Websol Energy System Limited
Annual report, FY2017-18

Resilience and **renewability**

Forward-looking statement

In this Annual Report, we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make, contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes' and words of similar substance in connection with any discussion of future performance. We cannot guarantee that these forward-looking statements will be realized, although we believe we have been prudent in our assumptions. The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialize, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected. Readers should bear this in mind. We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

CONTENTS

Resilience and renewability

In the business of renewable energy, the priority lies in enhancing manufacturing capacity on the one hand and reducing operating costs on the other.

These challenging priorities warrant an organizational resilience, derived from the ability to moderate costs, strengthen technology bandwidth, reinforce certifications and market effectively.

Over the years, Websol Energy has strengthened its resilience, which we believe will enhance our ability to renew our competitiveness and sustainability.

Five things to know about **Websol**

Rich experience: Over the past 28 years, the Company has positioned itself as a sectoral leader.

Technological proficiency: Websol leverages cutting-edge technology to manufacture world-class photovoltaic cells and solar modules at its Falta facility.

Quality assurance: The Company is driven towards quality excellence. Websol has ISO 9001:2015 certification to vindicate the same. The solar modules also have approvals as per IEC 61215, IEC 61730 and UL 1703 standards.

Stringent compliance: The Company is accredited with the ISO 14001:2015 and OHSAS 18001:2007 certifications.

R&D focus: The Company deploys seasoned R&D personnel who work dedicatedly towards achieving maximal utilization of available resources, so as to manufacture quality products at reasonable prices.

Milestones

1993-94

- Entered into a technical collaboration with Helios Technology, Italy
- Started with a 1megawatt (MW) installed capacity and processed 4 and 5-inch wafers at Salt Lake Sector-V Plant, West Bengal

1995-96

- Commenced production with technical support from Helios
- Processed 5-inch wafers

1998-99

- Graduated to 6-inch wafers and modules up to 95 watt-peak
- Obtained a quality certificate from ISPRA for IEC 61215 standard

2000-01

- Graduated to 8-inch wafers
- Increased module output to 125 watt-peak for all W1000 modules
- Scaled installed capacity to 3 MW

2002-03

- Obtained international certification for W1000 modules as per IEC 61215 standards
- Obtained UL 1703 listing for all W900 modules
- Scaled capacity from 3 to 5 MW

2003-04

- Obtained UL 1703 listing for all W1000 modules
- Commenced production of 160/190 watt-peak modules

2005-06

- Scaled capacity from 5 to 10 MW
- Commenced commercial production of W1600 and W2000 modules
- Obtained international certification from TUV Safety Class-II for W2000 and W1600 modules
- Finalized industrial site at Falta SEZ for 120 MW expansion

2006-07

- Scaled capacity to 20 MW
- Introduced three products including the W2000 module

2007-08

- Obtained IEC 61215 and IEC 61730 certifications for 180/220 watt-peak modules
- Obtained UL and CSA listing for

MISSION

To provide solar energy solutions with competitive product quality as per international standards and develop advanced products through cutting edge technology that will create value for the customer and stakeholders, while improving the environment by conservation of natural resources and implement pollution control measure along with caring for our employees.

VISION

To provide clean, reliable, environment friendly, competitive electrical energy around the world to save our planet earth for our future generations.

VALUES

Our core values are as follows;

- Customer focus and satisfaction
- Employee engagement and satisfaction
- Innovation and state-of-the-art technology
- Transparency at all levels
- Being environment friendly

180/220 watt-peak modules

- Installed plasma-enhanced chemical vapour deposition technology for silicon nitride anti-reflective coating, at Salt Lake plant
- Appointed an engineering, procurement and construction management consultant for Falta plant
- Scaled cell efficiency beyond 16.5%

2009-10

- Scaled capacity to 60 MW
- Migrated from 125x125-square millimetre to 156x156-square millimetre wafers
- Increased power output of modules to 290 watts
- Operationalized state-of-the-art production facility in Falta SEZ

2011-12

- Scaled capacity to 120 MW

2012-13

- Tied up with a Chinese company for a two-year OEM deal to produce cells and modules under their banner
- Started processing quasi-mono wafers

2014-15

- Installed new texturing line to convert into multi-crystalline solar cells

2015-16

- Installed new process machines in the cell line for efficiency optimization
- Increased average cell efficiency to 18.3%
- Started trials for 4-bus bar cells

2016-17

- Installed new printing line with plasma-enhanced chemical vapour deposition technology, diffusion and inox machine
- Scaled capacity to 200 MW

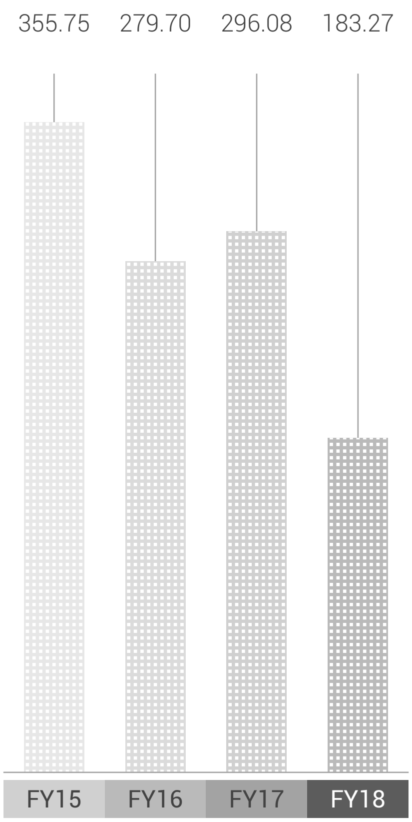
2017-18

- Installed new printing line
- Started production of 5-bus bar cells cell
- Scaled capacity to 280 MW
- Converted to fully-automatic 250 MW module line production facility

Enhancing value **over the years**

Revenue from operations

(₹ crore)



Definition
Sales net of taxes and excise duties

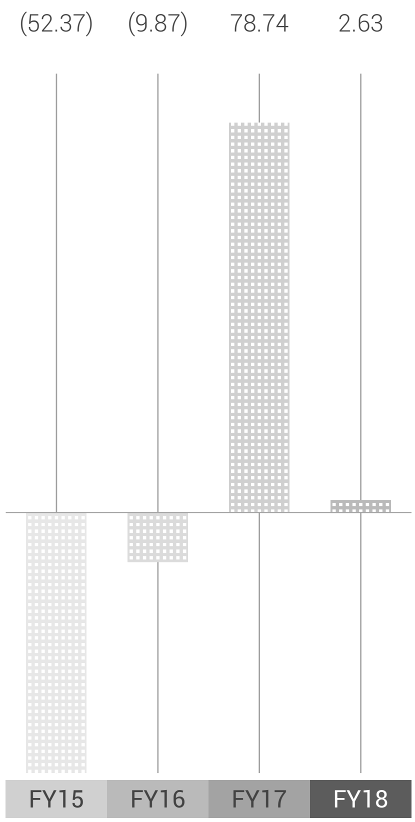
Why is this measured?
It highlights the service acceptance and reach of the Company in the market

Performance
Aggregate sales was pegged at ₹183.27 crore

Value impact
Creates a robust growth engine on which to build profits

Profit after tax

(₹ crore)



Definition
Profit earned during the year after deducting all expenses and provisions

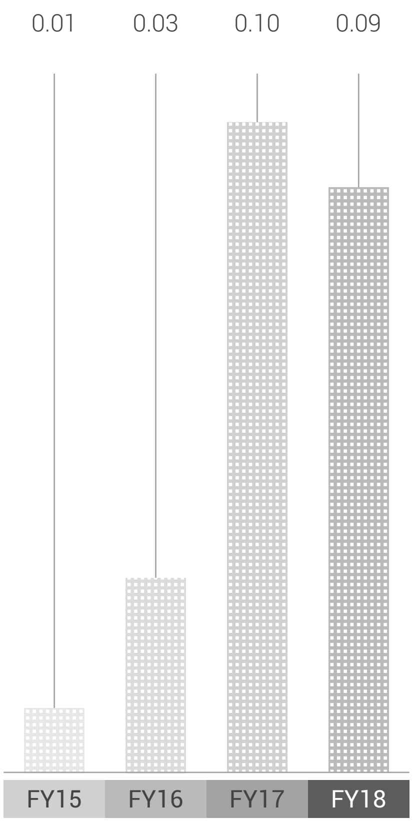
Why is this measured?
It highlights the strength in the business model in generating value for its shareholders.

Performance
Profit after tax of the Company was pegged at ₹2.63 crore

Value impact
Ensures that adequate cash is available for reinvestment and allows the Company's growth to sustain

EBITDA margin

(%)



Definition
EBITDA margin is a profitability ratio used to measure a company's pricing strategy and operating efficiency

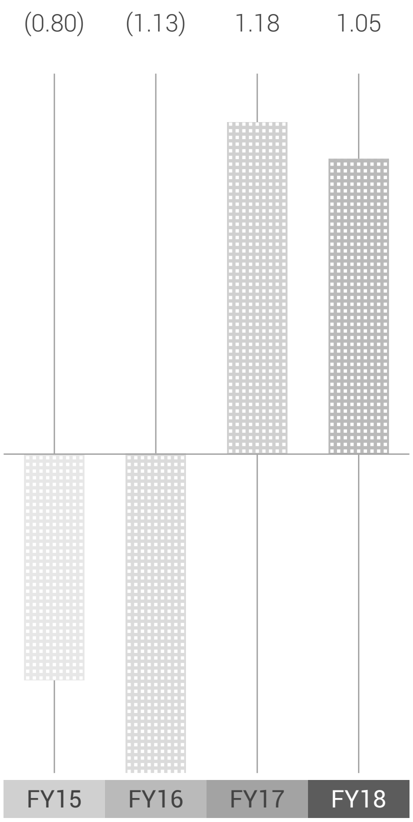
Why is this measured?
The EBITDA margin gives an idea of how much a company earns (before accounting for interest and taxes) on each rupee of sale

Performance
The Company reported a 1 bps decrease in EBITDA margin in FY18 while enriching its product basket with superior products and improved operating efficiency

Value impact
Demonstrates adequate buffer in the business, which, when multiplied by scale, enhances surpluses

Debt-equity ratio

(X)



Definition
This is derived through the ratio of debt to net worth (less revaluation reserves)

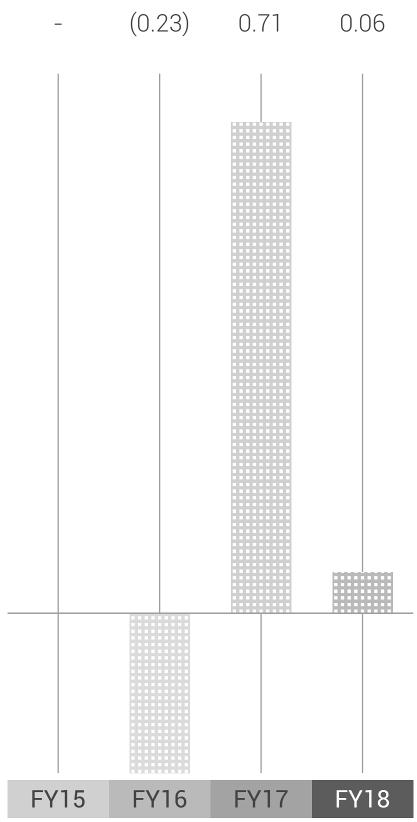
Why is this measured?
A measure of a company's financial health, indicating the ability of the Company to remunerate shareholders over debt providers

Performance
The Company's moderated its gearing from 1.18 in FY15 to 1.05 in FY18

Value impact
Enhanced shareholder value by keeping the equity side constant; enhanced flexibility in progressively moderating debt cost

ROCE

(%)



Definition
It is a financial ratio that measures a company's profitability and the efficiency with which its capital is employed in the business

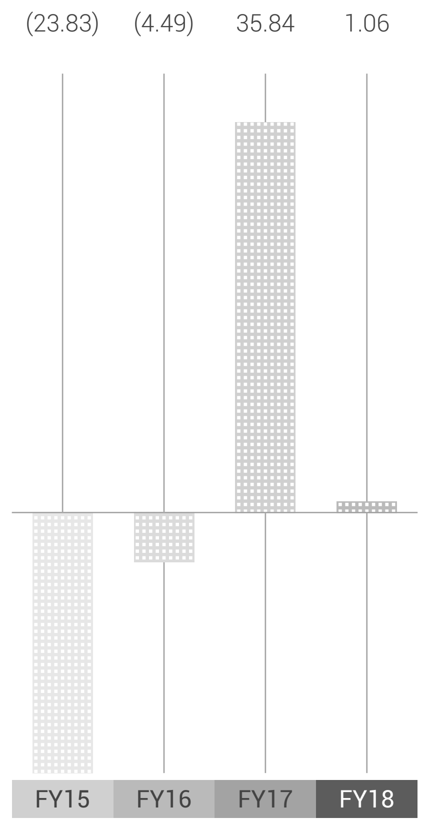
Why is this measured?
ROCE is a useful metric for comparing profitability across companies based on the amount of capital they use – especially in capital-intensive sectors

Performance
A showcase of prudently investing every rupee in profitable spaces that generate higher returns for shareholders

Value impact
Enhanced ROCE can potentially drive valuations and perception (on listing)

Earnings per share

(₹)



Definition
It is the portion of a company's profit allocated to each outstanding share of common stock

Why is this measured?
This figure depicts the actual value the Company has created for its shareholders

Performance
The Company's EPS has progressively increased from a negative of ₹(23.83) in FY15 to ₹1.06 in FY18

Value impact
Adds value at the hands of the shareholders through enhanced earnings per share

Chairman's **overview**

At Websol, it makes excellent sense for a company like ours to extend our focus from wholesale marketing to wholesale-cum-retail marketing.

Our engagement with a large pan-India brand is expected to kick-start our retail offtake in addition to agreeing to buy out a certain pre-agreed quantity of our offtake.

"At Websol, it makes excellent sense for a company like ours to extend our focus from wholesale marketing to wholesale-cum-retail marketing."

Sohan Lal Agarwal, *Chairman and Managing Director*

India is the possibly the most exciting global market for renewable energy.

I am pleased to report that the Central Government's priority in transforming the country through the planned replacement of conventional energy sources with renewable energy has translated into attractive on-ground realities.

India is adding more energy capacity through renewable energy capacity today than through conventional energy, a reality that would have been unthinkable at the turn of this decade.

India added 11,788 MW in renewable energy capacity in 2017-18 compared with 5,400 MW from conventional energy (thermal & hydro), a trend I believe will sustain year on year.

The scenario is exciting and challenging. The sectoral excitement comes from the fact that the opportunity to market solar energy cells and modules products is virtually unlimited, which indicates that selling one's output based on market appetite is likely to be the last of the challenges across the foreseeable future.

The scenario is challenging as well. Over the last few years, some of the largest Chinese manufacturers commissioned some of the world's largest solar cell and module capacities, a competitive positioning that made it possible for them to sell at progressively lower costs. As a result, there has been a virtual meltdown in realizations. This decline has made it imperative for manufacturers like us – and across the world for that matter - to match Chinese prices.

Over the last few years, Websol took a number of initiatives to strengthen its competitiveness. The

Company graduated to a superior sweating of its technologies that generated a higher energy throughput. The Company produced products that held their own against the evolving standards of the day. The Company's products were certified in line with the most demanding global accreditations. The Company marketed its products to some of the most demanding customers in the most stringent geographies.

More than everything, Websol continued to expand. A company that started out with an installed capacity of a couple of megawatts per annum has today increased its solar cell manufacturing capacity to 280 MW and increased its module manufacturing capacity from scratch to an automated line of 250 MW. I am pleased to state that a combination of relatively low Indian operating costs, coupled with the Company's culture of austerity, made it possible to expand at relatively low capital costs per megawatt.

During the year under review, Websol took this initiative a decisive step ahead. The Company expanded its solar cell manufacturing capacity from 200 MW to 280 MW and its automated module manufacturing capacity from scratch to 250 MW. The increase in the dual capacities was as critical as it was timely: the integration made it possible for us to broaden our presence from a complete dependence on solar cells to solar modules. It empowered us to address a challenging market for solar cells by extending to value-added realizations for solar modules. The fact that the Company finished the year under review with an EBITDA of ₹23 crore is indicative of our competitiveness. As things stand, Websol is possibly among only a handful of Indian solar energy product manufacturing companies to be viable and profitable.

At Websol, we believe that competitiveness is essentially derived from responsiveness to evolving market realities. During the last year, we recognized that our long standing B2B business model, marked by competitive pricing, would need to be adapted. The Company has responded with a change in its strategic priority that we like to describe as 'retailization'. Even as one end of our downstream market comprises large solar farms that would need low cost solar cells and panels, there is a new market emerging right above our heads, so to speak. As people like you and I realize that at the affordable solar energy costs of today, it makes economic sense to invest in solar panels, generate power, connect to the grid, and sell the power to the local discom or market on the Indian Energy Exchange. The result is that solar energy infrastructure expenditure is now being perceived as an investment with an attractive payback.

At Websol, it makes excellent sense for a company like ours to extend our focus from wholesale marketing to wholesale-cum-retail marketing. This implies that while our existing business model will continue, we will adapt it to address a large number of relatively small and retail downstream rooftop and miscellaneous applications. As things stand, there are a number of downstream users seeking to replace their reliance on high cost conventional energy with lower cost alternatives. Our objective will be to address their downstream markets to the extent that our managerial bandwidth can directly address, or enter into marketing alliances with large companies possessing extensive distribution networks. These arrangements will make it possible for companies like ours to manufacture and these large companies to promote, distribute and market our products — a win-win proposition. We also expect to take our first decisive step towards independent EPC projects that do not stretch our Balance Sheet and management bandwidth, which could widen the scope of our business and reinforce business sustainability.

What makes the Company's 'retailization' attractive is that it is extensively asset-light. Our engagement with a large pan-India brand is expected to kick-start our retail offtake in addition to agreeing to buy out a certain pre-agreed quantity of our offtake. We believe that, should these initiatives do even reasonably well, Websol's expanded capacity should be fully consumed in a couple of years. We believe that the returns should be adequate to invest in our next round of growth, strengthening business sustainability.

Operational review, **2017-18**

Q+A

Q: Were you pleased with the performance of the Company during the year under review?

A: There are two ways to answer this question. From one perspective, we were disappointed as the Company reported a 38.10% decline in revenue from operations and a 96.66% decline in profit after tax during the year under review. However, there is another perspective that needs to be considered: even as the year under review was one of the most challenging in recent years, marked by price volatility, Websol ran its plant right through the course of the financial year. This indicates that the Company received sustained flow orders and validated the point that the Company's competitiveness remained globally viable. Given this context, it would be reasonable to state that we were able to generate some positives from a difficult environment.

Q: What were some of the positive realities that you would point to as evidence of the Company's competitiveness?

A: Despite unpredictable business conditions, we finished the year with virtually no inventory. Even though this was a challenging year, we did not load any long-term debt to ride over, which could have compromised the integrity of our Balance Sheet. The Company did not encounter any operational loss during the financial year even as most Indian companies engaged in cell manufacture slipped deeper into the red. The Company strengthened its fundamentals through ₹23 crore in EBITDA in 2017-18.

Q: What were the various challenges that the Company encountered during the year under review?

A: The competition was principally in the form of increased dumping of solar cells and modules from Chinese competitors, resulting in a price reference for all prospective buyers in India. The global preference for solar cells accelerated from multi-crystalline technology to mono-crystalline, making it imperative to possess both products to service the needs of customers. The Company needed to engage in timely capital expenditure to create mono-crystalline capacity. The Company needed to engage in enhancing capacity during the course of the last financial year with the objective to enhance its capacity to service a larger customer appetite on the one hand and strengthen operating efficiencies on the other. The Company needed to address the reality of US

The Company increased its installed capacity of solar cells from 200 MW to 280 MW

Despite unpredictable business conditions, we finished the year with virtually no inventory

Safeguard Duty on export of solar cells and modules from India.

Q: What were the various initiatives undertaken by the Company to address these challenges?

A: One of the most decisive initiatives in this challenging environment was the resolve of the Company to seek solutions from within. The Company continued to review its operating processes and practices with the objective to identify waste and redundancy. The Company continued to cap its overhead costs through a culture of financial austerity and multi-skilling. The Company responded proactively to the need of creating mono-crystalline capacity, which was commissioned during the year under review. The Company increased its installed capacity of solar cells from 200 MW to 280 MW, coupled with an increase in its module line from 90 MW (manual) to 250 MW (automated).

Q: What was the impact of these various initiatives?

A: When we started the year under review, the differential in pricing between the landed costs of the Chinese solar products and our price was 25%. I am pleased to state that by the end of the year, we had been able to narrow this differential down to 10%. Besides, through the upgraded technology, we had succeeded in enhancing the outpour of solar cells: from lower levels to 4.9 watt peak for the mono-crystalline product and up to 4.5 watt peak per cell for the multi-crystalline product. Besides, we evolved our product mix from a complete dependence on multi-crystalline products to an evenly shared product mix, by the end of the year under review. The message that I wish to communicate is that even as we have been a technology outlier in India for the last number of years, we extended the technology frontier decisively during the year under review.

Q: The one question that shareholders will need to ask is whether the Company has strengthened its Balance Sheet while enhancing capacity during the last financial year?

A: The Company did not compromise its fundamentals in any way during the last financial year. For one, the ₹27 crore expansion and technology upgradation was carried out completely from our accruals and deferred payments at zero interest – no debt. The Company did not load debt on its books during the financial year, strengthening its ability to compete across market cycles.

Q: What are the prospects of the Company during the current financial year?

A: The Company has under-performed in its production and marketing target for the first two quarters of the current financial year on account of a slowdown in offtake, due to the confusion related to the safeguard duty. The safeguard duty was eventually enforced from 30 July 2018 and one expects this hedge to translate into effective protection in a couple of months from now. During this period, the Company continued to bag orders and we are optimistic that production should revive from the third quarter of the financial year.

We believe that we should be in a position to sweat our expanded capacities at near full utilization from the second half of the financial year under review. This is expected to result in a complete utilization of our capacities through the complete extent of the next financial year.

Enhancing **efficiency**

11.5%
Efficiency in 1995-96

18.7%
Efficiency in 2017-18 (without mono-crystalline wafers)

20.4%
Efficiency in 2017-18 (using mono-crystalline wafers)

21.2%
Efficiency in 2018-19 (using mono-crystalline wafers)

Strengths

- The Company is among the top-three solar cell and module manufacturers in India.
- The Company's products are almost at par with global standards.
- The Company has a well-trained manpower base capable of taking it from strength to strength.
- The Company has a rich experience of working the field and in collaboration with premier institutes.
- The Company started with an efficiency level of 11.5% in 1995 and has grown over the years to reach 18.7%.
- The Company's R&D team has allowed it to achieve its targets within shorter spans of time and achieve the highest efficiency in the country.
- When the Company started production in 2009, it sourced equipment from suppliers on a turnkey basis for the first six months and then chose to procure those on its own, enhancing efficiency.

Challenges

- China is the world's largest solar equipment manufacturer and India imports >85% of solar modules from the country. China has turned away from the feed-in tariff regime and restricted new capacity addition of distributed generation solar projects to 10 gigawatts in 2018. It has also removed the target-based system for utility scale solar projects. While these may lower costs for Indian developers, higher imports would put added pressure on domestic module and cell manufacturers.
- The Company introduced diamond cut wafers as a technological advancement but found it difficult to adapt to as raw materials needed to be changed in order to address the demands of the clients.
- Although the implementation of PERC bifacial modules would open up new markets for the Company in the US and Europe, it entails substantial capital expenditure and hence did not materialize during FY2017-18.

Challenges addressed

- The Company is roping in Chinese consultants in order to improve its raw material mix.
- The Company is collaborating with IIT Bombay and IIEST Shibpur in order to fine-tune process and increase yields.

