

26th Annual Report
2012-2013



INDEX

Page No.	Particulars
3-7	Notice
8-13	Directors' Report
14-25	Corporate Governance Report
26-28	Management Discussion & Analysis
29	CEO/CFO Certification
30	Compliance Certificate
31-35	Auditors' Report
36	Balance Sheet
37	Profit & Loss Account
38	Cash Flow Statement
39-51	Schedules to Balance Sheet and Profit & Loss A/c
52	Statement pursuant to section 212 (8) of the Companies Act, 1956
 CONSOLIDATED FINANCIAL STATEMENTS	
53-57	Auditors' Report
58	Consolidated Balance Sheet
59	Consolidated Profit & Loss Account
60	Consolidated Cash Flow Statement
61-72	Schedules to Consolidated Balance Sheet and Profit & Loss A/c
73	Balance Sheet Abstract and Company's General Profile
74	Attendance slip & proxy form

NOTICE

Notice is hereby given that the 26th Annual General Meeting of the members of **XL ENERGY LIMITED** will be held on Friday, the 20th September, 2013 at 11.30 A.M at the Premises of the Company's plant at Plot No.198/A, IDA, Cherlapally, Hyderabad - 500051 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2013, the Profit & Loss Account for the year ended on that date together with the Schedules and Annexure thereto and the reports of the Auditors' and the Board of Directors thereon
2. To appoint a Director in place of Mr K Vasudeva Rao, Director, who retires by rotation and being eligible offers himself for re-appointment
3. To appoint a Director in place of Mr. P. R. Vishnu, Director, who retires by rotation and being eligible offers himself for re-appointment
4. To re-appoint M/s. Satyanarayana & Co. Chartered Accountants retiring auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Section 257 read with the enabling provisions of the Articles of Association of the Company, Mr. Vikas Nayyar, who has been co-opted by the Board and who ceases to hold office at the commencement of the ensuing Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and in respect of whom, the Company has received a notice in writing from a member pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director be and is hereby appointed as a Director of the company, liable to retire by rotation”.

6. To consider and if thought fit, to pass with or without modification (s) the following resolution as an Ordinary Resolution.

“RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311, Schedule XIII of the Companies Act 1956 and the Articles of Association of the Company and subject to the approval of Members in the Annual General Meeting with or without any modification or re-enactment thereof, the reappointment of Mr Dinesh Kumar , as Managing Director of the Company with effect from 1st June, 2013 be and is hereby approved without any remuneration.”



NOTICE

Notice is hereby given that the 26th Annual General Meeting of the members of **XL ENERGY LIMITED** will be held on Friday, the 20th September, 2013 at 11.30 A.M at the Premises of the Company's plant at Plot No.198/A, IDA, Cherlapally, Hyderabad - 500051 to transact the following business:

ORDINARY BUSINESS

1. To receive, consider and adopt the audited Balance Sheet as on 31st March 2013, the Profit & Loss Account for the year ended on that date together with the Schedules and Annexure thereto and the reports of the Auditors' and the Board of Directors thereon
2. To appoint a Director in place of Mr K Vasudeva Rao, Director, who retires by rotation and being eligible offers himself for re-appointment
3. To appoint a Director in place of Mr. P. R. Vishnu, Director, who retires by rotation and being eligible offers himself for re-appointment
4. To re-appoint M/s. Satyanarayana & Co. Chartered Accountants retiring auditors to hold office from the conclusion of this Annual General Meeting until the conclusion of the next Annual General Meeting and to fix their remuneration.

SPECIAL BUSINESS

5. To consider, and if thought fit, to pass, with or without modifications, the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Section 257 read with the enabling provisions of the Articles of Association of the Company, Mr. Vikas Nayyar, who has been co-opted by the Board and who ceases to hold office at the commencement of the ensuing Annual General Meeting pursuant to Section 260 of the Companies Act, 1956 and in respect of whom, the Company has received a notice in writing from a member pursuant to section 257 of the Companies Act, 1956 proposing his candidature for the office of the Director be and is hereby appointed as a Director of the company, liable to retire by rotation".

6. To consider and if thought fit, to pass with or without modification (s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT pursuant to the provisions of Sections 198, 269, 309, 311, Schedule XIII of the Companies Act 1956 and the Articles of Association of the Company and subject to the approval of Members in the Annual General Meeting with or without any modification or re-enactment thereof, the reappointment of Mr Dinesh Kumar , as Managing Director of the Company with effect from 1st June, 2013 be and is hereby approved without any remuneration."

“RESOLVED FURTHER THAT the Board of Directors of the Company be and is hereby authorized to take such steps expedient or desirable to give effect to the resolution.”

“RESOLVED FURTHER THAT Mr Dinesh Kumar, Managing Director or Ms Bhargavi, Company Secretary of the Company be and is hereby severally authorized to file necessary forms with the Registrar of Companies, Andhra Pradesh, Hyderabad.”

7. To consider and it thought fit to pass, with or without modification (s), the following resolution as an *Ordinary Resolution*:

“RESOLVED THAT in supersession to the earlier resolution(s) passed in this regard and in pursuance to the provisions of Sections 198, 269, 309, 310 read with Schedule XIII and other applicable provisions, if any, of the Companies Act, 1956 including any statutory modification or re-enactment thereof for the time being in force, consent of the members of the Company be and is hereby accorded for re-appointment of Mr. Aneesh Mittal as Whole Time Director of the Company for a period of one year with effect from 26th October, 2013 i.e. 26.10.2013 to 25.10.2014 without remuneration.

“RESOLVED FURTHER THAT the Board of Directors be and are hereby authorized with requiring the approval of members, to alter or vary the terms and conditions of the said appointment, remuneration so as not to exceed the limits specified in Schedule – XIII or other relevant provisions of the Companies Act, 1956 or any other amendments thereto, as may be agreed to between the Board and Mr. Aneesh Mittal.”

**For and on behalf of the Board of
Directors of XL Energy Limited**

Place: Secunderabad
Date: 23.08.2013

**Dinesh Kumar
Managing Director**

NOTES:

1. A MEMBER ENTITLED TO ATTEND AND VOTE IS ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE ON A POLL, INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER.
2. The instrument appointing the proxy, in order to be effective, should be duly stamped, completed and signed and deposited at the Registered Office of the Company not less than 48 hours before the commencement of the meeting.
3. Member / proxy should bring the attendance slip sent herewith, duly filed in, for attending the meeting.
4. Register of Members/Register of Beneficiaries and Transfer Books of the Company will remain closed from 18.09.2013 to 20.09.2013 (both days inclusive)

5. The relevant Explanatory Statement pursuant to Section 173 of the Companies Act, 1956, in respect of the business set out above, is annexed hereto.
6. Members are requested to address all their correspondence including change of address, mandates etc. to the registrars Viz. M/s. Bigshare Services Pvt Ltd, 306, Right Wing, Amrutha Ville Appt., Opp: Yashoda Hospital, Somajiguda, Rajbhavan Road, HYDERBAD – 500 082.
7. MEMBERS ARE REQUESTED TO UPDATE THEIR E-MAIL IDs WITH THE DEPOSITORIES.
8. Additional information on Directors being re-appointed as required under Clause 49 (IV) (G) of the listing agreement entered with the Stock Exchanges is given below:

At the ensuing 26th Annual General Meeting, Mr. K. Vasudeva Rao and Mr. P.R. Vishnu Directors, retires by rotation and being eligible offers themselves for re-appointment.

Mr K. Vasudeva Rao, aged 52 years is the Executive Director of the company and by qualification is a B.com Graduate and Chartered Accountant with accreditations from the Institute of Chartered Accountants of India.. He has over 25 years of experience in the field of General Management. He has been advising the Company in relation to financial matters, capital structuring, fund raising options, working capital facilities, operational areas and other financing areas successfully with great dedication and commitment.

Mr. P. R. Vishnu, aged 28 years is a B. Tech Graduate and comes with good managerial and business expertise. He has over five years experience in Business Development and Marketing field and comes with an extensive knowledge in branding, marketing, corporate communication and negotiations

EXPLANATORY STATEMENT

Pursuant to Section 173(2) of the Companies Act, 1956,

Item # 5: Appointment of Mr. Vikas Nayyar as a Director

Mr. Vikas Nayyar was appointed as an Additional Director on the Board of the Company with effect from 10th April, 2013, by the Board of Directors in their meeting held on 10th April, 2013. As per the provisions of Section 260 of the Companies Act, 1956, Mr. Vikas Nayyar ceases to hold office on the commencement of the 26th Annual General Meeting of the Company. Company has received a notice under Section 257 together with from a member proposing the candidature of Mr. Vikas Nayyar to the office of Director of the Company.

Mr. Vikas Nayyar is a B.A. Graduate and comes with good managerial and business expertise. He has over a decade of experience in Business Development and Marketing field and comes with an extensive knowledge in branding, marketing, corporate communication and negotiations. In order to benefit from his versatile experience in providing right management decision, Board of Directors proposes to induct him on the Board of Company. As per Section 257 of the Companies Act, 1956 approval of members is required for his appointment. Hence the above resolution is submitted to members for approval.

None of the Directors except Mr. Vikas Nayyar is concerned or interested in the proposed resolution.

He does not have directorships in other Public Companies and memberships in committees

Item # 6: Reappointment of Mr. Dinesh Kumar as Managing Director

Mr. Dinesh Kumar has been associated with the Company since its 1987. He joined the Company as a Management Executive and was appointed as Deputy Managing Director for a period of five years with effect from 22nd April, 1999. Later Mr. Dinesh Kumar was appointed as the Managing Director of the Company with effect from 9th October, 2000. Subsequently, he was reappointed as the Managing Director for three terms of three years each for the periods from 1st June, 2004, 1st June, 2007 and 1st June, 2010 respectively.

Mr. Dinesh Kumar has been instrumental in the growth of the Company and has been taking care of production, technical and administration of the affairs of the Company. The Company has grown under the stewardship of Mr. Dinesh Kumar and has diversified its operations by creating three subsidiary companies and a Growth has been consistent year after year despite heavy odds. The Company has progressively gained market share when the solar industry has turned up and in the process has reduced substantially the lead that a competitor of the Company had been enjoying. These have been commendable achievements during his stewardship. In order to develop the brand name for the subsidiaries and its group companies, to exploit synergies for the expansion of the Group as a whole, to ensure effective coordination among the Group companies, and to plan diversified businesses for the Group, there is need for the Managing Director to be reappointed.

Mr. Dinesh Kumar holds Graduate degree in Commerce and MBA. The Directors of the Company at their meeting held on 15th May, 2013, have approved the reappointment of Mr. Dinesh Kumar as Managing Director for a further period of five years with effect from 1st June, 2013 to 31st May, 2018

without any remuneration taking into consideration the losses suffered by the Company due to downturn in the solar industry.

None of the Directors of the Company except Mr. Dinesh Kumar and Mrs. Ritu Lal Kumar is in any way concerned or interested in this Resolution.

Item # 7: Re-appointment of Mr. Aneesh Mittal, Whole Time Director

The existing tenure of Mr. Aneesh Mittal as Whole Time Director expires on 25th October, 2013. Mr. Aneesh Mittal, since his tenure as Whole Time Director has rendered valuable services in production and factory management successfully with great dedication and commitment. Keeping in view of his vast experience in General management and production areas, Board in its meeting held on 20th August, 2013 proposed to re-appoint him for a further period of one year with effect from 26th October, 2013 i.e. 26.10.2013 to 25.10.2014 without remuneration.

Board of Directors recommends the above resolution to the members for their approval.

None of the Directors except Mr. Dinesh Kumar and Mrs. Ritu Lal Kumar are concerned or interested in the proposed resolution.

**For and on behalf of the Board of
Directors of XL Energy Limited**

Place: Secunderabad
Date: 23.08.2013

**Dinesh Kumar
Managing Director**

DIRECTORS' REPORT

To the Members,

Your Directors have pleasure in presenting the Twenty Sixth Annual Report of the Company together with the Audited statement of accounts for the financial year ended 31st March 2013:

1. Financial Results

Particulars	₹ in Lacs	
	31 st March 2013	31 st March 2012
Income from Operations	312.97	372.97
Less: Duties and Taxes	5.04	16.78
Net Income from Operations	307.93	356.19
Other Income	16.31	26.05
Profit(+)/Loss(-) Before depreciation, Interest and Tax	(759.28)	(1076.93)
Interest & Financial Charges	1.86	1015.39
Depreciation	310.34	311.48
Extraordinary items	560.48	926.13
Profit(+)/Loss(-) Before Tax	(1631.96)	(3329.15)
Provision for Income Tax	0	0
Deferred Tax	543.93	1109.60
Prior period adjustments	0	0
Profit(+)/Loss(-) After Tax	(1088.03)	(2219.55)
Dividend (%)	0	0
Equity Capital (Rs.)	227743970	227743970
Earnings per Share (Rs.)	-4.78	-9.75

During the year, your Company has achieved ₹ 312.97 lakhs revenues as compared to previous year revenues of ₹ 372.97 lakhs. The company has incurred a loss of ₹ 1088.03 lakhs as against a loss of ₹ 2219.55 lakhs for the previous year.

2. Dividend

Due to non availability of surplus, your Directors do not recommend any dividend for the year 2012-2013.

3. Corporate Debt Restructuring

The company could not execute the CDR package due to various reasons already explained in the previous year and the situation remains the same. The Company has submitted a proposal to banks for a One Time Settlement (OTS) with financial assistance from an Asset Reconstruction company. It is assumed that the banks will accept and negotiate the proposal in 2-3 months time. Interest on all banks

has not been provided as the Company is confident that the OTS proposal would be acceptable by the banks and an early settlement with the banks would be completed within the said 2-3 months duration.

4. Foreign Currency Convertible Bonds (FCCB's):

As against the outstanding balance of Foreign Currency Convertible Bonds (FCCB) of USD 4.2 Million as at the beginning of the year which was issued in October 2007 having a maturity period of 5 years and one day has matured and is due for redemption in October 2012. The Company is in negotiations with the Bond holder for rollover of the same for a further period of 5 years at the same terms and conditions and hence classified the same in the balance sheet as long term funds available with the company since the Company is confident of getting the FCCB's rolled over for a further long term period.

5. Subsidiary companies

The Ministry of Corporate Affairs, Government of India, vide General Circular No. 2 and 3 dated February 8, 2011 and February 21, 2011 respectively has granted a general exemption from compliance with section 212 of the Companies Act, 1956, subject to fulfillment of conditions stipulated in the circular. The Company has satisfied the conditions stipulated in the circular and hence is entitled to the exemption. Necessary information relating to the subsidiaries has been included in the Consolidated Financial Statements.

The Company will make available the annual accounts of the subsidiary companies and the related detailed information to any member of the Company who may be interested in obtaining the same. The annual accounts of the subsidiary companies will also be kept open for inspection at the Registered Office of the Company and that of the respective subsidiary companies. The Consolidated Financial Statements presented by the Company include the financial results of its subsidiary companies.

As required under the Listing Agreements with the Stock Exchanges, a Consolidated Financial Statement of the Company is attached. The Consolidated Financial Statement has been prepared in accordance with Accounting Standards 21, 23 and 27 issued by The Institute of Chartered Accountants of India.

6. Certifications

Your company has automated state-of-the-art manufacturing facilities and sophisticated equipments to manufacture high quality telecom and energy products. Your company is an ISO 9001:2000 certified Company. It has a system driven process for manufacturing of various products and has a set of well defined quality process at every stage of production to ensure delivery of high quality products and services.

SPV modules are made as per ISO 9001:2000 international quality standards and are certified for UL, German TuV certification and IEC certification.

7. Conservation of Energy, Technology Absorption etc

As required by the Companies (Disclosure of particulars in the report of Directors) Rules, 1988, the relevant data relating to conservation of energy, technology absorption and other details are given in the prescribed format as annexure to this report.

8. Directors' Responsibility Statement

Pursuant to the requirement under Section 217 (2AA) of the Companies Act, 1956 with respect to Director's Responsibility Statement, it is hereby confirmed:

- (i) That in the preparation of the annual accounts for the Financial Year ended 31st March 2013, the applicable accounting standards have been followed and there are no material departures.
- (ii) that the Directors had 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 financial year ended on 31st March 2013 and of the loss of the Company for that period;
- (iii) that the directors had taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 1956 for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- (iv) that the directors had prepared the accounts for the financial year ended 31st March 2013 on a 'going concern' basis.

9. Directors

During the year under review, Mr. Vikas Nayyar has been appointed as an Independent Director of the Company with effect from 10.04.2013.

In accordance with the provisions of the Companies Act, 1956 and Articles of Association of the Company, Mr. K. Vasudeva Rao and Mr. P. R. Vishnu, Directors, retire by rotation at the ensuing 26th Annual General Meeting and being eligible have offered themselves for reappointment.

Mr. Dinesh Kumar, whose tenure expires as Managing director of the Company on 31st May, 2013 shall be reappointed for a further period of five years without any remuneration as recommended by the Board with effect from 1st June, 2013.

Mr. Aneesh Mittal, whose tenure expires as Whole time Director of the Company on 25th October, 2013 shall be reappointed for a period of one year without any remuneration as recommended by the Board with effect from 26th October, 2013.

10. Auditors

M/s. Satyanarayana & Co, Chartered Accountants, the retiring auditors of the Company, are eligible for re-appointment. The requisite certificate to the effect that the re-appointment, if made, will be within the limit specified in Section 224 (1-B) of the Companies Act, 1956 has been received from them.

11. Particulars of Employees

During the year under review, none of the employees were in receipt of remuneration in excess of the limits prescribed under Section 217 (2A) of the Companies Act, 1956 read with the Companies (Particulars of Employees) Rules, 1975.

12. Deposits

During the year under review your Company has not accepted any deposits within the meaning of Section 58A of the Companies Act, 1956 and the rules made there under.

13. Corporate Governance

Corporate Governance philosophy of the Company is based on the principles of equity, fairness, transparency, spirit of law and honest communication. The Company believes that sound Corporate Governance is necessary to retain stakeholder's trust and ensures efficient working and proper conduct of the business of the Company with integrity. Development of Corporate Governance guidelines is a continuous process which evolves over a period of time to suit the changing needs of the business, society and the nation.

