

During the year under review, your Company had not received any complaint under the whistle blower policy.

### **Conservation of Energy, Technology Absorption, 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 is provided as **Annexure-F** of this report.

### **General Disclosure:**

Your Directors state that no disclosure or reporting is required in respect of the following items as there were no transactions/events of these nature during the year under review:

1. Issue of equity shares with differential rights as to dividend, voting or otherwise.
2. Issue of Shares (Including Sweat Equity Shares) to employees of the Company under any scheme.
3. Significant or material orders passed by the Regulators or Courts or Tribunals which impact the going concern status and the Company's operation in future.
4. Voting rights which are not directly exercised by the employees in respect of shares for the subscription/ purchase of which loan was given by the Company (as there is no scheme pursuant to which such persons can beneficially hold shares as envisaged under section 67(3)(c) of the Companies Act, 2013).
5. Change in the nature of business of your Company.
6. Application made or any proceeding is pending under the Insolvency and Bankruptcy Code, 2016.
7. One time settlement of loan obtained from the Banks or Financial Institutions.

### **Acknowledgement:**

Your Directors are highly grateful for all the guidance, support and assistance received from the Government of India, Governments of various states in India, concerned Government departments, Financial Institutions and Banks. Your Directors thank all the esteemed shareholders, customers, suppliers and business associates for their faith, trust and confidence reposed in the Company.

Your Directors wish to place on record their sincere appreciation for the dedicated efforts and consistent contribution made by the employees at all levels, to ensure that the Company continues to grow and excel.



**Registered office:**

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

**Place:** Ahmedabad

**Date:** August 10, 2023

By order of the Board of Directors

For, **ZODIAC ENERGY LIMITED**

**CIN:** L51909GJ1992PLC017694

**Kunjbihari Shah**

**Managing Director**

**DIN 00622460**

**Parul Shah**

**Whole Time Director**

**DIN 00378095**

## ANNEXURE- A TO THE DIRECTORS' REPORT

### POLICIES

Particulars	Website link
Composition of Board of Directors	<a href="https://www.zodiacenergy.com/">https://www.zodiacenergy.com/</a>
Composition of various Committees of the Board	<a href="https://zodiacenergy.com/Committee-Details.php">https://zodiacenergy.com/Committee-Details.php</a>
Terms of Appointment of Independent Directors [Regulation 46 of SEBI Listing Regulations and Section 149 read with Schedule IV to the Act]	<a href="https://zodiacenergy.com/images/pdf/T%20&amp;%20C%20of%20Independent%20Directors.pdf">https://zodiacenergy.com/images/pdf/T%20&amp;%20C%20of%20Independent%20Directors.pdf</a>
Familiarisation Program for Independent Directors [Regulations 25(7) and 46 of SEBI Listing Regulations]	<a href="https://zodiacenergy.com/images/pdf/Familiarization%20Programme%20of%20Independent%20Director-1.pdf">https://zodiacenergy.com/images/pdf/Familiarization%20Programme%20of%20Independent%20Director-1.pdf</a>
Code of Conduct for Directors, Key Managerial Personnel and Senior Management [Regulation 17 of the SEBI Listing Regulations]	<a href="https://zodiacenergy.com/images/pdf/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20Management%20Personnel.pdf">https://zodiacenergy.com/images/pdf/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20Management%20Personnel.pdf</a>
Nomination and Remuneration Policy [Regulation 19 of the SEBI Listing Regulations and as defined under Section 178 of the Act]	<a href="https://zodiacenergy.com/images/pdf/Criteria-of-making-payments-to-Non-Executive-Directors.pdf">https://zodiacenergy.com/images/pdf/Criteria-of-making-payments-to-Non-Executive-Directors.pdf</a>
Code of Practices and Procedures for Fair disclosure of unpublished price sensitive information [Regulation 8 of SEBI (Prohibition of Insider Trading) Regulations]	<a href="https://zodiacenergy.com/images/pdf/PolicyonDisclosureofUPSIfrom01.04.2019.pdf">https://zodiacenergy.com/images/pdf/PolicyonDisclosureofUPSIfrom01.04.2019.pdf</a>
Policy on Material Subsidiaries [Regulation 24 of the SEBI Listing Regulations]	<a href="https://zodiacenergy.com/images/pdf/Policy%20for%20Determining%20Material%20Subsidiaries.pdf">https://zodiacenergy.com/images/pdf/Policy%20for%20Determining%20Material%20Subsidiaries.pdf</a>
Related Party Transactions Policy [Regulation 23 of SEBI Listing Regulations and as defined under the Act]	<a href="https://zodiacenergy.com/images/pdf/Related-Party-Transaction.pdf">https://zodiacenergy.com/images/pdf/Related-Party-Transaction.pdf</a>
Policy for determination of material threshold for disclosure of events or information [Regulation 30 of SEBI Listing Regulations]	<a href="https://zodiacenergy.com/images/pdf/Policy-for-Determining-Materiality-of-events.pdf">https://zodiacenergy.com/images/pdf/Policy-for-Determining-Materiality-of-events.pdf</a>
Archival Policy [SEBI Listing Regulations]	<a href="https://zodiacenergy.com/images/pdf/Preservation-of-documents-Archival-Policy.pdf">https://zodiacenergy.com/images/pdf/Preservation-of-documents-Archival-Policy.pdf</a>
Vigil Mechanism Policy [Regulation 22 of SEBI Listing Regulations and as defined under Section 177 of the Act]	<a href="https://www.zodiacenergy.com/images/pdf/whistle-Blower-Policy.pdf">https://www.zodiacenergy.com/images/pdf/whistle-Blower-Policy.pdf</a>
Quarterly, Half-yearly and Annual Financial Results	<a href="https://zodiacenergy.com/Financial-Result.php">https://zodiacenergy.com/Financial-Result.php</a>
Annual Report	<a href="https://zodiacenergy.com/Annual-Report.php">https://zodiacenergy.com/Annual-Report.php</a>
CSR Policy [Section 135 of the Companies Act]	<a href="https://zodiacenergy.com/images/pdf/CSR%20Policy.pdf">https://zodiacenergy.com/images/pdf/CSR%20Policy.pdf</a>

## ANNEXURE-B TO THE DIRECTORS' REPORT

### ANNUAL REPORT ON CORPORATE SOCIAL RESPONSIBILITY (CSR) ACTIVITIES AS PER SECTION 135 OF THE COMPANIES ACT, 2013 FOR FY 2022-2023.

► **Brief outline on CSR Policy of the Company:**

The Company has framed Corporate Social Responsibility (CSR) Policy which encompasses its philosophy and guides its sustained efforts for undertaking and supporting socially useful programs for the welfare & sustainable development of the society.

The CSR Policy has been uploaded on the website of the Company at <https://zodiacenergy.com/images/pdf/CSR%20Policy.pdf>

► **Composition of CSR Committee:**

Pursuant to Section 135(9) of the Companies Act, 2013, Provision for constituting CSR Committee is not applicable to the Company.

► **Provide the web-link where Composition of CSR committee, CSR Policy and CSR projects approved by the board are disclosed on the website of the company:**

<https://zodiacenergy.com/images/pdf/CSR%20Policy.pdf>

► **Provide the details of Impact assessment of CSR projects carried out in pursuance of sub rule (3) of rule 8 of the Companies (Corporate Social responsibility Policy) Rules, 2014, if applicable (attach the report):**

Not Applicable

► **Details of the amount available for set off in pursuance of sub-rule (3) of rule 7 of the Companies (Corporate Social responsibility Policy) Rules, 2014 and amount required for set off for the financial year, if any:**

Not Applicable

► **Average net profit of the company as per section 135(5) for last three financial years:**

₹595.00 Lakhs

► 1. Two percent of average net profit of the company as per section 135(5)	: ₹12.00 Lakhs
2. Surplus arising out of the CSR projects or programmes or activities of the previous financial years	: ₹00.00 Lakhs
3. Amount required to be set off for the financial year, if any	: ₹00.00 Lakhs
4. Total CSR obligation for the financial year 2022-23	: ₹12.00 Lakhs

► **1. CSR amount spent or unspent for the financial year 2022-23:**

As per below given table:

Total Amount Spent for the Financial Year (in ₹)	Amount Unspent				
	Total Amount transferred to Unspent CSR Account as per section 135(6)		Amount transferred to any fund specified under Schedule VII as per second proviso to section 135(5)		
	Amount	Date of Transfer	Name of the Fund	Amount	Date of Transfer
₹ 12.00 Lakhs	N.A.	N.A.	N.A.	N.A.	N.A.

**2. Details of CSR amount spent against ongoing projects for the financial year 2022-23:**

Not Applicable

**3. Details of CSR amount spent against other than ongoing projects for the financial year 2022-23.**

As per given below table:

(1)	(2)	(3)	(4)	(5)		(6)	(7)	(8)	
Sr No	Name of the Project	Item from the list of activities in Schedule VII to the Act.	Local Area (Yes / No)	Location of the Project		Amount spent in the current financial Year (in ₹)	Mode of Implementation - Direct (Yes/No).	Mode of Implementation - Through Implementing Agency	
				State	District			Name	CSR Reg. No
1	Promotion of Education	Item No. (ii) of Schedule VII to the Act – Promotion of Education	Yes	Gujarat	Ahmedabad	₹12.00 Lakhs	No	Varmor Krushi Ane Gram Vikash Trust (CSR No: CSR00044086)	

**4.** Amount spent in Administrative Overheads: NIL

**5.** Amount spent on Impact Assessment, if applicable: NIL

**6.** Total amount spent for the Financial Year (8b+8c+8d+8e): NIL

**7.** Excess amount for set off, if any



Sr. No.	Particulars	Amount (₹ in Lakhs)
I.	Two percentage of average net profit of the company as per section 135(5)	₹ 12.00
II.	Total amount spent for the Financial Year	₹ 12.00
III.	Excess amount spent for the financial year [(ii)-(i)]	0.00
IV.	Surplus arising out of the CSR projects or programmes or activities of the previous financial years, if any	₹ 0.00
V.	Amount available for set off in succeeding financial years [(iii)-(iv)]	₹0.00

► (a) Details of Unspent CSR amount for the preceding three financial years: **Not Applicable**

(b) Details of CSR amount spent in the financial year for ongoing projects of the preceding financial year(s): **Not Applicable**

► In case of creation or acquisition of capital asset, furnish the details relating to the asset so created or acquired through CSR spent in the financial year (asset-wise details): **Not Applicable**

a.	Date of creation or acquisition of the capital asset(s).	Not Applicable
b.	Amount of CSR spent for creation or acquisition of capital asset	Not Applicable
c.	Details of the entity or public authority or beneficiary under whose name such capital asset is registered, their address etc.	Not Applicable
d.	Provide details of the capital asset(s) created or acquired (including complete address and location of the capital asset)	Not Applicable

► Specify the reason(s), if the company has failed to spend two per cent of the average net profit as per section 135(5): **Not Applicable**

**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: August 10, 2023

Kunjbihari Shah

Managing Director

DIN 00622460

Parul Shah

Whole Time Director

DIN 00378095

## ANNEXURE-C TO THE DIRECTORS' REPORT

### 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 in to by the Company during the financial year ended on March 31, 2023, which were not at arm's length basis.

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

Sr. No.	Particulars	RPT – 1	RPT – 2	RPT – 3	RPT – 4
1.	Name(s) of the related party and nature of relationship	Zenith Power Projects Private Limited  Companies Controlled by directors or relatives of directors	Mr. Kunjbihari Shah  Managing Director of the Company	Mr. Kunjbihari Shah  Managing Director of the Company	Kitchen Xpress Overseas Limited  Enterprise over which Key Managerial Personnel having control or significant influence
2.	Nature of contracts/ arrangements/ transactions	Purchase and Sale of Materials	Payment of Office Rent	Sale of Material	Sale of material
3.	Duration of the contracts / arrangements/ transactions	F.Y. 2022-23	F.Y. 2022-23	F.Y. 2022-23	F.Y. 2022-23

Sr. No.	Particulars	RPT – 1	RPT – 2	RPT – 3	RPT – 4
4.	Salient terms of the contracts or arrangements or transactions including the value, if any	On Market Price of Rupees: <b>Purchase:</b> ₹ 6,24,32,428/-  <b>Sales:</b> ₹ 1,41,69,600/-	Payment of Rent in terms of Agreement dated December 13, 2018.  License fees (Rent) shall be paid in advance.  All charges to be paid by the Company.  Total Transaction Value of Rent Paid – ₹ 24 Lakh.	On Market Price of Rupees:  <b>Sales:</b> ₹1,78,673/-	On Market Price of Rupees:  <b>Sales:</b> ₹37,84,420/-
5.	Date(s) of approval by the Board	May 07, 2022	May 07, 2022	May 07, 2022	May 07, 2022
6.	Amount paid as advances, if any	-	-	-	-

**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: August 10, 2023

Kunjbihari Shah

Managing Director

DIN 00622460

Parul Shah

Whole Time Director

DIN 00378095

## **ANNEXURE-D TO THE DIRECTORS' REPORT**

### **FORM NO. MR-3 SECRETARIAL AUDIT REPORT FOR THE FINANCIAL YEAR ENDED ON MARCH 31, 2023**

[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 -380054

We have conducted the secretarial audit of the compliance of applicable statutory provisions and 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 our verification of the Company's books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that, in our opinion, the Company has, during the audit period covering the financial year ended on March 31, 2023, generally complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2023 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;

c) The Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 and circulars/ guidelines/Amendments issued there under;

d) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2018 and circulars/ guidelines/Amendments issued there under; and

e) The Securities and Exchange Board of India (Depositories and Participants) Regulations, 2018.

f) Securities and Exchange Board of India (Share Based Employee Benefits and Sweat Equity) Regulations, 2021.

vi. Revised Secretarial Standards issued by the Institute of Company Secretaries of India.

During the year under the report, the provisions of the Acts, Rules, Regulations, Guidelines, Standards, etc. mentioned above read with circulars, notifications and amended rules, regulations, standards etc. issued by the Ministry of Corporate Affairs, Securities and Exchange Board of India and such regulatory authorities for such acts, rules, regulations, standards etc. as may be applicable, from time to time issued for compliances, have been complied by the Company.

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

Sr. No.	Compliance Requirement (Regulations/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary												
1.	Schedule B of Securities and Exchange Board of India (Prohibition of Insider Trading), Regulations, 2015.	Member of Promoter Group had entered into Contra Trade for a period less than 6 months.	<p>Details of Contra Trade executed by Promoter, Mr. Jay Kunjbihari Shah (PAN:- GCUPS4830N) for a period less than 6 months:-</p> <table border="1"> <thead> <tr> <th>Date of Transaction</th><th>Buy/Sell</th><th>No of Shares</th><th>Average Price per Share</th></tr> </thead> <tbody> <tr> <td>May 11, 2022</td><td>Buy</td><td>4500</td><td>101.25</td></tr> <tr> <td>June 15, 2022</td><td>Sell</td><td>(2642)</td><td>121.80</td></tr> </tbody> </table> <p>Sell Transaction of 2642 Shares on June 15, 2022 by Mr. Jay Kunjbihari Shah tantamount to Contra Trade.</p>	Date of Transaction	Buy/Sell	No of Shares	Average Price per Share	May 11, 2022	Buy	4500	101.25	June 15, 2022	Sell	(2642)	121.80
Date of Transaction	Buy/Sell	No of Shares	Average Price per Share												
May 11, 2022	Buy	4500	101.25												
June 15, 2022	Sell	(2642)	121.80												
2.	Regulation 23(9) of SEBI (LODR) Regulations 2015 w.r.t Related party transactions	<p>As per the amended provisions of regulation 23(9) of SEBI (LODR) Regulations, 2015, the company was required to file the Related party transactions with the Stock Exchanges for Half Year ended on March 31, 2022 within 15 days from the date of publication of its standalone financial results.</p> <p><i>However, the company filed Related party transactions for half year ended</i></p>	<p>The company filed its results on May 7, 2023 and filed its Related Party transactions for half year ended on March 31, 2022 on May 26, 2022 resulting in delay of 3 days.</p> <p>BSE Limited vide its Tax Invoice dated August 30, 2022 had levied a penalty on Company of Rs. 15000/- plus GST.</p> <p>Penalty Amount was paid by Company on August 12, 2022.</p>												

Sr. No.	Compliance Requirement (Regulation s/ circulars / guidelines including specific clause)	Deviations	Observations/ Remarks of the Practicing Company Secretary
		<i>on March 31, 2022 on May 26, 2023, resulting in delay of 3 days.</i>	
3.	Regulation 3(5) & 3(6) of SEBI (Prohibition of Insider Trading) Regulations, 2015.	Delay by Company in entering majority of UPSI Sharing Entries in software (Structured Digital Database)	Company has maintained internally Structured Digital Database in Digital Software for FY 2022-23 with adequate internal controls and checks such as time stamping and audit trails to ensure non-tampering of the database. <b>However there is a Delay by Company in entering of majority of UPSI Sharing Entries in software.</b>

Company being engaged in the business of building Solar power integrated photovoltaic system, Electric Vehicles, Energy Storage and Solar Water Desalination, solar thermals, & diesel/ gas based captive/ Co – Generation Power Plants. We hereby report that, having regard to the compliance system prevailing in the Company, We have relied on the representation made by the Company and its officers stating there are no laws specifically applicable to company.

During the Period under review, provisions of the following Acts, Rules, Regulations, Guidelines, Standards, etc. were 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 (Delisting of Equity Shares) Regulations, 2021;
- iii. Securities and Exchange Board of India (Issue and Listing of Non-Convertible Securities) Regulations, 2021;

iv. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 2018; and

v. Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Overseas Direct Investment and External Commercial Borrowings.

**We 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 Act.

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.

Since none of the members have communicated dissenting views in the matters / agenda proposed from time to time for consideration of the Board and Committees thereof, during the year under the report, hence were not required to be captured and recorded as part of the minutes.

**We 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.

We Further report that during the period under review:-

1. The company had altered its Memorandum of Association and inserted below mentioned clause in the Object clause of the Company as sub-clause 63 in Clause III Part [B] in the MOA authorised via Postal ballot Resolution passed dated June 24, 2022:

To carry on the business in India or elsewhere of the business of general merchants and traders, manufacturers, assemblers, distributors, importers, exporters, factors and shippers and wholesale and retail dealers in goods, wares, produce, products, goods, commodities, handicrafts and merchandise of every description, to act as agents for and to enter into agreements and arrangements of all kinds on behalf of such persons, firms or companies as may be thought expedient and to undertake the business as general traders and merchants, and buy, sell, export, import, deal in commodities, goods, things, contracts of all types, to deal in any commodity market, commodity exchange, for itself or for others, transaction in the nature of hedging, commodity future/swaps, and in derivatives of all the commodities, whether for the purpose of trading, investment, hedging, arbitrage, or any other purpose, whether in India or abroad and to undertake the activity of warehousing and processing as may



be required for the aforesaid purpose(s) in India or outside India.

2. The company had altered its Articles of Association and replaced existing Clause 98 of Articles of Association of the Company as follows authorised via Postal ballot Resolution passed dated June 24, 2022:

**“98. Chairman of the Board**

The Board may from time to time appoint any Director to be the Chairman of the Board. The Chairman of the Board shall be subject to the same provisions as to resignation and removal as the other Directors, and he ipso facto, and immediately ceases to be the Chairman if he ceases to hold the office of Director for any cause.”

3. The Shareholders of the Company passed special Resolution dated March 16, 2023 for approval of “Zodiac Employee Stock Option Plan-2023” for issuing options convertible into upto 2,92,670 (Two Lakhs Ninety Two Thousand Six hundred Seventy Only) fully paid up equity shares of the Company (“Equity Share(s)”), under one or more tranches, and on such terms and conditions as may be fixed or determined by the Board/committee in accordance with the applicable laws.

For SCS and Co. LLP  
Company Secretaries  
ICSI Unique Code: -L2020GJ008700

SD/-

Anjali Sangtani  
Partner  
ACS No.: 41942      C P No.: 23630  
UDIN: A041942E000782770

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

**ANNEXURE I**

To,  
The Members  
**ZODIAC ENERGY LIMITED**  
U.G.F-4,5,6, Milestone Building,  
Near Khodiyar Restaurant,  
Near Drive In Cinema,  
Thaltej -Ahmedabad -380054

Our 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. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of secretarial records. The verification was done based on the records and documents provided to me, on test basis, to ensure that correct facts are reflected in secretarial records. We believe that the processes and practices followed by me provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and books of accounts of the Company.
4. Wherever required, we have obtained the Management representation about the compliance of laws, rules and regulations and happening of events etc.
5. The compliance of the provision of corporate and other applicable laws, rules, regulations, standards is the responsibility of management. Our examination was limited to verification of procedures on test basis.
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 10, 2023**

**For SCS and Co. LLP**  
**Company Secretaries**  
**ICSI Unique Code: - L2020GJ008700**

**SD/-**

**Anjali Sangtani**  
**Partner**  
**ACS No.: 41942      C P No.: 23630**  
**UDIN: A041942E000782770**

## ANNEXURE-E TO THE DIRECTORS' REPORT

Information pursuant to Section 197 of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

i. The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the FY 2022-23 and the percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary in the FY 2022-23:

Name of Directors/KMP	Ratio of remuneration to median remuneration of Employees	% increase/decrease in remuneration in the financial year
<b>Executive Directors:</b>		
Mr. Kunjbihari Shah	20.22:1	0.25%
Mrs. Parul Shah	10.11:1	(5.17)%
Mr. Bhargav Mehta	2.53:1	(10.49%)
<b>Non-Executive Directors:<sup>1</sup></b>		
Mr. Jaxay Shah	0.09:1	-
Mr. Dhaval Shah	0.49:1	-
Mr. Kalpesh Joshi	0.49:1	-
Mr. Ambar Patel	0.13:1	-
Mr. Rakesh Patel	0.08	-
<b>Key Managerial Personnel:</b>		
Mrs. Shefali Karar	4.15:1	6.74%
Ms. Niyati Parikh	2.45:1	8.09%

<sup>1</sup> Reflects Sitting Fees.

ii. The percentage increase / decrease in the median remuneration of employees in the financial year:

Average increase in remuneration of employees: 14.00%

iii. The number of permanent employees on the rolls of Company:

90 Employees on March 31, 2023.

iv. Average percentile increase 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:

On an Average, 7.74% decrease in the average salary of the Employees was made.

v. Affirmation that the remuneration is as per the remuneration policy of the company:

The Company affirms remuneration is 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:** August 10, 2023

**Kunjbihari Shah**

**Managing Director**

**DIN 00622460**

**Parul Shah**

**Whole Time Director**

**DIN 00378095**

## ANNEXURE-F TO THE DIRECTORS' REPORT

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

#### A. Conservation of Energy:

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

During the year under review, your Company was not engaged in any manufacturing or processing activity. Considering the nature of the Company's business, there is no reporting to be made on conservation of energy in its operations. Notwithstanding this, the Company recognises the importance of energy conservation in decreasing the adverse effects of global warming and climate change. The Company carries on its activities in an environmentally friendly and energy efficient manner.

##### 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:

Not Applicable

#### B. Technology Absorption:

##### i.) Major efforts made towards technology absorption:

The Company has not entered into any technology agreement or collaborations.

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

Not Applicable

##### iii.) Information regarding imported technology (Imported during last three years):

The Company has not imported any technology during the last three years.

##### iv.) Expenditure incurred on research and development:

None

#### C. Foreign Exchange Earnings and Outgo:

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

(Amount in Lakhs)

Sr No	Particulars	2022-23	2021-2022
1.	Foreign Exchange Earned	-	-
2.	Foreign Exchange Outgo	682.78	2659.93



**Registered office:**

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

**Place:** Ahmedabad

**Date:** August 10, 2023

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

**Kunjbihari Shah**  
Managing Director  
DIN 00622460

**Parul Shah**  
Whole Time Director  
DIN 00378095

# 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 economic overview:

Global economic growth slowed to 3.2% in 2022 compared to 6% in the previous year. Challenges such as the Russian invasion of Ukraine, high inflation, China's pandemic-induced slowdown, a sharp increase in interest rates and liquidity constraints affected spending, trade and energy costs. The New York Fed published SOFR (Secured Overnight Financing Rate) increased ~460 bps to 4.9%. Global equities and bonds saw a substantial value drawdown. Global trade expanded at a slower pace. The S&P GSCI TR index reflected declines in various commodities, including crude oil and natural gas.

Geopolitical events and government actions enhanced market awareness regarding the challenges associated with a dependence on imported energy, global competition for gas supply and pricing links between natural gas and renewables. Consequently, governments developed policies to promote renewable energy build out and investment, prioritizing energy security and climate change. The US Inflation Reduction Act, a significant piece of legislation, allocated \$369 billion towards green technology development and commercialization, triggering international competition to enhance renewables sectors. The European Commission's relaxation of state-aid rules simplified subsidies for various renewable technologies and their components. Initiatives like REPowerEU aimed to bolster energy security in the European Union by replacing Russian gas imports with renewables, hydrogen and biomethane. The UK planned energy reforms and increased policy support for renewables. The COP27 international climate conference, held in December 2022, brought together world leaders with the key aim of attaining global net zero emissions by midcentury and limiting the global temperature increase to a maximum of 1.5 degrees Celsius. Concurrently, the conference focused on accelerating the phase-out of coal and mobilizing an annual climate finance of at least \$100 billion to support developing economies. This concerted global effort towards decarbonization spurred major economies to augment investments and raise renewable energy targets.

(Source: PWC report, EY report, IMF data, OECD data)

### • Indian Economic Overview:

In 2022-23, India showcased robust economic growth, emerging as the second fastest-growing G20 economy with a growth rate of 7.2%. It climbed to become the

world's fifth-largest economy, surpassing the UK and surpassed China to become the most populous nation. While unseasonal rains affected wheat harvest, the agriculture sector displayed a mixed performance, with rice production maintained and increased cultivation of pulses and oilseeds. The auto industry witnessed growth, except for a decline in two-wheeler sales. Non-performing assets of banks decreased and the country experienced steady domestic demand, along with increased imports and exports. Although foreign exchange reserves declined, inflation eased and industrial output grew at a slower pace. India's ranking in the Ease of Doing Business index improved and per capita income saw a rise.

India is well-positioned in the global landscape, benefiting from economic challenges faced by Europe and the US. The production-linked incentive program is bolstering downstream sectors, positioning India as an alternative industrial hub to China. Projections indicate that India is poised to become the world's third-largest economy by the end of the decade. Despite geopolitical tensions, global financial conditions and slowing external demand, positive elements exist within the global economy. Key economies, including India and China, are projected to drive a significant portion of global growth. While challenges persist, there is optimism regarding India's business outlook and private investment.

India's electric power capacity has grown by about 8% annually. The National Electricity Plan focuses on solar energy, with a projected growth rate of 20%. Plans for expanding coal capacity have been scaled and there is an emphasis on energy storage to enhance the usefulness of renewable energy sources. This shift aims to align India's energy generation with sustainable practices. The Indian government's proactive implementation of programs and policies promoting green fuel, green energy, green farming, green mobility, green buildings and green equipment is driving the reduction of carbon intensity in the economy.

• **Union Budget FY 2023-24 provisions:**

The Indian Government emphasized green growth through programmes across economic sectors. The Finance Minister mentioned that India was moving forward firmly towards the 'panchamrit' goal and net-zero carbon emissions by 2070 to usher a green industrial and economic transition.

The Budget provided ₹35,000 Crore for priority capital investments towards energy transition and net zero objectives and energy security. To steer the economy towards sustainable development, the Government will support the creation of battery energy storage systems with capacity of 4,000 MWH with Viability Gap Funding. Further, the Finance Minister announced that a detailed framework for pumped storage projects would be formulated.

It was reiterated that the National Green Hydrogen Mission, with an outlay of ₹19,700 Crore, will facilitate transition of the economy to low carbon intensity, reduce dependence on fossil fuel imports and make the country assume technology and market leadership in this sunrise sector with a green hydrogen production target of 5 MMT by 2030. With this continued emphasis and these budget allocations, the renewable sector will be accelerated. The support for battery storage solutions will

enable a faster adoption of renewable energy.

The Union Budget demonstrates support for the renewable energy sector. A budgetary allocation of ₹7,327 Crore is designated for solar power projects, a substantial 48% increase compared to the previous year. The Ministry of New and Renewable Energy received funding of ₹10,222 Crore. In the wind and other renewable energy programs, ₹1,245 Crore was allocated, with an additional ₹31 Crore dedicated to hydropower. The issuance of sovereign green bonds worth ₹8,000 Crore reinforces India's commitment to sustainable finance.

#### ► GLOBAL RENEWABLE ENERGY SECTOR OVERVIEW:

Renewable capacity is poised to grow by 107 GW in 2023. This unprecedented surge exceeds Germany and Spain's combined power capacity. The driving forces include robust policy support, energy security priorities and improved competitiveness against fossil fuels, outweighing challenges like higher costs and supply chain issues. Solar PV capacity dominates the global renewable capacity growth, contributing to two-thirds of the increase. Escalating electricity prices from the energy crisis prompted policymakers, particularly in Europe, to prioritize energy security and seek alternatives to imported fossil fuels. This shift favors solar PV, especially for quick installation of residential and commercial systems to meet surging demand for renewable energy.

