



Ultimate Solution

Board of Directors

Mr. S.L.Agarwal, *Managing Director*

Miss. S. Jhunjunwala, *Whole time Director*

Mr. D Sethia, *Independent Director*

Mr. P. kaushik, *Independent Director*

Chief Financial Officer

Miss. Sima Jhunjunwala

Company Secretary

Miss. Sweta Biyani

(has joined as Company Secretary from 14th Feb, 2017)

Bankers

Invent Asset Reconstruction Company Ltd

Auditor

M/s Agarwal Sanganeria & Co.

Chartered Accountants

Registered & Corporate Office

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Management discussion and analysis

Global economic overview

Global growth in 2016 was estimated at 2.3% by the World Bank and projected to rise to 2.7% in 2017. Global economic growth continued to stagnate following slow trades, low investments and policy uncertainties in advanced economies. The 2016 fiscal was defined by the UK's decision to leave the EU and the election of Donald Trump as the US President.

Both of these events are expected to have long-term effects on the global economy. Consumers largely continued to spend cautiously with expenditure increasing by just 2.4% in real terms over 2015, well below the corresponding increase in disposable incomes. However, the Asia-Pacific region saw a marked increase in expenditures. Growth in emerging markets and developing economies is expected to pick up in

2017 on the back of the removal of a number of obstacles for commodity exporters and continued domestic demand for commodity importers. The main factors that could possibly weigh on the medium-term growth prospects across many emerging markets and developing economies are weak investments and sub-optimal productivity. (Source: World Bank, Euromonitor)

GLOBAL GROWTH TRENDS

	2016	2017 (P)	2018 (P)
Global economy	3.1%	3.4%	3.6%
Advanced economies	1.6%	1.9%	2.0%
Emerging market and developing economies	4.1%	4.5%	4.8%

(Source: IMF)

Indian economic overview

India's economic growth has been pegged at 7.1% for the current fiscal (FY 2017), down from 8% recorded in the last financial year (FY 2016). Although demonetisation impacted the national growth rate by 25-100 bps, this move is expected to translate into long-term benefits. Over the last 25 years, India's growth performance was robust, backed by policy reforms that made India open to goods and capital flows. The challenges that India faces include ambivalence about property rights and the private sector, deficiencies in state capacity, especially in delivering essential services, and inefficient redistribution of capital.

The growth rate of India's industrial sector was estimated to moderate to 5.2% in FY 2017, down from 7.4% in FY 2016. The growth rate of the industrial sector was estimated at 5.2% in FY 2016-17, down from 7.4% in FY 2015-16. The country's IIP registered

a modest growth of 0.7% for the full year FY2016-17 and 2.5% in March 2017 with 2004-05 as base year. Under the revised series with a 2011-12 base year, the Index of Industrial Production (IIP) rose 5% in the financial year and 2.7% in March.

With Rajasthan, Madhya Pradesh and Maharashtra receiving 20% more rain than the usual, the agriculture sector is expected to grow at an above-average 4% on a weak base caused by two consecutive poor monsoons. This is expected to revive weak rural demand and, by extension, national GDP growth.

(Source: Central Statistics Office)

Outlook

The near-term growth outlook for India appears bright even as growth forecast for 2017-18 was moderated by 40 bps due to the temporary negative consumption shock induced by cash shortages and payment disruptions

associated with demonetisation. Subsequently, India's GVA growth is likely to stay at 6.6% as economic activity gradually normalizes. The proposed implementation of GST could boost interstate trade. (Source: IMF, ICRA)

Global renewable energy overview

For the third successive year in 2016, global energy-related carbon dioxide emissions from fossil fuels and industry reported zero growth. This was largely due to moderating coal use globally, improvements in energy efficiency and increase in renewable energy utilisation.

Approximately 16% of the total global population, 1.2 billion people, live without electricity; about 38% of the global population, 2.7 billion people, do not have clean cooking facilities. Most people in rural Sub-Saharan Africa and Oceania region do not have access

to electricity and clean cooking. For 1 billion-plus people having no access to electricity, distributed renewable energy projects, especially in rural zones located far from the centralized grid, are proving to be cost-effective.

Renewable power generating capacity recorded its largest annual increase in 2016, with an estimated 161 gigawatts of total capacity addition, Total global

capacity increased to almost 2,017 GW at the end of 2016, nearly 9% compared to 2015. In 2016, renewables were estimated at nearly 62% of net global power generating capacity additions. Solar PV accounted for 47% share of the installed renewable capacity in 2016, while wind and hydropower accounted for 34% and 15.5% respectively. The growth drivers of

renewable power and its geographical expansion included a decline in renewable energy technology prices and increasing power demand in some countries.

Capacity additions	2015	2016
Renewable power capacity (total, not including hydro), Gigawatts	785	921
Solar PV capacity, Gigawatts	228	303

Solar photovoltaics (PV) overview

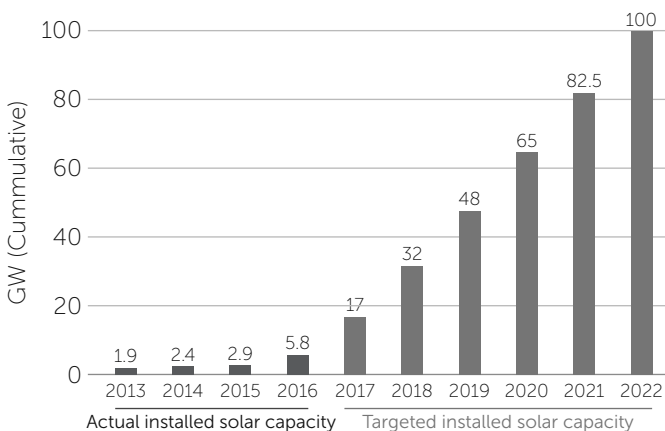
Solar PV was the leading source of additional (net of decommissioning) power generating capacity in 2016 globally. The annual market rose nearly 50% to at least 75 GWdc, equivalent to more than 31,000 solar panels installed every hour, increasing the global total to at least 303 GWdc. The top five countries, with China in the lead, accounted for 85% of the additions.

Despite high demand growth, unprecedented price reductions occurred, particularly for modules in 2016. Falling prices and rising demand attracted electrical utilities, oil and gas companies into the industry. Average module prices fell by an estimated 29%, to US\$ 0.41 per watt between the Q4 2015 and a year later, recording historic lows. Countries across the world have been using tenders in increased amounts to raise their solar generating capacity, and new record low bids were set in 2016, when bidding in some markets was below

US\$ 0.03 per kWh. Argentina, Chile, India, Jordan, Saudi Arabia, South Africa and the UAE saw low bids for solar PV in 2016 and early 2017.

At least 17 countries had solar PV capacity by 2016 end to meet 2% or more of their electricity demand. In several countries, the traditional method of energy access through grid extension alone is becoming obsolete as customer demand is driving millions of households to generate their own modern energy.

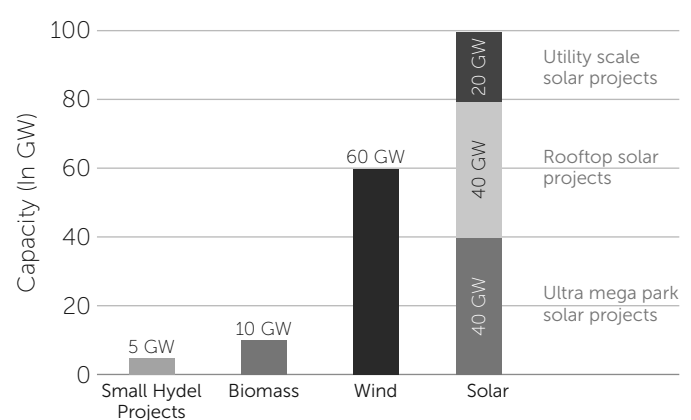
INDIA SETS YEAR-ON-YEAR TARGET TO REACH AMBITIOUS 2022 SOLAR GOAL



Notes: FY = All years in chart are fiscal year from April 1 to march 31; 1 GW = 1,000 MW.

Source: Bloomberg New Energy Finance (BNEF); The Economic Times.

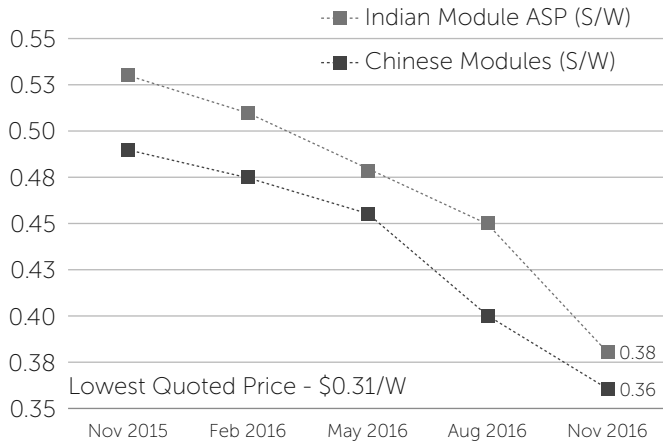
INDIA'S 2022 RENEWABLE ENERGY TARGET



Source: Renewable Energy Policy Network Report 2016

CHINESE MODULE AVERAGE SELLING PRICES IN INDIA ARE THE LOWEST IN THE WORLD

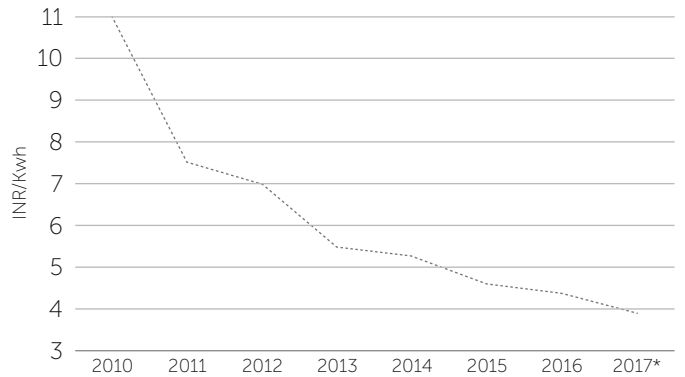
Chinese module prices in India have declined by ~30% in the last 12 months



Source: Mercom Capital Group (Dec 2016)

COSTLY TO CUTTHROAT TARIFFS: INDIA'S SOLAR AUCTION JOURNEY

Lowest solar tariff of 2016 is less than half of the lowest in 2010

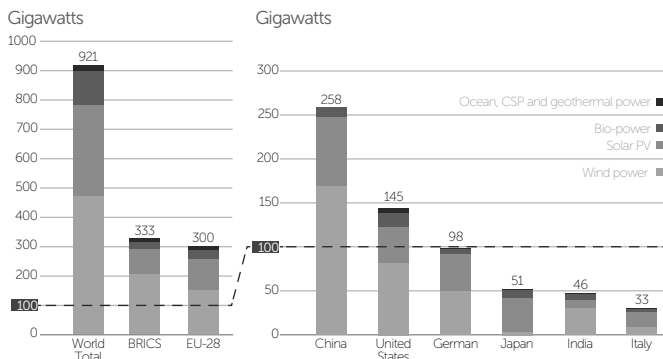


Source: Bloomberg New Energy Finance

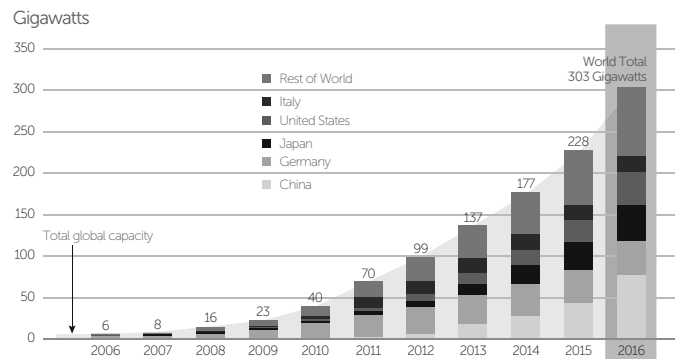
*2017 tariff is estimated below INR 4/Kwh

Total capacity or generation as of end-2016

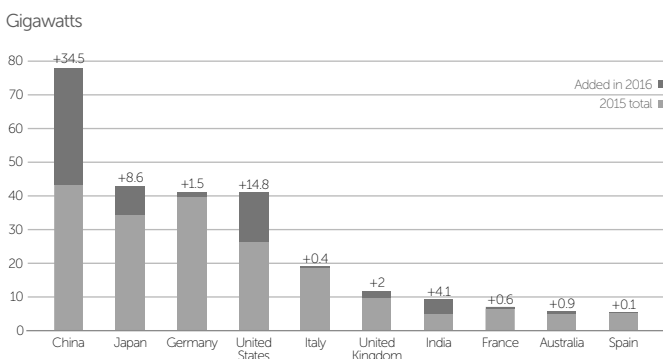
RENEWABLE POWER CAPACITIES IN WORLD, BRICS, EU-28 AND TOP 6 COUNTRIES, 2016



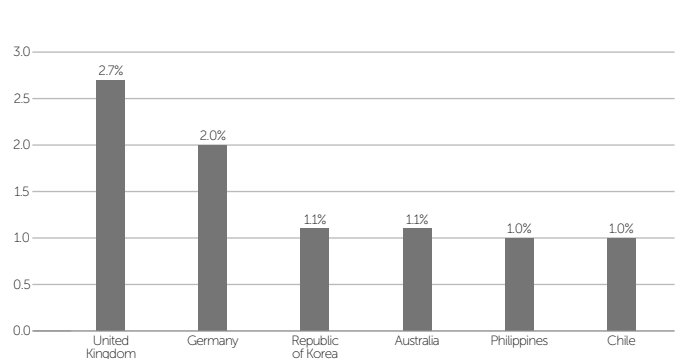
SOLAR PV GLOBAL CAPACITY AND ANNUAL ADDITIONS, 2006-2016



SOLAR PV CAPACITY AND ADDITIONS, TOP 10 COUNTRIES, 2016



SOLAR PV GLOBAL CAPACITY ADDITIONS, SHARES OF TOP 10 COUNTRIES AND REST OF WORLD, 2016



In 2016, China dominated global shipments for the eighth year running. Asia accounted for 90% (and China 65%) of global module production. Although some new production capacities opened in Europe, the region's overall module manufacturing output reduced by 16%, to 2.7 gigawatts.

On balance, global production of crystalline silicon cells and modules increased significantly in 2016. Estimates of cell and module production, as well as of production capacity, differ widely; rising outsourcing and rebranding make the counting of production and shipments more complex every year. In preliminary 2016 estimates production capacity exceeded 80 gigawatts for cells (up 29% year-over-year) and 83 gigawatts for modules (up 33% year-over-year). Thin film production increased by an estimated 11%, accounting for 6% of total global PV production (declining from 8% in 2015).

Module manufacturers continued raising the number of busbars' to lower internal electrical resistance, as well as participating in the reduction of barren spaces on modules, enhancing light trapping. Efficiency gains from such advances moderated module requirements for a given capacity, reducing costs. The year saw an increased traction in hybrid projects that integrated solar PV with other renewable and energy storage technologies.

In 2016, large US and European manufacturers fought to maintain market share. As the market matured, the industry became more concentrated, and the top 10 vendors accounted for 80% of global shipments in the first half of 2016.

Indian power sector overview

Between January and November 2016, 24,500 megawatts in generation capacity was added in India allowing the total installed capacity to cross the 300,000-megawatt in 2016. ~25,000 megawatts in generation capacity is expected to be added in 2017 with coal accounting for 60% of this capacity addition and renewables (largely solar and wind) accounting for 35%.

Some 8,500 megawatts of renewable generation capacity was added in the country between January 2016 and November 2016 – the highest for any calendar year, currently accounts for ~19% of the total installed renewable power capacity in the country.