Your Company has implemented the conditions of Corporate Governance as contained in Clause 49 of the Listing Agreement with the Stock Exchanges. A separate report on Corporate Governance and Management Discussion and Analysis along with necessary certificates is given elsewhere in this report. Also certificate by M/s R & A Associates, Company Secretaries, Hyderabad confirming compliance of the conditions of Corporate Governance as stipulated under clause 49 of the Listing Agreement, is annexed to this report.

14. Explanations to qualifications in Auditors Report

- a) **Auditor's Qualification :** Balances appearing under Long Term and Short Term Borrowings, Trade Creditors, Long Term Liabilities and other Current Liabilities, Capital WIP, Long Term Loans and Advances are subject to confirmation and/ or reconciliation, if any.

Company's Response: During the year there were no major transactions with reference to Long Term and Short Term Borrowings, Trade Creditors, Long Term Liabilities and other Current Liabilities, Capital WIP, Long Term Loans and Advances and hence, the Company has not obtained confirmation/ reconciliation..

- b) **Auditor's Qualification :** Reference is invited to Note No. 2.30 of Notes to Audited financial Statements regarding non-provision of interest on borrowings from banks. The Company has borrowings from various banking and financial institutions as enlisted in the Balance Sheet to the tune of ₹.83,901.42 Lakhs.

Company's Response: There are practically no transactions made by the Company in its accounts with the Banks in which all the accounts have been overdrawn and the Company is under the Corporate Debt Restructuring. Further, the company has decided not to provide interest on such loan accounts as they are not funded and also since the Company has submitted a proposal for One Time Settlement (OTS) with the banks and the Company is confident that this proposal will be acceptable to the Banks. Hence, interest if any provided during this year or in previous years will have to be reversed and therefore, the Company could not obtain all the required confirmations.

c) **Auditor's Qualification** : The Company has recognized a deferred tax income of ₹ 543.93 lakhs during the year because of the cash losses suffered by it over the past 3 years. We are unable to express any opinion on this matter.

Company's response : Since the country is passing through an energy crisis on account of the growing demand for electricity and failure on the part of the conventional energy sources to cater fully to the demand, the country is looking for alternate sources of renewable energy like wind, bio-gas and Solar Energy. The potential for Solar Power Generation is very huge taking into account the demand supply gap as well as the falling investment prices of Solar Power Generation Plant and equipment. There are a lot of companies who would like to enter in long term Solar Power Purchase agreements and this particular industry is looking very positive as the cost of Solar Power Generation is coming down consistently. Therefore, the Company is anticipating a revival and a great future for the solar industry.

With the Company's One Time Settlement proposal being under consideration by Banks which is most likely to be accepted, the Company will be free from its major liabilities and will be in a position to encash the opportunities in the Solar Power space that will be available to the company in the near future.

Taking the above factors into consideration, the company assumes that, the Company's accumulated losses will be wiped off through the One Time Settlement proposal and also through future business profits, the Company has recognized the deferred income tax as an asset.

15. Management Discussion & Analysis

The Management Discussion and Analysis on Company's performance, industry trends, future outlook and other material changes with respect to the Company and its subsidiaries, wherever applicable, are presented in this annual report as stipulated under Clause 49 of the Listing Agreement with the Stock Exchange(s) in India.

16. Acknowledgements

Your Directors would like to place on record their gratitude for all the guidance and co-operation received from the Securities and Exchange Board of India, the Bombay Stock Exchange Limited, National Stock Exchange of India Limited, National Securities Depository Limited, Central Depository Services (India) Limited and other government and regulatory agencies.

Your Directors are grateful to the Company's clients, investors, bankers and other business associates for their continued support.

Your Directors would also like to take this opportunity to express their appreciation to the dedicated and committed team of employees for their contribution to the Company and rendering high quality services to the clients. We would also like to thank all our shareholders for their support in our endeavors.

**For and on behalf of the Board of Directors of
XL ENERGY LIMITED**

Place: Secunderabad
Date: 23.08.2013

Dinesh Kumar
Managing Director

Aneesh Mittal
Whole Time Director

ANNEXURE TO DIRECTORS' REPORT

INFORMATION PURSUANT TO THE COMPANIES (DISCLOSURE OF PARTICULARS IN THE REPORT OF THE BOARD OF DIRECTORS) RULES, 1988

(1) CONSERVATION OF ENERGY:

a) Energy Conservation Measures taken

Adequate measures have been taken to conserve the energy. Possible steps have been taken to create awareness among employees on the necessity of conservation of energy.

b) Additional Investment and proposals, if any, being implemented for reduction of conservation of energy

No additional investment is proposed.

c) Impact of the measures at (a) and (b) above for reduction of energy consumption and consequent impact on the cost of production of goods.

NIL

d) Total Energy Consumption and energy consumption per unit of production

NIL

(II) Technology Absorption:

A. RESEARCH AND DEVELOPMENT: NIL

B. TECHNOLOGY ABSORPTION, ADAPTATION AND INNOVATION

a) Efforts made, in brief, toward technology absorption, adaptation and innovation and benefits derived out of such efforts: NIL

b) Import of Technology: NIL

(III) FOREIGN EXCHANGE EARNINGS AND OUTGO

	₹ Lakhs	₹ Lakhs
	2012 – 2013 (12 Months)	2011 – 2012 (12 months)
<u>Earnings</u>		
- FOB Value of exports	NIL	100.41
<u>Expenditure</u>		
- Travelling	NIL	0.96
- Import of Raw Materials (C.I.F. value)	NIL	134.35

REPORT ON CORPORATE GOVERNANCE

1. A brief statement on company's philosophy on corporate governance

At XL, it is our belief that we are taking measures to move closer towards our aspirations of becoming a global Company and that our Corporate Governance standards must be globally benchmarked. This gives us the confidence of having put in the right building blocks for future growth and ensures that we achieve our ambitions in a prudent and sustainable manner. Good Corporate Governance implies optimum utilization of the resources and ethical behavior of the enterprise to enhance the stakeholder's value with strong emphasis on transparency, accountability and integrity.

The Company has a mission to provide sustainable advanced solutions and services to our global customers, long term partnership with its investors, maximizing value to our stakeholders and the communities we serve. The Company works with the mission of becoming a vibrant organization, where openness, trust, teamwork, simplicity, responsibility and innovation are valued and promoted. The Company's activities are carried out in accordance with good governance practices as per Clause 49 of the Listing Agreement.

2. BOARD OF DIRECTORS

The Company has a high profiled Board with varied management expertise. The Board's role, functions, responsibility and accountability are known to them due to their vast experience. During the year, information as mentioned in Annexure-IA to Clause 49 of the Listing Agreement has been placed before the Board for its consideration.

Minutes of the Board Meetings/Committee Meetings are circulated to Directors and confirmed at the subsequent meetings.

(A) Composition of Board

The Company has 5 directors as on 31st March 2013. The Board consists of Three Executive and Two Non-Executive Directors. Post March 31, 2013, following changes took place in the composition of the Board of the Company:

- Mr. Vikas Nayyar, had been appointed as an Independent Non-Executive Director with effect from 10th April, 2013

The Board presently consists of six directors, out of which three are Executive Directors, two are Independent Directors and one is a Non-Executive Director. *The composition of the Board is not in compliance with the requirements of Clause 49(I)(A) of the Listing Agreement with the stock exchanges. The Board is on deliberations to induct Directors to comply with the Listing Agreement.*

(B) Non-Executive Directors' compensation and disclosures

The Non-Executive Directors are paid sitting fee within the limits prescribed under the Companies Act, 1956.

(C) Other provisions as to Board and Committees

During the year 2012-13, 08 meetings of the Board of Directors were held on 14th May 2012, 15th June 2012, 14th August 2012, 12th November 2012, 14th November 2012, 7th December 2012, 11th January 2013, 14th February 2013.. The maximum time gap between any two consecutive meetings did not exceed three months.

- i. None of the Directors on the Board is a Member of more than 10 Committees or Chairman of more than 5 Committees across all the companies in which he is a Director. Necessary disclosures regarding Committee positions in other public companies as on March 31, 2013 have been made by the Directors.
- ii. The names and categories of the Directors on the Board, their attendance at Board Meetings held during the year and the number of Directorships and Committee Chairmanships / Memberships held by them in other companies is given below. Other directorships do not include alternate directorships, directorships of private limited companies, Section 25 companies and of companies incorporated outside India. Chairmanship / Membership of Board Committees include only Audit and Shareholders / Investors Grievance Committees.

The Board members possess requisite skills, experience and expertise required to take decisions, which are in the best interest of the Company.

Name of the Director	Category	No. of Board meetings during the year 2012-2013 (12 months period)		Whether attended last AGM held on 4 th Feb. 2013	No. of Directorships in other public companies		No. of committee positions held in other public Companies	
		Held	Attended		Chairman	Member	Chairman	Member
Mr. P R Vishnu	Chairman Independent, Non-Executive	8	4	Yes	---	---	---	---
Mr.Dinesh Kumar Managing Director	Promoter, Executive, Non-independent	8	8	Yes	---	2	1	---
Mr.K.Vasudeva Rao	Executive Non-independent	8	4	Yes	---	---	---	---
Mr.Aneesh Mittal	Promoter, Executive, non-independent	8	8	Yes	---	---	---	---
Mrs.Ritu Lal Kumar	Non-Independent Non Executive, Promoter	8	4	No	---	2	---	---
Mr. N. Prasad*	Independent, Non-Executive	8	2	No	---	---	---	---

*Mr N. Prasad has been appointed as an Independent Non executive director with effect from 15th June, 2012 and resigned from the Board with effect from 3rd November, 2012

- iv. None of the Non-Executive Directors have any material pecuniary relationship or transactions with the Company.
- v. During the year, information as mentioned in Annexure 1A to Clause 49 of the Listing Agreements has been placed before the Board for its consideration.

(D) Code of Conduct

- (i) The Board of Directors has laid down Code of Conduct for all Board Members and Senior Management of the Company. The copies of Code of Conduct as applicable to the Directors as well as Senior Management of the Company are uploaded on the website of the Company – www.xlenergy.co.
- (ii) The Members of the Board of Directors and Senior Management personnel have affirmed the compliance with the Code applicable to them during the year ended 31st March, 2013.

“It is hereby declared that the Company has obtained from all members of the Board and senior management affirmation that they have complied with the code of conduct for directors and senior management of the Company for the financial year ended 2012-13.”

**Place: Secunderabad
Date: 23.08.2013**

**Dinesh Kumar
Managing Director**

3. Board Committees

3.1 Audit Committee

(A) Qualified and Independent Audit Committee

The Company complies with the provisions of Section 292A of the Companies Act, 1956 as well as requirements under the listing agreement pertaining to the Audit Committee. Its functioning is as under:

- i) The Audit Committee presently consists of the three of which two of them are Independent Directors.
- ii) All members of the Committee are financially literate and having the requisite financial management expertise.
- iii) The Chairman of the Audit Committee is an Independent Director.
- iv) The Chairman of the Audit Committee was present at the last Annual General Meeting held on 4th February, 2013.

(B) Terms of reference

The terms of reference of the Audit Committee include inter-alia:

- i) Authority to investigate any matter pertaining to the items specified in section 292A of the Companies Act or referred to it by the Board

- ii) Investigate any activity within its terms of reference
- iii) Oversight of the Company's financial reporting process and the disclosure of its financial information to ensure that the financial statement is correct, sufficient and credible
- iv) Reviewing with management the annual financial statements
- v) Reviewing with the management, external and internal auditors, and the adequacy of internal control systems.
- vi) Reviewing the adequacy of internal audit function, including the structure of the internal audit department, staffing and seniority of the official heading the department, reporting structure coverage and frequency of internal audit
- vii) Reviewing the Company's financial and risk management policies
- viii) Periodic discussion with the auditors about internal control systems, scope of audit including the observations of the auditors and review the quarterly, half-yearly, and annual financial statements before submissions to the Board.

The Audit Committee specifically reviews the un-audited quarterly financial results before these are submitted to the Board for approval. Minutes of each Audit Committee meeting are placed before the Board for information.

(C) Composition, names of Members and Chairperson, its meetings and attendance:

The members of the Audit Committee include two Independent and Non-executive Directors and a Whole time Director. All the members of the committee have adequate financial and accounting knowledge.

During the year, the Committee met Four times viz. on 14th May 2012, 14th August 2012, 12th November 2012 and 14th February 2013.

The necessary quorum was not present at the meetings for last two quarters of the Financial Year 2012-13 .

The composition of the Audit Committee and particulars of meetings attended by the members of the Audit Committee are given below:

Name	Category	No. of meetings during the year 2012-13	
		Held	Attended
P . R. Vishnu	Chairman, Non – Executive and Independent	4	4
Aneesh Mittal	Whole Time Director	4	4
Mr N. Prasad*	Non– Executive and Independent Director	4	1

* Mr N. Prasad has been appointed as an Independent Non executive director with effect from 15th June, 2012 and resigned from the Board with effect from 3rd November, 2012.

The present Audit Committee consists of Mr. P. R. Vishnu, Independent Director Mr. Vikas Nayyar, Independent Director and Mr. Aneesh Mittal, Whole Time Director. *The Composition of Audit committee is now in Compliance with Clause 49 II A (i) of the Listing Agreement.*

(D) REMUNERATION COMMITTEE:

- i) The Company has reconstituted its Remuneration Committee as on 14th February 2013. The scope of the Remuneration committee has been defined by the Board of Directors in accordance clause 49 of the Listing Agreement, which among others, includes:
- a) To approve the terms and conditions for appointment and remuneration payable to Managing Director and other Executive Directors
 - b) To approve the remuneration payable to executives of the Company and other matters related thereto.

ii) Composition and Attendance

As on date the Remuneration committee has 2 Directors, One is Non-Executive Independent and another is Non Executive Director. The Chairman of the committee, Mr P R Vishnu, is a Non-Executive, Independent Director. No Remuneration Committee meetings were held during year 2012-13.

iii) The company does not have any Employee Stock option Scheme.

iv) Remuneration Policy:

The Company's remuneration policy is driven by the success and performance of the individual employee and the Company. Through its compensation programme, the Company endeavors to attract, retain, develop and motivate a high performance workforce.

- v) The company pays sitting fees to the Non-Executive Directors and reimburses the out-of-pocket expenses incurred by the Directors for attending meetings.

vi) Details of remuneration for the period ended 31.03.2013

a. Non-Executive Directors

Name	Sitting Fees (₹)
Mr. P. R. Vishnu	7,500
Mr N. Prasad	7,500

b. Managing Director & Executive Directors

Name	Salary	Perquisites & Allowances
Mr. Dinesh Kumar	NIL	NIL
Mr.K.Vasudeva Rao	NIL	NIL
Mr.Aneesh Mittal	NIL	NIL

3.2 Shareholders/Investors Grievance Committee

(A) The committee is constituted for redressing shareholders/investors complaints like transfer of shares, non-receipt of annual report, non-receipt of declared dividend and others. The purpose of the committee is to review all investor grievances and ensure that these are redressed within a period of 7-10 days from the date of receipt of complaint, except those that are constrained by legal impediments/procedural issues.

- i. The Committee is set up to oversee the performance of the Registrars and Share Transfer Agents with respect to redressal of Shareholders grievances etc. The said Committee would also recommend measures for overall improvement of the quality of Investor services
- ii. No Shareholders / Investors Grievances Committee were held during the year.
- iii. As on date the composition of the Shareholders / Investors Grievance Committee is Mr. Dinesh Kumar, Mr Vasudeva Rao.

(B) Name and Designation of the Compliance Officer

Ms. M. Bhargavi, Company Secretary, is the Compliance Officer and can be contacted at:

XL Energy Limited
C2, Pooja Plaza, Vikrampuri
Secunderabad – 500 009

Tel : 040 27883333
Fax : 040 27883344
Email : bhargavi@xlenergy.co

Details of Complaints received:

Opening Balance	Received during the year	Resolved during the year	Closing Balance
NIL	NIL	NIL	NIL

3.3. MANAGEMENT COMMITTEE

- i) Management Committee of Directors is constituted in order to take decisions in day to day operations of the Company viz., opening of Bank accounts, day to day administrative and financial functions, to appoint attorneys for general or specific purposes, to authorize company executives to institute civil suits, to borrow money for working capital requirements and etc. Generally, the Committee meets every month to review business opportunities & handling day to day operations.
- ii) The terms of references of the Committee are:
 - (a) Mr. Dinesh Kumar, Managing Director of the Company shall be the Chairman of the Management Committee.
 - (b) The quorum for the Committee meetings shall be TWO members or one third of the total number of members whichever is higher.
 - (c) The Company Secretary shall be the Secretary of the Management Committee and shall issue the Notices for the management Committee meetings, prepare minutes of the meetings of the Committee and get the same ratified by the Board of Directors.

(E) Management Discussion and Analysis Report

The Management Discussion and Analysis Report have been included separately in the Annual Report to the Shareholders.

6. CEO/CFO Certification

The Managing Director & CEO have certified to the Board in accordance with Clause 49(V) of the Listing Agreement pertaining to CEO Certification for the financial year ended March 31, 2013, published elsewhere in the Annual Report.

The reason for CEO/CFO certification not being a part of Annual Report for the financial year ended 2011-12 was due to an error occurred during the printing of the Annual Report and it was not willful.

7. Compliance on Corporate Governance

The quarterly compliance report has been submitted to the Stock Exchanges where the Company's equity shares are listed in the requisite format duly signed by the Compliance Officer. Pursuant to Clause 49 of the Listing Agreement, the Auditor's Certificate in compliance on conditions of Corporate Governance is published elsewhere in the Annual Report.

8. General Body Meetings

Location and time, where last three AGMs held:

Year	Date & Time of Meeting	Venue	Special Resolutions
2011-2012	04.02.2013 at 11.30 AM	PlotNo.198/A, IDA Cherlapally,Hyderabad-51	NIL
2010-2011	24.11.2011 at 11.00 AM	PlotNo.198/A, IDA Cherlapally,Hyderabad-51	1) Re-appointment of Mr. K. Vasudeva Rao, Executive Director
2008- 2009	26 th May 2010	PlotNo.198/A,IDA Cherlapally, Hyderabad – 500051	1) Increase of Authorised Share Capital & consequent changes in the MOA & AOA 2) Issue of FCCB's/ GDRs/ADRs/ Convertible Securities/Shares 3) Issue of Share warrants 4) Issue of Cumulative Redeemable Preference Shares 5) Re appointment of Mr. Dinesh Kumar, Managing Director 6) Reappointment of Mr. V Visweswara Rao, Director (Finance) 7) Ratification of allotment of equity shares on conversion of warrants issued on Preferential basis

			8) Erosion of more than 50% of Company's peak net worth during immediately preceding four financial years
--	--	--	---

9. Means of Communication

The Company regularly interacts with the shareholders through the multiple channels of communication such as publication of results, Annual Report, press releases, Analysts Call after the Board Meeting and the Company's website. The Company also informs the Stock Exchanges in a prompt manner, all price sensitive information and all such other matters which in its opinion, are material and relevant for the shareholders.

