



Websol Energy System Limited

Annual Report 2014-2015

Corporate Information

Board of Directors

Mr. S. L. Agarwal, Managing Director
Mrs. S. Jhunjhunwala, Wholetime Director
Mr. D Sethia, Independent Director
Mr. P. Kaushik, Independent Director

Chief Financial Officer

Mr. Anup Kumar Agarwal

Company Secretary

Ms. Swati Agarwal

Bankers

Allahabad Bank
The Federal Bank Limited
Standard Chartered Bank
Dena Bank
HDFC Bank
Axis Bank
EXIM Bank
ICICI Bank

Auditors

M/s Agarwal Sanganeria & Co.
Chartered Accountants

Registered Office

48, Pramatha Choudhury Sarani
Plot 849, Block P, 2nd Floor, New Alipore
Kolkata – 700 053, West Bengal, India
Phone : +91-33-2400 0419
Fax : +91-33-2400-0375
Email : websol@webelsolar.com
CIN : L29307WB1990PLC048350

Corporate Office & Plant

Sector – II, Falta Special Economic Zone, Falta,
District : South 24 Parganas, West Bengal, India
Pin – 743 504
Phone : +91-3174-222932
Fax : +91-3174-222933

Registrar & Share Transfer Agents

R&D Infotech Pvt. Ltd.
7A, Beltala Road, 1st Floor, Kolkata -700 026
Phone: +91-33-2419-2641/42
Fax : +91-33-2476-1657
Email : rd.infotech@vsnl.net



Between the Covers

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This Annual Report is available online at www.webelsolar.com

Notice

NOTICE is hereby given that the 25th Annual General Meeting of the Members of Websol Energy System Limited will be held at Webel Bhavan, Block EP & GP, Sector – V, Salt Lake Electronics Complex, Kolkata – 700 091 on, Wednesday 30th September, 2015, at 10.00 A.M. to transact the following businesses:-

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2015 and the Statement of Profit & Loss as on that date together with Notes, Reports of the Board of Directors and Auditor's thereon.
2. To ratify the appointment of M/s Agarwal Sangneria & Co., Chartered Accountants, Kolkata (Registration No. 317224E) as the Statutory Auditors of the Company and to authorize the Board of Directors to fix their remuneration.

RESOLVED THAT pursuant to section 139,142 and other applicable provisions of the Companies Act, 2013 and the Rules made thereunder, pursuant to the recommendations of the audit committee of the Board of Directors and pursuant to the resolution passed by the members at the Annual General Meeting held on September 25, 2014, the appointment of M/s. Agarwal Sangneria & Co., Chartered Accountants, (Registration No. 317224E) as the Auditors of the Company to hold office till the conclusion of the AGM to be held in the calendar year 2017 be and is hereby ratified and that the Board of Directors be and is hereby authorized to fix the remuneration payable to them for the financial year ending March, 31,2016 as may be determined by the Audit Committee in consultation with the Auditors.

3. To appoint a Director in place of Shri. Sohan Lal Agarwal, Managing Directors (DIN 00189898), who retires by rotation and being eligible offer himself for re-appointment.

Special Business:

To consider and if thought fit, to pass with or without modification(s), the following resolutions:

As Ordinary Resolution:

4. "RESOLVED THAT Mr. Prateek Kaushik (DIN: 07096599), who was appointed as a Director pursuant to the provisions of Section 161(4) of the Companies Act, 2013 and who holds office upto the date of this Annual General Meeting be and is hereby appointed as an Independent Director of the Company to hold office for a term of 5 (five) consecutive years upto the conclusion of the 30th Annual General Meeting of the Company in the calendar year 2020"

As Special Resolution

5. "RESOLVED THAT in pursuance of the provisions of Sections 196,197, 198 and other applicable provisions, if any, of the Companies Act, 2013 and the rules made there under (including any statutory modification(s) or re-enactment thereof, for the time being in force), read with Schedule V to the said Act and subject to such other approvals, consents as may be required, the consent of the Members of the Company be and is hereby accorded for the appointment of Mrs. Sima Jhunjunwala (DIN: 07264006) as a Whole-time Director of the Company for a period of 3 (three) years with effect from 14th August 2015, on the terms & conditions of remuneration as set out in the Explanatory Statement annexed to the notice convening the meeting, with liberty to the Board of Directors (hereinafter referred to as "the Board" which term shall be deemed to include the Nomination & Remuneration Committee constituted by the Board) to alter and vary the terms & conditions of the said appointment and / or the remuneration, subject to the same not exceeding the limits specified in Schedule V to the Companies Act, 2013, including any statutory modification or re-enactment thereof for the time being in force or as may hereafter be made by the Central Government in that behalf from time to time, or any amendments thereto".

"RESOLVED FURTHER THAT in pursuance of the provisions of Section 197(3) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules framed thereunder Mrs. Sima Jhunjunwala (DIN: 07264006) Whole time Director, may be paid the above mentioned remuneration as minimum remuneration in the event of absence or inadequacy of profits in any financial year during her term of office as Wholetime Director, in accordance with the provisions of Schedule V to the Companies Act, 2013".

RESOLVED FURTHER THAT the Board be and is hereby authorized to take all such steps as may be necessary, proper or expedient to give effect to the above stated resolutions".

By Order of the Board,
For **WEBSOL ENERGY SYSTEM LIMITED**

Sd/-

(Swati Agarwal)

Company Secretary

Place : Kolkata

Date : 14th August 2015

Notice

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.

A person can act as a proxy on behalf of members not exceeding fifty and holding in the aggregate not more than ten percent of the total share capital of the Company carrying voting rights. A member holding more than ten percent of the total share capital of the Company carrying voting rights may appoint a single person as proxy and such person shall not act as a proxy for any other person or shareholder.

- b) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
- c) Members are requested to bring their attendance slip along with their copy of annual report to the Meeting.
- d) Pursuant to provisions of Section 91 of the Companies Act, 2013, the register of members and transfer books of the Company will be closed from Friday, 25h September, 2015 till Wednesday, 30th September, 2015 (both days inclusive), for the purpose of Annual General Meeting.
- e) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN) by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective Depository Participants (DP). Members holding shares in physical form can submit their PAN details to the Company's Registrars & Share Transfer Agent, M/s R&D Infotech Private Limited.
- f) Members holding shares in physical mode are requested to notify immediately changes, if any, in their registered address and bank particulars, to the Company at its Registered Office or to its Registrars & Share Transfer Agent.
- g) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Members can avail of the nomination facility, under Section 72 of the Companies Act, 2013, by submitting Form No. SH 13 of the Companies (Central Govt's) General Rules and Forms, 2013, with the Company's Registrar and Share Transfer Agent.
- h) Members who hold shares in physical form in multiple accounts in identical names or joint accounts in the same order or names are requested to send the share certificates to the Company's Registrar and Share Transfer Agent for consolidation of such shareholdings into a single folio.
- i) The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies for servicing of various notices and documents to their members through electronic mode. To support this green initiative of the Government in full measure, members who have not yet registered their e-mail address with the Company can now register the same by intimating their e-mail address to the Company's Registrar and Share Transfer Agent and to the Depository Participant (DP) in respect of shares held in physical mode and demat mode, respectively. Even after registering for e-communication, the members of the Company shall be entitled to receive such communication in physical form, upon request.
- j) Explanatory statements pursuant to Section 102(1) of the Companies Act, 2013 relating to the Special Business to be transacted at the meeting under Item No. 4 & 5 is Annexed hereto.
- k) Information relating to the Directors proposed to be appointed and those retiring by rotation and seeking re-appointment at this Meeting, as required under Clause 49 (VIII)(E) of the Listing Agreement with the Stock Exchanges, is annexed to this Notice.
- l) The instructions for shareholders voting electronically are as under:

Voting through electronic means

- I. In compliance with provisions of Section 108 of the Companies Act, 2013, Rule 20 of the Companies (Management and Administration) Rules, 2014 as amended by the Companies (Management and Administration) Amendment Rules, 2015 and Clause 35B of the Listing Agreement, the Company is pleased to provide members facility to exercise their right to vote on resolutions proposed to be considered at the Annual General Meeting (AGM) by electronic means and the business may be transacted through e-Voting Services. The facility of casting the votes by the members using an electronic voting system from a place other than venue of the AGM ("remote e-voting") will be provided by National Securities Depository Limited (NSDL).
- II. The facility for voting through ballot paper shall be made available at the AGM and the members attending the meeting who have not cast their vote by remote e-voting shall be able to exercise their right at the meeting through ballot paper.
NOTE: The Facility for Voting shall be decided by the company i.e. "remote e-voting" or "Ballot Paper" or "Poling Paper"
- III. The members who have cast their vote by remote e-voting prior to the AGM may also attend the AGM but shall not be entitled to cast their vote again.

Notice

- IV. The remote e-voting period commences on 27th September, 2015 (9:00 am) and ends on 29th September, 2015 (5:00 pm). During this period members' of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date of 24th September, 2015, may cast their vote by remote e-voting. The remote e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the member, the member shall not be allowed to change it subsequently.
- V. The process and manner for remote e-voting are as under:
- A. In case a Member receives an email from NSDL [for members whose email IDs are registered with the Company/Depository Participants(s)] :
- (i) Open email and open PDF file viz; "remote e-voting.pdf" with your Client ID or Folio No. as password. The said PDF file contains your user ID and password/PIN for remote e-voting. Please note that the password is an initial password.
 - (ii) Launch internet browser by typing the following URL: <https://www.evoting.nsdl.com/>
 - (iii) Click on Shareholder - Login
 - (iv) Put user ID and password as initial password/PIN noted in step (i) above. Click Login.
 - (v) Password change menu appears. Change the password/PIN with new password of your choice with minimum 8 digits/characters or combination thereof. Note new password. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential.
 - (vi) Home page of remote e-voting opens. Click on remote e-voting: Active Voting Cycles.
 - (vii) Select "EVEN" of "WEBSOL ENERGY SYSTEM LIMITED".
 - (viii) Now you are ready for remote e-voting as Cast Vote page opens.
 - (ix) Cast your vote by selecting appropriate option and click on "Submit" and also "Confirm" when prompted.
 - (x) Upon confirmation, the message "Vote cast successfully" will be displayed.
 - (xi) Once you have voted on the resolution, you will not be allowed to modify your vote.
 - (xii) Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. together with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer through e-mail to scrutinizer@gmail.com with a copy marked to evoting@nsdl.co.in
- B. In case a Member receives physical copy of the Notice of AGM) [for members whose email IDs are not registered with the Company/Depository Participants(s) or requesting physical copy] :
- (i) Initial password is provided as below/at the bottom of the Attendance Slip for the AGM :
EVEN (Remote e-voting Event Number) USER ID PASSWORD/PIN
 - (ii) Please follow all steps from Sl. No. (ii) to Sl. No. (xii) above, to cast vote.
- VI. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Members and remote e-voting user manual for Members available at the downloads section of www.evoting.nsdl.com or call on toll free no.: 1800-222-990.
- VII. If you are already registered with NSDL for remote e-voting then you can use your existing user ID and password/PIN for casting your vote.
- VIII. You can also update your mobile number and e-mail id in the user profile details of the folio which may be used for sending future communication(s).
- IX. The voting rights of members shall be in proportion to their shares of the paid up equity share capital of the Company as on the cut-off date of 24th September, 2015.
- X. Any person, who acquires shares of the Company and become member of the Company after dispatch of the notice and holding shares as of the cut-off date i.e. 24th September, 2015., may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA.
However, if you are already registered with NSDL for remote e-voting then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" option available on www.evoting.nsdl.com or contact NSDL at the following toll free no.: 1800-222-990.
- XI. A member may participate in the AGM even after exercising his right to vote through remote e-voting but shall not be allowed to vote again at the AGM.
- XII. A person, whose name is recorded in the register of members or in the register of beneficial owners maintained by the depositories as on the cut-off date only shall be entitled to avail the facility of remote e-voting as well as voting at the AGM through ballot paper.

Notice

- XIII. has been appointed for as the Scrutinizer for providing facility to the members of the Company to scrutinize the voting and remote e-voting process in a fair and transparent manner.
- XIV. The Chairman shall, at the AGM, at the end of discussion on the resolutions on which voting is to be held, allow voting with the assistance of scrutinizer, by use of "remote e-voting" or "Ballot Paper" or "Poling Paper" for all those members who are present at the AGM but have not cast their votes by availing the remote e-voting facility.
- NOTE: The Facility for Voting shall be decided by the company i.e. "remote e-voting" or "Ballot Paper" or "Poling Paper"
- XV. The Scrutinizer shall after the conclusion of voting at the general meeting, will first count the votes cast at the meeting and thereafter unblock the votes cast through remote e-voting in the presence of at least two witnesses not in the employment of the Company and shall make, not later than three days of 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 authorized by him in writing, who shall countersign the same and declare the result of the voting forthwith.
- XVI. The Results declared alongwith the report of the Scrutinizer shall be placed on the website of the Company www.webelsolar.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the stock exchanges.

By Order of the Board,
For **WEBSOL ENERGY SYSTEM LIMITED**
Sd/-
(Swati Agarwal)
Company Secretary

Place: Kolkata
Date: 14th August 2015

EXPLANATORY STATEMENT OF MATERIAL FACTS IN RESPECT OF THE SPECIAL BUSINESS PURSUANT TO SECTION 102 (1) OF THE COMPANIES ACT, 2013.

Item No. 4

The Board has appointed Mr. Prateek Kaushik (DIN 07096599) as an Independent Director to fill up the vacancy caused by the resignation of Mr. B. R. Sengupta, for a term of 5 years, under section 164(1), of the Companies Act, 2013.

The Company has received a notice in writing from a member along with the deposit of requisite amount under Section 160 of the Act proposing the candidature of Mr. Prateek Kaushik (DIN 07096599) for the office of Director of the Company.

The Company has received the declaration of independence from him in accordance with the provisions of the act. In line with the requirements of the Act, it is therefore proposed to appoint Mr. Prateek Kaushik (DIN 07096599) as an Independent Director on the Board of the Company for a term upto five consecutive years commencing from 30th September, 2015 pursuant to the provisions of the Act, not liable to retirement by rotation. He is not holding any Equity Shares of the Company

Except for the appointee Mr. Prateek Kaushik (DIN 07096599) and his other relatives to the extent of their shareholding interest in the Company, if any, none of the other Directors / Key Managerial Personnel of the Company and their relatives are, in any way, concerned or interested in this resolution.

The Board commends the Ordinary Resolutions set out at Item No. 4 of the Notice for approval by the shareholders

Item No.5

The Board of Directors of the Company ("the Board") at its meeting held on 14th August, 2015 appointed Mrs. Sima Jhunjunwala, (DIN: 07264006) as Whole Time Director, for a period of 3 years w.e.f. 14th August, 2015 at the remuneration recommended by the Nomination and Remuneration Committee ("the Committee") of the Board and approved by the Board. It is proposed to seek the members approval for the reappointment of and remuneration payable to her as Whole Time Director, in terms of the provisions of the act. Broad particulars of the terms of appointment and remuneration payable to her as Whole Time Director are as under:-

A. PERIOD OF APPOINTMENT:

14th August, 2015 to 14th August, 2018.

B. SALARY :

Basic salary Rs 45,415/- per month.

Additional increment(s) will be considered by the Board of Directors on merits and at its absolute discretion.

C. BONUS :

As per rules of the Company.

D. PERQUISITES :

Notice

- i. Reimbursement of medical expenses for self and family and Leave Travel Concession as per the rules of the Company.

The perquisites and allowances payable to the aforesaid Wholetime Director shall include accommodation (furnished or otherwise) or house rent allowance; medical allowance/ reimbursement; leave travel concession for self and family including dependents; encashment of leave and such other perquisites and / or allowances, as per the Company policy.