For the first time in the Indian power sector's history, energy deficit fell below the 1% mark, a significant achievement. Between January 2016 and October 2016, energy requirement stood at 962.1 billion units while availability stood at 952.5 billion units – a deficit of around 1% – the lowest ever in the country's history. During 2016, peak demand stood at 159,500 megawatts in September while peak deficit in that month stood at 1.6% – the lowest ever for any calendar year.

Consistent capacity addition and flattish growth in power demand helped India's cause. The Ujwal Discom Assurance Yojana has been one of the most talked-about schemes related to the Indian power sector. The scheme has been designed in such a way so as to strike at the heart of the issues affecting the sector – the inefficient operation of power distribution companies. As per the report of the ministry, of the 16 states that are a part of the scheme, at least eight have a lower gap between their average cost of electricity supply and average cost of realisation and about 12 states have reduced their AT&C loss levels. If successfully implemented, this policy can permanently solve the longstanding issues of the distribution sector and revive energy demand of the country.

Under the Deen Dayal Upadhyay Gram Jyoti Yojana's rural electrification package, measures were taken up in mission mode starting August 2015 with a target to electrify un-electrified villages of the country by May 2018, to fit into the grander plan of '24x7 Power for All' by 2019. As per GARV dashboard, of the 18,452 villages to be electrified, electrification has already been completed for 11,434 villages. Electrification needs to be carried out in 6,320 villages while the remaining 698 villages are uninhabited. Other than the aforementioned policies, few others like New Tariff Policy, Wind Re-powering policy and Wind Solar Hybrid Policy, among others were announced in 2016 which will catalyze the growth of the sector. (Source: Economic Times)

Indian solar power market

Globally, renewable energy has gained massive traction. Apart from the conventional markets, a number of new markets have opened up like Eastern European, South East Asian and Latin American nations as well as Portugal and Spain, among others. Consequently, the Indian solar power market is expected to capitalize and grow exponentially.

In this context, the decisive policies undertaken by the Central Government (raising the solar power capacity to 100 gigawatts by 2022 from 10 gigawatts presently) is expected to serve the sector in good stead. The country added 5 gigawatts of capacity in FY2016-17, which was equal to the entire solar capacity of the country at the beginning of the fiscal. Figures released by the Central Electricity Authority show that the Indian solar energy sector generated >10 billion units of electricity for the very first time in January 2016. During the April 2016-Januray 2017 period, solar power plants in India generated more than 10,565 million kilowatt-hours of electricity – roughly twice (5,726 million kilowatt-hours) as much as it did in the corresponding period

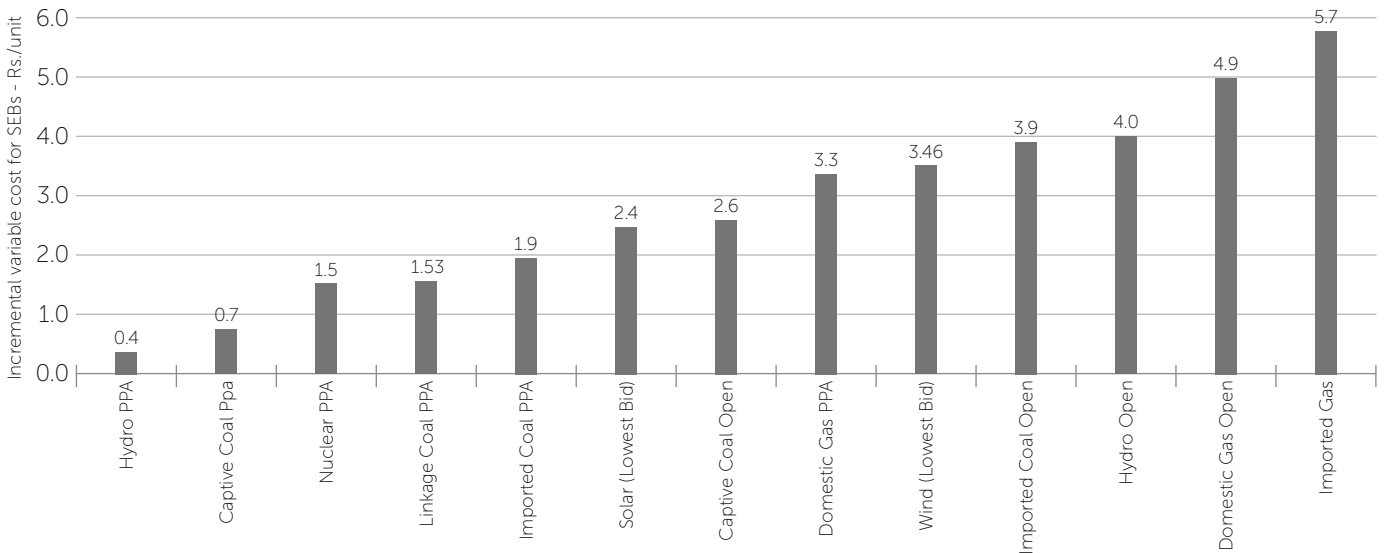
last year, albeit on a higher installed capacity base. However, it still amounts to a mere 1% of the total power generated in the country during that period. With the country slated to add >10 gigawatts during FY2017-18, it could emerge as the third-largest solar energy player in the world after the US and China.

This upsurge in capacities has transpired on the back of various government bodies like Coal India, Neyveli Lignite, Metro Railways, Indian Railways and Airports Authority of India deciding to adopt solar power in a larger way. Moreover, with the world becoming progressively warmer with each passing year, several international governments are trying to figure out ways and means to reduce greenhouse gas emissions. In view of this, solar

power has emerged as a beacon of hope. A typical 500-megawatt coal-fired power plant annually emits 3.7 million tonnes of carbon dioxide, equivalent to chopping down 161 million trees. Hence, the need of the hour is to reduce dependence on fossil fuels and go green as soon as possible.

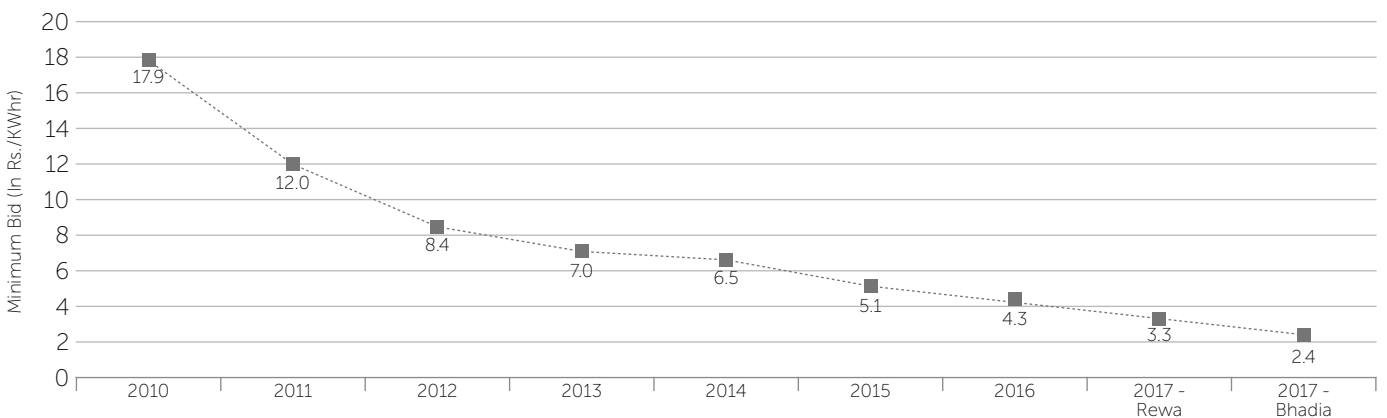
[Source: powermin.nic.in, Financial Express, World Bank, Livemint]

COST COMPETITIVENESS OF VARIOUS SOURCES OF POWER



Note: Based on incremental cost approach | Source: MNRE, PIB, I-Sec research

SOLAR BIDDING TREND



Source: SECI, MNRE, I-Sec research

How solar energy has grown in scope and scale

12.3

India's Solar capacity installations, 2017 (in GW)

100

India's projected solar energy capacity, 2022 (in GW)

4.1

India's share of the global solar energy sector in 2017 (in %)

14

India's projected share of the global solar energy sector, 2022 (in %)

3

India's global ranking in terms of solar energy sector growth, 2017

2

India's global ranking in terms of solar investment attractiveness, 2017

39

Capacity of India's under-construction CSP facilities (in MW)

0.9

Capacity addition in India's solar thermal heating and cooling market during 2016 (in GWth)

12.76

Indian solar tariff, 2011 (in Rs./KwH)

2.44

Indian solar tariff, 2017 (in Rs./KwH)

1247

Indian rooftop solar capacity, 31 March 2016 (in MW)

40

Indian estimated rooftop solar capacity, 2022 (in GW)

58

India's projected renewable energy capacity, FY18 (in GW)

22

India's projected solar energy capacity, FY18 (in GW)

1.468

Solar cells installed capacity (in gigawatts)

5.648

Solar modules installed capacity (in gigawatts)

Indian solar power market investments

The World Bank approved a \$625 million loan that will support the Government of India's grid-connected rooftop solar programme by financing the installation of solar panels on rooftops across India. It also approved additional loans worth US\$100 million to help India increase its power generation capacity through cleaner sources.

Recently Warburg Pincus invested \$100 Million in Cleanmax Solar, India's largest rooftop solar developer, which accounts for India's quarter market in roof top solar installation.

The Shared Infrastructure for Solar Parks project will establish large solar parks and support the Government of India's plans to install 100 gigawatts of solar power out of a total renewable-energy target of 175 gigawatts by 2022.

The International Finance Corporation, the World Bank Group's private sector arm, is supporting the Indian state of Madhya Pradesh set up a 750-megawatt ultra-mega solar power project in Rewa, the largest single-site solar power project in the world. IFC will help structure and implement the transaction to help attract investments of about \$750 million.

(Source: World Bank, IBEF)

Government initiatives

- In 2009, MNRE launched Jawaharlal Nehru National Solar Mission with the ambitious goal of making India a global leader in solar energy. It plans to achieve grid parity (same production cost as current electricity source) by 2022 and parity with coal-based power generation by 2030.

- The National Tariff Policy for Electricity was amended by the Union Government in January 2016 to achieve the objectives of UDAY scheme. In order to promote use of renewable energy, a solar renewable purchase obligation was proposed to be increased to 8% by 2022.

- The Government of India announced a massive renewable power production target of 175,000 megawatts by 2022. This comprises generation of 100,000 megawatts from solar power, 60,000 megawatts from wind energy, 10,000 megawatts from biomass, and 5,000 megawatts from small hydro power projects.

- The Government of India plans to set up a US\$ 400 million fund, sourced from World Bank, for the protection of renewable energy producers from payment delays by power distribution firms, while protecting the distribution firms from the shrinking market for conventional grid-connected power, caused by wider adoption of rooftop solar power generation.

- The Ministry of New and Renewable Energy, which provides 30% subsidy to most solar-powered items such as lamps and heating systems, has extended its subsidy scheme to refrigeration units.

- The Ministry of Shipping plans to install 160.64 megawatts of solar and wind-based power systems at all major ports by 2017.

- The Government of India has initiated various programmes in the urban sector for promoting solar energy usage via the deployment of SPV devices in urban areas, establishment of Akshya Urja shops and solar-powered buildings.

- The Solar City aims at minimum 10% reduction in projected demand of conventional energy at the end of five years. Up to ₹50 lacs per city is provided depending upon population and initiatives decided to be taken by the city administration.

(Source: MNRE, Union Budget, Economic Times)

Budgetary initiatives

Solar power continued to be the focal point of the Union Budget 2017-18, with the Budget split being ₹3,361 crores for solar and only Rs 408 crores for wind. The 2017-18 Budget allocation to the MNRE of Rs. 5,473

crores saw a slight spike from the allocation in 2016-17. The Union Budget 2017-18 also announced support for the second phase of solar park development for an additional 20,000-megawatt capacity and the powering of 7,000 railway stations with solar power.

Finance, one of the greatest impediments to the advancement of the renewable energy sector, received attention in the 2017-18 Budget. Foreign investment in the sector may also see a spurt of growth due to the extension of the applicability of the concessional withholding tax rate of 5% being charged on interest earned by foreign entities in external commercial borrowings or in bonds and government securities to 2020 from 2017. This benefit has also been provided to masala bonds, rupee denominated bonds introduced by the Reserve Bank of India in September 2015. Masala bonds are an effective means of raising international capital for renewable energy projects at preferential rates without developers bearing any foreign exchange risk.

On the manufacturing front, the key takeaway from the Budget was the nullification of basic customs duty for tempered glass used in the manufacture of solar cells, panels and modules and the reduction of countervailing duty from 12.5% to 6% for parts used in the manufacture of tempered glass which is used in solar PV cells, modules, among others. This, together with the incentive of reduction of income tax payable by companies with an annual turnover of ₹50 crores to 25%, could provide an impetus to the domestic solar sector. The Central Government has also laid a keen emphasis on skill development by setting up various centres across the country and increasing funds towards skill development programmes.

(Source: Firstpost)

Sectoral growth drivers

Government impetus: The Government of India set itself a target of adding 175 gigawatts of renewable power by 2022. The Union Budget outlined measures to support the development of solar capacity, embarking on the second phase of solar park development for an additional 20,000 megawatts of capacity and the installation of 1,000 megawatts of solar capacity at railway stations.

The Indian Government offers several tax and financial incentives to support the rooftop solar market including a 30% subsidy for residential and institutional consumers, 80% accelerated depreciation, 10-year tax holiday (MAT payable) and \$1.5 billion funding from World Bank, ADB and KFW.

(Source: Solartoday, Economic Times)

Increasing consumption: India's energy consumption is set to grow 4.2% a year by 2035, faster than that of all major economies in the world, according to BP Energy Outlook. India, Asia's second biggest energy consumer since 2008, had in 2015 overtaken Japan as the world's third-largest oil consuming country behind the US and China.

(Source: BP Energy Outlook)

Growing economy: India is a fastest-growing developing economy in the world. Increasing prosperity, growing urbanisation and rising per capita energy consumption has led to an increased energy demand.

FDI reforms: The Central Government allowed 100% FDI in the power sector. Around 293 global and domestic companies committed to generate 266 gigawatts of solar, wind, mini-hydel and biomass-based power in India over the next decade. The initiative would entail an investment of about US\$ 310–350 billion. Between April 2000 and December 2016, the industry attracted US\$ 11.4 billion in FDI.

(Source: IBEF)

Adequate resources: India is home to one of the most abundant solar resources in the world, with 2.97 million square kilometres of tropical and subtropical land and an average of 250–300 clear sunny days a year. Solar power offers a significant potential to meet a large share of the country's energy needs using centralized and decentralized production. The solar energy potential in India is immense due to its convenient location near the Equator. India receives nearly 3,000 hours of sunshine every year and can generate over 1,900 billion units of solar power annually, which is enough to service the entire annual power demand even in 2030 (estimates). Rajasthan and Gujarat enjoy maximum solar energy potential. This, coupled with the availability of barren land, increases the feasibility of solar energy systems in these regions.

(Source: <http://www.worldwatch.org/node/6122>)

Lowered tariffs: The trigger for acceptability of solar power has been its falling tariffs due to the lower cost of raising finances, and declining solar module prices. Solar tariffs declined from Rs10.95–12.76 per kilowatt-hours in 2011 to ₹4.34 per kilowatt-hours last year. Solar tariffs dipped to a new low of ₹2.44 kilowatt-hours at the Solar Corporation's 2017 auction. This attractively lower than the average price of ₹3.20 per unit charged by India's largest generation utility NTPC for electricity generated by its coal-fired plants.

(Source: www.livemint.com)

Growing awareness: India suffers persistent energy shortage with average demand-supply gap revolving around 12% of total power supply. This, coupled with rising energy needs, is a major factor driving the growth of this segment. The Power Ministry forecasts electricity consumption to increase from around [] kilowatt-hours presently to around 1,900 kilowatt-hours by 2032. Increasing public awareness about issues such as energy scarcity and environmental preservation could catalyze the demand for

eco-friendly power. Moreover, the buyer's perception has shifted from conventional sources of power to renewable equivalents. Over the years, solar panels have become increasingly affordable.

