

ANNUAL REPORT 2015-16



Websol Energy System Limited

Corporate Information

Board of Directors

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

Chief Financial Officer

Miss. Sima Jhunjhunwala

Company Secretary

Miss. Swati Agarwal
*(has resigned from her post w.e.f. 6th of July, 2016.
Miss. Sima Jhunjhunwala is acting as Compliance
Officer of the Company till new Company Secretary is
appointed)*

Bankers

Invent Assets Securitisation & Reconstruction
Pvt. Ltd.
The Federal Bank Limited
Standard Chartered Bank
Dena Bank
HDFC Bank
Axis Bank
EXIM Bank
ICICI Bank

Auditors

M/s Agarwal Sanganeria & Co.
Chartered Accountants

Registered Office

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

Corporate Office & Plant

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

Registrar & Share Transfer Agents

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



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Management Discussion & Analysis

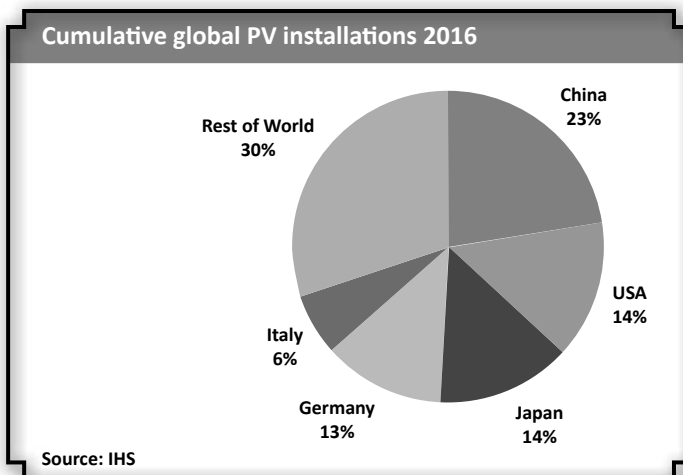
WORLD ECONOMIC OVERVIEW

In 2015, global economic activity remained subdued. Growth in emerging market and developing economies—while still accounting for over 70% of global growth—declined for the 5th consecutive year, while a modest recovery continued in advanced economies. Three key transitions continue to influence the global outlook: (1) the gradual slowdown and rebalancing of economic activity in China away from investment and manufacturing toward consumption and services, (2) lower prices for energy and other commodities, and (3) a gradual tightening in monetary policy in the United States in the context of a resilient U.S. recovery as several other major advanced economy central banks continue to ease monetary policy.

Global growth is projected at 3.4% in 2016 and 3.6% in 2017. Growth in emerging market and developing economies is projected to increase from 4% in 2015—the lowest since the 2008–09 financial crisis—to 4.3% and 4.7% in 2016 and 2017, respectively (Source: imf.org).

INDIAN ECONOMIC OVERVIEW

The Indian economy has continued to exhibit resilience and the strength of its domestic absorption to register a growth of 7.2% during H1 FY16. That this has been attained, despite the highly tentative global economic environment that has not shown credible signs of improvement and despite sub-par monsoon rains that for the second year in succession resulted in low growth in agriculture sector, is indeed an encouraging development. In addition to robust growth, the year thus far has witnessed macro-economic stability aided by favourable factors such as comforting inflation indicators, benign fiscal situation and improving external current account balance. All these factors have resulted in India emerging as the fastest growing economy among the large economies, and, most international organizations predict that it will continue to remain so in the medium term. Further, India's growth will surpass China in 2016. It would suffice to say that global deflation need not lead to depression in general in Indian context because causes are not debt induced as is the case in Europe and US. In particular, economy, especially industrial activity should see an upswing in 2016, pulling up the services sector alongside. If the US remains strong, capital flows to emerging economies particularly India, will increase significantly. Liberalisation of key sectors should increase fund flows for financing infrastructure investment. Inflation should be largely under control (Source: finmic.nic.in).



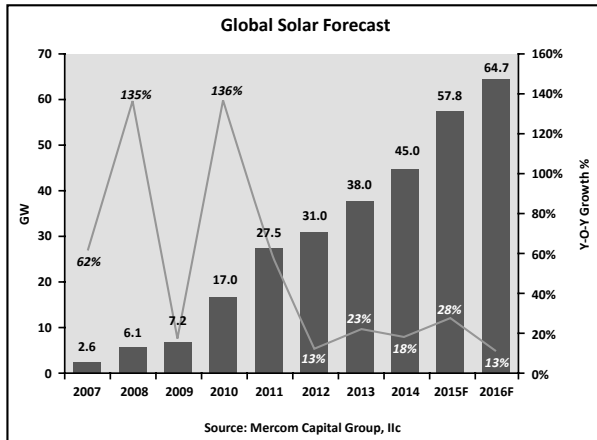
GLOBAL PV SOLAR INDUSTRY

Amidst a snail-pace where world economy remain sub-dued, Global PV installations reached to 59GW in 2015, a 35% increase over 2014, while growth in 2016 is expected to top a further 17% is expected to reach 69GW in 2016. Key markets in 2016 will include the US, India and China, which are forecast to increase by 5.6GW, 2.7GW and 0.9GW respectively, accounting for 9.3GW of the 10GW global increase.

Due to the continued growth of major markets outside Europe, it is expected that cumulative global PV installations to surpass 310GW by the end of 2016, with five countries (China, US, Japan, Germany and Italy) accounting for 70% of capacity.

China installed close to an almost unbelievable 13 GW of PV, as PV developers scrambled to put their projects in place before the feed-in tariff drop in China. However, to balance out these huge numbers, PV installations are expecting to fall by 80% in the third quarter of the year, with the Chinese government's goal to keep installations below 20 GW for the year. As China pulls back its installations, prices are expected to cool down and stabilise. Although China is expected to continue

Management Discussion & Analysis



leading the global PV market, the U.S. will show the most robust growth in 2016, due to the anticipation of the federal Investment Tax Credit (ITC) expiration, which developers and EPC had already factored into their business plans for 2016, prior to the five-year extension received at the end of 2015.

INDIAN SOLAR INDUSTRY REVIEW

Coal is becoming more difficult to obtain, sources of domestic gas are shrinking, and there is more focus than ever on sustainability. The result: Stakeholders are scaling back expectations that conventional energy sources can fulfill India's power needs. India's renewed focus on solar power—led by the Jawaharlal Nehru National Solar Mission (JNNSM)—could not have come at a better time. Solar will become a crucial component of India's energy portfolio in the next decade—

perhaps more so than it is in most other countries.

India is going to add 7.2 GW of utility-scale solar PV in the financial year 2016-17. Despite bottlenecks in power evacuation and grid stability. In 2016, 4.8 GW is expected, while last year saw 2 GW installed. Growth of 140% is expected in India's utility-scale solar PV segment, with 4.8 GW set to be commissioned in the calendar year 2016, 80% of which will be seen in the states of Tamil Nadu, Andhra Pradesh, Telangana and Karnataka.

2015 saw 2 GW installed, under the 2.45 GW anticipated by the analysts, which resulted from project delays in various states. Out of the 2 GW commissioned in 2015, 700 MW of capacity was completed under central government allocations, 850 MW under state allocations and the remaining 450 MW under other

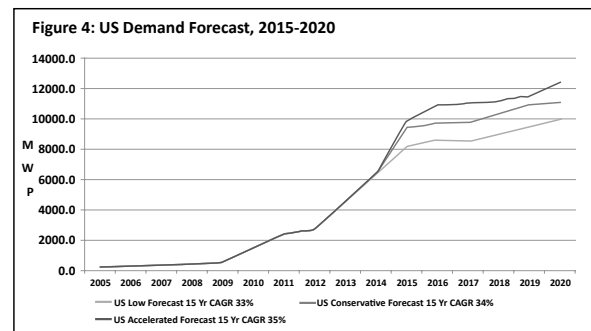
heads, including private initiatives. The majority of new utility-scale solar capacity this year is expected to come from state level allocations, while delays from utility. The calendar year 2017, meanwhile, is set to see more than the 4.8 GW expected this year. The overall result is that India will become one of the leading global solar markets.

OUTLOOK

Execution : Given the substantial front-end costs of solar projects, delays can wreak havoc on profitability. Even under the most suitable conditions, managing power projects in India is tough—projects are often slowed by infrastructure issues and unreliable local vendors. In addition, stakeholder management at the national, state, and local levels often stands in the way of ensuring efficient project execution and sustained operation. Therefore, building a team of talented project managers and experienced troubleshooters will be crucial.

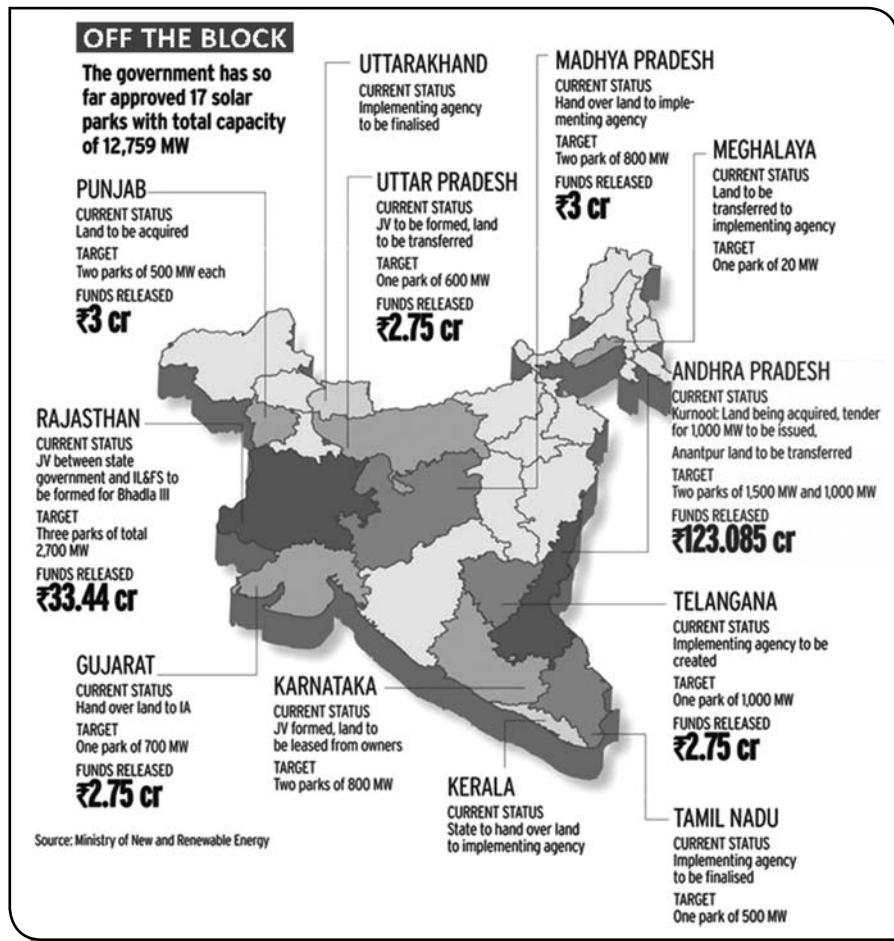
Financing : Innovative means of financing will create win-win situations for all stakeholders and drive significant upfront value for project developers. Differentiated models could include teaming with technology providers from low-cost financing countries—Japan, for example—or with consumers seeking sustainability benefits or tax credits. A pool of low-cost project equity developed from retail or other cost sources can add up to a distinct advantage.

Localization : Local design and engineering will play a major role in India's solar market. Inverter and balance-of-system designs that incorporate local requirements and eliminate unnecessary elements that are geared more toward global markets can generate significant benefits. Eventually, global players will see the benefits of manufacturing locally and specifically for the Indian market. Competition from local players could further drive down systems costs.



Management Discussion & Analysis

An open market : Although India’s solar market appears well suited for local players, it’s currently open to global players as well. Indeed, global firms that tailor their broad expertise to serve unique local needs in a frugal way could actually extract significant value. At the same time, local players can bridge capability gaps by striking appropriate alliances, or by recruiting strong teams or individuals. A partnership of foreign technology and local EPC can help both parties climb up the steep learning curve fast, but mechanisms will need to be put in place to ensure that the risks and upsides are shared equally. Both parties involved will need a long-term view of the market, with lessons learned from initial projects built into subsequent ones. Local or global, the leaders in this market will likely be those that get in the thick of things from the beginning, as the cost of entry rises significantly with grid parity nearing. A well-thought-out plan to make an immediate impact through short-term portfolio building and to build a growing advantage through planning for long-term scalability will be crucial tools for tapping into the multi-billion-dollar potential of India’s solar market.



How can solar energy be disruptive in years down the line?

In the case of solar power technology, we see solar power disrupting the traditional utility model having large amounts of centralised generation. This disruption can potentially benefit in the following ways:

- On the one hand, it is a clean form of energy and is expected to eventually displace coal over a period of time. This will help in climate change control for a country like India. In many ways, it leapfrogs technology advancements to produce the power that India needs.