Quarterly report sent to each household of shareholders.	The results of the Company are published in the newspapers.
Quarterly results and in which newspaper normally published in.	Results are published in Financial Express (all editions) and in Andhra Prabha (Telugu – Hyderabad edition).
Any website where displayed.	Yes, the results are displayed on the Company's website www.xlenergy.co
Whether it also displays official news releases.	Yes
Whether the website displays the presentation made to the institutional investors and to the analysts.	Yes

10. General Shareholder Information

Annual General Meeting:

- (i) Date, time and Venue: 20th September, 2013, 11.30 am
Plot No.198/A, IDA, Cherlapally, Hyderabad – 500051
- (ii) Financial Year : 1st April 2012 to 31st March 2013
- (iii) Date of Book Closure : 18.09.2013 to 20.09.2013(both days inclusive)

(iv) Listing

The Stock Exchanges on which the Company's shares are listed:

- Bombay Stock Exchange Limited (BSE)
- National Stock Exchange of India Limited (NSE)
- Zero Coupon Foreign Currency Convertible Bonds (FCCBs) are listed at Singapore Exchange Securities Trading Limited (SGX-ST)

(vii) Stock Code

Bombay Stock Exchange Limited (BSE) : 532788 & XLENERGY
 National Stock Exchange of India Limited (NSE) : XLENERGY
 ISIN for FCCBs
 Singapore Stock Exchange: XS0325291861

Market Price Data: High, Low during each month in last financial year

Month	BSE		NSE	
	High	Low	High	Low
April, 2012	5.68	4.85	5.20	4.90
May, 2012	5.50	4.11	4.80	4.05
June, 2012	4.80	3.65	4.25	4.00
July, 2012	5.75	3.90	4.55	4.05
August, 2012	5.15	3.36	3.65	3.45
September, 2012	3.99	3.26	3.70	3.20
October, 2012	3.99	3.25	3.50	3.25
November, 2012	4.00	3.05	3.40	3.20
December, 2012	6.43	3.11	4.45	4.05
January, 2013	4.77	3.56	4.00	3.70
February 2013	4.18	3.05	3.20	3.05
March 2013	3.50	2.35	2.60	2.40

vii) Registrar and Transfer Agents

The Members are requested to correspond to the Company's Registrars & Share Transfer Agents Bigshare Services Pvt Ltd, quoting their Folio Number, Client ID and DP ID at the following address:

Bigshare Services Pvt Ltd,
 306, Right Wing, Amrutha Ville Appt.,
 Opp: Yashoda Hospital, Somajiguda,
 Rajbhavan Road, HYDERBAD – 500 082
 Tel: +91 40 23374967 Fax: +91 40 23370295
 E-mail: bsshvd@bigshareonline.com, Website: www.bigshareonline.com

viii) Share Transfer System

All physical share transfers are handled by Bigshare Services Private Limited. The transferee is required to furnish transfer deed duly complete in all respects together with the share certificates to Bigshare Services Private Limited at the above said address in order to enable them to process the transfer. As regard transfers of dematerialized shares, the same can be effected through the demat accounts of the transferor(s) and transferee(s) maintained with recognized Depository Participants. All requests received by the Company/RTA for Dematerialisation/ Rematerialisation/ transfer are disposed off expeditiously. Share Certificates duly endorsed are issued /transferred to all those shareholders, who opt for shares in the physical form.

ix) Distribution of shareholding

a. Distribution of shareholding as on 31st March 2013:

Range (in Rupees)	No. of shareholders	% of shareholders	No. of shares	% of shareholding
1 - 500	19089	79.33	2763267	12.13
501 - 1000	2272	9.45	1877127	8.25
1001 - 2000	1314	5.46	2037198	8.94
2001 - 3000	474	1.96	1214320	5.34
3001 - 4000	203	0.85	724851	3.18
4001 - 5000	206	0.86	972548	4.28
5001 - 10000	311	1.29	2318023	10.17
Above 10000	194	0.80	10867063	47.71
Total	24063	100.00	22774397	100.00

b. Shareholding pattern on 31st March 2013

Category	No. of Shares	Percentage
Promoters	4524113	19.8600
Indian Public & others	14174062	62.2300
Trusts	1101	0.0048
Bodies Corporate	3158432	13.8600
NRIs	882290	3.8740
Clearing Member	34399	0.1510
Grand Total	22774397	100.0000

x) Dematerialization of shares and liquidity

The Company has admitted its equity & Cumulative Redeemable Preference shares (CRPS) to the depository system of National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL) for dematerialization of shares. The International Securities Identification Number (ISIN) allotted to the Company for Equity is INE 183H01011 & for Preference Shares is INE 183H04015. The equity shares of the Company are compulsorily traded in dematerialized form as mandated by SEBI.

Out of 2,27,74,397 equity shares, 22,76,69,88 equity shares constituting 99.96% of total equity share capital are held in dematerialized form with NSDL and CDSL as on 31st March 2013.

xi) Outstanding GDRs/ADRs/Warrants or any Convertible instruments, conversion date and likely impact on equity

As against the outstanding balance of Foreign Currency Convertible Bonds (FCCB) of USD 4.2 Million as at the beginning of the year which was issued in October 2007 having a maturity period of 5 years and one day has matured and is due for redemption in October 2012. However, the FCCB's are not redeemed as on the date of signing of this balance sheet and the company is in negotiations with the Bond holder for rollover of the same for a further period of 5 years at the same terms and conditions and hence classified the same in the balance sheet as long term funds available with the company.

PLANT & LOCATIONS IN INDIA

1. **Jointing Kits Division**
Shed No. 30 & 31
I.D.A., Mallapur, Hyderabad - 500 076
2. **SPV Division**
Shed No. 32, I.D.A.,
Mallapur, Hyderabad - 500 076
3. **SMPS & CDMA Division:**
Plot No. 198/A, I.D.A., Cherlapally,
Hyderabad - 500 051
4. **Ethanol Division:**
Plot Nos. B 8 to B 10, &
B 18 to B21, MIDC, Kushnoor
NANDED (District), Maharastra State
5. **Fabcity :**
Plot No. 36, Raviryal Village,
Fab-City (SEZ) India Pvt. Ltd.
Maheshwaram Mandal,
Ranga Reddy District AP

ADDRESS FOR CORRESPONDENCE

REGISTERED OFFICE

C2, Pooja Plaza, Vikrampuri
Secunderabad - 500 009
Tel : 040 27775568 Fax : 040 27840081
Email : info@xlenergy.co
Website : www.xlenergy.co

Management Discussion and Analysis

Statements in this management discussion and analysis describing the company's objectives, projections, estimates and expectations may be 'forward looking statements' within the meaning of applicable laws and regulations. Actual results may differ substantially or materially from those expressed or implied. 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. The Company assumes no responsibility to publicly amend, modify or revise forward-looking statements, on the basis of any subsequent developments, information or events. Actual results may differ materially from those expressed in the statement. Important factors that could influence the Company's operations include changes in government/regulatory regulations, tax laws, economic developments within the country and such other factors.

i. Industry structure and developments

Solar energy has a bright future worldwide. Right now, installed solar power capacity around the world has reached 100 gigawatts of peak power. That indeed means that solar manufacturing companies produce as much as electricity as about 20 nuclear power plants which is a great success story. Based on this, it is very likely that solar energy will become the most important course of energy in this decade ahead of oil, coal or gas.

Solar Business worldwide has great political support. Even during the recession period many governments provided funding, subsidies and tax benefits. Leading nations are Germany, Italy, France, China, USA, Canada, India etc. The threat of climate change and obligations to reduce Green House Gas (GHG) emissions has put onus on each large country, including on India, to support renewable energy power generation vigorously.

Photovoltaic (PV) Industry –

Solar energy is one of the most economically promising renewable energy sources in the world, as well as being environmentally compatible. Considering that worldwide energy consumption is increasing with the passing of years, the growth of the photovoltaic industry is almost certain

In recent years, despite that for many countries there has been a period of economic recession, photovoltaic's has made a record number of installations in 2011 and it has increased again in 2012. In today's world, there are more than 100 GW installed with a production capacity of about 110 TWh annually.

Europe remains the leading region in the world with about 70 GW installed in 2012, just behind China (8.3 GW), the U.S. (7.8 GW) and Japan (6.9 GW). These countries, and more generally, the markets outside the EU, today have used only a minimal part of the potential actually available, even with some markets such as Africa, the Middle East, South East Asia and Latin America just at the beginning of their course.

Renewable energy is expected to play a vital role not only from an environment angle but more importantly from the energy security perspective. Currently, more than 100 countries have renewable energy targets, more than 40 developing nations have introduced feed-in tariffs, and countries from Saudi Arabia to South Africa are making big bets on renewables as a growth market. Many countries are also exploring carbon-trading markets, including the EU, South Korea, and Australia. This year, China launched pilot trading projects in five cities and two provinces, with a goal of a national program by 2015.

**Indian PV Industry –
XL PV Business:**

The Indian solar energy sector has been growing rapidly, in the past few years, majorly due to Government's initiatives such as tax exemptions and subsidies. In the financial year 2012-13, the Company had come across many ups and downs due to energy crisis being faced by the country as a whole. Though there was growing demand for electricity, the failure on the part of conventional sources of energy to cater to the demands, the Company could not progress well.

Presently, there are lot of companies who would like to enter in long term Solar Power Purchase agreements and this particular industry is looking very positive as the cost of Solar Power Generation is coming down consistently. Therefore, the Company is anticipating a revival and a great future for the solar industry. With the Company's One Time Settlement proposal being under consideration by Banks which is most likely to be accepted, the Company will be free from its major liabilities and will be in a position to encash the opportunities in the Solar Power space that will be available to the company in the near future.

Cost, efficiency and price are fundamental drivers of PV industry. Innovations across the value chain will enable higher margins for PV industry. Photovoltaic's being very environment friendly and solar energy being a much cleaner source of energy, XL aspires to drive opportunities by making available solar power to all kinds of consumers by reducing the costs .

ii. Future Outlook

Worldwide the total solar capacity installed last year was about 5000 MW of Solar panels. In India the total employed last year was under 100 MW. Therefore the entire PV Business in India is either based on importing Solar Panels from abroad or exporting the finished goods to Europe or North America.

India has been ranked 7th worldwide for solar photovoltaic (PV) cell production and secure 9th rank in solar thermal power generation. This capacity is growing rapidly due to the entry of various private players in manufacturing of solar energy equipment. According to the authors, the Indian solar energy sector is estimated to grow at 25% year on year in next few years. 51 Solar Radiation Resource Assessment stations have been installed across India by the Ministry of New and Renewable Energy (MNRE) to monitor the availability of solar energy

The amount of solar energy produced in India in 2007 was less than 1% of the total energy demand.[a] The grid-interactive solar power as of December 2010 was merely 10 MW.[b] Government-funded solar energy in India only accounted for approximately 6.4 MW-yr of power as of 2005.[c] However, India is ranked number one in terms of solar energy production per

watt installed, with an insolation of 1,700 to 1,900 kilowatt hours per kilowatt peak (kWh/KWp).[d] 25.1 MW was added in 2010 and 468.3 MW in 2011.[e] By the end of March 2013 the installed grid connected photovoltaic's had increased to 1686.44 MW,[f]and India expects to install an additional 10,000 MW by 2017, and a total of 20,000 MW by 2022.

The Government of India under the Jawaharlal Nehru National Solar Mission (JNNSM) has set an aggressive target of 1,100 MW by 2013 (11th Five-Year Plan) and 20,000 MW by 2022 (13th Five-Year Plan). In addition, many state governments have announced state policies on solar energy aided by the fledgling Renewable Energy Certificate (REC) Government initiative. A total potential of 64,000 MW by 2022 is estimated by business research analysts.

iii. Opportunities and Threats

- Growing demand for solar energy
- Fall in investment prices on solar power generation equipments inducing investors to make better investment
- Threat from competitors
- Threat from the markets

iv. Risks and concerns

- Liquidity and Interest Risk
- Input cost and falling selling price risk
- Government Policies regarding the imports and exports.
- Further, Rupee appreciation would seriously affect the export business being planned in the Solar Segment.
- High risk of default on payments and low perceived value of service
- Mistrust for solar technology

v. Adequacy of internal controls

The company has a strong, independent and adequate system of internal control procedures commensurate with the size and nature of its business to ensure that all assets are safeguarded and protected against loss from unauthorized use or disposition and that transactions are authorized, recorded and reported correctly. An extensive programme of internal audits, reviews by management and documented policies, guidelines and procedures, supplements the internal control systems. The internal control systems are designed to ensure that the financial and other records are reliable for preparing financial statements and other data and for maintaining accountability of assets.

vi. Financial performance - Overview

The Company for the year 2012-13 has recorded total revenue of ₹ 312.97 lacs as against ₹ 372.97 lacs for the previous year. The Company has incurred a loss after tax for the year ₹ 1088.03 lacs as against a loss of ₹ 2219.55 lacs for the previous year.

vii. Human Resource –

The company's ability to deliver value depends on its ability to attract, motivate, empower and retain the best professional talents. These abilities have to be developed across Company's rapidly expanding operations. There is significant competition from emerging sectors, which poses inherent risks associated with the ability to hire and retain skilled and experienced professionals. Your company continuously benchmarks HR policies and practices with the best in industry and carries out necessary improvements to attract and retain best talent and build intellectual capital.

14.06.2013

To
The Board of Directors
XL Energy Ltd
C2, Pooja Plaza, Vikrampur
SECUNDERABAD – 500 009

Dear Sirs,

Sub: CEO certification under Clause 49 (V) of the Listing Agreement – Reg

I, Dinesh Kumar, Managing Director of XL Energy Limited, responsible for the integrity and objectivity of the financial statements and related notes and hereby certify that:

- (a) We have reviewed financial statements and the cash flow statement for the Financial Year ended 2012-13 and that to the best of our knowledge and belief:
 - (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.
- (b) There are, to the best of our knowledge and belief, no transactions entered into by the company during the year which are fraudulent, illegal or violative of the company's code of conduct.
- (c) We accept responsibility for establishing and maintaining internal controls for financial reporting and evaluated the effectiveness of internal control systems of the company pertaining to financial reporting and disclosed to the auditors and the Audit Committee, deficiencies in the design or operation of such internal controls, if any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
- (d) We have indicated to the auditors and the Audit committee
 - (i) significant changes in internal control over financial reporting during the year;
 - (ii) significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - (iii) instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the company's internal control system over financial reporting.

Dinesh Kumar
Managing Director

CERTIFICATE ON CORPORATE GOVERNANCE

To
The Members of
XL Energy Limited

We have examined the compliance of conditions of Corporate Governance by XL ENERGY LIMITED for the year ended on 31st March, 2013 as stipulated in Clause 49 of the Listing Agreement of the Company with the Stock Exchanges in India.

The Compliance of the conditions of Corporate Governance is the responsibility of the management. Our examination was limited to a review of the procedures and implementation thereof, adopted by the Company for ensuring the compliance of the conditions of Corporate Governance. It is neither an audit nor an expression of an opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, the Company has complied with the conditions of Corporate Governance as stipulated in the above listing agreement, subject to following qualifications:

- Clause 49 I (A) (ii) - The composition of the board for the Financial Year ended 31st March, 2013 is not in accordance with the requirements, as stipulated in the listing agreement.
- Clause 49 II (A) (i) - For the last two quarters of Financial Year ended 31st March 2013, the Audit committee does not comprise the minimum requirement of two Independent Directors in the Committee.
- Clause 49 II (B) - The Company did not comply with the requirement of minimum quorum to be present at the Audit committee meetings held on 12.11.2012 and 14.02.2013.
- Clause 49 (III) (i) - The company did not appoint any Independent Director on the board of its material unlisted subsidiary (i.e., Khandoba Distilleries Limited).
- Clause 49 (IV) (G) (v) – The CEO/CFO certification was not part of the Annual report, sent to the Shareholders, pertaining to financial year ended on 31st March, 2012.

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

**For R & A Associates
Company Secretaries**

**Place: Hyderabad
Date: 23.08.2013**

**R. Ramakrishna Gupta
Partner
C.P No: 6696**

INDEPENDENT AUDITOR'S REPORT

To the Members of XL Energy Limited

Report on the Financial Statements

We were engaged to audit the accompanying financial statements of XL Energy Limited ("the Company"), which comprise the Balance Sheet as at March 31, 2013, and the Statement of Profit and Loss and the Cash Flow Statement for the year then ended and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for 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 standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act"). This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. 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 disclosures in the financial statements. The procedures selected depend on the auditor's judgement, 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 control relevant to the company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by Management, as well as evaluating the overall presentation of financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our qualified audit opinion.

Basis for Qualified Opinion

1. Balances appearing under Long terms and Short Term borrowings, Trade Creditors, Long Term Liabilities and Other Current Liabilities, Capital WIP, Long Term Loans and Advances are subject to confirmation and / or reconciliation, if any.
2. Reference is invited to Note No.2.30 regarding non-provision of interest on borrowings from banks.
3. The company has recognized a deferred tax income of ₹ 543.93 Lakhs during the year because of the cash losses suffered by it over the past 3 years. We are unable to express any opinion on this matter.
4. The Company has borrowings from various banking and financial institutions as enlisted in the Balance Sheet to the tune of ₹ 83,901.42 Lakhs. We are informed by the management of the Company that the Company has made an application under the One Time Settlement Scheme (OTS) to the banks. We have not received any bank confirmation statements as regards to the principal outstanding & interest thereof.