(Source: International Journal of Emerging Research in Management & Technology)

Smart Cities: In January 2016, the Indian Government announced a list of 20 cities to be developed into Smart Cities - advanced urban cities with well-connected infrastructure and communications through data centres and automated networks. India is expecting to develop 98 such cities, model townships for a sustainable and ultra-modern lifestyle. It has already been mandated that 10% of the smart cities' energy requirement would come from solar energy and at least 80% buildings to be energy-efficient and 'green'. With a plan to develop approximately 100 such cities, the rate of renewable energy usage will only increase.

(Source: <http://www.greenworldinvestor.com>)

Factors driving a decline in solar power costs

Module price drop: Global PV module price fall has been accelerated by softness in commodity prices and large over-capacity (as China achieved majority of its FY17 solar capacity addition target in the first half of the year itself, leaving PV manufacturers with a large under-utilized production capacity that made it possible to dump in other countries). PV module prices declined ~29% YoY, inverter prices 21% YoY and EPC costs 22% (around 30% of overall cost of a solar project) accelerating the decline.

Financing cost decline: Cost of financing solar power has declined, particularly in India, as the RBI reduced benchmark rates and multilateral lending agencies like the World Bank extended into this sector.

Operational improvements: The installation of sun-trackers, better project design and lower EPC expenses

influenced a decline in solar power costs in India.

Strengthening rupee: The strengthening of the rupee will moderate cost of solar power in India; PV modules and cost of servicing debt will become cheaper.

Key sectoral policies

Deendayal Upadhyay Gram Jyoti Yojana: This programme received a special focus under the reform programme of the government, achieved a new milestone of more than 13,123 villages of 18,441 electrified as on May 12, 2017. As per the rural electrification corporation app GARV, out of the total 90,46,216 households in the state, 21,78,845 are yet to be electrified under the scheme. The process of taking electricity to 69,058 villages is in progress, while 68, 67, 371 households have been electrified.

(Source: Times of India)

UJALA: The energy-efficiency drive saw the distribution of nearly 23 crores LED bulbs by the Central Government along with 33 crores LED bulbs by private companies, a move that could result in savings of over ₹20,000 crores per year in electricity bills.

(Source: Livemint)

Ujwal DISCOM Assurance Yojana: This was launched by the Central Government to develop sustainable power distribution companies. Within three years, the scheme has already yielded savings worth ~₹12,000 crores to state power distribution companies. Almost 85% UDAY bonds have already been issued (₹2.32 lacs cr out of total ₹2.72 lacs cr) leading to a lower rate of interest for DISCOMs.

(Source: Livemint)

New coal linkage policy: Allocation of linkages for power sector shall be based on auction of linkages or through Power Purchase Agreement (PPA) based on competitive bidding of tariffs except for the State and the Central Power Generating companies and the exceptions provided in Tariff

Policy, 2016. Coal drawal will be permitted against valid long-term PPAs and to-be concluded medium-term PPAs. The plan for the coal linkages will be an aid through which projects will get assured supply of the fuel at a discounted price.

(Source: Livemint)

Solar Plan: The Indian Government's National Solar Energy plan has a national target of 200,000 megawatts of solar generation capacity by 2050. This is 1.3 times India's current installed power generation capacity of 150,000 megawatts across all energy sectors. This plan will include measures for rapidly expanding the use of small-scale photovoltaic panels, solar lighting systems and commercial-scale solar plants to drive down costs and encourage domestic solar manufacture.

(Source: <http://www.worldwatch.org/node/6122>)

India's solar capacity is expected to touch the 18.7 gigawatts mark by the end of 2017, about 5% of the global share, growing 89% over the previous year.

Applications of solar energy

Solar thermal electricity technologies produce electric power by converting the sun's energy into high-temperature heat using various mirror configurations, which is then channeled to an on-site power plant and used to make electricity through traditional heat-conversion technologies. The plant essentially consists of two parts; one that collects solar energy and converts it to heat, and another that converts the heat energy to electricity.

Types of heat collectors

Evacuated glass collectors: Evacuated-tube collector consists of parallel rows of glass tubes connected to a header pipe. Each tube has the air removed from it to eliminate heat loss through convection and radiation. Evacuated-tube collectors fall into two main groups.

Direct-flow evacuated-tube collectors: These consist of a group of glass tubes inside each of which is a flat or curved aluminum fin attached to a metal (usually copper) or glass absorber pipe. The heat transfer fluid is water and circulates through the pipes, one for inlet fluid and the other for outlet fluid.

Heat pipe evacuated-tube collectors: These consist of a metal (copper) heat pipe, to which is attached a black copper absorber plate, inside a vacuum-sealed solar tube. Water, or glycol, flows through a manifold and picks up the heat, while the fluid in the heat pipe condenses and flows back down the tube for the process to be repeated.

Flat-plate collectors: Flat-plate collectors are the most common solar collectors for use in solar water-heating systems in homes and in solar space heating. Flat-plate collectors heat the circulating fluid to a temperature considerably less than that of the boiling point of water and are best suited to applications where the demand temperature is 30-70°C (86-158°F) and/or for applications that require heat during the winter months.

Solar cells: A solar cell is a semiconductor device that transforms sunlight into electricity. Semiconductor material is placed between two electrodes. When sunshine reaches the cell, free negatively charged electrons are discharged from the material, enabling conversion to electricity. This is the so-called photovoltaic effect. In theory, a solar cell made from one semiconductor material only can convert ~ 30% of the solar radiation energy it is exposed to into electricity.

Commercial cells, depending on technology, have an efficiency of 5 to 12% for thin films and 13 to 21% for crystalline silicon-based cells. Efficiencies up to 25 % have been reached by the use of laboratory processes. By using multiple solar cells, efficiencies above 35 % have been achieved.

Outlook

India's solar capacity is expected to touch the 18.7 gigawatts mark by the end of 2017, about 5% of the global share, growing 89% over the previous year. Total new solar capacity addition in the next five years is expected at 56 gigawatts.

Power consumption is estimated to increase from 1174.07 terawatt hours in 2015 to 1,894.7 terawatt hours in 2022. The Ministry of Power has set a target of 1,229.4 billion units of electricity to be generated in the financial year 2017-18, which are 50 billion units higher than the target for 2016-17.

The annual growth rate in renewable energy generation has been estimated to be 27% and 18% for conventional energy. The Indian power sector has an investment potential of ₹15 trillion (US\$ 225 billion) in the next 4 to 5 years, thereby providing immense opportunities in power generation, distribution, transmission, and equipment.

The Indian power sector holds an investment potential of ₹15 trillion (US\$ 225 billion) in the next 4 to 5 years, covering opportunities in power generation, distribution, transmission, and equipment. The Indian power sector has an investment potential of ₹15 trillion (US\$ 225 billion) in the next 4 to 5 years, providing immense opportunities in power generation, distribution, transmission, and equipment. Despite concerns about weak power demand growth and growing incidence of grid curtailment, the solar power outlook in India remains strong. India's solar market expected to grow by 90% in 2017.

On the overall, 2017 could prove to be a bumper year for the solar power sector in India. Total installed capacity is expected to reach 18 gigawatts by the end of the year (December 2017). The Government is also working towards the greater use of electric cars, which will sharply reduce India's heavy dependence on petroleum products, a big drain on foreign exchange. (Source: www.ibef.org)

Company overview

Websol Energy System Ltd. (formerly Websol Energy Systems Ltd.) is a leading manufacturer of photovoltaic monocrystalline solar cells and modules in India.

With a state-of-the-art integrated production facility at Falta Special Economic Zone, Sector II, Falta, West Bengal, Websol has delivered advanced products since 1994. Over the years the Company established a reputation for making highly reliable photovoltaic modules for various domestic, commercial and industrial applications.

The Company's multi-crystalline photovoltaic modules are manufactured to the strictest engineering guidelines to meet the most stringent international quality standards.

Websol modules are designed for grid and standalone solar photovoltaic power plants, remote communication and rural electrification for the best performance under diffused sunlight.

The Company possesses the technical capability to handle up to 160 micron-thin wafers and process multiple size wafers.

Financials

The Company's revenues grew by 32.19% to ₹370.77 crores in FY2016-17 following an improvement in terms of sales volume. EBITDA stood at ₹102.88 crores compared to ₹9.17 crores in the previous year. Interest costs increased from ₹1.13 crores in FY2015-16 to ₹1.78 crores in FY2016-17. The Company reported a post-tax profit of ₹79.34

crores in FY2016-17 compared to a post-tax loss of ₹9.87 crores in the previous year.

Human resources

At Websol, employees are not only considered to be the stakeholders in the corporate growth but also are the key drivers of its performance. The Company recognizes the need to have an optimum level of human resource and an orientation towards team efforts for sustained growth and performance. The Company that people constitute the strength of an organisation and it has established systems that reduce hierarchy and foster performance, transparency, fairness and empowerment at all levels. The human resource strategies aim at attracting, developing and retaining talent pool in the Company.

Internal control systems and their adequacy

The Company has laid down policies, guidelines, and procedures, which form part of its internal control system. The Company's internal control system are periodically tested and supplemented by an extensive programme of internal audit by Independent firm of Chartered Accountants. Audits are finalized and conducted based on internal risk assessment. Significant findings are brought to the notice of the Audit Committee of the Board and corrective measures recommended for implementation. The existing Audit Committee ensures proper compliance with provisions of Listing Agreement with the stock exchanges and relevant provisions of the Companies Act.

Risks and concerns

The Company is exposed to normal industry risk factors of competition, economic cycle, and uncertainties in the international and domestic markets and credit risk. The Company manages these risks by maintaining a prudent financial profile and by following healthy business and risk management practices.

Raw material risk

The manufacturing cost of solar PV cells in particular related to solar-grade silicon wafers and other raw materials constitutes about 70-75% of the Company's manufacturing costs. Any increase in raw materials cost could impact demand for solar PVs and affect prospects. The Company has protected itself through contracts where it is remunerated in a fixed manner for the quantum of end products supplied, insulating it from movements in raw material costs.

Customer concentration risk

An excessive concentration of revenues from a particular location could affect margins in the event of a stagger in order flows. Nearly 100 per cent of the Company's revenues were derived from India in 2016-17. At Webelsolar, we believe that the Indian government's growing focus on indigenous procurement could increase revenues of Indian players; besides, the aggressive government focus on increasing the use of solar energy has made India one of the most attractive solar energy markets in the world, a reality that is expected to sustain.

Competition risk

Growing competition could shrink margins and market share. The Company is of the opinion that the unprecedented increase in sectoral opportunity is larger than the aggregate capacities of all Indian players combined. The Company's product and process certifications ensure regular offtake and strong relationships leading to sustainable offtake. The Company's significant increase in installed capacity has made it one of the largest SPV manufacturers in India, a hedge against increasing competition.

Demand risk

The solar power industry is dependent on global economic conditions and government priorities. The announcement of India's stated desire to commission 100 GW in through solar energy represents a virtual protection from any demand slowdown. Besides, India enjoys more than 300 sunny days a year, making it one of the more attractive solar energy markets in the world.

Technology risk

An inability to invest in technology upgradation through Research and Development could threaten the business in the event of technology obsolescence. The Company benchmarks products in line with emerging technologies. Besides, the Company's decision to invest in multi-crystalline technology has brought it at par with the most prevalent global technology. The Company strengthened its research to enhance cell efficiency and yield.

Gearing risk

A major part of the Company's expansion was funded through accruals. The Company has pared debt following a loan waiver with banks.

Director's Report

Dear Members,

Your Directors hereby submits the twenty seventh Annual Report of the business and operations of your company along with the audited financial statements, for the financial year ended March,31 2017.

A. FINANCIAL RESULTS

Particulars	(₹ in Lacs)	
	Year 2016-17	Year 2015-16
Revenue from operations	29608.04	27969.69
Other Income	7469.41	77.35
Total Revenue	37077.45	28047.04
Profit / (Loss) before interest, depreciation, taxes and exceptional items	10288.05	917.27
Less: Interest	178.78	112.55
Less: Depreciation	1514.91	1452.20
Profit / (Loss) before exceptional items	8594.36	(647.48)
Less: Exceptional Items & Income tax & other Provisions	659.79	339.62
Profit / (Loss) after Tax	7934.57	(987.10)

OPERATIONS

During the year under review your company was able to utilize the manufacturing capacity at its optimum. During the year your company has settled all NPA bank accounts through OTS. Your company has also been able to improve the efficiency of the output of its finished goods. Addition to the installed capacity to the production facility during the year has added to the earnings of the Company.

Your company reported total revenue of ₹29608.04 Lacs against ₹27969.69 Lacs during the last financial year. The Company earned a profit of ₹7934.57 Lacs after providing ₹1514.91 Lacs towards depreciation and ₹178.78 Lacs towards interest during the current financial year as compared to a loss of ₹987.10 Lacs in the last financial year.

DIVIDEND

Your Directors have not recommended any dividend for the year ended 31st March, 2017, in view of the restrictions under Section 123 of the Companies Act, 2013 (the Act) as amended by the Companies (Amendment) Act, 2015, becoming effective from 29th May, 2015, by virtue of which no company can declare dividend unless carried over previous losses and depreciation not provided in previous year or years, are set off against profit of the Company for the current year.

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 was transferred to investors education fund on 23rd May 2017 and Unpaid dividend for 2008-09 was transferred on 24th July 2017.

DIRECTORS

A) Changes in Directors and Key Managerial Personnel

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

B) No. Of Meetings of the Board: Please refer to PARA NO.2 of annexure "B" to the Directors Report

C) 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 as per respective regulation of SEBI Listing Regulation(LODR) 2015. The declaration is received in the first meeting of Board of Directors every year.

STATUTORY AUDITORS

As per Section 139 and other applicable provisions of the Companies Act, 2013 the Company had appointed M/s. Agarwal Sangneria & Co., Chartered Accountants (Firm Registration No. 302111E) as the Auditors as per the approval of the shareholders in Annual General Meeting (AGM) held on 30th September, 2014, for a period of three years till the conclusion of 27th Annual General Meeting. Hence their period will be completed on the date of ensuing annual general meeting and they cannot be reappointed because of provisions for rotation of statutory auditor in the Companies Act 2013.

The Board has approached M/s T. More & Co. and they have given their consent to act as statutory auditors of the Company if appointed by the shareholders in the ensuing annual general meeting.

CLARIFICATION/EXPLANATION ON REMARKS IN INDEPENDENT AUDITORS' REPORT

- a. In the comments of auditor under para "EMPHASIS OF MATTER" regarding confirmation of accounts, the directors states that all the balance confirmation latter has been sent to respective vendors and customers, confirmations from all have not been received.
- b. In Annexure B point No. 1(a) of the Auditors' Report regarding updation of fixed asset Register, your Directors have to state that the Company has appointed a firm of professional accountant and the work is almost done by them to update the Asset Registers.
- c. As regards delay in payment of undisputed statutory dues mentioned in annexure B point no. 7(a) to the Auditors' Report, it is submitted that it was due to the continuous adverse financial condition and at present no banking facility is available to the Company. However we hereby submit that all the statutory dues relating to the financial year 2016-17 have since been paid. Since the cash inflows of the Company are becoming better, the Company is endeavoring to deposit all statutory dues within the due dates.
- d. With reference to point no. 1(g)(iii) under the caption 'report on other legal and regulatory requirements' of the Independent Auditors Report it is hereby clarified that company has transferred the amount of unpaid dividend to the account of investor education and Protection fund.

COST AUDIT

Cost audit is not applicable to company.

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

Company had filed its case with BIFR in 2013. Presently, the case is vacated as the total Reserves and Surplus of the Company is positive as on the Balance Sheet date.

