



Form - A

1.	Name of the Company	WEBSOL ENERGY SYSTEM LIMITED
2.	Annual Financial Statements for the Year ended	31 st March , 2014
3.	Type of Audit Observations	Unqualified
4.	Frequency Of Observation	None
5.	To be signed by- <ul style="list-style-type: none"> Mr. Sohan Lal Agarwal, CEO & Managing Director M/S Agarwal Sangneria & Co, Auditors of the Company Mr. B. R. Sengupta, Chairman of Audit Committee 	<p>For WEBSOL ENERGY SYSTEM LIMITED</p> <p><i>[Signature]</i></p> <p>MANAGING DIRECTOR</p> <p>For AGARWAL SANGNERIA & CO. Chartered Accountants</p> <p><i>[Signature]</i></p> <p>Partner</p> <p><i>[Signature]</i></p>

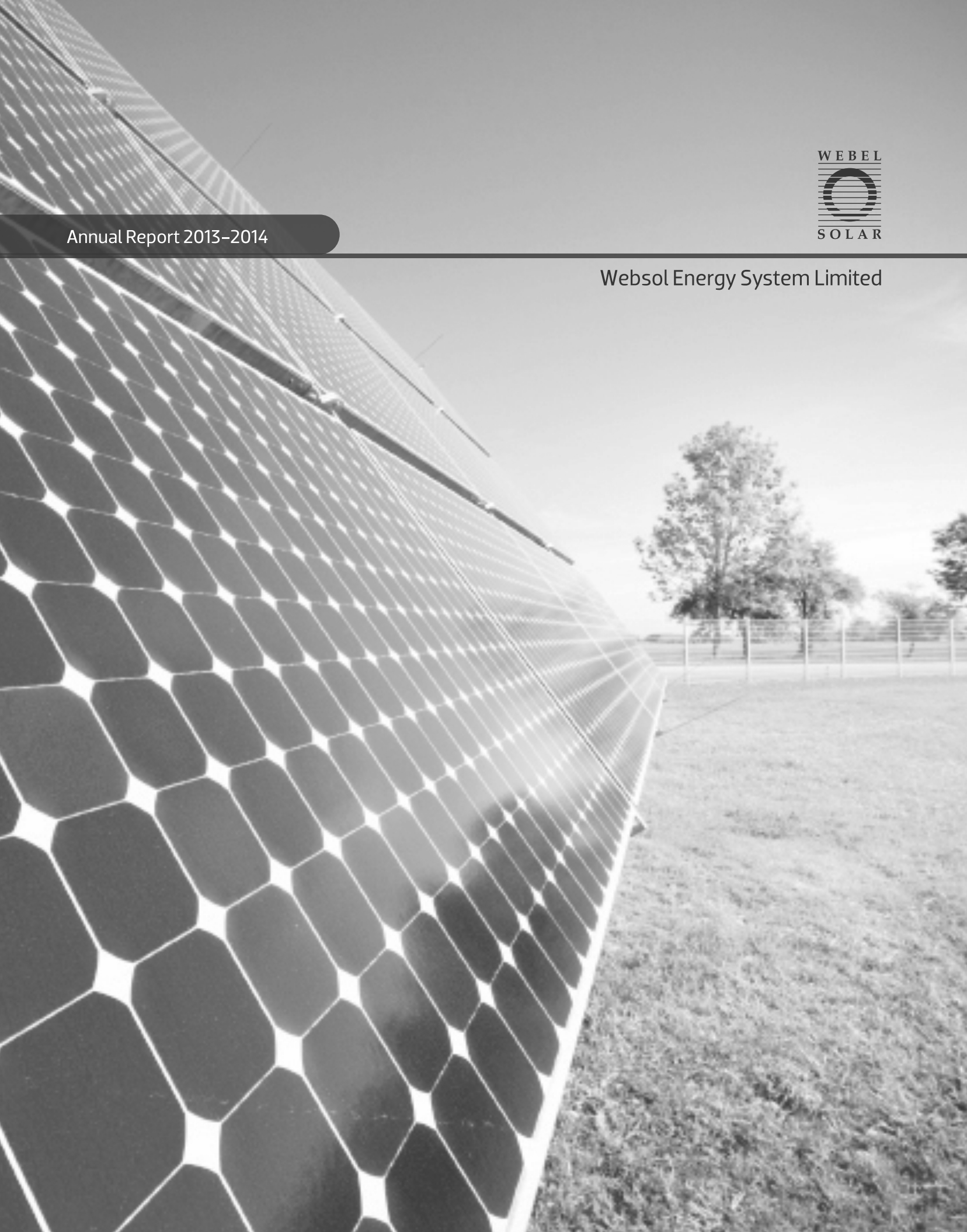
WebSol Energy System Limited

Registered Office

48, Pramatha Choudhury Sarani, Plot No-849,
Block-'P' 2nd Floor, New Alipore, Kolkata-700 053
Phone : +91-33-24000419, Fax : +91-33-24000375
E-mail : websol@webelsolar.com
CIN- L29307WB1990PLC048350