Management Discussion & Analysis

- It will help protect our environment and forests as much of our future coal will likely come from under forest land.
- The quality of our distribution grids leaves much to be desired, especially in our rural areas. Direct-to-home power through solar rooftop and storage will help bypass poor quality grids.
- Evolution of storage technologies could lead to the advent of electric vehicles and with that a mitigation of oil consumption. This could eventually help increase India's energy self-reliance and create significant foreign exchange for the country. From a global perspective, it will help increase energy security for many nations and hopefully will resolve or mitigate many wars fought over natural resources.

What could prevent the rise of solar energy in India?

While we have presented a likely scenario of how the solar and power sector will evolve over the next decade, we note below certain factors which could lead to different outcomes from what we have projected. These include:

Capital availability : Solar energy, being capital intensive relative to other conventional sources, a scenario where capital availability is challenged due to global economic conditions could hamper the solar march. This scenario would also likely correlate with a deep fall in commodities and prices of fossil fuels like coal and oil. Under this scenario, the achievement of the tipping points for the rise of solar would get delayed.

Alternative cheaper carbon efficient solutions : The other factor that could impact solar energy is the emergence of alternative cheaper forms of energy which are carbon efficient. For example, this could be a sharp rise in shale gas availability globally or a rise in clean coal technologies.

Delay in evolution of storage cost curves : A key element supporting the rise of solar and variable renewable is the evolution of storage technologies. If the pace of storage technology evolution slows down, it could impact the ability of the system to absorb vast amounts of variable renewable. While significant investments are happening in storage technologies, they are at a relatively early stage compared to solar PV or wind and hence there is more uncertainty in their cost trajectories going forward.

Unprepared grid infrastructure and utility resistance in India : From an India perspective, one possible barrier is the ability of our grids to take in large amounts of intermittent generation in the near term. While investments are being made in the transmission infrastructure at the national level, the timely execution of these projects, especially at the state level, is an important factor in ensuring the smooth pace of solar capacity additions. Along with transmission, investments in balancing services and standby capacities are needed. Over the longer term, the disruption to utilities could result in an imposition of regulatory costs on solar and wind and this may slow down their progress.

Disruption in Chinese solar manufacturing ecosystem : Today, China and Taiwan account for over 69% of global module supplies. A hard landing of the Chinese economy, and a scenario where some of the large manufacturers go bankrupt and close down, could hamper global supplies and consequently impact prices of solar panels. In the same scenario, availability of resources for R&D for technological evolution could get hampered and delay further cost reductions.

A steep fall in the Indian currency : Finally, a large part of the solar system cost is import linked. A scenario where the INR depreciates very significantly would lead to a rise in solar costs for India relative to coal. This would delay the rise of solar. For the same reason, it is important for the government to plan a hedge against this scenario by adequately encouraging localisation and the creation of a domestic ecosystem. The Indian government recognised the promise of solar energy early and rightly gave it the support it needed in its initial days. Along with the central government, various states have also supported it and this has helped to create an initial ecosystem. The solar sector is poised for a rapid scale up and makes an increasing contribution to our energy needs. It is expected to create disruption in the energy sector. As with any disruption, it may create some pain in the short run, but this would eventually lead to a larger good. In 90 minutes, the earth receives as much energy from the sun as mankind consumes in an entire year through fossil fuels. We may be finally close to truly tapping into that potential.

(Source: KPMGEnrich)

Management Discussion & Analysis

HUMAN RESOURCES

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

INTERNAL CONTROL

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

RISKS AND CONCERNS

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

CAUTIONARY STATEMENT

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

We cannot guarantee that these forward-looking statements will be realised, although we believe we have been prudent in assumptions. The achievements of results are subject to risks, uncertainties, and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated, or projected. Readers should keep this in mind that we undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

Directors' Report

Dear Shareholders,

Your Directors are pleased to present the Twenty Sixth Annual Report and the Audited Accounts on the business and operations of your company for the financial year ended 31st March, 2016.

FINANCIAL RESULTS

₹ in Lacs

Particulars	Year Ended 2015-16	Year Ended 2014-15
Revenue from operations	27,969.69	35,575.08
Other Income	77.35	80.29
Total Revenue	28,047.04	35,655.37
Profit / (Loss) before interest, depreciation, taxes and exceptional items	917.27	583.66
Less: Interest	112.55	207.06
Less: Depreciation	1,452.20	1,626.33
Profit / (Loss) before exceptional Items	(647.48)	(1,249.73)
Less: Exceptional Items & Income tax & other Provisions	339.62	3,939.63
Profit / (Loss) after Tax	(987.10)	(5,236.56)

OPERATIONS

During the year under review your company was able to utilize the manufacturing capacity at its optimum but the margins on sales realization continued to remain lower thereby resulting in losses for yet another year.

Your company reported total revenue of ₹ 27,969.69 Lacs against ₹ 35,575.08 Lacs during the last financial year. The company suffered a loss of ₹ 987.10 Lacs after providing ₹ 1,452.20 Lacs towards depreciation and ₹ 112.55 Lacs towards interest during the current financial year as compared to a loss of ₹ 5,236.56 Lacs in the last financial year.

DIVIDEND

Due to the losses as reported, the Board of Directors of your company could not recommend any dividend for the financial year ended 31st March, 2016.

TRANSFER OF UNCLAIMED DIVIDEND TO INVESTOR EDUCATION AND PROTECTION FUND

In terms of Section 125 of the Companies Act, 2013, the unclaimed or unpaid Dividend for the Financial Year 2007-08 was due for remittance to the Investor Education and Protection Fund established by the Central Government in 2015. The company is in process of filing all documents and forms to respective banks for depositing the same to investor education fund account.

DIRECTORS

A) Changes in Directors and Key Managerial Personnel

1. Mr. S. L. Agarwal, Managing Director would retire by rotation and, being eligible, offer himself for re-appointment
2. Miss. Sima Jhunjhunwala has been appointed as Whole Time Director of the Company w.e.f 14th August, 2015 pursuant to the provisions of Section 161(4) and 149(1) of the Companies Act, 2013, which was later ratified by the company in the last AGM.
3. Mr Anup Agrawal has resigned from the post of CFO on 14th of November 2015 and in his place Miss. Sima Jhunjhunwala was given additional responsibility of CFO of the Company.
4. No. of Meetings of the Board : Please refer to PARA NO.2 of annexure "B" to the Directors Report

B) Declaration by an Independent director(s)

All Independent directors have given declarations that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 and respective guidelines of SEBI Regulations. The declaration is received in the first meeting of Board Of Directors every year.

Directors' Report

STATUTORY AUDITORS

As per Section 139 and other applicable provisions of the Companies Act, 2013 the Company has appointed M/s. Agarwal Sangneria & Co., Chartered Accountants (Firm Registration No. 302111E) as the Auditors as per the approval of the shareholders in Annual General Meeting (AGM) held on 25th September, 2014, for a further period of three years till the conclusion of 27th Annual General Meeting of the Company subject to ratification by the shareholders in every AGM of the Company, on the remuneration and other terms and conditions as may be fixed by the Board of Directors as recommended by the Audit Committee.

The Board recommends the ratification by the shareholders regarding their reappointment in this AGM.

CLARIFICATION/EXPLANATION ON REMARKS IN INDEPENDENT AUDITORS' REPORT

- a. As per the comments of auditor under para "EMPHASIS OF MATTER" for confirmation of accounts, the management hereby clarifies that all the balance confirmation has been sent to respective vendors and customers, confirmation from all has yet not been received.
- b. As per annexure B point No. 1(a) of the auditors report, company has appointed a firm of professional accountant to update the pending records of fixed assets with the physical records. We expect the same to be completed shortly.
- c. As regards delay in payment of undisputed statutory dues mentioned in Annexure B point no. 7(a) to the Auditors' Report, it is submitted that it was due to the continuous adverse financial condition and no banking facility currently available to the company. However we hereby submit that all the statutory dues relating to the financial year 2015-16 has been paid upto the date of this report.
- d. As regards Annexure B point no. 8 the delay in the repayment of the principal sums and interest thereon to the banks / financial institutions, it is submitted that it was due to continued losses incurred by the Company. Allahabad Bank and DENA bank has been assigned to ARCs. Proposal settlement has been given to all bankers, acceptance for the same is awaited.
- e. With reference to point no. 1(g)(iii) under the caption "report on other legal and regulatory requirements" of the Independent auditors report it is hereby clarified that company is in process of submitting documents to banks for transferring the said amount to Investor Education Fund.
- f. With reference to the point no 1(e) under the same caption of Auditors report in regards to disqualification of director(Mr Sohan Lal Agarwal), we hereby clarify that company has already applied for RBI approval for conversion of the liability of FCCB holder into equity shares of the company at a price of ₹ 62 per equity shares determined in accordance with SEBI rules and guidelines. We hope to receive the approval from RBI within a short time.

COST AUDIT

Cost audit is not applicable to company.

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

The accumulated losses of the company continued to be more than its net worth and as per the provisions of Section 15 of the Sick Industrial Companies Act, 1985, the Company has made reference to Board for Industrial and Financial Reconstruction (BIFR) which was duly registered but since the consortium bankers have taken up SARFAESI Action, BIFR has vacated our case. Your Directors have moved to AAIFR appealing against the order of BIFR, outcome thereof is awaited.

DEPOSITS

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

LISTING OF SECURITIES IN STOCK EXCHANGES

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

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION, FOREIGN EXCHANGE EARNING AND OUTGO

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

Directors' Report

EXTRACT OF ANNUAL RETURN

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

SECRETARIAL AUDIT

Pursuant to the provisions of Section 204(1) of the Companies Act, 2013, read with the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 the Company has appointed Miss Priti Lakhota (Partner) CP No. 12790, ACS No. 21970 of Messers AL & Associates, Company Secretaries, for the financial year 2015-16 to undertake the Secretarial Audit of the Company. The Secretarial Audit Report is annexed herewith as **Annexure C**.

ANNUAL CSR REPORT

Since the company is incurring losses, provisions of section 135 of the companies act 2013 regarding CSR is not applicable to the Company.

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

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

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

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

STATE OF AFFAIRS OF THE COMPANY

The Company is presently operating at optimum capacity. Since all the banks accounts of the company are NPA there is no banking facility available to the company. Company has proposed settlement terms to all banks, acceptance for the same is awaited. Allahabad Bank and DENA Bank has assigned their entire loan to ARCs. Few investors are interested in investing in your company provided all bank dues are settled. We hope that in the coming time your Company will regain financial strength and will plan for expansion of operations.

CORPORATE GOVERNANCE REPORT

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

DIRECTORS' RESPONSIBILITY STATEMENT

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

- i) That in the preparation of the Annual Accounts for the financial year ended 31st March, 2016, the applicable accounting standards have been followed and there are no material departures from the same;
- ii) That we have selected such accounting policies and applied them consistently and made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company at the end of the financial year as at 31st March, 2016 and of the loss of the Company for that period;
- iii) That we have taken proper and sufficient care for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013 for safeguarding the assets of the Company and for preventing, and detecting fraud and other irregularities; and
- iv) That we have prepared the annual accounts on a "going concern" basis.
- v) That the Board of Directors of the Company is responsible for ensuring that Internal Financial Controls have been laid down in the Company and that such controls are adequate and operating effectively. For this Kataruka & Company has been appointed

Directors' Report

as internal auditor of the company who submits their report to the chairman of the audit committee. The Internal Audit team develops an annual audit plan based on the risk profile of the business activities. The Internal Audit plan is approved by the Audit Committee, which also reviews compliance to the plan.

The Audit Committee reviews the reports submitted by the Internal Auditors in each of its meeting. Also, the Audit Committee at frequent intervals has independent sessions with the external auditor and the Management to discuss the adequacy and effectiveness of internal financial controls.

- vi) That proper systems to ensure compliance with the provisions of all applicable laws were in place and that such systems were adequate and operating effectively.

ACKNOWLEDGEMENTS

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

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

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

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

Date: 11th August 2016
Place : Kolkata

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

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

ANNEXURE – “A” TO THE DIRECTORS’ REPORT

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31st March 2016.

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

1. Research and Development (R & D)

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

2. Technology Absorption, Adoption & Innovation

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

3. Information regarding Imported solar multitrystalline Technology

(a)	Technology Imported	The technology to manufacture Solar Photovoltaic Cells and Modules has been imported from Centrotherm, Germany and NPC, Japan.
(b)	Year of Import	2008-09.
(c)	Has technology been fully absorbed	Yes, fully absorbed.
(d)	If not fully absorbed, areas where this has not taken place, reasons therefore and future plan of action.	Not Applicable.