DEPOSITS

The Company has neither accepted nor renewed any deposits as envisaged in 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.

FCCBs of the Company are listed on Singapore Stock Exchange.

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.

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 Miss Priti Lakhotia Membership No.A21910 of Messrs AL & Associates, CP No. 12790, Company Secretaries in practice for the financial year 2016-17 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure C**.

ANNUAL CSR REPORT

The Company has earned profits in the current financial year and hence has formed a CSR Committee as required under section 135 of Companies Act 2013. Since average profits of preceding three years was negative, the Company was not required to spend any amount for CSR activities.

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.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any Loan, Guarantee or made any investments in violation of section 186 of Companies Act 2013.

STATE OF AFFAIRS OF THE COMPANY

The Company has made settlement with all the lenders of working capital and term loan. No Due Certificates have been received from the banks. Company has made expansion in the year thereby increasing its production capacity from 100 MW to 200 MW (Cell Line). Your Company is planning to expand its existing capacity further to 280-300 MW (Cell Line) and Module line to 300 MW from 100 MW.

CORPORATE GOVERNANCE REPORT

A report on Corporate Governance along with a certificate from the Auditors of the Company regarding Compliance of Conditions of Corporate Governance, related party disclosure, disclosure of accounting treatment, certification by CEO & CFO and the Management Discussion & Analysis Report are given in the enclosed Annexure - F, which forms part of this Report.

SEXUAL HARASSMENT AT -WORKPLACE

Your Company has in place a formal policy for prevention of sexual harassment of its employees at workplace. During the year under review, there were no cases filed pursuant to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

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, 2017, 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, 2017 and of the profit 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.
- v) That Internal Financial Controls have been laid down in the Company and that such controls are adequate and operating effectively.
- vi) That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively; and

ACKNOWLEDGMENTS

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**

Sd/-

S. L. Agarwal
(Managing Director)
DIN No.: 00189898

D. Sethia
(Independent Director)
DIN No.: 06775533

Date: 25th July, 2017
Place: Kolkata

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 2017.

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 Photo-voltaic Cells and Modules.

Information regarding Imported Technology

(a) Technology Imported	The technology to manufacture Solar Photo-voltaic 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.

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In Lacs)

Particulars	For the year 2016-17	For the year 2015-16
(a) Foreign Exchange earnings of the Company	146.83	3579.60
(b) Foreign Exchange Outgo		
C. I. F. value of import of Raw Materials, Components, Spare parts and Capital Goods	19069.39	19576.50
Others	55.49	17.77

FORM NO. MGT-9

EXTRACT OF ANNUAL RETURN FOR THE YEAR ENDED 31.03.2017

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

I REGISTRATION AND OTHER DETAILS

i	CIN	L29307WB1990PLC048350
ii	Registration Date	08/02/90
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 & Description of main products/ services	NIC Code of the Product /service	% to total turnover of the Company
1	Solar Photo-voltaic & Cells and Modules	85414011	100

III PARTICULARS OF HOLDING, SUBSIDIARY & ASSOCIATE COMPANIES

There is no Holding, Subsidiary and Associate Companies

VI 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 31-March-2016]				No. of Shares held at the end of the year [As on 31-March-2017]				"% Change during the year"
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	549748		549748	2.50%	1329748		1329748	6.05%	3.55%
b) Central Govt			0	0.00%			0	0.00%	0.00%
c) State Govt(s)	0	0	0	0.00%	0	0	0	0.00%	0.00%
d) Bodies Corp.	5519674	0	5519674	25.12%	5519674		5519674	25.12%	0.00%
e) Banks / FI			0	0.00%			0	0.00%	0.00%
f) Any other			0	0.00%			0	0.00%	0.00%
Total shareholding of	6069422	0	6069422	27.62%	6849422	0	6849422	31.17%	3.55%
B. Public Shareholding									
1. Institutions									
a) Mutual Funds		7600	7600	0.03%	0	7600	7600	0.03%	0.00%
b) Banks / FI	40	0	40	0.00%	1055590		1055590	4.80%	4.80%
c) Central Govt				0.00%				0.00%	0.00%
d) State Govt(s)				0.00%				0.00%	0.00%
e) Venture Capital Funds				0.00%				0.00%	0.00%
f) Insurance Companies				0.00%				0.00%	0.00%
g) FIs	3010933		3010933	13.70%	1286420		1286420	5.85%	-7.85%
h) Foreign Venture Capital Funds				0.00%				0.00%	0.00%
i) Others (specify)			0	0.00%			0	0.00%	0.00%
Sub-total (B)(1):-	3010973	7600	3018573	13.74%	2342010	7600	2349610	10.69%	-3.04%
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	6262011	8600	6270611	28.54%	5734242	8500	5742742	26.14%	-2.40%
ii) Overseas		600000	600000	2.73%		600000	600000	2.73%	0.00%
b) Individuals									
i) Individual shareholders holding nominal share capital up to ₹1 lac	2933199	377312	3310511	15.07%	2861897	366812	3228709	14.69%	-0.37%
ii) Individual shareholders holding nominal share capital in excess of ₹1 lac	1961448		1961448	8.93%	1756645	0	1756645	7.99%	-0.93%
c) Director Relation	532148		532148	2.42%	1329748	0	1329748	6.05%	3.63%
d) Others (specify)									
Non Resident Indians	210353	0	210353	0.96%	116190	0	116190	0.53%	-0.43%
Overseas Corporate Bodies			0	0.00%			0	0.00%	0.00%
Foreign Nationals			0	0.00%			0	0.00%	0.00%
Clearing Members	0		0	0.00%				0.00%	0.00%
Trusts	0		0	0.00%				0.00%	0.00%
Foreign Bodies - D R			0	0.00%			0	0.00%	0.00%
Sub-total (B)(2):-	11899159	985912	12885071	58.64%	11798722	975312	12774034	58.13%	-0.51%
Total Public Shareholding (B)=(B)(1)+ (B)(2)	14910132	993512	15903644	72.38%	14140732	982912	15123644	68.83%	-3.55%
C. Shares held by Custodian for GDRs & ADRs									
				0.00%			0	0.00%	0.00%
Grand Total (A+B+C)	20979554	993512	21973066	100.00%	20990154	982912	21973066	100.00%	-0.00%

(ii) Share Holding of Promoters

Sl No	Shareholders Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding 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%	-	-
2	RAJ KUMARI AGARWAL	20	0.000%	-	20	0.000%	-	-
3	S L INDUSTRIES PVT LTD	5519674	25.120%	25.03	5519674	25.120%	22.76	-
4	SAMEER AGARWAL	17600	0.080%	-	0	0.000%	-	-
5	SOHAN LAL AGARWAL	493108	2.244%	-	1273108	5.794%	-	3.55
6	INDERMANI DEVI AGARWAL	42600	0.194%	-	42600	0.194%	-	-
	Total	6087022	27.702%	25.03	6849422	31.172%	22.76	3.55

(iii) CHANGE IN PROMOTERS' SHAREHOLDING (SPECIFY IF THERE IS NO CHANGE)

During the Year, Promoter Shri Sohan Lal Agarwal has acquired 780000 Equity Shares of the Company on 29.03.2017.

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

For Each of the Top 10 Shareholders		Shareholding at the beginning of the year, i.e. 01.04.2016		Shareholding at the end of the year, i.e. 31.03.2017	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
BMA WEALTH CREATORS LTD		189377	0.86	1438446	6.55
Date	Reason				
30/Jun/16	BUY	324288	1.48	513665	2.34
30/Sep/16	BUY	48167	0.22	561832	2.56
31/Dec/16	BUY	158948	0.72	720780	3.28
31/Mar/17	BUY	717666	3.27	1438446	6.55
Closing Balance:		1249069		1438446	6.55
TYSOM AGENCIES PVT LTD		1219725	5.55	1219725	5.55
Date	Reason				
42551	BUY	-	-	1219725	5.55
Closing Balance:		-		1219725	5.55
NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER		1846162	8.40	966572	4.40
Date	Reason				
42825	Sell	-879590	-4.00	966572	4.40
Closing Balance:				966572	4.40
NO CHANGE DURING THE PERIOD					
AJAY KUMAR KAYN		1060000	4.824087817	885690	4.03
Date	Reason				
42735	Sell	-21608	-0.10	1038392	4.73

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year, i.e. 01.04.2016		Shareholding at the end of the year, i.e. 31.03.2017	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
42825 Sell	-152702	-0.69	885690	4.03
Closing Balance:	-174310		885690	4.03
RADISON TIE-UP PVT LTD	630865	2.87	630865	2.87
Date	Reason			
Closing Balance:	0		630865	2.87
	NO CHANGE DURING THE PERIOD			
MICRO POWER TRADING CO PTE LTD	600000	2.73	600000	2.73
Date	Reason			
Closing Balance:	0		600000	2.73
	NO CHANGE DURING THE PERIOD			
THE INDIAMAN FUND (MAURITIUS) LTD	689776	3.14	542361	2.47
Date	Reason			
42551	-147415	-0.67	542361	2.47
Closing Balance:			542361	2.47
GRD SECURITIES LTD	53062	0.24	395233	1.80
Date	Reason			
42551	135892	0.62	188954	0.86
42643	61052	0.28	250006	1.14
42735	27862	0.13	277868	1.26
42825	117365	0.53	395233	1.80
Closing Balance:	342171		395233	1.80
JUPITER SOUTH ASIA INVESTMENT COMPANY LTD	838774	3.82	326451	1.49
Date	Reason			
42825	-512323	-2.33	326451	1.49
Closing Balance:	-512323		326451	1.49
	NO CHANGE DURING THE PERIOD			
GOLDMAN SACHS INVESTMENTS (MAURITIUS) I LTD	384771	1.75	319848	1.46
Date	Reason			
42551	-64923	-0.30	319848	1.46
Closing Balance:			319848	1.46
	NO CHANGE DURING THE PERIOD			

(V) Shareholding of directors and KMPs

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year, i.e. 01.04.2016		Shareholding at the end of the year, i.e. 31.03.2017	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
SOHAN LAL AGARWAL - Managing Director				
At The Beginning Of The Year	493108	2.24	493108	2.24
Bought During The Year*	7,80,000.00	3.55	1273108	5.79
Sold During The Year	-	-	1273108	5.79
At the End of The Year	1273108	5.79	1273108	5.79
780000 equity shares were purchased on 29.03.2017				

V INDEBTEDNESS**Indebtedness of the Company including interest outstanding/accrued but not due for payment***(₹ in Lacs)*

	"Secured Loans excluding deposits"	"Unsecured Loans"	Deposits	"Total Indebtedness"
Indebtedness at the beginning of the financial year				-
i) Principal Amount	32,341.83	2,192.54	-	34,534.37
ii) Interest due but not paid	749.79	-	-	749.79
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	33,091.62	2,192.54	-	35,284.16
Change in Indebtedness during the financial year				-
Additions		1,115.53	-	1,115.53
Reduction	27,043.13	1,507.51	-	28,550.64
Net Change	(27,043.13)	(391.98)	-	(27,435.11)
Indebtedness at the end of the financial year				-
i) Principal Amount	60,134.75	1,657.12	-	61,791.87
ii) Interest due but not paid	-	143.44	-	143.44
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	60,134.75	1,800.56		61,935.31

VI REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL**A. Remuneration to Managing Director, Whole time director and/or Manager:***(₹ in Lacs)*

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/ Manager		Total Amount
1	Gross salary	Mr. S.L. Agarwal	Mrs Sima Jhunjhunwala	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax. 1961.	34.03	14.67	48.70
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0.91	0.25	1.16
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			-
2	Stock option			-
3	Sweat Equity			-
4	Commission			-
	as % of profit			-
	others (specify)	1.99	1.22	3.21
5	Bonous, LTA, Medical	0.99	0.98	1.97
	Total (A)	37.92	17.12	55.04

B. Remuneration to other directors:
(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Name of the Directors	
1	Independent Directors	MR. D. SETHIA	Mr P.Kaushik
	(a) Fee for attending board committee meetings	20,000.00	20,000.00
	(b) Commission	-	-
	(c) Others, please specify	-	-
	Total (1)	20,000.00	20,000.00
2	Other Non Executive Directors	NIL	NIL
	"(a) Fee for attending board committee meetings"	-	-
	(b) Commission	-	-
	(c) Others, please specify.	-	-
	Total (2)	-	-
	Total (B)=(1+2)	20,000.00	20,000.00
	Total Managerial Remuneration		
	Overall Ceiling as per the Act.		

C. Remuneration to Key Managerial Personnel other than MD/Manager/WTD
(₹ in Lacs)

Sl. No.	Particulars of Remuneration		Key Managerial Personnel	Total
1	Gross Salary	CFO*	"Company Secretary"	
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.		1.26	1.26
	(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			-
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	as % of profit			-
	others, specify		0.08	0.08
5	Others, please specify			-
	Bonnous, LTA, Medical, etc		0.02	0.02
	Total *		1.36	1.36

*Miss Sima Jhunjhunwala who is whole time director of the Company is also given additional responsibility of CFO of the Company During the year company secretary-Ms Swati Agarwal resigned from her post on 06.07.2016 and Ms Sweta Biyani was appointed as the Company secretary and complinace officer from 14.02.2017

VII PENALTIES/PUNISHMENT/COMPPOUNDING OF OFFENCES

There were no penalties/punishment/compounding of offences for the breach of any sections of Companies Act against the Company or its Directors or other officers in default, if any, during the year.

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2017

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

The Members,

WEBSOL ENERGY SYSTEM LIMITED

Plot No. 849, Block P 48 Pramatha Choudhary Sarani
2nd Floor New Alipore, Kolkata

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the Company has, during the audit period covering the financial year ended on 31st March, 2017 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Websol Energy System Limited for the financial year ended on 31st March, 2017 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-

- (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
- (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- (c) The Securities and Exchange Board of India (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 (Issue and Listing of Debt Securities) Regulations, 2008;
- (f) 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;
- (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
- (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
- (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

(vi) We further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company:

- (a) Information Technology Act, 2000 and the rules made there under,

- (b) Special Economic Zone Act, 2005 and rules made there under
- (c) Pollution Prevention Act
- (d) Clean Water Act
- (e) Clean Air Act
- (f) Noise Control Act
- (g) National Renewable Energy Act, 2015 etc

We have also examined compliance with the applicable clauses of the following:

- (i) Secretarial Standards issued by The Institute of Company Secretaries of India, in respect to Board Meetings & General Meetings.
- (ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited as well as with BSE Ltd.

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

During the period under review the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines, Standards, etc. mentioned above except to the extent as mentioned below:-

The Company has not transferred to the Investor Education and Protection Fund (IEPF), the following amounts, which was required to be transferred:

Description	₹ In lacs	Payable by
Unclaimed Dividend for F.Y 2007-08	2.67	27 – 09 – 2015
Unclaimed Dividend for F.Y 2008-009	2.93	30 – 09 – 2016

The Company is in the process of transferring the same.

WE FURTHER REPORT THAT:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors

and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice is given to all directors to schedule the Board Meetings which were sent at least seven days in advance, agenda and detailed notes on agenda were sent in advance, and a system exists for seeking and obtaining further information and clarifications on the agenda items before the meeting and for meaningful participation at the meeting.

Majority decisions is carried through at the Meetings of the Board and Committees and the dissenting members' views, if any, are captured and recorded as part of the minutes of respective meetings.

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

We further report that during the audit period no specific event has happened and / or no action has been taken by the Company having a major bearing on the Company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above..

This report is to be read with our letter of even date which is annexed as Annexure A and forms an integral part of this report.