Highlights, FY2017-18

- The Company substituted slurry cut wafers with diamond cut wafers and achieved an efficiency of 18.5% with a more cost-effective variant.
- The Company shifted from four bus-bars to five, increasing its efficiency from 18.5% to 18.8% by using multi-crystalline silicon cells.
- The Company went back to processing mono-crystalline silicon wafers in order to increase its efficiency to 20%.

Outlook

With prospects brightening in both domestic and export markets over the past decade, the Company is looking forward to cater to incipient demand emanating from the US, the UK and Germany, among others. By leveraging an integrated line of solar cells and modules, the Company has managed to hold its own through sectoral crests and troughs. The Company is optimistic of growing sustainably over the long-term owing to ever-increasing efficiency levels and the qualitative excellence of the products manufactured. The Company is looking forward to use mono-crystalline wafers and implement PERC bifacial modules so as to achieve a cell efficiency of 21.2% during FY2018-19 (20.4% during FY2017-18).

The unique aspects of **Websol's business model**

Rationale

Websol has made a name for itself in the industry by proactively reviewing, adapting and reinforcing its business model in line with changing circumstances. This inherent sense of responsiveness in a dynamic environment has translated into profitable growth across market cycles.

Sectoral relevance

Policy support: The ₹1.4 lac-crore Kisan Urja Suraksha evam Utthaan Mahaabhiyan (KUSUM) scheme is aimed at harnessing solar power for rural India. The scheme covers installation of 27.5 lakh solar pumps, installation of 10 gigawatts of solar power plants - each plant boasting intermediate capacity of 0.5-2 MW - and solarization of tube-wells and lift irrigation projects. In addition, a new scheme for deployment of rooftop solar power in the country called SRISTI (Sustainable Rooftop Implementation for Solar Transfiguration of India) is being formulated. The Central Government has waived the Inter State Transmission System charges and losses for inter-state sale of solar power for projects commissioned by March 2022. This will encourage setting up of the projects in states that have greater resource potential and availability of suitable land.

Growing demand: The Central Government is working to achieve the revised target of 100 gigawatts solar by 2022. Cumulative utility-scale installations now stand at about 18.4 gigawatts. Preliminary figures show that solar installations reached 9.6 gigawatts, and accounted for 45% of total capacity addition.

The Company's response

Brand equity: Over the 28 years of our existence, Websol has generated a distinctive recall in its sector for being ethical, transparent and dependable.

Retail focus: Websol changed its focus from wholesale to wholesale-cum-retail marketing over the years to penetrate deeper into the market for small retail downstream applications (rooftop and miscellaneous).

Strategic tie-up: The Company inked a contract with Exide to bolster retail revenues. Furthermore, the Company is leveraging the widespread network of Exide to sell its own products at a fraction of the cost.

Production scale: In a bid to cater to the growing demand for solar power across the country, Websol scaled its production capacity at Falta to 23.33 MW of solar cells and 20.83 MW of solar modules per month during FY2017-18.

Global presence: Websol is driven to expand its geographical presence not just across the country but also across the globe. The Company is looking forward to penetrating the American, British and German markets by banking on its mono-crystalline wafers during FY2018-19.

Integrated setup: The Company believes that the only way to stay relevant in a rapidly-changing marketplace is relentless innovation. As a means to this end, the Company has forayed into the manufacture of next-gen products at its state-of-the-art manufacturing facility in Falta equipped with an integrated line for solar cells and modules.

Cutting-edge technology: Websol has embraced cutting-edge technologies in order to consistently enhance efficiency levels. In so doing, it has brought back the five-year old mono-crystalline wafers back in play and helped the country emulate global benchmarks.

Outcomes of Websol's distinctive business model

Identity: The Company has cemented its reputation as one of top-three solar cell and module manufacturers in the country.

Sustainability: Websol has laid a keen emphasis on ensuring that its borrowings stay in control. The robustness of the Company's business model is reflected in its Balance Sheet.

Optimism: The manner in which the Company not only survived the difficult year that was FY2017-18 but also thrived, has inspired the belief that Websol's integrated line of solar cells and modules should allow it to sustain its growth momentum over the long-term.

Management discussion and analysis

Global economic overview

In 2017, a decade after the global economy spiraled into a meltdown, a revival in the global economy became visible. Consider the realities, every major economy expanded and a growth wave created jobs. This reality was marked by ongoing growth in the eurozone, modest growth in Japan, a late revival in China and improving conditions in Russia and Brazil leading to an estimated 3.7% growth in the global economy in 2017, 60 bps higher than the previous year. Crude oil prices increased in 2017, with a price of US$ 54.13 per barrel at the beginning of the year, declining to a low of US$ 46.78 per barrel in June 2017 and closing the year at US$ 61.02 per barrel, the highest since 2013.

Global economic growth for six years

Year	2014	2015	2016	2017	2018 (f)	2019 (f)
Real GDP growth (%)	3.5	3.2	3.1	3.8	3.9	3.0

(Source: World Economic Outlook, January 2018) f: forecasted

Review of key national economies

The US: The world's largest economy entered its ninth straight year of growth in 2017 (2.3% compared to 1.6% in 2016) catalysed by the spillover arising out of government spending by the previous administration coupled with US$ 1.5 trillion worth of tax cuts stimulating investments. Private consumption continued to grow at a robust pace from 1.5% in 2016 to 2.2 in 2017 despite modest real income gains and moderate wage growth, as the personal savings rate fell further.

Eurozone: This region experienced the upside arising out of cheap money provided by the central bank. In 2017, eurozone is estimated to grow 2.4% compared with 1.8% in 2016, the broad-based growth visible in all Euro-zone economies and sectors. Unemployment declined to 8.8% in October 2017, the lowest since January 2009. (Source: WEO January 2018, Focus Economics).

China: The Chinese economy grew faster than expected in the fourth quarter (October to December) of 2017 at 6.8%, aided by a recovery in exports. This helped China celebrate its first annual growth in seven years. For the full year, China's growth is estimated at 6.9% which is its highest economic growth since 2010. This growth easily beat the government estimates of 6.5% and the nation's slowest growth of 6.7% in 2016 (weakest pace in 26 years). Private firm investments grew at 6% in 2017 from 3.2% in 2016, a sign that private sector outlook is improving. Disposable income growth picked up to 7.3% in 2017 from 6.3% in 2016. Consumption should outpace investment and demand for services could remain strong (52% of economic output). China's exports rose 6.9% from the previous year to $188.98 billion in October 2017. In 2018, China's growth is projected at 6.6%. (Source: WEO, NBS data)

Emerging Asia: Emerging Asia GDP is estimated at 6.5% in 2017. The region is being transformed by technologies and Internet, strengthening the digital economy. Cambodia, Laos and Myanmar are projected to grow the fastest in the ASEAN, while Philippines and Vietnam are expected to lead growth in ASEAN-5 (Indonesia, Malaysia, Philippines, Thailand and Vietnam). The region is being driven by infrastructure spending and stable economies.

GDP growth rates of emerging Asian nations

Emerging and Developing Asia	6.4%	6.5%	6.5%
ASEAN-5 nations	4.9%	5.3%	5.3%

*estimated (Source: IMF)

	Cambodia	Laos	Myanmar	Philippines	Vietnam	Thailand	Malaysia	Indonesia
2017	6.8%	6.7%	6.4%	6.7%	6.7%	3.5%	5.8%	5.1%
2018*	6.9%	6.6%	6.7%	6.7%	6.5%	3.6%	5.2%	5.3%

*Estimated (Source: World Bank Global Economics Prospects)

GCC: Being highly oil dependent economies, GCC countries were affected by the oil price decline (~60% since 2013), resulting in macro-economic instability that affected job creation and growth. The GDP growth across the region remained subdued at 1.8% in 2017 despite efforts to boost the non-oil private sector economic activities. Regional growth is projected to increase steadily after 2017, to 3% in 2018 and 3.2% by 2020, following acceleration among oil exporters and importers, moderated geopolitical tension and rise in oil prices. (Source: World Bank)

Russia: The economy appeared to have exited a two-year recession, thanks to the authorities' effective policy response and existence of robust buffers, proved shallower than past downturns. In 2017, Russia was estimated to grow 1.9%, following negative growth of 0.6% in 2016 (WEO) and a projected GDP growth of 1.8% in 2018. (Source: MOMR)

Brazil: In 2017, Brazil grew at 1.1%, following a deceleration of 3.5% in 2016. The recovery in the GDP was boosted mainly by the agricultural sector which grew by 13%. The services sector also registered a growth of 1.8%. According to the Brazilian Institute of Geography and Statistics (IBGE), a decline in inflation (inflation was 3.5% in 2017 as compared to 8.7% in 2016) also significantly contributed to the economic growth. According to IMF predictions, the nation is expected to clock a growth of 1.9% in 2018. In the next fiscal, manageable inflation and improvements in labor conditions are expected to boost consumer spending. There are also expectations of monetary easing and rising business confidence, which could revive fixed investments. (Source: Focus Economics, Rio Times)

Outlook

The outlook for advanced economies improved, notably for the eurozone, but in many countries inflation remained weak, indicating that prospects of GDP growth were being held back by weak productivity levels and rising dependency ratios. Prospects of emerging market and developing economies in sub-Saharan Africa, the Middle East, and Latin America remained lacklustre with several countries experiencing stagnant per capita incomes. Fuel exporters were particularly affected by protracted adjustments to lower commodity revenues. Global growth forecasts for 2018 and 2019 were revised upward by 20 bps to 3.9%, reflecting an improved momentum and the impact of tax policy changes in the US. (Source: WEO, IMF)

Indian economic overview

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for somewhat slower growth, estimated to be 6.7% in 2017-18. Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies. This was achieved on the back of lower inflation, an improved current account balance and a reduction in fiscal deficit-to-GDP ratio. The year under review was marked by various structural reforms being undertaken by the Central Government. In addition to GST introduction, the year witnessed significant steps towards resolution of problems associated with NPA levels, FDI liberalization, bank recapitalization and privatization of coal mines. After remaining in the negative territory for a couple of years, export growth rebounded during 2016-17 and strengthened in 2017-18. Foreign exchange reserves rose to US$ 414 billion as on January 2018. (Source: CSO, Economic Survey 2017-18)

FY2017-18 versus FY2016-17

	2017-18	2016-17
GDP growth	6.7%	7.1%
GVA growth	6.4%	9.0%
Farm growth	3%	9.0%
Manufacturing growth	5.1%	9.3%
Power and gas growth	7.3%	6.5%
Mining growth	3%	1.9%
Construction growth	4.3%	3.5%
Trade, hotel, transport, telecom growth	8.3%	9.8%
Financials, realty growth	7.2%	9.8%
Public, admin, defence growth	10.1%	16.6%
Per capita income growth	8.3%	9.7%

(Source: Press Information Bureau)

Key government initiatives

India's economic success helped South Asia emerge as the fastest-growing region in the world. India is the world's seventh-largest economy, growing faster than any other large economy (except China). India is home to 1.34 billion people – 18% of the world's population. It is likely to overtake China as the world's most populous country by 2024. By 2050, India's economy is projected to be the world's second-largest (behind China). World Economic Forum's 'Global Competitiveness Report 2017' ranked India at an impressive 23 in the Global Competitiveness Index from 39 in 2016. Disruptions by demonetization could have dampened short-term GDP growth, but could prove beneficial across the long-term. The imposition increased digital transactions, now easier to track and tax. Other government initiatives comprised:

Bank recapitalization scheme: The Central Government announced capital infusion of ₹2.1 lakh crore in public sector banks. The measure entailed a budgetary allocation of ₹76,000 crore by the Central Government, while the remaining amount is to be raised by the sale of recapitalization bonds. (Source: KPMG)

Expanding road network: To boost road infrastructure in the country and foster job creation, the Government of India announced a ₹6.9 lakh crore investment outlay to construct 83,677 kilometres of road network, over a period of five years. The ambitious programme is expected to generate 14.2 crore man-day jobs for the country. (Source: KPMG)

Improving business ecosystem: The country was ranked at the hundredth position, registering an improvement of 30 places, in the World Bank's 'Ease of Doing Business 2017' report. The significant jump was a result of the Central Government's pro-reform agenda, comprising measures such as passing of Insolvency and Bankruptcy Code, simplifying tax computation and merging applications for PAN and TAN. In addition, Aadhaar-based identification approach could further help streamline challenges pertaining to the regulatory regime. (Source: KPMG)

GST implementation: The Government of India carried out a significant overhaul of the indirect tax regime and launched the GST in July 2017, with the vision of creating an unified market. Under this regime, various goods and services would be taxed as per five slabs (28%, 18%, 12%, 5% and zero tax). To reduce the short-term inflationary effect of GST, the GST Council cut tax rates on >250 goods and services by moving them to lower tax slabs in two separate rate cuts. Post-GST implementation, India's tax net expanded, as a 50% increase was recorded in unique indirect taxpayers. (Source: KPMG)

Increasing FDF inflow: India is among the most favoured FDI destinations, and the annual FDI inflows to the country is expected to rise to around US$ 75 billion over the next five years. FDI inflows to India nearly doubled over the past decade to US$ 42 billion as of 2016-17. Some moderation was seen in FDI flows in the December 2017 quarter, but it will likely normalize over the coming quarters. (Source: UBS)

Coal mining privatization: Ending state monopoly, the Central Government has opened coal mining to the private sector firms for commercial use. This has been the most ambitious reform for the sector since its nationalization in 1973. Coal accounts for ~70% of the country's power generation, and the move for energy security through assured coal supply is expected to attract major players, enhance sectoral efficiency, widen competition, increase competitiveness and induct the best technologies. (Source: The Hindu, Business Today)

Doubling farm incomes: To improve the living conditions of farmers, the government initiated a seven-point action plan to double incomes by 2022. The measures include policy and governance reforms, agriculture trade policy and export promotion, market structure and marketing efficiency, value chain and supply chain management, science and technology and start-ups in agriculture, sustainable and equitable development and efficient delivery of services, capital investment and institutional credit for farmers and promotion of livestock, dairy, poultry and fisheries as engines of growth. (Source: PIB)

Outlook

The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and a growth in the services sector are expected to continue supporting economic activity. Private investments are expected to revive as the corporate sector adjusts to the GST. Over the medium-term, the introduction of the GST is expected to catalyse economic activity and fiscal sustainability by reducing the cost of tax compliance, drawing informal activity into the formal sector and expanding the tax base. The recapitalization package for public sector banks announced by the Government of India is expected to resolve banking sector balance sheets, enhance credit to the private sector and spur investment inflows. (Source: IMF, World Bank)

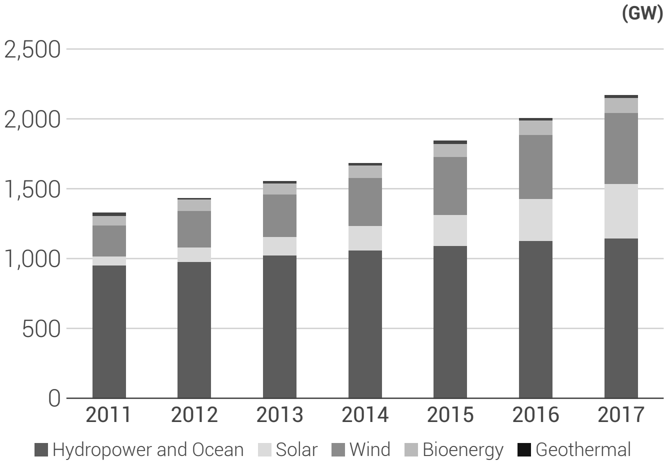
Global renewable energy market overview

The global renewable energy market was valued at US$ 14,69,078 million in 2017. The global renewable generation capacity increased by 167 gigawatts and reached 2,179 gigawatts worldwide, by the end of 2017, up 8.3% from 2016. The region with the greatest renewable energy capacity in 2017 is Asia, with 9,18,655 MW, up from 58% in 2016. China is the country with the greatest renewable capacity in 2017 at 6,18,803 MW, 10% of all new capacity additions came from India, mostly in solar and wind. Europe added 24 gigawatts of new capacity in 2017, followed by North America with 16 gigawatts. ~115 million people worldwide currently rely on the basic energy services provided by solar lights, while another 25 million obtain a higher level of renewable energy services through solar home systems or connection to a solar mini-grid. In addition to solar power, >6 million people are currently connected to hydropower mini-grids while another 3,00,000 people use biogas power. ~16% of the total global population, which accounts to 1.2 billion people, lives without electricity. Most people in rural Sub-Saharan Africa and Oceania region do not have access to electricity. Renewables currently provide 12.1% of global power supply, avoiding a ~1.8 gigatonnes of carbon dioxide emissions, indicating significant room for expansion. New global financial commitments reached US$ 279.8 billion, representing a 2% increase over 2016. Solar energy received the largest share of financing at US$ 160 billion. (Source: PRNewswire, IRENA)

Outlook

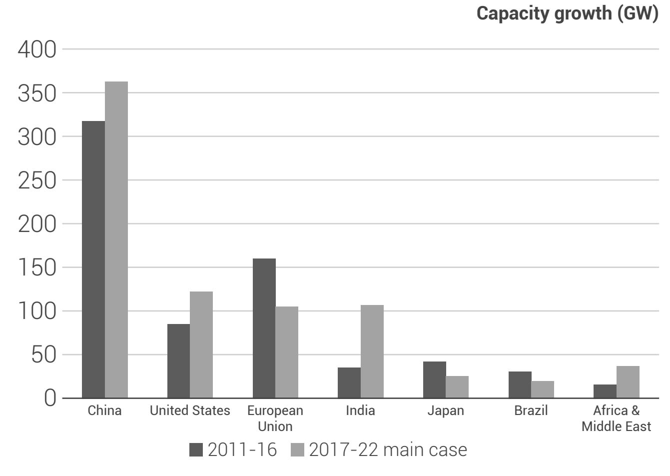
Global renewable energy market was valued at US$ 14,69,078 million in 2017 and is projected to reach US$ 21,52,903 million by 2025, growing at a CAGR of 4.9% from 2017 to 2025. (Source: PRNewswire, IRENA)

Total renewable power generation capacity, 2011-2017



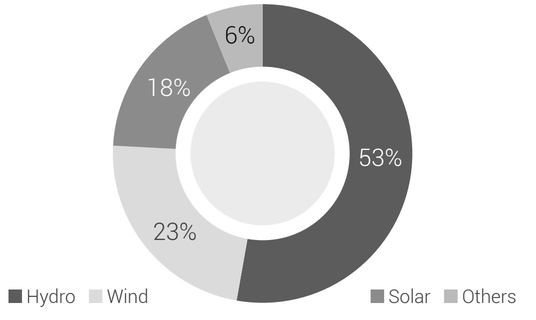
(Source: IRENA)

Net additions to renewable power capacity by regions



(Source: IRENA)

Renewable generation capacity by energy source



(Source: IRENA)

Key numbers

2,179 gigawatts

Global renewable generation capacity at the end of 2017

8.3%

Growth in renewable capacity during 2017

167 gigawatts

Increase in global renewable generation capacity in 2017

64%

Share of new renewable capacity installed in Asia in 2017

85%

Wind and solar share of new capacity in 2017

146 million

Revised number of people served by off-grid renewable power

1,523 megawatts

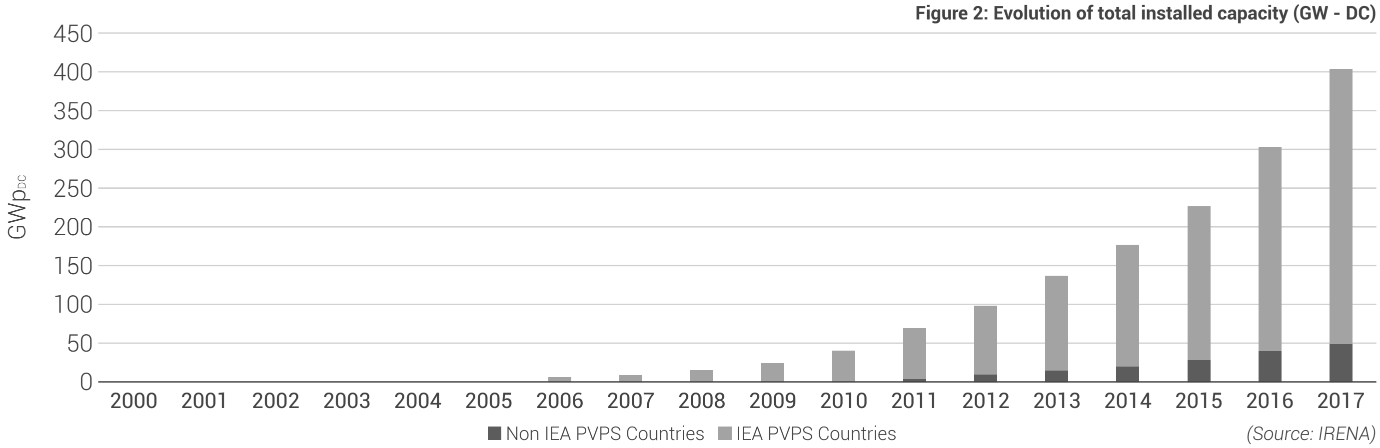
Cumulative capacity of three new solar parks approved in India

Solar photovoltaic segment overview

The solar photovoltaic segment grew by a whopping 32% in 2017, followed by wind energy, which grew by 10%. Underlying this growth are substantial cost reductions, with the cost of electricity from solar photovoltaic decreasing by 73%, and onshore wind by ~25%, between 2010 and 2017. Both technologies are now well within the cost range of power generated by fossil fuels. The world installed a record 94 gigawatts of new solar photovoltaic installations in 2017 compared to 73 gigawatts in 2016. By the end of 2017, the total global installed capacity was pegged at 402.5 gigawatts. China, India, the United States and Japan were the most important solar photovoltaic markets, followed by Turkey, Germany, Australia and the Republic of Korea. The top-five countries, led by China, account for 90% of solar photovoltaic jobs worldwide. Overall, Asia is home to ~3 million solar photovoltaic jobs. This represents 88% of the global total, followed by North America's 7% share and Europe's 3% share. (Source: IRENA, IEA)

Evolution of total installed capacity (gigawatts)

Figure 2: Evolution of total installed capacity (GW - DC)



(Source: IRENA)

Indian renewable power sector overview

India accounts for ~4% of the total global electricity generation and contributes 4.43% to the global renewable generation capacity. India has the fourth-largest installed capacity of wind power and the third-largest installed capacity of concentrated solar power with the installed power capacity reaching 334 gigawatts as of 31st March 2018. India moved up 73 spots to rank 26th in the World Bank's 'List of Electricity Accessibility' in 2017. India ranked third among 40 countries in EY's 'Renewable Energy Country Attractiveness Index', on back of strong focus by the government on promoting renewable energy and implementation of projects in a time-bound manner. With a production of 1,423 terawatt-hours, India is the third-largest producer and the third-largest consumer of electricity in the world. With a view to enhance the share of renewables in the overall generation matrix, the Government of India formulated an action plan to achieve a total capacity of 60 gigawatts from hydroelectricity and 175 gigawatts from other renewable energy sources (excluding large hydroelectricity projects) by March, 2022, which includes 100 gigawatts of solar power, 60 gigawatts from wind power, 10 gigawatts from biomass and 5 gigawatts from hydroelectricity.

India witnessed highest ever solar power capacity addition of 5,525.98 MW and 467.11 MW of wind power capacity addition in 2017-18. ~15,000 biogas plants were installed during the same time period. With electricity production of 1,160.1 billion units in India in FY17, the country witnessed growth of ~4.72% over the previous fiscal. Electricity production was pegged at 1,201.543 billion units in 2017-18, registering a growth of 55.72% over the previous fiscal. Electricity production grew between FY10 and FY18 at a CAGR of 5.69%.

In March 2017, the Power Ministry launched an application named - GARV-II, to provide real-time data related to electrification of all un-electrified villages in India. 17,164 out of 18,452 un-electrified villages in India have been electrified up to March 2018 as a part of the target of electrifying all villages across India by May 1, 2018.