The said perquisites and allowances shall be evaluated, wherever applicable, as per the Income Tax Act, 1961 or any rules thereunder (including any statutory modification(s) or re-enactment thereof, for the time being in force). However, the Company's contribution to Provident Fund, Superannuation or Annuity Fund, to the extent these singly or together are not taxable under the Income Tax Act 1961, and gratuity payable and encashment of leave at the end of the tenure, as per the rules of the Company, shall not be included in the computation of limits for the remuneration which includes salary, perquisites and allowances. The terms and conditions set out for re-appointment and payment of remuneration specified herein may be altered and varied from time to time by the Board of Directors ("the Board" which term shall be deemed to include the Nomination & Remuneration Committee constituted by the Board of the Company), as it may, at its discretion deem fit. The Board is also entitled to revise the salary, perquisites and allowances payable to the said Wholetime Director of the Company at any time, such that the overall yearly remuneration payable to the said Wholetime Director shall not exceed the limits specified under Section 197 read with Schedule V of the Companies Act, 2013 (including any statutory modification (s) or re-enactment thereof for the time being in force) or any amendment made thereto.

Except Mrs. Sima Jhunjhunwala no other Director and Key Managerial Personnel of the Company and their relatives, is concerned or interested in the Resolution set out at Item No. 5 of the Notice convening the meeting.

The Board commends the Special Resolutions set out at Item No. 5 of the Notice for approval by the shareholders.

By Order of the Board,
 For **WEBSOL ENERGY SYSTEM LIMITED**
 Sd/-
(Swati Agarwal)
 Company Secretary

Place: Kolkata
 Date: 14th August 2015

Particulars of Directors seeking appointment/reappointment at the Annual General Meeting

Name	Mr. Sohan Lal Agarwal	Mrs. Sima Jhunjhunwala	Mr. Prateek Kaushik
Date of birth	04.03.1946	13.09.1983	19.04.1986
Experience in Specific Functional Area	Solar Industry	Accounts, Tax	Indirect Taxation
Qualification	Graduate in Commerce	Chartered Accountant	Company Secretary and Cost & Management Accountant
Directorship in Companies as on 31.03.2014	S. L. Industries	NIL	NIL
No. of Shares held	NIL	NIL	NIL

ROAD MAP OF WEBEL BHAVAN



Management Discussion & Analysis

GLOBAL SOLAR INDUSTRY OVERVIEW

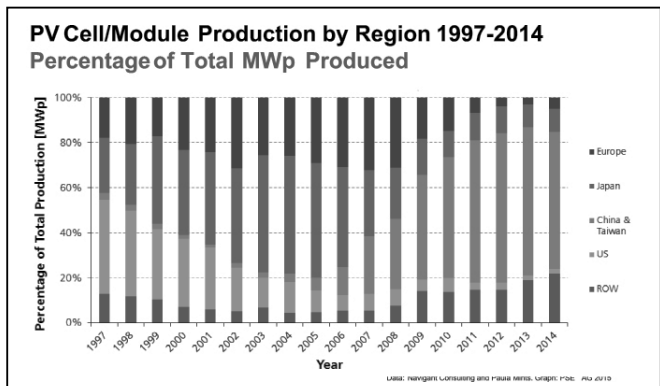
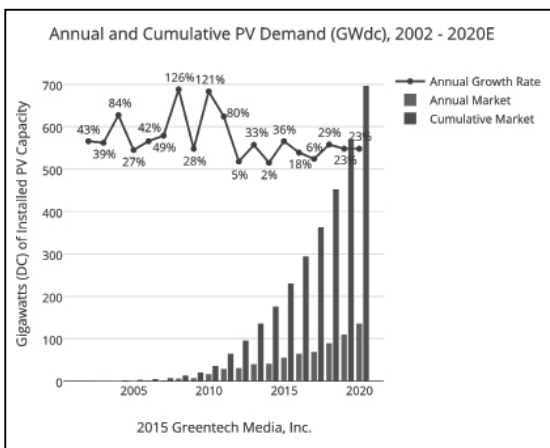
While 2014 undoubtedly remained a challenging time for the solar industry, it did mark an inflection point in the market's development. Volume demand grew at a double-digit pace again, largely thanks to policy in China and Japan. Global solar PV installations in 2014-15 reached 44.2GW, compared to its last published forecast of installs reaching 45.1 GW, a 14% increase over 2013. One of the reasons for the lower than expected installs was the decline in demand within European countries, despite record installs in the UK that made it the biggest market in Europe for the first time.

? DID YOU KNOW

Solar energy is a completely free source of energy and it is found in abundance. Though the sun is 90 million miles from the earth, it takes less than 10 minutes for light to travel from that much of distance.

All of the signs point to a strengthening recovery of the solar industry in 2015 even if the recovery itself remains incredibly fragile. Policy support will continue to be key, and demand still will be highly concentrated in a handful of countries, presenting significant risk. Nonetheless, the rapid price declines seen by the industry has opened up solar to an enormous number of countries around the world, with several new business models emerging in the post-FiT world. More than 40 countries globally will install at least 100 megawatts of new solar PV capacity in 2015, signaling the true entry of solar into traditional energy generation.

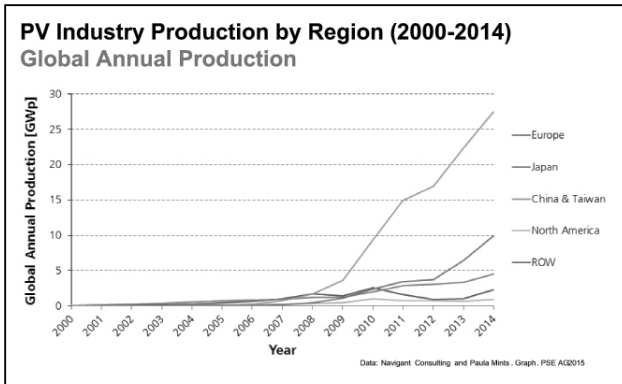
The cumulative global market for solar PV is expected to triple by 2020 to almost 700 gigawatts, with annual demand eclipsing 100 gigawatts in 2019. Solar demand will likely be almost entirely market-based in 2020; a dramatic shift from 2012 when almost all demand was premised on direct incentives. One implication of an increasingly unsubsidized market is that management and governance of the electric grid will change dramatically, creating both new opportunities and challenges for solar companies. This transformation is already underway with the implementation of market-based mechanisms for PV procurement and solar companies exploring innovations in business model design.



INDIAN INDUSTRY OVERVIEW

The Ministry of New and Renewable Energy (MNRE) announced that India's total grid-connected solar capacity crossed 3 GW in December 2014. A total of 886 MW was added during the calendar year 2014, which made it another year of less than 1 GW installation. India crossed the 1 GW mark in July 2012 and the second GW mark in August 2013. The policy and regulatory uncertainties ensured that it took an inordinately long time for the 3rd GW to be completed. India is likely to become one of the largest solar markets globally in the next three years and is already on track to add more solar capacity than Germany for the year 2015.

Management Discussion & Analysis



While the first half of 2014 was full of uncertainty and indecision due to the elections, the second half was action packed, and laid a good foundation for a vastly better 2015. The MNRE started the process for allocation of 3 GW of solar projects under the state specific programme. Several Central Public Sector Undertakings (USA) and government organizations are also in the process of setting up solar plants. 3 southern states – Karnataka, Andhra Pradesh and the newly carved Telangana – allotted 500 MW of solar projects each, and if all goes well, a majority of these projects will be commissioned by end of 2015/early 2016.

Apart from that, several projects that were started in 2014 will be completed in 2015. These projects include the 750

MW of solar projects allotted under the Phase 2, Batch 1 of JNNSM, allocation under the state policies of Uttar Pradesh, Punjab and Madhya Pradesh. Overall, it is expected that around 2 GW of solar capacity will be added in 2015.

While the 2 GW growth prospects give immediate relief to the industry, what excites and sometimes overwhelms the industry is the ambitious revision of solar targets by the new government. The government is proposing a 5-fold increase in the JNNSM targets and is planning to revise it from 20 GW of grid-connected solar to 100 GW by 2022 or even earlier. Considering the fact that it took India about 5 years to add 3 GW, adding another 97 GW in 8 years looks extremely challenging. The government has nonetheless gone ahead and released the year-wise roadmap to achieve the goal of 100 GW by 2020. The year-wise details are given below.

? DID YOU KNOW

The earth gets 174 Petawatts of incoming solar radiation in the upper atmosphere. About 30% is reflected back to space and the rest is absorbed by oceans, clouds and land masses.

	2015-16	2016-17	2017-18	2018-19	2019-20	Total
Rooftop Solar (GW)	3	7	9	10	11	40
Large Scale Solar (GW)	4	6	8	10	12	40
Ultra Mega Power Projects (GW)	0	5	5	5	5	20
Total (GW)	7	18	22	25	28	100

(Source: RE-Invest by MNRE)

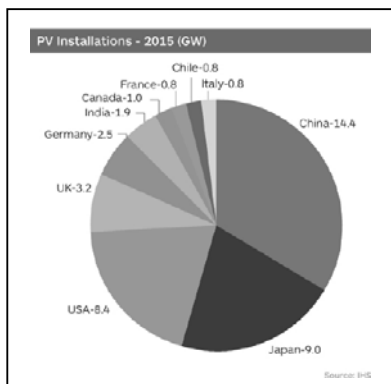
CHALLENGES APLENTY

Reaching the ambitious target of 20 GW of installed capacity would require addressing a number of challenges including a lack of access to low cost financing, inadequate infrastructure, underdeveloped supply chain leading to high inventory costs, and a lack of raw materials for solar manufacturers. Of all these challenges, one that has acquired prominence in the recent months is the trade battle that has erupted between India and the US. The US has taken its battle to get India to open its solar market to the World Trade Organisation.

At the heart of the battle is the stipulation for "domestic content requirement" (DCR) in Phase II of the JNNSM program. The US wants India to back off from its requirement of incorporating locally-made cells and modules into solar projects as it would discriminate against US exports. India on the other hand argues that the domestic content requirement is necessary for protecting domestic solar industries that cannot match the low prices offered by other nations like China.

Some kind of protectionist policies has been present in the JNNSM program from the outset. In Phase I, DCR was limited to crystalline silicon photovoltaic (PV) panels. PV technology is broadly classified into crystalline silicon and thin film. Phase

Management Discussion & Analysis



II of the JNNSM program expands the domestic content requirement to include thin film solar technologies which comprises the bulk of US solar products exports to India. While Indian solar cell and module manufacturers obviously support DCR, since they cannot compete with the much larger and lower cost Chinese companies, Indian installers and developers have opposed the domestic content rule as this leads to higher costs and fewer choices of suppliers.

Solar PV technology is evolving very fast and India needs to breed an environment that prioritises innovation and research in this area. Other countries like Germany and the US have been spending large amounts on R&D for a long time. In addition to investing in more R&D, forging partnerships between the country's technical colleges and universities and the solar industry as well as forging international collaborations will go a long way in moving to technologies that reduce costs, improve efficiency, and scale up the deployment of solar projects.

OUTLOOK

To support the domestic PV industry, the Government has also declared a number of measures. The 'National Manufacturing Policy announced in 2011 was merged with the 'Make in India' initiative launched in 2014 and a host of incentives were announced specifically for PV module and BOM manufacturers. Exemption from custom and excise duty comprised the bulk of incentives. The exemptions were also extended to equipment purchased for manufacturing the aforementioned components. In addition, under the Modified Special Incentive Package Scheme (M-SIPS), announced by the Department of Electronics and Information Technology (DeitY), 20% and 25% subsidy on capital expenditure has been announced for entities establishing cell and module lines in Special Economic Zones (SEZ) and Non-SEZs, respectively. Reimbursement of excise duty and countervailing duty is also applicable for capital equipment purchased for Non-SEZ units. Further, for high technology units, such as fabrication units (wafer manufacturing facility), reimbursement of central taxes and duties have also been provided.



DID YOU KNOW

Solar energy has been used for over 2700 years. In 700 BC, glass lenses were used to make fire by magnifying the sun's rays.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the Twenty Fifth Annual Report and the Audited Accounts for the financial year ended 31st March, 2015.

FINANCIAL RESULTS

₹ in Lacs

Particulars	Year Ended 2014-15	Period Ended 2013-14
Revenue from operations	35,575.08	30,465.58
Other Income	80.29	125.10
Total Revenue	35,655.37	30,590.68
Profit / (Loss) before interest, depreciation, taxes and exceptional items	583.65	1,320.88
Less : Interest	207.06	3,103.04
Less : Depreciation	1,626.33	1,776.46
Profit / (Loss) before exceptional Items	(1,249.74)	(3,558.62)
Less: Exceptional, Extraordinary Items & other Provisions	3,939.63	3,875.95
Profit / (Loss) after Tax	(-5,236.56)	(7,434.57)

OPERATIONS

During the year under review your company was able to utilize the manufacturing capacity at its optimum. Sales have increased, there by company was able to make cash profit amounting to ₹ 376.51 lacs.

The concerned Government department is in the process of initiating the imposition of anti-dumping duty on imports of solar cells and modules and has at the same time outlined the requirement of domestic content under various solar schemes to revive the industry. These positive steps will help your Company to augment its sales and profitability.

During the financial year under review your company reported total revenue of ₹ 35,655.37 Lacs against ₹ 30,590.68 Lacs during the last financial year. The company suffered a loss of ₹ 5,236.56 Lacs after providing ₹ 1,626.33 Lacs towards depreciation and ₹ 207.06 Lacs towards interest during the current financial year as compared to a loss of ₹ 7,434.57 Lacs in the last financial year.

DIVIDEND

Due to the losses as reported, the Board of Directors of your company could not recommend any dividend for the financial year ended 31st March, 2015.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, the unclaimed or unpaid Dividend for the Financial Year 2007-08 and 2008-09 is due for remittance to the Investor Education and Protection Fund established by the Central Government in 2015 and 2016 respectively.

DIRECTORS

A) Changes in Directors and Key Managerial Personnel

During the year Mr. B.R. Sengupta, Independent Director and Mr. Sudaata Mandall, Nominee Director, has resigned from the Board w.e.f 1st October, 2014 and 28th November, 2014 respectively, your Directors place on record their deep appreciation for the valuable contribution made by them.

Mr. S. L. Agarwal, Managing Director would retire by rotation and, being eligible, offer himself for re-appointment

Mr. Prateek Kaushik and Mrs. Sima Jhunjunwala has been appointed as Directors of the Company w.e.f 11th February, 2015 and 14th August, 2015 pursuant to the provisions of Section 161(4) and 149(1) of the Companies Act, 2013, respectively who holds office upto the date of this Annual General Meeting. Resolutions are proposed for your approval for their appointment as Directors.

Directors' Report

Mr. S. Beriwal, Chief Financial Officer, resigned from the office w.e.f 16th June, 2014 and Mr. Anup Kr. Agarwal has been appointed in his place.

B) Declaration by an Independent director(s)

All Independent directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and clause 49 of the Listing Agreement.

STATUTORY AUDITORS

As per Section 139 and other applicable provisions of the Companies Act, 2013 the Company has appointed M/s. Agarwal Sangneria & Co., Chartered Accountants (Registration No. 317224E) as the Auditors as per the approval of the shareholders in Annual General Meeting (AGM) held on 25th August, 2014, for a further period of three years till the conclusion of 27th Annual General Meeting of the Company subject to ratification by the shareholders in every AGM of the Company, on the remuneration and other terms and conditions as may be fixed by the Board of Directors.

The Board recommends the ratification by the shareholders regarding their reappointment.

