

Date: August 16, 2022

To,

BSE Limited
P J Towers,
Dalal Street,
Mumbai - 400 001

National Stock Exchange of India Limited
"Exchange Plaza", Bandra - Kurla Complex,
Bandra East,
Mumbai - 400051

Scrip Code: 543416

Symbol: ZODIAC

Dear Sir/Ma'am,

Sub: Result Update for Q1-FY2023

Ref: Zodiac Energy Limited (Security Id/code: ZODIAC/ 543416)

On the basis on various requests received from stakeholders with reference to clarification on deterioration of profitability for first quarter ended on June 30,2022, Please find enclosed herewith our clarification on results uploaded for quarter ended June 30, 2022.

We request you to take the same on your record.

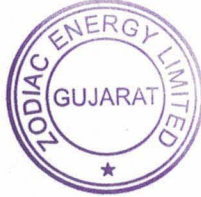
Thanking You,

Yours faithfully,

For, Zodiac Energy Limited



Niyati Parikh
Company Secretary
Membership No: 52584



Place: Ahmedabad

Encl: A/a



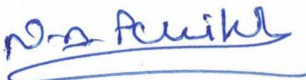
Result Update for Q1-FY2023

Financial performance of Zodiac Energy Limited (ZEL) was adversely impacted during Q1-FY2023 due to negative global and domestic macro-economic scenario. In spite of overall negative macroeconomic scenario, turnover of ZEL has increased by 10.17% during Q1-FY2023 as compared to Q1-FY2022. However, profitability was adversely impacted leading to decrease in the EBIDTA margin to -3.83% during Q1-FY2023 as compared to 0.32% in Q1-FY2022. PBT margin has also decreased from -1.57% in Q1-FY2022 to -5.05% in Q1-FY2023.

Below mentioned factors led to deterioration in the profitability of the ZEL:

1. Government of India (GoI) imposed basic custom duty of 40% on solar modules and 25% on solar cell w.e.f. 1-4-2022. Due to this, the prices of solar panels have increased substantially leading to increase in the cost of raw material on previously taken projects. Overall profit margin on projects executed during the quarter was adversely impacted due to this.
2. Russia-Ukraine war has further disrupted the global supply chain which was already impacted by COVID-19 pandemic resulting in to increase in the prices of almost all the raw materials. It has also impacted cost of Raw materials for the project under executions leading to drop in the profit margin.
3. ZEL had imported solar panels and solar inverters in the month of February and March 2022, the payment for the same became due in the Q1-FY2023. Due to sudden depreciation of Indian currency against US Dollar, ZEL incurred foreign currency loss of Rs.60.11 Lakhs in the Q1-FY2023 which impacted overall profitability during Q1-FY2023.
4. Employee cost of ZEL has increased by 105.58% during Q1-FY2023 as compared to Q1-FY2022 mainly due to increase in number of employees as well overall increase in the salary levels.
5. Interest cost has increased by 81.29% during Q1-FY2023 as compared to Q1-FY2022 due to increase in the working capital utilisation leading to decrease in overall profitability

For, Zodiac Energy Limited



Niyati Parikh
Company Secretary
Membership No: 52584



Place: Ahmedabad