Directors' Report

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ In Lacs)

Particulars	For the year ended 2015-16	For the Year ended 2014-15
(a) Foreign Exchange earnings of the Company	3579.60	7218.06
(b) Foreign Exchange Outgo		
(i) C. I. F. value of import of Raw Materials, Components, Spare parts and Capital Goods	19576.50	31950.58
(ii) Others	17.77	11.89

ANNEXURE – “B” TO THE DIRECTORS’ REPORT

FORM NO. MGT 9 - EXTRACT OF ANNUAL RETURN

For the year ended 31.03.2016

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

I. REGISTRATION & OTHER DETAILS :

i	CIN	L29307WB1990PLC048350
ii	Registration Date	8/2/1990
iii	Name of the Company	Websol Energy System Limited
iv	Category/Sub-category of the Company	
v	"Address of the Registered office & contact details"	"Plot No. 849, Block P , 48 Pramatha Choudhary Sarani 2nd Floor New Alipore KOLKATA 700053"
vi	Whether listed company	YES
vii	Name , Address & contact details of the Registrar & Transfer Agent, if any.	M/s. R&D Infotech Pvt. Ltd registered office at 7A, Beltala Road, 1st Floor Kolkata -700 026, Phone: +91 – 33 – 2419-2641/42 Fax : +91 – 33 – 2476-1657 Email : rd.infotech@vsnl.net.

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY

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

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES

There is no Holding, Subsidiary and Associate Companies

Directors' Report

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

i) Category-wise Share Holding

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2015]				No. of Shares held at the end of the year [As on 31/03/2016]				% Change during the year	
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares		
A. Promoter's										
(1) Indian										
a) Individual/HUF	549748	0	549748	2.502	549748	0	549748	2.502	0	0
b) Central Govt. or State Govt.	0	0	0	0.000	0	0	0	0.000	0	0
c) Bodies Corporates	5519674	0	5519674	25.120	5519674	0	5519674	25.120	0	0
d) Bank/FI	0	0	0	0.000	0	0	0	0.000	0	0
e) Any other	0	0	0	0.000	0	0	0	0.000	0	0
SUB TOTAL:(A) (1)	6069422	0	6069422	27.622	6069422	0	6069422	27.622	0	0
(2) Foreign										
a) NRI- Individuals	0	0	0	0	0	0	0	0	0	0
b) Other Individuals	0	0	0	0	0	0	0	0	0	0
c) Bodies Corp.	0	0	0	0	0	0	0	0	0	0
d) Banks/FI	0	0	0	0	0	0	0	0	0	0
e) Any other...	0	0	0	0	0	0	0	0	0	0
SUB TOTAL (A) (2)	0	0	0	0	0	0	0	0	0	0
Total Shareholding of Promoter (A)= (A)(1)+(A)(2)	6069422	0	6069422	27.622	6069422	0	6069422	27.622	0	0
B. PUBLIC SHAREHOLDING										
(1) Institutions										
a) Mutual Funds	0	7600	7600	0.035	0	7600	7600	0.035	0	0
b) Banks/FI	40	0	40	0.000	40	0	40	0.000	0	0
c) Central govt	0	0	0	0.000	0	0	0	0.000	0	0
d) State Govt.	0	0	0	0.000	0	0	0	0.000	0	0
e) Venture Capital Fund	0	0	0	0.000	0	0	0	0.000	0	0
f) Insurance Companies	0	0	0	0.000	0	0	0	0.000	0	0
g) FIIS	4379268	0	4379268	19.930	3010933	0	3010933	13.702	1368335	6.23
h) Foreign Venture Capital Funds		0								
i) Others (specify)	0	0	0	0.000						
SUB TOTAL (B)(1):	4379308	7600	4386908	19.965	3010973	7600	3018573	13.736	1368335	6.23
(2) Non Institutions										
a) Bodies corporates	4986103	8600	4994703	22.731	6262011	8600	6270611	28.537	1275908	5.81
i) Indian										
ii) Overseas	0	600000	600000	2.731	0	600000	600000	2.730	0	0
b) Individuals										
i) Individual shareholders holding nominal share capital upto ₹ 1 lakhs	2874263	382112	3256375	14.820	3143552	377312	3520864	16.023	264489	1.203
ii) Individuals shareholders holding nominal share capital in excess of ₹ 1 lakhs	2665658	0	2665658	12.131	1961448	0	1961448	8.936	704210	3.195
c) Directors relation					532148		532148	2.421		
SUB TOTAL (B)(2):	10526024	990712	11516736	52.413	11899159	985912	12885071	58.647	1368335	6.23

Directors' Report

Category of Shareholders	No. of Shares held at the beginning of the year [As on 01/04/2015]				No. of Shares held at the end of the year [As on 31/03/2016]				% Change during the year
	Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
"Total Public Shareholding (B) = (B)(1)+(B)(2)"	14905332	998312	15903644	72.378	14910132	993512	15903644	72.382	0
"C. Shares held by Custodian for GDRs & ADRs"									
Grand Total (A+B+C)	20974754	998312	21973066	100	20979554	993512	21973066	100	0

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in share holding during the year
		No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total Shares of the Company	% of Shares Pledged / encumbered to total shares	
1	CHIRANJI LALL AGARWAL	14020	0.064%		14020	0.064%		0
2	RAJ KUMARI AGARWAL	20	0.000%		20	0.000%		0
3	S L INDUSTRIES PVT LTD	5519674	25.120%	25.03	5519674	25.120%	25.03	0
4	SAMEER AGARWAL	17600	0.080%		0	0.000%		(0.08)
5	SOHAN LAL AGARWAL	475508	2.164%		493108	2.244%		0.08
6	INDERMANI DEVI AGARWAL	42600	0.194%		42600	0.194%		0
	Total	6069422	27.622%	25.03	6069422	27.622%	25.03	0

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

17600 Equity Shares of Shree Sameer Agarwal was gifted by him to Shree Sohan Lal Agarwal

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

Sl. No.	For each of Top 10 shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of Total Shares of the Company
	At the beginning of the year				
1	TYSOM AGENCIES PVT LTD				
	At The Beginning Of The Year	2000000	9.10	2000000	9.10
	Bought During The Year	-	0.00	2000000	9.10
	Sold During The Year	780275	3.55	1219725	5.55
	At the End of The Year	1219725	5.55	1219725	5.55
2	NATIONAL WESTMINSTER BANK PLC AS TRUSTEE OF THE JUPITER INDIA FUND	1846162	8.40	1846162	8.40
	At The Beginning Of The Year	1846162	8.40	1846162	8.40
	Bought During The Year	0	-	1846162	8.40
	Sold During The Year	0	-	1846162	8.40
	At the End of The Year	1846162	8.40	1846162	8.40
3	THE INDIAMAN FUND (MAURITIUS) LIMITED	689776	3.14	689776	3.14
	At The Beginning Of The Year	689776	3.14	689776	3.14
	Bought During The Year	-	-	689776	3.14

Directors' Report

Sl. No.	For each of Top 10 shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the company	No. of Shares	% of Total Shares of the Company
4	Sold During The Year	-	-	689776	3.14
	At the End of The Year	689776	3.14	689776	3.14
	AJAY KUMAR KAYAN	1060000	4.82	1060000	4.82
	At The Beginning Of The Year	1060000	4.82	1060000	4.82
	Bought During The Year	-	-	1060000	4.82
	Sold During The Year	-	-	1060000	4.82
	At the End of The Year	1060000	4.82	1060000	4.82
5	JUPITER SOUTH ASIA INVESTMENT COMPANY LIMITED - SOUTH ASIA ACCESS FUND	838774	3.82	838774	3.82
	At The Beginning Of The Year	838774	3.82	838774	3.82
	Bought During The Year	-	-	838774	3.82
	Sold During The Year	-	-	838774	3.82
	At the End of The Year	838774	3.82	838774	3.82
6	RADISON TIEUP PRIVATE LIMITED	630865	2.87	630865	2.87
	At The Beginning Of The Year	630865	2.87	630865	2.87
	Bought During The Year	-	-	630865	2.87
	Sold During The Year	-	-	630865	2.87
	At the End of The Year	630865	2.87	630865	2.87
7	MICRO POWER TRADING CO PTE LTD	600000	2.73	600000	2.73
	At The Beginning Of The Year	600000	2.73	600000	2.73
	Bought During The Year	-	-	600000	2.73
	Sold During The Year	-	-	600000	2.73
	At the End of The Year	600000	2.73	600000	2.73
8	APMS INVESTMENT FUND LTD	562500	2.56	562500	2.559952262
	At The Beginning Of The Year	562500	2.56	562500	2.56
	Bought During The Year	-	-	562500	2.56
	Sold During The Year	562500	2.56	0	-
	At the End of The Year	0	-	0	-
9	GOLDMAN SACHS INVESTMENTS (MAURITIUS) I LIMITED	442056	2.01	442056	2.01
	At The Beginning Of The Year	442056	2.01	442056	2.01
	Bought During The Year	-	-	442056	2.01
	Sold During The Year	-	-	442056	2.01
	At the End of The Year	442056	2.01	442056	2.01
10	INDIA MAX INVESTMENT FUND LIMITED	0	0	371802	1.69
	At The Beginning of The Year	0	-	0	-
	Bought During The Year	780000	3.55	780000	3.55
	Sold During The Year	-	-	780000	3.55
	At the End of The Year	780000	3.55	780000	3.55
	At the end of the year TOTAL	8669858	39.45	-	-

* MAVI INVESTMENTS NAME HAS BEEN CHANGED TO APMS INVESTMENT FUND LTD

Directors' Report

(v) Shareholding of Directors and KMP

For each of Top 10 shareholders	Shareholding at the end of the year		Cumulative Shareholding during the year	
	No. of Shares	% of total shares of the company	No. of Shares	% of Total Shares of the Company
SOHAN LAL AGARWAL (MANAGING DIRECTOR)				
At The Beginning Of The Year	475508	2.16	475508	2.16
Bought During The Year	17,600.00	0.08	493108	2.24
Sold During The Year	-	-	493108	2.24
At the End of The Year	493108	2.24	493108	2.24

V. INDEBTEDNESS

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

	Secured Loans excluding deposits	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	35,605.89	2,124.14	-	37,730.03
ii) Interest due but not paid	1,661.15	-	-	1,661.15
iii) Interest accrued but not due	-	-	-	-
Total (i+ii+iii)	37,267.04	2,124.14	-	39,391.18
Change in Indebtedness during the financial year				
Additions		769.21	-	769.21
Reduction	(4,175.42)	(700.81)	-	(4,876.23)
Adjustments				
Net Change	(4,175.42)	68.40	-	(4,107.02)
Indebtedness at the end of the financial year				-
i) Principal Amount	32,341.83	2,192.54	-	34,534.37
ii) Interest due but not paid	749.79	-	-	749.79
iii) Interest accrued but not due				-
Total (i+ii+iii)	33,091.62	2,192.54		35,284.16

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

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

Sl. No.	Particulars of Remuneration	Name of the MD/WTD/Manager		Total Amount
		Mr.S.L. Agarwal	Miss. Sima Jhunjunwala	
1.	Gross salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax, 1961.	19.44	10.94	30.38
	(b) Value of perquisites u/s 17(2) of the Income tax Act, 1961	1.17	0.90	2.07
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961			
2.	Stock option			-
3.	Sweat Equity			-
4.	Commission as % of profit others (specify)			
5.	Bonus, LTA, Medical	0.99	0.98	1.97
	Total (A)	21.60	12.82	34.42

Directors' Report

B. Remuneration to other directors

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of the Directors	
		MR. D. SETHIA	MR. P. KAUSHIK
1.	Independent Directors		
	(a) Fee for attending board committee meetings	24,000	24,000
	(b) Commission	-	-
	(c) Others, please specify	-	-
	Total (1)	24,000	24,000
2.	Other Non Executive Directors		
	(a) Fee for attending board committee meetings	-	-
	(b) Commission	-	-
	(c) Others, please specify.	-	-
	Total (2)		
	Total (B)=(1+2)	24,000	24,000
	Total Managerial Remuneration		

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

(₹ in Lacs)

Sl. No.	Particulars of Remuneration	Key Managerial Personnel		Total
		CFO	Company Secretary	
1	Gross Salary			
	(a) Salary as per provisions contained in section 17(1) of the Income Tax Act, 1961.	2.84	2.96	5.80
	(b) Value of perquisites u/s 17(2) of the Income Tax Act, 1961			-
	(c) Profits in lieu of salary under section 17(3) of the Income Tax Act, 1961	0.22	0.23	0.45
2	Stock Option			-
3	Sweat Equity			-
4	Commission			-
	as % of profit			-
	others, specify			-
5	Others, please specify			-
	Bononus, LTA, Medical, etc	0.27	0.31	0.58
	Total*	3.33	3.50	6.83

* Mr anup agarwal has resigned from the post of CFO on 14th Of August, 2015, his salary till that date has been considered in above data. Miss. Sima Jhunjhunwala who is Whole Time Director of the Company is also given additional responsibility of CFO of the company.