Qualified Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph, the 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 :

- (a) In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;
- (b) In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and
- (c) In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Companies Act, 1956, we report that:
 - (a) Subject to the Basis for Qualified Opinion paragraph, we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit.
 - (b) Subject to the Basis for Qualified Opinion paragraph, in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books
 - (c) The Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this report are in agreement with books of accounts.
 - (d) Except for the effects of the matter described in the Basis for Qualified Opinion paragraph, in our opinion, the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement comply with the accounting standards referred to in sub-section (3C) of section 211 of the Act;
 - (e) On the basis of written representations received from the directors as on March 31, 2013, and taken on record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a director in terms of clause (g) of sub-section (1) of section 274 of the Act.
 - (f) Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is to be paid, no cess is due and payable by the Company.

For Satyanarayana & Co
Chartered Accountants
FRN 003680S

(J. Jagannadha Rao)
Partner
Membership No. 6239

Place : Secunderabad
Date : 14.06.2013

ANNEXURE REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE:

i. Fixed Assets

- (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets of the company.
- (b) The physical verification of fixed assets is being carried out as per the program drawn up and to the extent the physical verification is carried out, no material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.

ii. Inventory

- (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper record of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material

iii. Loans taken/ granted

According to the information and explanations given to us, the company has not taken any loans secured or unsecured from / to companies, firms or other parties covered in the register maintained under sec.301 of the Companies Act, 1956. However, reference is invited to 2.36 of notes to the audited financial statements regarding monies advanced / equity invested.

iv. Internal Control

In our opinion and according to the information and explanations given to us, the internal control procedures needs to be strengthened and streamlined so as to be commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regards to the sale of goods .

v. Section 301

According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in to the register maintained under sec. 301 of the Companies Act, 1956 have been so entered.

vi. Public Deposits

The Company has not accepted any deposits from the public.

vii. Internal Audit

In our opinion, the company has no internal audit system.

viii. Cost Records

We broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the central government for the maintenance of cost records and sec 209 (1) (d) of the companies act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

ix. Statutory Dues

- (a) The Company is not regular in depositing with appropriate authorities the following undisputed statutory dues including Provident Fund, investor education protection fund, Employees State Insurance, Income tax, sales tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.

Provident Fund Dues	₹ 90.42 Lakhs
ESI	₹ 27.09 Lakhs
Tax Deducted At Source	₹ 201.47 Lakhs
Service Tax	₹ 9.77 Lakhs
Total	₹ 328.75 Lakhs

- (b) According to the information and explanation given to us there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

x. Accumulated losses / Cash Losses

In our opinion the accumulated losses of the company are more than 50% of its net worth. The company incurred a cash loss of ₹ 714.95 lakhs during the current accounting year. The cash loss during immediately preceding accounting year is ₹ 2,045.74 lakhs.

xi. Repayment of Dues

The company has defaulted in the repayment of dues to banks and financial institutions, for both term loans and working capital loans. The company has submitted a proposal to the banks for One Time Settlement (OTS). The details were mentioned in 2.30 of notes to audited financial statements.

xii. Loans & Advances

In our opinion and according to the information and explanations given to us the Company has not granted loans and advances against pledge of shares debentures and other securities.

xiii. Chit – Fund Companies/Nidhi/Mutual benefit societies

In our opinion the company is not a chit fund / a Nidhi / mutual benefit fund/ society. Therefore clause 4 (xiii) is not applicable to the company.

xiv. Financing Companies

In our opinion and according to the information and explanations given to us the Company is not dealing in or trading in shares and securities. In the case of the investment held by the company, the same are in the name of the company.

xv. Guarantee for Loans

According to the information and explanations given to us the company has given guarantee for loans taken by others to banks or financial institutions excepting corporate guarantee to M/s Soft Projex (India) Limited.

xvi. Term Loans

In our opinion and according to the information and explanations given to us the term loans have been applied for the purpose for which they were raised.

xvii. Usage of Funds

According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

- (a) The Company has not made any preferential allotments during the year. With regard to FCCB's reference is invited to note no. 2.32 of notes to audited financial statements.
- (b) The clause 4 (xiv) of the Companies (Audit Report) Order 2003 relating to the creation of the security for the debentures is not applicable to the company as no debentures are raised by the company.
- (c) The company has not raised any money by way of public issue during the year.

xviii. Preferential Allotments

The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act.

xix. Creation of securities

The company has not issued any debentures during the year, hence the question of creation of securities does not arise.

xx. Public Issue

The company has not raised any money through public issue.

xxi. Frauds

According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

For Satyanarayana & Co
Chartered Accountants
FRN 003680S

(J. Jagannadha Rao)
Partner
Membership No. 6239

Place : Secunderabad
Date : 14.06.2013



XL ENERGY LTD
C2, Pooja Plaza, Vikrampuri, Secunderabad - 500009, A.P.

Balance Sheet As At 31st March 2013

Particulars	Note No	Amount in ₹ Lacs	
		As At 31-Mar-13	As At 31-Mar-12
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.01	12,655.48	12,655.48
Reserves and Surplus	2.02	(10,308.56)	(9,220.53)
Money Received against Share Warrants			
Non - Current Liabilities			
Long - Term Borrowings	2.03	41,700.07	56,424.50
Other Long Term Liabilities	2.04	3,252.18	3,254.22
Current Liabilities			
Short Term Borrowings	2.05	4,502.43	4,502.44
Trade Payables	2.06	980.64	999.48
Other Current Liabilities	2.07	44,792.79	30,061.59
Short - Term Provisions	2.08	538.62	683.50
TOTAL		98,113.65	99360.68
ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible Assets	2.09	3,368.23	3,698.31
Intangible Assets			
Capital Work -in-Progress	2.10	29,933.69	29,926.36
Non-Current Investments	2.11	4,186.00	4,186.00
Deferred Tax Assets (Net)	2.12	16,976.68	16,432.75
Long-Term Loans and Advances	2.13	17,010.83	17,228.01
Other Noncurrent Assets	2.14	196.33	242.52
Current Assets			
Inventories	2.15	8,079.93	9,258.12
Trade Receivables	2.16	16,469.23	16,474.53
Cash & Cash Equivalents	2.17	266.88	261.11
Short term loans and advances	2.18	1,350.20	1,371.96
Other Current Assets	2.19	275.65	281.01
TOTAL		98,113.65	99360.68
Significant Accounting Policies	1.0	-	-

As per our report of even date

For SATYANARAYANA & CO
Chartered Accountants
FRN No.003680S

(J Jaganadha Rao)
Partner
Membership No. 6239
Place: Secunderabad
Date: 14.06.2013

For and on behalf of the Board

Dinesh Kumar
Managing Director

Aneesh Mittal
Director

Bhargavi. M
Company Secretary



XL ENERGY LTD
C2, Pooja Plaza, Vikrampuri, Secunderabad - 500009, A.P.
Statement of Profit and Loss for the year ended 31st March 2013

Amount in ₹ Lacs

Particulars	Note No	For the year ended	
		31-Mar-13	31-Mar-12
Revenue From Operations	2.20	307.93	356.18
Other Income	2.21	16.31	26.05
Total Revenue		324.24	382.23
Expenses			
Cost of Raw Materials Consumed	2.22	197.68	612.44
Purchase of Stock in trade	2.23	-	-
Changes in Inventories of Finished Goods and WIP	2.24	420.84	(333.92)
Employee Benefit Expense	2.25	211.08	622.53
Finance Costs	2.26	1.86	1,015.24
Depreciation and Amortization Expense	2.09	310.34	311.09
Other Expenses	2.27	253.92	557.87
Total Expenses		1,395.72	2,785.25
Profit before exceptional and extraordinary items and Tax (III- IV)		(1,071.48)	(2,403.02)
Exceptional Items	2.28	-	-
Profit Before extraordinary items and Tax (V-VI)		(1,071.48)	(2,403.02)
Extraordinary Items	2.29	560.48	926.13
Profit Before Tax (VII - VIII)		(1,631.96)	(3,329.15)
Tax Expense			
(1) Current Tax		-	-
(2) Deferred Tax		(543.93)	(1,109.60)
Profit/(Loss) for the period from continuing operations (VII-VIII)		(1,088.03)	(2,219.55)
Profit/(Loss) from discontinuing Operations			
Tax Expense on discontinuing Operations			
Profit / (Loss) from Discontinuing Operations (after tax) (XII--XIII)		-	-
Profit / (Loss) for the Period (XI + XIV)		(1,088.03)	(2,219.55)
Earnings per Equity Share			
(1) Basic		(4.78)	(9.75)
(2) Diluted		(4.78)	(9.75)
Significant Accounting Policies	1.0		

As per our report of even date

For SATYANARAYANA & CO
Chartered Accountants
FRN No.003680S

(J Jaganadha Rao)
Partner
Membership No. 6239
Place: Secunderabad
Date: 14.06.2013

For and on behalf of the Board

Dinesh Kumar
Managing Director

Aneesh Mittal
Director

Bhargavi. M
Company Secretary



XL ENERGY LIMITED
C2, Pooja Plaza, Vikrampuri, Secunderabad-500009, A.P
Cash Flow Statement for the year ended 31st March 2013

Amount in ₹ Lacs

Particulars	Amount in ₹ Lacs	
	31-Mar-13	31-Mar-12
A Cash Flow from Operating Activities		
Net Profit (loss) before tax and extraordinary items	(1,631.96)	(3,279.20)
Adjustments for :		
Depreciation	310.34	311.09
Misc Exp Written off	46.19	46.19
Loss on sale of Assets / write off	560.48	926.13
Interest Income	(16.31)	(22.56)
Interest & Finance Charges	1.86	1015.24
	902.56	2,276.09
Operating Profit before Working Capital Adjustments	(729.40)	(1,003.11)
Adjustments for :		
(Increase)/ Decrease in Inventories	1,178.19	1,020.01
(Increase)/ Decrease in Trade and other receivables	5.30	150.75
(Increase)/Decrease in Short Term Loans & Advances	27.11	2,272.34
Increase)/ (Decrease) in Trade Payables & others	(156.95)	(20,754.96)
Cash Generated from Operations	324.25	(18,314.97)
Interest on Borrowings	(1.86)	(1,015.24)
Direct Taxes Paid		
Transfer to General reserve		
Extraordinary loss of inventory in discontinuing business	(560.48)	(926.13)
Net Cash Flow from Operations	(238.09)	(20,256.34)
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	19.74	(8.40)
Sale of Fixed Assets		
Purchase / Sale of Investments		
Advances/ Payables for Capital work in Progress	184.82	52.48
Capital work in Progress	(7.33)	(1,657.41)
Interest Income Received	16.31	22.56
Net Cash used in Investing Activities	213.54	(1,590.77)
C Cash Flow from Financing Activities		
Proceeds from issue of Share Capital including premium		
Share Application Money		
Proceeds from Long Term Borrowings	0.00	(9,305.70)
Repayment of Unsecured Loans (FCCB)		
Proceeds from Short Term Borrowings	(0.01)	29806.64
Dividends Paid (including Tax thereon)		
Inter corporate loans and advances	30.32	303.48
Net Cash Flow from Financing Activities	30.31	20,804.42
Net Increase /(Decrease) in Cash and Cash Equivalents	5.76	(1,042.69)
Cash and Cash Equivalents at the Beginning of the Year	261.11	1303.8
Cash and Cash Equivalents at the End of the Year	266.87	261.11

As per our report of even date

For SATYANARAYANA & CO
Chartered Accountants
FRN No.003680S

(J Jaganadha Rao)
Partner
Membership No. 6239
Place: Secunderabad

For and on behalf of the Board

Dinesh Kumar Aneesh Mittal
Managing Director Director

Bhargavi. M
Company Secretary

XL ENERGY LTD
C2, Pooja Plaza, Vikramপুরi, Secunderabad-500009, A.P
Notes on Accounts

		As At 31-Mar-13 ₹ in lacs	As At 31-Mar-12 ₹ in lacs
2.01	Share Capital		
	<u>Authorized</u>		
	4,00,00,000 Equity shares of ₹ 10/- each	4,000.00	4,000.00
	11,00,00,000 Preference shares of ₹ 10/- each	11,000.00	11,000.00
		15,000.00	15,000.00
	<u>Issued, Subscribed and Paid Up</u>		
	2,27,74,397 Equity shares of ₹ 10/- fully paid	2,277.44	2,277.44
	10,37,80,394 Convertible Redeemable Preference Shares of ₹ 10/- each	10,378.04	10,378.04
	Total	12,655.48	12,655.48
2.02	Reserves and Surplus		
	(a) Capital Reserves		
	Opening Balance	543.54	543.54
	Transferred in the current year	-	-
	written back in the current year	-	-
	Closing Balance	543.54	543.54
	(b) Security Premium Reserve		
	Opening Balance	24,269.42	24,269.42
	Transferred in the current year	-	-
	written back in the current year	-	-
	Closing Balance	24,269.42	24,269.42
	(c) General Reserves		
	Opening Balance	736.72	736.72
	Transferred in the current year	-	-
	written back in the current year	-	-
	Closing Balance	736.72	736.72
	(d) Surplus		
	Opening Balance	(34,770.21)	(32,550.66)
	Add: Net Profit / (Net Loss) for Current Year	(1,088.03)	(2,219.55)
	Closing Balance	(35,858.24)	(34,770.21)
	Total Reserves & Surplus	(10,308.56)	(9,220.53)
2.03	Long- Term Borrowings		
	<u>Secured</u>		
	Term Loans		
	From Banks	39,798.08	54,522.51
	(Secured by Equitable Mortgage of Land, First charge of immovable Properties of the company both present and future, Hypothecation of all tangible, movable properties and assets both present and future including Raw Materials, Inventory and Receivables. See detailed breakup in 2.34 notes to accounts		
	Hire Purchase Loans from Banks	-	-
		39,798.08	54,522.51
	<u>Unsecured</u>		
	Other Loans and advances		
	Un-Secured Loans -FCCB	1,901.99	1,901.99
	(Outstanding amount of USD 4.20 million Foreign Currency Convertible Bonds issued in October 2007 with a maturity period of 5 years and one day) See detailed note 2.32 in notes to accounts		
		1,901.99	1,901.99
	Total Long Term Liabilities	41,700.07	56,424.50

2.04	Other Long Term Liabilities		
	Sundry Creditors - Capital Goods - Payables	3,241.34	3,243.38
	Sundry Creditors - Capital Goods- Retention Money	10.84	10.84
		3,252.18	3,254.22
2.05	Short Term Borrowings		
	Loans payable on demand		
	a) from banks	4,502.43	4,502.44
	(Secured by Equitable Mortgage of land, First charge of immovable Properties of the company both present and future, Hypothecation of all tangible, movable properties and assets both present and future including Raw Materials, Inventory and Receivables. See detailed note 2.34 in notes to accounts		
	b) From other parties	-	-
		4,502.43	4,502.44
2.06	Trade Payables		
	Sundry Creditors -Trade (unsecured)		
	a) Total outstanding dues of micro, medium and small enterprises	0.00	-
	b) Total outstanding dues of other than micro, medium and small enterprises	836.43	843.77
	Sundry Creditors - Transport	144.21	155.71
		980.64	999.48
2.07	Other Current Liabilities		
	Current Maturities of Long Term Debt	37,698.92	22,974.49
	Interest accrued but not due on borrowings	-	-
	Interest accrued due on borrowings	6,884.42	6,884.42
	Unpaid Dividends	0.02	0.02
	Other Payables :		
	Service Tax	9.69	9.64
	TDS Payable	196.16	189.99
	Professional tax	3.10	2.55
	Work Contract Tax	0.48	0.48
		44,792.79	30,061.59
2.08	Short - Term Provisions		
	Provision for employee benefits		
	Salary & Reimbursements	375.72	537.18
	Contribution to PF	90.08	80.89
	Contribution to ESI	27.09	20.92
	LIC premium payable	2.40	2.40
	Provision for Income Tax	29.77	29.77
	Other Liabilities	13.56	12.34
		538.62	683.50

XL ENERGY LIMITED
C2, Pooja Plaza, Vikramপুরi, Secunderabad-500009, A.P.
Notes on Accounts

Amount in ₹
Lakhs

Fixed Assets	Gross Block				Depreciation				Net Block	
	As at	Additions during the year	Disposals during the year	As at	As at	Depreciation for the year	Depreciation on disposals	As at	As at	As at
	1-Apr-12			31-Mar-13				1-Apr-12	31-Mar-13	31-Mar-12
2.09	Tangible Assets									
(a)	Land	1,154.90	(0.00)		1,154.90	-	-	-	1,154.90	1,154.90
(b)	Buildings	903.26	-		903.26	243.18	30.18	0.00	273.36	660.08
(c)	Plant and Equipment	3,207.70	0.02		3,207.72	1,719.65	226.26	0.00	1,945.91	1,488.05
(d)	computers	114.44	0.06		114.50	114.16	0.29	(0.00)	114.45	0.28
(e)	Vehicles	349.51	-	37.18	312.33	168.83	33.24	17.38	184.69	180.68
(f)	furniture & fixtures	263.35	-		263.35	78.40	16.67	(0.00)	95.07	184.95
(g)	Office equipment	73.74	-	0.02	73.72	44.37	3.70	(0.00)	48.07	29.37
	Total	6,066.90	0.08	37.20	6,029.78	2,368.59	310.34	17.37	2,661.55	3,368.23
	Previous Year Balance	6,058.50	8.40		6,066.90	2,057.50	311.09		2,368.59	3,698.31
2.10	Intangible Assets									
	Capital Work - In-Progress									
	CWIP - SPV - Fabcity	29,787.12	7.33		29,794.45				29,794.45	28,126.72
	CWIP-ETAHNOL PROJECT	27.96	-		27.96				27.96	27.96
	CWIP - Photobioreactor - Cherlapally	111.28	-		111.28				111.28	111.28
	Capital Work - In-Progress	29,926.36	7.33	-	29,933.69	-	-	-	29,933.69	28,265.96

XL ENERGY LTD
C2, Pooja Plaza, Vikrampuri, Secunderabad-500009, A.P
Notes on Accounts