By the end of 2024, the cumulative global renewable capacity is forecasted to surpass 4,500 GW, equivalent to the total power capacity of China and the United States combined.

As of now, renewable energy sources make up about 7% of the total global energy demand. However, this percentage is expected to increase significantly in the near future. Renewable energy sources are expected to surpass coal as the largest source of global electricity generation by early 2025. By 2026, the cumulative solar PV capacity is predicted to increase by almost 1,500 GW, surpassing natural gas as a source of energy. Furthermore, it is expected to overtake coal by 2027.

(Source: renewableenergyworld.com, UN Climate change, ETimes, statista, iea.org)

#### ► INDIAN RENEWABLE ENERGY SECTOR OVERVIEW:

In November 2022, Our Hon'ble Prime Minister, Shri Narendra Modi, announced India's aim of achieving net zero emissions by 2070 at COP27 held in Glasgow. At the heart of India's vision of a safe planet is a oneword Mantra – Lifestyle for Environment, that Prime Minister Modi set forth in our National Statement at COP26.

The government's COP26 objective:

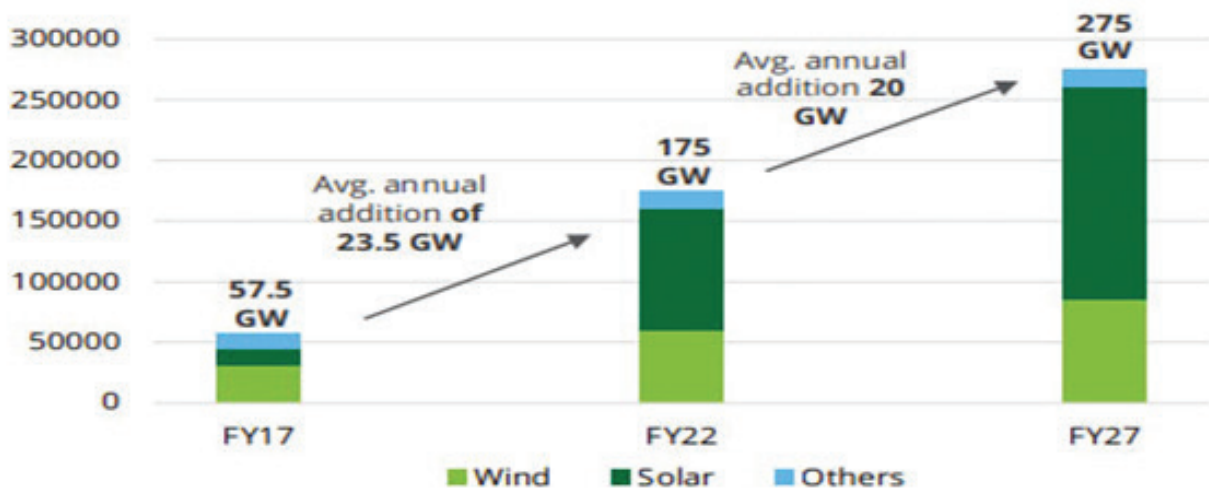
- India will take its non-fossil energy capacity to 500 GW by 2030.
- India will meet 50% of its energy requirements from renewable by 2030.
- India will reduce the total projected carbon emissions by one billion tonnes from now till 2030.
- By 2030, India will reduce the carbon intensity of its economy by less than 45%.
- By the year 2070, India will achieve the target of Net zero.

India stands 4th globally in Renewable Energy Installed Capacity, 4th in Wind Power capacity and 4th in Solar Power capacity (as per REN21 Renewables 2022 Global Status Report).

In March, 2023, Ministry of New & Renewable Energy, Government of India, through its office memorandum has issued further granular targets to renewable energy implementation agencies for conducting renewable power bids/auctions. The target sets 50GW of annual bidding up to FY28 and specifically lays down quarterly targets for FY24. Besides, the Government announced Production Linked Incentive scheme (Tranche II) that could empower addition of 48 GW solar module manufacturing capacity in the next three years.

The government's encouragement to the renewable energy sector can be attributed to a variety of reasons and the growing population, urbanization and industrialization are certainly important factors. As the population of the country continues to grow, reaching an estimated 1.51 billion by 2030, the demand for energy is expected to rise rapidly. This will likely lead to an increase in greenhouse gas emissions and other negative environmental impacts associated with energy production. India will make up the biggest share of energy demand growth at 25% over the next two decades and it is expected to reach a value of 15,820 TWh by 2040. India has set ambitious targets to drive its transition to a sustainable future. These include reducing the carbon intensity of its economy by less than 45% by the end of the decade, achieving a cumulative 50% share of renewable energy in its electric power capacity by 2030 and aiming for net-zero carbon emissions by 2070.

**Renewable Energy Capacity Addition Targets**



Source: MNRE and draft NEP

To support these goals, India has outlined plans to produce five million tonnes of green hydrogen by 2030, facilitated by the development of 125 GW of renewable energy capacity. The country has also approved the establishment of 57 solar parks with a combined capacity of 39.28 GW. In addition, India aims to reach a wind energy target of 30 GW from offshore installations by 2030, with potential sites already identified. (Source: [iea.org](https://www.iea.org)).



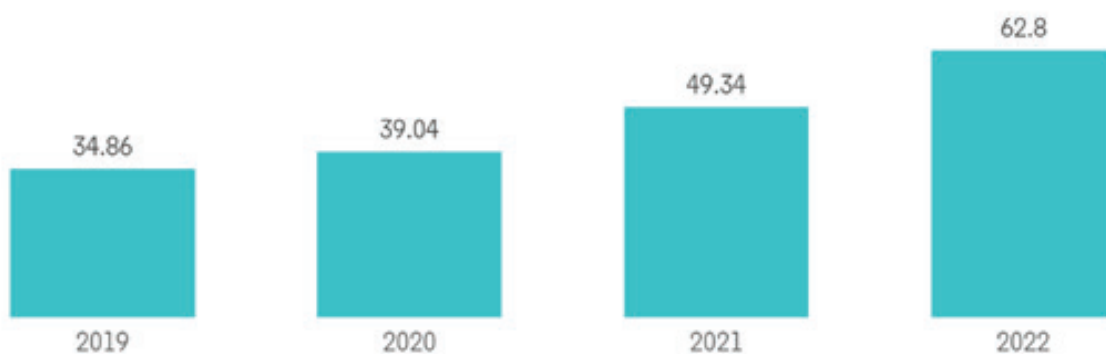
### ► INDUSTRY STRUCTURE AND DEVELOPMENTS:

India solar market is estimated to be at 79.07 GW by the end of this year and is projected to reach 195.11 GW in the next five years, registering a CAGR of 19.8% during the forecast period. Over the medium term, the Indian solar energy market is growing owing to the cost of solar power technology is declining, solar systems are becoming more flexible, and solar power is a greener way to make electricity. The market is also propelled by supportive government policies, particularly the Ministry of New and Renewable Energy (MNRE) plans to encourage renewable-based power generation. On the other hand, the solar energy market is restrained by issues like transmission and distribution losses and unpredictability in the continuity of power supply.

Nevertheless, India has a lot of solar irradiance and gets solar energy all year long. This means there are many places in the sunniest parts of the country, like Rajasthan, Gujarat, and Andhra Pradesh, where solar energy can be used. This, along with foreign investment and a lot of research and development projects to improve the technology, gives the Indian solar energy market a lot of chances to grow.

The solar PV segment is expected to have the biggest market share during the forecast period. This is because the cost of solar modules is decreasing, and these systems can be used for many different things, like making electricity and heating water. As per IRENA, India's installed solar PV capacity was around 62.8 GW in 2022, up from 49.3 GW in 2021. This was an increase of around 31% over the year. India put in a lot of solar PV installations, especially for utility projects, which led to the growth. The Government of India has more plans to increase the solar PV installed capacity. The National Thermal Power Corporation Limited (NTPC) turned on a solar PV project near Hazira in Surat in August 2022. The Kawas solar PV project has a capacity of 56 MW; with this project, NTPC will increase its solar footprint to 68,454 MW of group-installed and commercial capacity. With the completion of these types of projects, the share of the solar PV segment in the Indian solar energy market is expected to increase in the forecast period.

India Solar Energy Market: Solar PV Installed Capacity, in GW, India, 2019-2022



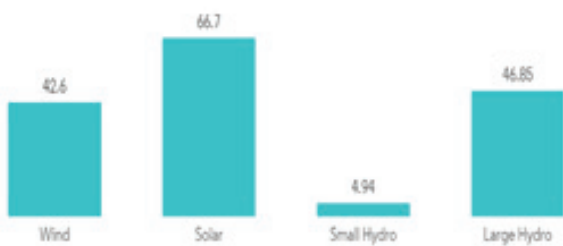
Source: International Renewable Energy Agency (IRENA)



In Recent years, the country planned various government initiatives to increase the solar energy share of India's future renewable power generation mix. According to Ministry of New and Renewable Energy, as of February 2023, the solar energy constitutes 66.70 GW installed capacity in 2022.

According to the Ministry of New and Renewable Energy's (MNRE) national wind-solar hybrid policy, this policy is a framework for promoting large grid-connected wind-solar PV hybrid systems. These systems will reduce the unpredictability of renewable energy generation and improve grid stability while using land and transmission infrastructure best. Some other schemes implemented by the Ministry of New and Renewable Energy (MNRE) over the last three years are the Solar Park Scheme, the 300 MW Defense Scheme, and the 500 MW VGF (Viability Gap Funding) Scheme. The Delhi government approved its Solar Policy 2022 plan in December 2022. The plan calls for the installed capacity to go from 2,000 MW to 6,000 MW by 2025. Delhi's new solar policy aims to install 6,000 MW of solar capacity by 2025. This will likely bring the share of solar energy in Delhi's annual electricity demand from 9% to 25% in three years.

India Solar Energy Market: Renewable Power Generation Mix, in GW, India, As of February 2023



Source: Ministry of New and Renewable Energy

With the upcoming government projects and supportive policies, solar energy developments are expected to boost the Indian solar energy market in the coming years. The Government of India, Solar Energy Corporation of India Limited (SECI), and the World Bank signed agreements for a USD 150 million International Bank for Reconstruction and Development (IBRD) loan, a USD 28 million Clean Technology Fund (CTF) loan,

and a USD 22 million CTF grant to assist India in increasing its power generation capacity through cleaner and renewable energy sources. The agreement reaffirmed India's goal of reaching 500 gigatons (GW) of renewable energy by 2030.

#### ► GROWTH DRIVERS:

##### • Demand for energy:

India is now the world's third largest energy consumer, with a significant increase in energy consumption since 2000. As the country recovers from the pandemic, it faces a dynamic phase in energy development. Rising incomes and improving living standards will drive the demand for appliances, air conditioners and vehicles. With a growing population and increasing urbanization, India needs to expand its power system equivalent to the size of the European Union to address rising electricity needs. (Source: IEA)

##### • Climate change:

India's climate vulnerability is evident from its ranking in the Global Climate Risk Index. To tackle environmental challenges, the Indian government implemented

energy-efficient initiatives like the Gram Ujala program, providing affordable LED bulbs to rural areas. With a focus on self-reliance, India aims to generate 500 GW of non-fossil green energy by 2030, reducing dependence on fossil fuels and mitigating climate change. These efforts align with India's commitment to a sustainable and resilient future.

• **Cost effective:**

Renewable energy is cheaper than traditional energy sources, with no procurement costs and easy recovery of installation costs through generated revenue, due to declining transmission costs.

• **Scalable:**

Renewable energy is a scalable and effective solution to combat global warming. It is a clean and sustainable energy source that is easier to install than traditional sources.

• **Government support:**

The Indian government actively encourages the adoption of renewable energy and acknowledges its potential to meet the country's growing power demand while ensuring environmental sustainability. It has introduced solar parks under the 'Make in India' initiative, provides customs and excise duty provisions for solar rooftops and offers incentives to promote private sector investments.

► **INDIAN GOVERNMENT INITIATIVES:**

India's government is committed to promoting clean energy through large-scale sustainable power projects and incentives for green energy. Renewable energy has the potential to create employment opportunities at all levels, especially in rural areas.

• In less than a year since implementing the Late Payment Surcharge (LPS) Rules in June 2022, the outstanding dues of electricity distribution utilities (discoms) have significantly decreased. The total outstanding amount has been reduced by approximately one-third, reaching around ₹93,000 Crore as of May.

• The Indian government has announced a waiver of Inter-State Transmission System (ISTS) charges for solar and wind power projects that are commissioned by 30 June 2025 and for the interstate sale of power generated from these projects.

• The National Electricity Plan (Generation) for 2022-23 outlined the growth and market share of renewable energy sources. Till March, 2023, solar PV capacity was estimated at 66.8 GW (16% market share). By March, 2027, it is projected to increase to 185.6 GW (30% market share) and by March 2032, it is expected to reach 364.6 GW (40% market share). For wind energy, the capacity was 42.6 GW (10% market share) till March, 2023, projected to reach 72.9 GW (12% market share) by March, 2027 and 121.9 GW (14% market share) by March, 2032.

► **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:

(Amount in Lakhs)

Particulars	F.Y. 2022-23	F.Y. 2021-22
Revenue from Operations	13,765.92	14,297.05
Other Income	83.70	97.58
<b>Total Income</b>	<b>13,849.62</b>	<b>14,394.63</b>
Less: Total Expenses before Depreciation, Finance Cost and Tax	13,015.91	13,409.50
Profit before Depreciation, Finance Cost and Tax	833.71	985.13
Less: Depreciation	77.38	61.40
Less: Finance Cost	318.13	160.04
<b>Profit Before Tax</b>	<b>438.20</b>	<b>763.69</b>
Less: Current Tax	125.00	219.47
Less: Deferred tax Liability	(5.73)	(1.80)
Less: Pervious year tax adjustment	-	-
<b>Profit after Tax</b>	<b>318.93</b>	<b>546.02</b>
Other comprehensive income	(5.13)	4.64
<b>Total Comprehensive Income</b>	<b>313.80</b>	<b>550.66</b>

During the year under review, your Company has recorded total Revenue from Operations to the tune of ₹13,765.92 Lakhs during the financial year 2022-23 compared to ₹14,297.05 Lakhs in the corresponding previous financial year.

Your Company has recorded total income of ₹ 13,849.62 Lakhs during the Financial Year 2022-23 as compared to ₹14,394.63 Lakhs in the corresponding previous financial year.

During the year, your Company has generated earnings before interest, depreciation and tax (EBIDTA) of ₹ 833.71 Lakhs as compared to ₹985.13 Lakhs in the previous year. The net profit after tax for the financial year 2022-23 stood at ₹318.93 Lakhs as compared to ₹546.02 Lakhs during the previous financial year 2021-22 which states decrease of almost 41.60% in the profit of the Company.

Profit of your Company has decreased due to decrease in Turnover of the Company as well as addition in Finance Cost of the Company. As compared to that there is reduction in Cost of material consumed and in Commission / Sales promotion expenses in other expense. Hence, at the result of that profit of your Company has increased at robust growth.

► **HUMAN RESOURCES:**

Zodiac's human resource practices helped reinforce market leadership. The Company invested in formal and informal training as well as on-the-job learning. It emphasised engagements with employees by providing an enriched workplace, challenging job profile and regular dialogues with the management. The Company enjoyed one of the highest employee retention rates in the industry; it created leaders from within, strengthening prospects. As on March 31, 2023, the Company's employee base stood at 90.



**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	2022-23	2021-22	Difference	Change in %	Remarks
Debtors Turnover Ratio	3.84	5.24	(1.40)	(26.74)	Due to Increase in Accounts Receivables.
Inventory Turnover	5.11	5.08	0.03	0.44	--
Interest Coverage Ratio (EBIT/Interest)	2.68	7.50	(4.82)	(64.27)	Due to increase in interest expense.
Current Asset Ratio	1.64	1.97	(0.33)	(16.70)	--
Debt Equity Ratio	1.27	0.54	0.73	136.16	Due to increase in working capital Loan.
Operating Profit Margin (%)	5.08	6.21	(1.13)	(18.20)	Due to decrease in sales.
Net Profit Margin (%)	2.32	3.82	(1.5)	39.34	Due to Decrease in net profit of the Company.
Return on Net Worth	16.77	13.28	3.49	26.28	Due to increase in EBIT.

**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.

# Report on Corporate Governance

In accordance with Regulation 34(3) read with Schedule V of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (including any amendments thereto) ('Listing Regulations'), hereinafter referred to as SEBI Listing Regulations, the Board of Directors of Zodiac Energy Limited ("ZODIAC") has pleasure in presenting the Company's report containing the details of governance systems and processes for the FY 2022-23.

## 1. COMPANY'S PHILOSOPHY ON CORPORATE GOVERNANCE:

Corporate Governance is about meeting our strategic goals responsibly and transparently, while being accountable to our stakeholders. The Company is equipped with a robust framework of corporate governance that considers the long-term interest of every stakeholder as we operate with a commitment to integrity, fairness, equity, transparency, accountability and commitment to values. The framework lays down procedures and mechanisms for enhancing leadership for smooth administration and productive collaboration among employees, value chain, community, investors and the Government.

Courage, Trust and Commitment are the main tenets of our Corporate Governance Philosophy.

The Company believes that sustainable and long term growth of every stakeholder depends upon the judicious and effective use of available resources and consistent endeavour to achieve excellence in business along with active participation in the growth of society, building of environmental balances and significant contribution in economic growth.

The Company's philosophy on code of governance is based on the following principles:

- a) Transparency, accountability and integrity in business practices;
- b) Compliance with all applicable laws;
- c) Effective management control of the Board; and
- d) Transparency in timely disclosure of financial and other important information to the Board of Directors.

The Company is in compliance with the conditions of corporate governance as required under the SEBI (Listing Obligations and Disclosures Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as applicable.

## 2. BOARD OF DIRECTORS:

The Board, being the trustee of the Company, is responsible for the establishment of cultural, ethical, sustainable and accountable growth of the Company, is constituted

with a high level of integrated, knowledgeable and committed professionals. The Board is at the helm of the Company's Corporate Governance practice. It provides strategic guidance and independent views to the Company's senior management while discharging its fiduciary responsibilities. The Board also provides direction and exercises appropriate control to ensure that the Company is managed in a manner that fulfils stakeholders' aspirations and societal expectations.

**a) Composition and Category of the Board of Directors:**

The Company has a balanced Board with optimum combination of Executive and Non-Executive Directors, including independent professionals, which plays a crucial role in Board processes and provides independent judgment on issues of strategy and performance.

The Board currently comprises of 8 (Eight) Directors out of which 3 (Three) are Executive Directors, 1 (one) is Non-Executive & Non- Independent Director, and remaining 4 (four) are Independent Directors. Independent Directors are Non-Executive Directors as defined under Regulation 16(1)(b) of the Listing Regulations.

The maximum tenure of the Independent Directors is in compliance with the Companies Act, 2013 ("the Act"). All the Independent Directors have confirmed that they meet the criteria as mentioned under regulation 16(1)(b) of the SEBI Listing Regulations as amended from time to time and Section 149 of the Act.

The present strength of the Board reflects judicious mix of professionalism, competence and sound knowledge which enables the Board to provide effective leadership to the Company.

The Independent Directors have included their names in the data bank of Independent Directors maintained with the Indian Institute of Corporate Affairs in terms of Section 150 of the Act read with Rule 6 of the Companies (Appointment & Qualification of Directors) Rules, 2014.

No Director is related to each other except Mr. Kunjbihari Shah and Mrs. Parul Shah, who are related to each other as Husband and wife.

The number of Directorship(s), Committee Membership(s)/Chairmanship(s) of all Directors is within respective limits prescribed under the Companies Act, 2013 and the SEBI (LODR) Regulations, 2015 as amended from time to time.

The composition of the Board of Directors and the number of Directorships and Committee positions held by them as on March 31, 2023 are as under:

Name, Designation and DIN of Director	Age & Date of Appointment	Category of Directorship	No. of other Directorships held <sup>1</sup> (Other than Zodiac )	Details of Committees <sup>2</sup> (other than Zodiac)	
				Chairman	Member
Mr. Kunjbihari Shah Managing Director DIN: 00622460	56 Years 22/06/1992	Executive Director	-	-	-
Mrs. Parul Shah Whole Time Director DIN: 00378095	52 Years 01/04/1998	Executive Director	-	-	-
Mr. Bhargav Mehta Whole Time Director DIN: 03125599	74 Years 26/09/2017	Executive Director	-	-	-
Mr. Jaxay Shah Director DIN: 00468436	55 Years 12/03/2020	Non-Executive Director	-	-	-
Mr. Dhaval Shah Director DIN: 07933310	42 Years 08/09/2017	Independent & Non-Executive Director	-	-	2
Mr. Kalpesh Joshi Director DIN: 07210197	56 Years 08/09/2017	Independent & Non-Executive Director	1	-	2
Mr. Ambar Patel Director DIN: 00050042	70 Years 01/09/2021	Independent & Non-Executive Director	2	1	2

Name, Designation and DIN of Director	Age & Date of Appointment	Category of Directorship	No. of other Directorships held <sup>1</sup> (Other than Zodiac )	Details of Committees <sup>2</sup> (other than Zodiac)	
				Chairman	Member
Mr. Rakesh Patel Director DIN: 00373019	53 Years 01/09/2021	Independent & Non-Executive Director	-	-	-

**Notes:**

1. The Directorships held by the Directors, as mentioned above excludes alternate directorships, directorships in foreign companies, Companies under Section 8 of the Companies Act, 2013 and Private Limited Companies, which are not the subsidiaries of Public Limited Companies.

2. Represents Membership / Chairmanship of two Committees viz. Audit Committee and Stakeholders' Relationship Committee as per Regulation 26 of the SEBI Listing Regulations.

**Details of name of other listed entities where Directors of the Company are Directors and the category of Directorship as on March 31, 2023 are as under:**

Sr No	Name of Director	Name of other Listed entities in which the concerned Director is a Director	Category of Directorship
1	Mr. Kunjbihari Shah DIN: 00622460	-	-
2	Mrs. Parul Shah DIN: 00378095	-	-
3	Mr. Bhargav Mehta DIN: 03125599	-	-
4	Mr. Jaxay Shah DIN: 00468436	-	-
5	Mr. Dhaval Shah DIN: 07933310	-	-
6	Mr. Kalpesh Joshi DIN: 07210197	Loyal Equipments Limited	Independent Director
7	Mr. Ambar Patel DIN: 00050042	Shilp Gravures Limited Harsha Engineers International Limited	Executive Director Independent Director

Sr No	Name of Director	Name of other Listed entities in which the concerned Director is a Director	Category of Directorship
8	Mr. Rakesh Patel DIN: 00373019	-	-

#### b) Board Meetings and Procedure:

The internal guidelines for Board / Committee meetings facilitate the decision making process at the meetings of the Board / Committees in an informed and efficient manner.

Board Meetings are governed by structured agenda. All major agenda items are backed by comprehensive background information to enable the Board to take informed decisions. The Company Secretary in consultation with the Senior Management prepares the detailed agenda for the meetings.

Agenda papers and Notes on Agenda are circulated to the Directors, in advance, in the defined Agenda format. All material information is circulated along with Agenda papers for facilitating meaningful and focused discussions at the meeting. Where it is not practicable to attach any document to the Agenda, the same is tabled before the meeting with specific reference to this effect in the Agenda. In special and exceptional circumstances, additional or supplementary item(s) on the Agenda are permitted. In order to transact some urgent business, which may come up after circulation agenda papers, the same is placed before the Board by way of Table Agenda or Chairman's Agenda. Frequent and detailed deliberation on the agenda provides the strategic roadmap for the future growth of the Company.

Minimum 4 (four) pre-scheduled Board meetings are held every year. Apart from the above, additional Board meetings are convened by giving appropriate notice to address the specific needs of the Company. In case of business exigencies or urgency of matters, resolutions are also passed by way of circulation.

The required information as enumerated in Part A of Schedule II to SEBI Listing Regulations is made available to the Board of Directors for discussions and consideration at every Board Meeting. The Board periodically reviews compliance reports of all laws applicable to the Company as required under Regulation 17(3) of the SEBI Listing Regulations.

The important decisions taken at the Board / Committee meetings are communicated to departments concerned promptly. Action taken report on the decisions taken at the meeting(s) is placed at the immediately succeeding meeting of the Board / Committee for noting by the Board / Committee.

During the year under review, Board met nine times i.e. on April 11, 2022, May 07, 2022, August 09, 2022, September 03, 2022, November 14, 2022, December 06, 2022, February 10, 2023, March 06, 2023 and March 14, 2023.



The Board meets at least once in every quarter to review the Company's operations and financial performance. The maximum gap between two meetings is not more than 120 days. The necessary quorum was present in all the meetings.

The details of attendance of Directors at the Board Meetings and at the last Annual General Meeting held on September 27, 2022, are as under:

Name of Director	Number of Board Meetings held and attended during FY 2022-23		Attendance at last AGM	% of attendance
	Held during the tenure	Attended		
Mr. Kunjbihari Shah	9	9	Yes	100
Mrs. Parul Shah	9	9	Yes	100
Mr. Bhargav Mehta	9	5	Yes	56
Mr. Jaxay Shah	9	2	Yes	22.22
Mr. Dhaval Shah	9	9	Yes	100
Mr. Kalpesh Joshi	9	9	Yes	100
Mr. Ambar Patel	9	3	Yes	33.33
Mr. Rakesh Patel	9	2	Yes	22.22

During the year, the Board of Directors accepted all recommendations of the Committees of the Board, which were statutory in nature and required to be recommended by the Committee and approved by the Board of Directors. Hence, the Company is in compliance of condition of clause 10 (j) of schedule V of the SEBI Listing Regulations.

### c) Shares and Convertible Instruments held by Directors:

There are no convertible instruments issued by the Company. The details of equity shares of the Company held by Directors are given below:

Sr No	Name of Director		Shares Held
1	Mr. Kunjbihari Shah	Managing Director	8835040
2	Mrs. Parul Shah	Whole Time Director	424800
3	Mr. Jaxay Shah	Non-Executive Director	216000
4	Mr. Ambar Patel	Independent Director	4000

Apart from the details mentioned hereinabove, no other Director holds any shares in the Company.

Apart from the details mentioned hereinabove, no other Director holds any shares in the Company.

### **Skills / expertise competencies of the Board of Directors:**

The following is the list of core skills / competencies identified by the Board of Directors as required in the context of the Company's business and that the said skills are available within the Board Members:

Business Leadership	Leadership experience including in areas of business development, strategic planning, succession planning, driving change and long-term growth and guiding the Company and its senior management towards its vision and values.
Financial Expertise	Knowledge and skills in accounting, finance, treasury management, tax and financial management of large corporations with understanding of capital allocation, funding and financial reporting processes.
Risk Management	Ability to understand and assess the key risks to the organization, legal compliances and ensure that appropriate policies and procedures are in place to effectively manage risk.
Global Experience	Global mindset and staying updated on global market opportunities, competition experience in driving business success around the world with an understanding of diverse business environments, economic conditions and regulatory frameworks.
Technology & Innovations	Experience or knowledge of emerging areas of technology such as digital, artificial intelligence, cyber security, data center, data security etc.

In the table below, the specific areas of focus or expertise of individual board members have been highlighted.

Name of Director	Areas of Skills / Expertise				
	Business Leadership	Financial Expertise	Risk Management	Global Experience	Technology & Innovations
Mr. Kunjbihari Shah	✓	✓	✓	✓	✓
Mrs. Parul Shah	✓	✓	✓	✓	✓
Mr. Bhargav Mehta	✓	✓	✓	✓	✓
Mr. Jaxay Shah	✓	✓	✓	✓	✓

Name of Director	Areas of Skills/ Expertise				
	Business Leadership	Financial Expertise	Risk Management	Global Experience	Technology & Innovations
Mr. Dhaval Shah	✓	✓	✓	✓	✓
Mr. Kalpesh Joshi	✓	✓	✓	✓	✓
Mr. Ambar Patel	✓	✓	✓	✓	✓
Mr. Rakesh Patel	✓	✓	✓	✓	✓

Note - Each Director may possess varied combinations of skills/ expertise within the described set of parameters and it is not necessary that all Directors possess all skills/ expertise listed therein.

#### **Directors' selection, appointment, induction and familiarisation:**

As per the delegation given by the Board to the Nomination and Remuneration Committee (NRC) of the Company, consisting exclusively of Independent Directors, the NRC screens and selects the suitable candidates, based on the defined criteria and makes recommendations to the Board on the induction of new directors. The Board appoints the director, subject to the shareholders' approval.