STATUTORY AUDITORS' REPORT

- a. As regards delay in payment of undisputed statutory dues mentioned in para 11(f)(i) of the Annexure to the Auditors' Report, it is submitted that it was due to the adverse financial condition as well as non-realization of receivables in time and that the same will be paid in due course of time together with applicable interest, if any.
- b. As regards the delay in the repayment of the principal sums and interest thereon to the banks / financial institutions mentioned in para (ix) of the Annexure to the Auditors' Report, it is submitted that it was due to continued losses incurred by the Company, however the co is under the process of OTS with the Consortium banks.
- c. With reference to point no 11(f)(iii) of the audit report it is hereby clarified that the delay by a month in transferring the amount to IPF was purely unintentional. As the transfer involve other outsiders and intermediaries in the same and so the whole process of transferring the said amount was delayed due to some procedural requirements which took an exceptional amount of additional time in getting due clearance.
- d. As regard FCCB, mentioned in para 11(e) of the Auditors' Report, the bond holder is still holding the bonds which were expired and his status is now unsecured creditor. Company is approaching RBI for negotiation for settlement with the Bond Holder.

COST AUDIT

The Company has filed the cost audit report for the financial year ending 31st March 2014, on 15th October, 2014.

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Ms. Sneha Agarwal, Company Secretary in practice for the financial year 2014-15 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure C**.

APPLICABILITY OF SECTION 15 OF SICK INDUSTRIAL COMPANIES ACT, 1985 (SICA)

The accumulated losses of the company continued to be more than its net worth and as per the provisions of Section 15 of the Sick Industrial Companies Act, 1985, the Company has made reference to Board for Industrial and Financial Reconstruction (BIFR) which was duly registered and its outcome is awaited.

DEPOSITS

The Company has neither accepted nor renewed any deposits under Section 73 of the Companies Act, 2013 during the year under review.

LISTING OF SECURITIES IN STOCK EXCHANGES

The shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited.

Directors' Report

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 your Company has adopted the Code of Conduct for Prevention of Insider Trading.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING AND OUTGO

Information in accordance with the provisions of Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the **Annexure –A**, which forms part of this report.

EXTRACT OF ANNUAL RETURN

The extract of Annual Return in form MGT – 9 is given in **Annexure B** to the Report.

ANNUAL CSR REPORT

Not applicable.

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of managerial personnel and employees of the Company is attached herewith in **Annexure D**.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

All related party transactions that were entered into during the financial year were on arm's length basis and were in the ordinary course of the business. There are no materially significant related party transactions made by the Company with promoters, key managerial personnel or other designated persons which may have potential conflict with interest of the Company at large. Necessary disclosure regarding transactions with related parties has been made in the Notes to the Audited Accounts.

Further, the particulars of every contract or arrangements entered into by the Company during the year with related parties as per Section 188(1) of the Companies Act, 2013 is disclosed in form **AOC 2 in Annexure E**.

CORPORATE GOVERNANCE REPORT

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance along with a certificate from the Auditors of the Company regarding Compliance of Conditions of Corporate Governance, certification by CEO & CFO and the Management Discussion & Analysis Report are given in the enclosed **Annexure - F**, which forms part of this Report.

DIRECTORS' RESPONSIBILITY STATEMENT

We, the Directors of the Company, hereby confirm, pursuant to provisions of section 134 (5) of the Companies Act, 2013, in respect of financial year under review:

- i) That in the preparation of the Annual Accounts for the financial year ended 31st March, 2015, the applicable accounting standards have been followed and there are no material departures from the same;
- ii) That we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as at 31st March, 2015 and of the loss of the Company for that period;
- iii) That we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing, and detecting fraud and other irregularities; and
- iv) That we have prepared the annual accounts on a "going concern" basis.

Directors' Report

ACKNOWLEDGEMENTS

The Board of Directors take this opportunity to place on record its deep sense of gratitude for the continued support, assistance and co-operation received from the Customers, Vendors, Government Authorities and Banks during the year under review.

The Board is also grateful to the shareholder for their support.

The Board is also thankful to the employees of the Company for their contribution, support and commitment towards their duty leading to cordial industrial relations during the year under review.

On behalf of the Board of Directors,
For **WEBSOL ENERGY SYSTEM LIMITED**

Date: 14th August 2015
Place : Kolkata

Sd/- S. L. Agarwal (Managing Director) (00189898)	Sd/- D. Sethia (Director) (06775533)
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ANNEXURE – “A” TO THE DIRECTORS’ REPORT

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors’ Report for the year ended 31st March 2015.

A. CONSERVATION OF ENERGY

The company has taken adequate steps to ensure comparatively low energy consumption. Constant studies and reference are being made to improve the efficiency in consumption of energy.

B. TECHNOLOGY ABSORPTION

1. Research and Development (R & D)

No specific expenditure is made under the head R & D, constant development efforts are made to increase the efficiency and for cost reduction.

2. Technology Absorption, Adoption & Innovation

The company has fully absorbed the technology to manufacture Solar Photovoltaic Cells and Modules.

3. Information regarding Imported Technology body dour

(a)	Technology Imported	The technology to manufacture Solar Photovoltaic Cells and Modules has been imported from Helios Technology, Italy.
(b)	Year of Import	1994-1995.
(c)	Has technology been fully absorbed	Yes, fully absorbed.
(d)	If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action.	Not Applicable.

Directors' Report

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(` In Lacs)

Particulars	For the year ended 2014-15	For the Year ended 2013-14
(a) Foreign Exchange earnings of the Company	7218.06	27,109.27
(b) Foreign Exchange Outgo		
(i) C. I. F. value of import of Raw Materials, Components, Spare parts and Capital Goods	31,950.58	24,673.91
(ii) Others	11.89	818.84

ANNEXURE – “B” TO THE DIRECTORS' REPORT

FORM NO. MGT 9
EXTRACT OF ANNUAL RETURN

for the year ended 31.03.2015

Pursuant to Section 92 (3) of the Companies Act, 2013 and rule 12(1) of the Company (Management & Administration) Rules, 2014.

I. REGISTRATION & OTHER DETAILS :

i.	CIN	L29307WB1990PLC048350
ii.	Registration Date	08-02-1990
iii.	Name of the Company	Websol Energy System Limited
iv.	Category/Sub-category of the Company	
v.	Address of the Registered office & contact details	Plot No. 849, Block P, 48 Pramatha Choudhary Sarani, 2nd Floor, New Alipore KOLKATA 700053
vi.	Whether listed company	YES
vii.	Name, Address & contact details of the Registrar & Transfer Agent, if any.	M/s. R&D Infotech Pvt. Ltd registered office at 7A, Beltala Road, 1st Floor, Kolkata -700 026, Phone : +91 – 33 – 2419-2641/42 Fax : +91 – 33 – 2476-1657 Email : rd.infotech@vsnl.net.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

Sl. No.	Name and Description of main products / services	NIC Code of the Product /service	% to total turnover of the company
1.	Solar Photovoltaic & Cells and Modules	85414011	100

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

Not Applicable

Directors' Report

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2014]				No. of Shares held at the end of the year [As on 31/03/2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
A. Promoter's									
(1) Indian									
a) Individual/HUF	549748	0	549748	2.502	549748	0	549748	2.502	0
b) Central Govt.or State Govt.	0	0	0	0.000	0	0	0	0.000	0
c) Bodies Corporates	5519674	0	5519674	25.120	5519674	0	5519674	25.120	0
d) Bank/Fl	0	0	0	0.000	0	0	0	0.000	0
e) Any other	0	0	0	0.000	0	0	0	0.000	0
SUB TOTAL:(A) (1)	6069422	0	6069422	27.622	6069422	0	6069422	27.622	0
(2) Foreign									
a) NRI- Individuals	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0
d) Banks/Fl	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0						
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	6069422	0	6069422	27.6220988	6069422	0	6069422	27.6220988	0
B. PUBLIC SHAREHOLDING									
(1) Institutions									
a) Mutual Funds	0	7600	7600	0.035	0	7600	7600	0.035	0
b) Banks/Fl	40	0	40	0.000	40	0	40	0.000	0
c) Cenntal govt	0	0	0	0.000	0	0	0	0.000	0
d) State Govt.	0	0	0	0.000	0	0	0	0.000	0
e) Venture Capital Fund	0	0	0	0.000	0	0	0	0.000	0
f) Insurance Companies									
g) FIIS	4867268	0	4867268	22.151	4379268	0	4379268	19.93	488000
h) Foreign Venture Capital Funds		0							
i) Others (specify)	0	0	0	0.000					
SUB TOTAL (B)(1):	4867308	7600	4874908	22.186	4379308	0	4386908	19.93	488000
(2) Non Institutions									
a) Bodies corporates									
i) Indian	5007118	8600	5015718	22.827	4986908	7795	4994703	22.73	21015
ii) Overseas	0	600000	600000	2.731	0	600000	600000	2.731	0
b) Individuals									
i) Individual shareholders holding nominal share capital upto Rs.1 lakhs	2715705	385112	3100817	14.112	2874263	382112	3256375	14.82	-155558
ii) Individuals shareholders holding nominal share capital in excess of Rs. 1 lakhs	2312201	0	2312201	10.523	2665658	0	2665658	12.13	-353457

Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2014]				No. of Shares held at the end of the year [As on 31/03/2015]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
c) Others (specify)									
SUB TOTAL (B)(2):	10035024	993712	11028736	50.192	10526829	989907	11516736	52.411	-488000
Total Public Shareholding (B) = (B)(1)+(B)(2)	14902332	1001312	15903644	72	14906137	989907	15903644	72	0
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	20971754	1001312	21973066	100	20975559	989907	21973066	100	0

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	CHIRANJI LALL AGARWAL	14020	0.064		14020	0.064		0
2	RAJ KUMARI AGARWAL	20	0.000		20	0.000		0
3	S L INDUSTRIES PVT LTD	5519674	25.120	25.031	5519674	25.120	25.03	0
4	SAMEER AGARWAL	17600	0.080		17600	0.080		0
5	SOHAN LAL AGARWAL	475508	2.164		475508	2.164		0
6	INDERMANI DEVI AGARWAL	42600	0.194		42600	0.194		0
	Total	6069422	27.622	0.25	6069422	27.622	25.03	0

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

No Change

(iv) Shareholding Pattern of top ten Shareholders (other than Directors, Promoters & Holders of GDRs & ADRs)

Sl. No.	For each of Top 10 shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year	9718242	44.228	9718242	44.228
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)				
1.	TYSOM AGENCIES PVT LTD	2000000	9.10	2000000	9.10
		NO CHANGE DURING THE PERIOD			
2.	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND	1846162	8.40	1846162	8.40
		NO CHANGE DURING THE PERIOD			
3.	THE INDIAMAN FUND (MAURITIUS) LIMITED	1164776	5.30	1164776	5.30
	Date				
	31-Dec-14	475000	2.16	689776	3.14
	Closing Balance:			689776	3.13
4.	AJAY KUMAR KAYAN	1060000	4.82	1060000	4.82
		NO CHANGE DURING THE PERIOD			

Directors' Report

Sl. No.	For each of Top 10 shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of Total Shares of the Company
5.	JUPITER SOUTH ASIA INVESTMENT COMPANY LIMITED - SOUTH ASIA ACCESS FUND	838774	3.81	838774	3.81
		NO CHANGE DURING THE PERIOD			
6.	RADISON TIEUP PRIVATE LIMITED	607200	2.76	630865	2.87
	Date				
	30-06-2014	Closing Balance:		630865	2.87
7.	MICRO POWER TRADING CO PTE LTD	600000	2.73	600000	2.73
		NO CHANGE DURING THE PERIOD			
8.	MAVI INVESTMENT FUND LIMITED	562500	2.55	562500	2.55
		NO CHANGE DURING THE PERIOD			
9.	GOLDMAN SACHS INVESTMENTS (MAURITIUS) I LIMITED	442056	2.01	442056	2.01
		NO CHANGE DURING THE PERIOD			
10.	EAST INDIA SECURITIES LTD (SALE OF SHARES)	371802	1.69	371802	1.69
	Date				
	30 June 2014	57802	26.30	314000	1.42
	30 September 2015	15795	0.07	298205	1.35
		Closing Balance:		298205	1.36
	At the end of the year (or on the date of separation, if separated during the year)	8968338	40.81	8968338	40.81

(v) Shareholding of Directors and KMP

Sl. No.	For each of Top 10 shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year				
	SOHAN LAL AGARWAL (MANAGING DIRECTOR)	475508	2.164	475508	2.164
	Date wise increase/decrease in Promoters Share holding during the year specifying the reasons for increase/decrease (e.g. allotment/transfer/bonus/sweat equity etc)	NO CHANGE DURING THE PERIOD			
	At the end of the year	475508	2.164	475508	2.164

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	35435.94	2136.92	0	37572.86
ii) Interest due but not paid	1493.56	0	0	1493.56
iii) Interest accrued but not due	0	0	0	0
Total (i+ ii + iii)	36929.50	2136.92	0	39066.42

Directors' Report

Change in Indebtedness during the financial year				
Addition	892.32	0	0	892.32
Reduction	-554.78	-12.78	0	-567.56
Net Change	337.54	-12.78	0	324.76
Indebtedness at the end of the financial year				
i) Principal Amount	35605.89	2124.14	0	37730.03
ii) Interest due but not paid	1661.15	0	0	1661.15
iii) Interest accrued but not due				0
Total (i + ii + iii)	37267.04	2124.14		39391.18

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of the MD/ WTD/Manager	Total Amount
		Mr.S.L. Agarwal	
1.	Gross salary	Mr.S.L. Agarwal	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	972,000.00	972,000.00
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	-	-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	972,000.00	972,000.00
2.	Stock option		-
3.	Sweat Equity		-
4.	Commission as % of profit others (specify)		-
5.	Bonous, LTA, Medical	2,672,771.00	2,672,771.00
	Total (A)	2,206,771.00	2,206,771.00

B. Remuneration to other directors

Sl. No.	Particulars of Remuneration	Name of Director				Total Amount (₹)
		MR. B.R. SENGUPTA	MR. D. SETHIA	MRS S. KHAITAN	MR. P. KAUSHIK	
1.	Independent Directors					
	(a) Fee for attending board committee meetings	14,000.00	20,000.00	16,000.00	12,000.00	62,000.00
	(b) Commission	-	-	-	-	-
	(c) Others, please specify	-	-	-	-	-
	Total (1)	14,000.00	20,000.00	16,000.00	12,000.00	62,000.00
2.	Other Non Executive Directors	MR. S. MANDALL (NOMINEE DIRECTOR)				
	(a) Fee for attending board committee meetings	8,000.00	-	-	-	8,000.00
	(b) Commission	-	-	-	-	-
	(c) Others, please specify.	-	-	-	-	-
	Total (2)	8,000.00				8,000.00
	Total (B)=(1+2)	22,000.00	20,000.00	16,000.00	12,000.00	70,000.00
	Total Managerial Remuneration					
	Overall Ceiling as per the Act.					

Directors' Report

C. Remuneration To Key Managerial Personnel Other Than Md/Manager/Wtd

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	218,380.00	143,650.00	362,030.00
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961	1,929.00		1,929.00
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	234,785.00	148,650.00	383,435.00
2	Stock Option			
3	Sweat Equity			-
4	Commission			-
	as % of profit			-
	others, specify			-
5	Others, please specify			-
	Bonous, LTA, Medical, etc	64,952.00		64,952.00
	Total	520,046.00	350,001.00	870,047.00

VII. PENTALITIES/PUNISHMENT/COMPOUNDING OF OFFENCES

There were no penalties, punishment or compounding of offences during the year ended March 31, 2015.