Demand drivers

- Power consumption is estimated to increase from 1,160.1 terawatt-hours in 2016 to 1,894.7 terawatt-hours in 2022. The biggest boost for the demand of sector is likely to be driven by growing power consumption across the country.
- 100% FDI allowed in the power sector has boosted FDI inflows in this sector. Total FDI inflows in the power sector reached US$ 12.97 billion during April 2000 to December 2017, accounting for 3.52% of total FDI inflows in India.
- India receives ~300 days of sunshine every year. This makes it a perfect candidate to harness the solar power available. India also has a large hydroelectric power potential which is being explored in the North Eastern states of the country.
- Electricity consumption is projected to reach 15,280 terawatt-hours in 2040 from 4,926 terawatt-hours in 2012. Most of this demand would come from the growth in the construction and transportation sectors

Policy support

Ujwal DISCOM Assurance Yojana (UDAY)

- Scheme to improve financial health of DISCOMs, revive power demand
- Increase in concession period (from 25-35 years)
- Focus on sustainability of distribution companies including operational improvement such as AT&C loss reduction
- Restructuring of financial burden of utilities with support from State Governments and banks
- Integrated Power Development Scheme (IPDS)
- Metering of distribution transformers/ feeders/consumers in the urban area and IT enablement and strengthening of distribution network
- Estimated support for the present scheme stood at ₹25,913 crore

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

- Strengthening of sub-transmission and distribution networks in the rural areas
- Metering of distribution transformers/ feeders/consumers in the rural area and Rural Electrification
- Total outlay of ₹44,033 crore which includes a budgetary support of ₹33,453 crore from government

National Electric Fund (NEF)

- To promote investment in the distribution sector
- To provide interest subsidy on loans disbursed to the discoms – both in public and private sector
- Projects worth ₹10,000 crore have been sanctioned by the Central Government to various utilities

Saubhagya Scheme (Pradhan Mantri Sahaj Bijli Har Ghar Yojana)

- Last-mile connectivity to willing households to help achieve the goal of lighting every household by the end of 2018

- An outlay of ₹16,320 crore by the Central Government to achieve the target

National Smart Grid Mission

- Focus on demonstrating Smart Grid capabilities through a range of initiatives and pilot projects.
- Total outlay under 12th Five Year Plan is around ₹980 crore with ₹890 crore accounting for Smart Grid Development and ₹27 crore for micro grid development.

(Source: IBEF, India Power)

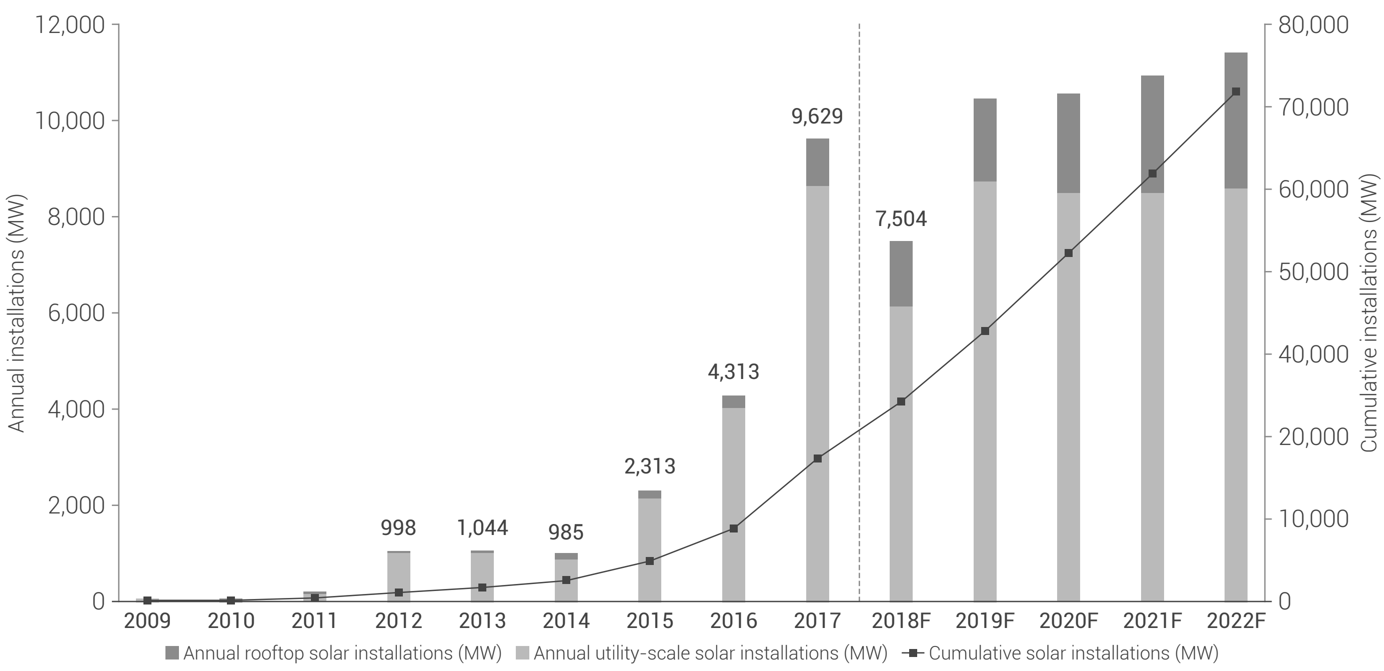
Indian solar energy market overview

India achieved the milestone of 20 gigawatts in cumulative solar installations during the past eight years. The National Solar Mission had initially set the target of 20 gigawatts installed capacity by 2022. This has been achieved four years ahead of time. The Central Government is working to achieve the revised target of 100 gigawatts in solar energy capacity by 2022. The cumulative utility-scale installations stood at ~18.4 gigawatts with rooftop solar accounting for another 1.6 gigawatts. During CY2017, solar installations reached 9.6 gigawatts and accounted for a 45% share of the total capacity addition. The top states for solar installation were Telangana followed by Karnataka, Andhra Pradesh and Rajasthan. (Source: Hindu Business Line)

Outlook

Renewable sources are expected to help meet 40% of India's power needs by 2030. The Government of India is taking a number of steps and initiatives like 10-year tax exemption for solar energy projects, in order to achieve addition of 100 gigawatts of solar power, by 2022. The target for renewable energy has been increased to 175 gigawatts by 2022. Electricity consumption (or demand) in India is expected to grow at CAGR of 7.1% between FY17 and FY22. India will require an additional power supply capacity of ~450 gigawatts by 2034. The peak power demand of the country was 160 gigawatts in July 2017. It is estimated that this demand will rise to 295 gigawatts by 2021-22 and 690 gigawatts by 2035-36. Despite concerns about weak power demand growth and growing incidence of grid curtailment, the solar power outlook in India remains strong. Overall, 2018 could prove to be a bumper year for the solar power sector in India. The Central Government is also promoting electric cars, which will sharply reduce India's dependence on petroleum products. (Source: IBEF)

Indian solar power demand forecast (MW)



(Source: Mercom India Research (Dec 2017))

Government initiatives

Solar parks

India lies in the high solar insolation region, endowed with huge solar energy potential with most of the country having ~300 days of sunshine per year with mean daily solar radiation in the range of 4-6 kilowatt-hours per square metre per day. Solar power projects can be set up anywhere in the country, however the solar power projects are scattered across multiple locations land will lead to higher project cost per megawatts and higher transmission losses, due to drawing separate transmission lines to nearest situation, procuring water in creation of other necessary infrastructure. Solar parks mostly provide developers an area that is equipped, with proper infrastructure and access to amenities and where the risk of the projects can be minimized. One of the prime requirements for development of solar projects is land identification and acquisition and to make it easier the Government of India has identified large tracts of land to develop 25 solar parks (20 gigawatts) in various states. Furthermore, some states have undertaken initiatives to facilitate land availability for solar projects, such as:

The Government of Madhya Pradesh in its policy Implementation of Solar Power based Projects in Madhya Pradesh, 2012 (Policy 2012) has permitted to use government land, if available, up to 3 hectares per megawatt to set up solar power plants in Madhya Pradesh. Furthermore, it allows procurement of private land based on mutual consent.

The Government of Karnataka has facilitated permission for agricultural land conversion through amendment in Section 95 of Land Reforms Act.

The Government of Rajasthan has allowed procurement of both agricultural land (based on Rajasthan Imposition of Ceiling on Agriculture Holding Act, 1973) and private land (based on Ceiling Act, 1973) to develop solar power projects.

Green corridors

To achieve the target of 175 gigawatts for all renewable energy technologies (including 100 gigawatts of solar) by 2022, a strong and reliable infrastructure will be needed to ensure evacuation of power from generation sites. To support the supply of power from renewable energy-rich to renewable energy-deficient states, the Government of India is working on a green energy corridor programme. The first phase of this programme is designed to set up 33 gigawatts of solar and wind power capacity, while the second phase will set up 22 gigawatts of capacity. The programme requires an investment of ~US$ 7 billion.

Jawaharlal Nehru National Solar Mission

The Jawaharlal Nehru National Solar Mission is an initiative of the Government of India with active participation from States to promote ecologically sustainable growth while addressing India's energy security challenge. It will also constitute a major contribution by India to the global effort to meet the challenges of climate change. The installed capacity of Solar cells and Modules in the country was pegged at 3,164 MW and 8,398 MW, respectively in 2017. The Jawaharlal Nehru National Solar Mission targets the deployment of 100 gigawatts of solar power generation capacity by 2022. The incentives offered under the scheme include:

- Zero import duty on capital equipment, raw materials
- Low interest rates and priority sector lending
- Single window mechanism for all related permissions
- Tax exemption and capital subsidies available

Under the National Solar Mission a 12-gigawatt solar energy scheme has been instituted to benefit local manufacturers without violating the rules laid down by the World Trade Organization. The scheme will help home-grown players withstand the onslaught of cheap imports from China, Malaysia and Taiwan. The ₹8,000-crore scheme will lend a boost for Indian manufacturers, who are also waiting for the imposition of a safeguarding duty on solar gear. The scheme will help bridge the difference between domestic capacity and import requirements. By 2022, it will ensure a minimum manufacturing capacity of 3 gigawatts of solar power per annum. (Source: IBEF, MNRE, Economic Times).

Solar cell capacity

Sr. No.	Name of Company	Cell capacity	
		Installed as on 31.05.2017 (MW)	Operational as on 31.05.2017 (MW)
1	Indosolar Limited	240	240
2	Moser Baer Solar Limited	250	100
3	Tata Power Solar Systems Limited	300	270
4	Websol Energy Systems Limited	200	200
5	Jupiter Solar Private Limited	133	133
6	Jupiter International Limited	260	260
7	Surana Solar	120	100
8	Renewsys India Private Limited (RIPL)	130	130
9	Udhaya Energy Photovoltaics Private Limited	10	10
10	Maharshi Solar Technology	10	0
11	Bharat Heavy Electronics Limited	115	115
12	Central Electronics Limited	10	0.05
13	Premier Solar System Limited	60	60
14	Mundra Solar PV Limited (Adani Group)	1200	0
15	Euro Multivision Limited	40	40
16	Dev Solar	3	3
17	Bharat Electronic Limited	10	5
18	XL Energy Limited	60	
19	IYSERT Energy Research Private Limited	1	1
20	KL Solar Company Private Limited	12	0
	Total	**3164**	**1667.05**

(Source: MNRE)

Budgetary allocations

- The Solar Energy Corporation of India has been allocated ₹2.17 billion under Internal and Extra Budgetary Resources.
- The Ministry of New and Renewable Energy has been allocated ₹99 billion under Internal and Extra Budgetary Resources.
- The income tax rate for smaller renewable energy companies (with revenues of up to ₹5 billion annually) was also reduced to 25%.
- The Central Government is targeting to generate 20 gigawatts of solar power from farmers, by encouraging solar water pumps and installing small solar projects (1-2 MW) near farming sites. Through the Pradhan Mantri Saubhagya Yojana, the Central Government is also aiming to provide electricity connections to houses in rural and urban areas.

(Source: MERCOM)

Opportunities

- Non-conventional energy received FDI inflow of US$ 6.26 billion between April 2000 and December 2017. Thanks to the Central Government's ambitious renewable energy generation targets, the sector has become quite attractive to both foreign and domestic investors.
- India was ranked second on the 'Renewable Energy Country Attractiveness Index 2017'.

- India recorded the highest-ever capacity addition in terms of renewable energy during FY2016-17.
- Rapidly falling costs has made solar photovoltaic products a lucrative market for investment.
- Due to its favourable location in the solar belt (400S to 400N), India is one of the best recipients of solar energy with relatively abundant availability This coupled with its highest global warming mitigation potential makes it a viable alternative for power generation among the available clean energy sources.
- India had a renewable energy potential of 900 gigawatts by November 2017 from commercially exploitable sources (solar = 750 gigawatts, wind = 102 gigawatts, biomass = 25 gigawatts and hydroelectricity = 20 gigawatts).
- India will require an additional supply of 450 gigawatts by 2034. Peak power demand stood at 160 gigawatts in July 2017. It is estimated that this demand will rise to 295 gigawatts by 2021-22 and 690 gigawatts by 2035-36
- It has been estimated that renewables will account for a 49% share of India's overall power generation capacity by 2040.
- Over the last few years there has been a significant increase in terms of the contribution of renewable energy as a percentage of the total installed capacity, from 12.92% in 2013-14 to 18.79% as of January 2018.

(Source: IBEF)

Threats

- Solar companies have been hit by several tax increases. From July 2017, developers have had to pay 5% under the new GST regime on solar equipment, while some ports are charging an additional 7.5% import duty on panels from abroad.
- Regulators are proposing an 'emergency' 70% tariff on solar parts made in China, Malaysia and the west, in a bid to protect the few Indian panel manufacturers. The move follows similar actions by the US and the EU. As a result, many tenders for new projects are either on hold or have been scrapped.
- In July 2017, the Solar Energy Corporation of India abandoned tenders for 950 MW of capacity, deciding instead to delay in the hope of getting even lower tariffs in future. The same thing happened with 200 MW of solar capacity in Madhya Pradesh.
- Developers are caught up in a difficult financial position and they have become vulnerable to risk, which is eventually leading to the cancellation or postponement of the tenders.
- Developers have been squeezing every penny to try and capture market share, but many still don't know if their projects are going to get final agreement or not.
- Banks still hesitate about making solar investments because despite all its recent progress, the technology is still a little new.
- In many countries, the cost of solar energy is already either as cheap as or cheaper than fossil fuels. Higher taxes are not going to reverse that.

(Source: MERCOM, Livemint, Financial Express, Financial Times)

Michael Porter's Five Forces analysis

Threat of substitutes	Threat of substitutes is low as long as other non-renewable sources of energy remain cost-ineffective.	Positive impact
Bargaining power of suppliers	Bargaining power of suppliers is medium as it is a relatively niche sector and the suppliers are limited, resulting in some bargaining power. But this power is moderate as the order value is high.	Neutral impact
Competitive rivalry	As the sector is growing rapidly competitive rivalry is high on account of imports from China.	Negative impact
Bargaining power of buyers	Bargaining power of buyers is high as the cost of switching to a non-renewable energy source is low, and customers can switch if they find another cheaper source of energy.	Neutral impact
Threat of new entrants	Threat of new entrants is high as the cost of generating renewable energy is very low; for example: the cost of setting up a wind mill or a solar panel; which makes entry of new players is declining year-on-year.	Neutral impact

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 comprises 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 comprises parallel rows of glass tubes connected to a header pipe. The air from each tube is removed to eliminate heat loss through convection and radiation. Evacuated tube collectors ca be divided in two main groups, namely;

Direct-flow evacuated-tube collectors: Direct flow evacuated tube collectors also known as "U" pipe collectors, comprise two heat pipes running through the centre of the tube. One pipe acts as the flow pipe while the other acts as the return pipe. Both pipes are connected together at the bottom of the tube with a "U-bend". The heat absorbing reflective plate acts like a dividing strip which separates the flow and the return pipes through the solar collector tubes. The absorber plate and the heat transfer tube are also vacuum sealed inside a glass tube providing exceptional insulation properties

Heat pipe evacuated-tube collectors: In heat pipe evacuated tube collectors, a sealed heat pipe, usually made of copper is attached to a heat absorbing reflector plate within the vacuum sealed tube, to increase the collectors' efficiency in cold temperatures. The hollow copper heat pipe within the tube is evacuated of air but contains a small quantity of a low pressure alcohol/water liquid plus some additional additives to prevent corrosion or oxidation. 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: A Flat Plate Collector is a heat exchanger that converts the radiant solar energy from the sun into heat energy using the greenhouse effect. It collects, or captures solar energy and uses that energy to heat water in the home for bathing, washing and heating, and can even be used to heat outdoor swimming pools and hot tubs. A solar flat plate collector typically comprises a large heat absorbing plate, usually a large sheet of copper or aluminum as they are both good conductors of heat, which is painted and chemically etched black to absorb as much solar radiation as possible for maximum efficiency. This blackened heat absorbing surface has several parallel copper pipes or tubes called risers, running length ways across the plate, which contain the heat transfer fluid, typically water.

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.

Company overview

Websol Energy System Limited is a leading manufacturer of photovoltaic crystalline solar cells and modules in India. With a state-of-the-art integrated production facility at Falta SEZ, Websol has steadfastly delivered a commitment to quality that customers around the globe have come to rely upon. Over the past 24 years, the Company has carved a niche for itself by making top-notch quality photovoltaic modules for various domestic, commercial and industrial applications.

Financial analysis

The Company reported revenue from operations to be worth ₹183.27 crore on a consolidated basis during 2017-18, compared to ₹296.08 crore during 2016-17. Operating EBITDA on a consolidated basis stood at ₹16.60 crore for 2017-18 compared to ₹28.18 crore for 2016-17. Depreciation and interest for the current year stood at ₹16.39 crore and ₹8.56 crore, respectively.

Risk **management**

Risks affecting our business and how are we insulating ourselves from them.

1 Raw material risk	Any increase in raw materials cost could impact demand for solar photovoltaic products and affect prospects.	Mitigation: The manufacturing cost of solar photovoltaic cells in particular related to solar-grade silicon wafers and other raw materials constitutes ~70% of the Company's manufacturing costs. The Company cushioned the risk of raw material unavailability through contracts that offered fixed remunerations for the quantum of products supplied.
2 Customer concentration risk	An excessive concentration of revenues from a particular location could affect margins.	Mitigation: The Indian Government's growing focus on indigenous procurement could increase revenues for domestic players. Besides, the increasing use of solar energy has made India one of the most attractive markets in the world.
3 Competition risk	Growing competition could have an adverse bearing on the Company's profitability.	Mitigation: The Company's product certifications and strong relationships lead to sustainable offtake. The Company is ranked as one of the largest solar photovoltaic manufacturers in India, owing to a significant increase in installed capacities.
4 Demand risk	A fall in demand may cause returns on investment to decline.	Mitigation: In India, the overall renewable energy capacity is expected to >2x by 2022. Solar and wind power represent 90% of India's capacity growth following the auctioning of contracts at some of the lowest prices in the world. Furthermore, the announcement of the commissioning of 100 gigawatts through solar energy protects from any demand slowdown.
5 Technology risk	The use of obsolete technology could adversely affect the financial performance of the Company.	Mitigation: The Company's decision to invest in multi-crystalline technology has allowed it to manufacture products that are at par with the best in the world. The Company channelized sizeable amount of time and resources towards R&D to enhance cell efficiencies and yields.
6 Funding risk	The Company may not be able to fund its growing business and expansion needs in a cost-effective manner.	Mitigation: The Company moderated its debt-equity ratio to 1.05 during FY2017-18 from 1.18 during FY2016-17 while the Company's interest cover stood at a robust 1.93 times as on 31st March 2018. Timely repayments of debts and a moderate gearing helped raising additional debt in a cost-effective manner.

Human **resources**

Websol believes that its competitive advantage lies within its people. The Company's people bring to the stage a multi-sectoral experience, technological experience and domain knowledge.

The Company's HR culture is rooted in its ability to subvert age-old norms in a bid to enhance competitiveness. The Company always takes decisions which are in alignment with the professional and personal goals of employees, thereby achieving an ideal work-life balance and enhancing pride association.

Internal control systems **and their adequacy**

The internal control and risk management system is structured and applied in accordance with the principles and criteria established in the corporate governance code of the organization. It is an integral part of the general organizational structure of the Company and involves a range of personnel who act in a coordinated manner while executing their respective responsibilities. The Board of Directors offers its guidance and strategic supervision to the Executive Directors and management, monitoring and support committees. The control and risk committee and the head of the audit department work under the supervision of the Board-appointed Statutory Auditors.

STATUTORY SECTION

DIRECTOR'S REPORT

Dear Members,

Your Directors hereby submits the twenty-eighth annual report of the business and operations of your Company along with the audited financial statements, for the financial year ended March 31, 2018

Particulars	Year 2017-18	Year 2016-17
Revenue from operations	18,327.25	29,608.04
Other Income	1,018.29	7,700.58
Total Revenue	19,345.54	37,308.62
Profit / (Loss) before interest, depreciation, taxes and exceptional items	2,678.61	10,518.62
Less: Interest	855.89	469.85
Less: Depreciation	1,639.32	1,514.92
Profit / (Loss) before exceptional Items	183.40	8,533.85
Less: Exceptional Items & Income tax & other Provisions	(79.98)	659.79
Profit / (Loss) after Tax	263.38	7,874.06

OPERATIONS

During the year under review, your Company was not able to utilize the manufacturing capacity at its optimum. During this financial year, the Company completed OTS with all banks and their total dues were paid. A loan with ARC is outstanding and will be paid in installments as per their sanction with no interest payable on the outstanding loan as per the terms of the sanction.

Your Company reported total revenue of ₹18327.25 Lakhs against ₹29608.04 Lakhs during the last financial year. The Company earned a profit of ₹263.38 Lakhs after providing ₹1639.32 Lakhs towards depreciation and ₹855.89 Lakhs towards interest during the current financial year as compared to a profit of ₹7874.06 Lakhs in the last financial year.

DIVIDEND

Your directors have not recommended any dividend for the year ended 31st March, 2018, 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.

DIRECTORS

a) Changes in Directors and Key Managerial Personnel:
   In accord with the provisions of Section 152 of the Act read with Article 91 of the Article of Association of the Company, S. L. Agarwal, Managing Director will retire by rotation at the ensuing AGM and being eligible, offer himself for re-election. The Board has recommended their re-election.

b) No. of Meetings of the Board:
   Five meetings of the Board were held during the year ended March 31, 2018.

c) Declaration by Independent Directors:
   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 for the year.

d) Separate Meeting of Independent Director:
   Details of the separate meeting of Independent Directors held in terms of Schedule IV of the Act and Regulation 25(3) of the Listing Regulations are given in the Corporate Governance Report.

STATUTORY AUDITORS

M/s T. More & Co. Chartered Accountants (FRN 327844E) were appointed as Statutory Auditors of your Company at the Annual General Meeting held on 23rd September 2017, for a term of five consecutive years. However, M/s T. More & Co. have tendered their resignation from the Auditorship with effect from the conclusion of the ensuing Annual General Meeting of the shareholders of the Company.

The Company has received special notice u/s 115 of the Companies Act, 2013 from two shareholders of the Company expressing their desire to propose the name of M/s G. P. Agrawal & Co., Chartered Accountants as Statutory Auditors of the Company.

M/s G. P. Agrawal & Co. has given their consent to act as Statutory Auditor of the Company, if appointed.

There is no qualification, reservation, adverse remark or disclaimer given by the Auditors in their report.

Clarification/explanation on remarks in Independent Auditors' Report

a. In the comments of Auditors under para "EMPHASIS OF MATTER" regarding confirmation of accounts, the director states that all the balance confirmation letters have 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 fixed asset register will be completed in the next financial year.

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 no banking facility currently available to the Company. However, we hereby submit that all the statutory dues relating to the financial year 2017-18 have since been paid.

COST AUDIT

Cost Audit is not applicable to the Company.