All new directors are taken through a detailed induction and familiarization program when they join the Board of the Company. The induction program is an exhaustive one that covers, background of the Company and its growth, various milestones in the Company's existence since its incorporation, the present structure and an overview of the businesses and functions. Deep dives and immersion sessions are conducted by senior executives on their respective ports/ business units. Key aspects that are covered in these sessions include:

- Industry / market trends
- The Company's performance
- Growth Strategy
- Overview of business operation

The details of the familiarization programme of the Independent Directors held during the year 2022-23 is uploaded on the website at [https://zodiacenergy.com/images/pdf/FAMILIARIZATION\\_PROGRAMMES\\_OF\\_INDEPENDENT\\_DIRECTOR\\_FOR\\_2022-23.pdf](https://zodiacenergy.com/images/pdf/FAMILIARIZATION_PROGRAMMES_OF_INDEPENDENT_DIRECTOR_FOR_2022-23.pdf)

#### **Meeting of Independent Directors:**

The Independent Directors met on February 10, 2023, without the attendance of Non- Independent Directors and members of the Management. The Independent Directors reviewed the performance of Non-Independent Directors and the Board as a whole, the performance of the Chairman of the Company, taking into account the

views of Executive Directors and Non-Executive Directors and assessed the quality, quantity and timeliness of flow of information between the Management and the Board that is necessary for the Board to effectively and reasonably perform their duties.

#### **Confirmation as regards independence of Independent Directors:**

In the opinion of the Board, all the existing Independent Directors, fulfil the conditions specified in the SEBI Listing Regulations and are independent of the management.

#### **Code of Conduct:**

The Board has laid down a Code of Business Conduct and Ethics (the "Code") for all the Board Members and Senior Management of the Company. The Code is available on the website of the Company <https://zodiacenergy.com/images/pdf/Code%20of%20Conduct%20for%20Board%20Members%20and%20Senior%20Management%20Personnel.pdf>. All Board Members and Senior Management Personnel have affirmed compliance of the Code. A declaration signed by Managing Director & Chief Executive Officer to this effect is attached to this report.

The Board has also adopted separate code of conduct with respect to duties of Independent Directors as per the provisions of the Act.

### **3. COMMITTEES OF THE BOARD:**

The Board Committees play a vital role in ensuring sound Corporate Governance practices. The Committees are constituted to handle specific activities and ensure speedy resolution of the diverse matters. The Board Committees are set up under the formal approval of the Board to carry out clearly defined roles under which are considered to be performed by members of the Board, as a part of good governance practice. The Board supervises the execution of its responsibilities by the Committees and is responsible for their action. The minutes of the meetings of all the Committees are placed before the Board for review. As on March 31, 2023, the Board has constituted the following Committees:

- A. Audit Committee
- B. Nomination and Remuneration Committee
- C. Stakeholders' Relationship Committee

#### **A. Audit Committee:**

The Audit Committee acts as a link among the Management, the Statutory Auditors, Internal Auditors and the Board of Directors to oversee the financial reporting process of the Company. The Committee's purpose is to oversee the quality and integrity of accounting, auditing and financial reporting process including review of the internal audit reports and action taken report.

#### **► Terms of Reference:**

The powers, role and terms of reference of the Audit Committee covers the areas as contemplated under SEBI Listing Regulations as amended from time to time and

Section 177 of the Companies Act, 2013.

The terms reference of Audit Committee has been revised by the Board of Directors on August 09, 2022 to include the terms of reference specified in Regulation 18 read with Part C of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended which is briefed hereunder:

- i. oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible;
- ii. The recommendation for the appointment, re-appointment and, if required, the replacement or removal of the statutory auditor, their remuneration and fixation of terms of appointment of the Auditors of the Company;
- iii. approval of payment to statutory auditors for any other services rendered by the statutory auditors;
- iv. reviewing, with the management, the annual financial statements and auditor's report thereon before submission to the board for approval, with particular reference to:
  - a) matters required to be included in the director's responsibility statement to be included in the board's report in terms of clause (c) of sub-section (3) of Section 134 of the Companies Act, 2013;
  - b) changes, if any, in accounting policies and practices and reasons for the same;
  - c) major accounting entries involving estimates based on the exercise of judgment by management;
  - d) significant adjustments made in the financial statements arising out of audit findings;
  - e) compliance with listing and other legal requirements relating to financial statements;
  - f) disclosure of any related party transactions;
  - g) modified opinion(s) in the draft audit report;
- v. reviewing, with the management, the quarterly financial statements before submission to the board for approval;
- vi. reviewing, with the management, the statement of uses / application of funds raised through an issue (public issue, rights issue, preferential issue, etc.), the statement of funds utilized for purposes other than those stated in the offer document / prospectus / notice and the report submitted by the monitoring agency monitoring the utilisation of proceeds of a public or rights issue, and making appropriate recommendations to the board to take up steps in this matter;
- vii. reviewing and monitoring the auditor's independence and performance, and effectiveness of audit process;

- viii. approval or any subsequent modification of transactions of the listed entity with related parties;
- ix. scrutiny of inter-corporate loans and investments;
- x. valuation of undertakings or assets of the listed entity, wherever it is necessary;
- xi. evaluation of internal financial controls and risk management systems;
- xii. reviewing, with the management, performance of statutory and internal auditors, adequacy of the internal control systems;
- xiii. reviewing the adequacy of internal audit function, if any, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit;
- xiv. discussion with internal auditors of any significant findings and follow up there on;
- xv. reviewing the findings of any internal investigations by the internal auditors into matters where there is suspected fraud or irregularity or a failure of internal control systems of a material nature and reporting the matter to the board;
- xvi. discussion with statutory auditors before the audit commences, about the nature and scope of audit as well as post-audit discussion to ascertain any area of concern;
- xvii. to look into the reasons for substantial defaults in the payment to the depositors, debenture holders, shareholders (in case of non-payment of declared dividends) and creditors;
- xviii. to review the functioning of the whistle blower mechanism;
- xix. approval of appointment of chief financial officer after assessing the qualifications, experience and background, etc. of the candidate;
- xx. Carrying out any other function as is mentioned in the terms of reference of the audit committee.
- xxi. Reviewing the utilization of loans and/ or advances from/investment by the holding company in the subsidiary exceeding rupees 100 crore or 10% of the asset size of the subsidiary, whichever is lower including existing loans / advances / investments existing as on the date of coming into force of this provision;
- xxii. Consider and comment on rationale, cost-benefits and impact of schemes involving merger, demerger, amalgamation etc., on the listed entity and its shareholders;



xxiii. Call for comments of the auditors about internal control systems, scope of audit including the observations of the auditor and review of the financial statements before submission to the Board;

xxiv. Audit committee is empowered to investigate any activity within its terms of reference, seek information it requires from any employee, obtain outside legal or other independent professional advice and secure attendance of outsiders with relevant expertise, if considered necessary. Apart from the above, the Audit Committee also exercises the role and powers entrusted upon it by the Board of Directors from time to time.

► **Review of Information by Audit Committee:**

The Audit Committee shall mandatorily review the following information:

- i. Management discussion and analysis of financial condition and results of operations;
- ii. Management letters / letters of internal control weaknesses issued by the statutory auditors;
- iii. Internal audit reports relating to internal control weaknesses; and
- iv. The appointment, removal and terms of remuneration of the internal auditor shall be subject to review by the Audit Committee and
- v. Statement of deviations: (a) Quarterly statement of deviation(s) including report of monitoring agency, if applicable, submitted to stock exchange(s) in terms of Regulation 32(1). (b) Annual statement of funds utilized for purposes other than those stated in the offer document/prospectus/notice in terms of Regulation 32(7).
- vi. Review and monitor the auditors' independence and performance, and effectiveness of audit process;
- vii. Examination of the financial statement and auditors' report thereon;
- viii. Approval or any subsequent modification of transactions of the Company with related parties;
- ix. Scrutiny of inter-corporate loans and investment;
- x. Valuation of undertakings or assets of the Company, wherever it is necessary;
- xi. Evaluation of internal financial controls and risk management systems;
- xii. Monitoring the end use of funds raised through public offers and related matters;
- xiii. Any other matters as prescribed by law from time to time.

**► POWERS OF COMMITTEE:**

1. May call for comments of auditors about internal control system, scope of audit, including observations of auditors and review of financial statement before their submission to board;
2. May discuss any related issues with internal and statutory auditors and management of the Company;
3. To investigate into any matter in relation to above items or referred to it by Board;
4. To obtain legal or professional advice from external sources and have full access to information contained in the records of the Company;
5. To seek information from any employee;
6. To secure attendance of outsiders with relevant expertise, if it considers necessary;
7. Any other power as may be delegated to the Committee by way of operation of law

**► Meetings, Attendance & Composition of the Audit Committee:**

During the financial year 2022-23, 5 (Five) meeting of the Audit Committee were held. May 07, 2022, August 09, 2022, September 03, 2022, November 14, 2022 and February 10, 2023. The Composition of the Audit Committee and details of attendance of the members at the meetings held during the year are given below:

Name and Designation	Category	No. of Meetings	
		Held during the tenure	Attended
Mr. Dhaval Shah Chairman	Non-Executive & Independent Director	5	5
Mr. Kalpesh Joshi Member	Non-Executive & Independent Director	5	5
Mr. Kunjbihari Shah Member	Executive Director	5	5

All members of the Audit Committee have accounting and financial management knowledge and expertise / exposure, either on through their educational qualification or experience or work experience. The Chief Financial Officer, representatives of Statutory Auditors, Internal Audit and Finance & Accounts department are invited to the meetings of the Audit Committee.

Ms. Niyati Parikh, Company Secretary and Compliance Officer, acts as a Secretary of the Committee.

**B. Nomination and Remuneration Committee:**

The Nomination & Remuneration Committee of the Company was constituted on September 08, 2017 and subsequently re-constituted from time to time to comply with statutory requirements.

**► Terms of reference:**

The powers, role and terms of reference of Committee covers the areas as contemplated under the Listing Regulations and Section 178 of the Act. The terms reference of Nomination and Remuneration Committee has been revised by the Board of Directors on August 09, 2022 to include the terms of reference specified in Regulation 19 read with Part D of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended which is briefed hereunder:

- i. Formulation of the criteria for determining qualifications, positive attributes and independence of a director and recommend to the board of directors a policy relating to, the remuneration of the directors, key managerial personnel and other employees;
- ii. For every appointment of an independent director, the Nomination and Remuneration Committee shall evaluate the balance of skills, knowledge and experience on the Board and on the basis of such evaluation, prepare a description of the role and capabilities required of an independent director. The person recommended to the Board for appointment as an independent director shall have the capabilities identified in such description. For the purpose of identifying suitable candidates, the Committee may:
  - a. use the services of an external agencies, if required;
  - b. consider candidates from a wide range of backgrounds, having due regard to diversity; and
  - c. consider the time commitments of the candidates.
- iii. formulation of criteria for evaluation of performance of independent directors and the board of directors;
- iv. devising a policy on diversity of board of directors;
- v. identifying persons who are qualified to become directors and who may be appointed in senior management in accordance with the criteria laid down, and recommend to the board of directors their appointment and removal.
- vi. 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.
- vii. Recommend to the board, all remuneration, in whatever form, payable to senior management.

► **Meeting, Attendance & Composition of the Nomination & Remuneration Committee:**

During FY 2022-23, 2 (two) meetings of the Nomination & Remuneration Committee were held on August 09, 2022 and February 10, 2023.

The Composition of the Nomination & Remuneration Committee and details of attendance of the members at the meeting held during the year are given below:

Name and Designation	Category	No. of Meetings	
		Held during the tenure	Attended
Mr. Dhaval Shah Chairman	Non-Executive & Independent Director	2	2
Mr. Kalpesh Joshi Member	Non-Executive & Independent Director	2	2
Mr. Jaxay Shah Member	Non- Executive Director	2	1

The Quorum of the Committee is of two members.

The Board of Directors review the Minutes of the Nomination & Remuneration Committee Meetings at its subsequent Board Meetings.

Ms. Niyati Parikh, Company Secretary and Compliance Officer, acts as a Secretary of the Committee.

**Performance Evaluation Criteria for Independent Directors:**

The performance evaluation criteria for independent directors is determined by the Nomination and Remuneration committee. An indicative list of factors that may be evaluated include participation and contribution by a director, commitment, effective deployment of knowledge and expertise, effective management of relationship with stakeholders, integrity and maintenance of confidentiality and independence of behavior and judgment.

**Remuneration Policy:**

The remuneration policy of the Company is directed towards rewarding performance, based on review of achievements on a periodic basis. The Company endeavours to attract, retain, develop and motivate the high-calibre executives and to incentivize them to develop and implement the Group's Strategy, thereby enhancing the business value and maintain a high performance workforce. The policy ensures that the level and composition of remuneration of the Directors is optimum.

**i. Remuneration of Management Staff:**

Remuneration of Employees largely consists of basic remuneration and perquisites. The components of the total remuneration vary based on the grades and are governed by industry patterns, qualifications and experience of the employee, responsibilities handled by the employee, individual performance, etc.

## ii. Remuneration of Directors:

### Independent and Non-Executive Directors:

Independent and Non-Executive Directors of the Company receive sitting fees for attending Board and Committee Meetings. The sitting fees paid to Independent and Non-Executive Directors are within the limits prescribed under the Companies Act, 2013.

Details of the sitting fees paid during the FY 2022-23 are as under:

Sr No	Name of Director	Sitting Fees (₹ in lakhs)
1	Mr. Jaxay Shah	0.225
2	Mr. Dhaval Shah	1.175
3	Mr. Kalpesh Joshi	1.175
4	Mr. Ambar Patel	0.30
5	Mr. Rakesh Patel	0.20

Further, the Independent Directors are paid fixed sitting fees i.e. ₹ 2500/- for attending each Committee Meeting & ₹ 10,000/- for attending each Board Meeting.

During the year, there were no other pecuniary relationships or transactions of Non-Executive Directors with the Company. The Company has not granted any stock options to Non-Executive Directors.

### Executive Directors:

Mr. Kunjbihari Shah, Managing Director, Mrs. Parul Shah, Whole time Director and Mr. Bhargav Mehta, Whole Time Director, were the Executive Directors of the Company as on March 31, 2023.

The Executive Directors are not paid sitting fees for attending meetings of the Board of Directors and its Committee.

Details of remuneration paid to Mr. Kunjbihari Shah, Managing Director, Mrs. Parul Shah, Whole time Director and Mr. Bhargav Mehta, Whole Time Director during the FY 2022-23 are as under:

Particulars	Mr. Kunjbihari Shah	Mrs. Parul Shah	Mr. Bhargav Mehta
All elements of remuneration package such as salary, benefits, bonuses, stock options, pension, etc.	₹48.00 Lakhs	₹ 24.00 Lakhs	₹ 06.00 Lakhs
Details of fixed component and performance linked incentives (PLI) along with the performance criteria	Fixed: ₹48.00 Lakhs PLI: Nil	Fixed: ₹24.00 Lakhs PLI: Nil	Fixed: ₹06.00 Lakhs PLI: Nil
Service Contracts	-	-	-

Particulars	Mr. Kunjbihari Shah	Mrs. Parul Shah	Mr. Bhargav Mehta
Severance Fee	Nil	Nil	Nil
Notice Period	-	-	-
Stock option details, if any and whether the same has been issued at a discount as well as the period over which accrued and over which exercisable	Nil	Nil	Nil

### C. Stakeholders' Relationship Committee:

The Stakeholders' Relationship Committee of Directors was constituted on September 08, 2017 and subsequently re-constituted from time to time to comply with statutory requirement. The terms reference of Stakeholders Relationship Committee has been revised by the Board of Directors on August 09, 2022 to include the terms of reference specified in Regulation 20 read with Part D of Schedule II to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended which is briefed hereunder:

#### ► Terms of Reference:

- Resolving the grievances of the security holders of the listed entity including complaints related to transfer/transmission of shares, non-receipt of annual report, non-receipt of declared dividends, issue of new/duplicate certificates, general meetings etc.
- Review of measures taken for effective exercise of voting rights by shareholders.
- Review of adherence to the service standards adopted by the listed entity in respect of various services being rendered by the Registrar & Share Transfer Agent.
- Review of the various measures and initiatives taken by the listed entity for reducing the quantum of unclaimed dividends and ensuring timely receipt of dividend warrants/annual reports/statutory notices by the shareholders of the company.

As a part of good corporate governance practice, the Company places before the committee a certificate of Registrar & Transfer Agent confirming the details of complaints received and their disposal during the quarter.

#### Meeting, Attendance & Composition of the Stakeholders' Relationship Committee:

During the financial year 2022-23, 4 (four) meetings of the said Committee were held on May 07, 2022, August 09, 2022, November 14, 2022 and February 10, 2023.

The Composition of the Stakeholders' Relationship Committee and details of attendance of the members at the meetings held during the year are given below:



Name and Designation	Category	No. of Meetings	
		Held during the tenure	Attended
Mr. Kalpesh Joshi Chairman	Non-Executive & Independent Director	4	4
Mr. Dhaval Shah Member	Non-Executive & Independent Director	4	4
Mr. Kunjbihari Shah Member	Executive Director	4	4

Ms. Niyati Parikh, Company Secretary and Compliance Officer, acts as a Secretary of the Committee.

The Minutes of the Shareholders' Relationship Committee are reviewed by the Board of Directors at the subsequent Board Meeting.

Details of complaints received and redressed during the year:

Number of complaints received and resolved during the year under review are as under:

Opening Balance As on 01-04-2022	Complaints received During the year 2022-23		Pending Complaints As on 31-03-2023
Nil	1	1	Nil

#### 4. GENERAL BODY MEETINGS:

##### a) Annual General Meetings:

The date, time and location of the Annual General Meetings held during the preceding 3 years and special resolutions passed thereat are as follows:

Financial Year	Date	Location of Meeting	Time	No. of Special Resolutions passed
2019-2020	September 28, 2020	Through video conferencing / other audio-visual means	04:00 P.M.	4
2020-2021	September 27, 2021	Through video conferencing / other audio-visual means	04:00 P.M.	2

Financial Year	Date	Location of Meeting	Time	No. of Special Resolutions passed
2021-2022	September 27, 2022	Through video conferencing / other audio-visual means	11:00 A. M.	5

All the resolutions proposed by the Directors to shareholders in last three years are approved by shareholders with requisite majority.

Transcript of the last AGM is available on the website of the Company at: <https://zodiacenergy.com/AGM-Results.php>

Voting results of the last AGM is available on the website of the Company at: <https://zodiacenergy.com/AGM-Results.php>

**b) Whether special resolutions were put through postal ballot last year, details of voting pattern:**

During the year under review, 2 (Two) Special Resolutions were passed through Postal Ballot Process as per following details:

**I. Postal Ballot dated: June 24, 2022:**

- **Special Resolution** for Alteration of the Object Clause of the Memorandum of Association of the Company;
- **Special Resolution** for Alteration in Articles of Association of the Company.

During the year under review, the Company had obtained approval for Alteration of the Object Clause of the Memorandum of Association of the Company and Alteration in Articles of Association of the Company by way of postal ballot vide postal ballot notice dated May 07, 2022.

The details of the voting pattern, were as under:

**Resolution 1: Special Resolution for Alteration of the Object Clause of the Memorandum of Association of the Company**

Category	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
	[1]	[2]	$[3]=\{[2]/[1]\} \times 100$	[4]	[5]	$[6]=\{[4]/[2]\} \times 100$	$[7]=\{[5]/[2]\} \times 100$
Promoter and Promoter Group	10664840	10664840	100.00	10664840	0	100.00	0.000
Public Institutions	0	0	0	0	0	0	0
Public Non-Institutions	3968600	236301	5.9543	236152	149	99.9369	0.0631
<b>Total</b>	<b>14633440</b>	<b>10901141</b>	<b>74.4947</b>	<b>10900992</b>	<b>149</b>	<b>99.9986</b>	<b>0.0014</b>

<b>Resolution 2: Special Resolution for Alteration in Articles of Association of the Company</b>							
Category	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
	[1]	[2]	$[3]=\{[2]/[1]\} \times 100$	[4]	[5]	$[6]=\{[4]/[2]\} \times 100$	$[7]=\{[5]/[2]\} \times 100$
Promoter and Promoter Group	10664840	10664840	100.00	10664840	0	100.00	0.000
Public Institutions	0	0	0	0	0	0	0
Public Non-Institutions	3968600	236301	5.9543	236152	149	99.9369	0.0631
<b>Total</b>	<b>14633440</b>	<b>10901141</b>	<b>74.4947</b>	<b>10900992</b>	<b>149</b>	<b>99.9986</b>	<b>0.0014</b>

Results of the postal ballot proceedings were submitted to stock exchanges on June 25, 2022 and also posted on the website of the Company, viz. <https://zodiacenergy.com/Announcement.php>

## II. Postal Ballot dated: March 16, 2023:

- **Special Resolution** for approval of Zodiac Employee Stock Option Plan-2023.

During the year under review, the Company had obtained approval for approving Zodiac Employee Stock Option Plan-2023 by way of postal ballot vide postal ballot notice dated February 10, 2023.

The details of the voting pattern, were as under:

**Resolution 1: Special Resolution for approval of Zodiac Employee Stock Option Plan-2023**

Category	No. of shares held	No. of votes polled	% of Votes Polled on outstanding shares	No. of Votes – in favour	No. of Votes – Against	% of Votes in favour on votes polled	% of Votes against on votes polled
	[1]	[2]	$[3]=\frac{[2]}{[1]}\times 100$	[4]	[5]	$[6]=\frac{[4]}{[2]}\times 100$	$[7]=\frac{[5]}{[2]}\times 100$
Promoter and Promoter Group	10662198	10662198	100.00	10662198	0	100.00	0.000
Public Institutions	0	0	0	0	0	0	0
Public Non-Institutions	3971242	105380	2.6536	104877	503	99.5227	0.4773
<b>Total</b>	<b>14633440</b>	<b>10767578</b>	<b>73.5820</b>	<b>10767075</b>	<b>503</b>	<b>99.9953</b>	<b>0.0047</b>

Results of the postal ballot proceedings were submitted to stock exchanges on March 17, 2023 and also posted on the website of the Company, viz. <https://zodiacenergy.com/Announcement.php>

**c) Person who conducted the postal ballot exercise:**

The Board had appointed M/s SCS and Co. LLP, Practicing Company Secretary, Ahmedabad as a Scrutinizer to conduct the postal ballot voting process in a fair and transparent manner.

**d) Whether any resolutions are proposed to be conducted through postal ballot:**

There is no immediate proposal for passing any resolution through postal ballot. None of the businesses proposed to be transacted at the ensuing AGM require passing of a resolution through postal ballot.

**e) Procedure for postal ballot:**

The Company followed postal ballot process in compliance with SEBI Listing Regulations and Sections 108, 110 and other applicable provisions of the Companies Act, 2013, read with the related Rules. Electronic voting facility was provided to all members, to enable them to cast their votes electronically. The Company engaged

the services of National Securities Depository Limited for the purpose of providing e-voting facility to all its members.

## 5. MEANS OF COMMUNICATION:

### a) Financial Results:

The quarterly / half-yearly and annual results of the Company are normally published in the Free Press Gujarat (English) and Lokmitra (Gujarati).

The quarterly/half-yearly and annual results are displayed on the website of the Company - <https://zodiacenergy.com/Financial-Result.php> shortly after its submission to the Stock Exchanges.

### b) Intimation to Stock Exchanges:

The Company also regularly intimates to the Stock Exchanges all price sensitive and other information which are material and relevant to the investors.

### c) Website:

The Company's website <https://zodiacenergy.com/> contains a separate dedicated section namely "Investors" where shareholders information including Financial results, Annual Report etc., are available. The Annual Report of the Company for the Financial Year ended on March 31, 2023 is also available on the website of the Company.

## 6. GENERAL SHAREHOLDER INFORMATION:

### a) Company Registration Details:

The Company is registered in the State of Gujarat, India. The Corporate Identity Number allotted to the Company by the Ministry of Corporate Affairs is L51909GJ1992PLC017694.

### b) Annual General Meeting:

Day and Date	Time	Venue
Monday, September 25, 2023	04:00 P.M.	Through Video Conferencing (VC) / Other Audio-Visual Means (OAVM)

### c) Registered Office:

U.G.F-4,5,6, Milestone Building, Near Khodiyar Restaurant, Near Drive In Cinema, Thaltej Ahmedabad – 380054.

### d) Financial Calendar for 2023-24:

Financial year is 12 months period starting from April 01 to March 31 and financial results will be declared as per the following schedule;



Particulars	Tentative Schedule
Quarter ending on June 30, 2023	2 <sup>nd</sup> week of August, 2023
Quarter ending on September 30, 2023	2 <sup>nd</sup> Week of November, 2023
Quarter ending on December 31, 2023	2 <sup>nd</sup> Week of February, 2024
The year ending March 31, 2024	3 <sup>rd</sup> Week of May, 2024

#### e) Listing on Stock Exchanges:

a. The Equity Shares of the Company are listed with the following stock exchanges:

Name of Stock Exchange	Address	Code
BSE Limited (BSE)	Floor 25, P. J Towers, Dalal Street, Mumbai – 400001	543416
National Stock Exchange of India Limited (NSE)	Exchange Plaza, Bandra Kurla Complex, Bandra (E), Mumbai – 400051	ZODIAC

Annual listing fees for the year 2023-24 have been paid by the Company to BSE and NSE.

#### b. Depositories:

##### 1. National Securities Depository Limited (NSDL):

Trade World, 4th Floor, Kamala Mills Compound, Senapati Bapat Marg, Lower Parel, Mumbai 400 013.

##### 2. Central Depository Services (India) Limited (CDSL):

Phiroze Jeejeebhoy Towers, 28th Floor, Dalal Street, Mumbai - 400 023.

The Shares of the Company are traded compulsorily in Demat Segments. The ISIN allotted to the Company's Equity Shares under the depository system is INE761Y01019. The Company has not issued any shares with differential voting rights.

**f) Market Price Data: High, Low during each month in Financial Year 2022-23:**  
 Monthly share price movement during the year 2022-23 at BSE & NSE:

Month	BSE			NSE		
	High ₹	Low ₹	Volume (No. of Shares)	High ₹	Low ₹	Volume (No. of Shares)
April, 2022	133.75	84.20	4,11,000	133.50	85.00	6,61,000
May, 2022	121.00	88.40	1,27,000	122.00	87.15	3,56,000
June, 2022	128.75	94.40	2,78,000	127.90	95.00	4,62,000
July, 2022	147.20	110.00	1,61,000	147.70	107.00	8,68,000
August, 2022	170.35	114.95	2,01,000	170.90	115.35	7,67,000
September, 2022	167.00	132.10	3,29,000	165.00	132.00	7,60,000
October, 2022	154.95	137.30	1,80,000	154.00	137.25	5,52,000
November, 2022	151.15	133.15	1,44,000	152.80	132.50	4,19,000
December, 2022	137.20	104.65	1,82,000	137.65	104.45	6,66,000
January, 2023	130.50	108.15	1,72,000	131.15	108.00	5,56,000
February, 2023	119.45	97.85	89,000	118.75	98.00	3,41,000
March, 2023	104.00	86.00	86,000	106.60	85.00	4,43,000

g) Performance in comparison to broad-based indices such as BSE Sensex, Nifty etc:

Month	Zodiac Share Price at NSE	NIFTY
April, 2022	118.15	17,102.55
May, 2022	103.45	16,584.55
June, 2022	112.75	15,780.25
July, 2022	147.70	17,158.25
August, 2022	137.05	17,759.30
September, 2022	146.55	17,094.35
October, 2022	148.05	18,012.20
November, 2022	135.00	18,758.35
December, 2022	115.45	18,105.30
January, 2023	113.10	17,662.15
February, 2023	98.40	17,303.95
March, 2023	88.25	17,359.75

Month	Zodiac Share Price at BSE	BSE Sensex
April, 2022	116.45	57,060.87
May, 2022	103.80	55,566.41
June, 2022	112.05	53,018.94
July, 2022	147.20	57,570.25
August, 2022	136.65	59,537.07
September, 2022	147.15	57,426.92
October, 2022	147.80	60,746.59
November, 2022	135.10	63,099.65
December, 2022	115.15	60,840.74
January, 2023	114.05	59,549.90
February, 2023	99.05	58,962.12
March, 2023	88.93	58,991.52

**h) Registrar and Transfer Agents:**

M/s. Link Intime India Private Limited are appointed as Registrar and Transfer (R&T) Agents of the Company for both Physical and Demat Shares. The address is given below:

**M/s. Link Intime India Private Limited**

506-508, Amarnath Business Centre – 1, Beside Gala Business Centre, Nr. St. Xavier's College Corner, Off, Chimanlal Girdharlal Rd, Sardar Patel Nagar, Ellisbridge, Ahmedabad, Gujarat 380 006

**Tel No.:** +91-79-2646 5179

**Email:** [rnt.helpdesk@linkintime.co.in](mailto:rnt.helpdesk@linkintime.co.in)

**Website:** <https://linkintime.co.in/>

Shareholders are requested to correspond directly with the R & T Agent for transfer / transmission of shares, change of address, queries pertaining to their shares, dividend etc.