Note No	Particulars	As At 31-Mar-13 ₹ in lacs	As At 31-Mar-12 ₹ in lacs
2.11	Non-Current Investments		
A	Trade Investments		
(i)	Investment in Shares of:		
	(a) Khandoba Distilleries Ltd -Subsidiary (1,53,78,000 fully paid equity shares of ₹10/- each)	1,537.80	1,537.80
	(b) Saptashva Solar SL-Spain - Wholly owned subsidiary (2548006 fully paid equity shares of Euro 1 each)	1,636.49	1,636.49
	(c) Saptashva Solar Ltd. - Joint Venture Company (50,000 fully paid equity shares of ₹10/- each)	5.00	5.00
(ii)	Application money paid - pending allotment of shares (a) Saptashva Solar SL-Spain - Wholly owned subsidiary	1,006.71	1,006.71
	Total 'A'	4,186.00	4,186.00
	Less: Diminution in the value of investments	-	-
	Total	4,186.00	4,186.00
2.12	Deferred Tax Assets (Net)	16,976.68	16,432.75
		16,976.68	16,432.75
2.13	Long-Term Loans and Advances		
	Capital Advances	16,887.14	17,074.00
	Loans and Advances to related parties	83.32	113.64
	Rental Deposits	40.37	40.37
		17,010.83	17,228.01
2.14	Other Non-current Assets		
	Preliminary expenses	196.33	242.52
		196.33	242.52
2.15	Inventories (Valued at cost or net realizable value)		
(a)	Raw materials, Stores & Consumables etc	1,627.44	2,384.79
(b)	Work in Progress	6,452.49	6,873.33
(c)	Finished Goods	-	-
(d)	Stock In Trade	-	-
		8,079.93	9,258.12
2.16	Trade Receivables (Unsecured Considered Good)		
	Exceeding six months	16,469.23	16,474.53
	Less than six months	-	-
	Less: Provision for Doubtful Debts	-	-
		16,469.23	16,474.53
2.17	Cash & Cash Equivalents		
	Balances with banks		
	in Current Account	2.13	(0.69)
	in Deposit Accounts (including margin money)	258.79	258.79
	Unclaimed Dividend Balance	-	-
	Cash On Hand	5.96	3.01
		266.88	261.11
2.18	Short term loans and advances (Unsecured, considered good)		
	Deposits	225.05	225.06
	Others advances -Advance to suppliers	1,053.26	1,083.51
	Less: allowance for Doubtful Loans and advances	-	-
	Interest accrued but not received	71.89	63.39

		1,350.20	1,371.96
2.19	Other Current Assets		
	Other advances	51.45	51.45
	Salary Advances	1.89	0.55
	Tour Advances	0.87	1.94
	Excise duty & Mod Vat receivable	220.35	220.35
	VAT & CST Receivables	1.09	6.72
		275.65	281.01
2.20	Revenue From Operations		
	Sale of Products		
i	Domestic Sales		1.84
	Telecom Division		
	Energy Division	117.46	158.14
ii	Export Sales		
	Telecom Division	-	-
	Energy Division		100.41
iii	Other Sales - Energy Division	190.47	95.79
		307.93	356.18
	Less		
	Excise Duty	-	-
	Total	307.93	356.18
2.21	Other Income		
	Interest Income	16.31	22.56
	Other Non - Operating Income	-	0.00
	Net Gain / Loss on foreign currency translation and transaction	0.00	3.49
	Total	16.31	26.05
2.22	Cost of Raw Materials Consumed		
	Opening Stock of Raw Material	2,384.79	3,738.73
	Add : purchase of Raw Material	0.81	134.69
		2,385.60	3,873.42
	Less : Closing Stock of Raw Material	1,627.44	2,384.79
	Less : Loss on Inventory due to absolute & dead stock	560.48	876.19
	Consumption of Raw Materials	197.68	612.44
	Details of Raw Material Consumed :		
	a) Raw Material for SPV Modules		
	Solar Cells 6"	155.19	484.97
	EVA	7.72	24.11
	Tedlar	7.77	24.27
	Toughened Glass	14.38	44.93
	Ribbon Interconnects	0.53	1.65
	Bus Bar	0.41	1.28
	Aluminum Frames	2.38	7.45
	Silicon Sealant	0.75	2.36
	Flux	0.01	0.04
	Terminal Box	3.72	11.62
	Packing Material	2.24	7.00
	Others	2.58	2.76
		197.68	612.44
	b) Raw Material for SMPS units	-	-
	Total	197.68	612.44
2.23	Purchase of Stock In Trade		
	Purchase of Raw Material	-	-
	Purchase of stock in trade	-	-
2.24	Changes In Inventories of Finished Goods and WIP		
	i)(Increase/ Decrease in WIP		
	Opening Stock	6,873.33	6,539.41
	Closing Stock	6,452.49	6,873.33
	Changes in Inventories of WIP (a)	420.84	(333.92)
	ii)(Increase)/Decrease In Finished Goods		

	Opening Stock	-	49.94
	Less : Loss on Inventory due to absolute & dead stock		49.94
	Closing Stock	-	-
	Changes in Inventories of Finished Goods (b)	-	-
	Total Cost of Materials Consumed (a)+(b)	420.84	(333.92)
2.25	Employee Benefit Expense		
	Salaries and Wages	196.50	554.18
	Contribution to Provident and other Funds	14.58	58.40
	Staff Welfare Expenses	0.00	9.95
	Total	211.08	622.53
2.26	Finance Costs		
a)	Interest expense		
	Interest on Hire Purchase Loans		2.90
	Interest on Term Loans		756.86
b)	Other borrowing costs		
	Interest on Working Capital Loans & Bank charges	1.86	255.48
	Total	1.86	1,015.24
2.27	Other Expenses		
	Power and Fuel expenses	33.10	61.22
	Rent	0.33	35.33
	Repairs to buildings & Machinery		
	- Buildings		4.03
	- Plant & Machinery		17.19
	- Others		4.29
	Insurance	15.92	17.91
	Rates and taxes, excluding taxes on income		1.35
	Communication Expenses	12.28	12.04
	Printing & Stationery Expenses	0.98	2.11
	Prof & Consultancy Charges	46.78	19.87
	Traveling & Conveyance Expenses	65.32	80.87
	Managerial Remuneration :		
	- Salary to Managing Director		-
	- Contribution to PF for Managing Director		-
	- Salary to Whole time Directors		54.00
	- Contribution to PF for Whole time Directors		0.17
	Payment to the Auditor		
	- for Audit	3.44	3.04
	- for Taxation Matters		
	- for Other services		0.15
	selling expenses	13.78	14.96
	Donations		0.32
	Miscellaneous expenses Written off	46.19	46.19
	Other Administrative Expenses	15.80	182.83
		253.92	557.87
2.28	Exceptional Items		
	Provision for Bad & Doubtful Debts	-	-
	Total	-	-
2.29	Extraordinary Items		
	Loss on Raw Material Inventory due to absolute & dead stock	560.48	926.13
	Loss on Finished Goods Inventory due to absolute & dead stock		
	Total	560.48	926.13

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO AUDITED FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES:

Corporate Information

XL Energy Limited (formerly XL Telecom & Energy Limited) is listed company having its shares listed in BSE and NSE. The company is engaged in manufacturing/trading/production and sale of Solar Photo voltaic Modules as its main business. In addition to this the company is engaged in the business of manufacture of equipment for Telecom Industry and manufacture of Ethanol. However at present this business conducted in this segment has become negligible. The company caters to both international and domestic market in Solar PV Business.

1.1 Change in accounting policy:

PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS for the year ended 31st March 2013, the revised schedule VI notified under the companies Act, 1956 has become applicable to the company for preparation and presentation of its financial status. The company has also reclassified the previous year figures in accordance with the requirement applicable in the current year.

1.2 System of Accounting:

The accounts have been prepared and presented under the historical cost convention method on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards issued by the Institute of Chartered Accountants of India (ICAI) to the extent applicable.

1.3 Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgment estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although, these estimates are used on the managements' best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities to the carrying amounts of assets or liabilities in further periods.

1.4 Tangible Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. Cost is inclusive of duties & taxes (net of CENVAT/VAT), incidental expenses and erection / commissioning expenses.

1.5 Depreciation:

Depreciation on Fixed Assets is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on Assets bought / sold during the year is charged at applicable rates on monthly basis in the month the Asset is put to use / sold.

1.6 Expenditure during construction period:

Expenditure (including Finance cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as preoperative expenses pending allocation to the assets and are shown under "Capital Work in Progress". These expenses will be apportioned to fixed assets on commencement of commercial production.

1.7 Investments:

Long term investments and investments in subsidiary companies are carried at cost. Provision for diminution in value is made whenever necessary in accordance with the Accounting Standards in force.

1.8 Valuation of Inventories:

- a) Inventories are valued at the lower of weighted average cost or net realizable value. The weighted average value is calculated on the basis of net landed cost.
- b) Cost for the purpose of finished goods and material in process is computed on the basis of cost of material, labour and other related overheads.
- c) In all the cases necessary adjustments are made in respect of non-moving, slow moving, damaged and unserviceable goods.
- d) During the year, Raw Materials to the extent of ₹560.48 lakhs have been written off to the Profit and Loss account. This loss is on account of absolute and dead stock.

1.9 Foreign Exchange:

Foreign Exchange transactions are recorded at the exchange rates prevailing at the time of transactions or at contracted rates. Current assets and current liabilities are translated at values prevailing at the Balance Sheet date. Gains/losses, if any, arising thereby are recognized in the Profit and Loss account.

1.10 Revenue Recognition:

- a) Revenue from sales is recognized when significant risk and rewards in respect of ownership of the products are transferred.
- b) Revenue from domestic sales is recognized on dispatch of products from the factory of the Company.
- c) Revenue from export sales is recognized on the basis of dates of Bill of Lading.

1.11 Employee Retirement Benefits:

Defined Contribution Plan: Contributions paid/ payable the defined contribution plan of provident fund for employees covered under the scheme are recognized in the profit and loss account each year.

Defined Benefit Plan: The Company is accounting gratuity and bonus on cash basis. The company has not provided for gratuity and bonus liability as at the Balance Sheet date in accordance with revised accounting standard 15 used by ICAI.

Other Long Term Employee Benefits: The Company has not provided any other Long term Employee Benefits comprising of Leave Encashment, Bonus, etc. as at the Balance Sheet date.

1.12 Borrowing Costs:

Borrowing costs incurred in relation to the acquisition and construction of assets is capitalized as part of the cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which they are incurred.

1.13 Income Tax Expenditure:

- a) Current Tax Expense: The current charge for income tax is calculated in accordance with the tax regulations.
- b) Deferred Tax Expense: Deferred income tax reflects the impact of timing difference between accounting income and tax income for the year/ period. Deferred tax is measured based on the tax

rates and the tax laws enacted at the Balance sheet date. Deferred tax asset is recognized only to the extent of certainty of realization of the asset.

- c) The company has received a demand notice from the Income Tax department in September 2012, for payment of Income tax dues for the AY.2005-06, AY.2006-07, AY. 2007-08 & AY 2008-09 for a total aggregate sum of ₹ 319.68 Lakhs. The company has not provided for such expenses in the account as the company is contesting the demand raised by the department and the company is confident of winning the appeals.

1.14 Miscellaneous Expenditure:

Miscellaneous expenditure comprises of preliminary/ public issue expenses which are amortized over a period of ten years.

NOTES TO AUDITED FINANCIAL STATEMENTS

2.30 Corporate Debt Restructuring (CDR)- Loan Repayments & Interest :

The company could not execute the CDR package due to various reasons already explained in the previous year and the situation remains the same. The company has submitted an OTS proposal to the banks with financial assistance from an ARC company. It is assumed that the banks will accept and negotiate the proposal in 2-3 months time. Interest on all banks outstanding has not been provided as the Company is confident that the OTS proposal will be acceptable to the banks and an early settlement with the banks will be completed within 2-3 months time.

- 2.31** The net worth of the Company suffered further depletion due to substantial reduction in revenues of the company and the consequent losses suffered during the period. However, considering the early settlement with the banks through the OTS and also the various measures taken by the Company to gain and accumulate orders and also taking into consideration the business potential in solar power space and future business prospects of the company, the accounts are stated on going concern basis.

2.32 Foreign Currency Convertible Bonds:

As against the outstanding balance of Foreign Currency Convertible Bonds (FCCB's) of USD 4.2 Million as at the beginning of the year which was issued in October 2007 having a maturity period of 5 years and one day has matured and is due for redemption in October 2012. The company is in negotiations with the Bond holder for rollover of the same for a further period at the same terms and conditions and hence classified the same in the balance sheet as long term funds available with the company since the company is confident of getting the FCCB's rolled over for a further long term period.

2.33 Contingent liabilities not provided for in respect of: (₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
a) Guarantee / Counter Guarantees given on sale of contracts	597.26	597.26
b) Letter of credits by Banks	NIL	NIL
c) Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for	762.91	762.91

2.34 Secured Loans: (₹ in Lakhs)

Sl No	Particulars	As at 31.03.2013	As at 31.03.2012
	A. Term Loans:		
i)	Canara Bank – SPV	4345.55	4345.55

ii)	IDBI Bank – SPV	5415.83	5415.83
iii)	Bank of India – SPV	5191.90	5191.90
iv)	State Bank of Bikaner & Jaipur – SPV	2423.16	2423.16
v)	State Bank of Mysore – SPV	2021.01	2021.01
vi)	IDBI corporate loan	250.00	250.00
	Total	19647.45	19647.45
	B. Funded interest Term loans I:		
i)	Canara Bank – SPV	86.86	86.86
ii)	State Bank of Bikaner & Jaipur – Fabcity	86.45	86.45
iii)	State Bank of Mysore – Fabcity	0.00	0.00
iv)	IDBI – Fabcity	194.12	194.12
v)	Bank of India – Fabcity	0.00	0.00
	Total	367.43	367.43
	C. Short Term Loans:		
i)	Canara Bank	8711.28	8711.28
ii)	IDBI Bank	3104.72	3104.72
iii)	State Bank of India	21442.82	21442.82
	Total	33258.82	33258.82
	D. Working Capital Term Loans:		
i)	Canara Bank	8601.25	8601.25
ii)	Vijaya Bank	1548.87	1548.87
iii)	Federal Bank – Telecom	1415.49	1415.49
iv)	State Bank of Hyderabad	1421.37	1421.37
v)	IDBI Bank	2872.90	2872.90
vi)	State Bank of India	13964.07	13964.07
vii)	ICICI Bank	752.41	752.41
	Total	30576.36	30576.36
	E. Funded interest term loans II:		
i)	Canara Bank	177.78	177.78
ii)	State Bank of India	353.58	353.58
	Total	531.36	531.36
	F. Working Capital Borrowings:		
i)	Canara Bank	419.52	419.52
ii)	Vijaya Bank – Telecom	1235.17	1235.17
iii)	Federal Bank – Telecom	1373.80	1373.80
iv)	ICICI Bank – Telecom	58.00	58.00
v)	State Bank of Hyderabad – CC	190.82	190.82
vi)	IDBI Bank – Telecom	821.13	821.13
vii)	State Bank of India – CC	404.00	404.00
viii)	Indian Overseas Bank – Telecom		
ix)	Dev.CR.Bank-Telecom		
	Total	4502.44	4502.44
	Total Loans from banks	88883.86	88883.86

All the loans are secured by,
 - Mortgage and first charges on immovable properties, both present and future situated at Plot No. 198 A&B, IDA Cherlapally, Hyderabad.

- Mortgage and first charges on the fixed assets of Ethanol Division situated at Plot No. B 8-10, MIDC, Kushnour, Nanded, Maharashtra.

- Mortgage and first charges on lease hold rights on land admeasuring 2,02,350 sq. mts. approximately and fixed assets both present and future, situated at survey nos. 50,66,68,69,70,84,85,86 & 87 situated at Fabcity, Raviryal village, Maheswaram Mandal, Rangareddy district, Andhra Pradesh.

- First charge on immovable properties, present and future situated at Shed nos. 30, 31 and 32, IDA, Mallapur, Hyderabad.

- Hypothecation of all tangible, movable properties and Assets, both present and future including raw materials, goods in process, finished goods and book debts.

- Personal guarantee of Directors of the Company - Mr. Dinesh Kumar, Mr. Aneesh Mittal and Mrs. Ritu Lal Kumar.

2.35 Segment Reports

The company considers Solar business segment as a primary segment. In addition to Solar business, the company was involved in Telecom business of manufacturing CDMA handsets, JKits & OFC, SMPS and manufacture of Ethanol. However, during the year there was negligible business in these segments. Hence, the segment reports are not provided.