SECRETARIAL AUDIT

Your Board appointed M/s. AL & Associates, Practicing Company Secretaries, to conduct a secretarial audit of the Company for the financial year ended 31st March 2018. The report of the M/s. AL & Associates is provided in the Annexure 'A' forming part of this report, pursuant to Section 204 of the Act.

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.

KEY MANAGERIAL PERSONNEL:

Pursuant to the provisions of Section 203 of the Act, the Key Managerial Personnel of the Company are Mr. S.L. Agarwal, Managing Director, Mrs. Sima Jhunjhunwala, Chief Financial Officer and Mrs. Sweta Biyani, Company Secretary. During the year, there has been no change in the Key Managerial Personnel of the Company. Details pertaining to their remuneration have been provided in the Extract of Annual Return annexed hereto and forming part of this Report.

COMMITTEES OF THE BOARD:

Pursuant to various requirements under the Act and the Listing Regulations, the Board of Directors has constituted various committees such as Audit Committee, Nomination & Remuneration Committee, Stakeholders Relationship Committee, Corporate Social Responsibility Committee and Share Transfer Committee. The details of composition, terms of reference, etc., pertaining to these committees are mentioned in the Corporate Governance Report.

AUDIT COMMITTEE:

All recommendations made by the Audit Committee during the year were accepted by the Board.

WHISTLEBLOWER POLICY:

The Company has in place a Whistleblower Policy to deal with unethical behavior, victimization, fraud and other grievances or concerns, if any. The aforementioned whistleblower policy is available on the Company's website at the following web-link: https://www.websolar.com/investor-corner/corporate-governance.

POLICY ON SELECTION AND REMUNERATION OF DIRECTORS:

Based on the recommendation of the Nomination & Remuneration Committee, the Policy on Selection & Remuneration of Directors, Key Managerial Personnel and other employees was revised and adopted by the Board of Directors at their meeting held on 21.08.2017. The said policy was made applicable w.e.f 01.10.17.

BOARD EVALUATION:

Pursuant to the provisions of the Act and Regulation 17 of the Listing Regulations, the Board has carried out the evaluation of its own performance and that of its Committees as well as evaluation of the performance of the individual directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report attached to this Report.

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.

Outstanding 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, approved by Board of Directors, inter alia, prohibits trading in securities of the Company by Directors and employees on the basis of unpublished price sensitive information in relation to the Company.

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 B, which forms part of this report.

RISK MANAGEMENT POLICY:

The policy on risk assessment and minimization procedures as laid down by the Board are periodically reviewed by the Audit Committee and the Board. The policy facilitates the identification of risks at the appropriate time and ensures necessary steps to be taken to mitigate the risks. Brief details of risks and concerns are given in the Management Discussion and Analysis Report.

EXTRACT OF ANNUAL RETURN

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

MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year i.e. 31st March 2018 and the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS:

There are no significant/ material orders passed by the Regulators / Courts / Tribunals which would impact the going concern status of the Company and its future operations.

INTERNAL FINANCIAL CONTROLS:

The Company has in place adequate internal financial controls with reference to the financial statements. During the year, such controls were reviewed and no reportable material weakness was observed

ANNUAL CSR REPORT

The Company has formed the CSR Committee at the end of last financial year. However, due to cash crisis the Company could not spend any amount on CSR activities during the financial year but has considered to spent the amount in the financial year 18-19 if there are profits in the profit and loss account.

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

In line with the requirements of Companies Act,2013 and Listing Regulations, your company has formulated a Policy on Related Party Transactions which is also available on the Company's website at https://www.webelsolar.com/investorscorner/corpoarte-governance. The policy intends to ensure that proper reporting, approval and disclosure processes are in place for all the transaction between the Company and Related Parties.

All related party Transactions are in place before the Audit Committee for review and approval. 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 the interest of the Company at large. Necessary disclosure regarding transactions with related parties has been made in the Notes to the Audited Accounts.

All related party transactions entered during the year were in the ordinary course of the business and at arm's length basis. No material related party transactions, i.e. transactions exceeding 10% of the annual consolidated turnover as per the latest audited financial statement, were entered during the year by our Company. Accordingly, the disclosure of related party transactions as required under section 134(3)(h) of the Companies Act,2013, in Form AOC-2 is not applicable.

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

STATE OF AFFAIRS OF THE COMPANY

The Company has made a settlement with all the lenders of working capital and term loan. No Due Certificates have been received from the banks. The Company has made expansion in the year thereby increasing its production capacity from 200 MW to 280 MW (Cell Line) and Module line from 90 MW manual line to 250 MW fully automated Module line. Your Company is planning to expand its existing capacity further to 300 MW (Cell Line) and Module line to 500 MW from existing 250 MW.

CORPORATE GOVERNANCE REPORT

Maintaining high standards of Corporate Governance has been fundamental to the business of the Company since its inception. A separate report on Corporate Governance along with a certificate from the Auditors of the Company regarding Compliance of Conditions of Corporate Governance as stipulated under Listing Regulations is annexed in Annexure-E, which forms part of this report. A certificate of CFO of the Company in terms of Listing Regulations, inter alia, confirming the correctness of financial statements and cash flow statements, adequacy of internal control measures is also annexed.

The extract of annual return in Form MGT-9 as required under section 92(3) of the Companies Act and Rule 12 of the companies (Management and Administration) Rules, 2014 is appended as an Annexure to this Annual Report.

SEXUAL HARASSMENT AT WORKPLACE

Your Company has in place a formal policy for the prevention of sexual harassment of its employees at the workplace. During the year, 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 that, pursuant to provisions of section 134(5) of the Companies Act, 2013, in respect of financial year under review:

i) In the preparation of the Annual Accounts for the financial year ended 31st March 2018, the applicable accounting standards have been followed and there are no material departures from the same;

ii) 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 2018 and of the Profits of the Company for that period;

iii) 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) We have prepared the annual accounts on a "going concern" basis.

v) We have laid down internal financial controls for the Company and that such internal financial controls are adequate and operating effectively.

vi) We have devised proper systems to ensure compliance with the provisions of all applicable laws and such systems were adequate and operating effectively

ACKNOWLEDGEMENTS

The directors place on record their deep appreciation to employees at all levels for their hard work, dedication and commitment towards their duty leading to cordial industrial relations.

The Board places on record its appreciation for the support and co-operation the Company has been receiving from its suppliers, distributors, retailers, business partners and others associated with it as its trading partners. The Company looks upon them as partners in its progress and has shared with them the rewards of the growth.

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 all the shareholder, Customers, Vendors, Government Authorities and Banks.

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

D. Sethia S.	L. Agarwal
Independent Director	Managing Director

Date : 31st August, 2018
Place : Kolkata

ANNEXURE A

FORM NO. MR-3

SECRETARIAL AUDIT REPORT

FOR THE FINANCIAL YEAR ENDED ON 31ST MARCH, 2018

[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, 2018 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, 2018 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 expect to the extent as mentioned below:

1. The Nomination & Remuneration Committee is not properly constituted.

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 the Company has issued 47,02,667 equity shares in lieu of conversion of FCCB's and no other specific event has happened and / or no other 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.

Place: Kolkata
Date: 31st August, 2018

For AL & Associates
(Practicing Company Secretaries)

Sd/-
Priti Lakhotia
ACS No.21970
CP No. 12790

Note: 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.

ANNEXURE - A

(to the Secretarial Audit Report of Websol Energy System Limited for the FYE March 31,2018)

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: 31st August, 2018

For AL & Associates
(Practicing Company Secretaries)

Sd/-
Priti Lakhotia
ACS No.21970
CP No. 12790

ANNEXURE - B

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 2018.

A. CONSERVATION OF ENERGY

The business unit continued their efforts to improve energy usage efficiencies and increase the share of renewable energy. The Company has taken adequate steps to ensure comparatively low energy consumption. In order to reduce the energy consumption, following steps were taken:

a) Time to time replacement of old machinery with new machines having more efficient and cost- effective.

b) Installation of Solar Power Project is being done at plant.

c) Continuous use of CFL & LED lights is being encouraged.

B. TECHNOLOGY ABSORPTION

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

2. Technology Absorption, Adoption & Innovation
   The Company has fully absorbed the technology to manufacture Solar Photovoltaic Cells and Modules.

3. Information regarding Imported Technology

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In Lakhs)

	Particulars	For the year 2017-18	For the Year 2016-17
(a)	Foreign Exchange earnings of the Company	783.28	146.83
(b)	Foreign Exchange Outgo		
	(i) C. I. F. value of import of Raw Materials, Components, Spare parts and Capital Goods	14990.58	19069.39
	(ii) Others	1.88	55.49

ANNEXURE C - EXTRACT OF ANNUAL RETURN AS ON MARCH 31, 2017

FORM NO. MGT-9

EXTRACT OF ANNUAL RERURN FOR THE YEAR ENDED 31.03.2018

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 Photovoltaic & Cells and Modules	85414011	100

III. PARTICULARS OF HOLDING , SUBSIDIARY & ASSOCIATE COMPANIES

There are 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-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
A. Promoters									
(1) Indian									
a) Individual/ HUF	1329748	-	1329748	6.05%	19,29,748	-	1929748	7.23%	1.18%
b) Central Govt	-	-	-	-	-	-	-	-	-
c) State Govt(s)	-	-	-	-	-	-	-	-	-
d) Bodies Corp.	5519674	-	5519674	25.12%	55,19,674	-	5519674	20.69%	-4.43%
e) Banks / FI	-	-	-	-	-	-	-	-	-
f) Any other	-	-	-	-	-	-	-	-	-
Total shareholding of Promoter (A)	6849422	-	6849422	31.17%	7449422	-	7449422	27.93%	-3.25%

I. Category-wise Share Holding *(Contd.)*

Category of Shareholders	No. of Shares held at the beginning of the year[As on 31-March-2017]				No. of Shares held at the end of the year [As on 31-March-2018]				% Change during the year
	Demat	Physical	Total	% of total shares	Demat	Physical	Total	% of total shares	
B. Public Shareholding									
1. Institutions									
a) Mutual Funds	-	7600	7600	0.03%	-	7600	7600	0.03%	-0.01%
b) Banks / FI	1055590	-	1055590	4.80%	132735	-	132735	0.50%	-4.31%
c) Central Govt	-	-	-	-	-	-	-	-	-
d) State Govt(s)	-	-	-	-	-	-	-	-	-
e) Venture Capital Funds	-	-	-	-	-	-	-	-	-
f) Insurance Companies	-	-	-	-	-	-	-	-	-
g) FIIs	1286420	-	1286420	5.85%	319898	-	319898	1.20%	-4.66%
h) Foreign Venture Capital Funds	-	-	-	-	-	-	-	-	-
i) Others (specify)	-	-	-	-	-	-	-	-	-
Sub-total (B)(1):-	**2342010**	**7600**	**2349610**	**10.69%**	**452633**	**7,600.00**	**460233**	**1.73%**	**-8.97%**
2. Non-Institutions									
a) Bodies Corp.									
i) Indian	5734242	8500	5742742	26.14%	6908516	0	6908516	25.90%	-0.24%
ii) Overseas	-	600000	600000	2.73%			-	-	-2.73%
b) Individuals									
i) Individual shareholders holding nominal share capital upto ₹1 lakh	2861897	366812	3228709	14.69%	9984529	347812	10332341	38.73%	24.04%
ii) Individual shareholders holding nominal share capital in excess of ₹1 lakh	1756645	-	1756645	7.99%	1525221	-	1525221	5.72%	-2.28%
c) Director Relation	1329748	-	1329748	6.05%	-	-	-	-	-6.05%
c) Others (specify)									
Non Resident Indians	116190	-	116190	0.53%	-	-	-	-	-0.53%
Overseas Corporate Bodies	-	-	-	0.00%	-	-	-	-	-
Foreign Nationals	-	-	-	0.00%	-	-	-	-	-
Clearing Members	-	-	-	0.00%	-	-	-	-	-
Trusts	-	-	-	0.00%	-	-	-	-	-
Foreign Bodies - D R	-	-	-	0.00%	-	-	-	-	-
Sub-total (B)(2):-	**11798722**	**975312**	**12774034**	**58.13%**	**18418266**	**347812**	**18766078**	**70.35%**	**12.21%**
Total Public Shareholding (B)=(B)(1)+ (B)(2)	**14140732**	**982912**	**15123644**	**68.83%**	**18870899**	**355412**	**19226311**	**72.07%**	**3.25%**
C. Shares held by Custodian for GDRs & ADRs	-	-	-	-	-	-	-	-	-
Grand Total (A+B+C)	**20990154**	**982912**	**21973066**	**100.00%**	**26320321**	**355412**	**26675733**	**100.00%**	-

(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 share holding during the year*
		NO of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	NO of shares	% of total shares of the Company	% of shares pledged encumbered to total shares	
1	CHIRANJI LALL AGARWAL	14020	0.06%	-	14020	0.06%	-	-
2	RAJ KUMARI AGARWAL	20	0.00%	-	20	0.00%	-	-
3	S L INDUSTRIES PVT LTD	5519674	25.12%	22.76	5519674	20.69%	20.62	-
4	SOHAN LAL AGARWAL	1273108	5.79%	-	1873108	7.02%		2.73
5	INDERMANI DEVI AGARWAL	42600	0.19%	-	42600	0.16%	-	-
	Total	**6849422**	**31.17%**	**22.76**	**7449422.00**	**27.93%**	**-**	**2.73**

*Negative change in shareholding is for the reason of issue of equity shares to FCCB holders. There were no sale of shares by the promoters of the Company. Mr. S.L. Agarwal has bought 6 lakh equity shares of the Company during the year.

(iii) Change in Promoters' Shareholding (Specify If there is no Change)

During the Year Promoter-Mr. Sohan Lal Agarwal has acquired 600000 Equity Shares of the Company on:-

Date	No. of Shares
21.03.2018	100000
23.03.2018	100000
24.03.2018	100000
28.03.2018	300000

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

Name of the Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
GARNET INTERNATIONAL LIMITED (1st DP)					
Date	Reason				
At the beginning of the year		-	-		
28-Apr-17	BUY	119342	0.45	119342	0.45
05-May-17	BUY	43464	0.16	162806	0.61
12-May-17	SELL	(132000)	(0.49)	30806	0.12
19-May-17	SELL	(1422)	(0.01)	29384	0.11
26-May-17	BUY	45616	0.17	75000	0.28
16-Jun-17	SELL	(75000)	(0.28)	-	-
21-Jul-17	BUY	736180	2.76	736180	2.76
28-Jul-17	SELL	(109993)	(0.41)	626187	2.35
04-Aug-17	SELL	(39856)	(0.15)	586331	2.20
18-Aug-17	SELL	(57000)	(0.21)	529331	1.98
25-Aug-17	BUY	113690	0.43	643021	2.41
01-Sep-17	SELL	(251882)	(0.94)	391139	1.47
08-Sep-17	SELL	(375000)	(1.41)	16139	0.06

Name of the Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
15-Sep-17	SELL	(16139)	(0.06)	-	-
03-Nov-17	BUY	8371	0.03	8371	0.03
01-Dec-17	BUY	2820	0.01	11191	0.04
30-Dec-17	SELL	(3414)	(0.01)	7777	0.03
19-Jan-18	BUY	324	0.00	8101	0.03
31-Mar-18	BUY	2162510	8.11	2170611	8.14
Closing Balance:				**2170611**	**8.14**
RADISON TIEUP PRIVATE LIMITED					
Date	Reason				
At the beginning of the year		630865	2.36		
13-Oct-17	SELL	(1000)	(0.00)	629865	2.36
22-Dec-17	SELL	(1000)	(0.00)	628865	2.36
30-Dec-17	SELL	(4000)	(0.01)	624865	2.34
05-Jan-18	SELL	(5000)	(0.02)	619865	2.32
Closing Balance:				**619865**	**2.32**
GARNET INTERNATIONAL LIMITED (2nd DP)					
Date	Reason				
At the beginning of the year		-	-		
04-Aug-17	BUY	64617	0.24	64617	0.24
25-Aug-17	SELL	(40000)	(0.15)	24617	0.09
15-Sep-17	BUY	500	0.00	25117	0.09
27-Oct-17	SELL	(25117)	(0.09)	0	0.00
23-Mar-18	BUY	357903	1.34	357903	1.34
Closing Balance:		**357903**		**357903**	**1.34**
GOLDMAN SACHS INVESTMENTS (MAURITIUS) I LIMITED					
Date	Reason				
At the beginning of the year		319848	1.20		
Closing Balance:				**319848**	**1.20**
	NO CHANGE DURING THE PERIOD				
EDELWEISS CUSTODIAL SERVICES LTD					
Date	Reason				
At the beginning of the year		-	-		
07-Apr-17	BUY	21265	0.08	21265	0.08
14-Apr-17	SELL	(3125)	(0.01)	18140	0.07
19-May-17	SELL	(2378)	(0.01)	15762	0.06
26-May-17	SELL	(314)	(0.00)	15448	0.06
02-Jun-17	BUY	20837	0.08	36285	0.14
07-Jul-17	BUY	13922	0.05	50207	0.19
01-Sep-17	BUY	6171	0.02	56378	0.21
06-Oct-17	BUY	6379	0.02	62757	0.24

Name of the Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
05-Jan-18	BUY	73189	0.27	135946	0.51
02-Feb-18	BUY	108945	0.41	244891	0.92
02-Mar-18	BUY	18913	0.07	263804	0.99
Closing Balance:				**263804**	**0.99**
VSB INVESTMENTS PVT LTD					
Date	Reason				
At the beginning of the year		-	-		
28-Apr-17	BUY	214030	0.80	214030	0.80
16-Jun-17	BUY	30000	0.11	244030	0.91
07-Jul-17	BUY	10000	0.04	254030	0.95
21-Jul-17	SELL	(111)	(0.00)	253919	0.95
30-Sep-17	BUY	81	0.00	254000	0.95
Closing Balance:				**254000**	**0.95**
THE INDIAMAN FUND (MAURITIUS) LIMITED					
Date	Reason				
At the beginning of the year		542361	2.03		
19-May-17	SELL	(85325)	(0.32)	457036	1.71
26-May-17	SELL	(60000)	(0.22)	397036	1.49
02-Jun-17	SELL	(79327)	(0.30)	317709	1.19
09-Jun-17	SELL	(71859)	(0.27)	245850	0.92
16-Jun-17	SELL	(44600)	(0.17)	201250	0.75
Closing Balance:				**201250**	**0.75**
IL AND FS SECURITIES SERVICES LIMITED					
Date	Reason				
At the beginning of the year		-	-		
21-Jul-17	BUY	50207	0.19	50207	0.19
15-Dec-17	BUY	5326	0.02	55533	0.21
05-Jan-18	BUY	80413	0.30	135946	0.51
12-Jan-18	SELL	(2748)	(0.01)	133198	0.50
26-Jan-18	BUY	2748	0.01	135946	0.51
02-Feb-18	BUY	66012	0.25	201958	0.76
16-Feb-18	SELL	(3796)	(0.01)	198162	0.74
02-Mar-18	BUY	12682	0.05	210844	0.79
09-Mar-18	SELL	(32463)	(0.12)	178381	0.67
16-Mar-19	SELL	(96125)	(0.36)	82256	0.31
31-Mar-18	BUY	76260	0.29	158516	0.59
Closing Balance:				**158516**	**0.59**
HEM SECURITIES LIMITED					
Date	Reason				
At the beginning of the year		4450	0.02		
07-Apr-17	BUY	2300	0.01	6750	0.03

Name of the Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
14-Apr-17	BUY	115700	0.43	122450	0.46
21-Apr-17	BUY	12809	0.05	135259	0.51
28-Apr-17	BUY	35478	0.13	170737	0.64
05-May-17	SELL	(4191)	(0.02)	166546	0.62
12-May-17	SELL	(4007)	(0.02)	162539	0.61
19-May-17	BUY	49226	0.18	211765	0.79
26-May-17	BUY	35373	0.13	247138	0.93
02-Jun-17	SELL	(49)	(0.00)	247089	0.93
09-Jun-17	BUY	13363	0.05	260452	0.98
16-Jun-17	SELL	(11791)	(0.04)	248661	0.93
23-Jun-17	SELL	(48214)	(0.18)	200447	0.75
30-Jun-17	SELL	(750)	(0.00)	199697	0.75
07-Jul-17	SELL	(8165)	(0.03)	191532	0.72
14-Jul-17	BUY	280	0.00	191812	0.72
21-Jul-17	SELL	(1895)	(0.01)	189917	0.71
28-Jul-17	BUY	4440	0.02	194357	0.73
04-Aug-17	BUY	6900	0.03	201257	0.75
11-Aug-17	BUY	6409	0.02	207666	0.78
18-Aug-17	SELL	(12330)	(0.05)	195336	0.73
25-Aug-17	SELL	(2075)	(0.01)	193261	0.72
01-Sep-17	BUY	4521	0.02	197782	0.74
08-Sep-17	SELL	(2300)	(0.01)	195482	0.73
15-Sep-17	SELL	(4110)	(0.02)	191372	0.72
22-Sep-17	SELL	(96070)	(0.36)	95302	0.36
30-Sep-17	SELL	(10619)	(0.04)	84683	0.32
06-Oct-17	BUY	5522	0.02	90205	0.34
13-Oct-17	SELL	(2335)	(0.01)	87870	0.33
20-Oct-17	BUY	6803	0.03	94673	0.35
27-Oct-17	SELL	(12929)	(0.05)	81744	0.31
10-Nov-17	SELL	(7197)	(0.03)	74547	0.28
03-Nov-17	SELL	(3400)	(0.01)	71147	0.27
17-Nov-17	BUY	7272	0.03	78419	0.29
24-Nov-17	SELL	(3355)	(0.01)	75064	0.28
01-Dec-17	BUY	5580	0.02	80644	0.30
08-Dec-17	BUY	18887	0.07	99531	0.37
15-Dec-17	SELL	(20247)	(0.08)	79284	0.30
22-Dec-17	SELL	(50129)	(0.19)	29155	0.11
30-Dec-17	BUY	19123	0.07	48278	0.18
05-Jan-18	BUY	131336	0.49	179614	0.67
12-Jan-18	BUY	21692	0.08	201306	0.75
19-Jan-18	BUY	21823	0.08	223129	0.84

Name of the Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
26-Jan-18	BUY	4525	0.02	227654	0.85
02-Feb-18	BUY	12950	0.05	240604	0.90
09-Feb-18	BUY	18780	0.07	259384	0.97
16-Feb-18	SELL	(13985)	(0.05)	245399	0.92
23-Feb-18	SELL	(1814)	(0.01)	243585	0.91
02-Mar-18	BUY	51379	0.19	294964	1.11
09-Mar-18	BUY	4846	0.02	299810	1.12
16-Mar-18	BUY	64061	0.24	363871	1.36
31-Mar-18	SELL	(212161)	(0.80)	151710	0.57
Closing Balance:				**151710**	**0.57**
HEM FINLEASE PVT LIMITED					
Date	Reason				
At the beginning of the year		-	-		
12-Apr-17	BUY	234000	0.88	234000	0.88
21-Apr-17	BUY	7404	0.03	241404	0.90
28-Apr-17	BUY	59188	0.22	300592	1.13
05-May-17	BUY	3225	0.01	303817	1.14
12-May-17	BUY	5412	0.02	309229	1.16
19-May-17	BUY	25391	0.10	334620	1.25
26-May-17	BUY	38032	0.14	372652	1.40
02-Jun-17	BUY	9701	0.04	382353	1.43
09-Jun-17	BUY	13746	0.05	396099	1.48
16-Jun-17	BUY	11200	0.04	407299	1.53
23-Jun-17	SELL	(219114)	(0.82)	188185	0.71
30-Jun-17	BUY	872	0.00	189057	0.71
07-Jul-17	BUY	5000	0.02	194057	0.73
14-Jul-17	SELL	(4748)	(0.02)	189309	0.71
21-Jul-17	BUY	7025	0.03	196334	0.74
28-Jul-17	BUY	8300	0.03	204634	0.77
04-Aug-17	BUY	4794	0.02	209428	0.79
18-Aug-17	SELL	(4150)	(0.02)	205278	0.77
25-Aug-17	SELL	(630)	(0.00)	204648	0.77
01-Sep-17	BUY	3860	0.01	208508	0.78
08-Sep-17	BUY	5577	0.02	214085	0.80
15-Sep-17	BUY	250	0.00	214335	0.80
22-Sep-17	SELL	(139604)	(0.52)	74731	0.28
30-Sep-17	SELL	(16152)	(0.06)	58579	0.22
06-Oct-17	BUY	520	0.00	59099	0.22
13-Oct-17	SELL	(7200)	(0.03)	51899	0.19
27-Oct-17	SELL	(13176)	(0.05)	38723	0.15
10-Nov-17	SELL	(6600)	(0.02)	32123	0.12