**i) Share Transfer System:**

The Company's shares are compulsorily traded in the demat segment on stock exchanges, bulk of the transfers take place in the electronic form. The share transfers received in physical form are processed through R & T Agent, within seven days from the date of receipt, subject to the documents being valid and complete in all respects. The Board has delegated the authority for approving transfer, transmission, issue of duplicate share certificate, dematerialization etc. to the Stakeholders' Relationship Committee. All the physical transfers received are processed by the R & T Agent and are approved by the Stakeholders' Committee well within the statutory period of one month. The Stakeholders' Relationship Committee meets for approval of the transfer, transmission, issue of duplicate share certificate, dematerialization / rematerialization of shares etc. and all valid share transfers received during the year ended March 31, 2023 have been acted upon. The share certificates duly endorsed are returned immediately to the shareholders by the R & T Agent.

During the year under review, The Company obtained following certificate(s) from a Practising Company Secretary and submitted the same to the stock exchanges within stipulated time:

1. Certificate confirming due compliance of share transfer formalities by the Company pursuant to Regulation 40(9) of the Listing Regulations for the year ended March 31, 2023 with the Stock Exchanges; and
2. Certificate regarding reconciliation of the share capital audit of the Company on quarterly basis. All share transfer and other communication regarding share certificates, change of address, dividend etc. should be addressed to R & T Agents of the Company at the address given above.

## j) Distribution of Shareholding as on March 31, 2023 is as follows:

## • Distribution of Shareholding as on March 31, 2023:

No. of shares	Equity Shares in each category		Number of shareholders	
	Total Shares	% of total	Holders	% of total
1 to 500	1105584	7.5552	20489	96.2512
501 to 1000	291772	1.9939	379	1.7804
1001 to 2000	249198	1.7029	167	0.7845
2001 to 3000	134277	0.9176	51	0.2396
3001 to 4000	410023	2.802	107	0.5027
4001 to 5000	131347	0.8976	28	0.1315
5001 to 10000	248261	1.6965	34	0.1597
10001 to 99999999999	12062978	82.4343	32	0.1503
<b>Total</b>	<b>14633440</b>	<b>100</b>	<b>21287</b>	<b>100.00</b>

• Category-wise shareholding Pattern as on March 31, 2023:

Category	No. of Shares held	% of Shares held
Promoters and Promoter Group	1,06,62,198	72.86
Individuals- up to ₹2 lakhs	24,93,754	17.04
Individuals- in excess ₹2 lakhs	6,11,394	4.18
Other Bodies Corporate	2,13,668	1.4601
Hindu Undivided Family	3,01,636	2.0613
Body Corporate - Limited Liability Partnership	24,000	0.164
Non-Resident (Non-Repatriation)	10,803	0.0738
Non-Resident Indians (Repatriation)	94,095	0.643
Clearing Members	1857	0.0127
Directors and their relatives (excluding independent Directors and nominee Directors)	2,16,000	1.4761
Key Managerial Personnel	4035	0.0276
<b>Total</b>	<b>1,46,33,440</b>	<b>100.00</b>

**k) Dematerialization of Shares and Liquidity:**

The equity shares of the Company are tradable in compulsory dematerialized segment of the Stock Exchanges and are available in depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). The demat security (ISIN) code for the equity share is INE761Y01019.

As on March 31, 2023, 1,46,18,640 equity shares of the Company (representing 99.90% of the Company's share capital) are in dematerialized form.

The Company's equity shares are regularly traded on the BSE Limited and National Stock Exchange of India Limited.

**l) Listing of Debt Securities:**

As on March 31, 2023, no Rated, Listed, Taxable, Secured, Redeemable, Non-Convertible Debentures were outstanding on the Wholesale Debt Market Segment of BSE Limited.

**m) Debenture Trustees (for privately placed debentures):**

None



**n) Outstanding GDRs/ADRs/Warrants or any convertible instruments conversion date and likely impact on equity:**

There were no outstanding GDRs/ADRs/Warrants or any convertible instruments as at March 31, 2023.

**o) Credit Rating:**

The Company has not obtained credit rating.

**p) Commodity Price Risk/Foreign Exchange Risk and Hedging:**

The Company does not deal in commodities. The Company does not have any foreign receivable however it has foreign exchange exposure in terms of letter of credit or other arrangements with foreign suppliers for import of capital goods and services. The risks are monitored and tracked on regular basis.

**q) Site Locations:**

The Company is not engaged in manufacturing activities.

**r) Address for correspondence:**

Ms. Niyati Parikh

Company Secretary & Compliance Officer

Zodiac Energy Limited

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

Tel No.: +91 79 2647 1193

Email: [compliance@zodiacenergy.com](mailto:compliance@zodiacenergy.com)

**7. OTHER DISCLOSURES:**

**a) Disclosure on materially significant related party transactions:**

During the year, all related party transactions entered into by the Company were in the ordinary course of business and were at arm's length basis and were approved by the members of Audit Committee. The Company's major related party transactions are generally with identified related parties as per provisions of the Companies Act, 2013 and the SEBI Listing Regulations. The related party transactions are entered into based on considerations of various business exigencies, optimization of market share, portability, legal requirements, liquidity and capital resources. The details of Related Party Transactions are disclosed in financial section of this Integrated Annual Report. The Board has adopted a policy on materiality of Related Party Transactions and also on dealing with Related Party Transactions. The Board's approved policy for related party transactions is uploaded on the website of the Company at <https://zodiacenergy.com/images/pdf/Related-Party-Transaction.pdf>

**b) Total fees for all services paid by the Company and its subsidiaries, on a consolidated basis, to the Statutory Auditors and all entities in the network firm / network entity of which the Statutory Auditors is a part, is given below:**

(₹ in Lakhs)

Payment to Statutory Auditors	FY 2022-23
Audit Fees	2.00
Tax audit and other taxation services	-
Out of pocket expenses	-
<b>Total</b>	<b>2.00</b>

c) In the preparation of the financial statements, the Company has followed the accounting policies and practices as prescribed in the Accounting Standards.

d) The Company doesn't have any material subsidiary.

e) The Company has not made any contributions to / spending for political campaigns, political organizations, lobbyists or lobbying organizations, trade associations and other tax-exempt groups.

#### f) Details of compliances:

The Company has complied with all the requirements of the Stock Exchanges as well as the regulations and guidelines prescribed by the Securities and Exchange Board of India (SEBI). The Company had not complied with regulation 23(9) of SEBI (LODR) Regulations, 2015 pertaining to file the related party transactions with the Stock Exchanges for Half Year ended on March 31, 2022 within 15 days from the date of publication of its standalone financial results. A penalty of an aggregate amount of ₹17,700/- was levied by stock exchanges for delay in compliance of requirements of Regulation 23(9). Apart from this, no penalty was imposed by stock exchanges or SEBI or any statutory authority on any matter related to capital markets during the last three years.

#### g) Disclosure in relation to the Sexual Harassment of Women at workplace (prevention, prohibition & redressal) Act, 2013:

The Company is committed to provide a work environment that ensures every employee is treated with dignity, respect and afforded equal treatment. The Company has complied with the provision relating to the constitution of Internal Complaints Committee and during the year under review, as per the table given below, the Company has not received any complaints under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

Number of Complaints filed during FY 2022-23	Number of Complaints disposed of during FY 2022-23	Number of Complaints pending for FY 2022-23
0	0	0

#### h) Whistle Blower Policy:

The Company promotes safe, ethical and compliant conduct of all its business activities and has put in place a mechanism for reporting illegal or unethical behavior. The Company has a Vigil Mechanism and framed a Whistle Blower Policy under which the employees are encouraged to report violations of applicable laws

and regulations and the Code of Conduct without fear of any retaliation. The Company's personnel have access to the Chairman of the Audit Committee in cases such as concerns about unethical behavior, frauds and other grievances. No personnel of the Company have been denied access to the Audit Committee. The Vigil Mechanism and Whistle blower Policy is available on the website of the Company.

**i) Disclosure by Listed entity and its Subsidiaries of 'Loans and Advances in the nature of Loans to Firms/Companies in which Directors are Interested':**

The Company is not having any subsidiary Company. The details of Loans and Advances in the nature of Loans to Firms/Companies in which Directors are Interested is disclosed in the Annual Report.

**j) CEO / CFO Certificate:**

MD and CFO of the Company have certified to the Board with regard to financial statements and other matters as required by the SEBI Listing Regulations. The certificate is appended as an annexure to this report. They have also provided quarterly certificates on financial results while placing the same before the Board pursuant to Regulation 33 of the SEBI Listing Regulations.

k) The designated Senior Management Personnel of the Company have disclosed to the Board that no material, financial and commercial transactions have been made during the year under review in which they have personal interest, which may have a potential conflict with the interest of the Company at large.

**l) Proceeds from public issues, rights issues, preferential issues etc.:**

The Company discloses to the Audit Committee, the uses/application of proceeds/funds raised from Rights Issue, preferential issue as part of the quarterly review of financial results whenever applicable.

m) A qualified Practicing Company Secretary carried out a reconciliation of Share Capital Audit to reconcile the total admitted capital with National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) and the total issued and listed capital. The Secretarial Audit confirms that the total issued / paid-up capital of the Company is in agreement with the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

n) The Company has also adopted Material Events Policy (<https://zodiacenergy.com/images/pdf/Policy-for-Determining-Materiality-of-events.pdf>) , and Policy on Preservation of Documents and Archival Policy (<https://zodiacenergy.com/images/pdf/Preservation-of-documents-Archival-Policy.pdf>)

o) The Company has complied with all the mandatory requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 of the SEBI Listing Regulations. It has obtained a certificate affirming the compliances from CS Anjali Sangtani, Partner, M/s. SCS & Co. LLP, Practising Company Secretaries,

and the same is attached to this Report.

p) As required under Regulation 36(3) of the SEBI Listing Regulations, particulars of Director seeking re-appointment at the forthcoming AGM are given herein and in the Annexure to the Notice of the 31st AGM to be held on Monday, September 25, 2023.

q) The Company has obtained a certificate from CS Anjali Sangtani, Partner, M/s. SCS & Co. LLP, Practising Company Secretaries confirming that none of the Directors of the Company is debarred or disqualified by the Securities and Exchange Board of India / Ministry of Corporate Affairs or any such authority from being appointed or continuing as Director of the Company and the same is also attached to this Report.

r) The Company complies with all applicable secretarial standards.

**s) Demat Suspense Account/Unclaimed Suspense Account:**

No outstanding shares were lying in the demat suspense account/unclaimed suspense account and therefore, disclosure relating to same is not applicable.

**t) Secretarial Compliance Report:**

SEBI vide its Circular No. CIR/CFD/CMD1/27/2019 dated 8th February, 2019 read with Regulation 24(A) of the Listing Regulations, directed listed entities to conduct Annual Secretarial compliance audit from a Practicing Company Secretary of all applicable SEBI Regulations and circulars/guidelines issued thereunder. The said Secretarial Compliance report is in addition to the Secretarial Audit Report by Practicing Company Secretaries under Form MR – 3 and is required to be submitted to Stock Exchanges within 60 days of the end of the financial year. Accordingly, the Company has engaged the services of M/s SCS and CO LLP, Practicing Company Secretary and Secretarial Auditor of the Company for providing this certification. The Company is publishing the said Secretarial Compliance Report and the same has been uploaded on the website of the company at [https://zodiacenergy.com/images/pdf/Annual\\_Secretarial\\_Compliance\\_Report\\_31-03-2023.pdf](https://zodiacenergy.com/images/pdf/Annual_Secretarial_Compliance_Report_31-03-2023.pdf)

**u) Adoption of Mandatory and Non Mandatory Requirements:**

The Company has complied with all mandatory requirements of Regulation 34 of SEBI Listing Regulations. The Company has adopted the following discretionary requirements of the SEBI Listing Regulations:

**• Audit Qualification:**

The Company is in the regime of unmodified opinions on financial statements.

**• Separate posts of Chairperson and the Managing Director:**

The Company has not appointed regular chairperson.

**• Reporting of Internal Auditor:**

The Internal Auditor has direct access to the Audit Committee and its representative participates in the Audit Committee meetings and present their observations to the

Audit Committee when the audit matter is discussed.

• **Shareholders Right:**

The quarterly/ half-yearly and annual financial results of your Company are published in newspapers and posted on Company's website [www.zodiacenergy.com](http://www.zodiacenergy.com) . The same are also available on the sites of stock exchanges where the shares of the Company are listed i.e. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) .

## **CERTIFICATE ON COMPLIANCE WITH THE CORPORATE GOVERNANCE REQUIREMENTS UNDER THE SEBI (LISTING OBLIGATION AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015**

To,  
The Members of  
**ZODIAC ENERGY LIMITED**  
U.G.F-4,5,6, Milestone Building, Near Khodiyar Restaurant,  
Near Drive In Cinema, Thaltej Ahmedabad -380054, Gujarat

The Corporate Governance Report prepared by **Zodiac Energy Limited ("ZEL")** (CIN L51909GJ1992PLC017694) ("the Company"), contains details as stipulated in regulations 17 to 27, clauses (b) to (i) of regulation 46(2) and para C and D of Schedule V of Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015, as amended ("the Listing Regulations") ('applicable criteria') with respect to Corporate Governance for the year ended March 31, 2023. This report is required by the Company for annual submission to the Stock exchange and to be sent to the Shareholders of the Company.

### **Management's Responsibility**

The preparation of the Corporate Governance Report is the responsibility of the Management of the Company including the preparation and maintenance of all relevant supporting records and documents. This responsibility also includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the Corporate Governance Report. The Management along with the Board of Directors are also responsible for ensuring that the Company complies with the conditions of Corporate Governance as stipulated in the Listing Regulations, issued by the Securities and Exchange Board of India.

### **Secretarial Auditor's Responsibility**

Our responsibility is to provide a reasonable assurance in the form of an opinion whether the Company has complied with the condition of Corporate Governance, as stipulated in the Listing Regulations.

The procedures selected depend on the auditor's judgement, including the assessment of the risks associated in compliance of the Corporate Governance Report with the applicable criteria. The procedures includes but not limited to verification of secretarial records and financial information of the Company and obtained necessary representations and declarations from directors including independent directors of the Company.

The procedures also include examining evidence supporting the particulars in the Corporate Governance Report on a test basis. Further, our scope of work under this report did not involve me performing audit tests for the purposes of expressing an



opinion on the fairness or accuracy of any of the financial information or the financial statements of the Company taken as a whole.

### **Opinion**

Based on the procedures performed by me as referred above and according to the information and explanations given to me, We are of the opinion that the Company has complied with the conditions of Corporate Governance as stipulated in the Listing Regulations, as applicable for the applicable period i.e. April 01, 2022 to March 31, 2023, referred above.

### **Other Matters and Restriction on use**

This report is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

This report is addressed to and provided to the members of the Company solely for the purpose of enabling it to comply with its obligations under the Listing Regulations and should not be used by any other person or for any other purpose.

Accordingly, We do not accept or assume any liability or any duty of care or for any other purpose or to any other party to whom it is shown or into whose hands it may come without our prior consent in writing. We have no responsibility to update this report for events and circumstances occurring after the date of this report.

**For SCS and Co. LLP,  
Company Secretaries  
Firm Registration Number: - L2020GJ008700  
Peer Review Number: - 1677/2023**

**Anjali Sangtani  
Partner  
M. No. A41942, COP: - 23630  
UDIN: A041942E000782792**

**Date: - 10/08/2023  
Place: - Ahmedabad**

## CERTIFICATE OF NON -DISQUALIFICATION OF DIRECTORS

*[Pursuant to Regulation 34(3) and Schedule V Para C Clause (10)(i) of the Securities Exchange and Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015]*

To,  
 The Members of  
**ZODIAC ENERGY LIMITED**  
 U.G.F-4,5,6, Milestone Building, Near Khodiyar Restaurant,  
 Near Drive In Cinema, Thaltej Ahmedabad -380054, Gujarat

We have examined the relevant registers, records, forms, returns and disclosures received from all the Directors of **Zodiac Energy Limited** (CIN: L51909GJ1992PLC017694) having registered office at U.G.F-4,5,6, Milestone Building, Near Khodiyar Restaurant, Near Drive In Cinema, Thaltej Ahmedabad -380054, Gujarat (hereinafter referred to as 'the Company'), produced before us by the Company for the purpose of issuing this Certificate, in accordance with the Regulation 34(3) read with Schedule V Para-C Sub clause 10(i) of the Securities Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015.

In our opinion and to the best of our information and according to the verifications (including Directors Identification Number (DIN) status at the portal ([www.mca.gov.in](http://www.mca.gov.in)) as considered necessary, Debarment list of the Bombay Stock Exchange and the National Stock Exchange and explanations furnished to us by the Company and the respective Directors, we hereby certify that none of the Directors on the Board of the Company as stated below for the Financial Year ended on March 31, 2023 have been debarred or disqualified from being appointed or continuing as Director of Company by the Securities and Exchange Board of India, Ministry of Corporate Affairs, or any such other Statutory Authority:

SN	Name of Directors	DIN	Date of Appointment in the Company*
1	Mr. Kunjbihari Shah	00622460	22/06/1992
2	Mrs. Parul Kunjbihari Shah	00378095	01/04/1998
3	Mr. Bhargav Mehta	03125599	26/09/2017
3	Mr. Jaxay Shah	00468436	12/03/2020
4	Mr. Dhaval Shah	07933310	08/09/2017
5	Mr. Kalpesh Lalitchandra Joshi	07210197	08/09/2017
6.	Mr. Ambar Jayantilal Patel	00050042	01/09/2021
7.	Mr. Rakesh Arvindbhai Patel	00373019	01/09/2021

\* As per website of Ministry of Corporate Affairs.

Ensuring the eligibility for the appointment / continuity of every Director on the

Board is the responsibility of the management of the Company. Our responsibility is to express an opinion on these based on our verification.

This certificate is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

**For SCS and Co. LLP**  
**Company Secretaries**  
**Firm Registration Number: - L2020GJ008700**  
**Peer Review Number: - 1677/2023**

**Anjali Sangtani**  
**Partner**  
**M. No. A41942, COP: - 23630**  
**UDIN: - A041942E000782825**

**Date: - 10/08/2023**  
**Place: - Ahmedabad**

## **CERTIFICATION BY CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO)**

We have reviewed the financial statements and the cash flow statements for the year ended March 31, 2023 and that to the best of our knowledge and belief:

1. These statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading.
2. These statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
3. To the best of our knowledge and belief, no transactions entered into by the Company during the year ended March 31, 2023 which are fraudulent, illegal or violation of the Company's Code of Conduct.
4. We accept responsibility for establishing and maintaining internal control system and that we have evaluated the effectiveness of the internal control system of the Company and we have disclosed to the auditors and the Audit Committee, efficiencies in the design or operation of internal control system, if any, of which we are aware and the steps we have taken or propose to take to rectify these deficiencies.
5. We further certify that we have indicated to the auditors and the Audit Committee:
  - a) There have been no significant changes in internal control system during the year;
  - b) There have been no significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
  - c) There have been no instances of significant fraud of which we have become aware, involving management or an employee having a significant role in the Company's internal control system over financial reporting.

**Date:** August 10, 2023

**Place:** Ahmedabad

**Kunjbihari Shah**

**Managing Director**

**DIN:** 00622460

**Shefali Karar**

**Chief Financial officer**

**PAN:** AYJPK5188N

# 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 31st March 2023, and the Statement of Profit and Loss (including the Statement of Other Comprehensive Income), the Cash Flow Statement, Statement of Changes in Equity for the year then ended, and a summary of significant accounting policies and other explanatory information (herein referred to as '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 ("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 Companies (Indian Accounting Standards) Rules, 2015, as amended, ("Ind AS") and other accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2023, the profit, total comprehensive income, changes in equity 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 (SAs) specified under section 143(10) of the Companies Act, 2013. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India (ICAI) together with the ethical requirements that are relevant to our audit of the Financial Statements under the provisions of the Companies Act, 2013 and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the ICAI's Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our 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.

Key Audit Matters	Auditor's Response
<b>Revenue Recognition</b> Revenue is one of the key profit drivers and is therefore susceptible to misstatement. Cut-off is the key assertion in so far as revenue recognition is concerned since inappropriate cut-off can result in material misstatement of results for the year.	<ul style="list-style-type: none"> <li>Our audit procedures with regard to revenue recognition included testing controls in respect of dispatches / deliveries, substantive testing for cut-offs and inventory reconciliations through physical verification.</li> </ul>
<b>Recoverability Assessment of Trade Receivable:</b> As at the balance sheet date, the value of Trade Receivable amounted to Rs. 4138.70 lakhs representing 43.69 % of the total Assets Trade receivables of the Company comprises mainly receivables in relation to the; <ul style="list-style-type: none"> <li>(i) Supply and Service Provided to customers</li> <li>(ii) Subsidy Receivable from Power Distribution Companies.</li> </ul> We identified assessing the recoverability of trade debtors as a key audit matter because of the significance of trade debtors to the financial statements as a whole and assessing the allowance for impairment of debtors requires management to make subjective judgements over both the timing of recognition and estimation of the amount required of such impairment.	<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 latest correspondence with customers and to consider if any additional provision should be made; and</li> <li>- Assessing, on a sample basis, whether items in the debtors ageing report were classified within the appropriate ageing category by comparing individual items with the underlying invoices.</li> <li>- Tested subsequent settlement of trade receivables after the balance sheet date on a Sample basis, if any.</li> </ul>

#### Information other than 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 Management Discussion and Analysis, Board's Report including Annexures to Board's Report, Corporate Governance and Shareholder's Information, but does not include the financial statements and our auditor's report thereon. The Board's report 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 identified above when it becomes available 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 communicate to those charged with governance.

#### **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 Companies Act, 2013 ("the Act") with respect to the preparation of these Financial Statements that give a true and fair view of the financial position, financial performance, total comprehensive income, changes in equity and cash flows of the Company in accordance with the Ind AS and other accounting principles generally accepted in India, including the accounting standards specified under section 133 of the Act. This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate implementation and maintenance of 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 statement that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the Financial Statements, 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.

The Board of Directors is responsible for overseeing the Company's financial reporting process.

#### **Auditor's Responsibilities for the Audit of the Financial Statements:**

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

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements,

whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Companies Act, 2013, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.

- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.

- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

- Materiality is the magnitude of misstatements in the financial statements that, individually or in aggregate, makes it probable that the economic decisions of a reasonably knowledgeable user of the financial statements may be influenced. We consider quantitative materiality and qualitative factors in (i) planning the scope of our audit work and in evaluating the results of our work; and (ii) to evaluate the effect of any identified misstatements in the financial statements.

- We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

- We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

- From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial

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

### **Report on Other Legal and Regulatory Requirements:**

1. As required by the Companies (Auditor's Report) Order, 2020 ("the Order"), issued by the Central Government of India in terms of sub-section (11) of section 143 of the Companies Act, 2013, we give in the "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order, to the extent applicable.

2. As required by Section 143(3) of the Act, we report that:

a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive income, Statement of Changes in Equity and the Statement of Cash Flows dealt with by this Report are in agreement with the books of account.

d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act.

e) On the basis of the written representations received from the directors as on 31st March, 2023 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2023 from being appointed as a director in terms of Section 164 (2) of the Act.

f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of internal financial controls over financial reporting.

g) 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 explanations given to us, the remuneration paid by the company to managerial personnel during the year is in accordance with the provisions of section 197 of the Act.

h) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements. Refer note 35 to the financial statements.

ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

iv. (a) The Management has represented that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been advanced or loaned or invested (either from borrowed funds or share premium or any other sources or kind of funds) by the Company to or in any other person or entity, including foreign entity ("Intermediaries"), with the understanding, whether recorded in writing or otherwise, that the Intermediary shall, whether, directly or indirectly lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Company ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(b) The Management has represented, that, to the best of its knowledge and belief, no funds (which are material either individually or in the aggregate) have been received by the Company from any person or entity, including foreign entity ("Funding Parties"), with the understanding, whether recorded in writing or otherwise, that the Company shall, whether, directly or indirectly, lend or invest in other persons or entities identified in any manner whatsoever by or on behalf of the Funding Party ("Ultimate Beneficiaries") or provide any guarantee, security or the like on behalf of the Ultimate Beneficiaries;

(c) Based on the audit procedures that have been considered reasonable and appropriate in the circumstances, nothing has come to our notice that has caused us to believe that the representations under sub-clause (i) and (ii) of Rule 11(e), as provided under (a) and (b) above, contain any material misstatement.

v. The company has not declared or paid any dividend in the year and hence reporting requirement for compliance with Section 123 of the Act is not applicable.

vi. Proviso to Rule 3(1) of the Companies (Accounts) Rules, 2014 for maintaining books of account using accounting software which has a feature of recording audit trail (edit log) facility is applicable to the company with effect from April 1, 2023, and accordingly, reporting under rule 11(g) of Companies (Audit and Auditors) Rules, 2014 is not applicable for the financial year ended March 31, 2023.

For DJNV & Co.  
Chartered Accountants  
Firm Registration No. 115145W

Place: Ahmedabad  
Date: May 11, 2023

CA Shruti Shah  
Partner  
Membership No. 175839  
UDIN: 23175839BGXUTY4644

# Annexure 'A' To The Independent Auditors' Report

(Referred to in paragraph 1(f) under "Report on Other Legal and Regulatory Requirements" section of our report to the members of Zodiac Energy Limited of even date)

Report on Companies (Auditor's Report) Order, 2020 ('the Order') issued by the Central Government of India in terms of Section 143(11) of the Companies Act, 2013 ('the Act') of the Company

To the best of our information and according to the explanations provided to us by the Company and the books of account and records examined by us in the normal course of audit, we state that:

**i. In respect of the Company's Property, Plant and Equipment and Intangible Assets:**

A. The Company has maintained proper records showing full particulars, including quantitative details and situation of property, plant & equipment.

B. The Company has maintained proper records showing full particulars, including quantitative details of intangible assets.

C. The property, plant & equipment have been physically verified during the year by the management, which in our opinion, is reasonable having regard to size of the Company and nature of property, plant & equipment. According to the information and explanation given to us, no material discrepancies were noticed on such verification.

D. The company does not have immovable property. Therefore, reporting under clause 3(i)(c) of the Order is not applicable.

E. The company has not revalued its Property, Plant and Equipment during the year.

F. No proceedings have been initiated during the year or are pending against the Company as at March 31, 2023 for holding any benami property under the Benami Transactions (Prohibition) Act, 1988 (as amended in 2016) and rules made thereunder.

**ii. In respect of Inventories:**

A. The inventory have been physically verified by the management at reasonable intervals. In our opinion the coverage and procedure of such physical verification by the management is appropriate. No material discrepancies noticed on such physical verification.



B. During the year, the company has been sanctioned working capital limits in excess of ₹ 5 crores, in aggregate, from banks or financial institutions on the basis of security of current assets. Quarterly statements of current assets and liabilities filed by the company with such bank were not in agreement with books of accounts, details of which are as under:

Particulars	Quarter end on	Amount as per statement submitted to bank	Amount as per books
Inventory	June 30, 2022	2832.06	2796.47
Trade Receivables		2934.35	2924.32
Trade Payables		550.69	559.29
Inventory	September 30, 2022	2854.45	2818.03
Trade Receivables		2682.2	2673.29
Trade Payables		115.92	113.49
Inventory	December 31, 2022	2214.28	2187.08
Trade Receivables		2917.34	2914.32
Trade Payables		140.02	139.72
Inventory	March 31, 2023	1708.51	1677.45
Trade Receivables		5034.11	4943.61
Trade Payables		479.26	435.57

**iii. In respect of investment made, guarantee or security provided and granted any loans or advances in nature of loans:**

During the year, the Company has not made any investment in, provided any guarantee or security to companies, firms, limited liability partnerships or any other parties. During the year, the Company has granted unsecured loans to other parties in respect of which:

a) During the year, the Company has provided any loans to other parties in respect of which:

A. Aggregate amount of loan provided to associate is Nil and balance outstanding at the balance sheet date is Nil.

B. During the year, aggregate amount of loan provided to other parties (Employees) is 2.65 Lakhs and balance outstanding at the balance sheet date is 5.35 Lakhs.

b) In our opinion, terms and conditions of grant of loans, during the year, prima facie, not prejudicial to the interest of the Company.

c) In respect of loans granted by the Company, the schedule of repayment of principal and payment of interest, wherever applicable, have been stipulated and the repayments of principal amounts and receipts of interest have generally been

regular as per stipulation.

d) In respect of loans granted by the Company, there is no overdue amount remaining outstanding as at the balance sheet date.

e) No loan granted by the Company which has fallen due during the year, has been renewed or extended or fresh loans granted to settle the overdues of existing loans given to the same parties.

f) The Company has not granted any loans or advances in the nature of loans either repayable on demand or without specifying any terms or period of repayment during the year. Hence, reporting under clause 3(iii)(f) is not applicable.

**iv. 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 complied with the provisions of section 185 and 186 of the Act, with respect to the loans and investments made.

**v. In respect of deposits:**

The Company has not accepted any deposits or amounts which are deemed to be deposits within the meaning of sections 73 to 76 of the Act and the Companies (Acceptance of deposits) rules, 2014 (as amended). Hence, the reporting requirements of clause 3(v) of the order are not applicable.

**vi. In respect of maintenance of cost records:**

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.