For **AL & Associates**
(Practicing Company Secretaries)

Sd/-

Priti Lakhotia

ACS No.21970

CP No. 12790

Place: Kolkata

Date: 09th May, 2017

Annexure – A

(to the Secretarial Audit Report of Websol Energy System Limited for the FY ended March 31,2017)

To,
The Members
M/s Websol Energy System Limited
Plot No. 849, Block P 48 Pramatha Choudhary Sarani
2nd Floor New Alipore, Kolkata

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

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

Place: Kolkata
Date: 09th May, 2017

For **AL & Associates**
(Practicing Company Secretaries)

Sd/-

Priti Lakhotia
ACS No.21970
CP No. 12790

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	25.69
Miss Sima Jhunjhunwala	11.60
INDEPENDENT DIRECTOR	
Dharmendra Sethia	.24
Prateek kaushik	.24

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	82%
Mrs Sima Jhunjhunwala	38.46%
Mrs Swati Agarwal (Resigned with effect from 06.07.2016) and Mrs Sweta Biyani joined from 14th February 2017	NIL

c. The percentage increase in the median remuneration of employees in the Financial year: 8%

d. The number of permanent employees on the rolls of Company: 313

e. The explanation on the relationship between average increase in remuneration and Company performance:

On an average employees received an annual increase of 15.0%. Individual increase varied from 5 to 30%. Increase was in trend with industry norms and individual employee's 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 Financial Year 2016-17 (₹ in lacs)	18.48
Revenue (₹ in lacs)	29608.04
Remuneration of KMPs (as % of revenue)	.06%
Profit before Tax (PBT) (₹ lacs)	7946.62
Remuneration of KMP (as % of PBT)	.23%

- 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 2017	March 31 2016	% change
Market Capitalisation (₹ Crores)	118.65	125.24	-5.26%
Price Earnings Ratio	1.50	-4.49	81.16%

- h. public offer:

No Public offer during the Financial Year 2016-17

- i. 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 12.5 % of salaries in the last financial year. There was same percentage of increase of managerial remuneration.

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

Particulars	Mrs.Sima Jhunjhunwala	Mrs. Sweta Biyani
Remuneration in Financial Year 2016-17 (₹ lacs)	17.12	1.36
Revenue (₹ Crores)	29608.04	29608.04
Remuneration as % of revenue	.06%	.004%
Profit before Tax (PBT) (₹ lacs)	7946.62	7946.62
Remuneration (as % of PBT)	.23%	.017%

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

- l. 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

- m. 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.

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 arm's length transactions under third proviso thereto.

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

The Company has not entered into any contract or arrangement or transaction with related parties which is not at arm's length price during financial year 2016-17.

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

1	2	3
a)	Name of the Related party & Nature of Relationship	SANGRIMA ENTERPRISE (Firm owned by relatives of Managing Director)
b)	Nature of Contracts/ arrangements/ transactions	Purchase of Raw Materials
c)	Duration of Contracts/ arrangements/ transactions	Ongoing
d)	Salient terms of the contract or arrangements or transaction	The Company purchases Silicon Wafers at prevailing market price.
e)	Value of the contract or arrangements or transactions	Rs. 524.85 lacs
f)	Date of Approval by the Board, if any	Not Applicable, Since the contract entered into in ordinary course of business & on arms length basis.
g)	Amount paid as Advances	NIL

For and on behalf of the Board of Directors

For **Websol Energy System Limited**

Date: 25th July, 2017

Place: Kolkata

Sd/-
D. Sethia
Independent Director
DIN No.: 06775533

Sd/-
S. L. Agarwal
Managing Director
DIN No.: 00189898

TO THE DIRECTORS' REPORT CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

Websol's principles of Corporate Governance are based timely, adequate and accurate information regarding its financial performance as well as leadership and governance of the Company. At our company it is imperative that our company's affairs are managed in a fair and transparent manner. To ensure this the Company has framed guidelines which ensures that the board will have the necessary authority and processes to review and evaluate the Company's operations. Further these guidelines allow the board to make decisions that are independent of the management.

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 four Directors. During the year ended 31st March 2017, 05 (Five) Board meetings were held on 27.04.2016, 30.05.2016, 11.08.2016, 14.11.2016, and 14.02.2017. 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 Board Committee Membership / Chairmanship ²		Shareholding in the Company
			Board	Last AGM		Committee Membership	Committee Chairmanship	
1.	Mr. S. L. Agarwal	Executive – Managing Director-Promoter	5	Yes	-	1	-	1273108
2.	Mr. D.Sethia	Non-Executive Director – Independent	5	Yes	-	2	3	Nil
3.	Mr. Kaushik	Non-Executive Director – Independent	5	No	-	2	-	Nil
4.	Sima Jhunjhunwala	Whole Time Director & CFO	5	Yes	-	2	1	Nil

¹The 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.

²Memberships / Chairmanships of only the Audit Committees and Shareholders' / Investors' Grievance Committees in all Public Limited Companies have been considered.

None of the directors are related to each other as per the provisions of the Act.

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 the companies act and LODR Regulation 2015.

Code of Conduct: The Company has framed Code of Conduct for the Directors and Senior Management of the Company as

per the provisions of LODR Regulations. 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, 2017. A declaration signed by the CFO in this regard is annexed at the end of this report.

Independent Directors Meeting

The Independent Director met on 14th February, 2017 without the presence of Non Independent Directors and members of the Management. At this meeting, the IDs inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairman of the Board and discussed aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Board Independence

The Non-Executive Independent Directors fulfill the conditions of independence as laid down under Section 149 of the Companies Act, 2013 and Rules made hereunder and meet the criteria laid down by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The appointment of the Independent Director is considered by the Remuneration Committee after taking into account skill, experience and standing in their respective field or profession. The Board thereafter considers the Committee's decision and takes suitable action.

Every Independent director at the first meeting of the Board held every year provides a declaration regarding his independence which is then taken into record by the Company.

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.

Presently, the Committee Comprises of three members - one Executive Director i.e. MS. Sima Jhunjunwala 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 acted 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:

- (a) Review of the Company's financial reporting process, the financial statements and financial/risk management policies;
- (b) Reviewing changes if any in accounting policies and practices and reasons for the same;
- (c) Review of observations of auditors;
- (d) Review of the adequacy of the internal control systems;
- (e) 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 05 (five) Audit Committee meetings were held on 27.04.2016, 30.05.2016, 11.08.2016, 14.11.2016, and 14.02.2017.

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	Chairman and Independent Director	5
2	Ms. Sima Jhunjunwala	Whole Time Director and CFO	5
3	Mr. P. Kaushik	Independent Director	5

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 two members - Non-Executive Directors viz. Mr. D. Sethia and Mr. P. Kaushik. The Company Secretary of the Company acts as the Secretary to the Committee.

Following are the terms of reference of such Committee:

- a) To identify persons, who are qualified to become Directors and who may be appointed in senior management in accordance with the criteria laid down and to recommend to the Board their appointment and/ or removal.
- b) To carry out evaluation of every Director's performance
- c) To formulate the criteria for determining qualifications, positive attributes and independence of a Director, and recommend to the Board a policy, relating to the remuneration for the Directors, key managerial personnel and other employees.
- d) To formulate the criteria for evaluation of Independent Directors and the Board.
- e) To devise a policy on Board diversity.
- f) To review and approve/recommend remuneration for the

Whole-Time Director designated as Chairman & Managing Director of the Company.

- g) To perform such functions as detailed in the Nomination and Remuneration Committee in accordance with Schedule IV relating to Code for Independent Directors under the Companies Act, 2013.
- h) To discharge such other functions as may be delegated to the Committee by the Board from time to time.

The remuneration to the Managing Director and Whole-Time Director(s) are decided on the basis of following criteria:

- (a) Industry trend;
- (b) Remuneration package in other comparable corporates;

- (c) Job responsibilities; and
- (d) Company's performance and individual's key performance areas.

Remuneration Policy and Remuneration to Directors:

- a) 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 2016 - 17 are given below:

(₹ in Lacs)						
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	34.12	0.91	2.89	37.92
2	Mrs Sima Jhunjhunwala	Whole time director	14.75	1.15	1.22	17.12

- 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 2016 - 17 are given below:

(₹ in Lacs)			
Sl. No.	Name of the Non-Executive Director	Sitting Fees (₹)	Shareholding in the Company
1	Mr. P. Kaushik	.24	Nil
2	Mr. D. Sethia	.24	Nil

During the year under review 05 (Five) Nomination and Remuneration Committee meetings were held on 27.04.2016, 30.05.2016, 11.08.2016, 14.11.2016, and 14.02.2017.

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 two members - Non-Executive Director 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

During the year under review 05 (five) Stakeholders Relationship Committee meetings were held on 27.04.2016, 30.05.2016, 11.08.2016, 14.11.2016, and 14.02.2017.

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE

Presently the committee comprises of three directors viz; Dharmendra Sethia, Sima Jhunjunwala and Prateek Kaushik. Dharmendra

8. INVESTOR GRIEVANCE REDRESSAL:

During the year under review 01 nos. of Investors complaints / queries were received and no complaints / queries were pending

as on 31.03.2017. No request for transfer was pending for more than 15 days as on 31.03.2017.

Officer: Ms. Sweta Biyani 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.

9. 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 Prateek Kaushik. The Company Secretary of the Company acts as the Secretary to the Committee. The function of the Committee includes- borrow money upto ₹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.

10. 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
2013-14	25.09.2014	10:00 AM	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	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." 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 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 ₹500 crores (Rupees Five Hundred crores only)."

Financial Year / Period Ended	Date	Time	Venue	Whether any Special Resolution Passed
2014-15	30.09.2015	10.00 A.M	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	NO
2015-16	30.09.2016	10.00 A.M	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	NO

One 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 2016-17 through Postal Ballot under Section 192A of the Companies Act, 1956.

c) Company has passed four special resolution in last EGM held on Thursday 26th May, 2016 through E-Voting.

11. 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.38, 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 relevant Accounting Standards in preparation of financial statement. Ind AS is applicable on the Company from the financial year beginning from 01.04.2017.

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 Regulation 17(8) 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 Practicing Secretary Messers AL & Associates, partner Miss Priti Lakhota, ACS No. 21970, CP No. 12790, Company Secretaries for the financial year ended 31st March, 2017.

www.webelsolar.com. The Annual Report is circulated to members and is displayed on the Company's website.

12. MEANS OF COMMUNICATION

(a) In compliance with the Regulation 33 of the Listing Regulations 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

(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

13. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Day, date and time	Saturday, September 23, 2017 at 10.00 AM
Venue	Rabindra Tirth, DG-17, Major Arterial Road (East-West), Action Area 1D, Newtown, Kolkata, West Bengal, Kolkata-700156
Book closure dates	Thursday September 14, 2017 to Saturday September 23, 2017

b) Financial calendar

Financial year: April 01, 2016 to March 31, 2017

The tentative dates of the Board meetings for consideration of Quarterly and Annual financial results for the financial year 2017-18 are as follows:

First quarter results	On or before August 30, 2017
Second quarter results	On or before November 30, 2017
Third quarter results	On or before February 30, 2018
Fourth quarter and annual results	On or before May 30, 2018
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) stock code : 517498 and National Stock Exchange of India Limited (NSE) stock code : WEBELSOLAR. The listing fees for the year 2017-18 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	BSE		NSE	
	517498		WEBELSOLAR	
	High	Low	High	Low
Apr-16	59.75	46.50	59.80	46.50
May-16	57.00	43.00	57.30	42.45
June-16	49.60	30.55	52.00	27.00
July-16	51.00	42.50	49.95	41.30
Aug-16	45.80	37.00	45.00	35.30
Sept-16	45.50	34.25	45.45	34.50

Month	BSE		NSE	
	517498		WEBELSOLAR	
	High	Low	High	Low
Oct-16	49.30	39.00	49.70	38.75
Nov-16	46.90	35.10	46.75	35.25
Dec-16	44.00	36.55	43.75	36.00
Jan-17	59.00	41.75	59.00	41.50
Feb-17	66.80	50.65	66.90	50.30
Mar-17	59.40	48.50	59.30	47.95

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'2016 : ₹55.35 per share

On March'2017 : ₹54.00 per share

Change : -2.44%

Indices (S&P BSE Sensex) on Closing Basis:

On 01st April'2016 : 25,269.64

On 31st March'2017 : 29,620.50

Change : 17.22%

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.

g) **Shares Transfer System**

The Company's Shares are traded in the Stock Exchange in dematerialized 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 31.03.2017**

No. of Shares Held		Shareholders		Shares	
From	To	Number	% to Total Holders	Number	% to Total Capital
1	500	8785	83.405%	1335633	6.08%
501	1,000	800	7.595%	657265	2.99%
1,001	2,000	424	4.025%	663557	3.02%
2,001	3,000	157	1.491%	404497	1.84%
3,001	4,000	76	0.722%	277116	1.26%
4,001	5,000	63	0.598%	300145	1.37%
5,001	10,000	90	0.854%	626260	2.85%
10,001	50,000	109	1.035%	2222097	10.11%
50,001	1,00,000	10	0.095%	634877	2.89%
1,00,001	And above	19	0.180%	14851619	67.59%
Total		10533	100%	21973066	100.00%

i) **Share Holding Pattern as on 31.03.2017:**

Sl. No.	Category	No. of Shares Held	% of Holding
1	Promoters & Associates	6849422	31.17%
2	Mutual Funds & Uti	7600	0.03%
3	Bank, Financial Institutions, Insurance Companies (Central/State Govt, Institution, Govt Institution)	1055590	4.80%
4	Fis	1286420	5.85%
5	Bodies Corporate	5742742	26.14%
6	India Public	6315102	28.74%
7	Nris/Ocbs	716190	3.26%
	Total	2,19,73,066	100.00%

j) Dematerialisation of Shares and Liquidity

Trading in the Company's shares is permitted only in dematerialized form for all investors. The Company has established connectivity with National Securities Depository Limited and Central Depository Services (India) Limited through the Registrars, R & D Infotech Pvt. Limited, whereby the investors have the option to dematerialize their shareholdings in the Company.

Status of Dematerialization as on 31st March 2017:

Particulars	No. of Shares	Percentage of total Capital	Number of Accounts
National Securities Depository Limited	13845118	63.01	5487
Central Depository Services (India) Limited	7145036	32.52	3423
Total Dematerialized	20990154	95.53	8910
Physical	982912	4.47	1623
Grand Total	21973066	100	10533

k)	<p>Plant Location</p> <p>Falta SEZ Unit</p> <p>Sector – II, Falta Special Economic Zone, Falta, District: South 24 Parganas, PIN – 743 504, West Bengal</p>	<p>Address for Correspondence</p> <p>Websol Energy System Limited</p> <p>48, Pramatha Choudhry Sarani Plot No.849, Block- P,2nd Floor, New Alipore, Kolkata – 700 053</p> <p>Phone: +91-33-2400 0419 Fax.: +91-33-2400 0375</p> <p>Email: investors@webelsolar.com Website: www.webelsolar.com</p>
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By order of the Board

For **Websol Energy System Limited**

Sd/-

S. L. Agarwal

Managing Director

DIN No.: 00189898

Date: 25th July, 2017

Place: Kolkata

CHIEF EXECUTIVE OFFICER (CEO) AND CHIEF FINANCIAL OFFICER (CFO) CERTIFICATE

We, Sohan Lal Agarwal, Managing Director and Mrs Sima Jhunjhunwala- 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 2017 and to the best of our knowledge:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements 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 2017 which are fraudulent, illegal or violate 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: 09th May, 2017

S L Agarwal
Managing Director & CEO
DIN No.: 00189898

Sima Jhunjhunwala
WTD & Chief Financial Officer
DIN No.: 07264006

DECLARATION FOR COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY

I, Sohan Lal Agarwal, Managing Director of Websol Energy System Limited declare that as of 31st March 2017, all board members and senior management personnel have affirmed compliance with Code of Conduct of the Company..

Place: Kolkata
Date: 09th May, 2017

S L Agarwal
Managing Director & CEO
DIN No.: 00189898

CORPORATE GOVERNANCE COMPLIANCE CERTIFICATE

To the Members of
Websol Energy System Limited

We have examined all relevant records of Websol Energy System Limited Limited for the purpose of certifying compliance of the conditions of Corporate Governance as stipulated in Regulations 17-27, clause (b) to (i) of Regulation 46 (2) and paragraphs C, D and E of Schedule V of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations') pursuant to the Listing Agreement of the Company with Stock exchanges for the Financial Year ended on 31st March, 2017.