2.36 Related Party Transactions:

Information relating to Related Party transactions as per Accounting Standard18, issued by The Institute of Chartered Accountants of India, notified under Section 211(3C) of the Companies Act, 1956 is as under:

a) Names of related parties and the nature of relationships:

Name	Relationship
i. Khandoba Distilleries Ltd	Subsidiary Company
ii. Saptashva Solar Ltd	Joint Venture Company (48.97%)
iii. Saptashva Solar SA	Wholly owned subsidiary Company
iv. Saptashva Solar SRL	Subsidiary of Saptashva Solar SA
v. Digrun Grun SL	Subsidiary of Saptashva Solar SA
vi. Apulia Solar SRL	Subsidiary of Saptashva Solar SRL
vii. Sree Sahasya Enterprises Pvt Ltd	Associate Company
viii. Key Management Personnel:	
Shri Dinesh Kumar	Managing Director
Smt Ritu Lal Kumar	Director

b) Transactions made during the period:

(₹ in Lakhs)							
Name of the Party	Relationship	Sale of goods & Services	Advances/ Loans given	Advances/ Loans recovered	Loans received	Loans repaid	Receivable/ (payable) as at 31.03.2013
Khandoba Distilleries Limited	Subsidiary Company				5.47		(292.72)
Saptashva Solar Limited	Joint Venture Company			24.85			30.49

c) Amounts outstanding at the Balance Sheet date

(₹ in Lakhs)

Name of the Party		2012-13		2011-12		Remarks
		Amounts Due to the company	Amounts Payable by the company	Amounts Due to the company	Amounts Payable by the company	
Khandoba Distilleries Limited	Subsidiary Company	1,537.80	-	1,537.80	-	Equity Subscribed
Khandoba Distilleries Limited	Subsidiary Company		292.72		287.25	Loans given/received
Saptashva Solar Limited	Joint Venture Company	5.00		5.00		Equity Subscribed
Saptashva Solar Limited	Joint Venture Company	30.49		55.34		Loans given/received
Saptashva Solar S.A, Spain	Subsidiary Company	1,636.49		1,636.49		Equity Subscribed
Saptashva Solar S.A, Spain	Subsidiary Company	1,006.71		1,006.71		Application money pending allotment
Saptashva Solar S.A, Spain	Subsidiary Company	46.59		46.59		Amounts due against sales
Saptashva Solar SRL, Italy	Step down Subsidiary Company	345.55		345.55		Advances for expenses
Digrun Grun SL, Spain	Step down Subsidiary Company	653.93		653.93		Amounts due against sales

2.37 a) Earnings in Foreign Currency:

(₹ in Lakhs)

Particulars	2012-13	2011-12
FOB value of exports during the year	Nil	100.41

b) Expenditure in Foreign Currency:

(₹ in Lakhs)

Particulars	2012-13	2011-12
Travelling Expenses	Nil	0.96
Import of Raw material (CIF Value)	Nil	134.35

2.38 Details of Imported and Indigenous Raw Materials, Spare Parts and other Components:
(Value in ₹ Lakhs)

Name of the Material	2012-13		2011-12	
	%	Value	%	Value
- Imported	0.00	Nil	98.89	133.20
- Indigenous	100.00	0.81	1.11	1.49
Total	100.00	0.81	100.00	134.69

2.39 Capacities and Production:

Class of Goods	Units	Licensed Capacity	Installed Capacity	Production	
				2012-13	2011-12
Cable jointing kits	No.s	- N.A. -	500,000	NIL	NIL
SMPS	No.s	- N.A. -	2,880	NIL	NIL

Solar Modules	MW	- N.A. -	180	0.25	0.75
CDMA Phones	No.s	- N.A. -	3,000,000	NIL	NIL
Ethanol	BL	- N.A. -	45,000,000	NIL	NIL

2.40 Details of Raw Material consumption:

(₹ in Lakhs)

S.No	Raw Material for SPV Modules	2012-13		2011-12	
		Qty	Value (₹ lakhs)	Qty	Value (₹ lakhs)
1	Solar Cells 6"	61099	155.19	190935	484.97
2	EVA	3340	7.72	10438	24.11
3	Tedlar	1670	7.77	5219	24.27
4	Toughened Glass	1643	14.38	5135	44.93
5	Ribbon Interconnects	81	0.53	255	1.65
6	Bus Bar	71	0.41	223	1.28
7	Aluminium Frames	1018	2.38	3182	7.45
8	Silicone Sealant	305	0.75	955	2.36
9	Flux	10	0.01	32	0.04
10	Terminal Box	1018	3.72	3182	11.62
11	Packing Material	48	2.24	152	7.00
12	Others		2.58		2.75
	Total Raw Material for SPV Modules		197.68		612.43

2.41 Details of Finished Goods stock: NIL

2.42 There are no dues to Micro, small and medium enterprises under Development Act, 2006, exceeding 45 days. The micro, small and medium industries are determined to the extent such parties have been identified on the basis of the information available with the Company.

2.43 Balances appearing under other long term liabilities, short term borrowings, trade payables, other current liabilities, long term loans and advances, CWIP advances, trade receivables, short term loans and advance and other current assets are subject to confirmation and / or reconciliation, if any.

2.44 Previous year figures have been regrouped / reclassified wherever necessary.

As per our report of even date

For and on behalf of the Board

For SATYANARAYANA & CO.
Chartered Accountants
FRN No.003680S

J. Jaganadha Rao
Partner
Membership No.:6239

Dinesh Kumar
Managing Director

Aneesh Mittal
Director

Place : Secunderabad
Date : 14.06.2013

Bhargavi. M
Company Secretary

Annexure to the Balance Sheet as at March 31, 2013

(₹ in Lakhs)

Statement Pursuant to Section 212 of the Companies Act, 1956										
XL Energy Limited										
Sr. No.	Name of the Subsidiary Company	Issued and Subscribed Share Capital	Reserves	Total Assets	Total Liabilities	Investments	Turnover	Profit/Loss before Taxation	Profit/Loss after Taxation	Proposed Dividend
1	Khandoba Distilleries Ltd	1537.82	-	3313.82	1776.15	-	-	-	-	Nil
2	Saptashva Solar Ltd	5.00	(0.14)	201.95	254.55	-	32.12	(58.33)	(58.33)	Nil
3	Saptashva Solar SA, Spain	1778.92	(579.60)	7825.11	6625.79	-	794.81	60.17	59.10	Nil

Note

- Converted into Indian Rupee at the Exchange Rate, 1 Euro = Rs.69.82 for Balance sheet items and Rs.69.82 for P&L items
- JV Company figures are pertaining to our stake in the Company at 48.97%

As per our report of even date
For SATYANARAYANA & CO.
Chartered Accountants
FRN No.003680S

J. Jaganadha Rao
Partner
Membership No.:6239

Place : Secunderabad
Date : 14.06.2013

For and on behalf of the Board

Dinesh Kumar Aneesh Mittal
Managing Director Director

Bhargavi. M
Company Secretary

Independent Auditors' report on Consolidated Financial Statements

**To
The Board of Directors of
M/s XL Energy Limited
Secunderabad.**

We have audited the accompanying consolidated financial statements of M/s. XL Energy Limited (formerly XL Telecom & Energy Limited) its subsidiaries of M/s Khandoba Distilleries Limited, M/s Saptashva Solar Limited, M/s Saptashva Solar SA which comprise the consolidated Balance Sheet as at 31 March, 2013, the consolidated Statement of Profit and Loss and consolidated Cash Flows Statement for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation of these consolidated financial statements that give a true and fair view of the consolidated financial position, consolidated financial performance and consolidated cash flows of the Company in accordance with accounting principles generally accepted in India. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the consolidated financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audit. We conducted our audit in accordance with the Standards on Auditing issued by the Institute of Chartered Accountants of India. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit includes examining on a test basis, evidence supporting the amounts and disclosures in the financial statements. Audit also includes assessing the accounting principles used and significant estimates made by the management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

We did not audit the financial statements of the subsidiaries and the joint venture, whose financial statements reflect total assets of ₹11,899.11 lakhs as at March 31, 2013, the total revenue of ₹ 860.4 lakhs for the period ended on that date. These financial statements and other financial information of M/s Khandoba Distilleries Ltd. and M/s Saptashva Solar Limited have been audited by other auditors whose report has been furnished to us, and our opinion is based solely on the report of other auditor(s). The Financial Statements of M/s Saptashva Solar Limited SA has not been audited by any auditor and we express our opinion solely based on the management's representation.

We report that the consolidated financial statements have been prepared by the company's management in accordance with the requirements of Accounting Standards (AS) 21, Consolidated Financial Statements and Accounting Standard 27, Financial Reporting of Interest in Joint Ventures, issued by the Institute of Chartered Accountants of India and on the basis of separate audited financial statements of the group and unaudited financial statements of a consolidated entity.

Basis for Qualified Opinion

i. Balances appearing under Long Term and Short Term Borrowings, Trade Creditors, long term Liabilities and other Current Liabilities, Capital Work-in-progress, Long term loans and Advances are subject to confirmation and/ or reconciliation if any.

- ii. Reference is invited to Note No. 2.31 regarding non-provision of interest on borrowings from banks.
- iii. The company has recognised a deferred tax income of ₹ 543.93 Lakhs during the year because of the cash losses suffered by it over the past 3 years. We are unable to express any opinion on this matter.
- iv. We have not received any bank confirmation statements as regards to the principal outstanding & interest thereof.

The Company has borrowings from various banking and financial institutions as enlisted in the Balance Sheet to the tune of ₹ 83,901.42 Lakh. We are informed by the management of the Company that the Company has made an application under the One Time Settlement Scheme (OTS) to the banks

Opinion

In our opinion and to the best of our information and according to the explanations given to us, except for the effects of the matter described in the Basis for Qualified Opinion paragraph in the audit report of standalone XL Energy Limited for the year ended 31st March 2013, the 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 :

In the case of the Balance Sheet, of the state of affairs of the Company as at March 31, 2013;

In the case of the Profit and Loss Account, of the Loss for the year ended on that date; and

In the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

**For M/s SATYANARAYANA & CO.
Chartered Accountants
Firm Reg No: 003680S**

**Place : Hyderabad
Date : 14.06.2013**

**J. Jaganadha Rao
Partner
Membership No. 6239**

ANNEXURE REFERRED TO IN PARAGRAPH (3) OF OUR REPORT OF EVEN DATE:

i. Fixed Assets

- (a) The Company is maintaining proper records showing full particulars including quantitative details and situation of fixed assets of the company.
- (b) The physical verification of fixed assets is being carried out as per the program drawn up and to the extent the physical verification is carried out, no material discrepancies were noticed on such verification.
- (c) There was no disposal of a substantial part of fixed assets during the year.

ii. Inventory

- (a) The inventory has been physically verified by the management during the year. In our opinion, the frequency of verification is reasonable.
- (b) The procedures of physical verification of inventories followed by the management are reasonable and adequate in relation to the size of the company and the nature of its business.
- (c) The company is maintaining proper record of inventory. The discrepancies noticed on verification between the physical stock and the book records were not material.

iii. Loans taken/ granted

According to the information and explanations given to us, the company has not taken any loans secured or unsecured from / to companies, firms or other parties covered in the register maintained under sec.301 of the Companies Act, 1956. However, reference is invited to 2.37 of notes to the audited financial statements regarding monies advanced / equity invested.

iv. Internal Control

In our opinion and according to the information and explanations given to us, the internal control procedures needs to be strengthened and streamlined so as to be commensurate with the size of the company and the nature of its business with regard to purchase of inventory, fixed assets and with regards to the sale of goods .

v. Section 301

According to the information and explanations given to us, we are of the opinion that the transactions that need to be entered in to the register maintained under sec. 301 of the Companies Act, 1956 have been so entered.

vi. Public Deposits

The Company has not accepted any deposits from the public.

vii. Internal Audit

In our opinion, the company has no internal audit system.

viii. Cost Records

We broadly reviewed the books of account relating to materials, labour and other items of cost maintained by the company pursuant to the rules made by the central government for the maintenance of cost records and sec 209 (1) (d) of the companies Act, 1956 and we are of the opinion that prima facie the prescribed accounts and records have been made and maintained.

ix. Statutory Dues

The Company is not regular in depositing with appropriate authorities the following undisputed statutory dues including Provident Fund, investor education protection fund, Employees State Insurance, Income tax, sales tax, Wealth Tax, Customs Duty, Excise Duty, Cess and other material statutory dues applicable to it.

Provident Fund Dues	₹ 90.42 Lakhs
ESI	₹ 27.09 Lakhs
Tax Deducted At Source	₹ 201.47 Lakhs
Service Tax	₹ 9.77 Lakhs
Total	₹ 328.75 Lakhs

According to the information and explanation given to us there are no dues of sales tax, income tax, customs duty, wealth tax, excise duty and cess which have not been deposited on account of any dispute.

x. Accumulated losses / Cash Losses

In our opinion the accumulated losses of the company are more than 50% of its net worth. The company incurred a cash loss of ₹714.95 lakhs during the current accounting year. The cash loss during immediately preceding accounting year is ₹ 2,045.74 lakhs.

xi. Repayment of Dues

The company has defaulted in the repayment of dues to banks and financial institutions, for both term loans and working capital loans. The company has submitted a proposal to the banks for One Time Settlement (OTS). The details were mentioned in 2.31 of notes to audited financial statements.

xii. Loans & Advances

In our opinion and according to the information and explanations given to us the Company has not granted loans and advances against pledge of shares debentures and other securities

xiii. Chit – Fund Companies/Nidhi/Mutual benefit societies

In our opinion the company is not a chit fund / a Nidhi / mutual benefit fund/ society. Therefore clause 4 (xiii) is not applicable to the company.

xiv. Financing Companies

In our opinion and according to the information and explanations given to us the Company is not dealing in or trading in shares and securities. In the case of the investment held by the company, the same are in the name of the company.

xv. Guarantee for Loans

According to the information and explanations given to us the company has given guarantee for loans taken by others to banks or financial institutions excepting corporate guarantee to M/s Soft Projex (India) Limited.

xvi. Term Loans

In our opinion and according to the information and explanations given to us the term loans have been applied for the purpose for which they were raised.

xvii. Usage of Funds

According to the information and explanations given to us and on an overall examination of Balance Sheet of the Company, we report that no funds raised on short-term basis have been used for long-term investment.

The Company has not made any preferential allotments during the year. With regard to FCCB's reference is invited to note no. 2.33 of notes to audited financial statements.

The clause 4 (xiv) of the Companies (Audit Report) Order 2003 relating to the creation of the security for the debentures is not applicable to the company as no debentures are raised by the company.

The company has not raised any money by way of public issue during the year.

xviii. Preferential Allotments

The company has not made any preferential allotment of shares to parties and companies covered in the register maintained under section 301 of the Companies Act..

xix. Creation of securities

The company has not issued any debentures during the year, hence the question of creation of securities does not arise.

xx. Public Issue

The company has not raised any money through public issue.

xxi. Frauds

According to the information and explanations given to us, no fraud on or by the company has been noticed or reported during the year.

**For Satyanarayana & Co
Chartered Accountants
FRN 003680S**

**Place : Secunderabad
Date : 14.06.2013**

**(J. Jagannadha Rao)
Partner
Membership No. 6239**

XL ENERGY LTD
C2, Pooja Plaza, Vikrampuri, Secunderabad-500009, A.P.
Consolidated Balance Sheet As At 31st March 2013

Particulars	Note No	Amount in ₹Lacs	
		As At 31-Mar-13	As At 31-Mar-12
EQUITY AND LIABILITIES			
Shareholders' Funds			
Share Capital	2.01	12,655.48	12,655.48
Reserves and Surplus	2.02	(11,957.57)	(10,786.06)
Money Received against Share Warrants			
Minority Interest	2.03	0.02	5.23
Non - Current Liabilities			
Long- Term Borrowings	2.04	42,143.81	58,289.51
Other Long Term Liabilities	2.05	3,252.18	3,254.22
Current Liabilities			
Short Term Borrowings	2.06	4,502.43	4,785.98
Trade Payables	2.07	994.03	1,035.82
Other Current Liabilities	2.08	46,572.46	30,062.21
Short - Term Provisions	2.09	553.69	717.65
TOTAL		98,716.53	100,020.04
ASSETS			
Non - Current Assets			
Fixed Assets			
Tangible Assets	2.10	8,777.82	9,486.54
Intangible Assets	2.11	1,839.70	1,803.50
Capital Work -in-Progress	2.12	31,763.95	31,761.62
Deferred Tax Assets (Net)	2.13	17,089.15	16,493.11
Long-Term Loans and Advances	2.14	17,306.60	17,142.02
Other Noncurrent Assets	2.15	1,144.71	1,180.52
Current Assets			
Inventories	2.16	8,079.93	9,258.12
Trade Receivables	2.17	10,714.13	10,858.55
Cash & Cash Equivalents	2.18	280.44	283.61
Short term loans and advances	2.19	1,388.38	1,371.96
Other Current Assets	2.20	331.72	380.50
TOTAL		98,716.53	100,020.04
Significant Accounting Policies	1.0	-	-

As per our report of even date
For SATYANARAYANA & CO
Chartered Accountants
FRN No.003680S
(J Jaganadha Rao)
Partner
Membership No. 6239
Place: Secunderabad
Date: 14.06.2013

For and on behalf of the Board

Dinesh Kumar
Managing Director

Aneesh Mittal
Director

Bhargavi. M
Company Secretary



XL ENERGY LTD

C2, Pooja Plaza, Vikramপুরi, Secunderabad-500009, A.P.
Consolidated Profit and Loss for the year ended 31st March 2013

Amount in ₹ Lacs

Particulars	Note No	Year Ended	Year Ended
		March 31, 2013	March 31, 2012
Revenue From Operations	2.21	1,117.46	3,165.64
Other Income	2.22	33.71	26.05
Total Revenue (I + II)		1,151.17	3,191.69
Expenses			
Cost of Raw Materials Consumed	2.23	197.68	612.44
Purchase of Stock in trade	2.24	12.03	2,308.75
Changes in Inventories of Finished Goods and WIP	2.25	420.84	(333.92)
Employee Benefit Expense	2.26	322.02	651.14
Finance Costs	2.27	35.75	1,058.38
Depreciation and Amortization Expense	2.10	688.90	589.05
Other Expenses	2.28	543.72	811.39
Total Expenses		2,220.94	5,697.22
Profit before exceptional and extraordinary items and Tax (III- IV)		(1,069.77)	(2,505.54)
Exceptional Items	2.29	-	-
Profit Before extraordinary items and Tax (V-VI)		(1,069.77)	(2,505.54)
Extraordinary Items	2.30	644.59	923.55
Profit Before Tax (VII - VIII)		(1,714.36)	(3,429.06)
Tax Expense			
(1) Current Tax		1.06	3.36
(2) Deferred Tax		(543.93)	(1,109.60)
Profit/(Loss) for the period from continuing operations (VII-VIII)		(1,171.49)	(2,322.84)
Profit/(Loss) from discontinuing Operations		-	-
Tax Expense on discontinuing Operations		-	-
Profit / (Loss) from Discontinuing Operations (after tax) (XII--XIII)		-	-
Profit / (Loss) for the Period (XI + XIV)		(1,171.49)	(2,322.84)
Earnings per Equity Share			
(1) Basic		(5.14)	(10.20)
(2) Diluted		(5.14)	(10.20)
Significant Accounting Policies	1.0		

As per our report of even date

For SATYANARAYANA & CO
Chartered Accountants
FRN No.003680S

(J Jaganadha Rao)
Partner
Membership No. 6239
Place: Secunderabad
Date: 14.06.2013

For and on behalf of the Board

Dinesh Kumar **Aneesh Mittal**
Managing Director **Director**

Bhargavi. M
Company Secretary



XL ENERGY LTD
C2, Pooja Plaza, Vikrampur, Secunderabad-500009, A.P.
Consolidated Cash Flow Statement for the year ended 31st March 2013