VII. PENTALTIES/PUNISHMENT/COMPOUNDING OF OFFENCES

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

Directors' Report

ANNEXURE – “C” TO THE DIRECTORS' REPORT

Secretarial Audit Report for the financial year ended March 31, 2015
(Pursuant to Section 204 (1) of Companies Act 2013 and the Rules made there under)

To,
The Members,

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2016 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Websol Energy System Limited for the financial year ended on 31st March, 2016 according to the provisions of:

- (i) The Companies Act, 2013 (the Act) and the rules made there under;
- (ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;
- (iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;
- (iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- (v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;
 - (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
 - (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
 - (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
 - (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;
 - (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
 - (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and
 - (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;
 - (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.
- (vi) We further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company :
 - (a) Information Technology Act, 2000 and the rules made there under,
 - (b) Special Economic Zone Act, 2005 and rules made there under
 - (c) Pollution Prevention Act
 - (d) Clean Water Act
 - (e) Clean Air Act
 - (f) Noise Control Act
 - (g) National Renewable Energy Act, 2015 etc

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

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

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

Directors' Report

We further report that:

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non-Executive Directors and Independent Directors. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

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

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

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

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

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

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

Sd/-

Priti Lakhotia

ACS No.21970

CP No. 12790

Place : Kolkata

Date : 11th August, 2016

Annexure A

(to the Secretarial Audit Report of Websol Energy System Limited for the FYE March 31,2016)

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

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

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

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

Sd/-

Priti Lakhotia

ACS No.21970

CP No. 12790

Place : Kolkata

Date : 11th August, 2016

Directors' Report

ANNEXURE – “D” TO THE DIRECTORS' REPORT

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

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

EXECUTIVE DIRECTOR	Ratio to median remuneration
MR S.L AGARWAL	16.43
Miss. Sima Jhunjhunwala	9.75
INDEPENDENT DIRECTOR	
Dharmendra Sethia	.18
Prateek kaushik	.18

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

Directors, Chief Executive Officer, Chief Financial Officer and Company Secretary	% increase in remuneration in the financial year
MR SL AGARWAL	NIL
MR ANUP AGARWAL (CFO)(Resigned from 14th of August 2015)	10%
MS SWATI AGARWAL	5%

- c. The percentage increase in the median remuneration of employees in the financial year: 15%

- d. The number of permanent employees on the rolls of Company : 358

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

On an average employees received an annual increase of 12.5%. Individual increase varied from 5 to 30%. Increase was in trend with industry norms and individual employees appraisal was based on organizational performance apart from individual performance.

- f. Comparison of the remuneration of the key managerial personnel against the performance of the Company:

Aggregate remuneration of Key Managerial Personnel (KMP) in F Y 2015 (Rs lacs)	5.19
Revenue (Rs in lacs)	27,969.69
Remuneration of KMPs (as % of revenue)	.02%
Profit before Tax (PBT) (₹ in lacs)	(865.95)
Remuneration of KMP (as % of PBT)	Nil

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

Particulars	March 31 2015	March 31 2014	% change
Market Capitalisation (₹ Crores)	125.24	46.47	169.53%
Price Earnings Ratio	-4.49	-23.83	81.16%

- h. Public offer:

No Public offer during the Financial Year 2014-15

- i. Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration:

There was an average increase of 12.5% of salaries in the last financial year. There was same percentage of increase of managerial remuneration in comparison to revenue for the year.

Directors' Report

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

	Mr. Anup Agarwal	Ms. Swati agarwal
Remuneration in FY15 (Rs lacs)	3.33	3.5
Revenue (Rs crores)	27,969.69	27,969.69
Remuneration as % of revenue	.01%	.01%
Profit before Tax (PBT) (Rs lacs)	(865.95)	(865.95)
Remuneration (as % of PBT)	Nil	Nil

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

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

m. Affirmation that the remuneration is as per the remuneration policy of the Company :

The Company affirms remuneration is as per the remuneration policy of the Company.

ANNEXURE – “E” TO THE DIRECTORS’ REPORT

Form No. AOC-2

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

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

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

(a) Name(s) of the related party and nature of relationship: NA

(b) Nature of contracts/arrangements/transactions: NA

(c) Duration of the contracts / arrangements/transactions: NA

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA

(e) Justification for entering into such contracts or arrangements or transactions NA

(f) Date(s) of approval by the Board: NA

(g) Amount paid as advances, if any: NA

(h) Date on which the special resolution was passed in general meeting as required under first proviso to section 188: NA

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

(a) Name(s) of the related party and nature of relationship: S. L. Industries Pvt. Ltd/Shri Sohan lal agarwal

(b) Nature of contracts/arrangements/transactions: Both Unsecured Loans Taken

(c) Duration of the contracts / arrangements/transactions: Five years

(d) Salient terms of the contracts or arrangements or transactions including the value, if any: NA

(e) Date(s) of approval by the Board, if any: 13.02.2016

(f) Amount paid as advances, if any: NIL

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

Date: 11th August 2016

Place : Kolkata

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

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

Directors' Report

ANNEXURE "F" TO THE DIRECTORS' REPORT

CORPORATE GOVERNANCE

1. COMPANY'S PHILOSOPHY

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

2. BOARD OF DIRECTORS

The Board of Directors of the Company has optimum combination of Executive & Independent Directors and women Director. The Board Meetings are usually held at the registered office of the Company. As on date the Board of Directors consists of four Directors. During the year ended 31st March 2016, 04 (Four) Board meetings were held on 29.05.2015, 14.08.2015, 14.11.2015, 13.02.2016 . Attendance of each Director at the Board Meeting and Annual General Meeting and Number of other Directorship and Chairmanship / Membership of Committee of each Director in various Companies are as follows:

Sl. No.	Name of the Director	Category	Attendance Particulars		Number of Other Directorship(s) 1	Number of other Committee Membership / Chairmanship 2	
			Board	Last AGM		Committee Membership	Committee Chairmanship
1.	Mr. S. L. Agarwal	Executive – Managing Director-Promoter – CEO	4	No	-	1	-
2.	Mr. D. Sethia	Non-Executive Director – Independent	4	Yes	-	2	2
3.	Mr. P. Kaushik	Non-Executive Director – Independent	4	Yes	-	2	-
4.	Sima Jhunjhunwala (Appointed w.e.f 14th August,2015)	Whole Time Director	3	Yes	-	-	-

- 1 The other Directorships held by Directors as mentioned above, does not include Alternate Directorships and Directorships in foreign Companies, Companies registered under Section 8 of the Companies Act, 2013 and Private Limited Companies.
- 2 Memberships / Chairmanships of only the Audit Committees and Shareholders' / Investors' Grievance Committees in all Public Limited Companies have been considered.

The Company has held at least one Board Meeting in every three months and the maximum time gap between any two meetings was not more than four months.

Code of Conduct : The Company has framed Code of Conduct for the Directors and Senior Management of the Company as per the provisions of Clause 49 of the Listing Agreement (Till its applicability) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") from its applicability. The Code of Conduct is displayed on the Website of the Company www.webelsolar.com. The Directors and Senior Management have affirmed compliance of the said Code of Conduct as on 31st March, 2016. A declaration signed by the CEO in this regard is annexed at the end of this report.

3. AUDIT COMMITTEE:

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") with the Stock Exchanges read with Section 117 of the Companies Act, 2013.

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

Directors' Report

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

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

During the year under review 04 (four) Audit Committee meetings were held on 29.05.2015, 14.08.2015, 14.11.2015 and 13.02.2016

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

Sl. No.	Name of the Member	Category	No. of Meetings Attended
1	Mr. D. Sethia	Chairman and Independent Director	4
2	Mr. S. L. Agarwal	Managing Director and CEO	4
3	Mr. P. Kaushik	Independent Director	4

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

4. NOMINATION AND REMUNERATION COMMITTEE :

Presently, the Committee Comprises of two members - Independent Directors viz. Mr. D. Sethia and Mr. P. Kaushik. The Company Secretary of the Company acted as the Secretary to the Committee.

Remuneration Policy and Remuneration to Directors:

- Executive Directors: The Company follows the policy to fix the remuneration of Managing and Whole Time Director(s) on the basis of their qualification, experience and past performance. The Agreement(s) with the Executive Director(s) are contractual in nature. The Agreement(s) may be terminated at any time by either party giving 3 (three) months notice in writing without any cause. The details of remuneration paid to the Executive director during financial year 2015 - 16 are given below:

Sl. No.	Name of the Executive Director	Designation	Consolidated Salary	Perquisites & Other Benefits	Company's Contribution towards Provident Fund & Gratuity	Total
1	Mr. S. L. Agarwal	Managing Director & CEO	19.44	0.99	1.17	21.60
2	Miss Sima Jhunjhunwala	Whole Time Director	10.94	.90	0.98	12.82

- Independent Directors:** The Independent Directors are not paid any remuneration except sitting fees for attending the meetings of the Board of Directors and Committee thereof. The sitting fees paid / payable to the Independent directors is within the limits prescribed by the Companies Act, 2013. The Company does not have any material pecuniary relationship and transaction with its Independent Directors. The details of sitting fees paid / payable and shares held by the Non-Executive Directors during financial year 2015 - 16 are given below:

Sl. No.	Name of the Independent Director	Sitting Fees (₹)	Shareholding in the Company
1	Mr. P. Kaushik	24,000.00	Nil
2	Mr. D. Sethia	24,000.00	Nil

During the year under review 04 (Four) Nomination and Remuneration Committee meetings were held on 29.05.2015, 14.08.2015, 14.11.2015 and 13.02.2016.

Directors' Report

5. SHARE TRANSFER COMMITTEE

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

The functions of the Committee include:

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

6. STAKEHOLDERS RELATIONSHIP COMMITTEE

Presently, the Committee Comprises of two members - Independent Director viz. Mr. D. Sethia and Mr. P. Kaushik. The Company Secretary of the Company acted as the Secretary to the Committee.

The functions of the Committee include

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

During the year under review 04 (four) Stakeholders Relationship Committee meetings were held on 29.05.2015, 14.08.2015, 14.11.2015 and 13.02.2016.

7. Investor Grievance Redressal:

During the year under review 01 nos. of Investors complaints / queries were received and no complaints / queries were pending as on 31.03.2016. No request for transfer was pending for more than 15 days as on 31.03.2016.

Compliance Officer: Previous Company Secretary, Ms. Swati Agarwal has resigned from her post w.e.f. 06 July, 2016. Miss. Sima Jhunhunwala is acting as the compliance officer of the Company till the new Company Secretary is appointed. Address for correspondence - Websol Energy System Limited 48, Pramatha Choudhry Sarani, Plot No.849 Block- P 2nd Floor, New Alipore Kolkata – 700 053 Telephone No. : +91-33-2400 0419 Fax No. : +91-33-2400 0375 Email: investors@webelsolar.com.

8. COMMITTEE OF DIRECTORS

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

Directors' Report

9. GENERAL BODY MEETINGS

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

Financial Year/ Period Ended	Date	Time	Venue	Whether any Special Resolution Passed
2012-13	30.09.2013	10:00 AM	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	No
2013-14	25.09.2014	10:00 AM	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	<p>1 Mr. S. L. Agarwal (DIN 00189898), the Managing Director of the Company, shall henceforth be liable to determination on by retirement of Directors by rotation.”</p> <p>2 The provisions of Section on 180(1)(c) and any other applicable provisions of the Companies Act 2013 the Company hereby accords its consent to the Board of Directors for borrowing any sums of money from time to time from any one or more persons, firms, bodies corporate, or financial institutions whether by way of cash credit, advance or deposits, loans or bill discounting or otherwise and whether unsecured or secured by mortgage, charge, hypothecation or lien or pledge of the Company's assets and properties whether movable or stock-in trade (including raw materials, stores, spare parts and components in stock or in transit) and work-in-progress or all or any of the undertakings of the Company notwithstanding that the monies to be borrowed together with monies already borrowed by the Company (apart from temporary loans obtained from the Company's bankers in the ordinary course of business) will or may exceed the aggregate of the paid-up capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, but, so, however, that the total amount up to which the monies may be borrowed by the Board of Directors and outstanding at any time shall not exceed the sum of ₹ 500 Crores (Rupees Five Hundred Crores only).”</p>
2014-15	30.09.2015	10.00 A.M	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	NO

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

Directors' Report

- b) No Special Resolutions was passed during the financial year 2015-16 through Postal Ballot under Section 192A of the Companies Act, 1956.
- c) Company has passed three special resolution in last EGM held on Thursday 26th May, 2016 through E-Voting.

10. DISCLOSURES

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

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No. 35 & 38, forming part of the Annual Report.

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

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

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

The Company has followed relevant Accounting Standards in preparation of financial statement.

- d. **Subsidiary Company :**

The Company does not have any material non-listed Indian Subsidiary as defined in Clause 49 of the Listing Agreement (Till its applicability) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") from its applicability.

- e. **Risk Management :**

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

- f. **Whistle Blower Policy / Vigil Mechanism**

Whistle Blower Policy/ vigil Mechanism are as per the requirements of the amended Clause 49 of the Listing Agreement (Till its applicability) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") from its applicability with the Stock Exchanges.

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

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

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

The Company has complied with all the mandatory requirements as mandated under Clause 49 of the Listing Agreement (Till its applicability) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") from its applicability. A certificate, from Agarwal Sangneria & Co., Chartered Accountants, the Statutory Auditors of the Company, to this effect has been included in this report.

- i. **CEO / CFO certification:**

The CEO / CFO certification as required under Clause 49 (Till its applicability) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") from its applicability is annexed hereto which forms part of this report.