ANNEXURE – “C” TO THE DIRECTORS' REPORT

Secretarial Audit Report for the financial year ended March 31, 2015

(Pursuant to Section 204 (1) of Companies Act 2013 and the Rules made there under)

To,
The Members,

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

Based on my verification of the Company's books, papers minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company during the conduct of secretarial audit, I hereby report that in my opinion, the Company has during the audit period covering the financial year ended on March 31, 2015 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

I have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on March 31, 2015 according to the provisions of:

- i. The Companies Act 2013 (the Act) and the rules made there under;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- iii. The Depositories Act 1956, and the Regulation and Bye-laws framed there under;
- iv. Foreign Exchange Management Act, 1999 and rules and regulations made there under to the extent of Foreign Direct Investment and Overseas Direct Investment.

Directors' Report

- v. The following Regulations and Guidelines prescribed under Securities and Exchange Board of India Act, 1992 ('SEBI Act') :
- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client.
- vi. Other laws applicable specifically to the Company namely:
- (a) Information Technology Act, 2000 and the rules made there under,
 - (b) Special Economic Zone Act, 2005 and rules made there under, etc.

I have also examined compliance with the applicable clauses of the Listing Agreements entered into by the Company with the Stock Exchange in India. I report that, during the year under review, the Company has complied with the provisions of the Acts, rules regulations and guidelines mentioned above. I further report that, there were no actions / events in pursuance of:

- (a) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
- (b) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulation, 2009; and
- (c) The Securities and Exchange Board of India (Buyback of Securities) Regulation, 1998,

requiring compliance thereof by the Company during the financial year and the Secretarial Standards issued by The Institute of Company Secretaries of India were not applicable during the year.

I further report that, the compliance by the company of applicable financial laws, like direct & indirect tax laws, has not been reviewed in this audit since the same has been subject to review by Statutory Financial audit.

I further report that, the Board of Directors of the Company is dully constituted with proper balance of Executive Directors, Non Executive Directors and Independent Directors. The change in the composition of Board of Directors that took place during the year under review was carried out in compliance with the provisions of the Act.

Adequate notice is given to all the Directors to schedule the Board Meetings, at least seven days in advance to all the Directors.

As per the minutes of the meetings dully recorded and signed by the Chairman, the decisions of the Board were unanimous and no discretion was found.

I further report that, there are adequate systems and process in the Company commensurate with the size and operations of the company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines.

I further report that during the audit period no specific events/actions in pursuance of the above referred laws, rules, regulations, guidelines, etc having a major bearing on the Company's affairs.

Kolkata
14th August, 2015

Sneha Agarwal
Company Secretary
ACS. 38284. C.P. No. 14914

Directors' Report

ANNEXURE – “D” TO THE DIRECTORS' REPORT

The information required under Section 197 of the Act read with rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 are given below:

- a. The ratio of the remuneration of each director to the median remuneration of the employees of the Company for the financial year :

EXECUTIVE DIRECTOR	Ratio to median remuneration
MR S. L. AGARWAL	1,446.70

- b. The percentage increase in remuneration of each director, chief executive officer, chief financial officer, company secretary in the financial year:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
MR SL AGARWAL	0.00
MR ANUP AGARWAL	10.01
MS SWATI AGARWAL	5.54

- c. The percentage increase in the median remuneration of employees in the financial year : 25%
- d. The number of permanent employees on the rolls of Company : 353
- e. The explanation on the relationship between average increase in remuneration and Company performance :
On an average employees received an annual increase of 10%.individual increase varied from 5 to 15%.increase was in trend with industry norms and individual employees appraisal was based on organizational performance apart from individual performance.
- f. Comparison of the remuneration of the key managerial personnel against the performance of the Company :

Aggregate remuneration of Key Managerial Personnel (KMP) in F Y 2015 (₹ lacs)	9.22
Revenue (₹ in lacs)	3565.53
Remuneration of KMPs (as % of revenue)	.26%
Profit Before Tax (PBT) (₹ lacs)	(5189.38)
Remuneration of KMP (as % of PBT)	nil

- g. Variations in the market capitalization of the Company, price earnings ratio as at the closing date of the current financial year and previous financial year:

Particulars	March 31 2015	March 31 2014	% change
Market Capitalisation (Rs. Crores)	46.47	12.74	264.76
Price Earnings Ratio	-23.83	-33.83	170.44

- h. Percentage increase over decrease in the market quotations of the shares of the Company in comparison to the rate at which the Company came out with the last

- i. public offer :

No Public offer during the Financial Year 2014-15

- j. 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:

There was an average increase of 5 % of salaries in the last financial year. There was same percentage of increase of managerial remuneration.

Directors' Report

k. Comparison of each remuneration of the key managerial personnel against the performance of the Company

	Mr. Anup Agarwal	Ms. Swati agarwal
Remuneration in FY15 (₹ lacs)	5.72	3.5
Revenue (₹ crores)	3565.53	3565.53
Remuneration as % of revenue	.16	.10
Profit Before Tax (PBT) (₹ lacs)	(5189.38)	(5189.38)
Remuneration (as % of PBT)	Nil	nil

l. The key parameters for any variable component of remuneration availed by the directors: NA

m. The ratio of the remuneration of the highest paid director to that of the employees who are not directors but receive remuneration in excess of the highest paid director during the year: NA

n. 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.

ANNEXURE – “E” TO THE DIRECTORS' REPORT

Form No. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/arrangements entered into by the company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arms length transactions under third proviso thereto

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

- Name(s) of the related party and nature of relationship: NA
- Nature of contracts/arrangements/transactions: NA
- Duration of the contracts / arrangements/transactions: NA
- Salient terms of the contracts or arrangements or transactions including the value, if any: NA
- Justification for entering into such contracts or arrangements or transactions NA
- Date(s) of approval by the Board: NA
- Amount paid as advances, if any: NA
- Date on which the special resolution was passed in general meeting as required under first proviso to section 188 : NA

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

- Name(s) of the related party and nature of relationship : S. L. Industries Pvt. Ltd
- Nature of contracts/arrangements/transactions : Unsecured Loans Taken
- Duration of the contracts / arrangements/transactions : Mutual Consent
- Salient terms of the contracts or arrangements or transactions including the value, if any : Mutual Consent
- Date(s) of approval by the Board, if any : NA
- Amount paid as advances, if any : NIL

Date : 14th August 2015
Place : Kolkata

On behalf of the Board of Directors,
For **WEBSOL ENERGY SYSTEM LIMITED**

Sd/-
S. L. Agarwal
(Managing Director)
(00189898)

Sd/-
D. Sethia
(Director)
(06775533)

Corporate Governance Report

ANNEXURE “F” TO THE DIRECTORS’ REPORT

CORPORATE GOVERNANCE

1. COMPANY’S PHILOSOPHY

Websol’s principles of Corporate Governance are based on the philosophy of empowerment and responsibility. It feels the Management must be empowered to drive the organisation forward in the best interest of all the stakeholders. This empowerment, however, also thrusts upon it the responsibility to stay within the framework of accountability and transparency so that its actions are sustainable over a long time and benefit the larger society.

2. BOARD OF DIRECTORS

The Board of Directors of the Company has optimum combination of Executive & Non-Executive Directors and women Director. The Board Meetings are usually held at the registered office of the Company. As on date the Board of Directors consists of 3 (Three) Directors. During the year ended 31st March 2015, 05 (Five) Board meetings were held on 29.05.2014, 14.08.2014, 13.11.2014, 11.02.2015 and 13.02.2015. Attendance of each Director at the Board Meeting and Annual General Meeting and Number of other Directorship and Chairmanship / Membership of Committee of each Director in various Companies are as follows:

Sl. No.	Name of the Director	Category	Attendance Particulars		Number of Other Directorship(s) 1	Number of other Committee Membership / Chairmanship 2	
			Board	Last AGM		Committee Membership	Committee Chairmanship
1.	Mr. S. L. Agarwal	Executive – Managing Director-Promoter – CEO	5	Yes	-	3	-
2.	Mr. B. R. Sengupta (Resigned w.e.f. 01.10.2014)	Non-Executive Director – Independent	2	-	-	2	1
3.	Mr. S. Mandal (Resigned w.e.f. 28.11.2014)	Nominee Director- EXIM Bank	3	-	-	3	-
4.	Mr. D. Sethia (appointed w.e.f 14.08.2014)	Non-Executive Director – Independent	4	Yes	-	3	2
5.	Mrs. S. Khaitan (appointed w.e.f 14.08.2014)	Non-Executive Director	4	Yes	-	-	-
6.	Mr. P. Kaushik (appointed w.e.f 11.02.2015)	Non-Executive Director – Independent	2	-	-	3	1

- 1 The other Directorships held by Directors as mentioned above, does not include Alternate Directorships and Directorships in foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.
- 2 Memberships / Chairmanships of only the Audit Committees and Shareholders’ / Investors’ Grievance Committees in all Public Limited Companies have been considered.
3. Mr. P. Kaushik has been appointed as Director pursuant to the provisions of Section 161(4) and 149(1) of the Companies Act, 2013.

The Company has held at least one Board Meeting in every three months and the maximum time gap between any two meetings was not more than four months as stipulated under clause 49 of the Listing Agreement.

Code of Conduct: The Company has framed Code of Conduct for the Directors and Senior Management of the Company as per the provisions Clause 49 of the Listing Agreement. The Code of Conduct is displayed on the Website of the Company www.webelsolar.com. The Directors and Senior Management have affirmed compliance of the said Code of Conduct as on 31st March, 2015. A declaration signed by the CEO in this regard is annexed at the end of this report.

3. AUDIT COMMITTEE:

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges read with Section 117 of the Companies Act, 2013.

Corporate Governance Report

Presently, the Committee Comprises of three members - one Executive Director i.e. Mr. S.L. Agarwal and two Non-Executive Directors viz. Mr. D. Sethia and Mr. P. Kaushik. All the members of the Audit Committee are financially literate and one member is accounting related/ financial management expertise. The Company Secretary of the Company acts as the Secretary to the Audit Committee.

The Audit Committee is entrusted with review of quarterly and annual financial statements before submission to the Board, review of observations of auditors and to ensure compliance of internal control systems, authority for investigation and access to full information and external professional advice for discharge of the functions delegated to the Committee by the Board. The role of Audit Committee, inter alia, includes:

- Review of the Company's financial reporting process, the financial statements and financial/risk management policies;
- Review of observations of auditors;
- Review of the adequacy of the internal control systems ;
- Discussions with the management and the external auditors, the audit plan for the financial year and joint post-audit review of the same.

During the year under review 04 (four) Audit Committee meetings were held on 30.05.2014, 14.08.2014, 14.11.2014 and 13.02.2015.

The details of the attendance of the members are as follows :

Sl. No.	Name of the Member	Category	No. of Meetings Attended
1	Mr. D. Sethia (w.e.f 14.11.2014 as member)	Chairman and Independent Director	3
2	Mr. S. L. Agarwal	Managing Director and CEO	4
3	Mr. S. Mandal (Resigned w.e.f. 28.11.2014)	Nominee Director- EXIM Bank	2
4	Mr. P. Kaushik (w.e.f 11.02.2015 as member)	Independent Director	1
5	Mr. B. R. Sengupta (Resigned w.e.f. 01.10.2014)	Independent Director	2
6	Mrs. S Khaitan	Non-Executive Director	2

The Chairman of the Audit Committee was present at the last Annual General Meeting of the Company.

4. NOMINATION AND REMUNERATION COMMITTEE :

Presently, the Committee Comprises of three members - one Executive Director i.e. Mr. S.L. Agarwal and two Non-Executive Directors viz. Mr. D. Sethia and Mr. P. Kaushik. The Company Secretary of the Company acts as the Secretary to the Committee.

Remuneration Policy and Remuneration to Directors :

- Executive Directors :** The Company follows the policy to fix the remuneration of Managing and Whole Time Director(s) on the basis of their qualification, experience and past performance. The Agreement(s) with the Executive Director(s) are contractual in nature. The Agreement(s) may be terminated at any time by either party giving 3 (three) months notice in writing without any cause. The details of remuneration paid to the Executive director during financial year 2014 - 15 are given below :

Sl. No.	Name of the Executive Director	Designation	Consolidated Salary	Perquisites & Other Benefits	Company's Contribution towards Provident Fund & Gratuity	Total
1	Mr. S. L. Agarwal	Managing Director & CEO	19.44	0.97	1.16	21.60

Corporate Governance Report

- b) **Non-Executive Directors** : The Non-Executive Directors are not paid any remuneration except sitting fees for attending the meetings of the Board of Directors and Committee thereof. The sitting fees paid / payable to the Non-Executive directors is within the limits prescribed by the Companies Act, 2013. The Company does not have any material pecuniary relationship and transaction with its Non-Executive Directors. The details of sitting fees paid / payable and shares held by the Non-Executive Directors during financial year 2014 - 15 are given below :

Sl. No.	Name of the Non-Executive Director	Sitting Fees (₹)	Shareholding in the Company
1	Mr. B. R. Sengupta (Resigned w.e.f. 01.10.2014)	14,000.00	Nil
2	Mr. P. Kaushik (appointed w.e.f 11.02.2015)	12,000.00	Nil
3	Mr. S. Mandal (Resigned w.e.f. 28.11.2014)	8,000.00	Nil
4	Mr. D. Sethia	20,000.00	Nil
5	Mrs. Sushma Khaitan (appointed w.e.f 14.08.2014)	16,000.00	Nil

During the year under review 02 (two) Nomination and Remuneration Committee meetings were held on 30.05.2014 and 13.02.2015.

5. SHARE TRANSFER COMMITTEE

Presently, the Committee Comprises of three members - one Executive Director i.e. Mr. S.L. Agarwal and two Non-Executive Directors viz. Mr. D. Sethia and Mr. P. Kaushik. The Company Secretary of the Company acts as the Secretary to the Committee.

The functions of the Committee include :

- Approval of transfer/transmission of securities of the Company
- Overseeing the performance of the Registrar and Transfer Agents of the Company
- Redressal of shareholders complaints relating to transfer of shares, non-receipt of annual reports and non-receipt of declared dividend, among others
- Disposal of old stationeries of dividend warrants, among others
- Issue of duplicate share certificates
- Dematerialisation / Rematerialisation of shares
- Any other matter(s) arising out of and incidental to these functions and such other acts assigned by the Board

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Presently, the Committee Comprises of three members - one Executive Director i.e. Mr. S.L. Agarwal and two Non-Executive Directors viz. Mr. D. Sethia and Mr. P. Kaushik. The Company Secretary of the Company acts as the Secretary to the Committee.

The functions of the Committee include

- Providing guidance for overall improvement in the quality of services to investors
- Address the shareholders' and investors' complaints and ensuring expeditious resolution of the same
- Dissemination of factually correct information to investors and the public at large
- Any other matters(s) arising out of and incidental to these functions and such other acts assigned by the Board

7. During the year under review 04 (four) Stakeholders Relationship Committee meetings were held on 30.05.2014, 14.08.2014, 14.11.2014 and 13.02.2015.

Investor Grievance Redressal :

During the year under review 01 nos. of Investors complaints / queries were received and no complaints / queries were pending as on 31.03.2015. No request for transfer was pending for more than 15 days as on 31.03.2015.

Corporate Governance Report

Compliance Officer: Ms. Swati Agarwal Company Secretary & Compliance Officer. Address for correspondence- Websol Energy System Limited 48, Pramatha Choudhry Sarani, Plot No.849 Block- P 2nd Floor, New Alipore Kolkata – 700 053 Telephone No. : +91-33-2400 0419 Fax No. : +91-33-2400 0375 Email: investors@webelsolar.com.