Amount in ₹ Lacs

Particulars	March 31, 2013	March 31, 2012
A Cash Flow from Operating Activities		
Net Profit (loss) before tax and extraordinary items	(1,069.77)	(2,505.54)
Adjustments for :		
Depreciation	688.90	589.05
Misc Exp Written off	51.55	48.99
Interest Income	(16.31)	(22.56)
Interest & Finance Charges	35.75	1,058.38
Operating Profit before Working Capital Adjustments	(309.88)	(831.68)
Adjustments for :		
(Increase)/ Decrease in Inventories	1,178.19	1,069.96
(Increase)/ Decrease in Trade and other receivables	144.42	1,486.08
(Increase)/Decrease in Short Term Loans & Advances	(371.22)	1,119.38
Increase/ (Decrease) in Trade Payables & others	(186.03)	(2,519.38)
Increase/ (Decrease) in Working Capital Borrowings		
Cash Generated from Operations	455.48	324.36
Interest on Borrowings	(35.75)	(1,058.38)
Direct Taxes Paid	(1.06)	(3.36)
Transfer to General reserve		
Cash Flow from Operations before extraordinary items	418.67	(737.38)
Reduction in Value of Inventories (MTM losses)	(644.59)	(923.55)
Net Cash Flow from Operations	(225.92)	(1,660.93)
B Cash Flow from Investing Activities		
Purchase of Fixed Assets	19.82	(8.23)
Preoperative expenses in Distillery Unit	(15.74)	(302.4)
Intangible Assets	(36.20)	(127.5)
Advances / Payables for Capital work in Progress	184.82	52.47
Capital work in Progress	(2.33)	(1,130.81)
Interest Income Received	16.31	22.56
Net Cash used in Investing Activities	166.67	(1,493.91)
C Cash Flow from Financing Activities		
Proceeds from issue of Share Capital including premium		
Share Application Money		
Proceeds from Long Term Borrowings	(16,145.70)	(8,936.46)
Repayment of Unsecured Loans (FCCB)		
Proceeds from Short Term Borrowings	16,206.99	11,065.41
Dividends Paid (Including Tax thereon)		
Minority Interest	-5.21	5.21
Net Cash Flow from Financing Activities	56.08	2,134.16
Net Increase / (Decrease) in Cash and Cash Equivalents	(3.17)	(1,020.68)
Cash and Cash Equivalents at the Beginning of the Year	283.61	1304.29
Cash and Cash Equivalents at the End of the Year	280.44	283.61

As per our report of even date

For **SATYANARAYANA & CO**
Chartered Accountants
FRN No.003680S

(J Jaganadha Rao)
Partner
Membership No. 6239
Place: Secunderabad
Date: 14.06.2013

For and on behalf of the Board

Dinesh Kumar **Aneesh Mittal**
Managing Director Director

Bhargavi. M
Company Secretary

XL ENERGY LTD
C2, Pooja Plaza, Vikrampuri, Secunderabad-500009, A.P.
Notes on Consolidated Accounts

		As At March 31, 2013 ₹ in lacs	As At March 31, 2012 ₹ in lacs
2.01	Share Capital		
	Authorized		
	4,00,00,000 Equity shares of ₹ 10/- each	4,000.00	4,000.00
	11,00,00,000 Preference shares of ₹ 10/- each	11,000.00	11,000.00
		15,000.00	15,000.00
	Issued Subscribed and Paid Up		
	2,27,74,397 Equity shares of ₹ 10/- fully paid	10,378.04	10,378.04
	10,37,80,394 Convertible Redeemable Preference Shares of ₹ 10 each	2,277.44	2,277.44
	Total	12,655.48	12,655.48
2.02	Reserves and Surplus		
(a)	Capital Reserves		
	Opening Balance	543.54	543.54
	Transferred in the current year written back in the current year	-	-
	Closing Balance	543.54	543.54
(b)	Capital Redemption Reserve		
	Opening Balance		
	Transferred in the current year written back in the current year		
	Closing Balance		
(b)	Security Premium Reserve		
	Opening Balance	24,269.42	24,269.42
	Transferred in the current year written back in the current year	-	-
	Closing Balance	24,269.42	24,269.42
(c)	General Reserves		
	Opening Balance	779.03	779.03
	Transferred in the current year written back in the current year	-	-
	Closing Balance	779.03	779.03
(d)	Surplus		
	Opening Balance	(36,378.05)	(34,055.21)
	Add: Net Profit / (Net Loss) for Current Year	(1,171.50)	(2,322.84)
	Closing Balance	(37,549.55)	(36,378.05)
	Total Reserves & Surplus	(11,957.57)	(10,786.06)
2.03	Minority Interest		
	Minority Interest in M/s Khandoba Distilleries Ltd 150 Equity Shares of Rs.10/- each fully paid	0.02	0.02
	Minority Interest in M/s Saptashva Solar Ltd 52100 Equity Shares of ₹ 10/- each fully paid	-	5.21
	Total Minority Interest	0.02	5.23
2.04	Long- Term Borrowings		
	Term Loans		
	From Banks (Secured by Mortgage of Land and first charge of immovable Properties of the company both present and future, Hypothecation of all tangible, movable properties and assets both present and future including Raw Materials, Inventory and Receivables. See detailed note 2.35 in notes to accounts)	39,798.08	56,015.08
	Hire Purchase Loans from Banks (Secured by hypothecation of vehicles)	10.19	9.91
		39,808.27	56,024.98
	Unsecured		
	Other Loans and advances		

	Un-Secured Loans -FCCB (Outstanding amount of USD 4.20 million Foreign Currency convertible Bonds issued in October 2007 with a maturity period of 5 years and one day) See detailed note 2.33 in notes to accounts	1,901.99	1,901.99
	Loans and Advances from Related parties (Loan from IVRCL Ltd. to JV Subsidiary " Saptashva Solar Limited"	433.55	362.53
		2,335.54	2,264.52
	Total Long Term Liabilities	42,143.81	58,289.51
2.05	Other Long Term Liabilities		
(a)	Sundry Creditors - Capital Goods - Payables	3,241.34	3,243.38
(b)	Sundry Creditors - Capital Goods- Retention Money	10.84	10.84
		3,252.18	3,254.22
2.06	Short Term Borrowings		
	Loans payable on demand		
	a) from banks (Secured by Mortgage and first charge of immovable Properties of the company both present and future, Hypothecation of all tangible, movable properties and assets both present and future including Raw Materials, Inventory and Receivables. See detailed note 2.35 in notes to accounts	4,502.43	4,785.98
	b) From others	-	-
		4,502.43	4,785.98
2.07	Trade Payables		
	Sundry Creditors -Trade (unsecured)		
	a) Total outstanding dues of micro, medium and small enterprises	-	-
	b) Total outstanding dues of other than micro, medium and small enterprises	849.82	880.11
	Sundry Creditors - Transport	144.21	155.71
		994.03	1035.82
2.08	Other Current Liabilities		
	Current Maturities of Long Term Debt	39,191.49	22974.49
	Interest accrued but not due on borrowings	-	-
	Interest accrued due on borrowings	7,157.96	6884.42
	Unpaid Dividends	0.02	0.02
	Other Payables :	-	-
	Service Tax	20.80	9.64
	TDS Payable	196.29	190.61
	Professional tax	3.15	2.55
	Work Contract Tax	2.76	0.48
		46,572.46	30,062.21
2.09	Short - Term Provisions		
	a) Provision for employee benefits		
	Salary & Reimbursements	375.87	537.18
	Contribution to PF	90.08	80.89
	Contribution to ESI	27.09	20.92
	LIC premium payable	2.40	2.40
	b) Others	-	-
	Provision for Income Tax	30.09	30.43
	Other Liabilities	28.16	45.82
		553.69	717.65

XL ENERGY LTD
C2, Pooja Plaza, Vikramপুরi, Secunderabad-500009, A.P.
Notes on Consolidated Accounts

Amount in ₹ Lacs

Fixed Assets	Gross Block				Depreciation				Net Block	
	As at	Additions during the year	Disposals during the year	As at	As at	Depreciation on for the year	Depreciation on disposals	As at	As at	As at
	1-Apr-12			31-Mar-13	1-Apr-12			31-Mar-13	31-Mar-13	31-Mar-12
2.10	Tangible Assets									
(a)	Land	1,289.29	(0.00)	-	1,289.29	-	-	-	1,289.29	1,289.28
(b)	Buildings	903.26	-	-	903.26	243.18	30.18	0.00	629.90	660.08
(c)	Plant and Equipment	10,167.65	0.02	-	10,167.67	3,026.47	604.67	0.00	3,631.14	7,141.18
(d)	computer	114.82	0.06	-	114.88	114.33	0.35	(0.00)	114.68	0.49
(e)	Vehicles	350.14	-	37.18	312.96	169.03	33.33	17.38	184.98	181.18
(f)	furniture & fixtures	263.35	-	-	263.35	78.40	16.67	(0.00)	95.07	184.95
(g)	Office equipment	73.74	-	0.02	73.72	44.37	3.70	(0.00)	48.07	29.37
	Total	13,162.25	0.08	37.20	13,125.12	3,675.78	688.90	17.37	4,347.31	9,486.54
2.11	Intangible Assets									
(a)	Goodwill	1,676	36	-	1,712.20				1,712.20	1,676.00
(b)	Licenses and franchise	127.50	-	-	127.50				127.50	127.50
	Total	1,804	36.20	-	1,839.70				1,839.70	1,803.50
2.12	Capital Work - in-Progress									
	CWIP - SPV - Fabcity	29,787.12	7.33	-	29,794.45				29,794.45	29,787.12
	CWIP - ETAHNOL PROJECT	27.96	-	-	27.96				27.96	27.96
	CWIP - Photobioreact or - Chertapally	111.28	-	-	111.28				111.28	111.28
	CWIP - Khandoba Distilleries Ltd	1,835.26	-	-	1,835.26				1,830.26	1,835.26
	Total	31,761.62	7.33	-	31,768.95				31,763.95	31,761.62

XL ENERGY LTD
C2, Pooja Plaza, Vikrampuri, Secunderabad-500009, A.P
Notes on Consolidated Accounts

Note No.	Particulars	As At	As At
		31-Mar-13	31-Mar-12
		₹ in lacs	₹ in lacs
2.13	Deferred Tax Assets (Net)	17,089.15	16493.11
		17,089.15	16,493.11
2.14	Long-Term Loans and Advances	16,887.14	17,074.00
	Capital Advances	20.18	19.75
	Security Deposits	357.43	0.00
	Loans and Advances to related parties	41.85	48.27
	Rental Deposits		
		17,306.60	17,142.02
2.15	Other Non -current Assets	199.44	250.99
	Miscellaneous Expenses to the extent not written off or adjusted	945.27	929.53
	Preliminary & Preoperative Expenses -Khandoba unit		
		1144.71	1180.52
2.16	Inventories (Valued at cost or net realizable value)		
	Raw materials, Stores & Consumables etc	1,627.44	2384.79
	Work in Progress	6,452.49	6873.33
	Finished Goods		0
	Stock In Trade		0
		8,079.93	9,258.12
2.17	Trade Receivables (Unsecured Considered Good)		
	Exceeding six months	10,714.13	10,858.55
	Less than six months		-
		10,714.13	10,858.55
2.18	Cash & Cash Equivalents		
	Balances with banks	13.64	9.99
	in Current Account	258.79	258.79
	in Deposit Accounts (including margin money)		-
	Unclaimed Dividend Balance	8.01	14.83
		280.44	283.61
2.19	Short term loans and advances (Unsecured, considered good)		
	Deposits	263.23	225.06
	Others advances -Advance to suppliers	1,053.26	1,083.51
	Less: allowance for Doubtful Loans and advances		-
	Interest accrued but not received	71.89	63.39
		1,388.38	1,371.96
2.20	Other Current Assets		
	Other advances	97.53	130.56
	Salary Advances	1.89	0.55
	Tour Advances	0.87	2.32
	TDS receivable	9.79	20.00
	Excise duty & Mod VAT receivable	220.35	220.35
	VAT & CST Receivables	1.28	6.72
		331.71	380.50

2.21	Revenue From Operations		
a)	Sale of Products		
i	Domestic Sales	0.00	1.84
	Telecom Division	117.46	158.14
	Energy Division		
ii	Export Sales	-	-
	Telecom Division	0.00	100.41
	Energy Division	1000.00	2905.24
iii	Other Sales - Energy Division		
		1117.46	3165.64
	Less		
	Excise Duty	-	-
	Total	1117.46	3,165.64
2.22	Other Income		
	Interest Income	16.31	22.56
	Net Gain / Loss on foreign currency translation and transaction	7.28	3.49
	Miscellaneous Income	10.12	
	Total	33.71	26.05
2.23	Cost of Raw Materials Consumed		
	Opening Stock of Raw Material	2,384.79	3,738.73
	Add : purchase of Raw Material	0.81	134.69
		2,385.60	3,873.42
	Less : Closing Stock of Raw Material	1,627.44	2,384.79
	Less : Loss on Inventory due to absolute & dead stock	560.48	876.19
	Consumption of Raw Materials	197.68	612.44
	Details of Raw Material Consumed :		
	a) Raw Material for SPV Modules		
	Solar Cells 6"	155.19	484.97
	EVA	7.72	24.11
	Tedlar	7.77	24.27
	Toughened Glass	14.38	44.93
	Ribbon Interconnects	0.53	1.65
	Bus Bar	0.41	1.28
	Aluminum Frames	2.38	7.45
	Silicon Sealant	0.75	2.36
	Flux	0.01	0.04
	Terminal Box	3.72	11.62
	Packing Material	2.24	7.00
	Others	2.58	2.76
		197.68	612.44
	b) Raw Material for SMPS units		
	Total	197.68	612.44
2.23	Purchase of Stock in Trade		
	Purchase of Raw Material	12.03	2,308.75
	Purchase of stock in trade	12.03	2,308.75
2.24	Changes in Inventories of Finished Goods and WIP		
	i) (Increase/ Decrease in WIP		
	Opening Stock	6,873.33	6,539.41
	Closing Stock	6,452.49	6,873.33
		420.84	(333.92)
	Changes in Inventories of WIP (a)		
	ii) (Increase)/Decrease in Finished Goods		
	Opening Stock	-	49.94
	Closing Stock	-	49.94
	Less : Loss on Inventory due to absolute & dead stock	-	-
	Changes in Inventories of Finished Goods (b)	-	-
	Total Cost of Materials Consumed (a)+(b)	420.84	(333.92)

2.25	Employee Benefit Expense		
	Salaries and Wages	307.10	581.62
	Contribution to Provident and other Funds	14.58	58.40
	Staff Welfare Expenses	0.34	11.12
	Total	322.02	651.14
2.26	Finance Costs		
	a) Interest expense		
	Interest on Hire Purchase Loans		2.90
	Interest on Term Loans		756.86
	b) Other borrowing costs		
	Interest on Working Capital Loans & Bank charges	35.75	298.62
	Total	35.75	1,058.38
2.27	Other Expenses		
	Power and Fuel expenses	33.10	61.72
	Rent	21.94	90.72
	Repairs to buildings & Machinery		
	- Buildings		4.03
	- Plant & Machinery		17.19
	- Others	0.17	6.33
	Insurance	21.07	26.69
	Rates and taxes, excluding taxes on income	0.40	4.39
	Communication Expenses	12.34	13.38
	Printing & Stationery Expenses	1.02	2.90
	Prof & Consultancy Charges	225.77	40.04
	Traveling & Conveyance Expenses	67.93	102.48
	Managerial Remuneration :		
	- Salary to Managing Director		-
	- Contribution to PF for Managing Director		-
	- Salary to Whole time Directors		54.00
	- Contribution to PF for Whole time Directors		0.17
	Payment to the Auditor		
	- for Audit	4.00	4.16
	- for Taxation Matters		0.15
- for Other services			
selling expenses	24.49	107.59	
Donations		0.32	
Miscellaneous expenses Written off	47.23	48.31	
Other Administrative Expenses	84.27	226.82	
	543.73	811.39	
2.28	Exceptional Items		
	Provision for Bad & Doubtful Debts	-	-
	Total	-	-
2.29	Extraordinary Items		
	Loss on Raw Material Inventory due to absolute & dead stock	560.48	926.13
	Loss on Finished Goods Inventory due to absolute & dead stock	84.11	(2.58)
	Total	644.59	923.55

SIGNIFICANT ACCOUNTING POLICIES AND NOTES TO CONSOLIDATED AUDITED FINANCIAL STATEMENTS

1 SIGNIFICANT ACCOUNTING POLICIES:

Corporate Information

XL Energy Limited (formerly XL Telecom & Energy Limited) is listed company having its shares listed in BSE and NSE. The company is engaged in manufacturing/trading/production and sale of Solar Photo Voltaic Modules as its main business. In addition to this the company is engaged in the business of manufacture of equipment for Telecom Industry and manufacture of Ethanol. However at present this business conducted in this segment has become negligible. The company caters to both international and domestic market in Solar PV Business.

1.1 Change in accounting policy:

PRESENTATION AND DISCLOSURE OF FINANCIAL STATEMENTS for the year ended 31st March 2013, the revised schedule VI notified under the companies Act, 1956 has become applicable to the company for preparation and presentation of its financial status. The company has also reclassified the previous year figures in accordance with the requirement applicable in the current year.

1.2 System of Accounting:

The accounts have been prepared and presented under the historical cost convention method on the accrual basis of accounting in accordance with the accounting principles generally accepted in India and comply with the Accounting Standards issued by The Institute of Chartered Accountants of India (ICAI) to the extent applicable.

1.3 Principles of consolidation:

The financial statements are prepared in accordance with the principles and procedures required for the preparation and presentation of consolidated financial statements as laid down on the accounting standards on Consolidated Financial Statements by the ICAI. The financial statements of the parent company- XL Energy Limited and the subsidiary companies, Khandoba Distilleries Limited, Saptashva Solar Limited, Saptashva Solar SA, Spain have been combined on a line-by-line basis by adding together book values of like items of assets, liabilities, income and expenses after eliminating intra-group balances and transactions and resulting unrealized gains / losses. Exchange differences resulting from the difference due to transactions of foreign currency assets and liabilities in subsidiary company is disclosed as foreign currency translation adjustment. The consolidated financial statements are prepared applying uniform accounting policies for like transactions and other events in similar circumstances in use at the parent and subsidiary company.

1.4 Use of Estimates:

The preparation of financial statements in conformity with Indian GAAP requires the management to make judgment estimates and assumptions that effect the reported amounts of revenues, expenses, assets and liabilities and the disclosure of contingent liabilities at the end of the reporting period. Although, these estimates are used on the managements' best knowledge of current events and actions, uncertainty about these assumptions and estimates could result in the outcome requiring a material adjustment to the carrying amounts of assets or liabilities to the carrying amounts of assets or liabilities in further periods.

1.5 Tangible Fixed Assets:

Fixed Assets are stated at cost less accumulated depreciation. Cost is inclusive of duties & taxes (net of CENVAT/VAT), incidental expenses and erection / commissioning expenses.