Name of the Shareholders		Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
03-Nov-17	SELL	(2700)	(0.01)	29423	0.11
17-Nov-17	BUY	93856	0.35	123279	0.46
24-Nov-17	SELL	(300)	(0.00)	122979	0.46
01-Dec-17	BUY	34206	0.13	157185	0.59
08-Dec-17	BUY	93889	0.35	251074	0.94
15-Dec-17	SELL	(132340)	(0.50)	118734	0.45
22-Dec-17	SELL	(32977)	(0.12)	85757	0.32
30-Dec-17	BUY	106092	0.40	191849	0.72
05-Jan-18	BUY	138569	0.52	330418	1.24
11-Jan-18	SELL	(22978)	(0.09)	307440	1.15
19-Jan-18	BUY	57296	0.21	364736	1.37
26-Jan-18	SELL	(87850)	(0.33)	276886	1.04
02-Feb-18	BUY	2120	0.01	279006	1.05
09-Feb-18	BUY	42218	0.16	321224	1.20
16-Feb-18	BUY	10310	0.04	331534	1.24
23-Feb-18	SELL	(34590)	(0.13)	296944	1.11
02-Mar-18	BUY	218409	0.82	515353	1.93
09-Mar-18	SELL	(35448)	(0.13)	479905	1.80
16-Mar-18	SELL	(287610)	(1.08)	192295	0.72
31-Mar-18	SELL	(54372)	(0.20)	137923	0.52
Closing Balance:				**137923**	**0.52**

V. Shareholding of directors and KMP

For Each of the Top 10 Shareholders	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
SOHAN LAL AGARWAL-Managing Director				
At The Beginning Of The Year	1273108	4.77%	1273108	4.77%
Bought During The Year*	600000	2.25%	1873108	7.02%
Sold During The Year	-	-	1873108	7.02%
At the End of The Year	1873108	7.02%	1873108	7.02%

During the Year Promoter - Mr. Sohan Lal Agarwal has acquired 600000 Equity Shares of the Company on:-

Date	No. of Shares
21.03.2018	100000
23.03.2018	100000
24.03.2018	100000
28.03.2018	300000

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/accrued but not due for payment (₹ in Lakhs)

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtness at the beginning of the financial year				
i) Principal Amount	6,047.54	1,657.12	-	7,704.66
ii) Interest due but not paid	-	143.44	-	143.44
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	6,047.54	1,800.56	-	7,848.10
Change in Indebtedness during the financial year				
Additions	1,200.00	2,312.15	-	3,512.14
Reduction	2,329.42	1,609.12	-	3,938.54
Net Change	(1,129.42)	703.03	-	(426.40)
Indebtedness at the end of the financial year				
i) Principal Amount	4,918.12	2,503.59	-	7,421.70
ii) Interest due but not paid	17.66	59.16	-	76.83
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	4,935.78	2,562.75	-	7,498.53

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Wholetime director and/or Manager: (₹ in Lakhs)

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.	62.42	16.99	79.41
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	0	-	-
	(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)			-
5	Bonous, LTA, Medical	1.60	1.29	2.89
	Total (A)	**64.02**	**18.28**	**82.30**

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

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	1.62	1.62
	(b) Commission	-	-
	(c) Others, please specify	-	-
	Total (1)	1.62	1.62
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)	**1.62**	**1.62**
	Total Managerial Remuneration		
	Overall Cieling as per the Act.		

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

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.		2.04	2.04
	(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			-
5	Others, please specify			-
	Bonus, LTA, Medical, etc		0.03	0.03
	Total *		**2.07**	**2.07**

* Mrs. Sima Jhunjhunwala who is whole time director of the Company is also given aditional responsibility of CFO of the Company

VII. PENALTIES/PUNISHMENT/COMPOUNDING 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 except, the Company has filed the Form CHG 4 for registration of satisfaction of charge on 29/03/2017, which amounts to a delay of 99 (Ninty Seven) days, causing penalty:

SRN	Penalty Amount (₹)
G39446018	3,000.00
G39439542	2,500.00
G39446018	3,000.00

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 2017-18:

Executive Director	Ratio to median remuneration
Mr. S.L Agarwal	40.37
Mrs. Sima Jhunjhunwala	11.51
Independent Director	
Dharmendra Sethia	1.02
Prateek Kaushik	1.02

b. The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the financial year 2017-18:

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
Mr. S.L Agarwal	125%
Mrs. Sima Jhunjhunwala	NIL
Mrs. Sweta Biyani	NIL

c. The percentage increase in the median remuneration of employees in the Financial year: 7.5%

d. The number of permanent employees on the rolls of Company:409

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

On an average employee received an annual increase of 8%. Individual increase varied from 5 to 15%. The 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 2017-18 (₹ in lakhs)	84.37
Revenue (₹ in lakhs)	18,327.25
Remuneration of KMPs (as % of revenue)	0.46%
Profit before Tax (PBT) (` lakhs)	264.34
Remuneration of KMP (as % of PBT)	31.92 %

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, 2018	March 31, 2017	% change
Market Capitalization (₹ Crores)	235.41	118.65	98.40%
Price Earnings Ratio	83.25	1.50	5467.27%

h. Public offer:

No Public offer during the Financial Year 2017-18

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 an increase in the managerial remuneration:

There was an average increase of 8% of salaries in the last financial year. There was the same percentage of increase in 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 2017-18 (₹ lakhs)	18.28	2.07
Revenue (₹ lakhs)	18,327.25	18,327.25
Remuneration as % of revenue	0.10%	0.01%
Profit before Tax (PBT) (₹ lakhs)	264.34	264.34
Remuneration (as % of PBT)	6.91%	0.78%

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.

ANNEXURE - E

TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

Websol's principles of Corporate Governance are based on 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 ensure 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 an 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 2018, 05 (Five) Board meeting were held on 09.05.2017, 21.08.2017, 08.12.2017, 11.01.2018, and 14.02.2018. 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	-	-	-	7.02%
2.	Mr. D.Sethia	Non-Executive Director – Independent	5	Yes	-	2	2	NIL
3.	Mr. Kaushik	Non-Executive Director – Independent	5	No	-	2	-	NIL
4.	Mrs. Sima Jhunjhunwala	Whole Time Director & CFO	5	Yes	-	2	-	NIL

[1] The other Directorships held by Directors, as mentioned above, does not include Alternate Directorships and Directorships in foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.

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

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 of 31st March 2018. 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 2018 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 the 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. Mrs. Sima Jhunjhunwala 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 a 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 the 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, 04 (four) Audit Committee meetings were held on 09.05.2017, 21.08.2017, 11.01.2018, 14.02.2018.

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	4
2	Mrs. Sima Jhunjhunwala	Whole Time Director and CFO	4
3	Mr. P. Kaushik	Independent Director	4

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 an 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 the following criteria:

(a) Industry trend;
(b) Remuneration package in other comparable corporates;
(c) Job responsibilities; and
(d) Company's performance and the 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 the financial year 2017-18 are given below:

Sl. No	Name of the Executive Director	Designation	Consolidated Salary	Perquisites & Other Benefits	Company's Contribution towards Provident Fund & Gratuity	Total
1	Mr. S. L. Agarwal	Managing Director & CEO	57.68	3.45	2.89	64.02
2	Mrs. Sima Jhunjhunwala	Wholetime director	16.06	.91	1.30	18.28

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 the financial year 2017-18 are given below:

Sl. No.	Name of the Non-Executive Director	Sitting Fees (₹)	Shareholding in the Company
1	Mr. P. Kaushik	162,000	Nil
2	Mr. D. Sethia	162,000	Nil

During the year under review, 05 (Five) Nomination and Remuneration Committee meetings were held on 09.05.2017, 21.08.2017, 08.12.2017, 11.01.2018, and 14.02.2018

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 the 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
- Dematerialization /Rematerialization of shares
- Any other matter(s) arising out of and incidental to these functions and such other acts assigned by the Board

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

Presently, the Committee Comprises of three members - Non-Executive Director viz. Mr. D. Sethia and Mr. P. Kaushik and Mrs. Sima Jhunjhunwala Executive Director and CFO of the Company. 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 09.05.2017, 21.08.2017, 08.12.2017, 11.01.2018, and 14.02.2018

7. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE:

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

The role of CSR Committee includes formulating and recommending to the Board the CSR Policy and activities to be undertaken by the Company, recommending the amount of expenditure to be incurred on CSR activities of the Company, reviewing the performance of the Company in the area of CSR.

During the financial year ended 31st March 2018, the committee met twice on09.05.2017 and14.02.2018

Investor Grievance Redressal:

During the year under review, 04 nos. of Investors complaints/ queries were received and no complaints/queries were pending as on 31.03.2018.

Officer Mrs. 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.

8. GENERAL BODY MEETINGS:

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

Financial Year Ended	Date	Time	Venue	Whether any Special Resolution Passed
31.03.2015	30.09.2015	10.00 A.M	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	NO
31.03.2016	30.09.2016	10.00 A.M	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	NO
31.03.2017	23.09.2017	10.00 A.M	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	NO

None of the business proposed to be transacted in the ensuing Annual General Meeting requires passing Special Resolution through E-voting.

b) No Special Resolutions was passed during the financial year 2017-18 through Postal Ballot under Sections 108 and 110 and other applicable provisions of the Act read together with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (as amended), Secretarial Standard 2 on General Meetings and the Listing Regulations.

9. 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. The 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 the 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 Indian Accounting Standards in preparation of financial statement notified under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) with effect from 1st April, 2016 with restatement of previous year figures presented in the Financial Statements.

d. **Subsidiary Company :**

The Company does not have any material non-listed Indian Subsidiary.

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**

The Company has adopted a Whistle Blower Policy, as a part of vigil mechanism to provide appropriate avenues to the Directors and employees to bring to the attention of the management any issue which is perceived to be in violation of or in conflict with the code of Business Principles of the Company.

Employees can send written communications to the Company. The employees are encouraged to voice their concerns by way of whistle blowing and all the employees have been given access to the Audit Committee. No personnel has been denied access to the Audit Committee pertaining to the Whistle Blower Policy. The Company Secretary is the designated officer for effective implementation of the policy and dealing with the complaints registered under the policy. The Whistle Blower Policy is available on the website of the Company https://www.websolar.com/investor-corner/corporate-governance/.

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 the Listing Agreement**

The Company has complied with all the mandatory requirements mandated under the Listing Regulations. A certificate from M/s T. More & 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 the listing regulations annexed hereto which forms part of this report.

j. **Management Discussion and Analysis Report:**

The Management Discussion and Analysis Report as required under the listing regulation 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 lakhotia, ACS No. 21970, CP No. 12790, Company Secretaries for the financial year ended 31st March 2018.

Discretionary Requirements under the listing regulations, 2015

The status of compliance with the discretionary requirements under the Listing Regulations 2015 is provided below:

a) **Chairman's Office:**

Chairman's Office is maintained by the Company and expenses towards the performance of the Chairman's duties are borne by the Company / reimbursed to him.

b) **Shareholder Rights:**

The quarterly, half-yearly and annual financial results of the Company are posted on the Company's corporate website and extract of these results are published in newspapers on an all India basis. The complete Annual Report is sent to every Shareholder of the Company.

c) **Audit Opinion:**

It has always been the Company's endeavor to present financial statements with an unmodified audit opinion. The Statutory Auditors have issued an unmodified audit opinion on the Company's financial statements for the year ended 31st March 2018.

d) **Internal Audit:**

The Head of Internal Audit reports to the Audit Committee of the Board.

e) **MEANS OF COMMUNICATION :**

(a) In compliance with the Listing Regulations the quarterly/annual results are furnished to the Stock Exchanges within the prescribed time except for the quarter ended June 2017 and September 2017 was delayed with prior intimation to both the stock exchanges with justifiable reasons and also published in the Newspapers viz. Business Standard / HT Mint and Arthik Lipi in Bengali (local) language. The results are also posted on the website of the Company www.webelsolar.com. The Annual Report is circulated to members and is displayed on the Company's website.

(b) The Corporate Filing Dissemination System (CFDS) portal jointly owned, managed and maintained by the BSE and NSE is a single source to view information filed by listed companies. The investors can view the details of corporate filings by the Company by logging on the website www.corpfiling.co.in

(c) The Company has designated the following email-id exclusively for investor servicing: investors@webelsolar.com

F) General Shareholder Information:

a) Annual General Meeting

Day, date and time	Saturday, September 29, 2018, 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 22, 2018, to Saturday, September 29, 2018

b) Financial calendar

Financial year: April 01, 2017 to March 31, 2018

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	Published on August 14, 2018
Second quarter results	On or before November 14, 2018
Third quarter results	On or before February 14, 2019
Fourth quarter and annual results	On or before May 30, 2019
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 BSE. Listing fees for NSE has not been paid till the date of this report.

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:

(RS.)

Month	BSE		NSE	
Stock Code	517498		WEBELSOLAR	
	High	Low	High	Low
Apr-17	101.00	52.65	102.90	52.70
May-17	139.40	88.90	139.00	87.90
June-17	131.95	107.00	132.70	107.35
July-17	126.35	110.20	129.40	110.00
Aug-17	123.30	105.00	122.95	104.45
Sept-17	128.10	108.00	128.40	108.00
Oct-17	121.40	108.60	121.00	108.05
Nov-17	118.35	105.00	118.75	105.10
Dec-17	118.65	97.00	119.00	97.00
Jan-18	176.75	108.50	176.80	110.00
Feb-18	122.85	83.00	123.00	82.00
Mar-18	106.80	82.20	106.90	82.05

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, 2017	:	₹52.95per share
On March 2018	:	₹88.25per share
Change	:	66.67%

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

On 01stApril, 2017	:	29910.22
On 31st March 2018	:	32968.68
Change	:	10.23%

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 a 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 31.03.2018

No. of Shares Held		Shareholders		Shares	
From	To	Number	% to Total Holders	Number	% to Total Capital
1	500	21026	83.970%	3101725	11.63%
501	1,000	1995	7.967%	1644498	6.16%
1,001	2,000	970	3.874%	1495280	5.61%
2,001	3,000	349	1.394%	909426	3.41%
3,001	4,000	152	0.607%	560413	2.10%
4,001	5,000	146	0.583%	701375	2.63%
5,001	10,000	218	0.871%	1625948	6.10%
10,001	50,000	155	0.619%	3185639	11.94%
50,001	1,00,000	14	0.056%	990425	3.71%
1,00,001	And above	15	0.060%	12461004	46.71%
	Total	**25040**	**100.00%**	**26675733**	**100.00%**

i) Share Holding Pattern as on 31.03.2018:

Sl. No.	Category	No. of Shares Held	% of Holding
1	Promoters & Associates	7449422	27.93%
2	Mutual Funds& UTI	7600	0.03%
3	Bank, Financial Institutions, Insurance Companies (Central/State Govt, Institution, Govt Institutions)	132735	0.50%
4	FIIS	319898	1.20%
5	Bodies Corporate	6908516	25.90%
6	India Public	11360329	42.59%
7	NRIs/OCBS	497233	1.86%
	Total	**26675733**	**100.00%**

j) Dematerialization 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 2018:

Particulars	No. of Shares	Percentage of total Capital	Number of Accounts
National Securities Depository Limited	17,093,328	64.08	12077
Central Depository Services (India) Limited	8,919,093	33.43	11357
Total Dematerialized	**26,012,421**	**97.51**	**23434**
Physical	6,63,312	2.49	1609
Grand Total	**26,675,733**	**100**	**25,043**

k) Plant Location

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

Address for Correspondence

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

By Order Of the Board

S/d Sohan Lal Agarwal
Managing Director
DIN NO: 00189898

CERTIFICATION BY MANAGING DIRECTOR AND CHIEF FINANCIAL OFFICER IN TERMS OF REGULATION 17(8) OF THE SEBI (LISTING OBLIGATIONS AND DISCLOSURE REQUIREMENTS) REGULATIONS, 2015

We, the undersigned, in our respective capacity as Managing Director and 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 2018 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 statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.

2. We further state that to the best of our knowledge and belief, there are no transactions entered into by the Company during the year, which are fraudulent, illegal or violative of the Company's code of conduct.

3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken to rectify these deficiencies.

4. We have indicated, based on our most recent evaluation, to the Auditors and the Audit Committee:

    i) That there have not been significant changes in internal control over financial reporting during the financial year ;

    ii) That there have 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	S L Agarwal	Sima Jhunjhunwala
Date: 31st August,2018	Managing Director & CEO	WTD & Chief Financial Officer

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DECLARATION FOR COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY

I, Sohan Lal Agarwal, the Managing Director of Websol Energy System Limited, declare that as of 31st March 2018, all Board Members and Senior Management Personnel have affirmed their compliance with the Code of Conduct of the Company.

Place: Kolkata	S L Agarwal
Date: 31st August,2018	Managing Director & CEO

AUDITORS CERTIFICATE ON COMPLIANCE WITH THE CONDITIONS OF CORPORATE GOVERNANCE CODE UNDER (LODR) REGULATIONS, 2015

To
The Members of
Websol Energy Systems Limited

We have examined the compliance of conditions of corporate governance by WEBSOL ENERGY SYSTEMS LIMITED for the year ended 31st March, 2018, as stipulated in the SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

Management's Responsibility
The compliance of conditions of Corporate Governance is the responsibility of the Management. This responsibility includes the design, implementation and maintenance of internal control and procedures to ensure compliance with the conditions of the Corporate Governance stipulated in the Listing Regulations.

Auditor's Responsibility
Our examination has been limited to a review of procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance as stipulated in the said clause. It is neither an audit nor an expression of opinion on the financial statements of the Company.

Opinion
In our opinion and to the best of our information and according to the explanations given to us and the representation made by the Directors and the management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in SEBI (Listing Obligations and Disclosure Requirement) Regulation, 2015.

We further state that such compliance is neither an assurance as to the future viability of the Company nor of the efficiency or effectiveness with which the management has conducted the affairs of the Company.

FOR T. MORE & COMPANY
Chartered Accountants
FRN NO. 327844E

T. More
Proprietor
Membership No. 301569

Place: Kolkata
Dated, the 11th day of June, 2018

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, 2018, 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, 2018, and its profit and its cash flow 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 the 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, 2018, taken on record by the Board of Directors, none of the Directors is disqualified, as on March 31, 2018, 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:

i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer Note 37)

ii) 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 transferred to the Investor Education and Protection Fund (IEPF), the following amounts, which was required to be transferred :

Description	₹ In Lakhs	Transferred on
Unclaimed Dividend	2.67	22 – 05 – 2017
Unclaimed Dividend	2.93	22 – 05 - 2017

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 T. MORE & CO.
Chartered Accountants
Firm Regn. No.327844E

TANISHA MORE
Proprietor
C.A. Membership No. 301569

Place : Kolkata
Date : the 11th June, 2018

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, 2018 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, 2018, 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 T. MORE & CO.
Chartered Accountants
Firm Regn. No.327844E

TANISHA MORE
Proprietor
C.A. Membership No. 301569

Place : Kolkata
Date : the 11th June, 2018

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, 2018 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 above mentioned statutory dues were outstanding as at March 31, 2018 for a period of more than six months from the date they became payable:

Name of Statute	Nature of Dues	Amount (₹ In Lakhs)
Delhi Value Added Tax Act, 2004	Delhi Value Added Tax	51.76
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, 2018 on account of dispute are given below:

Nature of dues	Forum where dispute is pending	Amount (₹ In Lakhs)	Remarks
Excise Duty and Penalty	Settlement Commission	216.55	The Company had paid ₹100.00 Lakhs 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	
Income Tax Act Penalty	Commissioner of Income Tax (Appeals)	628.05	The Company has paid ₹55.00 Lakhs against this demand and has submitted a petition for stay of this demand.

8. The Company had Foreign Currency Convertible Bonds ("FCCBs") amounting to US$ 12.00 million, out of which FCCBs of the value US$ 6.43 million has been converted into 47,02,667 Equity Shares of the Company during the year under report as per the rates approved by regulators and shareholders.

   The Company did not have any borrowing from financial institutions or Government.

9. The Company has not raised money 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 T. MORE & CO.
Chartered Accountants
Firm Regn. No.327844E

TANISHA MORE
Proprietor
C.A. Membership No. 301569

Place : Kolkata
Date : the 11th June, 2018

Balance Sheet as at 31st March, 2018

(₹ in Lakhs)

Particulars	Note No.	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
I. ASSETS				
(1) Non - current assets				
(a) Property, plant and equipment	4	29,321.24	28,277.07	26,547.57
(b) Intangible assets	5	3.26	2.13	3.19
(c) Financial assets				
(i) Investments	6	-	-	-
(ii) Trade receivables	7(i)	-	-	3,341.09
(iii) Loans	8(i)	16.42	770.60	623.74
(iv) Other financial assets	9(i)	350.63	453.05	456.98
(d) Other non-current assets	10(i)	977.94	10.43	2,403.82
		30,669.49	**29,513.28**	**33,376.39**
(2) Current assets				
(a) Inventories	11	1,816.67	423.18	2,056.02
(b) Financial assets				
(i) Trade receivables	7(ii)	2,134.26	129.83	7,207.18
(ii) Cash and cash equivalents	12	7.12	303.68	56.28
(iii) Bank Balances other than Cash and cash equivalents	13	0.35	17.74	17.07
(iv) Loans	8(ii)	828.88	128.50	494.26
(v) Other financial assets	9(ii)	0.01	-	-
(c) Current tax assets	14	27.17	-	19.10
(d) Other current assets	10(ii)	310.01	1,165.17	1,990.01
		5,124.47	**2,168.10**	**11,839.92**
Total Assets		**35,793.96**	**31,681.38**	**45,216.31**
II. EQUITY AND LIABILITIES				
(1) Equity				
(a) Equity share capital	15	2,667.57	2,197.31	2,197.31
(b) Other equity	16	6,314.22	3,605.45	(22,767.51)
		8,981.79	**5,802.76**	**(20,570.20)**
Liabilities				
(2) Non - current liabilities				
(a) Financial liabilities				
(i) Borrowings	17(i)	5,585.13	5,090.13	25,178.22
(ii) Trade and other payables	18(i)	3,838.40	1,757.53	34.53
(iii) Other financial liabilities	19 (i)	5,248.19	-	-
(b) Deferred tax liability (net)	20	1,620.72	1,672.14	1,938.83
(c) Non-current liabilities	21 (i)	481.17	694.99	0.12
		16,773.61	**9,214.79**	**27,151.70**
(3) Current liabilities				
(a) Financial liabilities				
(i) Borrowings	17(ii)	2,484.16	3,326.93	10,041.72
(ii) Trade and other payables	18(ii)	6,145.81	3,856.09	15,793.55
(iii) Other financial liabilities	19 (ii)	644.40	8,249.44	11,346.57
(b) Other current liabilities	21 (ii)	547.84	779.88	1,266.00
(c) Provisions	22	216.35	200.88	186.97
(d) Current tax liabilities	23	-	250.61	-
		10,038.56	**16,663.83**	**38,634.81**
Total Equity and Liabilities		**35,793.96**	**31,681.38**	**45,216.31**

The accompanying notes 1 to 37 are an integral part of the financial statements.

As per our report of even date attached.