Directors' Report

j. Management Discussion and Analysis Report:

The Management Discussion and Analysis Report as required under Clause 49 (Till its applicability) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") from its applicability is annexed hereto which forms part of this report.

k. Secretarial Audit :

In compliance with Section 204 of the Companies Act, 2013, and Clause 34 of SEBI (LODR), 2015 the Company has undertaken a Secretarial Audit from an Independent Practicing Company Secretary Messers AL & Associates, partner Miss Priti Iakhotia, ACS No. 21970, CP No. 12790, for the financial year ended 31st March, 2016.

l. Independent Directors Meeting:

The Independent directors have evaluated the performance of non-independent directors at a separate meeting held on 13th February, 2016. They have reviewed all matters specified under schedule IV to the Companies Act 2013.

11. MEANS OF COMMUNICATION

- In compliance with the Clause 41 of the Listing Agreement (Till its applicability) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") from its applicability, the quarterly / annual results are furnished to the Stock Exchanges within the prescribed time and also published in the Newspapers viz. Business Standard / HT Mint and Arthik Lipi in Bengali (local) language. The results are also posted on the website of the Company www.webelsolar.com. The Annual Report is circulated to members and is displayed on the Company's website.
- The Corporate Filing Dissemination System (CFDS) portal jointly owned, managed and maintained by the BSE and NSE is a single source to view information filed by listed companies. The investors can view the details of corporate filings by the Company by logging on the website www.corpfiling.co.in
- The Company has designated the following email-id exclusively for investor servicing: investors@webelsolar.com

12. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Day, date and time	Friday, September 30, 2016 at 10.00 AM
Venue	"Webel Bhavan Block EP & GP, Sector – V, Salt Lake Electronics Complex, Kolkata- 700 091
Book closure dates	Friday September 23, 2016 to Friday September 30, 2016

b) Financial calendar

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

The tentative dates of the Board meetings for consideration of Quarterly and Annual financial results for the financial year 2016-17 are as follows:

First quarter results	On or before August 14, 2016
Second quarter results	On or before November 14, 2016
Third quarter results	On or before February 14, 2017
Fourth quarter and annual results	On or before May 30, 2017
Dividend Payment Date	Not Applicable

c) Listing on Stock Exchanges with Stock Code

The equity shares of your Company are listed on the Bombay Stock Exchange Limited (BSE) and National Stock Exchange of India Limited (NSE). The listing fees for the year 2016-17 have been paid for both BSE & NSE.

d) Market price Data

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

Directors' Report

Month Stock Code	BSE 517498		NSE WEBELSOLAR	
	High (₹)	Low (₹)	High (₹)	Low (₹)
Apr-15	27.20	19.00	27.05	18.80
May-15	22.90	18.00	22.70	18.00
June-15	23.25	16.00	24.35	15.65
July-15	28.95	19.90	27.00	18.25
Aug-15	24.20	14.00	24.50	13.50
Sept-15	19.60	15.65	19.00	15.30
Oct-15	26.50	16.65	25.95	17.00
Nov-15	30.40	21.00	30.25	21.20
Dec-15	43.20	25.90	42.70	26.50
Jan-16	52.40	33.05	51.80	32.90
Feb-16	44.40	27.90	43.90	28.25
Mar-16	62.20	29.60	62.55	29.20

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

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

On April'2015 : ₹ 22.20 per share

On March'2016 : ₹ 57.00 per share

Change : 156.76%

Indices (BSE Sensex) on Closing Basis :

On 01st April'2015 : 11183.83

On 31st March'2016 : 10185.12

Change : -8.9%

f) Registrar and Transfer Agent (RTA) :

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

g) Shares Transfer System

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

h) Distribution of Share Holding As on 31.03.2016

No. of Shares Held		Shareholders		Shares	
From	To	Number	% to Total Holders	Number	% to Total Capital
1	500	8360	83.852%	1267167	5.77%
501	1,000	765	7.673%	621214	2.83%
1,001	2,000	374	3.751%	581014	2.64%
2,001	3,000	165	1.655%	419558	1.91%
3,001	4,000	66	0.662%	240816	1.10%
4,001	5,000	51	0.512%	237429	1.08%
5,001	10,000	80	0.802%	573338	2.61%
10,001	50,000	79	0.792%	1637153	7.45%
50,001	1,00,000	13	0.130%	952167	4.33%
1,00,001	And above	17	0.171%	15443210	70.28%
Total		9970	100%	21973066	100.00%

Directors' Report

i) Share Holding Pattern as on 31.03.2016:

Sl. No.	Category	No. of Shares Held	% of Holding
1	Promoters & Associates	6069422	27.62
2	Mutual Funds and UTI	7600	.03
3	Banks, Financial Institutions, Insurance Companies (Central/State Govt, Institutions, Govt. Institutions)	40	.00
4	FII's	3010933	13.70
5	Private Corporate Bodies	6270611	28.54
6	Indian Public	5804107	26.41
7	NRI's / OCB's	810353	3.69
	Total	2,19,73,066	100.00%

j) Dematerialisation of Shares and Liquidity :

The shares of the Company are available for trading in the depository systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March 2016, a total of 2,09,79,554 equity shares of ₹ 10/- each forming 95.48% of the share capital of the Company stands dematerialized. The entire equity shares of the Company are listed on BSE and NSE.

k) Plant Location

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

Address for Correspondence

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

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

Date: 11th August 2016
Place : Kolkata

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

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

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

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

1. We have reviewed financial statements and the cash flow statements for the financial year ended 31st March 2016 and to the best of our knowledge:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading ;
 - ii) these statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. based on our knowledge there are no transactions entered into by the Company during the financial year ended 31st March 2016 which are fraudulent, illegal or violate the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken to rectify these deficiencies.
4. We have indicated to the Auditors and the Audit Committee:
 - i) That there has not been significant changes in internal control over financial reporting during the financial year ;
 - ii) That there has not been significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements ; and
 - iii) That during the year under review, we are not aware of any instances of significant fraud and the involvement therein, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Date: 30/05/2016

S L Agarwal <i>Managing Director & CEO</i> (00189898)	Sima Jhunjhunwala <i>Whole Time Director and Chief Financial Officer</i> (07264006)
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Declaration for Compliance with the Code of Conduct of the Company as per Clause 49(I)(D)(II) of Listing Agreement (Till its applicability) and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") from its applicability

I, Sohan Lal Agarwal, Managing Director of Websol Energy System Limited declare that as of 31st March 2016, all board members and senior management personnel have affirmed compliance with Code of Conduct of the Company.

Place: Kolkata
Date: 30/05/2016

S L Agarwal
Managing Director & CEO
(00189898)

Auditors' Certificate on Corporate Governance

To the members of
WEBSOL ENERGY SYSTEM LIMITED

We have examined the compliance of conditions of Corporate Governance by Websol Energy System Limited ("the Company"), for the year ended on March 31, 2016, as stipulated in:

- Clause 49 (excluding clause 49(VII)(E)) of the Listing Agreements of the Company with stock exchange(s) for the period from April 01, 2015 to November 30, 2015.
- Clause 49(VII)(E) of the Listing Agreements of the Company with the stock exchange(s) for the period from April 01, 2015 to September 01, 2015.
- Regulation 23(4) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("the Listing Regulations") for the period from September 02, 2015 to March 31, 2016 and
- Regulations 17 to 27 (excluding regulation 23(4)) and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the period from December 01, 2015 to March 31, 2016.

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

We have examined the relevant records of the Company in accordance with the Generally Accepted Auditing Standards in India, to the extent relevant and as per the Guidance Note on Certification of Corporate Governance issued by the Institute of the Chartered Accountants of India.

In our opinion and to the best of our information and according to our examination of the relevant records and the explanations given to us and the representations made by the Directors and the Management, we certify that the Company has complied with the conditions of Corporate Governance as stipulated in Clause 49 of the Listing Agreement and regulation 17 to 27 and clauses (b) to (i) of regulation 46(2) and para C, D and E of Schedule V of the Listing Regulations for the respective periods of applicability as specified herein above, during the year ended March 31, 2016.

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 **AGARWAL SANGANERIA & CO.**

Chartered Accountants

Firm Registration No. 317224E

P. K. Agarwal

Partner

C. A. Membership No.53496

Place : Kolkata

Dated, the 30th day of May, 2016

Independent Auditors' Report

To The Members of
WEBSOL ENERGY SYSTEM LIMITED

REPORT ON THE FINANCIAL STATEMENTS

We have audited the accompanying financial statements of **WEBSOL ENERGY SYSTEM LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

We conducted our audit in accordance with the Standards on auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

EMPHASIS OF MATTERS

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flow for the year ended on that date.

Independent Auditors' Report

REPORT ON OTHER LEGAL AND REGULATORY REQUIREMENTS

1. As required by Section 143(3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.
 - (b) In our opinion, proper books of account as required by law relating to preparation of the financial statements have been kept by the Company so far as it appears from our examination of those books.
 - (c) The Balance Sheet, the Statement of Profit and Loss and the Cash Flow Statement dealt with by this Report are in agreement with the books of account maintained for the purpose of preparation of these financial statements.
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act, as applicable.
 - (e) On the basis of the written representations received from the Directors as on March 31, 2016, taken on record by the Board of Directors, none of the Directors is disqualified as on March 31, 2016 from being appointed as a Director in terms of Section 164 (2) of the Act. However, the Company had in an earlier year issued Foreign Currency Convertible Bonds ("FCCBs") which were to be redeemed or converted into Equity Shares in the Company by November, 2012, but, due to fall in market price of Company's shares, the same were neither converted nor were redeemed and are still outstanding. Among the then Directors, only Managing Director is still on the Board. After the date of the Balance Sheet under report, the Company, in an Extra-Ordinary General Meeting of its members held on May 26, 2016, has obtained the sanction of its members to re-structure the FCCBs on revised terms and conditions including reducing the value of FCCBs to US\$ 12,000,000 and complete waiver of accrued interest. The re-structured FCCBs are proposed to be redeemed latest by May 1, 2021 if not redeemed or converted earlier than that date.
 - (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in 'Annexure A'. Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.
 - (g) With respect to the other matters to be included in the Independent Auditors' Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i) The Company has disclosed the impact of pending litigations on its financial position in its financial statements. (Refer No. 40)
 - ii) The Company has made provision in its financial statements, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long term contracts including derivative contracts;
 - iii) The Company has not transferred a sum of ₹ 2.67 Lakhs to the Investor Education and Protection Fund (IEPF) which was required to be transferred by September 27, 2015.
2. As required by the Companies (Auditor's Report) Order, 2016 ('the Order') issued by the Central Government in terms of Section 143(11) of the Act, we give in 'Annexure B' a statement on the matters specified in paragraphs 3 and 4 of the Order.

AGARWAL SANGANERIA & Co.

Chartered Accountants

Firm Registration No.317224E

P. K. AGARWAL

Partner

C.A. Membership No.53496

Place : Kolkata

Dated, the 30th May, 2016

Annexure 'A' to the Independent Auditors' Report

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

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

We have audited the accompanying financial statements of **WEBSOL ENERGY SYSTEM LIMITED** ('the Company'), which comprise the Balance Sheet as at March 31, 2016, the Statement of Profit and Loss and the Cash Flow Statement for the year then ended, and a summary of the significant accounting policies and other explanatory information.

MANAGEMENT'S RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

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

AUDITORS' RESPONSIBILITY

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

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

We conducted our audit in accordance with the Standards on auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the financial statements.

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

EMPHASIS OF MATTERS

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

OPINION

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at March 31, 2016, and its loss and its cash flow for the year ended on that date.

AGARWAL SANGANERIA & Co.