8. COMMITTEE OF DIRECTORS

Presently, the Committee Comprises of three members - one Executive Director i.e. Mr. S.L. Agarwal and two Non-Executive Directors viz. Mr. D. Sethia and Mr. P. Kaushik. The Company Secretary of the Company acts as the Secretary to the Committee. The function of the Committee include- borrow money upto Rs. 500 Crores (Rupees Five Hundred Crores) from Banks / financial institutions, Periodically review the day to day operations and any other matters(s) arising out of and incidental to these functions and such other acts assigned by the Board.

9. GENERAL BODY MEETINGS

a) The details of last three Annual General Meetings of the Company are as under :

Financial Year/ Period Ended	Date	Time	Venue	Whether any Special Resolution Passed
2011-12	30.11.2012	10:00 AM	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	No
2012-13	30.09.2013	10:00 AM	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	No
2013-14	25.09.2014	10:00 AM	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	<p>1. Mr. S. L. Agarwal (DIN 00189898), the Managing Director of the Company, shall henceforth be liable to determination on by retirement of Directors by rotation.”</p> <p>2. The provisions of Section on 180(1)(c) and any other applicable provisions of the Companies Act 2013 the Company hereby accords its consent to the Board of Directors for borrowing any sums of money from time to time from any one or more persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and</p>

Corporate Governance Report

Financial Year/ Period Ended	Date	Time	Venue	Whether any Special Resolution Passed
				properties whether movable or stock-in trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however, that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of rs 500 Crores (Rupees Five Hundred Crores only)."

None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing a Special Resolution through Postal Ballot.

- b) No Special Resolutions was passed during the financial year 2014-15 through Postal Ballot under Section 192A of the Companies Act, 1956.

10. DISCLOSURES

- a. Disclosures on materially significant related party transactions i. e. transactions of the Company of material nature, with its promoters, the Directors or the management, their subsidiaries or relatives, etc. that may have potential conflict with the interests of the Company at large :**

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No.39, forming part of the Annual Report.

- b. Details of non-compliance by the Company, penalties, strictures imposed on the Company by Stock Exchanges or Securities and Exchange Board of India or any Statutory Authority, on any matter related to the capital markets, during the last three years :**

The Company has complied with various rules and regulations prescribed by the Stock Exchange, Securities and Exchange Board of India or any other Statutory Authority related to the capital markets during last three years. No penalty or strictures have been imposed by them on the Company.

- c. Accounting Treatment in preparation of financial statement :**

The Company has followed the guidelines of Accounting Standards as prescribed by the Institute of Chartered Accountants of India in preparation of financial statement.

Corporate Governance Report

d. Subsidiary Company :

The Company does not have any material non-listed Indian Subsidiary as defined in Clause 49 of the Listing Agreement.

e. Risk Management :

The Company has identified risk involved in respect to its products, quality, cost, location and finance. It has also adopted the procedures / policies to minimize the risk and the same are reviewed and revised as per the needs to minimize and control the risk.

f. Whistle Blower Policy / Vigil Mechanism :

Whistle Blower Policy/ vigil Mechanism as per the requirements of the amended Clause 49 of the Listing Agreement with the Stock Exchanges

g. Profile of Directors Seeking Appointment / Re-appointment :

The profile of the Directors seeking Appointment / Re-appointment forms part of Notice of Annual General Meeting.

h. Details of Compliance with Mandatory Requirements and Adoption of Non-mandatory Requirements of Clause 49 of the Listing Agreement :

The Company has complied with all the mandatory requirements as mandated under Clause 49 of the Listing Agreement. A certificate, from Agarwal Sangneria & Co., Chartered Accountants, the Statutory Auditors of the Company, to this effect has been included in this report.

i. CEO / CFO certification:

The CEO / CFO certification as required under Clause 49 is annexed hereto which forms part of this report.

j. Management Discussion and Analysis Report :

The Management Discussion and Analysis Report as required under Clause 49 is annexed hereto which forms part of this report.

k. Secretarial Audit :

In compliance with Section 204 of the Companies Act, 2013, the Company has undertaken a Secretarial Audit from an Independent Practising Secretary Mr. Dinesh Agarwal, Company Secretary for the financial year ended 31st March, 2015.

l. Independent Directors Meeting :

The Independent directors have evaluated the performance of non-independent directors at a separate meeting held on 11th February, 2015.

11. MEANS OF COMMUNICATION

- (a) In compliance with the Clause 41 of the Listing Agreement the quarterly / annual results are furnished to the Stock Exchanges within the prescribed time and also published in the Newspapers viz. Business Standard / HT Mint and Arthik Lipi in Bengali (local) language. The results are also posted on the website of the Company www.webelsolar.com. The Annual Report is circulated to members and is displayed on the Company's website.
- (b) The Corporate Filing Dissemination System (CFDS) portal jointly owned, managed and maintained by the BSE and NSE is a single source to view information filed by listed companies. The investors can view the details of corporate filings by the Company by logging on the website www.corpfiling.co.in
- (c) The Company has designated the following email-id exclusively for investor servicing : **investors@webelsolar.com**

12. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Day, date and time	Wednesday, September 30, 2015 at 10.00 AM
Venue	"Webel Bhavan Block EP & GP, Sector – V, Salt Lake Electronics Complex, Kolkata- 700 091
Book closure dates	Friday, September 25, 2015 to Wednesday, September 30, 2015. (both days inclusive)

Corporate Governance Report

b) Financial calendar

Financial year : April 01, 2015 to March 31, 2016

The tentative dates of the Board meetings for consideration of Quarterly and Annual financial results for the financial year 2015-16 are as follows :

First quarter results	On or before August 14,2015
Second quarter results	On or before November 14, 2015
Third quarter results	On or before February 14, 2016
Fourth quarter and annual results	On or before May 30, 2016
Dividend Payment Date	Not Applicable

c) Listing on Stock Exchanges with Stock Code

The equity shares of your Company are listed on the Bombay Stock Exchange Limited(BSE) and National Stock Exchange of India Limited(NSE). The listing fees for the year 2015-16 have been paid for both BSE & NSE.

d) Market price Data

Monthly High and Low quotation of shares traded during the Last Financial year at the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE) is given hereunder :

Month Stock Code	BSE 517498		NSE WEBELSOLAR	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-14	10.75	6.09	10.20	6.15
May-14	12.88	7.37	12.20	8.00
June-14	35.36	13.52	33.15	12.80
July-14	38.95	21.05	36.50	21.05
Aug-14	25.00	17.55	24.50	17.65
Sept-14	20.55	16.50	20.45	16.40
Oct-14	18.45	12.90	18.45	12.55
Nov-14	21.57	14.07	21.35	14.85
Dec-14	19.60	14.15	19.00	14.00
Jan-15	37.50	18.40	37.95	17.60
Feb-15	41.05	28.00	41.75	28.05
Mar-15	37.00	18.90	38.00	18.60

e) Performance in comparison to broad-based indices such as BSE Sensex, CRISIL index etc.

The Company's closing share prices at the Bombay Stock Exchange Ltd (BSE) are given hereunder :

On April, 2013	:	₹ 10.28 per share
On March, 2014	:	₹ 21.15 per share
Change	:	- 94.57%

Indices (BSE Sensex) on Closing Basis :

On 01st April'2013	:	22417.80
On 31st March'2014	:	27957.49
Change	:	24.71%

f) Registrar and Transfer Agent (RTA) :

The Company's RTA is M/s. R&D Infotech Pvt. Ltd., registered office at 7A, Beltala Road, 1st Floor Kolkata - 700 026, Phone: +91-33-2419-2641/42, Fax : +91-33-2476-1657, Email : rd.infotech@vsnl.net.

Corporate Governance Report

g) Shares Transfer System :

The Company's Shares are traded in the Stock Exchange in dematerialised mode. Shares in physical mode which are lodged for transfer with the Company or the RTA are processed and returned to the Shareholders within the stipulated 15 days.

h) Distribution of Share Holding As on 31.03.2015 :

No. of Shares Held		Shareholders		Shares	
From	To	Number	% to Total Holders	Number	% to Total Capital
1	500	7886	83.947%	1188386	5.41%
501	1,000	700	7.452%	570020	2.59%
1,001	2,000	369	3.928%	575898	2.62%
2,001	3,000	158	1.682%	407484	1.85%
3,001	4,000	59	0.628%	213509	0.97%
4,001	5,000	44	0.468%	206052	0.94%
5,001	10,000	78	0.830%	567807	2.58%
10,001	50,000	73	0.777%	1444478	6.57%
50,001	1,00,000	6	0.064%	413820	1.88%
1,00,001	And above	21	0.224%	16385612	74.57%
Total		9394	100.00%	21973066	100.00%

i) Share Holding Pattern as on 31.03.2015 :

Sl. No.	Category	No. of Shares Held	% of Holding
1	Promoters & Associates	60,69,422	27.62%
2	Mutual Funds and UTI	7600	0.03%
3	Banks, Financial Institutions, Insurance Companies (Central/State Govt, Institutions, Govt. Institutions)	40	0.00%
4	FII's	4379268	19.93%
5	Private Corporate Bodies	4994703	22.36%
6	Indian Public	5922033	26.95%
7	NRIs / OCBs	6,00,000	2.73%
	Total	2,19,73,066	100.00%

j) Dematerialisation of Shares and Liquidity :

The shares of the Company are available for trading in the depository systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March 2015, a total of 2,09,74,754 equity shares of ₹ 10/- each forming 95.46% of the share capital of the Company stands dematerialized. The entire equity shares of the Company are listed on BSE and NSE.

k) Plant Location

Falta SEZ Unit, Sector – II, Falta Special Economic Zone, Falta, District: South 24 Parganas,
PIN - 743 504, West Bengal

Address for Correspondence

Websol Energy System Limited
48, Pramatha Choudhry Sarani, Plot No.849, Block- P, 2nd Floor,
New Alipore, Kolkata – 700 053
Phone: +91-33-2400 0419, Fax. : +91-33-2400 0375
Email: investors@webelsolar.com, Website : www.webelsolar.com

Corporate Governance Report

Chief Executive Officer (CEO) and Chief Financial Officer (CFO) Certificate

We, Sohan Lal Agarwal, Managing Director and CEO and Anup Kumar Agarwal - Chief Financial Officer of WEBSOL ENERGY SYSTEM LIMITED, to the best of our knowledge and belief hereby certify that:

1. We have reviewed financial statements and the cash flow statements for the financial year ended 31st March 2015 and to the best of our knowledge
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading;
 - ii) these statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. Based on our knowledge there are no transactions entered into by the Company during the financial year ended 31st March 2015 which are fraudulent, illegal or violate of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - i) That there has not been significant changes in internal control over financial reporting during the financial year ;
 - ii) That there has not been significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - iii) That during the year under review, we are not aware of any instances of significant fraud and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Date: 29/05/2015

S L Agarwal
Managing Director & CEO
(00189898)

A. Kumar Agarwal
Chief Financial Officer

Declaration for Compliance with the Code of Conduct of the Company as per Clause 49(I)(D)(II) of Listing Agreement

I, Sohan Lal Agarwal, Managing Director of Websol Energy System Limited declare that as of 31st March 2015, all board members and senior management personal have affirmed compliance with Code of Conduct of the Company.

Place: Kolkata
Date: 29/05/2015

S L Agarwal
Managing Director & CEO
(00189898)

Auditors' Certificate on Corporate Governance

To the members of

WEBSOL ENERGY SYSTEM LIMITED

We have examined the compliance of conditions of Corporate Governance by WEBSOL ENERGY SYSTEM LIMITED for the year ended 31.03.2015 as stipulated in clause 49 of listing agreement of the said company with stock exchanges.

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was carried out in accordance with the Guidance Note on certification of Corporate Governance (as stipulated in clause 49 of the Listing Agreement), issued by the Institute of Chartered Accountants of India and was limited to procedures and implementation thereof, adopted by the Company for ensuring the compliance of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us and based on representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the above mentioned Listing Agreement.

We state that such compliance 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 **AGARWAL SANGANERIA & CO.**

Chartered Accountants

Firm Registration No. 317224E

P. K. Agarwal

Partner

C. A. Membership No.53496

Place : Kolkata

Dated, the 29th day of May, 2015

Independent Auditors' Report

To The Members of

WEBSOL ENERGY SYSTEM LIMITED

REPORT ON THE FINANCIAL STATEMENTS

1. We have audited the accompanying financial statements of **WEBSOL ENERGY SYSTEM LIMITED** (The Company) which comprise the Balance Sheet as at March 31, 2015, the statement of Profit and Loss, the Cash Flow statement for the year then ended and a summary of the significant accounting policies and other explanatory information

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

2. 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 to give a true and fair view of the financial position, financial performance and cash flow of the Company in accordance with the accounting principles generally accepted in India including the accounting standards specified under section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014. The responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding of the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgements and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

AUDITOR'S RESPONSIBILITY

3. Our responsibility is to express an opinion on these financial statements based on our audit.
4. We have taken into account the provisions of the Act and the Rules made thereunder including the accounting and auditing standards and matters which are required to be included in the audit report.
5. We conducted our audit in accordance with the Standards on Auditing specified under Section 143(10) of the Act and other applicable authoritative pronouncements issued by the institute of Chartered Accountants of India. Those Standards and pronouncements require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.
6. An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statement. The procedures selected depend on the auditor's judgement including the assessment of the risks of material misstatement of the financial statement, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on whether the Company has in place an adequate internal financial controls system over financial reporting and the operating effectiveness of such controls. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.
7. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the financial statements.

OPINION

8. In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2015, its loss and its cash flows for the year ended on that date.

Independent Auditors' Report

EMPHASIS OF MATTERS

9. We draw attention to the matter that the confirmations in respect of balances of Sundry Debtors, Sundry Creditors and Advances from the respective parties have not been received in all cases. However, we do not modify our opinion on this matter.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

10. As required by the Company (Auditor's Report) Order, 2015, issued by the Central Government of India in terms of sub-section(11) of section 143 of the Act (hereinafter referred to as the "Order") and on the basis of such checks of the books and records of the Company as we considered appropriate and according to the information and explanations given to us, we give in the Annexure a statement on the matters specified in paragraphs 3 and 4 of the Order.
11. As required by Section 143(3) of the Act, we report that
- (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules 2014.
 - (e) On the basis of the written representations received from the directors as on March 31, 2015; taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2015 from being appointed as a director in terms of Section 164(2) of the Act. However, the Company had in an earlier year issued Foreign Currency Convertible Bonds which were to be converted into Equity Shares in the Company by November, 2012, but, due to fall in market price of Company's shares the same were not converted and are still outstanding. Among the then Directors, only Managing Director is still on the Board.
 - (f) With respect to the other matters to be included in the Auditor's report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules 2014 in our opinion and to the best of our knowledge and belief and according to the information and explanations given to us :
 - i. The Company has disclosed the impact of pending litigations as at March 31, 2015 on its financial position in its financial statements. (Refer Note 40)
 - ii. The Company has made provision as at March 31, 2015 as required under the applicable law or accounting standards for material foreseeable losses, if any, on long term contracts including derivative contracts.
 - iii. There has been a delay of one month in transferring amounts, required to be transferred, to the investor Education and Protection Fund by the Company during the year ended March 31, 2015.

AGARWAL SANGANERIA & Co.

Chartered Accountants

Firm Registration No.317224E

P. K. AGARWAL

Partner

C.A. Membership No.53496

Place : Kolkata

Dated, the 29th May, 2015

Annexure to Independent Auditors' Report

(Referred to in paragraph 10 of the Independent Auditors' Report of even date to the members of WEBSOL ENERGY SYSTEM LIMITED on the standalone financial statements as at and for the year ended March 31, 2015.)