For T. More & Co
Chartered Accountants
Firm's Registration No. - 327844E

(CA. Tanisha More)
Proprietor
Membership No. 301569

Place of Signature: Kolkata
Date: 11th June, 2018

For and on behalf of the Board of Directors of
Websol Energy Systems Limited

S.L.Agarwal
Managing Director
DIN No. 00189898

Sima Jhunjhunwala
Chief Financial Officer and
Whole Time Director
DIN No. 07264006

Sweta Biyani
Company Secretary
Membership No. : ACS22218

Statement of Profit and Loss for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars	Note No.	Year ended 31st March, 2018	Year ended 31st March, 2017
I. Revenue from operations	24	18,327.25	29,608.04
II. Other income	25	1,018.29	7,700.58
III. **Total income (I+II)**		**19,345.54**	**37,308.62**
IV. **Expenses:**			
Cost of materials consumed	26	13,771.32	20,878.26
Stores and spares consumed	27	854.21	1,265.94
Changes in inventories of finished goods and work-in-progress	28	(755.48)	1,082.35
Power and fuel consumption	29	1,133.58	1,087.85
Employee benefits expense	30	876.80	785.98
Finance costs	31	855.89	469.85
Depreciation and amortization expense	32	1,639.32	1,514.92
Other expenses	33	786.50	1,689.62
Total expense (IV)		**19,162.14**	**28,774.77**
V. **Profit before exceptional items and tax (III-IV)**		**183.40**	**8,533.85**
VI. Exceptional items	34	(80.94)	647.75
VII. **Profit before tax (V-VI)**		**264.34**	**7,886.10**
VIII. **Tax expense**	35		
Current tax		52.38	278.73
Deferred tax		(51.42)	(266.69)
Tax expense		**0.96**	**12.04**
IX. **Profit for the year (VII-VIII)**		**263.38**	**7,874.06**
X. **Other comprehensive income**		-	-
XI. **Total comprehensive income for the year (IX + X)**		**263.38**	**7,874.06**
XII. **Earnings per equity share**	36		
(Nominal value per share ₹ 10/-)			
Basic (₹)		1.06	35.84
Diluted (₹)		0.75	22.41

The accompanying notes 1 to 37 are an integral part of the financial statements.

As per our report of even date attached.

For **T. More & Co**
Chartered Accountants
Firm's Registration No. - 327844E

(CA. Tanisha More)
Proprietor
Membership No. 301569

Place of Signature: Kolkata
Date: 11th June, 2018

For and on behalf of the Board of Directors of Websol Energy Systems Limited

S.L.Agarwal
Managing Director
DIN No. 00189898

Sima Jhunjhunwala
Chief Financial Officer and
Whole Time Director
DIN No. 07264006

Sweta Biyani
Company Secretary
Membership No. : ACS22218

Statement of Cash Flows for the year ended 31st March, 2018

(₹ in Lakhs)

Particulars		Year ended 31st March, 2018	Year ended 31st March, 2017
A	CASH FLOW FROM OPERATING ACTIVITIES		
	Net Profit before tax	264.34	7,886.10
	Adjustments for		
	Depreciation	1,639.32	1,514.92
	Finance costs	855.89	469.85
	Interest Income	(455.88)	(255.94)
	Sundry balances written back	(503.29)	(329.03)
	Sundry balances written off	1.26	760.36
	Loss on sale of property, plant and equipment	-	1,100.51
	Operating profit before working capital changes	**1,801.64**	**11,146.77**
	Increase / (Decrease) in Trade and other payables	2,791.75	(12,368.79)
	Increase / (Decrease) in Non-current and current provisions	15.47	13.91
	Decrease / (Increase) in Trade receivables	(2,004.43)	10,418.44
	Increase / (Decrease) in Other liabilities	(232.05)	1,117.42
	Increase / (Decrease) in Other financial liabilities	564.39	4.08
	Decrease / (Increase) in Other financial assets	102.42	3.93
	(Increase) / Decrease in Other assets	(288.92)	2,244.99
	(Increase) / Decrease in Inventories	(1,393.49)	1,632.84
	Cash generated from operations	1,356.78	14,213.59
	Direct Taxes Paid	(330.17)	(9.02)
	Net cash flow from/(used in) operating activities	**1,026.61**	**14,204.57**
B	CASH FLOW FROM INVESTING ACTIVITIES		
	Purchase of property, plant and equipment	(621.44)	2,142.91
	Proceeds from sale of property, plant and equipment	-	2.94
	Purchase of intangible assets	(2.24)	-
	Loans given received back	250.31	415.43
	Investment in fixed deposit on maturity	11.79	(0.66)
	Interest received	242.06	255.94
	Net cash flow from / (used in) investing activities	**(119.52)**	**2,816.56**
C	CASH FLOW FROM FINANCING ACTIVITIES		
	Repayment of long term borrowings	(1,708.86)	(9,130.25)
	Proceeds from long term borrowings	1,675.57	-
	Increase/(decrease) in short term borrowings (net)	(842.76)	(6,714.80)
	Interest paid	(327.60)	(928.67)
	Net cash flow from financing activities	**(1,203.65)**	**(16,773.72)**
	Increase / (Decrease) in cash and cash equivalents (A+B+C)	**(296.56)**	**247.40**
	Cash and cash equivalents at beginning of the year	303.68	56.28
	Cash and cash equivalents at end of the year	**7.12**	**303.68**

Statement of Cash Flows for the year ended 31st March, 2018

Notes:

1) Cash and cash equivalents at the end of the year consists of: (₹ in Lakhs)

Particulars	31st March, 2018	31st March, 2017
Cash on hand	5.51	1.22
Balance with banks		
On current accounts	1.61	302.46
Closing cash and cash equivalents for the purpose of cash flow statement	**7.12**	**303.68**

2) The above Cash Flow Statement has been prepared under the " Indirect Method " as set out in the Indian Accounting Standard (Ind AS) 7 on Statement of Cash Flows.

3) Cash and cash equivalents do not include any amount which is not available to the Company for its use.

4) Figure in brackets represent cash outflow from respective activities.

5) Change in liability arising from financing activities : (₹ in Lakhs)

Particulars	Borrowings	
	Non-Current	Current
As at 01.04.2016	25,178.22	10,041.72
Cash flow during the year*	(20,088.10)	(6,714.80)
As at 31.03.2017	5,090.13	3,326.93
Cash flow during the year*	495.00	(842.76)
As at 31.03.2018	5,585.13	2,484.17

* Includes interest on long term borrowings using effective interest method

Cash flow includes write back of loan liability during the year.

The accompanying notes 1 to 37 are an integral part of the financial statements.

As per our report of even date attached.

For **T. More & Co**
Chartered Accountants
Firm's Registration No. - 327844E

(CA. Tanisha More)
Proprietor
Membership No. 301569

Place of Signature: Kolkata
Date: 11th June, 2018

For and on behalf of the Board of Directors of
Websol Energy Systems Limited

S.L.Agarwal
Managing Director
DIN No. 00189898

Sima Jhunjhunwala
Chief Financial Officer and
Whole Time Director
DIN No. 07264006

Sweta Biyani
Company Secretary
Membership No. : ACS22218

Statement of Changes in Equity for the year ended 31st March, 2018

(a) Equity Share Capital (₹ in Lakhs)

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31st March, 2017	2,197.31	-	2,197.31
For the year ended 31st March, 2018	2,197.31	470.26	2,667.57

(b) Other equity (₹ in Lakhs)

Particulars	Reserve and surplus				Total
	Capital Reserve	Security Premium Reserve	FCCB Redemption Reserve	Retained Earnings	
Balance as at 1st April, 2016	610.38	8,024.72	2,671.75	(34,074.36)	(22,767.51)
Changes in equity during the year ended 31st March, 2017					
Profit/(Loss) for the year	-	-	-	7,874.06	7,874.06
Transfer from FCCB Redemption reserve to Security premium	-	2,671.75	(2,671.75)	-	-
Write back of principal amount of Bank Loan and FCCBs	18,498.90	-	-	-	18,498.90
Balance as at 31st March, 2017	**19,109.28**	**10,696.47**	**-**	**(26,200.31)**	**3,605.45**
Profit/(Loss) for the year	-	-	-	263.38	263.38
Issue of equity shares for consideration other than cash	-	2,445.39	-	-	2,445.39
Balance at 31st March, 2018	**19,109.28**	**13,141.86**	**-**	**(25,936.92)**	**6,314.22**

The accompanying notes 1 to 37 are an integral part of the financial statements.

As per our report of even date attached.

For T. More & Co
Chartered Accountants
Firm's Registration No. - 327844E

(CA. Tanisha More)
Proprietor
Membership No. 301569

Place of Signature: Kolkata
Date: 11th June, 2018

For and on behalf of the Board of Directors of
Websol Energy Systems Limited

S.L.Agarwal
Managing Director
DIN No. 00189898

Sima Jhunjhunwala
Chief Financial Officer and
Whole Time Director
DIN No. 07264006

Sweta Biyani
Company Secretary
Membership No. : ACS22218

Notes forming part of Financial Statements (contd.)

Note 1. : Corporate information

Websol Energy Systems Limited ("the Company") is a public limited entity incorporated in India and is engaged in the business of manufacturing Solar Photo-Voltaic Cells and Modules.

Its registered office is situated at 48, Pramatha Choudhury Sarani, Plot No 849, Block - P, 2nd Floor, New Alipore, Kolkata (West Bengal). The financial statements for the year ended 31st March, 2018 were approved for issue by the Board of Directors on 11th June, 2018.

Note 2. : Significant accounting policies

2.1 Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) notified under Section 133 of the Companies Act, 2013. The financial statements have also been prepared in accordance with the relevant presentation requirements of the Companies Act, 2013. The Company adopted Ind AS from 1st April, 2017. Up to the year ended 31st March, 2017, the Company prepared its financial statements in accordance with the requirements of previous Generally Accepted Accounting Principles (GAAP), which includes Standards notified under the Companies (Accounting Standards) Rules, 2006. These are the Company's first Ind AS financial statements. The date of transition to Ind AS is 1st April, 2016. Details of the exceptions and optional exemptions availed by the Company and principal adjustments along with related reconciliations are detailed in Note 37(13) (First-time Adoption).

2.2 Basis of preparation

The financial statements are prepared in accordance with the historical cost convention, except for certain items that are measured at fair values, as explained in the accounting policies. Historical cost is generally based on the fair value of the consideration in exchange for goods and services.

Fair Value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, regardless of whether that price is directly observable or estimated using another valuation technique. In estimating the fair value of an asset or a liability, the Company takes into account the characteristics of the asset or liability if market participants would take those characteristics into account when pricing the asset or liability at the measurement date.

All amount disclosed in the financial statements including notes thereon have been rounded off to the nearest rupees in lakh as per the requirement of Schedule III to the Act, unless stated otherwise.

2.3 Use of estimates

The preparation of financial statements in conformity with Ind AS requires management to make judgements, estimates and assumptions that affect the application of the accounting policies and the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the year. Actual results could differ from those estimates. The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period; they are recognized in the period of the revision and future periods if the revision affects both current and future periods.

2.4 Operating Cycle

All assets and liabilities have been classified as current or non-current as per the Company's normal operating cycle and other criteria set out in the Schedule III to the Companies Act, 2013 and Ind AS 1 – Presentation of Financial Statements. The Company's normal operating cycle in respect of operations relating to manufacturing Solar photo-Voltaic Cells and Modules can be considered as 12 months.

2.5 Property, plant and equipment (PPE) and Depreciation

a) Property, plant and equipment are stated at cost of acquisition less accumulated depreciation and impairment, if any. For this purpose, cost includes deemed cost which represents the carrying value of PPE recognized as at 1st April, 2016 measured as per the previous GAAP.

Notes forming part of Financial Statements (contd.)

Note 2. : Significant accounting policies (contd.)

b) Cost is inclusive of inward freight, non-refundable taxes and duties and directly attributable costs of bringing an asset to the location and condition of its intended use. All upgradation / enhancements are charged off as revenue expenditure unless they bring similar significant additional benefits.

The cost and related accumulated depreciation are derecognized from the financial statements upon sale or retirement of the asset and the resultant gains or losses are recognized in the Statement of Profit and Loss.

c) Depreciation of these assets commences when the assets are ready for their intended use. Depreciation on items of PPE is provided on a Straight Line Method ('SLM') basis to allocate their cost, net of their residual value over the estimated useful life of the respective asset as specified in Schedule II to the Companies Act, 2013.

The estimated useful lives, residual values and method of depreciation are reviewed at each Balance sheet date and changes, if any, are treated as changes in accounting estimate.

2.6 Impairment of Assets

Property, plant and equipment are evaluated for recoverability whenever events or changes in circumstances indicate that the carrying amounts may not be recoverable. An impairment loss is recognized for the amount by which the carrying amount of the asset exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

If at the balance sheet date there is an indication that a previously assessed impairment loss no longer exists, the recoverable amount is reassessed and the impairment loss previously recognized is reversed such that the asset is recognized at its recoverable amount but not exceeding written down value which would have been reported if the impairment loss had not been recognized.

2.7 Inventories

Inventories are valued at lower of cost and net realisable value after providing for obsolescence, if any.

Cost of inventory comprises of purchase price, cost of conversion and other directly attributable costs that have been incurred in bringing the inventories to their respective present location and condition. Borrowing costs are not included in the value of inventories.

The cost of inventories is computed on weighted average basis. Inventories are written down on a case-by-case basis if the anticipated net realizable value declines below the carrying amount of inventories. Such write downs are recognized in the Statement of profit and loss."

Net realizable value is the estimated selling price in the ordinary course of business less estimated cost of completion and estimated costs necessary to make the sale.

2.8 Revenue recognition

Revenue is recognized to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured.

a) Sale of goods

Revenue is recognized at the time of transfer of substantial risk and rewards of ownership to the buyer for a consideration.

b) Interest income

Interest income is recorded on accrual basis using the effective interest rate (EIR) method.

c) All other incomes are accounted for on accrual basis.

2.9 Provisions, contingent liabilities and contingent assets

a) Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and

Notes forming part of Financial Statements (contd.)

Note 2. : Significant accounting policies (contd.)

adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

b) Contingent liability is disclosed for possible obligations which will be confirmed only by future events not wholly within the control of the Company or present obligations arising from past events where it is not probable that an outflow of resources will be required to settle the obligation or a reliable estimate of the amount of the obligation cannot be made.

c) Contingent assets are neither recognized nor disclosed except when the realisation of income is virtually certain, related asset is disclosed.

d) Provisions, contingent liabilities and contingent assets are reviewed at each balance sheet date.

2.10 Employee benefits

a) Short-term employee benefits

Short-term employee benefits in respect of salaries and wages, including non-monetary benefits, are recognized as an expense at the undiscounted amount in the Statement of Profit and Loss for the year in which the related service is rendered.

b) Provident fund

Company's Contributions to Provident are charged to the Statement of Profit and Loss in the year when the contributions to the respective funds are due.

c) Gratuty

Gratuity is provided on accrual basis.

2.11 Investments in equity instruments of Joint venture

Investment in an overseas joint venture is carried at cost. Cost is the carrying amount under the previous GAAP as at the transition date i.e. 1st April, 2016.

2.12 Financial instruments, Financial assets, Financial liabilities and Equity instruments

Financial assets and financial liabilities are recognized when the Company becomes a party to the contractual provisions of the relevant instrument and are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities measured at fair value through profit or loss) are added to or deducted from the fair value on initial recognition of financial assets or financial liabilities.

i) Financial Assets

(a) Recognition

Financial assets include Trade receivables, Advances, Security Deposits, Cash and cash equivalents, Bank balances etc. Such assets are initially recognized at transaction price when the Company becomes a party to contractual obligations. The transaction price includes transaction costs unless the asset is being fair valued through the Statement of Profit and Loss.

(b) Classification

Management determines the classification of an asset at initial recognition depending on the purpose for which the assets were acquired. The subsequent measurement of financial assets depends on such classification.

Financial assets are classified as those measured at:

(1) amortised cost, where the financial assets are held solely for the collection of cash flows arising from payments of principal and/ or interest.

(2) fair value through other comprehensive income (FVTOCI), where the financial assets are held not only for the collection of cash flows arising from payments of principal and interest but also from the sale of such assets. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognized in other comprehensive income.

Notes forming part of Financial Statements (contd.)

Note 2. : Significant accounting policies (contd.)

(3) fair value through profit or loss (FVTPL), where the assets do not meet the criteria for categorization as at amortized cost or as FVTOCI. Such assets are subsequently measured at fair value, with unrealised gains and losses arising from changes in the fair value being recognized in the Statement of Profit and Loss in the period in which they arise.

Trade receivables, Advances, Security Deposits, Cash and cash equivalents, Bank balances etc. are classified for measurement at amortised cost while investments may fall under any of the aforesaid classes. However, in respect of particular investments in equity instruments that would otherwise be measured at fair value through profit or loss, an irrevocable election at initial recognition may be made to present subsequent changes in fair value through other comprehensive income.

(c) Impairment

The Company assesses at each reporting date whether a financial asset (or a group of financial assets) such as investments, trade receivables, advances and security deposits held at amortised cost and financial assets that are measured at fair value through other comprehensive income are tested for impairment based on evidence or information that is available without undue cost or effort. Expected credit losses are assessed and loss allowances recognized if the credit quality of the financial asset has deteriorated significantly since initial recognition.

(d) Reclassification

When and only when the business model is changed, the Company shall reclassify all affected financial assets prospectively from the reclassification date as subsequently measured at amortised cost, fair value through other comprehensive income, fair value through profit or loss without restating the previously recognized gains, losses or interest and in terms of the reclassification principles laid down in the Ind AS relating to Financial Instruments.

(e) De-recognition

Financial assets are derecognized when the right to receive cash flows from the assets has expired, or has been transferred, and the Company has transferred substantially all of the risks and rewards of ownership. If the asset is one that is measured at:

(i) amortised cost, the gain or loss is recognized in the Statement of Profit and Loss;

(ii) fair value through other comprehensive income, the cumulative fair value adjustments previously taken to reserves are reclassified to the Statement of Profit and Loss unless the asset represents an equity investment in which case the cumulative fair value adjustments previously taken to reserves is reclassified within equity.

ii) Financial liabilities

Borrowings, trade payables and other financial liabilities are initially recognized at the value of the respective contractual obligations. They are subsequently measured at amortised cost.

Financial liabilities are derecognized when the liability is extinguished, that is, when the contractual obligation is discharged, cancelled and on expiry.

iii) Equity instruments

Equity instruments are recognized at the value of the proceeds, net of direct costs of the capital issue.

iv) Offsetting of financial instruments

Financial assets and liabilities are offset and the net amount is included in the Balance Sheet where there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously.

v) Dividend distribution

Dividends paid (including income tax thereon) is recognized in the period in which the interim dividends are approved by the Board of Directors, or in respect of the final dividend when approved by shareholders.

Notes forming part of Financial Statements (contd.)

Note 2. : Significant accounting policies (contd.)

vi) Fair value measurement

Fair value is a market-based measurement, not an entity-specific measurement. Under Ind AS, fair valuation of financial instruments is guided by Ind AS 113 "Fair Value Measurement" (Ind AS – 113).

For some assets and liabilities, observable market transactions or market information might be available. For other assets and liabilities, observable market transactions and market information might not be available. However, the objective of a fair value measurement in both cases is the same—to estimate the price at which an orderly transaction to sell the asset or to transfer the liability would take place between market participants at the measurement date under current market conditions.

In determining the fair value of financial instruments, the Company uses a variety of methods and assumptions that are based on market conditions and risks existing at each balance sheet date.

The Company uses the following hierarchy for determining and disclosing the fair value of financial instruments by valuation technique:

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

2.13 Taxes

Taxes on income comprises of current taxes and deferred taxes. Current tax in the Statement of Profit and Loss is provided as the amount of tax payable in respect of taxable income for the period using tax rates and tax laws enacted during the period, together with any adjustment to tax payable in respect of previous years.

Deferred tax is recognized on temporary differences between the carrying amounts of assets and liabilities and the amounts used for taxation purposes (tax base), at the tax rates and tax laws enacted or substantively enacted by the end of the reporting period.

Deferred tax assets are recognized for deductible temporary differences, the carry forward of unused tax credits and any unused tax losses to the extent that it is probable that taxable profit will be available against which the deductible temporary differences and the carry forward of unused tax credits and unused tax losses can be utilized.

The carrying amount of deferred tax assets is reviewed at each balance sheet date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred tax assets to be utilized.

Income tax, in so far as it relates to items disclosed under other comprehensive income or equity, are disclosed separately under other comprehensive income or equity, as applicable.

2.14 Earnings per Share

a) Basic earnings per share is calculated by dividing the net profit or loss for the period attributable to equity shareholders (after deducting attributable taxes) by the weighted-average number of equity shares outstanding during the period.

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

   The number of equity shares and potential dilutive equity shares are adjusted retrospectively for all periods presented for any share split and bonus shares issues including for changes effected prior to the approval of the financial statements by the Board of Directors,

Note 2. : Significant accounting policies (contd.)

2.15 Operating Segment

The Company is engaged in production of Solar photo-voltaic Cells and Modules. Based on its internal organisation and management structure, the Company operates in only one business segment i.e. manufacturing of Solar Photo-Voltaic Cells and Modules and in only one geographic segment i.e. India. Accordingly, there are no separate reportable segments.

2.16 Foreign Currency Transactions

The functional and presentation currency of the Company is Indian Rupee.

Transactions in foreign currency are accounted for at the exchange rate prevailing on the transaction date. Gains/ losses arising on settlement as also on the translation of monetary items are recognized in the Statement of Profit and Loss.

2.17 Cash Flow Statement

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

Note 3. : Use of estimates and judgements

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent liabilities at the date of the financial statements and the results of operations during the reporting period end. Although these estimates are based upon management's best knowledge of current events and actions, actual results could differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognized in the period in which the estimate is revised if the revision affects only that period, or in the period of the revision and future periods if the revision affects both current and future periods.

Key sources of estimation uncertainty

The following are the key assumptions concerning the future and other key sources of estimation uncertainty at the end of the reporting period that may have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

(i) Useful lives of property, plant and equipment:

The Company reviews the useful life of property, plant and equipment at the end of each reporting period. This reassessment may result in a change in depreciation expense in future periods.

(ii) Fair value measurement

When the fair value of financial assets and financial liabilities recorded in the balance sheet cannot be measured based on quoted prices in active markets, their fair value is measured using valuation techniques. The inputs to these models are taken from observable markets where possible, but where this is not feasible, a degree of judgement is required in establishing fair values. Judgements include considerations of inputs such as liquidity risk, credit risk and volatility. Changes in assumptions about these factors could affect the reported fair value of financial instruments.

(iii) Provisions and contingent liabilities

The Company has ongoing litigations with various regulatory authorities and third parties. Where an outflow of funds is believed to be probable and a reliable estimate of the outcome of the dispute can be made based on management's assessment of specific circumstances of each dispute and relevant external advice, management provides for its best estimate of the liability. Such accruals are by nature complex and can take a number of years to resolve and can involve estimation uncertainty. Information about such litigations is provided in notes to the financial statements.

Notes forming part of Financial Statements (contd.)