The compliance of conditions of Corporate Governance is the responsibility of the Company's management including the preparation and maintenance of all relevant supporting records and documents.

Our examination was limited to the procedure and implementation thereof by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant and as per the Guidance Note on Reports or Certificates for Special Purposes issued by the Institute of the Chartered Accountants of India.

In our opinion, and to the best of our information and according to explanations given to us, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above-mentioned Listing Regulations.

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

The certificate is addressed and provided to the members of the Company solely for the purpose to enable the Company to comply with the requirement of the Listing Regulations, and it should not be used by any other person or for any other purpose. Accordingly, we do not accept or assume any liability or any duty of care for any other purpose or to any other person to whom this certificate is shown or into whose hands it may come without our prior consent in writing.

For **AGARWAL SANGANERIA & CO.**
Chartered Accountants
Firm Regn. No.317224E

P. K. AGARWAL
Partner

C.A. Membership No. 053796

Place: Kolkata
Date: the 9th May, 2017

Financial Statements

INDEPENDENT AUDITORS' REPORT

TO THE MEMBERS OF
WEBSOL ENERGY SYSTEM LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of Websol Energy System Limited ('the Company'), which comprise the Balance Sheet as at March 31, 2017, the Statement of Profit and Loss and 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

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

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on these financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder and the Order under Section 143(11) of the Act.

We conducted our audit in accordance with the Standards on auditing specified under Section 143(10) of the Act. Those Standards 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.

An audit involves performing procedures to obtain audit

evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, 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. 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.

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.

EMPHASIS OF MATTERS

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

OPINION

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, 2017, and its profit and its cash flows for the year ended on that date.

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. 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 relating to preparation of the financial statements 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 maintained for the purpose of preparation of these financial statements.

- (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
- (e) On the basis of the written representations received from the Directors as on March 31, 2017, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2017 from being appointed as a Director in terms of Section 164 (2) of the Act.
- (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
- (g) With respect to the other matters to be included in the Independent Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
- The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note 39)
 - The Company has made provision in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;

- iii) The Company has not transferred to the Investor Education and Protection Fund (IEPF), the following amounts, which was required to be transferred :

Description	₹ In Lacs	Payable by
Unclaimed Dividend	2.67	27-09 -2015
Unclaimed Dividend	2.93	30-09-2016

- iv) The Company has provided requisite disclosures in the financial statements as to holdings as well as dealings in Specified Bank Notes during the period from 8th November, 2016 to 30th December, 2016. Based on audit procedures and relying on the management representation we report that the disclosures are in accordance with books of account maintained by the Company and as produced to us by the Management. (Refer Note 40)
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

For **AGARWAL SANGANERIA & CO.**
Chartered Accountants
Firm Regn. No.317224E

P. K. AGARWAL
Partner

Place : Kolkata
Date : 9th May, 2017

C.A. Membership No. 053796

ANNEXURE 'A' TO THE INDEPENDENT AUDITORS' REPORT

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

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

We have audited the internal financial controls over financial reporting of Websol Energy System Limited ('the Company') as of March 31, 2017 in conjunction with our audit of the financial statements of the Company for the year ended and as on that date.

MANAGEMENT'S RESPONSIBILITY FOR INTERNAL FINANCIAL CONTROLS

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India (the 'Guidance Note'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

AUDITORS' RESPONSIBILITY

Our responsibility is to express an opinion on the Company's internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Standards on Auditing prescribed under Section 143(10) of the Act and the Guidance Note, to the extent applicable to an audit of internal financial controls. Those Standards and the Guidance Note require that we comply with the ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that may cause material weakness and testing and evaluating the design

and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

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

MEANING OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

A Company's internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A Company's internal financial control over financial reporting includes those policies and procedures that :

- (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company;
- (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and
- (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use or disposition of the Company's assets that could have a material effect on the financial statements.

INHERENT LIMITATIONS OF INTERNAL FINANCIAL CONTROLS OVER FINANCIAL REPORTING

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal

financial controls over financial reporting to future periods are subject to the risk that the internal financial controls over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

OPINION

In our opinion, to the best of our information and according to the explanations given to us, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at March 31, 2017, based on the internal control over financial reporting

criteria established by the Company considering the essential components of internal control stated in the Guidance Note.

For **AGARWAL SANGANERIA & CO.**

Chartered Accountants
Firm Regn. No.317224E

P. K. AGARWAL

Place : Kolkata

Partner

Date : 9th May, 2017

C.A. Membership No. 053796

ANNEXURE 'B' TO THE INDEPENDENT AUDITORS' REPORT

(Referred to in paragraph 2 under 'Report on Other Legal and Regulatory Requirements' section of our report of even date)

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

1. In respect of the Company's fixed assets:
 - (a) The records maintained by the Company are incomplete and currently being updated to show full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, the discrepancies, if any, between the book records and physical verification can be determined on updation of the book records.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the relevant records provided to us, we report that, the Land as mentioned in the Financial Statements is leasehold Land and the Lease agreement is in the name of the Company.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and discrepancies noticed on such physical verification were not material and those immaterial discrepancies have been properly dealt with in the books of account.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted deposits during the year under report and does not have any unclaimed deposits as at March 31, 2017 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014 as amended by the Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) 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.
 - (b) As per the information and explanations given to us the following undisputed amounts in respect of the abovementioned statutory dues were outstanding as at March 31, 2017 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 Act, 2004	Delhi Value Added Tax	51.76
W. B. VAT Act, 2003	Works Contract Tax / VAT	00.17
Finance Act, 1994	Service Tax and Works Contract Service Tax at Delhi	00.18

(c) Details of statutory dues which have not been deposited as at March 31, 2017 on account of dispute are given below:

Nature of dues	Forum where dispute is pending	Amount (₹ In Lacs)	Remarks
Excise Duty and Penalty	Settlement Commission	216.55	The Company had paid ₹100.00 Lacs against this demand in the year 2004-05.
Excise Duty and Penalty	High Court at Kolkata	57.12	
Excise Duty and Penalty	High Court at Kolkata	13.87	
Excise Duty and Penalty	Custom, Excise and Service Tax Appellate Tribunal	178.77	
Income Tax Act Penalty	Commissioner of Income Tax (Appeals)	628.05	The Company has paid ₹15.00 Lacs against this demand and has submitted a petition for stay of this demand.

8. In our opinion and according to the information and explanations given to us, and on basis of our examination of the books of account and related records, we observed that the Company has entered into One Time Settlement (OTS) with all the banks and the Company has not defaulted on payment of OTS amount as per the terms of OTS.
- Further, the Company had Foreign Currency Convertible Bonds ("FCCBs") amounting to US\$ 16,800,000 and interest accrued thereon is US\$ 11,680,000 which matured on November, 2012. The same were neither converted into Equity Shares nor was any payment made for their redemption. However, the Company, in Extra-Ordinary General Meeting of its members held on May 26, 2016, has obtained the sanction of its members to re-structure the FCCBs on revised terms and conditions including reducing the value of FCCBs to US\$ 12,000,000 and complete waiver of accrued interest. The re-structured FCCBs are scheduled to be redeemed latest by May 1, 2021 if not redeemed or converted earlier than that date. Consequently, the Company is not in default on account of borrowing through FCCB route.
- The Company did not have any borrowing from financial institutions or Government.
9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.
12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, wherever applicable, for all transactions with the related parties and the details of related party transactions, if any, have been disclosed in the financial statements as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
16. The Company is not required to be registered under Section 45-IA of the Reserve Bank of India Act, 1934.

For **AGARWAL SANGANERIA & CO.**
Chartered Accountants
Firm Regn. No.317224E

P. K. AGARWAL

Place : Kolkata

Partner

Date : 9th May, 2017

C.A. Membership No. 053796

Balance Sheet as at 31st March, 2017

(₹ in Lacs)

	Notes	As at 31 March 2017	As at 31 March 2016
EQUITY AND LIABILITIES			
1 Shareholders' funds			
a) Share capital	2	2,197.31	2,197.31
b) Reserves and surplus	3	3,749.44	(22,684.03)
2 Non-current liabilities			
a) Long-term borrowings	4	5,090.13	25,178.22
b) Deferred tax liabilities (Net)		1,938.83	1,938.83
c) Other Long term liabilities	5	2,631.09	34.53
3 Current liabilities			
a) Short-term borrowings	6	3,326.93	10,041.72
b) Trade payables		3,856.09	15,793.55
c) Other current liabilities	7	8,813.73	12,611.51
d) Short-term provisions	8	479.61	186.97
Total Equity and Liabilities		32,083.15	45,298.60
ASSETS			
1 Non-current assets			
a) Fixed assets			
i) Tangible Assets	9(i)	28,325.82	26,596.31
ii) Intangible Assets	9(ii)	2.13	3.19
b) Non-current investments	10	15.10	15.10
c) Long-term loans and advances	11	1,740.39	3,674.85
d) Other non-current assets	12	-	3,341.09
2 Current assets			
a) Inventories	13	423.18	2,056.02
b) Trade receivables	14	129.84	7,207.18
c) Cash and Bank balances	15	317.48	70.08
d) Short-term loans and advances	16	1,125.28	2,331.51
e) Other current assets	17	3.93	3.27
TOTAL ASSETS		32,083.15	45,298.60
Significant Accounting Policies	1		
Notes to the Financial Statements	2 to 44		

In terms of our report of even date

For **Agarwal Sanganeria & Co.**
Chartered Accountants

Firm Registration No. 317224E

P. K. Agarwal
Partner

CA Membership No.: 53496

Kolkata, India

Date: 09th May, 2017

For and on behalf of the Board of Directors

S. L. Agarwal
Managing Director

DIN No. 00189898

Sweta Biyani
Company Secretary

Membership No.: ACS22218

Sima Jhunjunwala
CFO & Whole Time Director

DIN No. 07264006

Statement of Profit & Loss for the year ended 31st March, 2017

(₹ in Lacs)

Particulars	Notes	For the year ended 31st March 2017	For the year ended 31st March 2016
I Revenue from operations	18	29,608.04	27,969.69
II Other income	19	7,469.41	77.35
III Total Revenue (I + II)		37,077.45	28,047.04
IV EXPENSES			
Cost of raw materials consumed	20	20,878.26	22,721.37
Stores and spares consumed	20a	1,265.93	1,353.18
Changes in stock of Finished Goods & Work-in-progress	20b	1,082.36	326.74
Employee benefit expenses	21	785.98	729.06
Finance costs	22	178.78	112.55
Power and Fuel		1,087.85	1,098.91
Depreciation	9	1,514.91	1,452.20
Other expenses	23	1,689.02	900.51
V Tax Expense		28,483.09	28,694.52
VI Profit/(Loss) before exceptional items and tax (III-V)		8,594.36	(647.48)
VII Exceptional items - Exchange Fluctuation Profit / (Loss)		452.77	(218.47)
VIII Profit/(Loss) before Extraordinary item and tax (VI + VII + VIIA)		9,047.13	(865.95)
IX Extraordinary Item		1,100.51	-
X Profit/(Loss) before tax expense		7,946.62	(865.95)
Xa Less : Tax expense		-	-
Current Tax		278.73	-
Tax for earlier Years		-	121.15
Mat Credit Entitlement		(266.68)	-
		12.05	121.15
XI Profit/(Loss) after tax for the period (VIII-IX)		7,934.57	(987.10)
XIa. Earnings per equity share: (Basic)		36.11	(4.49)
XIb Earnings per equity share: (Diluted)		22.58	NIL

In terms of our report of even date

For **Agarwal Sanganeria & Co.**
Chartered Accountants

Firm Registration No. 317224E

P. K. Agarwal
Partner

CA Membership No.: 53496

Kolkata, India

Date: 09th May, 2017

For and on behalf of the Board of Directors

S. L. Agarwal
Managing Director

DIN No. 00189898

Sweta Biyani
Company Secretary

Membership No.: ACS22218

Sima Jhunjhunwala
CFO & Whole Time Director

DIN No. 07264006

Cash Flow Statement for the year ended 31st March, 2017

(₹ in Lacs)

	As at 31.03.2017	As at 31.03.2016
A. Cash Flow from Operating Activities :		
Net Profit / (Loss) before tax	7,946.62	(865.95)
Adjustments for:		
Depreciation	1,514.91	1,452.20
Loss on sale of Fixed Assets	1.96	-
Extra Ordinary Item	1,100.51	-
Interest (Net)	178.78	112.55
Income from waiver of bank loans	(7,091.10)	-
	(4,294.94)	1,564.75
Operating Profit before Working Capital Changes	3,651.68	698.80
Adjustments for:		
Trade and other Receivables	13,552.18	8,186.30
Provision for Doubful Debt	6.29	-
Inventories	1,632.84	3,249.47
Trade payables	(9,744.82)	8,917.32
	5,446.49	2,518.45
Cash generated from operations	9,098.17	3,217.25
Interest paid (Net)	178.78	112.55
Direct Taxes paid/refund	12.05	121.15
	190.83	233.70
	8,907.34	2,983.55
Cash Flow before extraordinary items		
Extraordinary item of Expenditure/Income	(1,100.51)	-
Net Cash from Operating Activities (A)	7,806.83	2,983.55
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(4,346.82)	(32.43)
Sale of Fixed Assets/Discard of Fixed Asset	1,101.49	-
Net Cash used in Investing Activities (B)	(3,245.33)	(32.43)
C. Cash Flow from Financing Activities:		
Proceeds from Long Term Borrowings	(2,126.04)	8,113.07
Proceeds from Short Term Borrowings	(2,188.06)	(11,129.10)
Net Cash generated from Financing Activities (C)	(4,314.10)	(3,016.03)
Net increase in Cash and Cash Equivalents (A+B+C)	247.40	(64.91)
Opening Balance of Cash and Cash Equivalents	70.08	134.99
Closing Balance of Cash and Cash Equivalents	317.48	70.08
Net Change	247.40	(64.91)

In terms of our report of even date

For **Agarwal Sanganeria & Co.**
Chartered Accountants

Firm Registration No. 317224E

P. K. Agarwal
Partner

CA Membership No.: 53496
Kolkata, India
Date: 09th May, 2017

For and on behalf of the Board of Directors

S. L. Agarwal
Managing Director

DIN No. 00189898

Sweta Biyani
Company Secretary
Membership No.: ACS22218

Sima Jhunjunwala
CFO & Whole Time Director

DIN No. 07264006

Notes to the Financial Statements

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.
- (g) The consumption of Raw Materials and Stores & Spares are net of sale thereof, if any.
- (h) Purchases are net of rebates and discounts including those in respect of purchases made in earlier years.
- (i) The foreign exchange gain / loss on Sales, Purchases, Debtors, Creditors, Foreign Currency Term Loans and External Commercial Borrowings have been shown as exceptional item in the Statement of Profit and Loss.
- (j) In respect of retirement benefits in the form of Provident Fund, the contribution payable by the Company for the year is charged to revenue.
- (k) The management intends to cover the liability for future payment of Gratuity to employees under Group Gratuity Scheme of Life Insurance Corporation of India. The amount payable to them shall be charged to revenue as and when demand is raised.
- (l) 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.
- (m) No provision is made in books of account for future liability, being unascertainable, that may occur on account of warranty on Company's products .However so far Company has not received any warranty claim from any of its customers.
- (n) 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.
- (o) 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 (contd.)

2. SHARE CAPITAL

(₹ in Lacs)

Particulars	As at	As at
	31st March, 2017	31st March, 2016
Authorised		
6,00,00,000 (3,00,00,000) Equity Shares of ₹10/- each	6,000.00	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
700,000 (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 31.03.2017		As at 31.03.2016	
	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	21973066	2,197.31
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	2,19,73,066	2,197.31	21973066	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. 68,49,422 (31.17%) No. of Equity Shares of the company are held by promoter and the promoter group as on 31st March 2017.