Chartered Accountants

Firm Registration No.317224E

P. K. AGARWAL

Partner

C.A. Membership No.53496

Place : Kolkata

Dated, the 30th May, 2016

Annexure 'B' to the Independent Auditors' Report

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

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

1. In respect of the Company's fixed assets:
 - (a) The records maintained by the Company are incomplete and currently being updated to show full particulars, including quantitative details and situation of fixed assets.
 - (b) The fixed assets were physically verified during the year by the Management in accordance with a regular programme of verification which, in our opinion, provides for physical verification of all the fixed assets at reasonable intervals. According to the information and explanations given to us, the discrepancies, if any, between the book records and physical verification can be determined on updation of the book records.
 - (c) According to the information and explanations given to us and the records examined by us and based on the examination of the relevant records provided to us, we report that, the Land as mentioned in the Financial Statements is Leasehold Land and the Lease agreement is in the name of the Company.
2. As explained to us, the inventories were physically verified during the year by the Management at reasonable intervals and discrepancies noticed on such physical verification were not material and those immaterial discrepancies have been properly dealt with in the books of account.
3. The Company has not granted any loans, secured or unsecured, to companies, firms, limited liability partnerships or other parties covered in the register maintained under Section 189 of the Act.
4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of Sections 185 and 186 of the Act in respect of grant of loans, making investments and providing guarantees and securities, as applicable.
5. The Company has not accepted deposits during the year under report and does not have any unclaimed deposits as at March 31, 2016 and therefore, the provisions of the clause 3 (v) of the Order are not applicable to the Company.
6. Reporting under clause 3(vi) of the Order is not applicable as the Company's business activities are not covered by the Companies (Cost Records and Audit) Rules, 2014 as amended by the Companies (Cost Records and Audit) Amendment Rules, 2014 dated December 31, 2014.
7. According to the information and explanations given to us, in respect of statutory dues:
 - (a) The Company has made delayed deposits with appropriate authorities, the amount deducted/accrued in the books of accounts in respect of undisputed statutory dues including Provident Fund, Employees State Insurance, Income-tax, Sales-tax, Wealth Tax, Service Tax, duty of Customs, duty of Excise, Value Added Tax, Cess and other statutory dues as applicable to it.
 - (b) As per the information and explanations given to us the following undisputed amounts in respect of the abovementioned statutory dues were outstanding as at March 31, 2016 for a period of more than six months from the date they became payable:

Name of Statute	Nature of Dues	Amount (₹ In Lacs)
Delhi Value Added Tax Act, 2004	Delhi Value Added Tax	52.20
W. B. VAT Act, 2003	Works Contract Tax / VAT	00.65
Finance Act, 1994	Service Tax and Works Contract Service Tax at Delhi	25.24

(c) Details of statutory dues which have not been deposited as at March 31, 2016 on account of dispute are given below

Nature of dues	Forum where dispute is pending	Amount (₹ In Lacs)	Remarks
Excise Duty and Penalty	High Court at Kolkata	366.55	The Company had paid ₹ 100.00 Lakhs against this demand in the year 2004-05.
Excise Duty and Penalty	Custom, Excise and Service Tax Appellate Tribunal	497.10	
Income Tax Act Penalty	Commissioner of Income Tax (Appeals)	628.05	The Company has paid ₹ 15.00 Lakhs against this demand and has submitted a petition for stay of this demand.

Annexure 'B' to Independent Auditors' Report

8. In our opinion and according to the information and explanations given to us, and on basis of our examination of the books of account and related records, we observed delays in the repayment of the principal sums and interest thereon to banks / financial institutions. However as explained in Note 24 and 25 annexed to the financial statements, out of the total borrowings, accounts of the Company, as on the date of the Balance Sheet under review, the accounts of working capital bankers continues to be classified as a Non Performing Asset.

Further, the Company had Foreign Currency Convertible Bonds ("FCCBs") amounting to US\$ 16,800,000 and interest accrued thereon is US\$ 11,680.000 which matured on November, 2012. The same were neither converted into Equity Shares nor was any payment made for their redemption. However, after the date of the Balance Sheet under report, the Company, in Extra-Ordinary General Meeting of its members held on May 26, 2016, has obtained the sanction of its members to re-structure the FCCBs on revised terms and conditions including reducing the value of FCCBs to US\$ 12,000,000 and complete waiver of accrued interest. The re-structured FCCBs are proposed to be redeemed latest by May 1, 2021 if not redeemed or converted earlier than that date. The Company is in process of obtaining applicable regulatory permissions therefor.

The amounts repayable to Banks on various due dates and period of delay is mentioned below :

It may be noted that the period of delay mentioned against each repayable amount was calculated up to March 31, 2015. Thereafter the Company has not paid any amount individually against any loan installment, but has paid lump sum to various banks and the same are pending allocation against individual loan installments.

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

Annexure 'B' to Independent Auditors' Report

ICICI Bank	Working Capital Term Loan	₹16.67 Lacs	0 days
Axis Bank	Term Loan	₹202.33 Lacs	455 days
Axis Bank	Term Loan	₹250.62 Lacs	365 days
Axis Bank	Term Loan	₹250.62 Lacs	274 days
Axis Bank	Term Loan	₹250.62 Lacs	182 days
Axis Bank	Term Loan	₹250.62 Lacs	90 days
Axis Bank	Term Loan	₹250.62 Lacs	0 days
Axis Bank	Overdraft	₹23.21 Lacs	454 days
Axis Bank	Overdraft	₹23.21 Lacs	364 days
Axis Bank	Overdraft	₹23.21 Lacs	273 days
Axis Bank	Overdraft	₹23.21 Lacs	181 days
Axis Bank	Overdraft	₹23.21 Lacs	89 days
Axis Bank	Funded Interest Term Loan	₹13.61 Lacs	454 days
Axis Bank	Funded Interest Term Loan	₹13.61 Lacs	423 days
Axis Bank	Funded Interest Term Loan	₹13.61 Lacs	395 days
Axis Bank	Funded Interest Term Loan	₹13.61 Lacs	364 days
Axis Bank	Funded Interest Term Loan	₹13.61 Lacs	334 days
Axis Bank	Funded Interest Term Loan	₹13.61 Lacs	303 days
Axis Bank	Funded Interest Term Loan	₹13.61 Lacs	273 days
Name of Bank	Facility	Amount	Period of Delay
Axis Bank	Funded Interest Term Loan	₹13.61 Lacs	242 days
Axis Bank	Funded Interest Term Loan	₹13.61 Lacs	211 days
Axis Bank	Funded Interest Term Loan	₹13.61 Lacs	181 days
Axis Bank	Funded Interest Term Loan	₹13.61 Lacs	150 days
Axis Bank	Funded Interest Term Loan	₹13.61 Lacs	120 days
Axis Bank	Funded Interest Term Loan	₹13.61 Lacs	89 days
Axis Bank	Funded Interest Term Loan	₹13.61 Lacs	58 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	30 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	454 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	423 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	395 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	364 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	334 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	303 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	273 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	242 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	211 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	181 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	150 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	120 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	89 days
Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	58 days

Annexure 'B' to Independent Auditors' Report

Axis Bank	Funded Interest Term Loan	₹5.06 Lacs	30 days
Exim Bank	Term Loan	US\$ 2.32Lacs	350 days
Exim Bank	Term Loan	US\$ 2.32Lacs	259 days
Exim Bank	Term Loan	US\$ 2.32Lacs	167 days
Exim Bank	Term Loan	US\$ 2.32Lacs	75 days
Exim Bank	Term Loan	US\$3.93 Lacs	441 days
Exim Bank	Term Loan	US\$3.93 Lacs	351 days
Exim Bank	Term Loan	US\$3.93 Lacs	260 days
Exim Bank	Term Loan	US\$3.93 Lacs	168 days
Exim Bank	Term Loan	US\$3.93 Lacs	76 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	350 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	320 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	289 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	259 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	228 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	197 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	167 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	136 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	106 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	75 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	44 days
Exim Bank	Funded Interest Term Loan	US\$ 0.06 Lacs	16 days
Exim Bank	Funded Interest Term Loan	US\$ 0.034 Lacs	441 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	410 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	382 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	351 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	321 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	290 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	260 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	229 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	198 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	168 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	137 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	107 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	76 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	45 days
Exim Bank	Funded Interest Term Loan	US\$ 0.136 Lacs	17 days

9. The Company has not raised moneys by way of initial public offer or further public offer (including debt instruments) or term loans and hence reporting under clause 3 (ix) of the Order is not applicable.
10. To the best of our knowledge and according to the information and explanations given to us, no fraud by the Company and no fraud on the Company by its officers or employees has been noticed or reported during the year.
11. In our opinion and according to the information and explanations given to us, the Company has paid / provided managerial remuneration in accordance with the requisite approvals mandated by the provisions of Section 197 read with Schedule V to the Act.

Annexure 'B' to Independent Auditors' Report

12. The Company is not a Nidhi Company and hence reporting under clause 3(xii) of the Order is not applicable.
13. In our opinion and according to the information and explanations given to us the Company is in compliance with Section 177 and 188 of the Act, wherever applicable, for all transactions with the related parties and the details of related party transactions, if any, have been disclosed in the financial statements as required by the applicable accounting standards.
14. During the year, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures and hence reporting under clause 3(xiv) of the Order is not applicable to the Company.
15. In our opinion and according to the information and explanations given to us, during the year the Company has not entered into any non-cash transactions with its Directors or persons connected to its Directors and hence provisions of Section 192 of the Act are not applicable.
16. The Company is not required to be registered under Section 45-I of the Reserve Bank of India Act, 1934.

AGARWAL SANGANERIA & Co.

Chartered Accountants

Firm Registration No.317224E

P. K. AGARWAL

Partner

C.A. Membership No.53496

Place : Kolkata

Dated, the 30th May, 2016

Balance Sheet as at 31st March, 2016

(₹ in Lacs)

	Notes	As at 31.03.2016	As at 31.03.2015
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	2197.31	2,197.31
(b) Reserves and surplus	3	(22,684.03)	(21,696.93)
2 Non-current liabilities			
(a) Long-term borrowings	4	25178.22	17,065.15
(b) Deferred tax liabilities (Net)		1938.83	1,938.83
(c) Other Long term liabilities	5	34.53	65.57
3 Current liabilities			
(a) Short-term borrowings	6	10041.71	21,170.82
(b) Trade payables		15793.55	24,710.86
(c) Payables for capital contract		–	0.84
(d) Other current liabilities	7	12611.51	12,998.20
(e) Short-term provisions	8	186.97	293.81
TOTAL EQUITY AND LIABILITIES		45,298.60	58,744.46
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	9 (i)	26596.31	28,015.02
(ii) Intangible Assets	9 (ii)	3.19	4.25
(iii) Capital Work in Progress		–	–
(b) Non-current investments	10	15.10	15.10
(c) Long-term loans and advances	11	3674.85	2,976.55
(d) Other non-current assets	12	3341.09	3,776.71
2 Current assets			
(a) Inventories	13	2056.02	5,305.49
(b) Trade receivables	14	7207.18	15,781.25
(c) Cash and Bank balances	15	70.08	134.99
(d) Short-term loans and advances	16	2331.51	2,731.83
(e) Other current assets	17	3.27	3.27
TOTAL ASSETS		45,298.60	58,744.46

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

Chartered Accountants

Firm Registration No. 317224E

(P. K. Agarwal)

Partner

Membership No. 53496

Place : Kolkata

Date : 30th May, 2016

1
2 to 41

For and on behalf of the Board of Directors

(S. L. Agarwal)
Managing Director

(Sima Jhunjhunwala)
Whole time Director

(Swati Agarwal)
Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2016

(₹ in Lacs)

	Notes	For the year ended 31st March 2016	For the year ended 31st March 2015
I. Revenue from operations	18	27,969.69	35,575.08
II. Other income	19	77.35	80.29
III. Total Revenue (I + II)		28,047.04	35,655.37
IV. Expenses:			
Cost of raw materials consumed	20	22,721.37	30,753.28
Stores and spares consumed	20a	1,353.18	1,265.77
Changes in stock of Finished Goods & Work-in-progress	20b	326.74	(117.45)
Employee benefit expenses	21	729.06	681.68
Finance costs	22	112.55	207.06
Power and Fuel		1,098.91	1,099.47
Depreciation	9	1,452.20	1,626.33
Other expenses	23	900.51	1,388.97
V. Total Expenses		28,694.52	36,905.10
VI. Profit/(Loss) before exceptional items and tax (III-V)		(647.48)	(1,249.73)
VII. Exceptional items - Exchange Fluctuation Profit / (Loss)		(218.47)	(643.93)
VII(a). Provision for Doubtful Debts & Advances		-	475.32
VIII. Profit/(Loss) before tax (VI + VII + VIIA)		(865.95)	(1,418.33)
IX. Extraordinary Item		-	(3,771.03)
X Profit/(Loss) before Tax Expense		(865.95)	(5,189.38)
X(a) Tax expense (including Deferred Tax)		(121.15)	(47.19)
XI. Profit/(Loss) after tax for the period (VIII-IX)		(987.10)	(5,236.56)
XI(a). Earnings per equity share: (Basic & Diluted)		(4.49)	(23.83)

Significant Accounting Policies

1

Notes to the Financial Statements

2 to 41

In terms of our report of even date

For **Agarwal Sangneria & Co.**

Chartered Accountants

Firm Registration No. 317224E

(P. K. Agarwal)

Partner

Membership No. 53496

Place : Kolkata

Date : 30th May, 2016

For and on behalf of the Board of Directors

(S. L. Agarwal)
Managing Director**(Sima Jhunjunwala)**
Whole time Director**(Swati Agarwal)**
Company Secretary

Cash Flow Statement for the year ended 31st March, 2016

(₹ in Lacs)