**vii. In respect of statutory dues:**

a) In our opinion, the Company is generally regular in depositing the undisputed statutory dues, including Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues, as applicable, with appropriate authorities. There were no undisputed amounts payable in respect of Goods and Service Tax, Provident Fund, Employees' State Insurance, Income Tax, Sales Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other material statutory dues were in arrears as at March 31, 2023 for a period of more than six months from the date they became payable.

b) Details of statutory dues referred to in sub-clause (a) above which have not been deposited as on March 31, 2023 on account of disputes are given below:

Name of Statute	Nature of Due	Amount (₹ lakhs)	Period to which the amount relates	Forum where dispute is pending
Goods & Service Tax Act	Goods & Service Tax	418.00	F Y 2017-18 & 2018-19	High Court of Gujarat
Income Tax	Income Tax	64.75	F Y 2020-21	Commissioner of Income Tax (Appeal)

#### viii. In respect of unrecorded incomes:

There were no transactions relating to previously unrecorded income that have been surrendered or disclosed as income during the year in the tax assessments under the Income Tax Act, 1961 (43 of 1961).

#### ix. In respect of loans, borrowings, and funds:

a) The company has not defaulted in repayment of loans or other borrowings or in the payment of interest thereon to any lender.

b) The company has not been declared wilful defaulter by any bank or financial institution or other lender.

c) The company has utilized funds for the purpose for which it was obtained.

d) On an overall examination of the financial statements of the Company, funds raised on short-term basis have, prima facie, not been used during the year for long-term purposes by the Company.

e) The company does not have subsidiaries, associates or joint ventures. Hence the reporting requirements of paragraph 3(ix) (e) of the Order are not applicable.

f) The Company has not raised any loans during the year on the pledge of securities held in its subsidiaries, joint ventures or associate companies. Hence the reporting requirements of clause 3(ix) (f) of the Order are not applicable.

#### x. In respect of money raised by way of public offer, preferential allotment and private placement:

a) The Company has not raised any money by way of initial public offer or further public offer during the year. Hence the reporting requirements of clause 3(x) of the order are not applicable.

b) The Company has not made any preferential allotment or private placement of shares or convertible debentures (fully, partially or optionally convertible) during the year. Hence the reporting requirements of clause 3(x) of the order are not applicable.

#### xi. In respect of fraud:

a) No fraud by the company and no material fraud on the Company has been noticed

or reported during the year nor have we been informed of any such case by the Management.

b) No report under sub-section (12) of section 143 of the Companies Act has been filed in Form ADT-4 as prescribed under rule 13 of Companies (Audit and Auditors) Rules, 2014 with the Central Government, during the year and up to the date of this report

c) As represented by the management, there are no whistle blower complaints received by the company during the year.

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

The Company is not a Nidhi Company. Therefore, the reporting requirement of Clause 3(xii) of the Order is not applicable.

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

In our opinion, all the transactions with related parties are in compliance with Sections 177 and 188 of the Act where applicable and also the details which have been disclosed in the Financial Statements are in accordance with the applicable Indian Accounting Standards.

**xiv. In respect of Internal audit:**

a) The company has an internal audit system commensurate with the size and nature of its business.

b) We have considered, the internal audit reports for the year under audit, issued to the company during the year, in determining nature timing and extent of our audit procedure.

**xv. In respect of non-cash transactions with directors or persons connected with him:**

The Company has not entered into any non-cash transactions with directors or persons connected with directors. Hence, reporting requirement of clause 3(xv) of the Order are not applicable.

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

a) The company is not required to be registered under section 45-IA of the Reserve Bank of India Act, 1934, hence reporting requirement of clause 3(xvi) (a) (b) and (c) of the Order are not applicable.

b) The Company is not part of any group.

**xvii. In respect of cash losses:**

The Company has not incurred cash losses in the Financial Year and in the immediately preceding financial year.

**xviii. In respect of resignation by statutory auditor:**

Due to applicable provisions under Companies Act, 2013 for rotation of auditors, statutory auditor of the company has mandatorily resigned and there were no issues, objections or concerns raised by the outgoing auditors.

**xix. In respect of ratios, ageing, realization of financial assets and payments of financial liabilities:**

On the basis of the financial ratios, ageing and expected dates of realization of financial assets and payment of financial liabilities, other information accompanying the financial statements and our knowledge of the Board of Directors and Management plans and based on our examination of the evidence supporting the assumptions, nothing has come to our attention, which cause us to believe that any material uncertainty exist as on the date of audit report indicating that Company is not capable of meeting its liabilities existing at the date of balance sheet as and when they fall due within a period of one year from the balance sheet date. However, we state that this is not an assurance as to the future viability of the Company. We further state that our reporting is based on the facts up to the date of audit report and we neither give any guarantee nor any assurance that all liabilities falling due within a period of one year from the balance sheet date, will get discharged by the company as and when they fall due.

**xx. In respect of CSR:**

According to information and explanation given to us, based on examination of the financial statement of the company, the Company has spent required amount as per Section 135 of the Act for CSR in the current financial year. Therefore, reporting under clause 3 (xx) of the Order is not applicable.

**For DJNV & Co.**  
**Chartered Accountants**  
**Firm Registration No. 115145W**

**Place:** Ahmedabad  
**Date:** May 11, 2023

**(CA Shruti Shah)**  
**Partner**  
**Membership No. 175839**  
**UDIN: 23175839BGXUTY4644**

# **Annexure 'B' To The Independent Auditors' Report**

**(Report on the Internal Financial Controls over Financial Reporting of Even Date  
on the Financial Statements of Zodiac Energy Limited)**

**Report on the Internal Financial Controls under Clause (i) of Sub-section 3 of  
Section 143 of the Companies Act, 2013 (the "Act")**

We have audited the internal financial controls over financial reporting of Zodiac Energy Limited ("the Company") as of March 31, 2023 in conjunction with our audit of the Financial Statements of the Company for the year ended on that date.

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

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (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.

## **Auditors' Responsibility:**

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls, both applicable to an audit of Internal Financial Controls and both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting 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 and to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2023, 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 DJNV & Co.  
Chartered Accountants  
Firm Registration No. 115145W

**Place:** Ahmedabad  
**Date:** May 11, 2023

(CA Shruti Shah)  
Partner  
Membership No. 175839  
UDIN: 23175839BGXUTY4644

**ZODIAC ENERGY LIMITED**  
**CIN: L51909GJ1992PLC017694**  
**BALANCE SHEET AS AT**  
**MARCH 31, 2023**

(₹ In Lakhs)

Particulars	Notes	As At	
		31st March, 2023	31st March, 2022
<b>ASSETS</b>			
<b>Non-Current Assets</b>			
Property, Plant and Equipment	3	239.47	280.82
Right of Use of Assets	4	34.62	64.94
Other Intangible Assets	5	0.72	1.23
<b>Financial Assets</b>			
Trade receivables	6	804.91	-
Other Financial Assets	7	459.41	319.94
Other Non-Current Assets	8	8.79	3.71
Deferred Tax Assets (Net)	20	37.76	32.02
<b>Total Non-Current Assets</b>		<b>1,585.66</b>	<b>702.67</b>
<b>Current Assets</b>			
Inventories	9	1,677.45	2,930.38
<b>Financial Assets</b>			
Trade Receivables	10	4,138.70	3,038.20
Cash and Cash Equivalents	11	43.19	164.45
Other Bank Balances	11	513.90	175.94
Other Financial Assets	12	77.87	30.59
Other Current Assets	13	1,434.72	874.06
<b>Total Current Assets</b>		<b>7,885.83</b>	<b>7,213.61</b>
<b>TOTAL ASSETS</b>		<b>9,471.49</b>	<b>7,916.29</b>
<b>EQUITY &amp; LIABILITIES</b>			
<b>Equity</b>			
Equity Share Capital	14	1,463.34	1,463.34
Other Equity	15	2,141.70	1,827.89
<b>Total Equity</b>		<b>3,605.04</b>	<b>3,291.23</b>
<b>Liabilities</b>			
<b>Non-Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	16	905.05	837.57
Lease Liabilities	17	84.73	68.86
Other financial liabilities	18	11.11	11.86
Provisions	19	56.76	42.70
<b>Total Non-Current Liabilities</b>		<b>1,057.65</b>	<b>960.99</b>
<b>Current Liabilities</b>			
<b>Financial Liabilities</b>			
Borrowings	21	3,602.24	868.76
Trade Payables	22		

Particulars	Notes	As At	
		31st March, 2023	31st March, 2022
- total outstanding dues of micro & small enterprises		99.50	52.97
- total outstanding dues other than of micro & small enterprises		336.07	1,923.65
Other Financial Liabilities	23	33.47	26.77
Other Current Liabilities	24	614.40	582.68
Provisions	25	24.80	18.74
Current tax liabilities (net)	26	98.32	190.50
<b>Total Current Liabilities</b>		<b>4,808.81</b>	<b>3,664.07</b>
<b>Total Liabilities</b>		<b>5,866.45</b>	<b>4,625.06</b>
<b>TOTAL EQUITY &amp; LIABILITIES</b>		<b>9,471.49</b>	<b>7,916.29</b>

The accompanying notes form an integral part of the financial statements.

### As per our report of even date attached

For **DJNV & Co.**  
**Chartered Accountants**  
FRN: 115145W

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

**CA Shruti Shah**  
Partner

**Kunjbihari Shah**  
Managing Director  
DIN: 00622460

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

**Membership Number:** 175839  
**UDIN:** 23175839BGXUTY4644

**Shefali Karar**  
Chief Financial Officer  
**PAN:** AYJPK5188N

**Niyati Parikh**  
Company Secretary  
F12289

**Place:** Ahmedabad  
**Date:** May 11, 2023

**Place:** Ahmedabad

**Date:** May 11, 2023

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

# STATEMENT OF PROFIT AND LOSS FOR THE YEAR ENDED MARCH 31, 2023

(₹ In Lakhs except per share data)

Particulars	Notes	For the Year Ended	
		31st March, 2023	31st March, 2022
<b>Income</b>			
Revenue From Operations	27	13,765.92	14,297.05
Other Income	28	83.70	97.58
<b>Total Income</b>		<b>13,849.62</b>	<b>14,394.63</b>
<b>Expenses</b>			
Cost of Material Consumed	29	11,766.33	12,163.42
Employee Benefits Expenses	30	456.78	402.84
Finance Costs	31	318.13	160.04
Depreciation & Amortization Expenses	3	77.38	61.40
Other Expenses	32	792.80	843.24
<b>Total Expenses</b>		<b>13,411.42</b>	<b>13,630.95</b>
<b>Profit Before Exceptional Items and Tax</b>		<b>438.20</b>	<b>763.68</b>
Exceptional Items		-	-
<b>Profit Before Tax</b>		<b>438.20</b>	<b>763.68</b>
<b>Tax Expenses</b>			
Current Tax		125.00	208.00
Adjustment of previous year taxes		-	11.47
Deferred Tax Expense /(Income)		(5.73)	(1.80)
<b>Total Tax Expenses</b>		<b>119.27</b>	<b>217.66</b>
<b>Profit After Tax for the Period</b>		<b>318.94</b>	<b>546.02</b>
<b>Other Comprehensive Income</b>			
(i) Items that will not be reclassified to Profit or Loss			
Changes in Fair Value of FVTOCI Equity Instruments		-	-
Remeasurement of Post-Employment Benefit Obligations		(5.13)	4.64
(ii) Income Tax Related to these Items		-	-
<b>Other Comprehensive Income for the Period (Net of Tax)</b>		<b>(5.13)</b>	<b>4.64</b>
<b>Total Comprehensive Income for the Period</b>		<b>313.81</b>	<b>550.66</b>
<b>Earning Per Equity Share (EPS) for Profit for the Period (Face Value of ₹10/-)</b>			
Basic (₹)		2.18	3.73
Diluted (₹)		2.18	3.73

The accompanying notes form an integral part of the financial statements.

For **DJNV & Co.**  
**Chartered Accountants**  
**FRN: 115145W**

**CA Shruti Shah**  
**Partner**

**Membership Number:** 175839  
**UDIN:** 23175839BGXUTY4644

**Place:** Ahmedabad

**Date:** May 11, 2023

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

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

**Shefali Karar**  
**Chief Financial Officer**  
**PAN: AYJPK5188N**

**Place:** Ahmedabad

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

**Niyati Parikh**  
**Company Secretary**  
**F12289**

**Date:** May 11, 2023

## Statement of Changes in Equity for the half year ended March 31, 2023

(Amount in Lakhs)

<b>A</b>	<b>Equity Share Capital</b>	
	<b>Particular</b>	<b>Amount</b>
	Balance as at April March 31, 2021	1,463.34
	Issued during the year	-
	Balance as at April March 31, 2022	1,463.34
	Issued during the year	-
	Balance as at April March 31, 2023	1,463.34

(Amount in Lakhs)

B	Other Equity			
	Particulars	Reserve and Surplus		Amount
		Securities Premium	Retained Earnings	
	Balance as at April 01, 2021	52.66	1224.58	1277.24
	Profit for the Year	-	546.02	546.02
	Items of the OCI for the year, net of tax			
	Remeasurement benefit of defined benefit plans	-	4.64	4.64
	Balance as at March 31, 2022	52.66	1775.24	1827.9
	Balance as at April 1, 2022	52.66	1775.24	1827.9
	Profit for the Year	-	318.94	318.94
	Items of the OCI for the year, net of tax			
	Remeasurement benefit of defined benefit plans	-	-5.13	-5.13
	Balance as at March 31, 2023	52.66	2089.05	2141.71

The accompanying notes form an integral part of the financial statements.

For **DJNV & Co.****Chartered Accountants**

FRN: 115145W

**CA Shruti Shah****Partner****Membership Number:** 175839**UDIN:** 23175839BGXUTY4644**Place:** Ahmedabad**Date:** May 11, 2023For **and on behalf of the Board of Directors,****Zodiac Energy Limited****Kunjbihari Shah****Managing Director**

DIN: 00622460

**Shefali Karar****Chief Financial Officer**

PAN: AYJPK5188N

**Place:** Ahmedabad**Parul Shah****Whole Time Director**

DIN: 00378095

**Niyati Parikh****Company Secretary**

F12289

**Date:** May 11, 2023



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

# CASH FLOW STATEMENT FOR THE YEAR ENDED MARCH 31, 2023

(₹ in Lakhs)

Particulars	For the Year Ended	
	31st March 2023	31st March 2022
<b>CASH FLOW FROM OPERATING ACTIVITIES</b>		
Net Profit Before Tax as per Statement of Profit and Loss	438.20	763.69
<b>Adjustments for:</b>		
Depreciation, Amortisation, Depletion & Impairment	77.38	61.41
Provision for Employees Benefits	20.12	21.43
Sundry written back/off	(21.89)	(0.27)
Profit/loss on sale of PPE	-	0.85
Other Comprehensive Income	(5.13)	-
Finance Cost	318.13	160.04
Interest Income	(33.55)	(13.53)
(Net Gain) / Loss on Foreign Currency Translation	58.15	(37.06)
<b>Operating Profit Before Working Capital Changes</b>	<b>851.40</b>	<b>956.56</b>
<b>Adjustments for Changes in Working Capital</b>		
Inventories	1,252.93	(1,076.50)
Trade Receivables	(1,883.51)	(761.07)
Other Financial Assets	(196.11)	(13.47)
Other Current Assets	(560.67)	(1.20)
Other Financial Liabilities	5.95	(29.60)
Other Current Liabilities	31.73	291.68
Trade Payables	(1,599.20)	1,000.34
<b>Cash Generated from Operations</b>	<b>(2,097.48)</b>	<b>366.74</b>
Taxes (Paid)/ Refund	(217.18)	(136.71)
<b>Net Cash Flow from Operating Activities (A)</b>	<b>(2,314.66)</b>	<b>230.03</b>
<b>CASH FLOW FROM INVESTING ACTIVITIES</b>		
Purchase of Property, Plant and Equipment	(5.19)	(173.89)
Proceeds from Property, Plant and Equipment	-	0.42
Interest Income	33.55	13.53
Investment in Fixed Deposits	(333.67)	(226.41)
<b>Net Cash Flow from Investing Activities (B)</b>	<b>(305.31)</b>	<b>(386.35)</b>
<b>CASH FLOW FROM FINANCING ACTIVITIES</b>		
Long Term Borrowings	67.47	743.73
Repayment of Lease Liabilities	15.87	-
Finance Costs	(318.13)	(160.04)
Short Term Borrowings	2,733.49	(290.30)

(₹ in Lakhs)

Particulars	For the Year Ended	
	31st March 2023	31st March 2022
Net Cash Flow from Financing Activities (C)	2,498.70	293.39
Net Increase/(Decrease) in Cash and Cash Equivalents (D) = (A+B+C)	(121.27)	137.07
Cash and Cash Equivalents at the Beginning	164.45	27.38
Cash and Cash Equivalents at 31st March 2023	43.19	164.45

1. The Statement of Cash Flows has been prepared under the Indirect method as set out in Ind AS 7 - Statement of Cash Flows notified under Section 133 of the Companies Act 2013, read together with Paragraph 7 of the Companies (Indian Accounting Standards) Rules, 2015 (as amended).

2. Reconciliation of cash and cash equivalents as per the statements of cash flow:	As At (₹ in Lakhs)	
	31st March, 2023	31st March, 2022
Balance with banks:		
- On current accounts	6.94	155.99
Cash on hand	36.24	8.47
Total cash and cash equivalent at the end of the year (refer note 13)	43.19	164.45

3. Figures in bracket indicates cash outflow.

4. Movement in liabilities arising from financing activities as at March 31, 2023:

Particulars	For the year ended on (₹ in Lakhs)	
	March 31, 2023	March 31, 2022
Balance at the beginning of the year	1775.19	1349.68
Cash flows from financing activities		
Repayment of borrowings	0.00	(290.30)
Proceeds from borrowings	2800.96	743.73
Finance costs paid	(318.13)	(160.04)
(Repayment) / Proceeds of lease liabilities	15.87	(27.92)
Total Cash flows from financing activities	2498.70	265.47
Non cash changes		
Finance costs	318.13	160.04
Balance at the end of the year	4,592.02	1,775.19

As per our Report of even date attached.

For **DJNV & Co.**  
**Chartered Accountants**  
**FRN: 115145W**

**CA Shruti Shah**  
**Partner**

**Membership Number:** 175839  
**UDIN:** 23175839BGXUTY4644

**Place:** Ahmedabad

**Date:** May 11, 2023

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

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

**Shefali Karar**  
**Chief Financial Officer**  
**PAN: AYJPK5188N**

**Place:** Ahmedabad

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

**Niyati Parikh**  
**Company Secretary**  
**F12289**

**Date:** May 11, 2023

# ZODIAC ENERGY LIMITED

## NOTES TO FINANCIAL STATEMENTS FOR THE YEAR ENDED MARCH 31, 2023

### 1. Corporate Information:

**Zodiac Energy Limited** ('the Company') is engaged in the business of installation of Solar Power Generation Plant/Items. The Company is a public company domiciled in India and is incorporated under the provisions of Companies Act applicable in India. Its shares are listed on National Stock Exchange (NSE) and on Bombay Stock Exchange (BSE) (**ZODIAC | 543416 | INE761Y01019**). The registered office of the company is located at U.G.F-4,5,6, milestone building, near khodiyar restaurant, near drive in cinema, thaltej, Ahmedabad Gujarat 380054.

### 2. Significant Accounting Policies:

#### 2.1 Basis of preparation of Financial Statements

The financial statements comply in all material aspect with Indian Accounting Standards (Ind AS) noticed under section 133 of the Companies Act, 2013 read with Rule 3 of the companies (Indian Accounting Standards) Rules, 2015 as amended from time to time on the historical cost basis.

In addition, the financial statements are presented in INR and all values are rounded to the nearest lacs, except when otherwise indicated.

#### 2.2 Use of Estimates

The preparation of the financial statements in conformity with Ind AS requires management to make estimates, judgments and assumptions.

These estimates, judgments and assumptions affect the application of accounting policies and the reported amounts of assets and liabilities, the disclosures of contingent assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year.

Accounting estimates could change from period to period. Actual results could differ from those estimates. Appropriate changes in estimates are made as management becomes aware of changes in circumstances surrounding the estimates. Changes in estimates are reflected in the financial statements in the period in which changes are made and, if material, their effects are disclosed in the notes to the financial statements.

Application of accounting policies that require critical accounting estimates involving complex and subjective judgments and the use of assumptions in these financial statements are:

- Useful lives of Property, plant and equipment
- Provisions and contingencies
- Income tax and deferred tax
- Measurement of defined employee benefit obligations

## 2.3 Revenue Recognition

### Revenue from Operation:-

Revenue from contracts with customers is recognized on transfer of control of promised goods or services to a customer at an amount that reflects the consideration to which the Company is expected to be entitled to in exchange for those goods or services.

Revenue towards satisfaction of a performance obligation is measured at the amount of transaction price (net of variable consideration) allocated to that performance obligation. The transaction price of goods sold and services rendered is net of variable consideration on account of various discounts and schemes offered by the Company as part of the contract.

This variable consideration is estimated based on the expected value of outflow. Revenue (net of variable consideration) is recognized only to the extent that it is highly probable that the amount will not be subject to significant reversal when uncertainty relating to its recognition is resolved.

### Sale of Product:-

Revenue from sale of products is recognized when the control on the goods have been transferred to the customer. The performance obligation in case of sale of product is satisfied at a point in time i.e., after the inspection approval obtained in respect of installed Solar Power plant.

### Rendering of Services:-

Revenue from services is recognized over time by measuring progress towards satisfaction of performance obligation for the services rendered. The Company uses output method for measurement of revenue from rendering of services based on time elapsed and / or parts delivered.

### Interest Income:-

Interest income is recognised using effective interest method. The effective interest rate is the rate that exactly discounts estimated future cash receipts through expected life of the financial asset to the gross carrying amount of the financial asset. When calculating the effective interest rate, the company estimates the expected cash flows by considering all the contractual terms of the financial instrument but does not consider the expected credit losses.

All other incomes are recognised and accounted for on accrual basis.

## 2.4 Property, Plant and Equipment

### (a) Measurement

#### (i) Property, plant and equipment

Property, plant and equipment are initially recognized at cost and subsequently carried at cost less accumulated depreciation and accumulated impairment losses.

The cost comprises the purchase price, borrowing cost if capitalization criteria are met and directly attributable cost of bringing the asset to its working condition for its intended use. Any trade discounts and rebates are deducted in arriving at the purchase price.

Excess of net sale proceeds of items produced over the cost of testing, if any, shall not be recognised in the profit or loss but deducted from the directly attributable costs considered as part of cost of an item of property, plant, and equipment.

#### (ii) Intangible Assets

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.

Intangible assets acquired separately are measured on initial recognition at cost. Intangible assets arising on acquisition of business are measured at fair value as at date of acquisition.

Internally generated intangibles including research cost are not capitalized and the related expenditure is recognized in the Statement of Profit and Loss in the period in which the expenditure is incurred.

### (b) Depreciation and Amortization

#### (i) Tangible Assets

Depreciation on property, plant and equipment is calculated using the Straight-line method to allocate their depreciable amounts over their estimated useful lives as prescribed in Schedule II to the Companies Act, 2013.

The residual values, estimated useful lives and depreciation method of property, plant and equipment are reviewed, and adjusted as appropriate, at each balance sheet date. The effects of any revision are recognized in profit or loss when the changes arise.

#### (ii) Intangible Assets

The useful lives of intangible assets are assessed as either finite or indefinite. Finite-life intangible assets are amortized on a straight-line basis over the period of their expected useful lives. Intangible assets acquired / purchased during the year are amortized on a Pro-rata basis from the date on which such assets are ready to use.

The residual value, useful live and method of amortization of intangible assets are

reviewed at each financial year end and adjusted prospectively, if appropriate.

#### (c) Subsequent expenditure

Subsequent expenditure relating to property, plant and equipment that has already been recognized is added to the carrying amount of the asset only when it is probable that future economic benefits associated with the item will flow to the Company and the cost of the item can be measured reliably. All other repair and maintenance expenses are recognized in the Statement of Profit or Loss when incurred.

#### (d) Disposal

On disposal of an item of property, plant and equipment, the difference between the disposal proceeds and its carrying amount is recognized in the Statement of Profit or Loss.

### 2.5 Financial Instrument:-

#### Initial Recognition:-

The company recognizes financial assets and financial liabilities when it becomes a party to the contractual provisions of the instrument.

All financial assets and liabilities are recognized at fair value net of directly attributable transaction cost on initial recognition.

#### Subsequent measurement:-

Non derivative financial instrument

#### Financial assets carried at amortized cost:

A financial asset is subsequently measured at amortized cost if it is held within a business model whose objective is to hold the asset in order to collect contractual cash flows and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through other comprehensive income:

A financial asset is subsequently measured at fair value through other comprehensive income if it is held within a business model whose objective is achieved by both collecting contractual cash flows and selling financial assets and the contractual terms of the financial asset give rise on specified dates to cash flows that are solely payments of principal and interest on the principal amount outstanding.

#### Financial assets at fair value through profit or loss:

A financial asset which is not classified in any of the above categories are subsequently measured at fair valued through profit or loss. Fair value changes are recognised as other income in the Statement of Profit or Loss.



### Financial liabilities at Fair Value through Profit or Loss:-

A financial liability may be designated as at FVTPL upon initial recognition if:

- (a) such designation eliminates or significantly reduces a measurement or recognition inconsistency that would otherwise arise;
- (b) The financial liability whose performance is evaluated on a fair value basis, in accordance with the Company's documented risk management; Financial liabilities at FVTPL are stated at fair value, with any gains or losses arising on measurement recognised in the Statement of Profit and Loss. The net gain or loss recognised in profit or loss incorporates any interest paid on the financial liability.

### Financial liabilities at amortised cost:

Financial liabilities that are not held for trading and are not designated as at FVTPL are measured at amortised cost at the end of subsequent accounting periods. The carrying amounts of financial liabilities that are subsequently measured at amortised cost are determined based on the effective interest method. Interest expense that is not capitalised as part of costs of an asset is included in the 'Finance costs' line item.

The effective interest method of calculating the amortised cost of a financial liability and of allocating interest expense over the relevant period.

The effective interest rate is the rate that exactly discounts estimated future cash payments (including all fees and points paid or received that form an integral part of the effective interest rate, transaction costs and other premiums or discounts) through the expected life of the financial liability, or (where appropriate) a shorter period, to the net carrying amount on initial recognition.

Trade and other payables are recognised at the transaction cost, which is its fair value, and subsequently measured at amortised cost.

### Equity instruments:

An equity instrument is a contract that evidences residual interest in the assets of the company after deducting all of its liabilities. Incremental costs directly attributable to the issuance of equity instruments are recognised as a deduction from equity instrument net of any tax effects.

### Derecognition:

The company derecognizes a financial asset when the contractual rights to the cash flows from the financial asset expire or it transfers the financial asset and the transfer qualifies for derecognition under Ind AS 109. A financial liability is derecognized when obligation specified in the contract is discharged or cancelled or expired.

An exchange of debt instruments with substantially different terms is accounted for as an extinguishment of the original financial liability and the recognition of a new financial liability. Similarly, a substantial modification of the terms of an existing financial liability or a part of it is also accounted for as an extinguishment of the

original financial liability and the recognition of a new financial liability.

#### Of-setting:

Financial assets and liabilities are offset and the net amount is presented in the balance sheet when the company currently has a legally enforceable right to offset the recognised amount and intends either to settle on a net basis or to realize the asset and settle the liability simultaneously.

#### Modification:

A modification of a financial asset or liabilities occurs when the contractual terms governing the cash flows of a financial asset or liabilities are renegotiated or otherwise modified between initial recognition and maturity of the financial instruments. Any gain/ loss on modification is charged to statement of profit and loss.

### 2.6 Fair Value Measurement:

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

The fair value measurement assumes that the transaction to sell the asset or transfer the liability takes place either:

- In the principal market for the asset or liability, or
- In the absence of a principal market, in the most advantageous market for the asset or liability

A fair value measurement of a non-financial asset takes into account a market participant's ability to generate economic benefit by using the asset in its highest and best use or by selling it to another market participant that would use the asset in its highest and best use.

The company uses valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, maximizing the use of relevant observable inputs and minimizing the use of unobservable inputs.

All assets and liabilities for which fair value is measured or disclosed in the financial statements are categorized within the fair value hierarchy. The fair value hierarchy is based on inputs to valuation techniques that are used to measure fair value that are either observable or unobservable and consists of the following three levels:

Level 1 – Quoted (unadjusted) market prices in active markets for identical assets or liabilities

Level 2 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is directly or indirectly observable

Level 3 – Valuation techniques for which the lowest level input that is significant to the fair value measurement is unobservable

## 2.7 Income Tax:-

Income tax expense comprises current tax and deferred tax.

### Current Tax:

The Company had elected to exercise option available under section 115BAA of the Income Tax Act, 1961.

Current income tax assets and liabilities are measured at the amount expected to be recovered from or paid to the taxation authorities. Current income tax is measured at the amount expected to be paid to the tax authorities in accordance with the Income-Tax Act, 1961 enacted in India. The tax rates and tax laws used to compute the amount are those that are enacted or substantially enacted, at the reporting date.