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

Particulars	As at 31.03.2017		As at 31.03.2016	
	No. of Shares	% of Holding	No. of Shares	% of Holding
S L Industries Pvt. Ltd.	55,19,674	25.12%	55,19,674	25.12%
Tysom Agencies Pvt. Ltd.	12,19,725	5.55%	12,19,725	5.55%
Sohan Lal Agarwal	12,73,108	5.79%	-	0.00%
The National Westminster Bank PLC as trustee of the Jupiter India Fund	-	0.00%	18,46,162	8.40%

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 (contd.)

3. RESERVES & SURPLUS

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
a. Capital Reserves		
Opening Balance	610.38	610.38
Add : Write back of Principal amount of Bank Loan and FCCBs	18,498.90	-
Closing Balance	19,109.28	610.38
b. Securities Premium Account		
Opening Balance	8,024.72	8,024.72
Add: Transfer From FCCB Redemption reserve	2,671.75	-
Closing Balance	10,696.47	8,024.72
c. FCCB Redemption Reserve		
Opening Balance	2,671.75	2,671.75
Less: Transfer to Security Premium Account on Restructuring of FCCBs	2,671.75	-
Closing Balance	-	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	(35,909.30)	(34,922.20)
Add: Net Profit/(Loss) for the period	7,934.57	(987.10)
Closing Balance	(27,974.73)	(35,909.30)
Total	3,749.44	(22,684.03)

4. LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
A. Secured		
(a) Term loans from Banks		
Facility A - Term Loan	-	23,697.61
Facility B - Funded Interest Term Loan	-	1,129.11
(b) OTS amount payable to Invent Asset Reconstruction Company Ltd	4,898.69	-
- OTS with Invent ARC has been arrived on 20.12.2016 at ₹50.60 Crores the total amount is payable in five years in equal quarterly installment		
(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 and First charge on the Salt Lake Land)		
	4,898.69	24,826.72
B. Unsecured		
(a) Loan from related party (From Promoter Company)	191.44	351.50
	191.44	351.50
Total	5,090.13	25,178.22

Notes to the Financial Statements (contd.)

5. OTHER LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
(a) Payables for capital contracts	24.44	34.53
(b) Creditors for capital goods purchased	2,606.65	-
Total	2,631.09	34.53

6. SHORT TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
A. Secured		
(a) Loans repayable on demand from banks		
- Export Packing Credit	-	789.81
- WCTL and FITL of Working capital Lenders	-	3,690.53
- Cash Credits/Working Capital Demand Loan	-	2,524.97
- Bills for Collection	-	509.80
- O/s OTS amount payable to Fedearl Bank and ARCIL	1,148.85	-
(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	568.96	582.07
	1,717.81	8,097.18
B. Unsecured		
From Joint Stock Companies	1,609.12	1,841.03
From Director	-	103.51
	1,609.12	1,944.54
Total	3,326.93	10,041.72

7. OTHER CURRENT LIABILITIES

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
"(a) Foreign Currency Convertible Bonds - including effect of exchange fluctuation"	8,163.84	10,515.25
- Convertible into Equity shares of ₹10 each or redeemable into cash on 01.05.2021		
(b) Interest accrued and due on secured loans	-	749.79
(c) Unpaid dividends	5.60	5.60
(d) Statutory Liabilities payable	143.84	117.77
(e) Advances from customers	422.21	1,148.22
(f) Salary, Wages and Bonus payable	78.24	74.88
Total	8,813.73	12,611.51

8. SHORT TERM PROVISIONS

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Provisions for :		
Gratuity	100.88	86.97
Income Tax	278.73	-
Excise Duty	100.00	100.00
Total	479.61	186.97

Notes to the Financial Statements (contd.)

9 (I) TANGIBLE ASSETS (₹ in Lacs)

Particulars	Gross Block			Depreciation			Net Block			
	Cost as at 01.04.2016	Addition During the period	Sales / Adjustments during the year	Cost as at 31.03.2017	Up to 31.03.2016	For the Year	Less: for Sale / Adjustment	Up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
Leasehold land	1,982.64	-	-	1,982.64	-	-	-	-	1,982.64	1,982.64
Building	5,778.76	-	-	5,778.76	1,130.72	193.58	-	1,324.30	4,454.46	4,648.04
Plant & Machinery	27,513.47	4,307.53	1,461.39	30,359.61	7,736.04	1,256.60	360.88	8,631.76	21,727.85	19,777.43
Furniture & Fixture	303.45	1.35	-	304.80	163.56	40.96	-	204.52	100.28	139.89
Computer	90.45	0.89	-	91.34	88.46	1.54	-	90.00	1.34	1.99
Office Equipment	61.08	7.76	-	68.84	53.48	5.67	-	59.15	9.69	7.60
Motor Vehicles	93.27	29.28	6.60	115.95	54.55	15.50	3.66	66.39	49.56	38.72
Total	35,823.12	4,346.81	1,467.99	38,701.94	9,226.81	1,513.85	364.54	10,376.12	28,325.82	26,596.31
Previous year	35,790.69	32.43	-	35,823.12	7,775.67	1,457.60	6.46	9,226.81	26,596.31	28,015.02

Notes:

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

9 (II) INTANGIBLE ASSETS (₹ in Lacs)

Particulars	Gross Block			Depreciation			Net Block			
	Cost as at 01.04.2016	Addition During the period	Sales / Adjustments during the year	Cost as at 31.03.2017	Up to 31.03.2016	For the Year	Less: for Sale / Adjustment	Up to 31.03.2017	As at 31.03.2017	As at 31.03.2016
Computer Software	6.31	-	-	6.31	3.12	1.06	-	4.18	2.13	3.19
Total	6.31	-	-	6.31	3.12	1.06	-	4.18	2.13	3.19
Previous year	6.31	-	-	6.31	2.06	1.06	-	3.12	3.19	4.25
Grand Total---	35,829.43	4,346.81	1,467.99	38,708.25	9,229.93	1,514.91	364.54	10,380.30	28,327.95	26,599.50
Previous year	35,797.00	32.43	-	35,829.43	7,777.73	1,458.66	6.46	9,229.93	26,599.50	28,019.27

Notes to the Financial Statements (contd.)

10. NON-CURRENT INVESTMENTS

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Other Investments		
Investment in erstwhile overseas joint venture - Websol Energy System Europe KG	15.10	15.10
Total	15.10	15.10

11. LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Capital Advances (net of provisions)	-	776.72
Security Deposits	453.05	456.98
Loans & Advances recoverable in cash or in kind		
Advances for raw materials	10.44	1,223.94
Loans to Overseas Corporate Bodies	975.35	975.35
Loans to erstwhile Overseas Joint Venture	18.45	18.45
Loans to Other Corporate Bodies	16.42	41.42
Advances to suppliers and others	-	181.99
Mat Credit Entitlement	266.68	-
Total	1,740.39	3,674.85

12. OTHER NON CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade Receivables outstanding for a period exceeding twelve months		
Unsecured, considered good	-	3,341.09
Unsecured, considered doubtful	-	-
	-	3,341.09
Less: Provision for doubtful debts	-	-
	-	3,341.09
Miscellaneous Expenditure to the extent not w/off	-	-
Total	-	3,341.09

13. INVENTORIES

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Raw Materials	183.42	675.12
Work-in-progress	50.00	490.94
Finished goods	157.17	798.59
Stores and spares	32.59	91.37
Total	423.18	2,056.02

Notes to the Financial Statements (contd.)

14. TRADE RECEIVABLES

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Trade receivables outstanding for a period less than six months from the date they became due for payment		
Unsecured, considered good	129.84	7,207.18
Trade receivables outstanding for a period exceeding six months but upto twelve months from the date they became due for payment		
Unsecured, considered Doubtful	6.29	-
(Less) : Provision for Doubtful Debts	(6.29)	-
Total	129.84	7,207.18

15. CASH AND BANK BALANCES

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Cash and Cash Equivalent		
In Current and EEFC Accounts	302.46	49.30
In Unpaid dividend accounts	5.60	5.60
Cash in hand	1.22	6.98
Other Bank Balances		
Term deposits with more than 12 months Maturity /Margin Accounts	8.20	8.20
Total	317.48	70.08

16. SHORT-TERM LOANS AND ADVANCES - UNSECURED, CONSIDERED GOOD

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Loans to Corporate Bodies	128.50	494.26
Income Tax Deducted at Source	28.12	19.10
Advance to suppliers and others	968.66	1,818.15
Total	1,125.28	2,331.51

17. OTHER CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Bank Interest Receivable	3.93	3.27
Total	3.93	3.27

18. REVENUE FROM OPERATIONS

(₹ in Lacs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Sale of products (Solar Photovoltaic Cells and Modules)	29,516.21	27,672.68
Other operating revenues	91.83	297.01
Total	29,608.04	27,969.69

Notes to the Financial Statements (contd.)

19. OTHER INCOME

(₹ in Lacs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Interest Income from Bank Deposits	0.73	0.81
Interest Income from others	24.05	67.15
Sundry Balances written back	329.03	-
Miscellaneous Income	24.50	9.39
Income From waiver of Interest and Exch Fluctuation from bank settlment and FCCBs Settlement	7,091.10	-
Total	7,469.41	77.35

20. COST OF RAW MATERIALS CONSUMED

(₹ in Lacs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Opening stock	675.12	3,544.83
Add: Purchases	20,298.08	19,598.96
Carriage Inward	88.48	252.70
	21,061.68	23,396.49
Less: Closing stock	183.42	675.12
Cost of raw material consumed	20,878.26	22,721.37
Raw Material consumed comprises:		
Silicon Wafers	15,552.23	12,693.53
Silver & Aluminium Paste	2,541.81	2,118.79
Other materials*	2,784.22	7,909.05
Total	20,878.26	22,721.37

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

20A. STORES & SPARES CONSUMED

(₹ in Lacs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Opening Stock	91.37	144.39
Add : Purchases	1,207.15	1,300.16
	1,298.52	1,444.55
Less : Closing Stock	32.59	91.37
Consumption	1,265.93	1,353.18

20B. CHANGES IN STOCK OF FINISHED GOODS AND WORK-IN-PROGRESS

(₹ in Lacs)

Particulars	For the year ended 31st March, 2017	For the year ended 31st March, 2016
Inventories at the beginning of the year:		
Finished goods	798.59	721.43
Work-in-progress	490.94	894.84
	1,289.53	1,616.27
Inventories at the end of the year:		
Finished goods	157.17	798.59
Work-in-progress	50.00	490.94
	207.17	1,289.53
Net Increase/(Decrease)	1,082.36	326.74

Notes to the Financial Statements (contd.)

21. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Salaries, allowances, bonus and gratuity	690.68	591.17
Contributions to provident and other funds	73.88	75.38
Staff welfare expenses	21.42	62.51
Total	785.98	729.06

22. FINANCE COSTS

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Interest expense on		
Other borrowing costs	154.52	112.55
Int on One Time Settlement With Banks And ARCs	24.26	-
Total	178.78	112.55

23. OTHER EXPENSES

(₹ in Lacs)

Particulars	As at 31st March, 2017	As at 31st March, 2016
Audit Fees (refer note 32)	3.40	3.15
Bank Commission and Charges	41.32	30.19
Carriage Outward	15.95	28.15
Insurance	9.60	10.81
Loss on sale of fixed assets	1.97	-
Miscellaneous	547.10	528.26
Other Selling Expenses	76.84	65.47
Prior Period Expenses	1.05	3.47
Rates & taxes	27.13	4.63
Rent	43.10	46.94
Repairs to building	16.63	44.84
Repairs to machinery	26.46	18.21
Repairs to others	19.70	21.09
Travelling and Conveyance	90.37	87.16
Coolie & Cartage	0.12	0.10
Plant & Machinery Hire Charges	7.92	8.04
Sundry Balances written off	760.36	-
Total	1,689.02	900.51

Notes to the Financial Statements (contd.)

24. Company has been able to complete OTS with all the lenders of working capital and term loan including Invent ARC to whom the entire facility of Allahabad Bank has been assigned. Waiver received by Company on principal amount of loan has been transferred to capital reserve and waiver on account of interest outstanding and exchange fluctuation has been booked in profit and loss account for the year. As on 31.03.2017 entire amount of OTS was paid to the banks except the following amount: ARCIL, Federal Bank and Invent ARC. Out of total OTS amount payable to ARCIL only ₹1.5 Crs was outstanding as on 31.03.2017. This amount was paid to ARCIL by 30.04.2017. Total amount outstanding to Federal Bank and Invent ARC is detailed below :

Payable to	Amount payable	Due Date	Remarks
Invent ARC	50	30-Jun-17	
Invent ARC	300	30-Sep-17	
Invent ARC	300	31-Dec-17	
Invent ARC	300	31-Mar-18	
Invent ARC	300	30-Jun-18	
Invent ARC	300	30-Sep-18	
Invent ARC	300	31-Dec-18	
Invent ARC	300	31-Mar-19	
Invent ARC	300	30-Jun-19	
Invent ARC	300	30-Sep-19	
Invent ARC	300	31-Dec-19	
Invent ARC	300	31-Mar-20	
Invent ARC	300	30-Jun-20	
Invent ARC	300	30-Sep-20	
Invent ARC	300	31-Dec-20	
Invent ARC	300	31-Mar-20	
Invent ARC	360	30-Jun-20	
Federal Bank	1000	30-06-2017	
Arcil	150	30-04-2017	Paid

25. The Company has not provided for interest payable on unsecured Loans obtained from some of the parties and talks are under way for waiver thereof.
26. FCCB Loan of the Company was settled with the Bond Holders and the total amount of outstanding FCCBs for \$ 16.8 Million plus accrued and penal interest on default made by the Company was settled for \$ 12 Million. A supplementary Trust Deed was executed between the Company, Bond Holder and the Trustees for the bonds on 7th December 2016. Profits arised out of the settlement on account of principal amount of loan was transferred to Capital Reserve and profits arised on account of Exchange fluctuation was transferred to profit and loss account.
27. The Company has completed the process of fifth netting off of its imports and exports with the same party to the extent of \$ 80.24 Lacs. For netting off of the amount of receivable in INR and payable in \$ has also been applied to the AD Banker for referring the matter to RBI for their approval so that the INR remittance inward and \$ outward remittance can be avoided by both the Companies. The Company has already adjusted the receivable in INR and payable in \$ in the books of account as on 31.03.2017. Company expects to receive RBI approval shortly.
28. During the year Company has Discarded its fixed asset i.e plant and machinery from its use having gross value of ₹14.68 Crs. And written down value amounting to ₹11.03 Crs, thereby making losses worth ₹11.03 Crores for the Company which was shown as extraordinary losses incurred by the Company during the year in the profit and loss statement.
29. **Contingent Liabilities**
- (a) 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.
- (b) Demand against the legal expenses and interest by certain Sundry Creditors, amount of which is not ascertainable.

Notes to the Financial Statements (contd.)

30. 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, the total outstanding to them was ₹23 Lacs and there was no amounts overdue to them as at the end of the year under reporting.
31. (a) The Company has earned profits in the current year in its statement of profit and loss as per schedule III and because of brought forward unabsorbed losses, the company is not required to pay income tax on normal computation of taxable income, but company is liable to pay minimum alternative tax as per section 115JB of the income tax act 1961 and necessary provisions thereof has been made in the books of accounts.
- (b) The company expects to generate sufficient profit in future and considering this , no provision for deferred tax liability considered necessary
- (c) In absence of any convincing evidence in regards to future profitability deferred tax assets has not been created.
32. **Amounts paid / payable to Statutory Auditors**
- (a) Audit fees ₹3.40 Lacs (Previous Year ₹3.15 Lacs), plus the applicable service tax.
- (b) In other capacity in respect of certification work ₹0.55 Lacs (Previous Year ₹0.55 Lacs) plus the applicable service tax.
33. Balances of Debtors, Creditors, Security Deposits, Certain Bank Accounts and Loans and Advances are subject to confirmation and reconciliation with respective parties.
34. Corporate social Responsibility Committee : Company has formed CSR Committee in compliance with section 135 of Companies Act 2013 and the rules framed there under. The committee consists of three Directors out of which is independent Director. Composition of CSR committee given in the corporate governance report attached to the Financial Statement.
35. Disclosure required by Regulation 33 of LODR SEBI(LISTING OBLIGATIONS & DISCLOSURE REQUIREMENTS) REGULATIONS,2015
- a) Exceptional item in Profit and Loss statement represents the profit arised out of foreign exchange transaction made by the company.
- b) The extraordinary losses presented in the Profit and Loss Statement represents Losses on account of discard of plant and machinery by the company from its use.