Particulars	For the year ended 31st March 2016	For the year ended 31st March 2015
A. Cash Flow from Operating Activities :		
Net Profit / (Loss) before tax	(865.95)	(5,189.38)
Adjustments for:	–	–
Depreciation	1,452.20	1,639.70
Preliminary Expenses W/Off	–	–
Loss on sale / adjustments of Fixed Assets	–	2.02
Interest (Net)	112.55	207.06
	1,564.75	1,848.77
Operating Profit before Working Capital Changes	698.80	(3,340.60)
Adjustments for:		
Trade and other Receivables	8,186.30	1,766.10
Provision for Doubtful Debt	–	–
Inventories	3,249.47	(1,468.67)
Trade payables	8,917.32	(1,745.62)
	2,518.45	(1,448.18)
Cash generated from operations	3,217.25	(4,788.79)
Interest paid (Net)	112.55	(207.06)
Direct Taxes paid/refund	121.15	(47.19)
	233.70	(254.25)
Cash Flow before extraordinary items	2,983.55	(5,043.03)
Extraordinary item of Expenditure/Income	–	3,771.03
Net Cash from Operating Activities	2,983.55	(1,272.00)
B. Cash Flow from Investing Activities:	–	–
Purchase of Fixed Assets	32.43	(1,325.12)
(Payments)/Adjustment for Capital Work-in-progress	–	1,181.62
Sale of Fixed Assets	–	11.70
Sales / (Purchase) of Investments	–	–
Net Cash used in Investing Activities	(32.43)	(131.79)
C. Cash Flow from Financing Activities:		
Proceeds from Long Term Borrowings	8,113.07	366.68
Proceeds from Short Term Borrowings	(11,129.10)	1,156.97
Net Cash generated from Financing Activities	(3,016.03)	1,523.66
Net increase in Cash and Cash Equivalents (A+B+C)	(64.91)	119.86
Opening Balance of Cash and Cash Equivalents	134.99	254.85
Closing Balance of Cash and Cash Equivalents	70.08	134.99
Net change	(64.91)	119.86

In terms of our report of even date

For **Agarwal Sangneria & Co.**

Chartered Accountants

Firm Registration No. 317224E

(P. K. Agarwal)

Partner

Membership No. 53496

Place : Kolkata

Date : 30th May, 2016

For and on behalf of the Board of Directors

(S. L. Agarwal)
Managing Director**(Sima Jhunjunwala)**
Whole time Director**(Swati Agarwal)**
Company Secretary

Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (a) The financial statements of the company have been prepared under the historical cost convention. Items of income and expenditure are recognized on accrual basis unless otherwise stated.
- (b) Fixed Assets are stated at cost less depreciation (Depreciating asset over its useful life prescribed as per schedule II to the Companies Act 2013 on a pro-rata basis). However management is of the view that the remaining useful life of plant and machinery is lesser than the period for it is depreciated currently. This is the reason management has decided to increase the rate of depreciation thereby decreasing the useful life of these assets.
- (c) i) Raw materials, Stores & Spares and Trading goods are valued at cost determined on the weighted average method or market price whichever is lower.
- ii) Work-in-process is valued at cost inclusive of appropriate production overheads.
- iii) Finished goods are valued at Cost or Market Price whichever is lower.
- (d) Transactions in Foreign currencies to the extent not covered by forward contracts are accounted for at exchange rates prevailing on the dates on which the transactions took place. Losses and gains arising from subsequent fluctuations are recognized as and when they are crystallized. Foreign Currency Loans, Creditors and Debtors are stated at exchange rates prevailing on the date of the Balance Sheet. Since Company is in process of restructuring its FCCB liability for which RBI approval is pending on the date of this report company has not provided any exchange fluctuation on the balance sheet date. It should be noted that shareholders have given their approval for the restructuring in the EGM held on 26th May, 2016.
- (e) The diminution in carrying amount of investment which are considered temporary are not provided for in the books.
- (f) Sales are net of returns. The consumption of Raw Materials and Stores & Spares are net of sale thereof, if any.
- (g) Purchases are net of rebates and discounts including those in respect of purchases made in earlier years.
- (h) The foreign exchange gain / loss on Sales, Purchases, Debtors, Creditors, Foreign Currency Term Loans and External Commercial Borrowings have been shown as exceptional item in the Statement of Profit and Loss.
- (i) In respect of retirement benefits in the form of Provident Fund, the contribution payable by the Company for the year is charged to revenue.
- (j) Liability for future payment of Gratuity to employees is covered by Group Gratuity Scheme of Life Insurance Corporation of India. The amount paid/payable to them is charged to revenue as and when demand is raised.
- (k) Payment to employees in respect of encashment of leave is accounted for as and when claimed by the employee concerned and paid by the Company.
- (l) No provision is made in books of account for future liability, being unascertainable, that may occur on account of warranty on company's products .
- (m) Fixed Assets are reviewed at each Balance Sheet date for impairment. In case, events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, wherever the carrying amount of assets either belonging to cash generating unit or otherwise exceeds recoverable amount. The recoverable amount is the greater of net selling price of assets or its value in use. In assessing the value in use, the estimated future cash flow from the use of assets is discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss no longer exists or has decreased. Impairment loss/ reversal thereof is adjusted to the carrying value of the respective assets, which in case of cash generating unit, are allocated to assets on a pro-rata basis.
- (n) Borrowing cost incurred in relation to the acquisition or construction of assets are capitalized / allocated as part of the cost of such assets till the date of completion of such assets. Other borrowing costs are charged as an expense in the year in which these are incurred.

Notes to the Financial Statements

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE 2 SHARE CAPITAL		
Authorised		
600,00,000 (6,00,00,000) Equity Shares of ₹ 10/- each	6000.00	3,000.00
Issued, Subscribed and Paid up		
1,12,86,533 (1,12,86,533) Equity shares of ₹ 10/- each fully paid up in cash	1128.66	1,128.66
99,86,533 (99,86,533) Equity shares of ₹ 10/- each fully paid up issued as Bonus Shares by capitalization of Securities Premium	998.65	998.65
700,000 (700,000) Equity shares of ₹ 10/- each fully paid for consideration other than cash	70.00	70.00
TOTAL	2197.31	2,197.31

a. Reconciliation of Equity Shares

(₹ in Lacs)

Particulars	As at 31.03.2016		As at 31.03.2015	
	Number of Shares	(Amount in lacs)	Number of Shares	(Amount in lacs)
Shares outstanding at the beginning of the year	2,19,73,066.00	2,197.31	21973066.00	2,197.31
Shares Issued during the year	–	–	–	–
Shares outstanding at the end of the year	2,19,73,066.00	2,197.31	21973066.00	2,197.31

b. Terms and rights attached to the Equity shares

The Company has only one class of Equity Shares having a par value of Rs 10/- per Equity Share. Each holder of equity shares is entitled to one vote per equity share held. All equity shares ranks pari passu with respect to the dividend, voting rights and other terms. The Dividend proposed, if any, by the Board of Directors is subject to the approval of the Shareholders in the ensuing Annual General Meeting. In the event of liquidation of the company, normally the equity shareholders are eligible to receive remaining assets of the Company after distribution of all preferential amounts, in proportion to their shareholding.

c. 60,69,422 (27.62%) No. of Equity Shares of the company are held by promoter and the promoter group as on 31st March 2016

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

(₹ in Lacs)

Name of Shareholder	As at 31.03.2016		As at 31.03.2015	
	No. of Shares	% holding	No. of Shares	% holding
S L Industries Pvt. Ltd.	55,19,674.00	25.12%	5519674.00	25.12%
Tysom Agencies Pvt. Ltd.	12,19,725.00	5.55%	2000000.00	9.10%
The National Westminster Bank PLC as trustee of the Jupiter India Fund	18,46,162.00	8.40%	1846162.00	8.40%

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

Notes to the Financial Statements

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
NOTE 3 RESERVES AND SURPLUS		
a. Capital Reserves		
Opening Balance	610.38	610.38
Closing Balance	610.38	610.38
b. Securities Premium Account		
Opening Balance	8,024.72	8024.72
Less: Transfer to FCCB Redemption reserve		
Closing Balance	8,024.72	8024.72
c. FCCB Redemption Reserve		
Opening Balance	2,671.75	2671.75
Add: Transfer from Security Premium	–	–
Closing Balance	2,671.75	2671.75
d. Revaluation Reserve		
Opening Balance	1,918.42	1918.42
Closing Balance	1,918.42	1918.42
e. Surplus/(Deficit) in Statement of Profit & Loss		
Opening balance	(34,922.20)	(29672.27)
Add: Net Profit/(Loss) for the period	(987.10)	(5236.56)
less: Depreciation adjusted as per Companies Act 2013, Schedule II	–	(13.37)
Closing Balance	(35,909.30)	(34922.20)
Total	(22,684.03)	(21696.93)

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
NOTE 4 LONG TERM BORROWINGS		
A. Secured		
(a) Term loans from Banks (Refer Note No. 26)		
Facility A - Term Loan	23,697.61	15061.97
Facility B - Working Capital Term Loan	–	533.33
Facility C - Funded Interest Term Loan	1,129.11	1111.74
(All the above loans are secured by way of first pari passu charge on the entire Fixed Assets of the company situated at Falta SEZ Unit and second pari passu charge on the entire Current Assets of the company and guaranteed by Managing Director and corporate guarantee of the Promoter Company)		
(b) Other loans and advances		
(i) Buyers Credit - Foreign Currency Loans from Overseas Banks	–	–
(Foreign Currency Loans in the form of Buyer's Credit from overseas banks are secured against capex letter of credits issued by the bank of the Company)		
(ii) Machinery Purchase Loan on Installment Basis (Repayable after one year)	–	–
Sub Total of Secured Loans	24,826.72	16707.04
B. Unsecured		
(a) Loan from related party	351.50	358.11
From Promoter Company		
(b) Loan from others	–	–
From Joint Stock Companies (including Interest Accrued)		
Sub Total of Unsecured Loans	351.50	358.11
Total	25,178.22	17065.15

Notes to the Financial Statements

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
NOTE 5 OTHER LONG TERM LIABILITIES		
(a) Payables for capital contracts	34.53	65.57
(b) Security Deposit against Land Development Agreement	–	–
Total	34.53	65.57

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
NOTE 6 SHORT TERM BORROWINGS		
A. Secured		
(a) Loans repayable on demand from banks		
- Export Packing Credit	789.81	1,544.77
- WCTL and FITL of Working capital Lenders	3690.53	7,440.14
- Cash Credits/Working Capital Demand Loan	2524.97	7,726.75
- Bills for Collection	509.80	509.80
- Term Loans repayable within one year	–	1,634.11
(All the above loans are secured by way of first pari passu charge on the entire current assets of the company, second pari passu charge on the entire fixed assets of the Falta SEZ unit, personal guarantee of Managing Director and corporate guarantee of the promoter company)		
(b) Machinery Purchase Loan on Installment Basis	582.07	549.23
B. Unsecured		
From Joint Stock Companies	1841.03	1,766.03
From Director	103.51	–
Total	10041.72	21170.82

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
NOTE 7 OTHER CURRENT LIABILITIES		
(a) Foreign Currency Convertible Bonds - including effect of exchange fluctuation"	10515.25	10,515.25
(b) Interest accrued but not due on secured loans	–	–
(c) Interest accrued and due on secured loans	749.79	1,638.74
(d) Unpaid dividends	5.60	5.60
(e) Statutory Liabilities payable	117.77	585.02
(f) Advances from customers	1148.22	190.86
(g) Salary,Wages and Bonus payable	74.88	60.80
(h) Other Payables *	–	1.93
Total	12,611.51	12,998.20

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

(₹ in Lacs)

Particulars	As at 31.03.2016	As at 31.03.2015
NOTE 8 SHORT TERM PROVISIONS		
Provisions for :		
Gratuity	86.97	71.18
Income Tax	–	122.64
Excise Duty	100.00	100.00
Total	186.97	293.81

Notes to the Financial Statements

(₹ in Lacs)

Name of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost as at 31.03.2015	Addition During the period	Sales / Adjustments during the year	Cost as at 31.03.2016	For the period	Less: for Sale / Adjustment	Up to 31.03.2016	As at 31.03.2016
Leasehold land	1,982.64	-	-	1,982.64	-	-	-	1,982.64
Building	5,778.76	-	-	5,778.76	193.58	-	1,130.72	4,648.04
Plant & Machinery	27,513.47	-	-	27,513.47	1,191.09	-	7,736.04	19,777.43
Furniture & Fixture	301.58	1.87	-	303.45	40.82	-	163.56	139.89
Computer	89.64	0.81	-	90.45	3.35	6.46	88.46	1.99
Office Equipment	59.98	1.10	-	61.08	12.64	-	53.48	7.60
Motor Vehicles	64.62	28.65	-	93.27	16.12	-	54.55	38.72
Grand Total	35,790.69	32.43	-	35,823.12	1,457.60	6.46	9,226.81	26,596.31
Previous year								28,015.02

Notes :

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

Name of Assets	GROSS BLOCK			DEPRECIATION			NET BLOCK	
	Cost as at 31.03.2015	Addition During the period	Sales / Adjustments during the year	Cost as at 31.03.2016	For the period	Less: for Sale / Adjustment	Up to 31.03.2016	As at 31.03.2016
Computer Software	6.31	-	-	6.31	1.06	-	3.12	3.19
Previous year	-	-	-	-	-	-	-	-
Grand Total---	35,797.00	32.43	-	35,829.44	1,458.66	6.46	9,229.94	26,599.50
								28,019.27

Notes to the Financial Statements

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE 10 NON-CURRENT INVESTMENTS		
Other Investments		
Investment in erstwhile overseas joint venture - Websol Energy System Europe KG	15.10	15.10
Total	15.10	15.10