Current income tax relating to items recognised outside the statement of profit and loss is recognised outside the statement of profit and loss (either in other comprehensive income or in equity). Current tax items are recognised in correlation to the underlying transaction either in OCI or directly in equity. Management periodically evaluates positions taken in the tax returns with respect to situations in which applicable tax regulations are subject to interpretation and establishes provisions where appropriate.

### Deferred Tax:

Deferred tax is recognised in profit or loss, except when it relates to items that are recognised in other comprehensive income or directly in equity, in which case, the deferred tax is also recognised in other comprehensive income or directly in equity, respectively.

Deferred tax liabilities are recognised for all taxable temporary differences, except to the extent that the deferred tax liability arises from initial recognition of goodwill; or initial recognition of an asset or liability in a transaction which is not a business combination and at the time of transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets are recognised for all deductible temporary differences, carry forward of unused tax losses and carry forward of unused tax credits to the extent that it is probable that taxable profit will be available against which those temporary differences, losses and tax credit can be utilized, except when deferred tax asset on deductible temporary differences arise from the initial recognition of an asset or liability in a transaction that is not a business combination and at the time of the transaction, affects neither accounting profit nor taxable profit or loss.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the period when the asset is realized or the liability is settled, based on the tax rules and tax laws that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax assets and deferred tax liabilities are offset, where company has a legally enforceable right to set off the recognized amounts and where it intends

either to settle on a net basis, or to realize the asset and settle the liability simultaneously.

Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

## 2.8 Impairment:-

### Financial Asset

The Company assesses at each reporting date whether there is any objective evidence that a financial asset or a group of financial assets is impaired. A financial asset or a group of financial assets is deemed to be impaired if, there is objective evidence of impairment as a result of one or more events that has occurred after the initial recognition of the asset (an incurred 'loss event') and that loss event has an impact on the estimated future cash flows of the financial asset or the group of financial assets that can be reliably estimated.

### Non-Financial Assets

The carrying value of assets/cash generating units at each Balance Sheet date are reviewed for impairment. If, any such indication exists, the Company estimates their recoverable amount and impairment is recognised if, the carrying amount of these assets/cash generating units exceeds their recoverable amount. The recoverable amount is greater of fair value less cost of disposal and their value in use. When there is indication that an impairment loss recognised for an asset in earlier accounting periods no longer exists or may have decreased, such reversal of impairment loss is recognised in the Statement of Profit and Loss.

## 2.9 Leases:

### Company as lessee

The Company's lease asset classes primarily consist of leases for office and godown. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether:

- (i) The contract involves the use of an identified asset;
- (ii) The Company has substantially all of the economic benefits from use of the asset through the period of the lease; and
- (iii) The Company has the right to direct the use of the asset.

At the date of commencement of the lease, the Company recognizes a right-of-use (ROU) asset and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of 12 months or less (short-term leases) and low value leases. For these short-term and low-value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The ROU assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated amortisation and impairment losses.

ROU assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates in the country of domicile of these leases.

Lease liability and ROU assets have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

#### The Company as a lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Contracts in which all the risks and rewards of the lease are substantially transferred to the lessee are classified as a finance lease. All other leases are classified as operating leases.

Leases, for which the Company is an intermediate lessor, it accounts for the head-lease and sub-lease as two separate contracts. The sub-lease is classified as a finance lease or an operating lease by reference to the ROU asset arising from the head-lease.

The company has measured the ROU asset arising from the leaseback at the proportion of the previous carrying amount of the asset that relates to the ROU retained by the company. Accordingly, the company has recognised gain that relates to the rights transferred to lessor.

Amounts due from lessees under finance leases are recognised as receivables at the amount of the Company's net investment in the leases. Finance lease income is allocated to accounting periods so as to reflect a constant periodic rate of return on the Company's net investment outstanding in respect of the leases.

Rental income from operating leases is recognised on a straight-line basis over the lease term.

#### 2.10 Borrowing Cost:-

Borrowing cost includes interest and other costs that company has incurred in connection with the borrowing of funds.

Borrowing costs directly attributable to the acquisition, construction or production of an asset that necessarily takes a substantial period of time to get ready for its intended use or sale are capitalized as part of the cost of the respective asset.

All other borrowing costs are expensed in the year they occur.

### **2.11 Employee Benefits:-**

Short term employee benefits for salary and wages including accumulated leave that are expected to be settled wholly within 12 months after the end of the reporting period in which employees render the related service are recognized as an expense in the statement of profit and loss.

#### **Defined Contribution Plans:**

Contributions to Provident Fund which is defined contribution scheme, are made to a government administered Provident Fund and are charged to the Statement of Profit and Loss as incurred. The Company has no further obligations beyond its contributions to these funds.

#### **Defined Benet Plans:**

Gratuity and compensated absences are paid per month on the basis of employee's gross salary.

### **2.12 Provisions, Contingent Liabilities and Contingent Assets:**

Provisions are recognised when the Company has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit and loss. Contingent liabilities are not recognised but disclosed unless the probability of an outflow of resources is remote. Contingent assets are disclosed where inflow of economic benefits is probable. If the effect of the time value of money is material, provisions are discounted using a current pre-tax rate that reflects, when appropriate, the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognised as a finance cost.

### **2.13 Cash and Cash Equivalent**

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of three months or less, which are subject to an insignificant risk of changes in value. For the purpose of statement of cash flows, cash and cash equivalents consist of cash and short-term deposits, as defined above, net of outstanding bank overdrafts as they are considered an integral part of the Company's cash management.

### **2.14 Earnings per Share**

Basic earnings per share is calculated by dividing the net profit or loss for the year attributable to equity shareholders by the weighted average number of equity shares outstanding during the year.

For the purpose of calculating diluted earnings per share, the net profit or loss for the year attributable to equity shareholders and the weighted average number of shares outstanding during the year are adjusted for the effects of all dilutive potential equity shares.



### 2.15 Inventories

Inventories are valued at lower of cost and net realizable value. Cost is determined as follows:

Cost of Raw materials is determined on First In First Out (FIFO) basis.

Costs includes all non-refundable duties and taxes and all other charges incurred in bringing the inventory to their present location and condition. Net realizable value is the estimated selling price less estimated cost necessary to make the sale.

### 2.16 Foreign Currency Transaction

#### Initial recognition:

On initial recognition, transactions in foreign currencies entered into by the Company are recorded in the functional currency (i.e. Indian Rupees), by applying to the foreign currency amount, the spot exchange rate between the functional currency and the foreign currency at the date of the transaction. Exchange differences arising on foreign exchange transactions settled during the period are recognized in the Statement of Profit and Loss.

#### Measurement of foreign currency items at reporting date:

Foreign currency monetary items of the Company are translated at the closing exchange rates and are recognised in Statement of Profit and Loss in the period in which they arise.

### 2.17 Cash Flow Statement

Cash flows are reported using indirect method whereby profit for the period is adjusted for the effects of the transactions of non-cash nature, any deferrals or accruals of past or future operating cash receipts and payments and items of income or expenses associated with investing and financing cash flows. The cash flows from operating, investing and financing activities of the Company are segregated.

### 2.18 Events after reporting date:

Where events occurring after the Balance Sheet date provide evidence of conditions that existed at the end of the reporting period, the impact of such events is adjusted within the financial statements. Otherwise, events after the Balance Sheet date of material size or nature are only disclosed.

### 2.19 Current versus non-current classification:

The Company presents assets and liabilities in the balance sheet based on current / non-current classification. An asset is treated as current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period, or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.



All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle; or
- It is held primarily for the purpose of trading; or
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets and liabilities are classified as non-current assets and liabilities respectively.

The operating cycle is the time between the acquisition of assets for processing and their realisation in cash or cash equivalents. The Company has identified twelve months as its operating cycle.

## 2.20 Recent Pronouncements:

On March 31, 2023, the Ministry of Corporate Affairs (MCA) has notified Companies (Indian Accounting Standards) Amendment Rules, 2023. This notification has resulted into following amendments in the existing Accounting Standards which are applicable from April 1, 2023.

- a) Ind AS 101 – First time adoption of Ind AS – modification relating to recognition of deferred tax asset by a first-time adopter associated with (a) right to use assets and related liabilities and (b) decommissioning, restoration and similar liabilities and corresponding amounts recognised as cost of the related assets.
- b) Ind AS 102 – Share-based Payment – modification relating to adjustment after vesting date to the fair value of equity instruments granted.
- c) Ind AS 107 – Financial Instruments Disclosures – modification relating to disclosure of material accounting policies including information about basis of measurement of financial instruments.
- d) Ind AS 109 – Financial Instruments – modification relating to reassessment of embedded derivatives.
- e) Ind AS 1 - Presentation of Financials Statements – modification relating to disclosure of 'material accounting policy information' in place of 'significant accounting policies'.
- f) Ind AS 8 - Accounting Policies, Change in Accounting Estimates and Errors – modification of definition of 'accounting estimate' and application of changes in accounting estimates.

g) Ind AS 12 – Income Taxes – modification relating to recognition of deferred tax liabilities and deferred tax assets.

h) Ind AS 34 – Interim Financial Reporting – modification in interim financial reporting relating to disclosure of ‘material accounting policy information’ in place of ‘significant accounting policies’.

The Company is evaluating the amendments and the expected impact, if any, on the Company’s financial statements on application of the amendments for annual reporting periods beginning on or after April 01, 2023.

(₹ in Lakhs)

**Note: 3 Property Plant & Equipment**

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As At				As At				As At	
	April 01, 2022	Addition During Year	Disposal/Adjustment	March 31, 2023	April 01, 2022	Depreciation for the Year	Disposal/Adjustment	March 31, 2023	March 31, 2023	March 31, 2022
Plant & Machinery	13.01	1.61	-	14.62	1.78	1.00	-	2.78	11.84	11.23
Office Equipment	25.78	0.13	-	25.92	10.11	5.34	-	15.46	10.46	15.67
Furniture & Fixture	5.61	0.07	-	5.68	1.64	0.87	-	2.51	3.17	3.98
Computer & Data Processing Equipments	7.94	2.40	-	10.34	3.70	2.81	-	6.51	3.83	4.24
Vehicles*	274.72	0.97	-	275.69	29.01	36.52	-	65.53	210.16	245.71
<b>TOTAL</b>	<b>327.06</b>	<b>5.19</b>	<b>-</b>	<b>332.25</b>	<b>46.24</b>	<b>46.54</b>	<b>-</b>	<b>92.78</b>	<b>239.47</b>	<b>280.82</b>
<b>PREVIOUS YEAR</b>	<b>155.76</b>	<b>173.89</b>	<b>2.59</b>	<b>327.06</b>	<b>17.27</b>	<b>30.28</b>	<b>1.31</b>	<b>46.24</b>	<b>280.82</b>	<b>138.49</b>

The company has not revalued property, plant and equipment during the year.

\*Vehicles are in the name of Directors.

(₹ in Lakhs)

**Note: 4 Right of Use of Assets**

Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As At				As At				As At	
	April 01, 2022	Addition During Year	Disposal/Adjustment	March 31, 2023	April 01, 2022	Depreciation for the Year	Disposal/Adjustment	March 31, 2023	March 31, 2023	March 31, 2022
Right of Use of Assets	123.32	48.18	48.18	123.32	58.37	30.32	-	88.69	34.63	64.95
<b>TOTAL</b>	<b>123.32</b>	<b>48.18</b>	<b>48.18</b>	<b>123.32</b>	<b>58.37</b>	<b>30.32</b>	<b>-</b>	<b>88.69</b>	<b>34.63</b>	<b>64.95</b>
<b>PREVIOUS YEAR</b>	<b>123.32</b>	<b>-</b>	<b>-</b>	<b>123.32</b>	<b>28.05</b>	<b>30.32</b>	<b>-</b>	<b>58.37</b>	<b>64.95</b>	<b>95.27</b>

(₹ in Lakhs)

<b>Note: 5 Other Intangible Assets</b>										
Particulars	Gross Block				Accumulated Depreciation				Net Block	
	As At				As At				As At	
	April 01, 2022	Additi on During Year	Disposal / Adjust ment	March 31, 2023	April 01, 2022	Depreciat ion for the Year	Disposal / Adjustm ent	March 31, 2023	31st Mar 2023	31st Mar 2022
Capitalized Software	2.72	-	-	2.72	1.49	0.51	-	2.01	0.72	1.23
<b>TOTAL</b>	<b>2.72</b>	<b>-</b>	<b>-</b>	<b>2.72</b>	<b>1.49</b>	<b>0.51</b>	<b>-</b>	<b>2.01</b>	<b>0.72</b>	<b>1.23</b>
<b>PREVIOUS YEAR</b>	2.72	-	-	2.72	0.70	0.80	-	1.50	1.22	2.02

The company has not revalued intangible assets.

(₹ in Lakhs)

<b>Note: 6 Trade Receivables</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Considered Goods	804.91	-
<b>Total Trade Receivables</b>	<b>804.91</b>	<b>-</b>

A reference note can be found on page number. - 147

(₹ in Lakhs)

<b>Note: 7 Non - Current Other Financial Assets</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Security Deposits (Unsecured, Considered Good)	121.92	40.65
Lease receivable	62.49	-
Fixed Deposits with Bank with maturity greater than 12 months	-	0.75
Fixed Deposits maturity greater than 12 months and held as margin money against cash credit facility availed from bank	275.00	275.00
Accrued interest on fixed deposit	-	3.54
<b>Total Non-Current Other Financial Assets</b>	<b>459.41</b>	<b>319.94</b>

(₹ in Lakhs)

<b>Note: 8 Other Non - Current Assets</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Advance Tax and TDS (Net of provisions)	8.79	3.71
<b>Total Other Non-Current Assets</b>	<b>8.79</b>	<b>3.71</b>

(₹ in Lakhs)

<b>Note: 9 Inventories</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Raw Material Inventory	1,677.45	2,930.38
<b>Total Inventories</b>	<b>1,677.45</b>	<b>2,930.38</b>

(₹ in Lakhs)

<b>Note: 10 Trade Receivables</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Considered Goods	4,222.73	3,110.83
Less: Provision for Expected Credit Loss	(84.03)	(72.63)
<b>Total Trade Receivables</b>	<b>4,138.70</b>	<b>3,038.20</b>

A reference note can be found on page number. - 148

(₹ in Lakhs)

<b>Note: 11 Cash and Cash Equivalents &amp; Other Bank Balances</b>		
Particulars	As At	
	31st March 2023	31st March 2022
<b>Balances with Banks</b>		
Current Accounts	6.94	155.99
<b>Cash and Cash Equivalents</b>		
Cash on Hand	36.24	8.47
<b>Total Cash and Cash Equivalents</b>	<b>43.19</b>	<b>164.45</b>
<b>Other Bank Balances</b>		
Margin Money Deposits	513.90	175.94
<b>Total Other Bank Balances</b>	<b>513.90</b>	<b>175.94</b>

**Note -** Margin money deposits are held against Guarantees and Letter of Credit.

(₹ in Lakhs)

<b>Note: 12 Other Financial Assets</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Accrued income on land rent	2.95	-
Accrued interest on fixed deposit	51.86	18.59
Reimbursement to employees	6.85	-
Loan to Employees	5.35	12.00
Other Advances	0.67	-
Advance Salary	10.20	-
<b>Total Other Financial Assets</b>	<b>77.87</b>	<b>30.59</b>

(₹ in Lakhs)

<b>Note: 13 Other Current Assets</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Balances with Statutory Bodies	82.21	193.84
<b>Advance to suppliers</b>		
To related parties	-	5.39
To others	1,333.86	674.23
Less: Provision for doubtful advance	-	(6.14)
Prepaid expenses	18.65	6.74
<b>Total Other Current Assets</b>	<b>1,434.72</b>	<b>874.06</b>

(₹ in Lakhs)

<b>Note: 14 Equity Share Capital</b>		
Particulars	As At	
	31st March 2023	31st March 2022
<b>Authorised Capital</b>		
1,50,00,000 Equity Shares of Rs. 10/- each	1,500.00	1,500.00
(Year ended March 31, 2022 - 1,50,00,000 Equity Shares of Rs. 10/- each)		
<b>Issued, Subscribed and Paid-up Capital</b>		
1,46,33,440 (PY 1,46,33,440) Equity Shares of Rs. 10 each fully paid up	1,463.34	1,463.34
<b>Total Equity Share Capital</b>	<b>1,463.34</b>	<b>1,463.34</b>

#### Rights, preferences and restrictions:

- The Company has only one class of equity shares referred to as equity shares having a par value of Rs. 10. Each holder of equity share is entitled to one vote per share.
- Dividends, if any, is declared and paid in Indian Rupees. The dividend, if any, proposed by the Board of Directors is subject to the approval of the shareholders in the ensuing Annual General Meeting.
- In the event of liquidation of the company, the holders of equity shares will be entitled to receive any of the remaining assets of the company, after distribution of all preferential amounts. However, no such preferential amounts exist currently. The distribution will be in proportion to the number of equity shares held by the shareholders.

<b>Reconciliation of Number of Share outstanding</b>		
Particulars	No. of Shares	₹ In Lakhs
<b>Balance as on 01 April 2021</b>	14,633,440.00	1,463.34
Issued during the year	-	-
<b>Balance as on 31 March 2022</b>	14,633,440.00	1,463.34
Issued during the year	-	-
<b>Balance as on 31st March 2023</b>	14,633,440.00	1,463.34

#### Details of Shareholder holding more than 5% Shares of the company:

Name of Shareholder	AS at	
	March 31, 2023	March 31, 2022
	no. of Share	no. of Share
	% of Share	% of Share
<b>Mr. Kunjbihari J. Shah</b>		
No. of Share	8,835,040.00	8,835,040.00
% of Share	60.38%	60.38%
<b>Mr. Jugalkishor H. Shah</b>		
No. of Share	1,384,000.00	1,384,000.00
% of Share	9.46%	9.46%



Other details of equity shares for a period of five years immediately preceding March 31, 2023:

26,83,360 Equity shares of Rs 10/- each aggregating to Rs. 2,68,33,600/- were allotted during the year ended March 31, 2018 as fully paid bonus shares by capitalization of free reserves of the company

73,16,720 Equity shares of Rs 10/- each aggregating to Rs. 7,31,67,200/- were allotted during the year ended March 31, 2021 as fully paid bonus shares by capitalization of security premium of the company.

Details of Shareholding of Promoters			
Name of Shareholder	AS At		
	March 31, 2023	March 31, 2022	
	no. of Share	no. of Share	
	% of Share	% of Share	
Mr. Kunjbihari J. Shah			
No. of Share	8,835,040.00	8,835,040.00	
% of Share	60.38%	60.38%	
% change during the year	-	-	
Mr. Jugalkishor H. Shah			
No. of Share	1,384,000.00	1,384,000.00	
% of Share	9.46%	9.46%	
% change during the year	-	-	

Note: 15 Other Equity		
Particulars	As At	
	31st March 2023	31st March 2022
Retained Earnings	2,089.04	1,775.23
Securities Premium	52.66	52.66
<b>Total Other Equity</b>	<b>2,141.70</b>	<b>1,827.89</b>
<b>Retained Earnings</b>		
Opening Balance	1,775.23	1,224.57
Profit during the Year	318.94	546.02
Items of OCI for the year, net of tax	(5.13)	4.64
<b>Total Retained Earnings</b>	<b>2,089.04</b>	<b>1,775.23</b>
<b>Securities Premium</b>		
Opening Balance	52.66	52.66
Increase/(Decrease) During the year	-	-
<b>Total Securities Premium</b>	<b>52.66</b>	<b>52.66</b>

## Nature and purpose of reserves

### Securities premium

Securities premium represents the premium received on issue of shares over and above the face value of equity shares. The same is available for utilisation in accordance with the provisions of the Companies Act, 2013.

### Retained earnings

Retained earnings represents the Company's undistributed earnings after taxes.

**Note: 16 Non - Current Borrowings**

Particulars	As At	
	31st March 2023	31st March 2022
<b>Secured Term Loan From Bank</b>		
From Banks for Vehicles	162.79	201.37
From Banks for working capital	265.21	274.17
	<b>428.00</b>	<b>475.54</b>
<b>Unsecured Working Capital Loan</b>		
From banks	62.46	167.35
From other	523.82	194.69
	<b>586.28</b>	<b>362.04</b>
<b>Less: Current maturities of non-current borrowings disclosed under "Short term borrowings"</b>	109.23	-
<b>Total Non-Current Borrowings</b>	<b>905.05</b>	<b>837.57</b>

Name of Lender/Type of Loan and Nature of Security	Rate of Interest	Monthly Installments	No of Installment
BOB Mercedes Loan	7.65%	91,343	78
AU Small Finance Bolero Loan	10.01%	18,595.00	60
BOB Honda City Loan	7.40%	41,311.00	36
UBI Kia Car Loan	7.40%	25,226.00	84
ICICI Porche Car Loan	7.50%	262,008.00	60
ADITYA BIRLA CAPITAL Unsecured Loan	15.00%	315,905.00	12
BAJAJ Unsecured Loan	16.25%	365,305.00	12
ICICI Personal Loan	15.00%	239,289.00	24
IDFC First Unsecured Loan	16.00%	320,568.00	18
INDUSIND Bank Loan	15.50%	452,472.00	12
KOTAK Unsecured loan	15.50%	469,650.00	18
OXYZO Financial Services Pvt Ltd.	17.00%	744,700.00	15
RATNAAFIN Unsecured Loan	16.00%	314,282.00	18
TATA Unsecured Business Loan	15.75%	313,692.00	18
AXIS Bank Working Capital Loan - ECLGS	8.70%	As per Sanction Letter	48
AXIS Bank Working Capital Loan - ECLGS 1 Ext	9.25%	As per Sanction Letter	60

Vehicle Loan is repayable in equal monthly installments ranging from 36 months to 84 months and secured by first charge over vehicles.

Secured Working capital loan is Secured by first charge over Stock, Book Debts and all current assets of the company and collaterally secured by Residential House property of two directors and personal guarantee of two directors of the company.

Unsecured Working capital loans from various banks and NBFCs are repayable within a period ranging from 12 months to 24 months.

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the reporting date.

There were no charges or satisfaction yet to be registered with Registrar Of

Companies beyond the statutory period.

The company has not been declared wilful defaulter by any bank or financial institution or other lender during the year.

In respect of borrowings on the basis of security of current assets from banks and financial institutions, quarterly returns / statements of current assets filed by the Company with banks and financial institutions were not in agreement with the books of accounts.

Summary of differences between the current assets as per the financials and as per the quarterly statement submitted to the banks against working capital loan is as below:

Particulars	Quarter ended on	Amount as per statement submitted to bank	Amount as per books
Inventory	June 30, 2022	2832.06	2796.47
Trade Receivables		2934.35	2924.32
Trade Payables		550.69	559.29
Inventory	September 30, 2022	2854.45	2818.03
Trade Receivables		2682.20	2673.29
Trade Payables		115.92	113.49
Inventory	December 31, 2022	2214.28	2187.08
Trade Receivables		2917.34	2914.32
Trade Payables		140.02	139.72
Inventory	March 31, 2023	1708.51	1677.45
Trade Receivables		5034.11	4943.61
Trade Payables		479.26	435.57

Reason for the difference - At the time of submission to bank, books were not finalised, details were subject to various accounting adjustments, same were made subsequent to submission to bank.

(₹ in Lakhs)

<b>Note: 17 Lease Liabilities</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Lease Liabilities	84.73	68.86
<b>Total Lease Liabilities</b>	<b>84.73</b>	<b>68.86</b>

(₹ in Lakhs)

<b>Note: 18 Other financial liabilities</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Security Deposit	11.11	11.86
<b>Total Other financial liabilities</b>	<b>11.11</b>	<b>11.86</b>

(₹ in Lakhs)

**Note: 19 Provisions**

Particulars	As At	
	31st March 2023	31st March 2022
Employee Benefits - Gratuity	56.76	42.70
<b>Total Provisions</b>	<b>56.76</b>	<b>42.70</b>

(₹ in Lakhs)

**Note: 20 Deferred Tax Liability / (Asset)**

Particulars	As At	
	31st March 2023	31st March 2022
Provision for employee benefits	20.53	15.46
Provision for Expected Credit Loss	21.15	19.83
<b>Total Deferred Tax Assets</b>	<b>41.68</b>	<b>35.29</b>
Property, Plant and Equipment	0.94	1.94
Right of Use Assets	2.97	1.32
<b>Total Deferred Tax Liabilities</b>	<b>3.92</b>	<b>3.27</b>
	-	-
<b>Total Deferred Tax Liability / (Asset)</b>	<b>(37.76)</b>	<b>(32.02)</b>

**Movement in Deferred Tax Balances**

Particulars	As at April 01, 2022	Recognised in statement of profit and loss	As at March 31, 2023
Property, plant and equipment	(1.94)	1.00	(0.94)
Right of Use Assets	(1.32)	(1.65)	(2.97)
Provision for employee benefits	15.46	5.06	20.53
Provision for Expected Credit Loss	19.83	1.32	21.15
<b>Deferred tax assets</b>	<b>32.02</b>	<b>5.73</b>	<b>37.76</b>

Particulars	As at April 01, 2021	Recognised in statement of profit and loss	As at March 31, 2022
Property, plant and equipment	0.77	(2.71)	(1.94)
Right of Use Assets	0.60	(1.93)	(1.32)
Provision for employee benefits	10.57	4.89	15.46
Provision for Expected Credit Loss	18.28	1.54	19.83
<b>Deferred tax assets</b>	<b>30.22</b>	<b>1.80</b>	<b>32.02</b>

(₹ in Lakhs)

<b>Note: 21 Current Borrowings</b>		
Particulars	As At	
	31st March 2023	31st March 2022
<b>Secured</b>		
Working Capital Loan from Bank	3,493.01	753.49
<b>Unsecured</b>		
Working capital loans		
From Bank	-	46.07
From Others	-	69.20
Current Maturity of Long-Term Debt	109.23	-
<b>Total Current Borrowings</b>	<b>3,602.24</b>	<b>868.76</b>

Unsecured Working Capital Loan from banks is repayable in 35 equal monthly installment post moratorium of 12 months.

Secured Working capital loan is Secured by first charge over Stock, Book Debts and all current assets of the company and collaterally secured by Residential House property of two directors and personal guarantee of two directors of the company.

Unsecured Working capital loans from various banks and NBFCs are repayable within a period ranging from 12 months to 24 months.

The Company has used the borrowings from banks and financial institutions for the specific purpose for which it was taken at the reporting date.

There were no charges or satisfaction yet to be registered with Registrar Of Companies beyond the statutory period.

The company has not been declared wilful defaulter by any bank or financial institution or other lender during the year.

(₹ in Lakhs)

<b>Note: 22 Trade Payables</b>		
Particulars	As At	
	31st March 2023	31st March 2022
<b>Sundry Creditors</b>		
- total outstanding dues of micro & small enterprises	99.50	52.97
- total outstanding dues other than of micro & small enterprises	336.07	1,923.65
<b>Total Trade Payables</b>	<b>435.57</b>	<b>1,976.62</b>

A reference note can be found on page number. - 149

(₹ in Lakhs)

Additional disclosure in respect of dues to Micro, Small and Medium enterprises pursuant to Micro, Small and Medium enterprises Development Act, 2006:

	As At	
	31st March 2023	31st March 2022
Principal amount remaining unpaid	95.50	52.97
Interest accrued on the above amount and remaining unpaid	4.00	0.17
Interest paid in terms of Section 16	-	-
Interest due and payable for payments already made	-	-
Interest accrued and remaining unpaid	4.00	0.17
Amount of further interest remaining due and payable even in succeeding years	-	-

The above information has been determined to the extent such parties could be identified on the basis of information available with the company regarding the status of suppliers under the MSME.