- (i) The Fixed Assets records of the Company are being maintained to show full particulars including quantitative details and situation thereof. Majority of Fixed Assets of the Company have been physically verified during the year by the management and discrepancy, which were not material have been properly dealt with in the books of account.
- (ii) The Inventory of the Company consisting of stocks of raw materials, finished goods, work-progress and stores and spare parts have been physically verified by the management at regular intervals during the year. In our opinion the frequency of verification is reasonable. The discrepancies between the physical stocks and book records, which were not material, have been properly dealt with in the books of account. The Company is maintaining proper records of the inventories. In our opinion, the procedures of physical verification of inventory followed by the Management are reasonable and adequate in relation to the size of the Company and the nature of its business.
- (iii) The Company has not granted any loan, secured or unsecured, to companies, firms or other parties covered in the register maintained under section 189 of the Act.
- (iv) In our opinion, and according to the information and explanations given to us, there is adequate internal control system commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory and fixed assets and for the sale of goods. Further, on the basis of our examination of the books and records of the Company and according to the information and explanations given to us we have neither come across nor have been informed of any continuing failure to correct major weaknesses in the aforesaid internal control system.
- (v) The Company has not accepted any deposit from the public within the meaning of Sections 73 and 74 of the Act and the rules framed there under to the extent notified.
- (vi) We have broadly reviewed the books of account maintained by the Company in respect of products where pursuant to the rules made by the Central Government of India, the maintenance of cost records has been specified under sub-section (1) of Section 148 of the Act and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. We have not however made a detailed examination of the records with a view to determine whether they are accurate or complete.
- (vii) The Company has made delayed deposits with appropriate authorities, the amount deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it. As per the information and explanations given to us the following undisputed amounts in respect of the abovementioned statutory dues were outstanding as at 31st March, 2015 for a period of more than six months from the date they became payable:

Name of Statute	Nature of Dues	Amount (₹ In Lacs)
Delhi Value Added Tax 2004	Delhi Value Added Tax	51.21
WB VAT Act, 2003	Works Contract Tax & VAT	0.65
Income Tax Act, 1961	Tax Collected at Source	0.10
Finance Act, 1994	Delhi Service Tax & Delhi Service Tax on Works Contract	23.92

Further the following statutory dues have not been deposited on account of dispute:

Nature of dues	Forum where dispute is pending	Amount (₹ In Lacs)	Remarks
Excise Duty & Penalty	High Court at Kolkata	366.55	The Company has paid ₹ 100.00 Lacs against this demand in the year 2004-05.
Excise Duty & Penalty	Custom, Excise and Service Tax Appellate Tribunal	497.10	—
Income Tax	Commissioner of Income Tax –Appeal	101.04	—

The amount required to be transferred to investor Education and Protection Fund has been transferred by a delay of one month from the date the same was required to be transferred in accordance with the provisions of the Companies Act, 1956 and the rules made thereunder.

Annexure to Independent Auditors' Report

- (viii) The accumulated losses of the Company as at the date of the balance sheet continues to be more than its net worth. The Company has not incurred cash losses during the current financial year but had incurred cash losses in the immediately preceding financial year. A reference was filed and registered with the Board of Industrial and Financial Reconstruction (BIFR) during one of the previous financial years.
- (ix) In our opinion and according to the information and explanations given to us, and basis of our examination of the books of accounts and related records, we observed delays in the repayment of the principal sums and interest thereon to banks / financial institutions. However as explained in Note 25 and 26 annexed to the financial statements, out of the total borrowings, accounts of the Company, as on the date of the Balance Sheet under review, the accounts of working capital bankers continues to be classified as a Non Performing Asset. Further the Company does not have any Debentures. The amounts repayable to Banks on various due dates and period of delay is mentioned below,

Name of Bank	Facality	Amount	Period of Delay
Axis Bank	Term Loan	US\$0.44 Lacs	424 days
Axis Bank	Term Loan	US\$0.44 Lacs	396 days
Axis Bank	Term Loan	US\$0.44 Lacs	365 days
Axis Bank	Term Loan	US\$0.44 Lacs	335 days
Axis Bank	Term Loan	US\$0.44 Lacs	304 days
Axis Bank	Term Loan	US\$0.44 Lacs	274 days
Axis Bank	Term Loan	US\$0.44 Lacs	243 days
Axis Bank	Term Loan	US\$0.44 Lacs	212 days
Axis Bank	Term Loan	US\$0.44 Lacs	182 days
Axis Bank	Term Loan	US\$0.44 Lacs	151 days
Axis Bank	Term Loan	US\$0.44 Lacs	121 days
Axis Bank	Term Loan	US\$0.44 Lacs	90 days
Axis Bank	Term Loan	US\$0.44 Lacs	59 days
Axis Bank	Term Loan	US\$0.44 Lacs	31 days
Axis Bank	Term Loan	US\$0.44 Lacs	0 days
ICICI Bank	Working Capital Term Loan	₹ 5.01 Lacs	365 days
ICICI Bank	Working Capital Term Loan	₹ 16.67 Lacs	335 days
ICICI Bank	Working Capital Term Loan	₹ 16.67 Lacs	304 days
ICICI Bank	Working Capital Term Loan	₹ 16.67 Lacs	274 days
ICICI Bank	Working Capital Term Loan	₹ 16.67 Lacs	243 days
ICICI Bank	Working Capital Term Loan	₹ 16.67 Lacs	212 days
ICICI Bank	Working Capital Term Loan	₹ 16.67 Lacs	182 days
ICICI Bank	Working Capital Term Loan	₹ 16.67 Lacs	151 days
ICICI Bank	Working Capital Term Loan	₹ 16.67 Lacs	121 days
ICICI Bank	Working Capital Term Loan	₹ 16.67 Lacs	90 days
ICICI Bank	Working Capital Term Loan	₹ 16.67 Lacs	59 days
ICICI Bank	Working Capital Term Loan	₹ 16.67 Lacs	31 days
ICICI Bank	Working Capital Term Loan	₹ 16.67 Lacs	0 days
Axis Bank	Term Loan	₹ 202.33 Lacs	455 days
Axis Bank	Term Loan	₹ 250.62 Lacs	365 days
Axis Bank	Term Loan	₹ 250.62 Lacs	274 days
Axis Bank	Term Loan	₹ 250.62 Lacs	182 days
Axis Bank	Term Loan	₹ 250.62 Lacs	90 days
Axis Bank	Term Loan	₹ 250.62 Lacs	0 days
Axis Bank	Overdraft	₹ 23.21 Lacs	454 days
Axis Bank	Overdraft	₹ 23.21 Lacs	364 days

Annexure to Independent Auditors' Report

Axis Bank	Overdraft	₹ 23.21 Lacs	273 days
Axis Bank	Overdraft	₹ 23.21 Lacs	181 days
Axis Bank	Overdraft	₹ 23.21 Lacs	89 days
Axis Bank	Funded Interest Term Loan	₹ 13.61 Lacs	454 days
Axis Bank	Funded Interest Term Loan	₹ 13.61 Lacs	423 days
Axis Bank	Funded Interest Term Loan	₹ 13.61 Lacs	395 days
Axis Bank	Funded Interest Term Loan	₹ 13.61 Lacs	364 days
Axis Bank	Funded Interest Term Loan	₹ 13.61 Lacs	334 days
Axis Bank	Funded Interest Term Loan	₹ 13.61 Lacs	303 days
Axis Bank	Funded Interest Term Loan	₹ 13.61 Lacs	273 days
Axis Bank	Funded Interest Term Loan	₹ 13.61 Lacs	242 days
Axis Bank	Funded Interest Term Loan	₹ 13.61 Lacs	211 days
Axis Bank	Funded Interest Term Loan	₹ 13.61 Lacs	181 days
Axis Bank	Funded Interest Term Loan	₹ 13.61 Lacs	150 days
Axis Bank	Funded Interest Term Loan	₹ 13.61 Lacs	120 days
Axis Bank	Funded Interest Term Loan	₹ 13.61 Lacs	89 days
Axis Bank	Funded Interest Term Loan	₹ 13.61 Lacs	58 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	30 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	454 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	423 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	395 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	364 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	334 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	303 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	273 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	242 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	211 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	181 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	150 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	120 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	89 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	58 days
Axis Bank	Funded Interest Term Loan	₹ 5.06 Lacs	30 days
Exim Bank	Term Loan	US\$ 2.32Lacs	350 days
Exim Bank	Term Loan	US\$ 2.32Lacs	259 days
Exim Bank	Term Loan	US\$ 2.32Lacs	167 days
Exim Bank	Term Loan	US\$ 2.32Lacs	75 days
Exim Bank	Term Loan	US\$3.93 Lacs	441 days
Exim Bank	Term Loan	US\$3.93 Lacs	351 days
Exim Bank	Term Loan	US\$3.93 Lacs	260 days
Exim Bank	Term Loan	US\$3.93 Lacs	168 days
Exim Bank	Term Loan	US\$3.93 Lacs	76 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	350 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	320 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	289 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	259 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	228 days

Annexure to Independent Auditors' Report

Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	197 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	167 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	136 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	106 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	75 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	44 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	16 days
Exim Bank	Funded Interest Term Loan	US\$ 0.034 Lacs	441 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	410 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	382 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	351 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	321 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	290 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	260 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	229 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	198 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	168 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	137 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	107 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	76 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	45 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	17 days

- (x) The Company has not given any guarantee for loans taken by others from bank or financial institutions, hence, the question of terms and conditions whereof being prejudicial to the interest of the Company does not arise.
- (xi) During the year under audit, as verified from the relevant books and records of the Company, it was ascertained that no fresh term loan has been obtained by the Company.
- (xii) During the course of our examination of the books and records of the Company, carried out in accordance with the generally accepted auditing practice in India, and according to the information and explanations given to us, we have neither come across any instance of material fraud on or by the Company, noticed or reported during the year nor have we been informed of any such case by the Management.

AGARWAL SANGANERIA & Co.

Chartered Accountants

Firm Registration No.317224E

P. K. AGARWAL

Partner

C.A. Membership No.53496

Place : Kolkata

Dated, the 29th May, 2015

Balance Sheet as at 31st March, 2015

(₹ in Lacs)

	Notes	As at 31.03.2015	As at 31.03.2014
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	2,197.31	2,197.31
(b) Reserves and surplus	3	(21,696.93)	(16,447.01)
2 Non-current liabilities			
(a) Long-term borrowings	4	17,065.15	17,156.55
(b) Deferred tax liabilities (Net)		1,938.83	1,938.83
(c) Other Long term liabilities	5	65.57	1,157.48
3 Current liabilities			
(a) Short-term borrowings	6	21,170.82	21,778.31
(b) Trade payables		24,710.86	22,771.98
(c) Payables for capital contract		0.84	33.92
(d) Other current liabilities	7	12,998.20	12,078.40
(e) Short-term provisions	8	293.81	281.88
TOTAL EQUITY AND LIABILITIES		58,744.46	62,947.65
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	9 (i)	28,015.02	32,150.49
(ii) Intangible Assets	9 (ii)	4.25	5.31
(iii) Capital Work in Progress		-	1,181.62
(b) Non-current investments	10	15.10	15.10
(c) Long-term loans and advances	11	2,976.55	3,251.84
(d) Other non-current assets	12	3,776.71	1,419.69
2 Current assets			
(a) Inventories	13	5,305.49	3,836.82
(b) Trade receivables	14	15,781.25	17,532.90
(c) Cash and Bank balances	15	134.99	254.85
(d) Short-term loans and advances	16	2,731.83	3,281.31
(e) Other current assets	17	3.27	17.72
TOTAL ASSETS		58,744.46	62,947.65

Significant Accounting Policies
Notes to the Financial Statements
In terms of our report of even date
For **Agarwal Sangneria & Co.**

Chartered Accountants

Firm Registration No. 317224E

(P. K. Agarwal)

Partner

Membership No. 53496

Place : Kolkata

Date : 29th May, 2015

1

2 to 42

For and on behalf of the Board of Directors

(S. L. Agarwal)
Managing Director
(00189898)

(D. Sethia)
Director
(06775533)

(Swati Agarwal)
Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2015

(₹ in Lacs)

	Notes	For the year ended 31st March 2015	For the year ended 31st March 2014
I. Revenue from operations	18	35,575.08	30,465.58
II. Other income	19	80.29	125.10
III. Total Revenue (I + II)		35,655.37	30,590.68
IV. Expenses:			
Cost of raw materials consumed	20	30,753.28	25,132.86
Stores and spares consumed	20a	1,265.77	1,211.94
Changes in stock of Finished Goods & Work-in-progress	20b	(117.45)	209.48
Employee benefit expenses	21	681.68	661.67
Finance costs	22	207.06	3,103.04
Power and Fuel		1,099.47	938.37
Depreciation	9	1,626.33	1,776.46
Other expenses	23	1,388.97	1,115.48
V. Total Expenses		36,905.10	34,149.30
VI. Profit/(Loss) before exceptional items and tax (III-V)		(1,249.73)	(3,558.62)
VII. Exceptional items - Exchange Fluctuation Profit / (Loss)		(643.93)	(3,782.70)
VII(a). Provision for Doubtful Debts & Advances		475.32	(93.25)
VIII. Profit/(Loss) before Extraordinary item and tax (VI+VII+VIIA)		(1,418.33)	(7,434.57)
IX. Extraordinary Item		(3,771.03)	-
X. Profit/(Loss) before tax expenses		(5,189.38)	-
IX(a). Tax expense		(47.19)	-
X. Profit/(Loss) after tax for the period (VIII-IX)		(5,236.56)	(7,434.57)
XI. Earnings per equity share : (Basic & Diluted)		(23.83)	(33.83)

Significant Accounting Policies

1

Notes to the Financial Statements

2 to 42

In terms of our report of even date

For and on behalf of the Board of Directors

For **Agarwal Sanganeria & Co.**

Chartered Accountants

Firm Registration No. 317224E

(P. K. Agarwal)

Partner

Membership No. 53496

Place : Kolkata

Date : 29th May, 2015

(S. L. Agarwal)
Managing Director
(00189898)**(D. Sethia)**
Director
(06775533)**(Swati Agarwal)**
Company Secretary

Cash Flow Statement for the year ended 31st March, 2015

(₹ in Lacs)

	Notes	For the year ended 31st March 2015	For the year ended 31st March 2014
A. Cash Flow from Operating Activities :			
Net Profit / (Loss) before tax		(5,189.38)	(7,434.57)
Adjustments for:			
Depreciation		1,639.70	1,776.46
Preliminary Expenses W/Off		-	74.31
Loss on sale / adjustments of Fixed Assets		2.02	196.84
Interest (Net)		207.06	3,103.03
		1,848.77	5,150.65
Operating Profit before Working Capital Changes		(3,340.60)	(2,283.92)
Adjustments for:			
Trade and other Receivables		1,766.10	(11,354.00)
Provision for Doubtful Debt			25.94
Inventories LESS		(1,468.67)	82.48
Trade payables		(1,745.62)	11,034.56
		(1,448.18)	(211.03)
Cash generated from operations		(4,788.79)	(2,494.95)
Interest paid (Net)		(207.06)	(3,103.03)
Direct Taxes paid/refund		(47.19)	(5.98)
		(254.25)	(3,109.02)
Cash Flow before extraordinary items		(5,043.03)	(5,603.97)
Extraordinary item of Expenditure/Income		3,771.03	-
Net Cash from Operating Activities		(1,272.00)	(5,603.97)
B. Cash Flow from Investing Activities :			
Purchase of Fixed Assets		(1,325.12)	(484.80)
(Payments)/Adjustment for Capital Work-in-progress		1,181.62	(1,091.37)
Proceeds from Sale of Fixed Assets		11.70	208.29
Sales / (Purchase) of Investments		-	-
Net Cash used in Investing Activities		(131.79)	(1,367.88)
C. Cash Flow from Financing Activities :			
Proceeds from Long Term Borrowings		366.68	(1,246.47)
Proceeds from Short Term Borrowings		1,156.97	7,557.23
Net Cash generated from Financing Activities		1,523.66	6,310.76
Net increase in Cash and Cash Equivalents (A+B+C)		119.86	(661.09)
Opening Balance of Cash and Cash Equivalents		254.85	915.94
Closing Balance of Cash and Cash Equivalents		134.99	254.85
		119.86	661.09