Note No. : 4 Property, plant and equipment

(₹ in Lakhs)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As on 1st April, 2017	Additions During the year	Disposals/ deductions during the year	As on 31st March, 2018	As on 1st April, 2017	For the year	Disposals/ deductions during the year	As on 31st March, 2018	As on 31st March, 2018	As on 31st March, 2017
Leasehold Land	1,933.90	-	-	1,933.90	0.01	0.01	-	0.02	1,933.88	1,933.89
Building	4,648.04	7.72	-	4,655.76	193.58	193.77	-	387.35	4,268.41	4,454.46
Plant and machinery	22,623.56	2,664.43	-	25,287.99	895.72	1,384.50	-	2,280.22	23,007.78	21,727.84
Furniture and Fixture	141.25	1.59	-	142.84	40.96	41.05	-	82.01	60.83	100.29
Computer	2.88	4.58	-	7.46	1.54	1.23	-	2.77	4.69	1.34
Office Equipment	15.37	4.05	-	19.42	5.67	2.83	-	8.50	10.92	9.70
Motor Vehicles	61.39	-	-	61.39	11.84	14.82	-	26.66	34.73	49.55
Total	**29,426.39**	**2,682.37**	**-**	**32,108.76**	**1,149.32**	**1,638.21**	**-**	**2,787.53**	**29,321.24**	**28,277.07**

Previous Year

(₹ in Lakhs)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As on 1st April, 2016	Additions During the year	Disposals/ deductions during the year	As on 31st March, 2017	As on 1st April, 2016	For the year	Disposals/ deductions during the year	As on 31st March, 2017	As on 31st March, 2017	As on 1st April, 2016
Leasehold Land	1,933.90	-	-	1,933.90	-	0.01	-	0.01	1,933.89	1,933.90
Building	4,648.04	-	-	4,648.04	-	193.58	-	193.58	4,454.46	4,648.04
Plant and machinery	19,777.42	4,307.53	1,461.39	22,623.56	-	1,256.60	360.88	895.72	21,727.84	19,777.42
Furniture and Fixture	139.90	1.35	-	141.25	-	40.96	-	40.96	100.29	139.90
Computer	1.99	0.90	-	2.88	-	1.54	-	1.54	1.34	1.98
Office Equipment	7.61	7.76	-	15.37	-	5.67	-	5.67	9.70	7.61
Motor Vehicles	38.71	29.28	6.60	61.39	-	15.50	3.66	11.84	49.55	38.72
Total	**26,547.57**	**4,346.82**	**1,467.99**	**29,426.39**	**-**	**1,513.86**	**364.54**	**1,149.32**	**28,277.07**	**26,547.57**

Notes:

1. Leasehold Land of Salt Lake unit has been acquired under a lease of 90 years with a renewal option.
2. Leasehold Land of Falta SEZ unit has been acquired under a lease of 15 years with a renewal option.
3. Refer note no. 18 (i) and (ii) for assets hypothecated as security for borrowings.

Note No. : 5 Intangible assets

(₹ in Lakhs)

Particulars	Computer Software
Gross carrying amount as at 1st April, 2017	3.19
Additions during the year	2.24
As at 31st March, 2018	5.43
Amortisation expense	
As at 1st April, 2017	1.06
Amortisation for the year	1.11
As at 31st March, 2018	2.17
Net carrying amount as at 31st March, 2018	3.26

Previous year

(₹ in Lakhs)

Particulars	Computer Software
Gross carrying amount as at 1st April, 2016	3.19
Additions during the year	-
Gross carrying amount as at 31st March, 2017	3.19
Amortisation expense	
As at 1st April, 2016	-
Amortisation for the year	1.06
As at 31st March, 2017	1.06
Net carrying amount as at 31st March, 2017	2.13
Net carrying amount as at 1st April, 2016	3.19

Note No. : 6 Non-current investments

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Joint Venture :			
Carried at cost			
Fully paid up :			
Unquoted			
Websol Energy System Europe KG	15.10	15.10	15.10
Less:- Provision for impairment of investments	(15.10)	(15.10)	(15.10)
Total	-	-	-

Note No. : 7 Trade receivables

(i) Non-current

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good	-	-	3,341.09
Total	-	-	3,341.09

Notes forming part of Financial Statements (contd.)

Note No. : 7 Trade receivables (contd.)

(ii) Current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good	2,134.26	129.83	7,207.18
Unsecured, considered doubtful	6.29	6.29	-
	2,140.55	136.12	7,207.18
Less: Allowance for doubtful trade receivables	(6.29)	(6.29)	-
Total	**2,134.26**	**129.83**	**7,207.18**

Note No. : 8 Loans

(i) Non-current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good			
Loans			
Related party (Refer note no. 37(9))			
Erstwhile overseas joint venture	18.45	18.45	18.45
Less:- Provision for impairment of loan	(18.45)	(18.45)	(18.45)
	-	-	-
Others			
Overseas corporate body	-	757.84	588.83
Other corporate body	16.42	12.76	34.91
Total	**16.42**	**770.60**	**623.74**

(ii) Current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good			
Loans			
Related party (Refer note no. 37(9))			
Overseas corporate body	828.88	-	-
Other corporate body	-	128.50	494.26
Total	**828.88**	**128.50**	**494.26**

Note No. : 9 Other financial assets

(i) Non-current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good			
Security deposits	350.63	453.05	456.98
Total	**350.63**	**453.05**	**456.98**

Notes forming part of Financial Statements (contd.)

Note No. : 9 Other financial assets (contd.)

(ii) Current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Unsecured, considered good			
Interest accrued on fixed deposits	0.01	-	-
Total	**0.01**	**-**	**-**

Note No. : 10 Other assets *(Unsecured, considered good)*

(i) Non-current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital advances	-	-	776.72
Advances other than capital advances			
Cenvat Credit	119.72	-	-
Advance for raw material	858.22	10.43	1,223.94
Advance to suppliers and others	-	-	181.98
Prepayments	-	-	221.18
Total	**977.94**	**10.43**	**2,403.82**

(ii) Current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Capital advances	19.93	-	-
Advances other than capital advances			
Advances to suppliers and others	107.71	968.66	1,818.16
Advance against expenses	10.13	-	-
Advance to Staff	6.71	-	-
Electricity duty refundable	52.55	-	-
Service tax input receivable	30.96	-	-
GST input receivable	76.56	-	-
Prepayments	5.46	196.51	171.85
Total	**310.01**	**1,165.17**	**1,990.01**

Note No. : 11 Inventories *(Valued at lower of cost and net realisable value)* (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Raw Materials	806.78	183.42	675.12
Work In Progress	282.35	50.00	490.94
Finished Goods	680.29	157.17	798.59
Stores and Spares	47.25	32.59	91.37
Total	**1,816.67**	**423.18**	**2,056.02**

Notes forming part of Financial Statements (contd.)

Note No. : 12 Cash and cash equivalents (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Balances with banks			
On current and EEFC accounts	1.61	302.46	49.30
Cash on hand	5.51	1.22	6.98
	7.12	**303.68**	**56.28**

Note No. : 13 Bank balances other than cash and cash equivalents (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Earmarked Balance			
Unpaid dividend accounts	-	5.60	5.59
Term Deposits with Bank			
Original maturity period less than 12 months	0.35	12.14	11.48
Total	**0.35**	**17.74**	**17.07**

Note No. : 14 Current tax assets (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advance Tax	91.00	-	19.10
Less : Provision for taxation	(63.83)	-	-
Total	**27.17**	**-**	**19.10**

Note No. : 15 Equity share capital (₹ in Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)
(a) **Authorised**						
Equity shares of par value ₹ 10/- each	6,00,00,000	6,000.00	6,00,00,000	6,000.00	6,00,00,000	6,000.00
		6,000.00		6,000.00		6,000.00
(b) **Issued, subscribed and paid up**						
Equity shares of par value ₹ 10/- each fully paid in cash	1,12,86,553	1,128.66	1,12,86,553	1,128.66	1,12,86,553	1,128.66
Equity shares of par value ₹ 10/- each fully paid up issued as bonus shares by capitalization of Securities Premium	99,86,533	998.65	99,86,533	998.65	99,86,533	998.65
Equity shares of par value ₹ 10/- each fully paid for consideration other than cash	54,02,647	540.26	7,00,000	70.00	7,00,000	70.00
		2,667.57		**2,197.31**		**2,197.31**

Notes forming part of Financial Statements (contd.)

Note No. : 15 Equity share capital (contd.)

(c) **Reconciliation of number and amount of equity shares outstanding:** (₹ in Lakhs)

Particulars	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)	No. of shares	(₹ in Lakhs)
At the beginning of the year	**2,19,73,066**	**2,197.31**	**2,19,73,066**	**2,197.31**	**2,19,73,066**	**2,197.31**
Shares issued during the year	47,02,667	470.27	-	-	-	-
At the end of the year	**2,66,75,733**	**2,667.57**	**2,19,73,066**	**2,197.31**	**2,19,73,066**	**2,197.31**

(d) 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 vote one per equity share held. All equity shares rank 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 ensuring Annual General Meeting. In the event of the liquidation of the company, normally the equity shareholders are eligible to receive the remaining assets of the company after distribution of all preferential amounts, in proportion to their shareholding.

(e) **Shareholders holding more than 5 % of the equity shares in the Company :**

Name of the shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
	No. of shares held	% of holding	No. of shares held	% of holding	No. of shares held	% of holding
S L Industries Private Limited	55,19,674	20.69%	55,19,674	25.12%	55,19,674	25.12%
Tysom Agencies Private Limited	725	0.00%	12,19,725	5.55%	20,00,000	9.10%
The National Westminister Bank PLC as trustee of the Jupiter India Fund	-	-	18,46,162	8.40%	18,46,162	8.40%
Garnet International Limited	25,28,514	9.48%	-	-	-	-
Sohan Lal Agarwal	18,73,108	7.02%	-	-	-	-

Note No. : 16 Other equity (₹ in Lakhs)

Name of the shareholder	As at 31st March, 2018		As at 31st March, 2017		As at 1st April, 2016	
(a) Capital Reserve						
Balance as per last account	19,109.28		610.38			
Add : Write back of Principal amount of Bank Loan and FCCBs	-	19,109.28	18,498.90	19,109.28		610.38
(b) Securities Premium Account	-					
Balance as per last account	10,696.47		8,024.72			
Add: Issue of equity shares	2,445.39		-			
Add: Transfer From FCCB Redemption reserve	-	13,141.86	2,671.75	10,696.47		8,024.72
(c) FCCB Redemption Reserve						
Balance as per last account	-		2,671.75			
Less: Transfer to Security Premium Account on Restructuring of FCCBs	-	-	2,671.75	-		2,671.75
(d) Retained earnings						
Balance as per last account	(26,200.31)		(34,074.36)			
Add: Net Profit for the year	263.38	(25,936.92)	7,874.06	(26,200.31)		(34,074.36)
Total		6,314.22		3,605.45		(22,767.51)

Notes forming part of Financial Statements (contd.)

Note No. : 17 Borrowings

(i) Non-current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Term loans			
Secured			
From banks			
Facility A	-	-	23,697.61
Facility B	-	-	1,129.10
From Entities other than Bank			
Invent Asset Reconstrucrtion Company Ltd.	3,718.12	4,898.69	-
Others			
Unsecured			
From Related parties	1,647.26	191.44	351.51
From Others	219.75	-	-
Total	**5,585.13**	**5,090.13**	**25,178.22**

Nature of securities:

i) Term loan (Facility A and Facility B) from bank was secured by way of first pari passu charge on the entire property, plant and equipments of the Company situated at the Falta SEZ Unit and second pari passu charge on the entire current assets of the Company and guaranteed by Managing director and corporate guarantee of the promoter company.

ii) Term loan from Invent is primarily secured by way of first pari passu charge on mortgage / hypothecation over 90 MW property, plant and equipment including land of Falta unit measuring 28,576. 84 sq mts. Along with that, the loan is collaterally secured by way of first pari passu on the equitable mortgage of industrial plot at Sector V, Salt lake electronics complex measuring 1.06 acre on pari passu basis.

Repayment Schedule as at March 31, 2018 (₹ in Lakhs)

Particulars	Maturity profile			Total
Secured loan	Less than 1 year	1-5 years	Over 5 years	
Term loan- Facility A	-	-	-	-
Term loan- Facility B	-	-	-	-
Invent Asset Reconstrucrtion Company Ltd.	-	3,200.28	517.84	3,718.12

Repayment Schedule as at March 31, 2017 (₹ in Lakhs)

Particulars	Maturity profile			Total
Secured loan	Less than 1 year	1-5 years	Over 5 years	
Term loan- Facility A	-	-	-	-
Term loan- Facility B	-	-	-	-
Invent Asset Reconstrucrtion Company Ltd.	-	3,739.30	1,159.38	4,898.68

Repayment Schedule as at April 1, 2016 (₹ in Lakhs)

Particulars	Maturity profile			Total
Secured loan	Less than 1 year	1-5 years	Over 5 years	
Term loan- Facility A	-	23,697.61	-	23,697.61
Term loan- Facility B	-	1,129.11	-	1,129.11
Invent Asset Reconstrucrtion Company Ltd.	-	-	-	-

Notes forming part of Financial Statements (contd.)

Note No. : 17 Borrowings (contd.)

(ii) Current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Loans repayable on demand			
Working capital loans			
From Banks			
Secured			
WCTL and FITL	-	-	3,690.53
Cash Credits/Working Capital Demand Loan	-	-	2,524.97
Export Packing Credit	-	-	789.81
Bills for Collection	-	-	509.80
OTS Payable to Federal Bank and ARCIL	-	1,148.85	-
Loan from Related Party			
Unsecured			
Director	-	-	103.51
Bodies corporate	-	1,609.12	1,841.03
Other loans and advances			
Secured			
Machinery Purchase Loan	570.76	568.96	582.07
Unsecured			
From others	695.74	-	-
Secured			
From others	1,217.66	-	-
Total	2,484.16	3,326.93	10,041.72

Nature of securities:

(i) Working capital loan from the bank is secured by way of a first pari passu charge on the entire current assets of the Company and second pari passu charge on the entire property, plant and equipments of the Company situated at Falta SEZ Unit and guaranteed by Managing director and corporate guarantee of the promoter company.

(ii) Machinery purchase loan is secured by way of hypothecation of respective machinery so procured.

Note No. : 18 Trade and Other Payables

(i) Non-current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Other payables			
Payable to Suppliers of Capital Goods			
Total outstanding dues of micro and small enterprises	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	3,838.40	1,757.53	34.53
Total	3,838.40	1,757.53	34.53

Notes forming part of Financial Statements (contd.)

Note No. : 18 Trade and Other Payables (contd.)

(ii) Current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade payables			
Total outstanding dues of micro and small enterprises	-	-	-
Total outstanding dues of creditors other than micro and small enterprises	6,145.81	3,856.09	15,793.55
Total	6,145.81	3,856.09	15,793.55

Note No. : 19 Other Financial Liabilities

(i) Non-Current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Foreign Currency Convertible Bonds	5,248.19	-	-
Total	5,248.19	-	-

(ii) Current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Interest accrued and due on loans	-	-	749.79
Unpaid Dividend*	-	5.60	5.60
Other Payables			
Provision for lease rent	-	0.12	-
Unpaid salary and other payroll dues	142.77	78.24	74.88
Accrued expenses	501.63	1.64	1.05
Foreign Currency Convertible Bonds	-	8,163.84	10,515.25
Total	644.40	8,249.44	11,346.57

* There is no amount outstanding to be transferred to Investor Protection and Education Fund.

Note No. : 20 Deferred tax liabilities (Net)

(₹ in Lakhs)

Particulars	Opening Balance	Recognized in profit or loss	Closing Balance
As at 31st March, 2018			
Tax effect of items constituting deferred tax liabilities			
Depreciation	1,938.83	-	1,938.83
	1,938.83	-	1,938.83
Tax effect of items constituting deferred tax assets			
MAT credit entitlement	266.69	51.42	318.11
	266.69	51.42	318.11
Net deferred tax liabilities / expense	1,672.14	(51.42)	1,620.72
As at 31st March, 2017			
Tax effect of items constituting deferred tax liabilities			
Depreciation	1,938.83	-	1,938.83
	1,938.83	-	1,938.83
Tax effect of items constituting deferred tax assets			
MAT credit entitlement	-	266.69	266.69
	-	266.69	266.69
Net deferred tax liabilities / expense	1,938.83	(266.69)	1,672.14

Notes forming part of Financial Statements (contd.)

Note No. : 21 Other Current liabilities

(i) Non-current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Lease Obligation	0.10	0.11	0.12
Deferred Income	481.07	694.88	-
Total	**481.17**	**694.99**	**0.12**

(ii) Current (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Advances from customers	129.56	422.22	1,148.22
Statutory liabilities	204.46	143.84	117.77
Lease Obligation	0.01	0.01	0.01
Deferred Income	213.81	213.81	-
Total	**547.84**	**779.88**	**1,266.00**

Note No. : 22 Provisions (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Employee benefits			
Gratuity	116.35	100.88	86.97
Other Provisions			
Excise Duty	100.00	100.00	100.00
Total	**216.35**	**200.88**	**186.97**

Note No. : 23 Current Tax Liabilities (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Provision for Income Tax	-	278.73	-
Less: Advance Income Tax	-	28.12	-
Total	**-**	**250.61**	**-**

Note No. : 24 Revenue from operations (₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Sale of goods		
Solar Photovoltaic Cells and Modules	18,316.16	29,516.21
Other operating revenues		
Tolling charges	11.09	91.83
Total	**18,327.25**	**29,608.04**

Notes forming part of Financial Statements (contd.)

Note No. : 25 Other income (₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest income on financial assets carried at amortized cost		
Deposits with Bank	2.13	0.73
Loans	435.95	255.21
Security deposit	17.80	-
Othet non-operating income		
Sundry balances written back	503.29	329.03
Income from waiver of interest and exchange fluctuation from bank settlment and FCCBs settlement	-	7,091.10
Insurance claim received	59.04	-
Miscellaneous income	0.08	24.51
Total	**1,018.29**	**7,700.58**

Note No. : 26 Cost of materials consumed (₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening stock	183.42	675.12
Add: Purchases	13,909.03	20,298.07
Carriage Inward	485.65	88.48
	14,578.10	21,061.68
Less: Closing stock	806.78	183.42
	13,771.32	**20,878.26**
Silicon Wafers	9,553.66	15,552.23
Silver & Aluminium Paste	1,429.11	2,541.81
Other Materials	2,788.55	2,784.22
Total	**13,771.32**	**20,878.26**

Note No. : 27 Stores and Spares consumed (₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Opening Stock	32.59	91.37
Add: Purchase	868.87	1,207.16
Less: Closing Stock	47.25	32.59
Total	**854.21**	**1,265.94**

Notes forming part of Financial Statements (contd.)

Note No. : 28 Changes in inventories of finished goods and work-in-progress (₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Finished Goods		
Opening stock	157.17	798.59
Less : Closing stock	680.29	157.17
Total (A)	**(523.12)**	**641.42**
Work- in-progress		
Opening stock	50.00	490.94
Less : Closing stock	282.36	50.00
Total (B)	**(232.36)**	**440.93**
Total	**(755.48)**	**1,082.35**

Note No. : 29 Power and Fuel (₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Power and fuel	1,130.71	1,085.15
Electric charges	2.87	2.70
Total	**1,133.58**	**1,087.85**

Note No. : 30 Employee benefits expense (₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Salaries, allowances, bonus and gratuity	796.45	708.96
Contributions to provident and other funds (Refer note no. 37 (5))	63.84	55.60
Staff welfare expenses	16.51	21.42
Total	**876.80**	**785.98**

Note No. : 31 Finance costs (₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Interest		
On financial assets carried at amortised cost	528.30	290.96
On one time settlement with bank and ARCs	47.24	24.26
Other borrowing costs	280.35	154.63
Total	**855.89**	**469.85**

Note No. : 32 Depreciation and amortisation expense (₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Depreciation of property, plant and equipment	1,638.21	1,513.86
(Refer note no. 4)		
Amortisation of intangible assets	1.11	1.06
(Refer note no. 5)		
Total	**1,639.32**	**1,514.92**

Notes forming part of Financial Statements (contd.)

Note No. : 33 Other expenses

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Audit Fees	3.57	3.40
Advertisement and Selling Expenses	1.63	-
Bank Commission and Charges	13.92	41.32
Carriage Outward	56.78	15.95
Conference and Meeting expenses	4.38	-
Director's Sitting fees	3.24	-
Donation	5.00	-
Insurance	18.91	9.60
Listing Fees	14.33	-
Loss on sale of property, plant and equipments	-	1.97
Miscellaneous	43.01	548.74
Other Selling Expenses	65.09	76.84
Printing and Stationery	8.36	-
Professional and consultancy charges	245.24	-
Project expenses	-	-
Rates & taxes	6.27	27.13
Rent	48.31	43.10
Repairs and maintenance to building	56.02	16.63
Repairs and maintenance to machinery	43.25	26.46
Repairs and maintenance to others	19.32	19.70
Telephone charges	9.72	-
Travelling and Conveyance	83.67	90.37
Coolie & Cartage	0.14	0.13
Hire Charges	26.47	7.92
Security Expenses	8.61	-
Sundry Balances written off	1.26	760.36
Total	**786.50**	**1,689.62**

Note No. : 34 Exceptional Items

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Loss on discard of Property, plant and equipments	-	1,100.52
Exchange Fluctuation (Profit) / Loss	(80.94)	(452.77)
Total	**(80.94)**	**647.75**

Note No. : 35 Tax expense

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Current tax	52.38	278.73
Deferred tax (Refer note no. 20)	(51.42)	(266.69)
	0.96	**12.05**

Notes forming part of Financial Statements (contd.)

Note No. : 35 Tax expense (contd.)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Reconciliation of Tax Expense		
Profit before tax	264.34	7,886.10
Applicable tax rate	20.39%	21.34%
Computed tax expense	53.90	1,683.02
Adjustment for:		
Effect on Ind AS adjustment as at transition date	2.48	2.48
Changes in recognized temporary differences	-	(15.39)
Brought forward losses	-	1,429.25
MAT Credit Entitlement	51.42	266.69
Other differences	(0.96)	(12.05)
Tax Expense	**0.96**	**12.05**

Note No. : 36 Earnings per share

(₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Amount used as the numerator (₹ in Lakhs)		
Profit for the year - (A)	263.38	7,874.06
Weighted average number of equity shares outstanding used as the denominator for computing Basic Earnings per share - (B)	247.95	219.73
Weighted average number of equity shares outstanding used as the denominator for computing Diluted earnings per share - (C)	351.53	351.41
Nominal value of equity shares (₹)	10	10
Basic earnings per share (₹) (A/B)	1.06	35.84
Diluted earnings per share (₹) (A/C)	0.75	22.41

Note No. : 37 Other disclosures

1. **Contingent liabilities (to the extent not provided for)**

(₹ in Lakhs)

Sl. No.	Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
A.	**Contingent liabilities :**			
(i)	Income tax penalty*	628.05	628.05	628.05
(ii)	Excise duty and penalty**	287.54	466.32	863.65
(iii)	Trade payable- Liquidated damages	20.00	20.00	20.00
		935.59	**1,114.37**	**1,511.70**
(iv)	The amounts shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities. In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of the appeals.			

Notes forming part of Financial Statements (contd.)

Note No. : 37 Other disclosures (contd.)

(v)	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.

*Company has paid ₹ 55 Lakhs under protest and appeal has been filed against the demand raised by the department

**The Company has paid ₹ 100 Lakhs against this demand in the year 2004-05

2. The company has not received any memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31 March 2018 as micro, small and medium enterprises. Consequently, the amount due to micro and small enterprises as per requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is Nil (31st March 2017 - Nil, 1st April 2016 - Nil).

3. Operating segment

   The Company is primarily engaged in only one product line i.e., Solar Photo-Voltaic Cells and Modules. All the activities of the Company revolve around the main business. As such there are no separate reportable segments as per requirements of Accounting Standard (Ind AS- 108) on operating segment. Further, the Company operates only in India, hence additional information under geographical segments is also not applicable. The Director of the Company has been identified as the Chief Operating Decision Maker (CODM). The Chief Operating Decision Maker also monitors the operating results as one single segment for the purpose of making decisions about resource allocation and performance assessment and hence, there are no additional disclosures to be provided other than those already provided in the financial statements.

4. Foreign currency convertible bonds (FCCB) of the company was settled with the Bond Holders and the total amount of outstanding FCCB's 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 the principal amount of loan was transferred to capital reserve and profit arised on account of exchange fluctuation was transferred to Statement of profit and loss.

5. Employee Benefits :

   As per Indian Accounting Standard - 19 " Employee Benefits", the disclosures of Employee Benefits is as follows:

   Defined Contribution Plan :

   Employee benefits in the form of Provident Fund and Employee State Insurance Corporation are considered as defined contribution plan.