(₹ in Lakhs)

<b>Note: 23 Other Financial Liabilities</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Interest accrued but not due	1.29	5.59
Payable to employees	32.18	21.18
<b>Total Other Financial Liabilities</b>	<b>33.47</b>	<b>26.77</b>

(₹ in Lakhs)

<b>Note: 24 Other Current Liabilities</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Balance Payable to Statutory Bodies	199.23	16.04
Advances From Customers	342.16	566.64
Unpaid Liabilities	73.01	-
<b>Total Other Current Liabilities</b>	<b>614.40</b>	<b>582.68</b>

(₹ in Lakhs)

<b>Note: 25 Current Provisions</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Provision for Bonus	23.45	17.82
Provision for Gratuity	1.34	0.93
<b>Total Current Provisions</b>	<b>24.80</b>	<b>18.74</b>

(₹ in Lakhs)

<b>Note: 26 Current tax liabilities (net)</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Provision for Tax (Net off advance Tax and TDS)	98.32	190.50
<b>Total Current tax liabilities (net)</b>	<b>98.32</b>	<b>190.50</b>

(₹ in Lakhs)

Tax Expense reported in the Statement of Profit and Loss		
Particulars	2022-23	2021-22
<b>Current income tax</b>		
Current income tax	125.00	208.00
Adjustment for previous year taxes	-	11.47
<b>Total current income tax</b>	<b>125.00</b>	<b>219.47</b>
<b>Deferred tax</b>		
Relating to origination and reversal of temporary differences	(5.73)	(1.80)
<b>Tax Expense reported in the Statement of Profit and Loss</b>	<b>119.27</b>	<b>217.66</b>
<b>Tax on Other Comprehensive Income ('OCI')</b>		
Deferred tax related to items recognised in OCI during the year	-	-
<b>Total tax expense</b>	<b>119.27</b>	<b>217.66</b>

Reconciliation of tax expenses and the accounting profit multiplied by India's domestic tax rate for March 31, 2023, and March 31, 2022		
Particulars	2022-23	2021-22
<b>Accounting profit before tax</b>	<b>438.20</b>	<b>763.69</b>
Income tax expense @25.17%	110.29	192.21
Tax effect of the amounts which are not deductible / (taxable) in calculating taxable income	14.71	11.79
Short / (Excess) provision related to earlier years	-	11.47
Effect of origination and reversal of deferred tax	(5.73)	(1.80)
Rounding up	-	4.00
<b>Tax expense as per Statement of Profit and Loss</b>	<b>119.27</b>	<b>217.66</b>
<b>Effective tax rate</b>	<b>27%</b>	<b>29%</b>

(₹ in Lakhs)

**Note: 27 Revenue From Operations**

Particulars	As At	
	31st March 2023	31st March 2022
Sales of Goods	13,598.33	14,036.94
Sale of Services	167.59	260.11
<b>Total Revenue From Operations</b>	<b>13,765.92</b>	<b>14,297.05</b>

Revenue from sale of goods for the year ended on March 31, 2022 include the transaction of trading in education books.



(₹ in Lakhs)

<b>Note: 28 Other Income</b>		
Particulars	As At	
	31st March 2023	31st March 2022
<b>Others</b>		
Interest income on Fixed Deposits	33.55	13.53
Interest on Security Deposits	0.78	0.72
Sundry balances written back / Account Written Back / Subsidy	32.51	39.05
Gain on ROU Asset	16.81	-
Miscellaneous income	0.04	7.22
Foreign exchange gain	-	37.06
<b>Total Other Income</b>	<b>83.70</b>	<b>97.58</b>

(₹ in Lakhs)

<b>Note: 29 Cost of Material Consumed</b>		
Particulars	As At	
	31st March 2023	31st March 2022
<b>Raw Material Consumed:</b>		
Opening Stock of Raw Material	2,930.38	1,853.87
Purchases	10,513.39	13,239.92
<b>Less:</b>		
Closing Stock of Raw Material	1,677.45	2,930.38
<b>Total Cost of Material Consumed</b>	<b>11,766.33</b>	<b>12,163.42</b>
<b>Consumption details:</b>		
Panels	6,505.80	8,957.99
Inverters	1,080.41	1,354.46
Others (Items consisting less than 10% of total amount of consumption)	4,180.12	1,850.96
<b>Total Cost of Material Consumed</b>	<b>11,766.33</b>	<b>12,163.42</b>

(₹ in Lakhs)

<b>Note: 30 Employee Benefits Expenses</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Salary and Wages	432.99	385.15
Contribution to Provident Fund and Other Funds	18.87	15.05
Staff Welfare Expenses	4.92	2.65
<b>Total Employee Benefits Expenses</b>	<b>456.78</b>	<b>402.84</b>

(₹ in Lakhs)

<b>Note: 30.1 Defined Contribution Plans</b>		
Details of amount recognized as expenses during the year for the defined contribution plans.	As At	
Particulars	31st March 2023	31st March 2022
Employer's Contribution to Provident Fund	15.47	12.28
Employer's Contribution to ESIC	2.67	2.25
Employer's Contribution to Employer deposit link insurance	0.73	0.52
<b>Total</b>	<b>18.87</b>	<b>15.05</b>

(₹ in Lakhs)

<b>Note: 30.2 Defined Benefit Plan – Gratuity</b>	
Information about the characteristics of defined benefit plan	
The benefits is governed by the Payment of Gratuity Act, 1972. The Key features are as under:	
Features of the defined benefit plan	Remarks
Benefit offered	15/26 X Salary X Duration of Service
Salary Defined	Basic Salary including Dearness Allowance (if any)
Benefit ceiling	Benefit ceiling of ₹ 20,00,000 was not applied
Vesting Condition	5 years of continuous service (Not applicable in case of death / disability)
Benefit Eligibility	Upon Death or Resignation / Withdrawal or Retirement
Retirement Age	58 Years

**Note 30.3****Risk To Plan**

Following are the risk to which the plan exposes the entity :

**A) Actuarial Risk:**

It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

**Adverse Salary Growth Experience:** Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

**Variability in mortality rates:** If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

**Variability in withdrawal rates:** If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at the

resignation date.

#### B) Investment Risk:

For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

#### C) Liquidity Risk:

Employees with high salaries and long durations or those higher in hierarchy, accumulate significant level of benefits. If some of such employees resign / retire from the company there can be strain on the cash flows.

#### D) Market Risk:

Market risk is a collective term for risks that are related to the changes and fluctuations of the financial markets. One actuarial assumption that has a material effect is the discount rate. The discount rate reflects the time value of money. An increase in discount rate leads to decrease in Defined Benefit Obligation of the plan benefits & vice versa. This assumption depends on the yields on the corporate / government bonds and hence the valuation of liability is exposed to fluctuations in the yields as at the valuation date.

#### E) Legislative Risk:

Legislative risk is the risk of increase in the plan liabilities or reduction in the plan assets due to change in the legislation / regulation. The government may amend the Payment of Gratuity Act thus requiring the companies to pay higher benefits to the employees. This will directly affect the present value of the Defined Benefit Obligation and the same will have to be recognized immediately in the year when any such amendment is effective.

(₹ in Lakhs)

<b>Note: 30.4 Reconciliation of defined benefit obligations</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Defined benefit obligations as at beginning of the year	43.62	40.01
Current service cost	6.56	6.05
Interest cost	3.22	2.78
Actuarial Loss/(Gain) on defined benefit obligation	5.13	(4.64)
Benefits Paid	(0.43)	(0.58)
<b>Defined benefit obligations as at end of the year</b>	<b>58.10</b>	<b>43.62</b>

**Note 30.5 Reconciliation of Plan Asset**

There are no plan assets

(₹ in Lakhs)

<b>Note: 30.6 Funded Status</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Present Value of Benefit Obligation at the end of the Period	58.10	43.62
Fair Value of Plan Assets at the end of the Period	-	-
<b>Funded Status / Deficit</b>	<b>58.10</b>	<b>43.63</b>

(₹ in Lakhs)

<b>Note: 30.7 Net amount Charged to Statement of Profit or Loss for the period</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Current service cost	6.56	6.05
Net Interest cost	3.22	2.78
<b>Net amount recognized</b>	<b>9.78</b>	<b>8.83</b>

(₹ in Lakhs)

<b>Note: 30.8 Other Comprehensive income for the period</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Actuarial gain/(losses) on obligations:	(5.13)	4.64
Return on plan assets excluding amounts included in interest income	-	-
<b>Amounts recognized in Other Comprehensive Income</b>	<b>(5.13)</b>	<b>4.64</b>

(₹ in Lakhs)

<b>Note: 30.9 Actuarial Assumptions</b>		
Particulars	As At	
	31st March 2023	31st March 2022
Discount Rate	7.51%	6.96%
Salary Growth Rate	8.00%	8.00%
Withdrawal Rate	2.00%	2.00%

(₹ in Lakhs)

<b>Sensitivity Analysis for Actuarial Assumption</b>						
As at March 31, 2023	Change Assumptions in		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase Assumptions in		Decrease Assumptions in	
	%	%	Amount	%	Amount	%
Discount Rate	1.00%	1.00%	-6.34	-10.92%	7.85	13.51%
Salary Growth Rate	1.00%	1.00%	5.89	10.14%	-4.97	-8.56%
Withdrawal rate	1.00%	1.00%	-0.23	-0.39%	0.28	0.47%

As at March 31, 2022	Change in Assumptions		Impact on Defined Benefit Obligation			
	Increase	Decrease	Increase in Assumptions		Decrease in Assumptions	
	%	%	Amount	%	Amount	%
Discount Rate	1.00%	1.00%	-4.44	-10.17%	5.41	12.41%
Salary Growth Rate	1.00%	1.00%	4.15	9.52%	-3.83	-8.78%
Withdrawal rate	1.00%	1.00%	-0.31	-0.71%	0.36	0.82%

#### Limitation of method used for sensitivity analysis:

Sensitivity analysis produces the results by varying a single parameter & keeping all the other parameters unchanged. Sensitivity analysis fails to focus on the interrelationship between underlying parameters. Hence, the results may vary if two or more variables are changed. There are no changes from the previous period in the methods and assumptions used in preparing the sensitivity analysis.

#### Note 30.11 Details of Asset- Liability Matching Strategy:

There are no minimum funding requirements for a Gratuity benefits plan in India and there is no compulsion on the part of the Company to fully or partially pre-fund the liabilities under the Plan.

(₹ in Lakhs)

Note: 30.12 Maturity Profile of the Defined Benefit Obligation		
Particulars	As At	
	31st March 2023	31st March 2022
First Following Year	1.34	0.93
Second Following Year	2.43	1.11
Third Following Year	1.52	2.03
Fourth Following Year	1.64	1.23
Fifth Following Year	19.10	1.66
Sum of 6 to 10	22.69	36.03
Sum of 11 years and above	160.27	93.13

(₹ in Lakhs)

Note: 31 Finance Costs		
Particulars	As At	
	31st March 2023	31st March 2022
Interest expense on		
Working capital loan	192.19	87.25
Vehicle loan	13.82	8.75
Others	46.63	14.16
Interest expense on lease	4.80	7.32
Interest to MSME	4.00	-
Other borrowing costs	56.70	42.56
<b>Total Finance Costs</b>	<b>318.13</b>	<b>160.04</b>

(₹ in Lakhs)

<b>Note: 32 Other Expenses</b>		
<b>Particulars</b>	<b>As At</b>	
	<b>31st March 2023</b>	<b>31st March 2022</b>
Cost of operation	301.72	458.60
Commission / Sales promotion expenses	58.11	212.63
Rent	8.02	0.63
Donation	16.40	-
Foreign exchange Loss	58.15	-
Travelling expense	60.33	53.66
Provision for Expected credit loss	11.40	-
Rates and taxes	76.54	6.03
Stamping expenses	42.28	11.30
Professional fees	41.92	26.60
Loss on sale of Property Plant and Equipment	-	0.85
Corporate Social Responsibility Expenses	12.00	11.00
Miscellaneous expenses	103.94	59.08
Auditor's remuneration*	2.00	2.86
<b>Total Other Expenses</b>	<b>792.80</b>	<b>843.24</b>

(₹ in Lakhs)

<b>Particulars</b>	<b>As At</b>	
	<b>31st March 2023</b>	<b>31st March 2022</b>
<b>Auditor's remuneration*</b>		
Audit fees	2.00	0.75
Tax audit and other taxation services	-	2.09
Attestation and certification	-	-
Out of pocket expenses	-	0.02
<b>Total</b>	<b>2.00</b>	<b>2.86</b>

**Note: 33 Financial Risk Management:**

The Company's financial liabilities comprise mainly of borrowings, trade payables and other financial liabilities. The Company's financial assets comprise mainly of trade receivables, cash and cash equivalents and other financial assets.

The Company's business activities are exposed to a variety of financial risks, namely market risk, credit risk and liquidity risk.

The Company's senior management has the overall responsibility for establishing and governing the Company's risk management framework who are responsible for developing and monitoring the Company's risk management policies. The Company's risk management policies are established to identify and analyse the risks faced by the Company, to set and monitor appropriate risk limits and controls, periodically review the changes in market conditions and reflect the changes in the policy accordingly. The key risks and mitigating actions are also placed before the Board of directors of the Company. Internal audit undertakes both regular and ad hoc reviews of risk management controls and procedures, the results of which are reported to the Board of directors.

**Note: 33.1 Market Risk**

The market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. Market risk comprises three types of risk: interest rate risk, currency risk and other price risk. The company does not have any investment in securities, hence it is not exposed to any price risk.

**Foreign currency risk:**

The Company imports various material in foreign currencies. At the end of the year company has liability for import of material, repayments are made in foreign currencies and thus it is exposed to exchange rate fluctuations. The company's exposure to foreign currency risk at the end of the reporting period expressed as follows:

(₹ in Lakhs)

Currency	As At	
	31st March 2023	31st March 2022
USD	602.33	1,206.93
<b>Total</b>	<b>602.33</b>	<b>1,206.93</b>

(₹ in Lakhs)

Sensitivity analysis	Impact on Profit and Loss	
	As At	
Particulars	31st March 2023	31st March 2022
INR appreciate by 2%	12.05	24.14
INR depreciate by 2%	(12.05)	(24.14)

**Interest rate risk:**

Interest rate risk is the risk that fair value or future cash flows of a financial instrument will fluctuate because of changes in market interest rates. The Interest risk arises to the Company mainly from borrowings with variable rates. The Company measures risk through sensitivity analysis. The banks are now finance at variable rate only, which is the inherent business risk.

**Note 33.2 Liquidity risk:**

Liquidity risk is defined as the risk that the Company will not be able to settle or meet its obligations on time, or at a reasonable price. The objective of liquidity risk management is to maintain sufficient liquidity and ensure that funds are available for use as per requirements. The Company generates cash flows from operations to meet its financial obligations, maintains adequate liquid assets in the form of cash and cash equivalents and has undrawn short term line of credits from banks to ensure necessary liquidity. The Company closely monitors its liquidity position and deploys a robust cash management system.

The following table shows the maturity analysis of the Company's financial liabilities based on contractually agreed undiscounted cash flows along with its carrying value as at the Balance Sheet date.



(₹ in Lakhs)

Financial Liabilities					
As at March 31, 2023	Carrying Amount	upto 1 year	1-5 years	More than 5 years	Total undiscounted cashflow
Non-Derivative Financial Liabilities					
Borrowings (including current maturities)	4507.29	3602.24	905.05		4507.29
Trade payables	435.57	435.10	0.47		435.57
Lease Liabilities	84.73	84.73			84.73
Other financial liabilities	44.58	33.47		11.11	44.58

(₹ in Lakhs)

As at March 31, 2022	Carrying Amount	upto 1 year	1-5 years	More than 5 years	Total undiscounted cashflow
Non-Derivative Financial Liabilities					
Borrowings (including current maturities)	1706.33	868.76	837.57	0.00	1706.33
Trade payables	1976.62	1976.62	0.00	0.00	1976.62
Lease Liabilities	68.86	68.86	0.00	0.00	68.86
Other financial liabilities	38.63	26.77	0.00	11.86	38.63

**Note 33.3 Credit risk:**

Credit risk is the risk that counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The credit risk for the Company primarily arises from credit exposures to trade receivables, deposits and other receivables including balances with banks.

Credit risk arising from cash and cash equivalent and other balances with bank is limited as the counterparties are recognised banks.

(₹ in Lakhs)

Particulars	As at March 31, 2023	As at March 31, 2022
Total exposure	4,222.73	3,110.83
Expected Credit Loss	(84.03)	(72.63)

**Note: 34 Financial Instruments****Note: 34.1 Capital Management**

The Company's capital management objectives are:

- to ensure the Company's ability to continue as going concern
- to provide adequate return to shareholders through optimisation of debt and equity balance.

For the purpose of the Company's capital management, capital includes issued equity capital and other equity reserves attributable to the equity holders of the Company.

The Company manages its capital structure and makes adjustments in light of changes in economic conditions and business opportunities. The Company

monitors capital structure using a debt equity ratio, which is debt divided by equity.

(₹ in Lakhs)

Particulars	As At	
	31st March 2023	31st March 2022
Debt (Refer note below)	4,507.29	1,706.33
Less: Cash and bank balances	43.19	164.45
<b>Adjusted net debt</b>	<b>4,464.10</b>	<b>1,541.88</b>
Total equity	3,605.04	3,291.23
<b>Adjusted net debt to total equity ratio</b>	<b>1.24</b>	<b>0.47</b>

**Note:**

Debt is defined as long term borrowings, short term borrowings and current maturities of long term borrowings as described in notes.

(₹ in Lakhs)

<b>Note: 34.2 Disclosure of Financial Instruments by Category</b>						
As at March 31, 2023						
Particulars	Note No.	FVTPL	FVTOCI	Amortized cost	Total carrying value	Fair value
<b>Financial asset</b>						
Trade Receivable		-	-	4,943.60	4,943.60	4,943.60
Cash and cash equivalents		-	-	43.19	43.19	43.19
Bank balances other than classified as cash and cash equivalents				513.90	513.90	513.90
Other financial assets		-	-	537.28	537.28	537.28
<b>Total Financial assets</b>				<b>6,037.98</b>	<b>6,037.98</b>	<b>6,037.98</b>
<b>Financial liability</b>						
Borrowings		-	-	4,507.29	4,507.29	4,507.29
Trade payables		-	-	435.57	435.57	435.57
Lease Liabilities				84.73	84.73	84.73
Other financial liabilities		-	-	44.58	44.58	44.58
<b>Total Financial Liabilities</b>		-	-	<b>5,072.17</b>	<b>5,072.17</b>	<b>5,072.17</b>

(₹ in Lakhs)

As at March 31, 2022						
Particulars	Note No.	FVTPL	FVTOCI	Amortized cost	Total carrying value	Fair value
<b>Financial asset</b>						
Trade Receivable	6,10	-	-	3,038.20	3,038.20	3,038.20
Cash and cash equivalents	11	-	-	164.45	164.45	164.45
Bank balances other than classified as cash and cash equivalents	11	-	-	175.94	175.94	175.94
Other financial assets	7,12	-	-	350.53	350.53	350.53
<b>Total Financial assets</b>				<b>3,729.12</b>	<b>3,729.12</b>	<b>3,729.12</b>
<b>Financial liability</b>						
Borrowings	16,21	-	-	1,706.33	1,706.33	1,706.33
Trade payables	22	-	-	1,976.62	1,976.62	1,976.62
Lease Liabilities	17	-	-	68.86	68.86	68.86
Other financial liabilities	18,23	-	-	38.63	38.63	38.63
<b>Total Financial Liabilities</b>		-	-	<b>3,790.44</b>	<b>3,790.44</b>	<b>3,790.44</b>

**Note: 34.3 Financial Instrument measured at Amortised Cost**

The carrying amount of financial assets and financial liabilities measured at amortised cost in the financial statements are a reasonable approximation of their fair values since the Company does not anticipate that the carrying amounts would be significantly different from the values that would eventually be received or settled.

**Note: 35 Contingent Liabilities and Commitments (to the extent not provided for)**

(₹ in Lakhs)

Particulars	As At	
	31st March 2023	31st March 2022
In respect of demand raised by Goods and Service Tax Authorities	418.00	418.00
In respect of demand raised by Income Tax Authorities	64.75	-

**Note: 36 Related Party Disclosures**

Related party disclosures as required under the Ind AS – 24 on “Related Party Disclosures” notified under Companies Act, 2013 are given below:

Sr. No.	Name of Related Party	Relationship	Nature of Transaction	2022-23	2021-22
1	Mr. Kunjbihari J. Shah	Managing Director	Loan Taken	129.60	1,258.16
			Loan Paid	119.23	1,258.16
			Rent Paid	24.00	24.00
			Remuneration	48.00	48.00
			Sale of Material	1.79	-
			Outstanding Payable	3.20	3.50

Sr. No.	Name of Related Party	Relationship	Nature of Transaction	2022-23	2021-22
2	Mrs. Parul Shah	Whole time Director	Loan Taken	10.77	55.77
			Loan Paid	5.66	55.77
			Remuneration	24.00	24.00
			Outstanding Payable	1.70	1.85
3	Mr. Bhargav C. Mehta	Whole time Director	Remuneration	6.00	6.00
			Outstanding Payable	-	0.49
4	Mr. Jaxay Shah	Non-Executive Director	Sitting Fees	0.22	0.55
			Outstanding Payable	0.22	-
5	Mr. Dhaval Shah	Independent Director	Sitting Fees	1.17	1.03
			Outstanding Payable	1.06	-
6	Mr. Kalpesh Joshi	Independent Director	Sitting Fees	1.17	1.03
			Outstanding Payable	1.06	-
7	Mr. Ambar Patel	Independent Director	Sitting Fees	0.30	0.20
			Outstanding Payable	0.27	-
8	Mr. Rakesh Patel	Independent Director	Sitting Fees	0.20	-
			Outstanding Payable	0.20	-
9	Mrs., Shefali Karar	Chief Financial Officer	Remuneration	9.86	8.09
			Outstanding Payable	0.77	1.14
10	Ms. Niyati Parikh	Company Secretary	Remuneration	5.83	4.73
			Outstanding Payable	0.43	0.37
11	Mr. Jay K. Shah	Relative of Director	Remuneration	7.02	6.48
			Outstanding Payable	0.53	0.54
12	Sharnam Solar Projects LLP	Enterprise over which Key Managerial Personnel having control or significant influence	Advance taken	-	21.15
			Advance repaid	-	21.15
13	Shambhu Solar Projects LLP		Advance taken	-	21.00
			Advance repaid	-	21.00
14	Aprameya Solar Projects LLP		Advance taken	-	2.50
			Advances Paid	2.50	-

Sr. No.	Name of Related Party	Relationship	Nature of Transaction	2022-23	2021-22
15	Bajarang Solar Projects LLP		Advance taken	-	2.50
			Advances Paid	2.50	-
			Outstanding Payable	-	2.50
16	Bansari Solar Projects LLP		Advance taken	-	2.50
			Advances Paid	2.50	-
			Outstanding Payable	-	2.50
17	Capricon Solar Projects LLP		Advance taken	-	2.50
			Advances Paid	2.50	-
			Outstanding Payable	-	2.50
18	Dinbandhu Solar Projects LLP		Advance taken	-	2.50
			Advances Paid	2.50	-
			Outstanding Payable	-	2.50
19	Gajendra Solar Projects LLP		Advance taken	-	21.15
			Advance repaid	-	21.15
20	Sarvadarsee Solar Projects LLP		Advance taken	-	21.15
			Advance repaid	-	21.15
21	Satyadharma Solar Projects LLP		Advance taken	180.00	14.00
			Advance repaid	65.87	14.00
			Sale of Material	-	247.97
			Outstanding Receivable	-	114.13
22	Vishveshvara Solar Projects LLP		Advance taken	-	2.50
			Advances Paid	2.50	-
			Outstanding Payable	-	2.50
23	Vrajesh Solar Projects LLP	Advance taken	-	2.50	
		Advances Paid	2.50	-	
		Outstanding Payable	-	2.50	
24	Vrajraj Solar Projects LLP	Advance taken	-	2.50	
		Advances Paid	2.50	-	
		Outstanding Payable	-	2.50	
25	Millennium Park Holdings Private Limited	Advance taken	-	38.80	
		Outstanding Payable	38.77	38.77	
26	Zenith Power Projects Private Limited	Advance Given	-	5.39	
		Sale of Material	141.70	1.64	
		Purchase of Material and Labour	624.32	241.33	
		Outstanding Receivable	-	5.39	

Sr. No.	Name of Related Party	Relationship	Nature of Transaction	2022-23	2021-22
27	Kitchen Xpress Overseas Limited		Sale of Material	37.84	101.73
			Outstanding Receivable	0.92	0.41
28	Mitravant Solar Projects LLP		Advance taken	62.00	-
			Advances Paid	62.00	-

(₹ in Lakhs)

**Note: 6 - Trade Receivables Long Term Trade Receivables ageing Schedule**

As at 31st March 2023

Particulars	Outstanding for following periods from invoice date					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	-	16.92	19.83	768.16	804.91
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-

(₹ in Lakhs)

As at 31st March 2022

Particulars	Outstanding for following periods from invoice date					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	-	-	-	-	-	-
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-



(₹ in Lakhs)

**Note: 10 - Trade Receivables Trade Receivables ageing Schedule**

As at 31st March 2022

Particulars	Outstanding for following periods from invoice date					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	2,655.19	124.53	151.39	98.68	2.74	3,032.53
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	14.43	38.87	25.00	78.30
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Less:- Expexted Credit Loss	72.63					72.63
<b>Total</b>						<b>3,038.20</b>

(₹ in Lakhs)

As at 31st March 2023						
Particulars	Outstanding for following periods from invoice date					
	Less than 6 months	6 months- 1 year	1-2 years	2-3 years	More than 3 years	
(i) Undisputed Trade Receivables - considered good	3,645.48	229.25	198.49	91.83	57.68	4,222.73
(ii) Undisputed Trade Receivables - considered doubtful	-	-	-	-	-	-
(iii) Disputed Trade Receivables - considered good	-	-	-	-	-	-
(iv) Disputed Trade Receivables - considered doubtful	-	-	-	-	-	-
Less: - Expexted Credit Loss	84.03					84.03
<b>Total</b>						4,138.70

(₹ in Lakhs)

**Note No: 22 Trade Payables ageing Schedule**

As at 31st March 2023

Particulars	Outstanding for following periods from invoice date				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	99.50	-	-	-	99.50
(ii) Others	335.60	0.47	-	-	336.07
(iii) Disputed dues - MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

(₹ in Lakhs)

As at 31st March 2022					
Particulars	Outstanding for following periods from invoice date				
	Less than 1 year	1-2 years	2-3 years	More than 3 years	Total
(i) MSME	52.97	-	-	-	52.97
(ii) Others	1,917.42	6.23	-	-	1,923.65
(iii) Disputed dues – MSME	-	-	-	-	-
(iv) Disputed dues - Others	-	-	-	-	-

(₹ in Lakhs)

Note: - 37 Ratios					
Ratios	Numerator Denominator	As at 31st March, 2023	As at 31st March, 2022	% change	Explanation for any change in the ratio by more than 25% as compared to the preceeding year
(a) Current Ratio,	<u>Current Assets</u>	<u>7,885.83</u>	<u>7,213.61</u>		-
	Current Liabilities	4,808.81	3,664.07		
		1.64	1.97	-16.70%	
(b) Debt-Equity Ratio,	<u>Total Debt</u>	<u>4,592.02</u>	<u>1,775.19</u>		Due to increase in Working capital loan
	Shareholders' Equity	3,605.04	3,291.23		
		1.27	0.54	136.16%	
(c) Debt Service Coverage Ratio,	<u>Earnings available for debt services</u>	<u>704.52</u>	<u>724.91</u>		Due to increase in installments.
	Interest + Installments (Principal)	738.46	172.11		
		0.95	4.21	-77.35%	
(d) Return on Equity Ratio,	<u>(Net Profit after Tax - Preference Dividend (if any)) * 100</u>	<u>318.94</u>	<u>546.02</u>		Due to decrease in the profit.
	Average Net worth / Equity Shareholders' fund	3,448.13	3,015.90		

(₹ in Lakhs)

Ratios	<u>Numerator</u> <u>Denominator</u>	As at <b>31st March, 2023</b>	As at <b>31st March, 2022</b>	% change	Explanation for any change in the ratio by more than 25% as compared to the preceeding year
(e) Inventory turnover ratio,		9.25%	18.10%	-48.91%	Due to decrease in the profit.
	<u>Sales</u>	<u>11,766.33</u>	<u>12,163.42</u>		-
	Average Inventory	2,303.91	2,392.12		
		5.11	5.08	0.44%	
(f) Trade Receivables turnover ratio,	<u>Credit Sales</u>	<u>13,765.92</u>	<u>14,297.05</u>		Due to Increase in Accounts receivables
	Average Accounts Receivable	3,588.45	2,730.16		
		3.84	5.24	-26.74%	
(g) Trade payables turnover ratio,	<u>Annual Net Credit Purchases</u>	<u>10,513.39</u>	<u>14,071.31</u>		-
	Average Accounts Payable	1,206.09	1,468.49		
		8.72	9.58	-9.03%	
(h) Net capital turnover ratio,	<u>Sales</u>	<u>13,765.92</u>	<u>14,297.05</u>		Due to decrease in Working Capital
	Working Capital	3,077.02	4,996.34		
		4.47	2.86	56.34%	
(i) Net profit ratio,	<u>Net Profit</u> * 100	<u>318.94</u>	<u>546.02</u>		Due to Decrease in Net Profit of the company
	Sales	13,765.92	14,297.05		
		2.32%	3.82%	-39.34%	
(j) Return on Capital employed,	<u>EBIT</u> * 100	<u>756.33</u>	<u>663.51</u>		Due to increase in EBIT.
	Capital Employed	4,510.09	4,996.34		
		16.77%	13.28%	26.28%	
(k) Return on investment.	<u>Return/ Profit/ Earnings</u> * 100	<b>N. A.</b>	<b>N. A.</b>	<b>N. A.</b>	<b>N. A.</b>
	Investments				

### 38. Earnings Per Shares (EPS)

		(Amount in ₹)	
	Particulars	2022-23	2021-22
(i)	Net Profit (Loss) after tax as per Statement of Profit and Loss attributable to Equity Shareholders (Rs.)	3,18,93,610	5,46,01,793
(ii)	Weighted Average number of equity shares used as denominator for calculating EPS	1,46,33,440	1,46,33,440
(iii)	Basic and Diluted Earnings per Shares (Rs.)	2.18	3.73
(iv)	Face Value per equity share (Rs.)	10	10

### 39. Segment information

The Company primarily operates in the segment of sale of solar based power plants and related items. The managing director of the company allocates resources and assess the performance of the company, thus are the chief operating decision maker (CODM). The CODM monitors the operating results of the business as a single segment, hence no separate segment needs to be disclosed

#### Information about major customers:

None of the customer account for more than 10% of the total revenue of the Company.