In terms of our report of even date

For **Agarwal Sangneria & Co.**

Chartered Accountants

Firm Registration No. 317224E

(P. K. Agarwal)

Partner

Membership No. 53496

Place : Kolkata

Date : 29th May, 2015

For and on behalf of the Board of Directors

(S. L. Agarwal)
Managing Director
(00189898)**(D. Sethia)**
Director
(06775533)**(Swati Agarwal)**
Company Secretary

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (a) The financial statements of the company have been prepared under the historical cost convention. Items of income and expenditure are recognized on accrual basis unless otherwise stated.
- (b) Fixed Assets are stated at cost less depreciation (Depreciating asset over its useful life prescribed as per schedule II to the Companies Act 2013 on a pro-rata basis).
- (c)
 - i) Raw materials, Stores & Spares and Trading goods are valued at cost determined on the weighted average method or market price whichever is lower.
 - ii) Work-in-process is valued at cost inclusive of appropriate production overheads.
 - iii) Finished goods are valued at Cost or Market Price whichever is lower.
- (d) Transactions in Foreign currencies to the extent not covered by forward contracts are accounted for at exchange rates prevailing on the dates on which the transactions took place. Losses and gains arising from subsequent fluctuations are recognized as and when they are crystallized. Foreign Currency Loans, Creditors and Debtors are stated at exchange rates prevailing on the date of the Balance Sheet.
- (e) The diminution in carrying amount of investment which are considered temporary are not provided for in the books.
- (f) Sales are net of returns. The consumption of Raw Materials and Stores & Spares are net of sale thereof, if any.
- (g) Purchases are net of rebates and discounts including those in respect of purchases made in earlier years.
- (h) The foreign exchange gain / loss on Sales, Purchases, Debtors, Creditors, Foreign Currency Term Loans, External Commercial Borrowings and Foreign Currency Convertible Bonds have been shown as exceptional item in the Statement of Profit and Loss.
- (i) In respect of retirement benefits in the form of Provident Fund, the contribution payable by the Company for the year is charged to revenue.
- (j) Liability for future payment of Gratuity to employees is covered by Group Gratuity Scheme of Life Insurance Corporation of India. The amount paid/payable to them is charged to revenue as and when demand is raised.
- (k) Payment to employees in respect of encashment of leave is accounted for as and when claimed by the employee concerned and paid by the Company.
- (l) No provision is made in books of account for future liability, being unascertainable, that may occur on account of warranty on company's products [Please refer Note No. 31(b) also]
- (m) Fixed Assets are reviewed at each Balance Sheet date for impairment. In case, events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, wherever the carrying amount of assets either belonging to cash generating unit or otherwise exceeds recoverable amount. The recoverable amount is the greater of net selling price of assets or its value in use. In assessing the value in use, the estimated future cash flow from the use of assets is discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss no longer exists or has decreased. Impairment loss/ reversal thereof is adjusted to the carrying value of the respective assets, which in case of cash generating unit, are allocated to assets on a pro-rata basis.
- (n) Borrowing cost incurred in relation to the acquisition or construction of assets are capitalized / allocated as part of the cost of such assets till the date of completion of such assets. Other borrowing costs are charged as an expense in the year in which these are incurred.

Notes to the Financial Statements

(₹ in Lacs)

	As at 31.03.2015	As at 31.03.2014
NOTE 2 SHARE CAPITAL		
Authorised:		
3,00,00,000 (3,00,00,000) Equity Shares of ₹ 10/- each	3,000.00	3,000.00
Issued, Subscribed and Paid-up:		
1,12,86,533 (1,12,86,533) Equity shares of ₹ 10/- each fully paid up in cash	1,128.66	1,128.66
99,86,533 (99,86,533) Equity shares of ₹ 10/- each fully paid up issued as Bonus Shares by capitalization of Securities Premium	998.65	998.65
7,00,000 (700,000) Equity shares of ₹ 10/- each fully paid for consideration other than cash	70.00	70.00
Total	2,197.31	2,197.31

a. Reconciliation of Equity Shares

Particulars	As at 31.03.2015		As at 31.03.2014	
	Number of Shares	(Amount in lacs)	Number of Shares	(Amount in lacs)
Shares outstanding at the beginning of the year	2,19,73,066	2,197.31	2,19,73,066	2,197.31
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	2,19,73,066	2,197.31	2,19,73,066	2,197.31

b. Terms and rights attached to the Equity shares

The Company has only one class of Equity Shares having a par value of ₹ 10/- per Equity Share. Each holder of equity shares is entitled to one vote per equity share held. All equity shares ranks pari passu with respect to the dividend, voting rights and other terms. The Dividend proposed, if any, 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, normally the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. 60,69,422 (27.62%) No. of Equity Shares of the company are held by promoter and the promoter group as on 31st March 2015

d. Details of shareholders holding more than 5% of total shares of the Company :

Name of Shareholder	As at 31.03.2015		As at 31.03.2014	
	No. of Shares	% holding	No. of Shares	% holding
S L Industries Pvt. Ltd.	55,19,674	25.12%	55,19,674.00	25.12%
Tysom Agencies Pvt. Ltd.	20,00,000	9.10%	20,00,000.00	9.10%
The Royal Bank of Scotland PLC as trustee of the Jupiter India Fund	-	-	18,46,162.00	8.40%
Mavi Investment Fund Limited	-	-	14,92,500.00	6.79%
The National Westminster Bank PLC as trustee of the Jupiter India Fund	18,46,162	8.40%	-	0.00%
The Indiaman Fund Limited	-	-	11,64,776.00	5.30%

e. 99,86,533 nos. of Equity Shares of ₹ 10/- each fully paid issued by way of Bonus Shares in financial year 2009-10.

Notes to the Financial Statements

(₹ in Lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 3 RESERVES AND SURPLUS		
a. Capital Reserves		
Opening Balance	610.38	610.38
Closing Balance	610.38	610.38
b. Securities Premium Account		
Opening Balance	8,024.72	8,024.72
Less : Transfer to FCCB Redemption reserve	–	–
Closing Balance	8,024.72	8,024.72
c. FCCB Redemption Reserve		
Opening Balance	2,671.75	2,671.75
Add : Transfer from Security Premium	–	–
Closing Balance	2,671.75	2,671.75
d. Revaluation Reserve		
Opening Balance	1,918.42	1,918.42
Closing Balance	1,918.42	1,918.42
e. Surplus/(Deficit) in Statement of Profit & Loss		
Opening balance	(29,672.27)	(22,237.71)
Add : Net Profit/(Loss) for the period	(5,236.56)	(7,434.57)
Less : Depreciation adjusted as per Companies Act, 2013, Schedule II	13.37	–
Closing Balance	(34,922.20)	(29,672.28)
Total	(21,696.93)	(16,447.01)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 4 LONG TERM BORROWINGS		
A. Secured		
(a) Term loans from Banks (Refer Note No. 26)		
Facility A - Term Loan	15,061.97	14,595.18
Facility B - Working Capital Term Loan	533.33	533.34
Facility C - Funded Interest Term Loan	1,111.74	1,111.74
(All the above loans are secured by way of first pari passu charge on the entire Fixed Assets of the company situated at Falta SEZ Unit and second pari passu charge on the entire Current Assets of the company and guaranteed by Managing Director and corporate guarantee of the Promoter Company)		
(b) Other loans and advances		
(i) Machinery Purchase Loan on Installment Basis (Repayable after one year)	–	545.40
Sub Total of Secured Loans	16,707.04	16,785.66
B. Unsecured		
(a) Loan from related party From Promoter Company	358.11	370.89
Sub Total of Unsecured Loans	358.11	370.89
Total	17,065.15	17,156.55

Notes to the Financial Statements

(₹ in Lacs)

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 5 OTHER LONG TERM LIABILITIES		
(a) Payables for capital contracts	65.57	1,002.48
(b) Security Deposit against Land Development Agreement	–	155.00
Total	65.57	1,157.48

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 6 SHORT TERM BORROWINGS		
A. Secured		
(a) Loans repayable on demand from banks		
- Export Packing Credit	1,544.77	1,544.77
-WCTL and FITL of Working capital Lenders	7,440.14	8,259.18
- Cash Credits/Working Capital Demand Loan	7,726.75	7,310.05
- Bills for Collection	509.80	509.80
- Term Loans repayable within one year	1,634.11	1,841.88
(All the above loans are secured by way of first pari passu charge on the entire current assets of the company, second pari passu charge on the entire fixed assets of the Falta SEZ unit, personal guarantee of Managing Director and corporate guarantee of the promoter company)		
(b) Machinery Purchase Loan on Installment Basis	549.23	545.40
(c) Vehicle Loan	–	1.20
B. Unsecured		
From Joint Stock Companies	1,766.03	1,766.03
Total	21,170.82	21,778.31

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 7 OTHER CURRENT LIABILITIES		
(a) Foreign Currency Convertible Bonds - including effect of exchange fluctuation	10,515.25	10,135.44
(b) Interest accrued and due on secured loans	1,638.74	1,473.23
(c) Unpaid dividends	5.60	7.05
(d) Statutory Liabilities payable	585.02	224.21
(e) Advances from customers	190.86	182.04
(f) Salary, Wages and Bonus payable	60.80	54.88
(g) Other Payables *	1.93	1.55
Total	12,998.20	12,078.40

* Other payables includes liabilities for rent payable, insurance premiums and miscellaneous payables.

Particulars	As at 31.03.2015	As at 31.03.2014
NOTE 8 SHORT TERM PROVISIONS		
Provisions for :		
Gratuity	71.18	59.24
Income Tax	122.64	122.64
Excise Duty	100.00	100.00
Total	293.81	281.88

Notes to the Financial Statements

(₹ in Lacs)

Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31.03.2014	Addition During the period	Sales / Adjustments during the year	Cost as at 31.03.2015	as at 31.03.2014	For the period	Less: for Sale / Adjustment	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
NOTE 9 (i) TANGIBLE ASSETS										
Leasehold land	1,982.64	-	-	1,982.64	-	-	-	-	1,982.64	1,982.64
Building	5,668.25	110.51	-	5,778.76	744.86	192.28	-	937.14	4,841.62	4,923.39
Plant & Machinery	32,109.92	1,211.90	5,808.35	27,513.47	7,195.08	1,341.06	1,991.20	6,544.95	20,968.52	24,914.83
Furniture & Fixture	301.21	0.37	-	301.58	82.06	40.68	-	122.74	178.84	219.15
Computer	88.66	0.98	-	89.64	74.27	4.29	(13.01)	91.57	1.93	14.39
Office Equipment	58.63	1.36	-	59.98	9.61	31.23	-	40.84	19.14	49.01
Motor Vehicles	71.81	-	7.19	64.62	24.73	15.74	2.04	38.43	26.18	47.07
Grand Total	40,281.11	1,325.12	5,815.54	35,790.69	8,130.62	1,625.27	1,980.22	7,775.67	28,015.02	32,150.49
Previous year										

Notes:

1. Leasehold Land of Salt Lake unit has been acquired under a lease of 90 years with a renewal option.
2. Leasehold Land of Falta SEZ unit has been acquired under a lease of 15 years with a renewal option.

Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31.03.2014	Addition During the period	Sales / Adjustments during the year	Cost as at 31.03.2015	Cost as at 31.03.2014	For the period	Less: for Sale / Adjustment	Up to 31.03.2015	As at 31.03.2015	As at 31.03.2014
NOTE 9 (ii) INTANGIBLE ASSETS										
Computer Software	6.31	-	-	6.31	1.01	1.06	-	2.06	4.25	5.31
Previous year	-	-	-	-	-	-	-	-	-	-
Grand Total	40,287.42	1,325.12	5,815.54	35,797.00	8,131.63	1,626.33	1,980.22	7,777.74	28,019.27	32,155.80

Notes to the Financial Statements

(₹ in Lacs)

	As at 31.03.2015	As at 31.03.2014
NOTE 10 NON-CURRENT INVESTMENTS		
Other Investments		
Investment in erstwhile overseas joint venture - Websol Energy System Europe KG	15.10	15.10
Total	15.10	15.10

	As at 31.03.2015	As at 31.03.2014
NOTE 11 LONG TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
Capital Advances (net of provisions)	457.10	542.62
Security Deposits	362.03	294.07
Loans & Advances recoverable in cash or in kind		
Advances for raw materials	823.94	823.94
Loans to Overseas Corporate Bodies	975.35	975.35
Loans to erstwhile Overseas Joint Venture	18.45	18.45
Loans to Other Corporate Bodies	116.42	116.42
Advances to suppliers and others	223.24	480.99
Total	2,976.55	3,251.84

	As at 31.03.2015	As at 31.03.2014
NOTE 12 OTHER NON CURRENT ASSETS		
Trade Receivables outstanding for a period exceeding twelve months		
Unsecured, considered good	3,776.71	1,419.69
Unsecured, considered doubtful	–	178.83
	3,776.71	1,598.52
Less: Provision for doubtful debts	–	178.83
	3,776.71	1,419.69
Total	3,776.71	1,419.69

	As at 31.03.2015	As at 31.03.2014
NOTE 13 INVENTORIES		
Raw Materials	3,544.83	2,293.00
Work-in-progress	894.84	742.14
Finished goods	721.43	756.68
Stores and spares	144.39	45.00
Total	5,305.49	3,836.82

	As at 31.03.2015	As at 31.03.2014
NOTE 14 TRADE RECEIVABLES		
Trade receivables outstanding for a period less than six months from the date they became due for payment		
Unsecured, considered good	8,817.72	17,452.39
Trade receivables outstanding for a period exceeding six months but upto twelve months from the date they became due for payment		
Unsecured, considered good	6,963.53	80.51
Total	15,781.25	17,532.90

Notes to the Financial Statements

(₹ in Lacs)

	As at 31.03.2015	As at 31.03.2014
NOTE 15 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
In Current and EEFC Accounts	119.04	231.77
In Unpaid dividend accounts	5.60	7.05
Cash in hand	2.04	7.77
Other Bank Balances		
Term deposits with more than 12 months Maturity /Margin Accounts	8.30	8.26
Total	134.99	254.85
	As at 31.03.2015	As at 31.03.2014
NOTE 16 SHORT-TERM LOANS AND ADVANCES - Unsecured, considered good		
Advances for capital goods	-	10.41
Security Deposits	-	50.51
Loans to Corporate Bodies	468.34	1,251.93
Income Tax Deducted at Source	216.42	243.39
Advance to suppliers and others	2,047.07	1,725.07
Total	2,731.83	3,281.31
	As at 31.03.2015	As at 31.03.2014
NOTE 17 OTHER CURRENT ASSETS		
Bank Interest Receivable	3.27	3.31
Miscellaneous Expenditure to the extent not w/off	-	14.41
Total	3.27	17.72
	For the year ended 31st March 2015	For the year ended 31st March 2014
NOTE 18 REVENUE FROM OPERATIONS		
Sale of products (Solar Photovoltaic Cells and Modules)	35,575.08	30,456.85
Other operating revenues- Scrap Sale	-	8.73
Total	35,575.08	30,465.58
	For the year ended 31st March 2015	For the year ended 31st March 2014
NOTE 19 OTHER INCOME		
Interest Income from Bank Deposits	2.38	1.97
Interest Income from others	66.93	47.35
Sundry Balances written back	-	8.17
Miscellaneous Income	10.98	67.61
Total	80.29	125.10

Notes to the Financial Statements

(₹ in Lacs)

	For the year ended 31st March 2015	For the year ended 31st March 2014
NOTE 20 COST OF RAW MATERIALS CONSUMED		
Opening stock	2,293.00	1,878.51
Add: Purchases	31,869.23	25,440.33
Carriage Inward	135.89	106.56
Processing Charges		0.45
	34,298.12	27,425.86
Less : Closing stock	3,544.83	2,293.00
Cost of raw material consumed	30,753.28	25,132.86
Raw Material consumed comprises :		
Silicon Wafers	17,663.26	12,889.00
Silver & Aluminium Paste	2,500.51	2,292.71
Other materials*	10,589.52	9,951.15
Total	30,753.28	25,132.86

* As none of the items individually exceed 10% of the total value of the raw material consumed, separate details have not been provided.