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE 11 LONG TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
Capital Advances (net of provisions)	776.72	457.10
Security Deposits	456.98	362.03
Loans & Advances recoverable in cash or in kind	-	-
Advances for raw materials	1,223.94	823.94
Loans to Overseas Corporate Bodies	975.35	975.35
Loans to erstwhile Overseas Joint Venture	18.45	18.45
Loans to Other Corporate Bodies	41.42	116.42
Advances to suppliers and others	181.99	223.24
Total	3,674.85	2,976.55

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE 12 OTHER NON CURRENT ASSETS		
Trade Receivables outstanding for a period exceeding twelve months		
Unsecured, considered good	3,341.09	3,776.71
Unsecured, considered doubtful	-	-
	3,341.09	3,776.71
Less: Provision for doubtful debts	-	-
	3,341.09	3,776.71
Miscellaneous Expenditure to the extent not w/off	-	-
Total	3,341.09	3,776.71

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE 13 INVENTORIES		
Raw Materials	675.12	3,544.83
Work-in-progress	490.94	894.84
Finished goods	798.59	721.43
Stores and spares	91.37	144.39
Total	2,056.02	5,305.49

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE 14 TRADE RECEIVABLES		
Trade receivables outstanding for a period less than six months from the date they became due for payment		
Unsecured, considered good	7,207.18	8,817.72
Trade receivables outstanding for a period exceeding six months but upto twelve months from the date they became due for payment	-	-
Unsecured, considered good	-	6,963.53
Total	7,207.18	15,781.25

Notes to the Financial Statements

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE 15 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
In Current and EEFC Accounts	49.30	119.04
In Unpaid dividend accounts	5.60	5.60
Cash in hand	6.98	2.04
Other Bank Balances		
Term deposits with more than 12 months Maturity /Margin Accounts	8.20	8.30
Total	70.08	134.99

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE 16 SHORT-TERM LOANS AND ADVANCES - Unsecured, considered good		
Loans to Corporate Bodies	494.26	468.34
Income Tax Deducted at Source	19.10	216.42
Advance to suppliers and others	1,818.15	2,047.07
Total	2,331.51	2,731.83

(₹ in Lacs)

	As at 31.03.2016	As at 31.03.2015
NOTE 17 OTHER CURRENT ASSETS		
Bank Interest Receivable	3.27	3.27
Miscellaneous Expenditure to the extent not w/off	–	–
Total	3.27	3.27

(₹ in Lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
NOTE 18 REVENUE FROM OPERATIONS		
Sale of products (Solar Photovoltaic Cells and Modules)	27,672.68	35,575.08
Other operating revenues- Scrap Sale	297.01	–
Total	27,969.69	35,575.08

(₹ in Lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
NOTE 19 OTHER INCOME		
Interest Income from Bank Deposits	0.81	2.38
Interest Income from others	67.15	66.93
Sundry Balances written back	–	–
Miscellaneous Income	9.39	10.98
Total	77.35	80.29

Notes to the Financial Statements

(₹ in Lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
NOTE 20 COST OF RAW MATERIALS CONSUMED		
Opening stock	3,544.83	2,293.00
Add: Purchases	19,598.96	31,869.23
Carriage Inward	252.70	135.89
Processing Charges		–
	23,396.49	34,298.12
Less : Closing stock	675.12	3,544.83
Cost of raw material consumed	22,721.37	30,753.28
Raw Material consumed comprises :		
Silicon Wafers	12,693.53	17,663.26
Silver & Aluminium Paste	2118.79	2,500.51
Other materials*	7,909.05	10,589.52
Total	22,721.37	30,753.28

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

(₹ in Lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
NOTE 20a STORES & SPARES CONSUMED		
Opening Stock	144.39	45.00
Add : Purchases	1,300.16	1,365.16
	1,444.55	1,410.16
Less : Closing Stock	91.37	144.39
Consumption	1,353.18	1,265.77

(₹ in Lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
NOTE 20b CHANGES IN STOCK OF FINISHED GOODS AND WORK-IN-PROGRESS		
Inventories at the beginning of the year :		
Finished goods	721.43	756.68
Work-in-progress	894.84	742.14
	1616.27	1498.82
Inventories at the end of the year :		
Finished goods	798.59	721.43
Work-in-progress	490.94	894.84
	1289.53	1616.27
Net (increase)/decrease	326.74	(117.45)

(₹ in Lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
NOTE 21 EMPLOYEE BENEFIT EXPENSES		
Salaries, allowances, bonus and gratuity	591.17	606.09
Contributions to provident and other funds	75.38	53.24
Staff welfare expenses	62.51	22.35
Total	729.06	681.68

Notes to the Financial Statements

(₹ in Lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
NOTE 22 FINANCE COSTS		
Interest expense on		
- Term Loans	–	204.19
- Packing Credits and Cash Credits	–	–
Other borrowing costs	112.55	2.87
Total	112.55	207.06

(₹ in Lacs)

	For the year ended 31st March 2016	For the year ended 31st March 2015
NOTE 23 OTHER EXPENSES		
Audit Fees (refer note 32)	3.15	2.85
Bank Commission and Charges	30.19	15.52
Carriage Outward	28.15	267.19
Insurance	10.81	25.52
Loss on sale of fixed assets	–	2.02
Miscellaneous	528.26	103.38
Other Selling Expenses	65.47	87.88
Preliminary Expenditure w/off	–	14.41
Prior Period Expenses	3.47	1.37
Provision for doubtful debts	–	475.32
Rates & taxes	4.63	2.34
Rent	46.94	72.37
Repairs to building	44.84	124.37
Repairs to machinery	18.21	22.15
Repairs to others	21.09	19.39
Testing Charges	–	–
Travelling and Conveyance	87.16	90.98
Coolie & Cartage	0.10	0.09
Electricity Charges	–	3.12
Plant & Machinery Hire Charges	8.04	8.45
Sundry Balances written back	–	50.23
Total	900.51	1388.97

- 24** The Working Capital borrowing accounts of the Company continue to remain NPA as on the date of Balance sheet under review. Out of the five Working Capital lenders, Allahabad Bank, being in the capacity of the lead bank, has been assigned to an ARC (Invent Assets and Reconstruction Co Pvt Ltd) being intimated to the company vide their letter dated 17.02.2016 and Dena Bank has assigned its credit facilities in favour of M/s Asset Reconstruction Company (India) Ltd. (ARCIL) and as such all rights & obligations in respect of the credit facilities sanctioned & availed by the company from Dena Bank and Allahabad Bank have been transferred in the name of ARCIL and Invent Assets and Reconstruction Co Pvt Ltd.
- 25** The Company has not provided for interest payable on unsecured Loans obtained from various Companies due to inability of the company to make payment for the same.

Notes to the Financial Statements

- 26 Terms of repayment of term loans from Banks is as follows : Due to adverse financial position of the Company could not meet its repayment obligation, now the Company is in process of settling all the dues of banks.

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

- 27 The Company has completed the process of netting off of its imports and exports with the same party to the extent of 230.82 Lacs USD. The balance amount of approximately 79.70 Lacs USD is in process for applying to the AD banker for netting off.
- 28 Capital Contracts not provided for ₹ 1593.60 Lacs stands unexecuted and cancelled by the company (Previous period ₹ 1593.60 Lacs). Total Advances paid there against Rs 457.10 Lacs including ₹ 346.15 Lacs in foreign currency (Previous period ₹ 553.03 Lacs including ₹ 345.75 Lacs in Foreign Currency) are still lying with the creditors and company is in the process of recovery of these amounts.
- 29 Contingent Liabilities –
- (a) The Company's product, namely, Solar Photovoltaic Modules carry a warranty of 25 years as per International Standards. A fair estimate of future liability that may arise on this account is not ascertainable. The same shall be accounted for as and when any claim occurs.
- (b) Demand against the legal expenses and interest by certain Sundry Creditors, amount of which is not ascertainable.
- 30 Based on and to the extent of information obtained from the suppliers regarding their status as Micro, Small or Medium Enterprises under the Micro, Small and Medium Enterprises Development Act, 2006 there are no amounts overdue to them as at the end of the year under reporting.
- 31 (a) As the Company has incurred losses in the current year, both as per statement of Profit & Loss and Income Tax computation, the measurement of deferred tax liability has not been considered.
- (b) Since the Company has incurred losses for the last 3 years and there is no reasonable certainty that sufficient future taxable income will be available, the measurement of deferred tax asset has not been considered in these accounts.
- 32 Amounts paid / payable to Statutory Auditors –
- (a) Audit fees ₹ 3.15 Lacs (Previous period ₹ 2.85 Lacs), plus the applicable service tax.
- (b) In other capacity in respect of certification work ₹ 0.55 Lacs (Previous period ₹ 0.50 Lacs) plus the applicable service tax.
- 33 Balances of Debtors, Creditors, Security Deposits, Certain Bank Accounts and Loans and Advances are subject to confirmation and reconciliation with respective parties.

Notes to the Financial Statements

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

	31.03.2016		31.03.2015	
	₹ In Lacs	%	₹ In Lacs	%
1. Raw Materials				
- Imported	21937.46	96.54	28855.22	93.83
- Indigenous	783.92	3.46	1898.07	6.17
Total	22721.38	100.00	30753.28	100.00
2. Stores & Spares				
- Imported	597.15	44.13	579.77	50.59
- Indigenous	756.03	55.87	686.00	49.41
Total	1353.18	100.00	1265.77	100.00

(b) CIF value of imports

	31.03.2016	31.03.2015
	₹ In Lacs	₹ In Lacs
Raw Materials	19089.11	30110.02
Capital Goods	–	1175.94
Components & Spares	487.39	664.62

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

	31.03.2016	31.03.2015
	₹ In Lacs	₹ In Lacs
Travelling	17.77	11.89
Bank Charges	–	–
Interest on Foreign Currency Loans	–	–

(d) Earning in Foreign Currency (including outstandings)

	31.03.2016	31.03.2015
	₹ In Lacs	₹ In Lacs
F.O.B. Value of Exports	3579.60	7218.06

35 Director's Remuneration :

	31.03.2016	31.03.2015
	₹ In Lacs	₹ In Lacs
i. Director's Remuneration: Salary & Medical Re-imbursements Including PF contribution & bonus Mr. S.L. Agarwal, Managing Director	21.60	21.60
ii. Salary & Medical Re-imbursements Including PF contribution & bonus to Ms Sima Jhunjunwala	12.82	NIL

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

37 Earnings Per Share :

		31.03.2016	31.03.2015
(a) Profit After Tax	₹ In Lacs	(987.10)	(5236.56)
(b) Total Weighted Average number of equity shares of ₹ 10 each	Nos.	2,19,73,066	2,19,73,066
(c) Earnings Per Share (Basic & Diluted)	₹	(4.49)	(23.83)

Notes to the Financial Statements

38 Related party disclosure (pursuant to Accounting Standard 18)

i) List of Related Parties and Relationship

Name of the Party	Relationship	Remarks
S. L. Industries Pvt. Ltd.	Associate	Nil
S.L. Agarwal	Key Management Personnel – Managing Director	Nil
Ms Sima Jhunjhunwala	Key Management Personnel -Whole Time Director	Nil

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

Nature of Transactions	Associates	
S. L. Industries Pvt. Ltd.	31.03.2016	31.03.2015
	₹ In Lacs	₹ In Lacs
Unsecured Loans Taken	302.52	Nil
Unsecured Loans Repaid	309.13	12.78
Unsecured Loan Payable Outstanding	351.50	358.11

Nature of Transactions	Associates	
Shri Sohan Lal Agarwal	31.03.2016	31.03.2015
	₹ In Lacs	₹ In Lacs
Unsecured Loans Taken	103.51	Nil
Unsecured Loans Repaid	Nil	Nil
Unsecured Loan Payable Outstanding	103.51	Nil

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

Nature of Dues	Forum where pending	Amount (in lacs)	Remarks
Excise duty and penalty	High court at Calcutta	366.55	The company has paid ₹ 100 lacs against this demand in the year 2004-05.
Excise duty and penalty	Custom Excise and service tax appellate tribunal	497.10	Nil
Income Tax Act Penalty	Commissioner of Income Tax (Appeals)	628.05	The Company has paid ₹ 15.00 Lacs against this demand and has submitted a petition for stay of this demand.

40 A Creditor has filed a suit against the company before honourable high court at Kolkata for recovery of ₹ 20 lacs. The company is fighting the case and if it goes against the company, the company will be liable to pay the said amount of ₹ 20.00 lacs and other charges as may be determined by the court.

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

In terms of our report of even date

For **Agarwal Sanganeria & Co.**

Chartered Accountants

Firm Registration No. 317224E

(P. K. Agarwal)

Partner

Membership No. 53496

Place : Kolkata

Date : 30th May, 2016

For and on behalf of the Board of Directors

(S. L. Agarwal)
Managing Director

(Sima Jhunjhunwala)
Whole time Director

(Swati Agarwal)
Company Secretary



Disclaimer

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

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

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

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