### 40. Corporate Social Responsibility Expenditure

As per Section 135 of the Companies Act, 2013, a company needs to spend at least 2% of its average net profit for the immediately preceding three financial years on corporate social responsibility (CSR) activities

		(₹ in Lakhs)	
Sr. No	Particulars	FY 2022-23	FY 2021-22
1	Gross amount required to be spent by the company during the year	11.97	9.90
2	Amount approved by the Board to be spent during the year	12.00	11.00
3	Amount of expenditure incurred on:		
	(i) Construction/acquisition of any asset	-	-
	(ii) On purposes other than (i) above	12.00	11.00
4	The amount of shortfall at the end of the year out of the amount required to be spent by the Company during the year	-	-
5	The total of previous years' shortfall amounts	-	-
6	The reason for above shortfalls (if any)	Not applicable	Not applicable
7	Details of related party transactions in relation to CSR expenditure	Not applicable	Not applicable
8	Nature of CSR activities undertaken by the Company	Promoting education, including special education and employment enhancing vocation skills, etc	
9	Provision for CSR Expenses:	-	-
	<b>Opening Balance</b>	-	-
	Add: Provision Created during the Period	-	-

(₹ in Lakhs)			
Sr. No	Particulars	FY 2022-23	FY 2021-22
	Less: Provision Utilized during the period	-	-
	<b>Closing Balance</b>	-	-
10	<b>Total amount recognized in statement of profit and loss</b>	12.00	11.00

(Amount in Lakhs)		
Details of expenditure incurred for CSR activities:		
Particulars of Expenditure during the year	FY 2022-23	FY 2021-22
Donation given to L.D. College of Engineering, Ahmedabad to establish "Zodiac Energy Centre of Excellence for Sustainable & Clean Energy" to set up the infrastructure for the Centre of Excellence and will also provide technical assistance in terms of products and technologies to train the future engineers.	0.00	11.00
Donation given to Varmor Krushi and Gram Vikash Trust for promoting child education, women empowerment, providing food to needy people, startup of old age home and Gau shala and such other purpose.	12.00	0.00

**41.** The Company did not have anything to report in respect of the following:

- Benami properties
- Trading or investment in crypto or virtual currency
- Giving/receiving of any loan or advance or funds with the understanding that the recipient shall lend, invest, provide security or guarantee on behalf of the Company/funding party
- Transactions not recorded in books that were surrendered or disclosed as income during income-tax assessment
- Charges or satisfaction not registered with ROC beyond statutory period
- Title deeds in respect of freehold immovable properties not being held in the name of the Company.
- Transactions with struck-off companies
- Non-compliance with number of layers as prescribed under the Companies Act, 2013, read with Companies (Restriction on number of Layers) Rules, 2017.
- Wilful Defaulter by any bank or financial institution or other lender.

For **DJNV & Co.**  
**Chartered Accountants**  
**FRN: 115145W**

**CA Shruti Shah**  
**Partner**

**Membership Number:** 175839  
**UDIN:** 23175839BGXUTY4644

**Place:** Ahmedabad

**Date:** May 11, 2023

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

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

**Shefali Karar**  
**Chief Financial Officer**  
**PAN: AYJPK5188N**

**Place:** Ahmedabad

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

**Niyati Parikh**  
**Company Secretary**  
**F12289**

**Date:** May 11, 2023



# Notice

**NOTICE** is hereby given that the 31st (thirty first) Annual General Meeting (AGM) of Zodiac Energy Limited ("the Company") will be held on Monday, September 25, 2023 at 04:00 P.M. through video conferencing / other audio visual means to transact the following businesses. The venue of the meeting shall be deemed to be the Registered Office of the Company at U.G.F-4,5,6, Milestone Building, Near Khodiyar Restaurant, Near Drive In Cinema, Thaltej Ahmedabad - 380 054, Gujarat:

## ORDINARY BUSINESS:

1. To receive, consider and adopt the audited financial statements of the Company for the financial year ended on March 31, 2023 together with the Reports of the Board of Directors and Auditors thereon and in this regard, to consider and if thought fit, to pass, with or without modification(s), the following resolutions as an **Ordinary Resolution**:

**"RESOLVED THAT** the audited standalone financial statement of the Company for the financial year ended March 31, 2023 and the reports of the Board of Directors and Auditors thereon, as circulated to the members, be and are hereby considered and adopted."

2. To appoint a Director in place of Mrs. Parul Kunjbihari Shah (DIN: 00378095), who retires by rotation and being eligible offers, herself for reappointment.

**Explanation:** Based on the terms of appointment, Executive Directors and the Non-Executive Directors (other than Independent Directors) are subject to retirement by rotation. Mrs. Parul Kunjbihari Shah, who has been as Whole Time Director (Category: Executive) since September 08, 2017 & re appointed for further term of five years w.e.f. September 08, 2022 and whose office is liable to retire at this AGM, being eligible, seeks re-appointment. Based on the performance evaluation and the recommendation of the Nomination and Remuneration Committee, the Board recommends her re-appointment. Therefore, shareholders are requested to consider and if thought fit, to pass the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** in accordance with the provisions of Section 152 and other applicable provisions of the Companies Act, 2013, Mrs. Parul Kunjbihari Shah (DIN: 00378095), who retires by rotation at this Meeting, be and is hereby re-appointed as a Whole Time Director retiring by rotation."

## SPECIAL BUSINESS:

3. To consider and if thought fit, approve the material related party transaction(s) proposed to be entered into by the Company during the financial year 2023-24 and to pass, with or without modification(s), the following resolution as an **Ordinary Resolution**:

**"RESOLVED THAT** pursuant to the provisions of Section 188 of the Companies Act 2013 ("Act") and other applicable provisions if any read with Rule 15 of the Companies (Meetings of Board and its Powers) Rules 2014 as amended till date and other applicable provisions of the Companies Act, 2013 and in terms of Regulation 23 of the

Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations"), as amended from time to time, the consent of the shareholders of the Company be and is hereby accorded to the Board of Directors of the Company ("Board"), for entering into and / or carrying out and / or continuing with existing contracts / arrangements/ transactions or as fresh and independent transaction(s) or otherwise (whether individually or series of transaction(s) taken together or otherwise), consent of the Members be and is hereby accorded to the Company to finalize, enter, execute the conveyance deed/Sale Deed with Mr. Kunjbihari Shah, a related party of the Company, for acquisition of immovable property situated at U.G.F-4,5,6, Milestone Building, Near Khodiyar Restaurant, Near Drive In Cinema, Thaltej Ahmedabad- 380 054 at the most advantageous price subject to maximum of Rs. 6 Crores during the financial year 2023-24, notwithstanding the fact that the value of all this transaction, undertaken directly by the Company, may exceed the prescribed thresholds as per provisions of the SEBI Listing Regulations as applicable from time to time, provided, however, that the said transaction shall be carried out at an arm's length basis.

**RESOLVED FURTHER THAT** the Board be and is hereby severally authorised to execute all such agreements, documents, instruments and writings as deemed necessary, with power to alter and vary the terms and conditions of such transaction, settle all questions, difficulties or doubts that may arise in this regard."

**Registered office:**

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

By order of the Board of Directors

For, **ZODIAC ENERGY LIMITED**

**CIN: L51909GJ1992PLC017694**

**Place:** Ahmedabad

**Date:** August 10, 2023

**Kunjbihari Shah**

**Managing Director**

**DIN 00622460**

**IMPORTANT NOTES:**

1. The Government of India, Ministry of Corporate Affairs has 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 General Circular No. 14/2020 dated April 8, 2020, General Circular No. 17/2020 dated April 13, 2020, General Circular No. 20/2020 dated May 5, 2020, General Circular No. 02/2021 dated January 13, 2021, General Circular no. 21/2021 dated December 14, 2021 and General Circular no. 02/2022 dated May 05, 2022 ("MCA Circulars") and Circular No. Circular No. SEBI/HO/CFD/ CMD2/CIR/P/ 2021/11 dated January 15, 2021, Circular No. SEBI/HO/DDHS/P/CIR/2022/0063 dated May 13, 2022 and SEBI/HO/CRD/ PoD-2/P/ CIR/2023/4 dated January 05, 2023 issued by the Securities and Exchange Board of India ("SEBI Circular") prescribing the procedures and manner of conducting the Annual General Meeting through VC/ OAVM. In terms of the said circulars, the 31st 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. 21 and available at the Company's website [www.zodiacenergy.com](http://www.zodiacenergy.com).
2. Information regarding re-appointment of Directors and Explanatory Statement in respect of special businesses to be transacted pursuant to Section 102 of the Companies Act, 2013 (the Act) and/or Regulation 36(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 (SEBI Listing Regulations) is annexed hereto.
3. In view of the 'Green Initiatives in Corporate Governance' introduced by MCA and in terms of the provisions of the Act, members who are holding shares of the Company in physical mode, are required to register their email addresses, so as to enable the Company to send all notices/ reports/ documents/ intimations and other correspondences, etc., through emails in the electronic mode instead of receiving physical copies of the same. Members holding shares in dematerialized form, who have not registered their email addresses with Depository Participant(s), are requested to register/update their email addresses with their Depository Participant(s).
4. Pursuant to the Circular No. 14/2020 dated April 08, 2020, issued by the Ministry of Corporate Affairs, the facility to appoint proxy to attend and cast vote for the Members is not available for this AGM. However, the Body Corporates are entitled to appoint authorised representatives to attend the AGM through VC/OAVM and participate thereat and cast their votes through e-voting.
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 Act.
6. In accordance with the Secretarial Standard-2 on General Meetings issued by the Institute of Company Secretaries of India ("ICSI") read with Clarification / Guidance on applicability of Secretarial Standards - 1 and 2 dated April 15, 2020 issued

by the ICSI, the proceedings of the AGM shall be deemed to be conducted at the Registered Office of the Company which shall be the deemed venue of the AGM.

7. Pursuant to the provisions of Section 113 of the Act, Body Corporates/ Institutional / Corporate members intending for their authorized representatives to attend the meeting are requested to send to the Company, on [cs@zodiacenergy.com](mailto:cs@zodiacenergy.com) with a copy marked to [scsandcollp@gmail.com](mailto:scsandcollp@gmail.com) and [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) from their registered Email ID a scanned copy (PDF / JPG format) of certified copy of the Board Resolution / Authority Letter authorizing their representative to attend and vote on their behalf at the meeting.

8. Members can join the AGM through the VC/ OAVM mode 15 minutes before and after the scheduled time of the commencement of the Meeting by following the procedure mentioned in the Notice. The facility of participation at the AGM through VC/OAVM will be made available on first come first served basis. This will not include large Shareholders (Shareholders holding 2% or more shareholding), Promoters, Institutional Investors, Directors, Key Managerial Personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders' Relationship Committee, Auditors etc. who are allowed to attend the AGM without restriction on account of first come first served basis.

9. In line with the Ministry of Corporate Affairs Circulars, the Notice calling the AGM 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 Exchanges i.e. BSE Limited and National Stock Exchange of India Limited at [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com) respectively and the AGM Notice is also available on the website of NSDL (agency for providing the Remote e-Voting facility) i.e. [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

10. The Register of members and share transfer books of the Company will remain closed from Tuesday, September 19, 2023 to Monday, September 25, 2023 (both days inclusive) for the purpose of AGM.

11. Members seeking any information with regard to accounts are requested to write to the Company atleast 10 days before the meeting so as to enable the management to keep the information ready.

12. Members holding the shares in physical mode are requested to notify immediately the change of their address and bank particulars to the R & T Agent of the Company. In case shares held in dematerialized form, the information regarding change of address and bank particulars should be given to their respective Depository Participant.

13. In terms of Section 72 of the Act, nomination facility is available to individual shareholders holding shares in the physical form. The shareholders who are desirous of availing this facility, may kindly write to Company's R & T Agent for nomination form by quoting their folio number.

14. The Register of Directors' and Key Managerial Personnel and their shareholding maintained under Section 170 of the Act, the Register of contracts or arrangements in which the Directors are interested under Section 189 of the Act and all other documents referred to in the Notice will be available for inspection in electronic mode.

15. Pursuant to regulation 44(6) of the SEBI Listing Regulations, as amended, the Company is providing VC / OAVM facility to its members to attend the AGM.

16. The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) KYC details and nomination by holders of physical securities by October 1, 2023, and linking PAN with Aadhaar by June 30, 2023 vide its circular dated March 16, 2023. Shareholders are requested to submit their PAN, KYC and nomination details to the Company's RTA, Link Intime India Pvt. Ltd, at ahmedabad@linkintime.co.in.

Members holding shares in electronic form are, therefore, requested to submit their PAN to their DP. In case a holder of physical securities fails to furnish PAN and KYC details before October 1, 2023 or link their PAN with Aadhaar before June 30, 2023, in accordance with the SEBI circular dated March 16, 2023, RTA is obligated to freeze such folios. The securities in the frozen folios shall be eligible to receive payments (including dividend) and lodge grievances only after furnishing the complete documents. If the securities continue to remain frozen as on December 31, 2025, the RTA / the Company shall refer such securities to the administering authority under the Benami Transactions (Prohibitions) Act, 1988, and / or the Prevention of Money Laundering Act, 2002.

As per Section 72 of the Act, the facility for submitting nomination is available for members in respect of the shares held by them. Members who have not yet registered their nomination are requested to register the same by submitting Form SH-13. Members are requested to submit these details to their DP in case the shares are held by them in electronic form, and to the RTA, in case the shares are held in physical form.

**17. Process and manner for Members opting for voting through Electronic means:**

i. Pursuant to the provisions of Section 108 of the Act read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI Listing Regulations (as amended), and the MCA Circulars, the Company is providing facility of remote e-voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited ("NSDL"), as the Authorised e-Voting agency for facilitating voting through electronic means, as the authorized e-Voting agency. The facility of casting votes by Members using remote e-voting as well as e-voting system on the date of the AGM will be provided by NSDL.

ii. 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 18, 2023, 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.

iii. 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 18, 2023, 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.

iv. The remote e-voting will commence on Friday, September 22, 2023 at 9.00 a.m. and will end on Sunday, September 24, 2023 at 5.00 p.m. During this period, the Members of the Company holding shares either in physical mode or in demat mode as on the Cut-off date i.e. Monday, September 18, 2023 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.

v. Once the vote on a resolution is casted by the Member, he/she shall not be allowed to change it subsequently or cast the vote again.

vi. 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 Cutoff date i.e. Monday, September 18, 2023.

vii. The Company has appointed M/s. SCS & Co LLP, Practising Company Secretaries (FRN: L2020GJ008700), to act as the Scrutinizer for remote e-voting as well as the e-voting on the date of the AGM, in a fair and transparent manner.

#### **18. The procedure and instructions for remote e-voting are, as follows:**





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

##### **Step 1: Access to NSDL e-Voting system**

##### **A. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode**

In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

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

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL	<ol style="list-style-type: none"> <li>Existing IDeAS user can visit the e-Services website of NSDL Viz. <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a> either on a Personal Computer or on a mobile. On the e-Services home page click on the “Beneficial Owner” icon under “Login” which is available under ‘IDeAS’ section, this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on “Access to e-Voting” under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>If you are not registered for IDeAS e-Services, option to register is available at <a href="https://eservices.nsdl.com">https://eservices.nsdl.com</a>. Select “Register Online for IDeAS Portal” or click at <a href="https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp">https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp</a></li> <li>Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <a href="https://www.evoting.nsdl.com/">https://www.evoting.nsdl.com/</a> either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting &amp; voting during the meeting.</li> <li>Shareholders/Members can also download NSDL Mobile App “NSDL Speede” facility by scanning the QR code mentioned below for seamless voting experience.</li> </ol> <p><b>NSDL Mobile App is available on</b></p> <div style="display: flex; justify-content: space-around; align-items: center;"> <div style="text-align: center;">  <p>App Store</p>  </div> <div style="text-align: center;">  <p>Google Play</p>  </div> </div>
Individual Shareholders holding securities in demat mode with CDSL	<ol style="list-style-type: none"> <li>Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are <a href="https://web.cdslindia.com/myeasi/home/login">https://web.cdslindia.com/myeasi/home/login</a> or <a href="http://www.cdslindia.com">www.cdslindia.com</a> and click on New System Myeasi.</li> </ol>



Type of shareholders	Login Method
	<p>2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of <b>e-Voting service provider i.e. NSDL</b>. Click on <b>NSDL</b> to cast your vote.</p> <p>3. If the user is not registered for Easi/Easiest, option to register is available at <a href="https://web.cdslindia.com/myeasi/Registration/EasiRegistration">https://web.cdslindia.com/myeasi/Registration/EasiRegistration</a></p> <p>4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in <a href="http://www.cdslindia.com">www.cdslindia.com</a> home page. The system will authenticate the user by sending OTP on registered Mobile &amp; Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. <b>NSDL</b> where the e-Voting is in progress.</p>
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. <b>NSDL</b> and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

**Important note:** Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

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

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

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

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: <https://www.evoting.nsdl.com/> either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

*Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at <https://eservices.nsdl.com/> with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.*

4. Your User ID details are given below:

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

5. Password details for shareholders other than Individual shareholders are given below:

a) If you are already registered for e-Voting, then you can use your existing password to login and cast your vote.

b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial

password', you need to enter the 'initial password' and the system will force you to change your password.

c) How to retrieve your 'initial password'?

i. If your email ID is registered in your demat account or with the company, your 'initial password' is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your 'User ID' and your 'initial password'.

ii. If your email ID is not registered, please follow steps mentioned below in **process for those** shareholders **whose email ids are not registered**.

6. If you are unable to retrieve or have not received the "Initial password" or have forgotten your password:

a) Click on "Forgot User Details/Password?" (If you are holding shares in your demat account with NSDL or CDSL) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

b) Physical User Reset Password?" (If you are holding shares in physical mode) option available on [www.evoting.nsdl.com](http://www.evoting.nsdl.com).

c) If you are still unable to get the password by aforesaid two options, you can send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in) mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

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

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

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

#### 19. General guidelines for Members:

a) Institutional investors, who are members of the Company, are encouraged to attend and vote at the AGM through VC/OAVM facility. Corporate 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 [scsandcollp@gmail.com](mailto:scsandcollp@gmail.com) with a copy marked to [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

b) 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.

c) 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 helpline no.: 1800-222-990 or send a request at [evoting@nsdl.co.in](mailto:evoting@nsdl.co.in).

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

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).

**21. The instructions for Members for e-Voting on the day of the AGM are as under:**

- a) The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
- b) Only those Members/ Shareholders, who will be present in the AGM through VC/OAVM facility and have not cast 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.
- c) 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.
- d) The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for remote e-voting.

**22. Instructions for Members for attending the AGM through VC/OAVM are as under:**

- a) Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
- b) Members are encouraged to join the Meeting through Laptops for better experience.
- c) Further, Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
- d) 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.
- e) For ease of conduct, Members who would like to ask questions may send their questions in advance at least seven (7) days before AGM mentioning their name, demat account number / folio number, email id, mobile number at [cs@zodiaenergy.com](mailto:cs@zodiaenergy.com) and register themselves as a speaker. Those Members who have registered themselves as a speaker will only be allowed to express their views/ask questions during the AGM.
- f) Since the AGM will be held through VC/OAVM, the Route Map is not annexed in this Notice.

23. The Scrutinizer shall, after the conclusion of voting at the AGM, unblock the votes cast through remote e-Voting and count the same, and count the votes cast during the AGM, and shall make, not later than 48 hours from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman or a person authorised by him in writing, who shall countersign the same and declare the result of the voting forthwith. The Scrutinizer's decision on the validity of the votes shall be final.

The results declared along with the Scrutinizer's Report shall be placed on the Company's website [www.zodiacenergy.com](http://www.zodiacenergy.com) and on the website of NSDL [www.evoting.nsdl.com](http://www.evoting.nsdl.com), immediately after declaration of the result and shall also be communicated to the Stock Exchanges where the shares of the Company are listed i.e. BSE and NSE and be made available on their respective websites viz. [www.bseindia.com](http://www.bseindia.com) and [www.nseindia.com](http://www.nseindia.com).

## CONTACT DETAILS

Company	<b>ZODIAC ENERGY LIMITED</b> U.G.F-4,5,6, Milestone Building, Near Khodiyar Restaurant, Near Drive In Cinema, Thaltej Ahmedabad-380 054 Tel No. +91-079 2747 1193; Email: <a href="mailto:cs@zodiacenergy.com">cs@zodiacenergy.com</a> ; Web: <a href="http://www.zodiacenergy.com">www.zodiacenergy.com</a>
Registrar and Transfer Agent	Link Intime India Private Limited 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 Tel No.: +91 79 26465179/86; Fax: +91 79 26465179 Email: <a href="mailto:ahmedabad@linkintime.co.in">ahmedabad@linkintime.co.in</a> ; Web: <a href="http://www.linkintime.co.in">www.linkintime.co.in</a>
E-Voting Agency & VC / OAVM	Email: <a href="mailto:evoting@nsdl.co.in">evoting@nsdl.co.in</a> NSDL help desk: 1800 1020 990 and 1800 22 44 30. You may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of <a href="http://www.evoting.nsdl.com">www.evoting.nsdl.com</a>
Scrutinizer	SCS and Co. LLP Practising Company Secretaries Email: <a href="mailto:scsandcollp@gmail.com">scsandcollp@gmail.com</a> ; Tel No.: +91 81281 56833



## ANNEXURE TO NOTICE

### EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013 AND / OR REGULATION 36(3) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

#### For Item No. 3:

The provisions of the SEBI Listing Regulations, as amended by the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) (Sixth Amendment) Regulations, 2021, effective 1st April, 2022, mandates prior approval of shareholders by means of an ordinary resolution for all material related party transactions, even if such transactions are in the ordinary course of business of the concerned Company and at an arm's length basis. Effective from 1st April, 2022, a transaction with a related party shall be considered as material if the transaction(s) to be entered into, either individually or taken together with previous transactions during a financial year, whether directly and/or through its subsidiary(ies), exceed(s) ₹1,000 crore, or 10% of the annual consolidated turnover as per the last audited financial statements of the listed entity, whichever is lower.

In the financial year 2023-24, the Company, proposes to enter into related party transaction(s) as mentioned below, on mutually agreed terms and conditions, and the amount of such transaction, are may or may not cross the applicable materiality thresholds as mentioned above. Accordingly, as per the SEBI Listing Regulations, prior approval of the shareholders is being sought for transaction proposed to be undertaken by the Company. The said transactions shall be in the ordinary course of business of the Company and on an arm's length basis.

The Audit Committee has, on the basis of relevant details provided by the management, as required by the law, at its meeting held on August 10, 2023, reviewed and approved the said transaction(s), subject to approval of the shareholders, while noting that such transaction shall be on arms' length basis and in the ordinary course of business of the Company.

Your Board of Directors considered the same and recommends passing of the resolution.

Information required under Regulation 23 of SEBI Listing Regulations read with SEBI Circular dated 22nd November, 2021 is provided herein below:

The following disclosure(s) for acquisition of properties from the related party is made in accordance with the provisions of Section 188 of the Companies Act, 2013 and Rule 15 of Companies (Meetings of Board and its Powers) Rules, 2014.



Sr No	Particulars	Details
i.	Name of the related party and its relationship with the listed entity or its subsidiary, including nature of its concern or interest (financial or otherwise)	Mr. Kunjbihari Shah  Mr. Kunjbihari Shah is a Managing Director of the Company.
ii.	Type, and tenure	The transaction involves transaction of Purchase of office situated at U.G.F-4,5,6, Milestone Building, Near Khodiyar Restaurant, Near Drive In Cinema, Thaltej, Ahmedabad -380054 from Mr. Kunjbihari Shah.  Approval of the shareholders is being sought for Proposed transaction during FY 2023-24.
iii.	Material terms and particulars of the proposed transaction	At Market Rate. The pricing is commensurate with the market value of the property.
iv.	Nature of Relationship with the Company including nature of its concern or interest (financial or otherwise)	Mr. Kunjbihari Shah is a Promoter and Managing Director of the Company.
v.	Value of the proposed transaction	Not to exceed ₹ 6 crore
vi.	Any advance paid or received for the contracts/arrangements	No
vii.	Value of RPT as % of Company's audited consolidated annual turnover of ₹13765.92 Lakhs for the financial year 2022-23.	Approx 4.35%
viii.	If the transaction relates to any loans, inter-corporate deposits, advances or investments made or given by the listed entity or its subsidiary:	
	i. Details of financial indebtedness incurred	Not Applicable
	ii. Applicable terms, including covenants, tenure, interest rate and repayment schedule, whether secured or unsecured; if secured, the nature of security	Not Applicable
	iii. the purpose for which the funds will be utilized by the ultimate beneficiary of such funds pursuant to the related party transaction	Not Applicable

Sr No	Particulars	Details
ix.	Justification as to why the RPT is in the interest of the Company.	The Registered Office of the Company is situated at U.G.F-4,5,6, Milestone Building, Near Khodiyar Restaurant, Near Drive In Cinema, Thaltej Ahmedabad -380 054 and the said property is in the name of Mr. Kunjbihari Shah, Promoter and Managing Director of the Company and Company wishes to purchase it from Mr. Kunjbihari Shah.
x.	Copy of the valuation or other external party report, if any such report has been relied upon.	Not Applicable
xi.	Any other information relevant or important for the members to take a decision on the proposed transaction.	Nil

As per the SEBI Listing Regulations, all related parties of the Company, whether or not a party to the proposed transaction(s), shall abstain from voting on the said resolution.

The Board recommends passing of the Ordinary Resolution, for approval by the shareholders of the Company.

Mr. Kunjbihari Shah, Mrs. Parul Shah and their relatives are deemed to be concerned or interested in this resolution. None of other Directors, Key Managerial Personnel of the Company and their respective relatives, are in any way, concerned or interested, financially or otherwise, except to the extent of their shareholding in the Company, if any, in the proposed Ordinary Resolution.

**Registered office:**

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

**Place:** Ahmedabad

**Date:** August 10, 2023

By order of the Board of Directors

For, **ZODIAC ENERGY LIMITED**

**CIN:** L51909GJ1992PLC017694

**Kunjbihari Shah**

**Managing Director**

**DIN 00622460**

## ANNEXURE TO NOTICE

### Details of Directors seeking Appointment / Re-appointment

<b>Name</b>	Mrs. Parul Shah
<b>Date of Birth</b>	April 11, 1971
<b>Qualification</b>	Bachelor of Commerce
<b>Experience - Expertise in specific functional areas - Job profile and suitability</b>	Mrs. Parul Shah, 52 years of age, is a Bachelor of Commerce from Gujarat University. She is the Director of the Company since April 01, 1998. She has 25 years of experience in field of general administration and management of the business. Presently, she is looking after the residential rooftop solar systems, general administration and Human Resource department of the Company.
<b>Terms &amp; Conditions</b>	There is no change or modifications in the Terms and Conditions
<b>No. of Shares held as on March 31, 2023</b>	424800 Equity Shares
<b>Names of listed entities in which the person also holds the directorship</b>	Zodiac Energy Limited
<b>Date of Original Appointment</b>	April 01, 1998
<b>Date of Appointment at current Designation</b>	September 08, 2017
<b>Remuneration last drawn</b>	₹ 24.00 Lakhs
<b>Remuneration sought to be paid</b>	₹ 24.00 Lakhs
<b>Number of Board Meetings attended during the Financial Year 2022-23</b>	9 Meetings
<b>Names of listed entities Memberships / Chairmanships of committees</b>	Nil
<b>Listed Entities from which Director has resigned as Director in past 3 years</b>	Nil
<b>Inter-se Relationship with other Directors.</b>	Wife of Mr. Kunjbihari Shah

For other details such as number of meetings of the board attended during the year, remuneration drawn and relationship with other directors and key managerial personnel in respect of above director please refer to the Corporate Governance Report.



**Head Office:** Upper Ground Floor, 4-5-6, Milestone Building, Nr. Drive In Cinema, Drive-In Road, Ahmedabad - 380054



1800 233 2309  
+91-79-27471193



[www.zodiacenergy.com](http://www.zodiacenergy.com)



[info@zodiacenergy.com](mailto:info@zodiacenergy.com)



**Branch Offices:** Surat, Vadodara, Rajkot & Nadiad



[/zodiacsolar](https://twitter.com/zodiacsolar)



[/zodiacenergysolar](https://facebook.com/zodiacenergysolar)



[/zodiacenergylimited](https://linkedin.com/company/zodiacenergylimited)



[/zodiacenergylimited](https://instagram.com/zodiacenergylimited)