	For the year ended 31st March 2015	For the year ended 31st March 2014
NOTE 20a STORES & SPARES CONSUMED		
Opening Stock	45.00	332.48
Add : Purchases	1,365.16	924.46
	1,410.16	1,256.94
Less : Closing Stock	144.39	45.00
Consumption	1,265.77	1,211.94

	For the year ended 31st March 2015	For the year ended 31st March 2014
NOTE 20b CHANGES IN STOCK OF FINISHED GOODS AND WORK-IN-PROGRESS		
Inventories at the beginning of the year :		
Finished goods	756.68	832.77
Work-in-progress	742.14	875.53
	1,498.82	1,708.30
Inventories at the end of the year :		
Finished goods	721.43	756.68
Work-in-progress	894.84	742.14
	1,616.27	1,498.82
Net (increase)/decrease	(117.45)	209.48

	For the year ended 31st March 2015	For the year ended 31st March 2014
NOTE 21 EMPLOYEE BENEFIT EXPENSES		
Salaries, allowances, bonus and gratuity	606.09	593.89
Contributions to provident and other funds	53.24	48.38
Staff welfare expenses	22.35	19.40
Total	681.68	661.67

Notes to the Financial Statements

(₹ in Lacs)

	For the year ended 31st March 2015	For the year ended 31st March 2014
NOTE 22 FINANCE COSTS		
Interest expense on		
- Term Loans	204.19	2,140.62
- Packing Credits and Cash Credits	-	961.79
Other borrowing costs	2.87	0.63
Total	207.06	3,103.04

	For the year ended 31st March 2015	For the year ended 31st March 2014
NOTE 23 OTHER EXPENSES		
Audit Fees (refer note 34)	2.85	2.65
Bank Commission and Charges	15.52	20.75
Carriage Outward	267.19	98.53
Insurance	25.52	19.83
Loss on sale of fixed assets	2.02	196.84
Miscellaneous	103.38	201.93
Other Selling Expenses	87.88	77.56
Preliminary Expenditure w/off	14.41	74.31
Prior Period Expenses	1.37	27.12
Provision for doubtful debts		183.08
Bad Debts	475.32	-
Rates & taxes	2.34	6.54
Rent	72.37	47.73
Repairs to building	124.37	43.10
Repairs to machinery	22.15	26.26
Repairs to others	19.39	17.27
Travelling and Conveyance	90.98	71.98
Collie & Cartage	0.09	-
Electricity Charges	3.12	-
Plant & Machinery Hire Charges	8.45	-
Sundry Balances written back	50.23	-
Total	1,388.97	1,115.48

- 24** The Working Capital borrowing accounts of the Company continue to remain NPA as on the date of Balance sheet under review. Out of the five Working Capital lenders, Allahabad Bank, being in the capacity of the lead bank, has taken symbolic possession of the Salt Lake land which was given as collateral security against the Working Capital loans. Further Dena Bank has assigned its credit facilities in favor of M/s Asset Reconstruction Company (India) Ltd. (ARCIL) and as such all rights & obligations in respect of the credit facilities sanctioned & availed by the company from Dena Bank fund have been transferred in the name of ARCIL.
- 25** The Company has not provided for interest payable on unsecured Loans obtained from various Companies due to the stipulation of the Working Capital Lenders in this regard, under the scheme of OTS.

Notes to the Financial Statements

26 Terms of repayment of term loans from Banks is as follows :

Name of Bank/Facility	Total Amount	Repayment Terms
Axis Bank		
Term Loan	₹ 7017.29 Lacs	28 equal quarterly instalments beginning from 31.12.2013
Overdraft	₹ 650.00 Lacs	28 equal quarterly instalments beginning from 01.01.2014
FITL I	₹ 490.00 Lacs	36 equal monthly instalments beginning from 01.01.2014
FITL II	₹ 182.00 Lacs	36 equal monthly instalments beginning from 01.01.2014
EXIM Bank		
Term Loan I	US\$ 3.01 Mn	13 quarterly instalments beginning from 15.04.2014
Term Loan II	US\$ 7.85 Mn	20 quarterly instalments beginning from 14.10.2013
FITL I	US\$ 0.22 Mn	36 monthly instalments beginning from 15.04.2014
FITL II	US\$ 0.49 Mn	36 monthly instalments beginning from 14.10.2013
ICICI Bank		
Term Loan	US\$ 3.72 Mn	84 equal monthly instalments beginning from 31.10.2013
WCTL	₹ 600.00 Lacs	36 equal monthly instalments beginning from 31.10.2013

- 27 The Company has recognized diminution in the value of certain fixed assets pertaining to the erstwhile factory situated at Salt Lake and also installed at falta plant and as such discarded the obsolete / unusable fixed assets having the cost of ₹.5759.10 Lacs and accumulated Depreciation of ₹ 1988.07 Lacs.
- 28 The Company is in the process of making third party adjustments / netting off on account of certain imports and exports from a same party. A part of netting off is complete to the extent of \$ 9661825.97 of exports and \$ 9666691.90 of imports and therefore debtors and creditors amounting \$ 9666691.90 has been netted off in balance sheet as on 31.03.15. As such, there are balance amounts on account of same Sundry Debtors & Sundry Creditors which shall be adjusted against each other subject to the receipt of pending approval by the company in this regard from the concerned authorities.
- 29 Capital contracts not provided for ₹ 1593.60 Lacs stands unexecuted and cancelled by the company (Previous period ₹ 1593.60 Lacs). Total Advances paid there against ₹ 457.10 Lacs including ₹ 346.15 Lacs in foreign currency (Previous period ₹ 553.03 Lacs including ₹ 345.75 Lacs in Foreign Currency) are still lying with the creditors and company is in the process of recovery of these amounts.
- 30 Contingent Liabilities –
- The Company's product, namely, Solar Photovoltaic Modules carry a warranty of 25 years as per International Standards. A fair estimate of future liability that may arise on this account is not ascertainable. The same shall be accounted for as and when any claim occurs.
 - Demand against the legal expenses and interest by certain Sundry Creditors, amount of which is not ascertainable.
 - Demand of ₹ 8.96 Lacs against Interest and other payments on TDS by Income Tax Department.
- 31 Based on and to the extent of information obtained from the suppliers regarding their status as Micro, Small or Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 there are no amounts overdue to them as at the end of the year under reporting.
- 32 (a) As the Company has incurred losses in the current year, both as per statement of Profit & Loss and Income Tax computation, the measurement of deferred tax liability has not been considered.
- (b) Since the Company has incurred losses for the last 3 years and there is no reasonable certainty that sufficient future taxable income will be available, the measurement of deferred tax asset has not been considered in these accounts.
- 33 Amounts paid / payable to Statutory Auditors –
- Audit fees ₹ 2.85 Lacs (Previous period ₹ 2.65 Lacs), plus the applicable service tax.
 - In other capacity in respect of certification work ₹ 0.50 Lacs (Previous period ₹ 0.50 Lacs) plus the applicable service tax.

Notes to the Financial Statements

34 Balances of Debtors, Creditors, Security Deposits, Certain Bank Accounts and Loans and Advances are subject to confirmation and reconciliation with respective parties.

35 (a) Value of Imported & Indigenous Raw Materials and Stores & Spares consumed during the year.

	31.03.2015		31.03.2014	
	₹ In Lacs	%	₹ In Lacs	%
1. Raw Materials				
- Imported	28,855.22	93.83	23578.90	93.82
- Indigenous	1,898.07	6.17	1553.96	6.18
Total	30,753.28	100.00	25132.86	100.00
2. Stores & Spares				
- Imported	579.77	45.80	613.10	50.59
- Indigenous	686.00	54.20	598.84	49.41
Total	1,265.77	100.00	1,211.94	100.00

(b) CIF value of imports

	31.03.2015	31.03.2014
	₹ In Lacs	₹ In Lacs
Raw Materials	30,110.02	24,030.50
Capital Goods	1175.94	233.63
Components & Spares	664.62	409.78

(c) Expenditure in Foreign Currency (including outstanding liability)

	31.03.2015	31.03.2014
	₹ In Lacs	₹ In Lacs
Travelling	11.89	15.06
Bank Charges	—	0.84
Interest on Foreign Currency Loans	—	802.94

(d) Earning in Foreign Currency (including outstandings)

	31.03.2015	31.03.2014
	₹ In Lacs	₹ In Lacs
F.O.B. Value of Exports	7218.06	27109.27

36 **Director's Remuneration :**

	31.03.2015	31.03.2014
	₹ In Lacs	₹ In Lacs
Salary & Medical Re-imbursements Including PF contribution & bonus to Mr. S.L. Agarwal, Managing Director	21.60	21.04

37 Since the Company is dealing in only one product i.e., Solar Photo-Voltaic Cells and Modules, segmental reporting as prescribed under Accounting Standard 17 is not applicable.

Notes to the Financial Statements

38 Earnings Per Share :

		31.03.2015	31.03.2014
(a) Profit After Tax	₹ In Lacs	(5236.56)	(7434.30)
(b) Total Weighted Average number of equity shares of ₹ 10 each	Nos.	2,19,73,066	2,19,73,066
(c) Earnings Per Share (Basic & Diluted)	₹	(23.83)	(33.83)

39 Related party disclosure (pursuant to Accounting Standard 18)

i) List of Related Parties and Relationship

Name of the Party	Relationship	Remarks
S. L. Industries Pvt. Ltd.	Associate	Nil
S.L. Agarwal	Key Management Personnel – Managing Director	Nil

ii) Details of transactions entered with the related parties by the Company during the year apart from Directors' remuneration stated in Note 38.

Nature of Transactions	Associates	
	31.03.2015 ₹ In Lacs	31.03.2014 ₹ In Lacs
Unsecured Loans Taken	–	205.00
Unsecured Loans Repaid	12.78	141.53
Unsecured Loan Payable Outstanding	358.11	695.89

40 Following statutory cases are pending with different forum and financial implication are listed below :

Nature of Dues	Forum where pending	Amount (in lacs)	Remarks
Excise duty and penalty	High court at Calcutta	366.55	The company has paid Rs. 100 lacs against this demand in the year 2004-05
Excise duty and penalty	Custom Excise and service tax appellate tribunal	497.10	-
Income tax	Commissioner of income tax-appeals	101.04	-

41 Since the accounting year of the Company is from 01st April, 2014 to 31st March, 2015 these accounts are for a period of twelve months and the figures thereof are comparable with those of previous period which was also for twelve months i.e., 01st April, 2013 to 31st March, 2014.

42 Previous period figures have been regrouped / rearranged wherever necessary to make them comparable with the current year figures.

In terms of our report of even date

For **Agarwal Sangneria & Co.**

Chartered Accountants

Firm Registration No. 317224E

(P. K. Agarwal)

Partner

Membership No. 53496

Place : Kolkata

Date : 29th May, 2015

For and on behalf of the Board of Directors

(S. L. Agarwal)
Managing Director
(00189898)

(D. Sethia)
Director
(06775533)

(Swati Agarwal)
Company Secretary

Disclaimer

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements – written and oral – that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance.

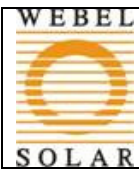
We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

REGISTERED BOOK-POST



Websol Energy System Limited
48, Pramatha Choudhury Sarani
Plot 849, Block P, 2nd Floor
Kolkata - 700 053, West Bengal, India
Website : www.webelsolar.com

**WEBSOL ENERGY SYSTEM LIMITED****Registered Office :** 48, Pramatha Choudhury Sarani, Plot 849, Block P New Alipore, Kolkata - 700 053**CIN NO :** L29307WB1990PLC048350**Telephone :** (033) 2400-0419, **Email :** investors@webelsolar.com. **Website :** www.webelsolar.com**ATTENDANCE SLIP**

I/We hereby record my/our presence at the 25th Annual General Meeting of the Company, to be held on Wednesday, September 30, 2015 at 10.00 AM at Webel Bhavan, Block EP & GP, Sector - V, Salt Lake Electronics Complex, Kolkata - 700 091.

Folio No/DP ID & Client ID :**Share Holding :****Serial No :****Name :****Name(s) of Joint Holder(s), if any :****Address :**

Proxy's Name in Block Letters

Member's/Proxy's Signature

Note : Please bring the Attendance Slip duly signed to the meeting and hand it over at the Entrance of the Meeting Hall. Duplicate slips will not be issued at the venue of the AGM.

**WEBSOL ENERGY SYSTEM LIMITED****PROXY FORM : MGT-11****Registered Office :** 48, Pramatha Choudhury Sarani, Plot 849, Block P New Alipore, Kolkata - 700 053**CIN NO :** L29307WB1990PLC048350**Telephone :** (033) 2400-0419, **Email :** investors@webelsolar.com. **Website :** www.webelsolar.com

[Pursuant to Section 105(6) of the Companies Act, 2013 and Rule 19(3) of the Companies (Management and Administration) Rules, 2014]

Name of the Member(s) :

Registered Address :

E-mail ID :

Folio No/DP ID & Client ID :

I/We, being the Member(s) of Websol Energy System Limited, holding.....Equity Shares of the above named Company, hereby appoint :

- 1) Name : Address.....
E-mail ID : Signature : or failing him/her;
- 2) Name : Address.....
E-mail ID : Signature : or failing him/her;
- 3) Name : Address.....
E-mail ID : Signature :

as my/our Proxy to attend and vote (on a poll) for me/us and on my/our behalf at the 25th Annual General Meeting of the Company, to be held on Wednesday, September 30, 2015 at 10.00 AM at Webel Bhavan, Block EP & GP, Sector - V, Salt Lake Electronics Complex, Kolkata - 700 091. at any adjournment thereof in respect of following resolutions :

Sl. No.	Resolutions	Optional *	
		For	Against
Ordinary Business			
1.	Adoption of Audited Financial Statements of the Company for Financial Year ended on 31st March 2015, Reports of the Board of Directors and Auditors thereon.		
2.	Re-appointment of Auditors.		
3.	Re-appointment of Mr. S. L. Agarwal who retires by rotation and, being eligible, offers himself for re-appointment.		
Special Business			
4.	Appointment of Mr. Prateek Kaushik as an Independent Director		
5.	Appointment of Mrs. Sima Jhunjhunwala as a Whole Time Director		

Signed thisday of2015

Signature of Shareholder.....

Signature of Proxyholder.....

Affix
Revenue
Stamp of
1/- here

- Notes :**
1. This form of proxy in order to be effective should be duly completed and deposited at the Company's Registered Office or Head and Corporate Office not less than 48 hours before the commencement of the AGM.
 2. For the Resolutions, Explanatory Statement and Notes, please refer to the Notice of 69th Annual General Meeting of the Company.
 3. *It is optional to put a 'X' in the appropriate column against the resolutions indicated to the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password

Note : Please refer to AGM Notice for E-voting instructions.