   The contributions to the respective fund are made in accordance with the relevant statute and are recognized as expense when employees have rendered service entitling them to the contribution. The contributions to defined contribution plan, recognized as expense in the Statement of Profit and Loss are as under : (₹ in Lakhs)

Particulars	Year ended 31st March, 2018	Year ended 31st March, 2017
Employer's Contribution to Provident Fund	45.60	41.08
Employer's Contribution to Employees' State Insurance Scheme	18.24	14.51

6. Details of Loan, guarantee and Investments covered under section 186 (4) of the Companies Act, 2013 :

   All loans and securities as disclosed in respective notes are provided for business purposes. The Company has not given any guarantee during the year.

Notes forming part of Financial Statements (contd.)

Note No. : 37 Other disclosures (contd.)

7. Disclosure under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015
   There are no transactions which are required to be disclosed under Schedule V to the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

8. Lease disclosure
   Finance lease taken
   The Company's significant leasing arrangements is in respect of financial leases for factory in salt lake and falta. Leasehold land of Salt Lake unit has been acquired under a lease of 90 years with a renewal option and Leasehold land of Falta SEZ unit has been acquired under a lease of 15 years with a renewal option.The aggregate lease rentals payable are charged as 'Rent' under note no. 33.

   The future minimum rentals are as follows: (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Not later than one year	22.03	22.03	22.03
Later than one year and not later than five years	104.64	104.64	104.64
Later than five years	12.81	34.85	56.88
Total	**139.48**	**161.52**	**183.55**

9. Related party disclosures
   a) Name of the related parties and description of relationship :
      i) Key Managerial Personne (KMP): Mr. S.L. Agarwal – Managing Director
         Smt Sima Jhunjhunwala -Whole Time Director
         Smt Sweta Biyani
      ii) Other related parties:
         Close members of KMP : Sangrima Enterprise – Relative of Managing Director is Partner in the firm
         Significant influence entities: S.L Industries Pvt Ltd (Promoter Company)

   b) Transactions with Related parties : (₹ in Lakhs)

Nature of transaction / Name of the related party	Significant influence entities	Key Managerial Personnel (KMP)	Close members of KMP	Total
(i) Compensation/Remuneration of KMP				
Mr. S.L. Agarwal	-	64.02	-	64.02
		(37.92)		
Smt Sima Jhunjhunwala	-	18.28	-	18.28
		(17.12)		
Smt Sweta Biyani	-	2.07	-	2.07
	-	(1.36)	-	(1.36)
(ii) Unsecured Loan taken				
S. L. Industries Pvt. Ltd.	684.32	-	-	684.32
	(553.08)	-	-	(553.08)
(iii) Unsecured Loan Repayment				
S. L. Industries Pvt. Ltd.	669.53	-	-	669.53
	(713.15)	-	-	(713.15)

Notes forming part of Financial Statements (contd.)

Note No. : 37 Other disclosures (contd.)

Nature of transaction / Name of the related party	Significant influence entities	Key Managerial Personnel (KMP)	Close members of KMP	Total
(iv) Purchase of Goods				
Sangrima Enterprise	-	-	99.39	99.39
	-	-	(524.85)	(524.85)
(v) Amount Paid for Purchase				
Sangrima Enterprise	-	-	277.00	277.00
	-	-	(284.50)	(284.50)
(vi) Sale of Goods				
Sangrima Enterprise	-	-	96.19	96.19
	-	-	-	-
Balance outstanding as at the year end:				
(i) Unsecured Loan Payable Outstanding				
S. L. Industries Pvt. Ltd.	206.23	-	-	206.23
	(191.44)	-	-	(191.44)
(ii) Trade Payable outstanding at the end of the year				
Sangrima Enterprise	-	-	62.74	62.74
	-	-	(240.35)	(240.35)
(iii) Trade Receivable outstanding at the end of the year				
Sangrima Enterprise	-	-	96.19	96.19
	-	-	-	-

c) Details of Remuneration paid/payable to KMP. (₹ in Lakhs)

Particulars	Mr. S.L. Agarwal	Smt Sima Jhunjhunwala	Smt Sweta Biyani	Total
Short-term employee benefits				
Salary	57.68	16.06	1.80	75.55
Perquisites	2.89	1.29	0.03	5.49
	60.57	17.36	3.11	81.04
Post-employment benefits				
Contribution to Provident Fund, Gratuity and other Funds *	3.45	0.93	0.24	4.47
	64.02	18.28	2.07	85.51

d) The transactions with related parties have been entered at an amount which are not materially different from those on normal commercial terms.

e) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received. No expense has been recognized in current year and previous year for bad or doubtful debts in respect of the amounts owed by related parties.

f) The remuneration of directors is determined by the Nomination & Remuneration Committee having regard to the performance of individuals and market trends.

g) Figures in brackets-( ) represents for year ended 31st March, 2017 and [ ] represents as at 1st April, 2016.

Notes forming part of Financial Statements (contd.)

Note No. : 37 Other disclosures (contd.)

10. Financial instruments - Accounting, Classification and Fair value measurements

A. Financial instruments by category

As at 31st March, 2018 (₹ in Lakhs)

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying value			
				Amortized cost	FVTOCI	FVTPL	Total
(1)	**Financial assets**						
(a)	Trade receivables	7	2,134.26	2,134.26	-	-	2,134.26
(b)	Cash and cash equivalents	12	7.12	7.12	-	-	7.12
(c)	Bank Balances other than Cash and cash equivalents	13	0.35	0.35	-	-	0.35
(d)	Loans	8	845.30	845.30	-	-	845.30
(e)	Other financial assets	9	350.64	350.64	-	-	350.64
	Total		**3,337.67**	**3,337.67**	-	-	**3,337.67**
(2)	**Financial liabilities**						
(a)	Borrowings	17	8,069.30	8,069.30	-	-	8,069.30
(b)	Trade payables	18	9,984.21	9,984.21	-	-	9,984.21
(c)	Other financial liabilities	19	5,892.58	5,892.58	-	-	5,892.58
	Total		**23,946.09**	**23,946.09**	-	-	**23,946.09**

As at 31st March, 2017 (₹ in Lakhs)

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying value			
				Amortized cost	FVTOCI	FVTPL	Total
(1)	**Financial assets**						
(a)	Trade receivables	7	129.83	129.83	-	-	129.83
(b)	Cash and cash equivalents	12	303.68	303.68	-	-	303.68
(c)	Bank Balances other than Cash and cash equivalents	13	17.73	17.73	-	-	17.73
(d)	Loans	8	899.10	899.10	-	-	899.10
(e)	Other financial assets	9	453.05	453.05	-	-	453.05
	Total		**1,803.39**	**1,803.39**	-	-	**1,803.39**
(2)	**Financial liabilities**						
(a)	Borrowings	17	8,417.05	8,417.05	-	-	8,417.05
(b)	Trade payables	18	5,613.63	5,613.63	-	-	5,613.63
(c)	Other financial liabilities	19	8,249.44	8,249.44	-	-	8,249.44
	Total		**22,280.12**	**22,280.12**	-	-	**22,280.12**

As at 1st April, 2016 (₹ in Lakhs)

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying value			
				Amortized cost	FVTOCI	FVTPL	Total
(1)	**Financial assets**						
(a)	Trade receivables	7	10,548.27	10,548.27	-	-	10,548.27
(b)	Cash and cash equivalents	12	56.28	56.28	-	-	56.28
(c)	Bank Balances other than Cash and cash equivalents	13	17.07	17.07	-	-	17.07
(d)	Loans	8	1,118.01	1,118.01	-	-	1,118.01

Notes forming part of Financial Statements (contd.)

Note No. : 37 Other disclosures (contd.)

(₹ in Lakhs)

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying value			
				Amortized cost	FVTOCI	FVTPL	Total
(e)	Other financial assets	9	456.98	456.98	-	-	456.98
	Total		12,196.61	12,196.61	-	-	12,196.61
(2)	Financial liabilities						
(a)	Borrowings	17	35,219.95	35,219.95	-	-	35,219.95
(b)	Trade payables	18	15,828.07	15,828.07	-	-	15,828.07
(c)	Other financial liabilities	19	11,346.57	11,346.57	-	-	11,346.57
	Total		62,394.59	62,394.59	-	-	62,394.59

B. Fair value hierarchy

The fair value of the financial assets and financial liabilities are included at the amount at which the instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale.

Level 1: Quoted prices (unadjusted) in active markets for identical assets or liabilities.

Level 2: Inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3: Inputs for the assets or liabilities that are not based on observable market data (unobservable inputs).

Fair value of cash and cash equivalents, bank balances other than cash and cash equivalents, trade receivables, loans and other current financial assets, short term borrowings, trade payables and other current financial liabilities is considered to be equal to the carrying amounts of these items due to their short-term nature.

Where such items are Non-current in nature, the same has been classified as Level 3 and fair value determined using adjusted net asset value method.

There has been no change in the valuation methodology for Level 3 inputs during the year. The Company has not classified any material financial instruments under Level 3 of the fair value hierarchy. There were no transfers between Level 1 and Level 2.

Financial assets and financial liabilities measured at fair value on a recurring basis as at 31st March, 2018 Nil (31st March, 2017 : Nil, 1st April, 2016 : Nil).

11. Financial risk management objectives and policies

The Company's activities expose it to market risk, liquidity risk and credit risk. The Company's Board of Directors has overall responsibility for the establishment and oversight of the Company's risk management framework. This note explains the sources of risk which the entity is exposed to and how the entity manages the risk and the related impact in the financial statements.

(a) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under financial instrument or a customer contract leading to a financial loss. The Company is exposure to credit risk from its operating activities primarily trade receivables with exchanges and from its financing activities including deposits placed with bank and other financial instruments/assets. Credit risk from balances with bank and other financial instrument is managed in accordance with company's policies.

Credit risk arising from balances with banks and other cash equivalents is limited and no collaterals are held against these because the counterparties are banks and recognized financial institutions with high credit ratings assigned by credit rating agencies.

Loans and other financial assets measured at amortized cost includes loans to related parties, security deposits and others. Credit risk related to these financial assets are managed by monitoring the recoverability of such amounts continuously, while at the same time internal control system is in place to ensure that the amounts are within defined limits.

Note No. : 37 Other disclosures (contd.)

Customer credit risk is managed as per company's established policy, procedure and control related to credit risk management. Credit quality of the customer is assessed based on his previous track record and funds & securities held by him in his account and individual credit limit are defined according to this assessment. Outstanding customer receivables are regularly monitored. An impairment analysis is performed at each balance sheet date on an individual basis for major clients. In addition, a large number of minor receivables are grouped into homogenous groups and assessed for impairment collectively. Assets are written off when there is no reasonable expectation of recovery. The Company continues to engage with parties whose balances are written off and attempts to enforce repayment. Recoveries made are recognized in statement of profit and loss. The maximum exposure to credit risk at the balance sheet date is the carrying value of each class of financial assets.

The Company assesses and manages credit risk of financial assets on the basis of assumptions, inputs and factors specific to the class of financial assets. The Company provides for expected credit loss on Cash and cash equivalents, other bank balances, investments, loans, trade receivables and other financial assets based on 12 months expected credit loss/life time expected credit loss/ fully provided for. Life time expected credit loss is provided for trade receivables.

Expected credit loss for trade receivables under simplified approach

In respect of trade receivables, the Company considers provision for lifetime expected credit loss. Given the nature of business operations, the Company's trade receivables has low credit risk. Further, historical trends indicate any shortfall between such deposits held by the Company and amounts due from customers have been negligible. Hence, no loss allowances using life time expected credit loss mode is required.

The movement of Trade Receivables and Expected Credit Loss are as follows: (₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Trade Receivables (Gross)	2,140.55	136.12	10,548.27
Less: Expected Credit Loss	(6.29)	(6.29)	-
Trade Receivables (Net)	**2,134.26**	**129.83**	**10,548.27**

(b) **Liquidity risk**

Liquidity risk is defined as the risk that the company will not be able to settle or meet its obligation on time or at reasonable price. Prudent liquidity risk management implies maintaining sufficient cash and marketable securities and the availability of funding through an adequate amount of committed credit facilities to meet obligations when due. Due to the nature of the business, the Company maintains flexibility in funding by maintaining availability under committed facilities. Management monitors rolling forecasts of the Company's liquidity position and cash and cash equivalents on the basis of expected cash flows. The Company takes into account the liquidity of the market in which the entity operates.

The tables below summarize the Company's financial liabilities into relevant maturity groupings based on their contractual maturities. (₹ in Lakhs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
As at 31st March, 2018				
Borrowings (excluding interest)	2,484.17	5,067.29	517.84	8,069.30
Trade payables	2,380.00	7,604.21	-	9,984.21
Other financial liabilities	644.40	5,248.19	-	5,892.58
Total	**5,508.57**	**17,919.69**	**517.84**	**23,946.09**
As at 31st March, 2017				
Borrowings (excluding interest)	3,326.93	3,930.75	1,159.38	8,417.05
Trade payables	3,856.09	1,757.53	-	5,613.63
Other financial liabilities	8,249.44	-	-	8,249.44
Total	**15,432.46**	**5,688.28**	**1,159.38**	**22,280.12**

Notes forming part of Financial Statements (contd.)

Note No. : 37 Other disclosures (contd.)

(₹ in Lakhs)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
As at 1st April, 2016				
Borrowings (excluding interest)	10,041.72	25,178.22	-	35,219.95
Trade payables	15,793.55	34.53	-	15,828.07
Other financial liabilities	11,346.57	-	-	11,346.57
Total	**37,181.84**	**25,212.75**	**-**	**62,394.59**

(c) Market risk

Market risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market prices. Market rate risk comprises of currency risk, interest rate risk and other price risk such as equity price risk and commodity risk.

Foreign currency risk

Foreign currency risk is the risk of impact related to fair value of future cash flows if an exposure in foreign currency, which fluctuate due to change in foreign currency rate. The Company's exposure to the risk of changes in foreign exchange rates relates primarily to the Company's foreign currency denominated borrowings and trade payables. The foreign currency risk is unhedged.

Unhedged Foreign Currency exposures are as follows:-

(₹ in Lakhs)

Nature	Currency	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Amount receivable on account of sale of goods, loans and advances, interest, etc.	USD	NIL	NIL	16.80 million (excluding of interest and penal interest
Amount payable on account of purchase of goods and services, loans and advances, interest, etc.	USD	NIL	NIL	NIL

Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of change in market interest rate.

i) Liabilities

The Company's fixed rate borrowings are carried at amortised cost. They are, therefore, not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

The Company has no variable rate borrowings.

ii) Assets

The company's fixed deposits and loans are carried at fixed rate. Therefore, these are not subject to interest rate risk as defined in Ind AS 107, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Price risk

Price risk is the risk that the fair value of financial instrument will fluctuate due to change in market traded price.

The Company's exposure to price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Company diversifies its portfolio of assets.

Notes forming part of Financial Statements (contd.)

Note No. : 37 Other disclosures (contd.)

12. Capital Management

Risk management

For the purpose of the Company's capital management, capital includes issued equity capital, securities premium and all other equity reserves attributable to the equity share-holders of the Company. The Company's objective when managing capital is to safeguard its ability to continue as a going concern so that it can continue to provide returns to shareholders and other stake holders and maintain an optimal capital structure to reduce the cost of Capital.

The Company manages its capital structure and makes adjustments in light of changes in the financial condition and the requirements of the financial covenants. To maintain or adjust the capital structure, the Company may adjust the dividend payment to shareholders, return capital to shareholders (buy back its shares) or issue new shares.

In order to achieve this overall objective, the Company's capital management, amongst other things, aims to ensure that it meets financial covenants attached to the interest-bearing loans and borrowings that define capital structure requirements. The Company has complied with these covenants.

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2018 and 31st March, 2017.

(₹ in Lakhs)

Particulars	As at 31st March, 2018	As at 31st March, 2017	As at 1st April, 2016
Net debt	8,062.18	8,113.37	35,913.46
Total equity	8,981.79	5,802.76	(20,570.20)
Net debt to equity ratio	0.90	1.40	(1.75)

* Net debt = non-current borrowings + current borrowings + current maturities of non-current borrowings + interest accrued – cash and cash equivalents.

13. First-time Adoption of Ind AS

(i) These financial statements, for the year ended 31st March, 2018, are the first financial statements, the Company has prepared in accordance with Ind AS.

Accordingly, the Company has prepared financial statements which comply with Ind AS applicable for year ended 31st March, 2018, together with the comparative figures for the year ended 31st March, 2017, as described in the summary of significant accounting policies [Refer Note No.2-3].

The Company has prepared the opening Balance Sheet as per Ind AS as of 1st April, 2016 (the transition date) by:

a. recognising all assets and liabilities whose recognition is required by Ind AS,

b. not recognising items of assets or liabilities which are not permitted by Ind AS,

c. reclassifying items from previous Generally Accepted Accounting Principles (GAAP) to Ind AS as required under Ind AS, and

d. applying Ind AS in measurement of recognized assets and liabilities.

Notes forming part of Financial Statements (contd.)

Note No. : 37 Other disclosures (contd.)

(ii) A. **Reconciliation of total comprehensive income for the year ended 31st March, 2017 is summarized as follows:**

(₹ in Lakhs)

Particulars	Notes	For the year ended 31st March, 2017
Profit After Tax as reported under previous GAAP		**7,934.57**
Add/(Less) - Effect of transition to Ind AS		
(i) Measurement of financial liabilities / assets carried at amortised cost	13(iv)(a)	(59.79)
(ii) Finance cost on finance lease	13(iv)(b)	(0.11)
(ii) Other adjustments	13(iv)(b)	(0.61)
Net impact of Ind AS adjustments		**(60.51)**
Profit After Tax as reported under Ind AS		**7,874.06**
Other Comprehensive Income (net of tax)		-
Total Comprehensive Income as reported under Ind AS		**7,874.06**

B. **Reconciliation of equity as reported under previous GAAP is summarized as follows:** (₹ in Lakhs)

Particulars	Notes	As at 1st April, 2016 (Date of transition)	As at 31st March, 2017 (end of last period presented under previous GAAP) 31st March, 2017
Equity as reported under previous GAAP		**(20,486.73)**	**5,946.74**
Add/(Less) - Effect of transition to Ind AS			
(i) Impairment of property, plant and equipments	13(iv)(d)	(49.64)	(49.64)
(ii) Impact on lease obligation	13(iv)(b)	1.07	1.07
(iii) Financial assets / liabilities carried at amortised cost	13(iv)(a)	-	(59.79)
(iv) Expected credit losses of financial assets	13(iv)(c)	(34.90)	(33.55)
(v) Other adjustments	13(iv)(b)	-	(2.07)
Net impact of Ind AS adjustments		**(83.47)**	**(143.98)**
Equity as reported under Ind AS		**(20,570.20)**	**5,802.76**

(iii) Ind AS 101 mandates certain exceptions and allows first-time adopters exemptions from the retrospective application of certain requirements under Ind AS. The Company has applied the following exemptions in the financial statements:

a) "Property, plant and equipment and Intangible assets were carried in the Balance Sheet prepared in accordance with previous GAAP as on 31st March, 2016. Under Ind AS, the Company has elected to regard such carrying values as deemed cost at the date of transition.

b) Ind AS estimates as at 1st April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. The Company made estimates for Impairment of financial assets based on expected credit loss model in accordance with Ind AS at the date of transition as these were not required under previous GAAP.

(iv) In addition to the above, the principal adjustments made by the Company in restating its previous GAAP financial statements, including the Balance Sheet as at 1st April, 2016 and the financial statements as at and for the year ended 31st March, 2017 are detailed below:

a) Under previous GAAP, financial instruments i.e., loan given and borrowings taken which is non-current in nature, were initially recognized at transaction price. Under Ind AS, such financial instruments are initially recognized at fair value

Notes forming part of Financial Statements (contd.)

Note No. : 37 Other disclosures (contd.)

and subsequently carried at amortised cost determined using the effective interest rate. Any difference between transaction price and fair value affects profit and loss unless it quantifies for recognition as some other type of asset / liability.

b) Under previous GAAP, rent on finance lease is charged to profit and loss account under the head “Other expenses”. Under Ind AS, lease obligation is recognized as at transition date is calculated as present value of future minimum lease rentals and difference of lease rent and present value of respective year lease obligation is charged to profit and loss under the head “Finance cost”. Further, premium paid for finance lease is amortised over the period of lease.

c) Under previous GAAP, loans is carried at cost. Under Ind AS, loan has been carried at fair value considering expected credit losses.

d) Under previous GAAP, investments is carried at cost, however, provision can be made on permanent decline in the value of investments. Under Ind AS, non-current investments is carried at fair value.

e) Retained earnings and statement of profit and loss has been adjusted consequent to the Ind AS transition adjustments with corresponding impact to deferred tax, wherever applicable.

f) Under Ind AS, there is no impact on cash flow statement.

14. Standards issued but not yet effective:

The standard issued, but not yet effective up to the date of issuance of the Company financial statements is disclosed below. The Company intends to adopt this standard when it becomes effective.

Ind AS 115 Revenue from Contracts with Customers

Ind AS 115 was issued in February 2015 and establishes a five step model to account for revenue arising from contracts with customer. Under Ind AS 115 revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under Ind AS. This standard will come into force from accounting period commencing on or after 1st April 2018. The Company will adopt the new standard on the required effective date. During the current year, the Company performed a preliminary assessment of Ind AS 115, which is subject to changes arising from a more detailed ongoing analysis.

15. The previous year’s including figures as at the date of transition have been reworked, regrouped, rearranged and reclassified wherever necessary. Amounts and other disclosures for the preceding year including figures as at the date of transition are included as an integral part of the current year financial statements and are to be read in relation to the amounts and other disclosures relating to the current year.

As per our report of even date attached.

For T. More & Co
Chartered Accountants
Firm’s Registration No. - 327844E

(CA. Tanisha More)
Proprietor
Membership No. 301569

Place of Signature: Kolkata
Date: 11th June, 2018

For and on behalf of the Board of Directors of
Websol Energy Systems Limited

S.L.Agarwal
Managing Director
DIN No. 00189898

Sima Jhunjhunwala
Chief Financial Officer and
Whole Time Director
DIN No. 07264006

Sweta Biyani
Company Secretary
Membership No. : ACS22218

WEBEL SOLAR

WEBSOL ENERGY SYSTEM LIMITED

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

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 : ....or failing him/her;

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 29, 2018 at 10.00 AM at RabindraTirth, 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, 2018, 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 G.P Agrawala & Co, Chartered Accountants (FRN 302082E) as the Statutory Auditors of the Company for five years in place of T More & Co, Statutory Auditors (FRN 327844E) who have resigned from the auditor ship of the Company 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.		

Affix Revenue Stamp of ₹ 1/- here

Signed this ....day of 2018

....

Signature of Shareholder

....

Signature of Proxyholder

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 Annual General Meeting of the Company.
3. *It is optional to put a 'X' in the appropriate column against the resolutions indicated to the box. If you leave the 'For' or 'Against' column blank against any or all Resolutions, your Proxy will be entitled to vote in the manner as he/she thinks appropriate.

Notes

Notes

Board of Directors

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

Miss. S. Jhunjhunwala, *Whole time Director*

Mr. D Sethia, *Independent Director*

Mr. P. Kaushik, *Independent Director*

Chief Financial Officer

Miss. Sima Jhunjhunwala

Company Secretary

Miss. Sweta Biyani

Bankers

Invent Asset Reconstruction Company Ltd

Auditor

T. More & Co.Chartered Accountants

Registered and corporate office

Registered office
48, Pramatha Choudhary Sarani, Plot No.849, Block - P, 2nd Floor, New Alipore, Kolkata – 700 053

Phone: (033)2400-0419
Fax: 2400-0375,

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

Phone: 03174-222932
Fax: 03174-222933.

CIN: L29307WB1990PLC048350

E-mail: websol@webelsolar.com
Website: www.webelsolar.com

Registrar & Share Transfer Agents

R & D Infotech Pvt. Ltd.
7A, Beltala Road, 1st Floor, Kolkata – 700026

Phone: +91-33-2419-2641/42
Fax: +91-33-2476-1657
E-mail: rd.infotech@vsnl.net

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 developments.

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