36.

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

Particulars	31.03.2017		31.03.2016	
	₹ In Lacs	%	₹ In Lacs	%
1. Raw Materials				
- Imported	19,022.22	91.11	21,937.46	96.54
- Indigenous	1,856.03	8.89	783.92	3.46
Total	20,878.26	100.00	22,721.38	100.00
2. Stores & Spares				
- Imported	599.37	47.34	597.15	44.13
- Indigenous	666.57	52.66	756.03	55.87
Total	1,265.94	100.00	1,353.18	100.00

(b) CIF value of imports

Particulars	31.03.2017	31.03.2016
	₹ In Lacs	₹ In Lacs
Raw Materials	18,586.12	19,089.11
Capital Goods	4,307.53	-
Components & Spares	599.29	487.39

Notes to the Financial Statements (contd.)

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

Particulars	31.03.2017 ₹ In Lacs	31.03.2016 ₹ In Lacs
Travelling	6.82	17.77
Trustee Fees	24.33	0.00
SGX Fees	11.81	0.00
Professional Fees	12.53	0.00

(d) Earning in Foreign Currency (including outstandings)

Particulars	31.03.2017 ₹ In Lacs	31.03.2016 ₹ In Lacs
F.O.B. Value of Exports	146.83	3579.60

37.

Particulars	31.03.2017 ₹ In Lacs	31.03.2016 ₹ In Lacs
Director's Remuneration:		
Salary & Medical Re-imburements		
Including PF contribution & bonus		
Mr. S.L. Agarwal, Managing Director	37.92	22.06
Ms Sima Jhunjhunwala CFO & WTD	17.12	12.82

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

39. EARNINGS PER SHARE:

Particulars		31.03.2017	31.03.2016
(a) Profit After Tax	₹ in Lacs	7,934.57	(987.10)
(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)-For 21973066 fully paid Equity shares of ₹10 Each.	₹	36.11	(4.49)
(d) Earnings Per Share (Diluted)-For 21973066 fully paid Equity shares of ₹10 Each and 13167483 Equity Shares convertible on conversion of FCCB Bonds at the option of Bondholder.	₹	22.58	-

Notes to the Financial Statements (contd.)

40. 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
Ms Sima Jhunjhunwala	Key Management Personnel-Whole Time Director	Nil
Sangrima Enterprise	Relative of Managing Director is Partner in the firm	Nil

ii) Details of transactions entered with the related parties by the Company during the year apart from Directors' remuneration stated in Note 37.

Name	Nature of Transactions	31.03.2017 (₹ In Lacs)	31.03.2016 (₹ In Lacs)
S.L Industries Pvt Ltd (Promoter Company)	Unsecured Loans Taken	553.08	302.52
	Unsecured Loans Repaid	713.15	309.13
	Unsecured Loan Payable Outstanding	191.44	351.51
Shri Sohan Lal Agarwal (Managing Director)	Unsecured Loans Taken	-	103.51
	Unsecured Loans Repaid	103.51	-
	Unsecured Loan Payable Outstanding	-	103.51
Sangrima Enterprise (Firm owned by relatives of Managing Director)	Purchase during the year	524.85	-
	Paid during the year	284.50	-
	Payable outstanding at the end of the year	240.35	-

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

The Company has strong grounds for positive results of all the cases, however if it comes against the company, the below noted financial implication would arise.

Nature of Dues	Forum where pending	Amount (in lacs)	Remarks
Excise duty and penalty	Settlement Commission	216.55	₹1 Crore already paid. This case was sent by Kolkata High Court to Settlement Commission.
Excise duty and penalty	High Court of Kolkata	57.12	GA NO. 1271/2012 ; CEXA NO. 07/12
Excise duty and penalty	CESTAT	178.77	High Court at Kolkata remitted the case to CESTAT for taking up stay petition
Excise duty and penalty	High Court of Kolkata	13.87	WP 1228/2009 pending
Income Tax Act Penalty	Commissioner of Income Tax (Appeals)	628.05	The Company has paid ₹15.00 Lacs against this demand and has submitted a petition for stay of this demand.
Trade payable	High Court of Kolkata	20.00	The creditor has filed Recovery suit against the company.

Notes to the Financial Statements (contd.)

42. Details of Specified Bank Notes (SBN) held and transacted during the period from 08.11.2016 to 30.12.2016

	SBNs (₹ in hand) (₹ in lacs)	Other denomination notes (₹ in hand)	Total (₹ in lacs)	Remarks
Closing cash	18.26	.05	18.31	
(+) Permitted Receipts	NIL	8.00	NIL	
(-) Permitted Payments	NIL	6.88	NIL	
Amount Deposited in Banks	18.26	NIL	18.27	
Closing Balance in hand as on 30.12.2016	NIL	1.17	1.17	

43. Ind AS is not applicable on the Company till the financial year 2016-17.

44. 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 Sanganeria & Co.**
Chartered Accountants

Firm Registration No. 317224E

P. K. Agarwal

Partner

CA Membership No.: 53496

Kolkata, India

Date: 09th May, 2017

For and on behalf of the Board of Directors

S. L. Agarwal
Managing Director

DIN No. 00189898

Sweta Biyani

Company Secretary

Membership No.: ACS22218

Sima Jhunjhunwala
CFO & Whole Time Director

DIN No. 07264006

WEBSOL ENERGY SYSTEM LIMITED

CIN: L29307WB1990PLC048350
48, Pramatha Choudhury Sarani, Plot 849, Block P
New Alipore, Kolkata – 700 053

NOTICE

NOTICE is hereby given that the 27th Annual General Meeting of the Members of Websol Energy System Limited will be held at Rabindra Tirth, DG-17, Major Arterial Road (East-West), Action Area 1D, Newtown, Kolkata, West Bengal, Kolkata-700156 on, Saturday 23rd September, 2017, at 10.00 A.M. to transact the following businesses:-

Ordinary Business:

- To consider and adopt the Audited Balance Sheet of the Company as at 31st March, 2017, the Statement of Profit & Loss and the Cash Flow Statement for the year ended as on that date together with Notes, Reports of the Board of Directors and Auditors thereon.
- To appoint M/s T. More & Co., Chartered Accountants (FRN 327844E) as the Statutory Auditors of the Company for five years 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 there under and pursuant to the recommendations of the Audit committee of the Board of Directors, M/s T. More & Co. Chartered Accountants (FRN 327844E) be and are hereby appointed as the statutory auditors of the Company for five years and that Board of Directors be and are hereby authorized to fix their Remuneration.

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

SPECIAL BUSINESS

- TO REVISE REMUNERATION OF MANAGING DIRECTOR

To Consider and if thought fit, to pass with or without modification, the following resolution as Special Resolution:

RESOLVED THAT pursuant to the recommendation of the Nomination and Remuneration Committee of the Board and approval of the Board and subject to the provisions of Section 196, 197, 198, 203 and other applicable provisions of the Companies Act, 2013 and the rules made there under (including any Statutory modification or re-enactment

thereof) read with Schedule V of the Companies Act, 2013 and Article 93 of the Articles of Association of the Company, approval of the members of the company be and is hereby accorded to the revision of remuneration payable to Mr. Sohan Lal Agarwal, Managing Director of the Company with effect from 1st day of October, 2017 to 31st day of March 2021, as detailed in the explanatory statement attached to the notice convening this Annual General Meeting with Authority, which is hereby approved and sanctioned with authority to the Board of Directors to alter and vary the structure of the remuneration in such manner as may be agreed to between the Board of Directors and Mr. Sohan Lal Agarwal .

RESOLVED FURTHER THAT the remuneration payable to Mr. Sohan Lal Agarwal shall be as per section 196 and 197 of the Companies Act, 2013, read with Schedule V (Part II- Section II- Remuneration payable by companies having no profit or inadequate profit without Central Government Approval) of the Companies Act, 2013, consent of the Members of the Company be and is hereby accorded for payment of remuneration of ₹90,00,000/- per annum .

RESOLVED FURTHER THAT the Board be and is hereby authorized to vary or increase the remuneration specified above from time to time to the extent the Board may deem appropriate, provided that such variation or increase, as the case may be, is within the overall limits specified under the relevant provisions of the Companies Act, 2013.

RESOLVED FURTHER THAT the Board be and is hereby authorized to do all such acts, deeds and things and execute all such documents, instruments and writings as may be required and to delegate all or any of its powers herein conferred to any committee of Directors or Director(s) to give effect to the aforesaid resolution.

By Order of the Board,
For WEBSOL ENERGY SYSTEM LIMITED

Sd/-

Sohan Lal Agarwal

(Managing Director)

Place: Kolkata

Date: 25th July 2017

NOTES:

- 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.

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 , Thrusday 14th September, 2017 till Saturday, 23rd September, 2017 (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) Information relating to the Directors retiring by rotation and seeking re-appointment at this Meeting, as required under LODR 2015 with the Stock Exchanges, is annexed to this Notice.
- k) 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, 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.
- 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.
- IV. The remote e-voting period commences on 20th September, 2017 (09:00 am) and ends on 22th September, 2017 (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 16th September, 2017, 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 cs.aaa.2014@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	USER ID	PASSWORD/PIN
	(Remote e-voting Event Number)	

(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 16th September, 2017.

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. 16th September, 2017., 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.

XIII. AL & ASSOCIATES 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/-

Sohan Lal Agarwal
(Managing Director)

Place: Kolkata

Date: 25th July 2017

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

Name	Mr. Sohan Lal Agarwal
Date of birth	04.03.1946
Experience in Specific Functional Area	Solar Industry
Qualification	Graduate in Commerce
Directorship in other Companies as on 31.03.2017	1. S. L. Industries Pvt Ltd 2. Websol Green Projects Pvt Ltd
No. of Shares held	1273108

EXPLANATORY STATEMENT PURSUANT TO SECTION 102 OF THE COMPANIES ACT, 2013

ITEM NO.4

The following explanatory statement, as required under Section 102 of the Companies Act, 2013, sets out all material facts relating to special business mentioned in the accompanying notice for convening the AGM of the Company.

Mr Sohan Lal Agarwal at the Extra Ordinary General Meeting of the company held on 26.05.2016, was appointed for a period of five years from 01.04.2016 to 31.03.2021 on a remuneration approved by you. Now the Nomination and Remuneration Committee (NRC) has come up with a decision to recommend the revision in his remuneration as stated below. The Board of Directors has also accepted the recommendation of NRC and the same is placed before you for approval.

The company has completed the annual performance appraisal of all the employees of the company including senior management. In view of this there is a revision in the salary of all

the employees for the FY 2017-18. Hence the Board of Directors is requesting your approval for the revise in the remuneration of Managing Director.

The details of remuneration payable to Sohan Lal Agarwal and the terms and conditions of the re-appointment are given below:

- i. **Salary:** 3,32,444/- per month which is eligible for revision on a date to be determined by the Nomination Compensation Committee.

Allowances / Perquisites:

The Managing Director shall be entitled to all the perquisites listed herein below in addition to the salary mentioned above;

- a. **Housing:** The Company shall provide rent free furnished residential accommodation, with free gas, electricity and water as per Company policy. In case no accommodation is provided by the Company, the Managing Director shall be

- entitled to such house rent allowance as may be decided by the Board of Directors from time to time subject however to a limit of 60% of his salary.
- b. Medical Re-imbursement: Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalisation, surgical charges, nursing charges and domiciliary charges for self and for family subject to a maximum of ₹15000 per annum.
- c. Leave Travel Concession: For self and family every year incurred in accordance with the rules of the Company applicable to its senior managers. Subject to a maximum of ₹3,50,000 per annum.
- d. Club Fees: Limited to two clubs, provided that the Company shall not pay Club Admission Fee and Life membership Fee.
- e. Special Allowances: Upto a maximum of ₹1,00,000 per annum.
- f. Personal Accident Insurance: Subject to a maximum premium of ₹1,00,000 per annum.
- This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013.
- g. City Compensatory Allowance: Subject to a maximum of ₹66,500 per annum.

Further, as stipulated under Secretarial Standard-2, brief profile of Mr. Sohan Lal Agarwal is provided below in Table A:

Age	71 Yrs
Qualifications	B Com
Experience	More than Fifty Years Experience in varied industries
Terms and Conditions of re-appointment	As detailed in Explanatory Statements
Details of remuneration	90 lacs per annum
Details of last drawn remuneration	40.00 Lacs Per Annum
Date of first appointment	25.09.1992
Shareholding in the Company	1273108
Relationship with other director/Manager and other KMP	No
Number of meetings attended during the Financial Year 2016-17.	5
Directorships of other Board	2
Membership/Chairmanship of Committees of other Board	Nil

Except Mr. Sohan Lal Agarwal, the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution.

The resolutions as set out in Item no. 4 of this Notice are accordingly recommended for your approval.

ROAD MAP OF RABINDRA TIRTHA



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 Annual General Meeting of the Company, to be held on Saturday, September 23, 2017 at 10.00 AM at Rabindra Tirth, DG-17, Major Arterial Road (East-West), Action Area 1D, Newtown, Kolkata, West Bengal, Kolkata-700156.

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.

ELECTRONIC VOTING PARTICULARS

EVEN (Electronic Voting Event Number)	User ID	Password
106846		

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

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

PROXY FORM:MGT-11

[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 Annual General Meeting of the Company, to be held on Saturday, September 23, 2017 at 10.00 AM at Rabindra Tirth, DG-17, Major Arterial Road (East-West), Action Area 1D, Newtown, Kolkata, West Bengal, Kolkata-700156 and at any adjournment thereof in respect of following resolutions

Sl. No.	Resolutions	Optional*	
		For	Against
Ordinary Business			
1	Adoption of the Audited Balance Sheet of the Company as at 31st March, 2017, the Statement of Profit & Loss and the cash flow statement for the year ended as on that date together with Notes, Reports of the Board of Directors and Auditors thereon.		
2	To appoint M/s T. More & Co., Chartered Accountants (FRN 327844E) as the Statutory Auditors of the Company for five years and to authorize the Board of Directors to fix their remuneration.		
3	To appoint a Director in place of Shri Sohan Lal Agarwal, Managing Director (DIN 00189898), who retires by rotation and being eligible offer himself for re-appointment.		
Special Business			
4	To Revise Remuneration of Managing Director		

Signed thisday of2017

Signature of Shareholder.....

Signature of Proxyholder.....

Affix
Revenue
Stamp of
₹1/-

- 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, please refer to the Notice of Extra Ordinary 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.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward looking statements' within the meaning of applicable securities laws and regulations. Forward-looking statements are based on certain assumptions and expectations of future events. The Company cannot guarantee that these assumptions and expectations are accurate or will be realized by the Company. Actual result could differ materially from those expressed in the statement or implied due to the influence of external factors which are beyond the control of the Company. The Company assumes no responsibility to publicly amend, modify or revise any forward-looking statements on the basis of any subsequent development, information or events.



Websol Energy System Limited

Sector - II, Falta Special Economic Zone, Falta,
24 Parganas (South), Pin - 743504, West
Bengal, India

Ph. No.: 03174-222932

Fax No.: 03174-222933.

CIN: L29307WB1990PLC048350

Email: investors@webelsolar.com

Website: www.webelsolar.com