1.6 Depreciation:

Depreciation on Fixed Assets is provided on Straight Line Method at the rates specified in Schedule XIV to the Companies Act, 1956. Depreciation on Assets bought / sold during the year is charged at applicable rates on monthly basis in the month the Asset is put to use / sold.

1.7 Expenditure during construction period:

Expenditure (including Finance cost relating to borrowed funds for construction or acquisition of fixed assets) incurred on projects under implementation are treated as preoperative expenses pending allocation to the assets and are shown under "Capital Work in Progress". These expenses will be apportioned to fixed assets on commencement of commercial production.

1.8 Investments:

Long term investments and investments in subsidiary companies are carried at cost. Provision for diminution in value is made whenever necessary in accordance with the Accounting Standards in force.

1.9 Valuation of Inventories:

- Inventories are valued at the lower of weighted average cost or net realizable value. The weighted average value is calculated on the basis of net landed cost.
- Inventories are valued at the lower of weighted average cost or net realizable value. The weighted average value is calculated on the basis of net landed cost.
 - Cost for the purpose of finished goods and material in process is computed on the basis of cost of material, labour and other related overheads.
 - In all the cases necessary adjustments are made in respect of non-moving, slow moving, damaged and unserviceable goods.
 - During the year, Raw Materials to the extent of ₹560.48 lakhs have been written off to the Profit and Loss account. This loss is on account of absolute and dead stock.

1.10 Foreign Exchange:

Foreign Exchange transactions are recorded at the exchange rates prevailing at the time of transactions or at contracted rates. Current assets and current liabilities are translated at values prevailing at the Balance Sheet date. Gains/losses, if any, arising thereby are recognized in the Profit and Loss account.

1.11 Revenue Recognition:

- Revenue from sales is recognized when significant risk and rewards in respect of ownership of the products are transferred.

- b) Revenue from domestic sales is recognized on dispatch of products from the factory of the Company.
- c) Revenue from export sales is recognized on the basis of dates of Bill of Lading.

1.12 Employee Retirement Benefits:

Defined Contribution Plan: Contributions paid/ payable the defined contribution plan of provident fund for employees covered under the scheme are recognized in the profit and loss account each year.

Defined Benefit Plan: The Company is accounting gratuity and bonus on cash basis. The company has not provided for gratuity and bonus liability as at the Balance Sheet date in accordance with revised Accounting Standard 15 used by ICAI

Other Long Term Employee Benefits: The Company has not provided any other Long term Employee Benefits comprising of Leave Encashment, Bonus, etc. as at the Balance Sheet date.

1.13 Borrowing Costs:

Borrowing costs incurred in relation to the acquisition and construction of assets is capitalized as part of the cost of such assets up to the date when such assets are ready for intended use. Other borrowing costs are charged as an expense in the year in which they are incurred.

1.14 Income Tax Expenditure:

- a) **Current Tax Expense:** The current charge for income tax is calculated in accordance with the tax regulations.
- b) **Deferred Tax Expense:** Deferred income tax reflects the impact of timing difference between accounting income and tax income for the year/ period. Deferred tax is measured based on the tax rates and the tax laws enacted at the Balance sheet date. Deferred tax asset is recognized only to the extent of certainty of realization of the asset.
- c) The company has received a demand notice from the Income Tax department in September 2012, for payment of Income tax dues for the AY.2005-06, AY.2006-07, AY. 2007-08 & AY 2008-09 for a total aggregate sum of ₹ 319.68 Lakhs. The company has not provided for such expenses in the account as the company is contesting the demand raised by the department and the company is confident of winning the appeals.

1.15 Miscellaneous Expenditure:

Miscellaneous expenditure comprises of preliminary/ public issue expenses and deferred revenue expenditure which are amortized over a period of ten years.

NOTES TO AUDITED CONSOLIDATED FINANCIAL STATEMENTS

2.31 Corporate Debt Restructuring (CDR)- Loan Repayments & Interest :

The company could not execute the CDR package due to various reasons already explained in the previous year and the situation remains the same. The company has submitted an OTS proposal to the banks with financial assistance from an ARC company. It is assumed that the banks will accept and negotiate the proposal in 2-3 months time. Interest on all banks outstanding has not been provided as the company is confident that the OTS proposal will be acceptable to the banks and an early settlement with the banks will be completed within 2-3 months time.

2.32 The net worth of the Company suffered further depletion due to substantial reduction in revenues of the company and the consequent losses suffered during the period. However, considering the extension of time granted to the Company under CDR (Corporate Debt Restructuring) scheme and also the various measures taken by the Company and taking into consideration such business potential in solar power space and future business prospects of the company, the accounts are stated on a going concern basis.

2.33 Foreign Currency Convertible Bonds:

As against the outstanding balance of Foreign Currency Convertible Bonds (FCCB's) of USD 4.2 Million as at the beginning of the year which was issued in October 2007 having a maturity period of 5 years and one day has matured and is due for redemption in October 2012. The company is in negotiations with the Bond holder for rollover of the same for a further period at the same terms and conditions and hence classified the same in the balance sheet as long term funds available with the company since the company is confident of getting the FCCB's rolled over for a further long term period.

2.34 Contingent liabilities not provided for in respect of:

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
a) Guarantee / Counter Guarantees given on sale of contracts	597.26	597.26
b) Letter of credits by Banks		
c) Estimated amount of contracts remaining to be executed on capital account (net of advances) not provided for	6622.91	6622.91

2.35 Secured Loans:

(₹ in Lakhs)

Particulars	As at 31.03.2013	As at 31.03.2012
Term loans	19,647.45	19,647.45
Funded interest term loans I	367.43	367.43
Short term Loans	33,258.82	33,258.82
Working Capital Term loans	30,576.36	30,576.36
Funded interest term loans II	531.36	531.36
Working Capital Borrowings	4,502.44	4,502.44
Hire purchase loans from Banks	0.00	0.00
Total Secured Loans	88,883.86	88,883.86

All the loans are secured by,

- Mortgage and first charges on immovable properties, both present and future situated at Plot No. 198 A&B, IDA Cherlapally, Hyderabad.
- Mortgage and first charges on the fixed assets of Ethanol Division situated at Plot No. B 8-10, MIDC, Kushnoor, Nanded, Maharashtra
- Mortgage and first charges on lease hold rights on land admeasuring 2,02,350 sq. mts. approximately and fixed assets both present and future, situated at survey nos. 50,66,68,69,70,84,85,86 & 87 situated at Fabcity, Raviryal village, Maheswaram mandal, Rangareddy district, Andhra Pradesh
- First charge on immovable properties, present and future situated at Shed nos. 30, 31 and 32, IDA, Mallapur, Hyderabad.
- Hypothecation of all tangible, movable properties and Assets, both present and future including raw materials, goods in process, finished goods and book debts.
- Personal guarantee of Directors of the Company Mr. Dinesh Kumar, Mr. Aneesh Mittal and Mrs. Ritulal Kumar.
- Hire Purchase loans are secured by hypothecation of specific vehicles.

2.36 Segment Reports

The Company considers Solar business segment as the primary segment. In addition to Solar business, the company was involved in Telecom business of manufacturing CDMA handsets, JKits & OFC, SMPS and manufacture of Ethanol. However, during the year there was negligible business in these segments. Hence, the segment reports are not provided.

2.37 Related Party Transactions:

Information relating to Related Party transactions as per Accounting Standard 18, issued by The Institute of Chartered Accountants of India, notified under Section 211(3C) of the Companies Act, 1956 is as under:

a) Names of related parties and the nature of relationships:

Name	Relationship
i. Khandoba Distilleries Ltd	Subsidiary Company
ii. Saptashva Solar Ltd	Joint Venture Company (48.97%)
iii. Saptashva Solar SA	Wholly owned subsidiary Company
iv. Saptashva Solar SRL	Subsidiary of Saptashva Solar SA
v. Digrun Grun SL	Subsidiary of Saptashva Solar SA
vi. Apulia Solar SRL	Subsidiary of Saptashva Solar SRL
vii. Sree Sahasya Enterprises Pvt Ltd	Associate Company
viii. Key Management Personnel:	
Shri Dinesh Kumar	Managing Director
Smt Ritulal Kumar	Director

b) Transactions made during the period:

(₹ in Lakhs)

Name of the Party	Relationship	Sale of goods & Services	Advances/Loans given	Advances/Loans recovered	Loans received	Loans repaid	Receivable/(payable) as at 31.03.2013
Khandoba Distilleries Limited	Subsidiary Company				5.47		(292.72)
Saptashva Solar Limited	Joint Venture Company			24.85			30.49

c) Amounts outstanding at the Balance Sheet date

(₹ in Lakhs)

Name of the Party	Relationship	2012-13		2011-12		Remarks
		Amounts Due to the company	Amounts Payable by the company	Amounts Due to the company	Amounts Payable by the company	
Khandoba Distilleries Limited	Subsidiary Company	1,537.80	-	1,537.80	-	Equity Subscribed
Khandoba Distilleries Limited	Subsidiary Company		292.72		287.25	Loans given/received
Saptashva Solar Limited	Joint Venture Company	5.00		5.00		Equity Subscribed
Saptashva Solar Limited	Joint Venture Company	30.49		55.34		Loans given/received
Saptashva Solar S.A, Spain	Subsidiary Company	1,636.49		1,636.49		Equity Subscribed
Saptashva Solar S.A, Spain	Subsidiary Company	1,006.71		1,006.71		Application money pending allotment
Saptashva Solar S.A, Spain	Subsidiary Company	46.59		46.59		Amounts due against sales
Saptashva Solar SRL, Italy	Step down Subsidiary Company	345.55		345.55		Advances for expenses
Digrun Grun SL, Spain	Step down Subsidiary Company	653.93		653.93		Amounts due against sales

- 2.38** There are no dues to Micro, small and medium enterprises under Development Act, 2006, exceeding 45 days. The micro, small and medium industries are determined to the extent such parties have been identified on the basis of the information available with the Company.
- 2.39** Balances appearing under unsecured loans, sundry creditors, Capital WIP, Loans and advances and debtors are subject to confirmation and / or reconciliation, if any.
- 2.40** Previous year figures have been regrouped / reclassified wherever necessary.

As per our report of even date

For and on behalf of the Board

For SATYANARAYANA & CO.
Chartered Accountants
FRN No.003680S

J. Jaganadha Rao
Partner
Membership No.:6239

Dinesh Kumar
Managing Director

Aneesh Mittal
Director

Place : Secunderabad
Date : 14.06.2013

Bhargavi. M
Company Secretary

XL Energy Limited

Balance Sheet Abstract and Company's General Profile

I Registration Details		Registration No	5844	State Code			1		
		Balance Sheet Date	3 1	0 3	1 3				
II Capital Raised During the Year (Amount in Rs. Lakhs)									
Public Issue			N I L	Rights Issue		N I L			
Bonus Issue			N I L	Private Placement		N I L			
III Position of Mobilisation and Deployment of Funds (Amount in Rs. Lakhs)									
Total Liabilities		9 8 1 1 3	.	6 5	Total Assets	9 8 1 1 3	.	6 5	
Sources of Funds				Application of Funds					
Paid Up Capital		1 2 6 5 5	.	4 8	Net Fixed Assets	3 3 6 8	.	2 3	
Share Application Money			N I L	Investments	4 1 8 6	.	0 0		
Reserves & Surplus		- 1 0 3 0 8	.	5 6	Net Current Assets	- 2 4 3 7 2	.	5 9	
Secured Loans		3 9 7 9 8	.	0 8	Misc. Expenditure		2 4 2	.	5 2
Unsecured Loans		1 9 0 1	.	9 9	Deferred Tax (Asset)	1 6 9 7 6	.	6 8	
IV Performance of Company (Amount in Rs. Thousands)									
Turnover			3 0 7	.	9 3	Profit/loss(-) After Tax	- 1 0 8 8	.	0 3
Total Expenditure		1 3 9 5	.	7 2	Earning Per Share Rs.	(4	.	7 8)	
Profit/loss(-) Before Tax		- 1 6 3 1	.	9 6					
V Generic Names of Principle Products / services of the Company (As per the Monetary Terms)									
Item Code No.		8 5 4 7	Product Description	Protection module for MDF in telecom equipment					
Item Code No.		8 5 4 1	Product Description	Sleeves					
Item Code No.		3 6 8 9	Product Description	Solar Power Generating Systems					
Item Code No.		7 5 9 0	Product Description	Switch mode power supply power plants - 100 amps					
Item Code No.		3 6 5 5	Product Description	CDMA Mobile Handsets					
Item Code No.		2 2 0 0	Product Description	Ethanol					



XL ENERGY LIMITED
 Regd. Office: C2, Pooja Plaza, Vikrampuri, Secunderabad – 500 009
 Ph: +91 40 27883333 Fax: +91 40 27883344

PROXY FORM

Regd. folio No DP ID Client ID

I / Webeing a Member / Members of the above
 named Company hereby appointofor failing him
oras my / our proxy to vote for me / us on my /
 our behalf at the Twenty Sixth Annual General Meeting of the Company to be held on Friday, the 20th
 day of September, 2013 at 11.30 AM at Premises of the Company's Plant at Plot No. 198/A, I.D.A.,
 Cherlapally, Hyderabad - 500051 and at any adjournment thereof.

Signed thisday of 2013

Affix Rs.
0.15 ps
Stamp

Note: This form in order to be effective should be duly stamped, completed and signed and must be deposited to the registered office of the Company, not less than 48 hours before the meeting.

XL ENERGY LIMITED
 Regd. Office: C2, Pooja Plaza, Vikrampuri, Secunderabad – 500 009
 Ph: +91 40 27883333 Fax: +91 40 27883344

ATTENDANCE SLIP

Regd. Folio No..... DP ID Client ID

I certify that I am a Registered Shareholder / Proxy for the Registered Shareholder of the company,

I hereby record my presence in the Twenty Sixth Annual General Meeting of the Company to be held on Friday, the 20th day of September, 2013 at 11.30 AM at Premises of the Company's Plant at Plot No. 198/A, I.D.A., Cherlapally, Hyderabad - 500051 and at any adjournment thereof.

 Member's / Proxy's Name
 (in Block Letters)

 Member's / Proxy's Name
 Signature

Note: Please fill in this attendance slip and hand it over at the entrance of the Hall.

BOOK POST

If undelivered, please return to



The Company Secretary
XL Energy Limited
C2, Pooja Plaza, Vikrampuri,
Secunderabad - 500 009.

FORM B



Format of covering letter of the Annual Audit Report to be filed with the Stock Exchanges **XL ENERGY LTD.**

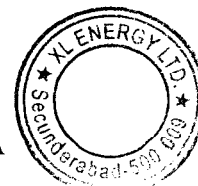
1	Name of the Company:	XL Energy Limited
2	Annual Financial Statements for the year ended	31.03.2013
3	Type of Audit qualification	Qualifications in CARO (Annexure to Independent Auditor's Report)
4	Frequency of qualification	First time
5	Draw attention to relevant Notes in the Annual Financial Statements and Management Response to the Qualification in the Director's Report:	<p>(a) Balances appearing under Long Term and Short Term Borrowings, Trade Creditors, Long Term Liabilities and other Current Liabilities, Capital WIP, Long Term Loans and Advances are subject to confirmation and/ or reconciliation, if any.</p> <p>Management Response: During the year there were no major transactions with reference to Long Term and Short Term Borrowings, Trade Creditors, Long Term Liabilities and other Current Liabilities, Capital WIP, Long Term Loans and Advances and hence, the Company has not obtained confirmation/ reconciliation.</p> <p>(b) Reference is invited to Note 2.30 of Notes to Audited financial Statements regarding non-provision of interest on borrowings from banks. The Company has borrowings from various banking and financial institutions as enlisted in the Balance Sheet to the tune of ₹83,901.42 Lakhs.</p> <p>Management Response: There are practically no transactions made by the Company in its accounts with the Banks in which all the accounts have been overdrawn and we are under the Corporate Debt Restructuring. Further, the company has decided not to provide interest on such loan accounts since the Company has submitted a proposal for One Time Settlement (OTS) with the banks and the Company is confident that this proposal will be acceptable to the Banks. Hence, interest if any provided during this year or in previous years will have to be</p>

XL ENERGY LIMITED

C2, Pooja Plaza, Vikramपुरi, Secunderabad – 500 009. INDIA

Tel: +91-40-27883333 Fax: +91-40-27883344

Email: info@xlenergy.co Visit us at www.xlenergy.co






XL ENERGY LTD.

reversed and therefore, the Company could not obtain all the confirmations.

(c)The Company has recognized a deferred tax income of ₹543.93 lakhs during the year because of the cash losses suffered by it over the past 3 years. We are unable to express any opinion on this matter.

Management Response: Since the country is passing through an energy crisis due to failure on part of conventional energy sources and is unable to cater fully to its energy needs, the country is looking for alternate sources of renewable energy. With the One Time Settlement proposal being under the process of consideration by Banks to be accepted, the Company will be free from its major liabilities and will be restructuring its solar business in a big way.

Taking the above factors into consideration in which case, the Company's accumulated losses will be wiped off through the One Time Settlement proposal and also through future business profits, the Company has recognized the deferred income tax as an asset.

		<p>reversed and therefore, the Company could not obtain all the confirmations.</p> <p>(c)The Company has recognized a deferred tax income of ₹543.93 lakhs during the year because of the cash losses suffered by it over the past 3 years. We are unable to express any opinion on this matter.</p> <p>Management Response: Since the country is passing through an energy crisis due to failure on part of conventional energy sources and is unable to cater fully to its energy needs, the country is looking for alternate sources of renewable energy. With the One Time Settlement proposal being under the process of consideration by Banks to be accepted, the Company will be free from its major liabilities and will be restructuring its solar business in a big way.</p> <p>Taking the above factors into consideration in which case, the Company's accumulated losses will be wiped off through the One Time Settlement proposal and also through future business profits, the Company has recognized the deferred income tax as an asset.</p>
6	Additional comments from the Board/Audit Committee Chair:	NIL
7	<p>To be signed by</p> <ul style="list-style-type: none"> •CEO/ Managing Director • CFO •Auditor of the company •Audit Committee Chairman 	 <p><i>Quintin</i></p> <p>DR SATTYANARAYANA & Co CHARTERED ACCOUNTANTS</p> <p><i>I. Jagannad</i></p> <p><i>PR Vaseeh</i></p> <p>PARTNER</p>