Corporate Office and Plant:

Sector II, Falta Special Economic Zone, Falta
24 Parganas(South), West Bengal, India, Pin- 74350
Ph.: 91-3174-222932, Fax: 91-3174-222933



Annual Report 2013–2014



Websol Energy System Limited

Corporate Information

Board of Directors

Mr. S. L. Agarwal, Managing Director
Mr. B. R. Sengupta, Independent Director
Mr. S. Mandal, Nominee Director
Mrs. S. Khaitan, Director
Mr. D Sethia, Independent Director

Company Secretary

Ms. Swati Agarwal

Bankers

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

Auditors

M/s Agarwal Sangneria & Co.
Chartered Accountants

Registered Office

48, Pramatha Choudhury Sarani
Plot 849, Block P, 2nd Floor, New Alipore
Kolkata – 700 053, West Bengal, India
Ph: +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
Ph : +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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Directors' Report

Dear Shareholders,

Your Directors are pleased to present the Twenty Fourth Annual Report and the Audited Accounts for the financial year ended 31st March, 2014.

FINANCIAL RESULTS

	Year ended 31.03.2014	Period ended 31.03.2013
Revenue from operations	30,465.58	11,421.58
Other Income	125.10	1,146.63
Total Revenue	30,590.68	12,568.21
Profit / (Loss) before interest, depreciation, taxes and exceptional items	1,320.88	237.25
Less: Interest	3,103.04	1,854.27
Less: Depreciation	1,776.46	1,298.51
Profit / (Loss) before exceptional Items	(3,558.62)	(2,915.53)
Less: Exceptional Items & other Provisions	3,875.95	1,324.55
Profit / (Loss) after Tax	(7,434.57)	(1,590.98)

OPERATIONS

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

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

During the financial year under review your company reported total revenue of ₹ 30,590.68 Lacs against ₹ 12,568.21 Lacs during the last financial period for nine months. The company suffered a loss of ₹ 7,434.57 Lacs after providing ₹ 1,776.46 Lacs towards depreciation and ₹ 3,103.04 Lacs towards interest during the current financial year as compared to a loss of ₹ 1590.98 Lacs in the last financial period.

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, 2014.

DIRECTORS

During the year Mr. Santosh Kumar Tibrewalla has resigned from the Board w.e.f 1st April, 2014. Your Directors place on record their deep appreciation for the valuable contribution made by him.

In terms of Section 149, 152 and any other applicable provisions of the Companies Act, 2013, effective from 1st April, 2014, Independent Directors are not to be included in the total number of directors of the Company for the purpose of determining the directors liable to retire by rotation. Accordingly, Mr. Sohan Lal Agarwal, the Managing Director of the Company, who is a non retiring Director in terms of the erstwhile provisions of the Company Act, 1956 shall henceforth be liable to determination by retirement of Directors by rotation. Resolution is proposed for your approval for the change in terms of his appointment as rotating Director.

In terms of Section 149 of the Companies Act, 2013, effective from 1st April, 2014 the existing Independent Director - Mr. Biswa Ranjan Sengupta is being re-appointed for a term of 5(five) years w.e.f. 25th September, 2014. Resolution is proposed for your approval for his re-appointment as Independent Director.

Mr. Dharmendra Sethia and Mrs. Sushma Khaitan has been appointed as Directors of the Company w.e.f. 14th August, 2014 pursuant to the provisions of Section 161(4) and 149(1) of the Companies Act, 2013, respectively, who holds office upto the date of this Annual General Meeting. Resolutions are proposed for your approval for their appointment as Directors.

STATUTORY AUDITORS

M/s. Agarwal Sangneria & Co., Chartered Accountants, the Statutory Auditors of your Company retire at the ensuing Annual General Meeting and have confirmed their eligibility for reappointment at the forthcoming Annual General Meeting under section 139 of the Companies Act, 2013.

STATUTORY AUDITORS' REPORT

- a. As regards the Fixed Assets records of the Company being incomplete mentioned in para (i) of the Annexure to the Auditors' Report, it is submitted that the updation of the records is under process and shall be completed in due course of time.
- b. As regards delay in payment of undisputed statutory dues mentioned in para (ix) of the Annexure to the Auditors' Report, it is submitted that it was due to the adverse financial condition as well as non-realization of receivables in time and that the same will be paid in due course of time together with applicable interest, if any.
- c. As regards the accumulated losses continuing to be more than its net worth and further cash losses incurred by the Company mentioned in para (x) of the Annexure to the Auditors' Report, it is submitted that during the year under review also the margins were impacted due to lower sales realizations adding to the losses of earlier years. The Company has already filed a reference to the Board for Industrial and Financial Reconstruction (BIFR) which was duly registered and further outcome is awaited.
- d. As regards the delay in the repayment of the principal sums and interest thereon to the banks / financial institutions mentioned in para (xi) of the Annexure to the Auditors' Report, it is submitted that it was due to continued losses incurred by the Company.

DIRECTORS' RESPONSIBILITY STATEMENT

We, the Directors of the Company, hereby confirm, pursuant to provisions of section 217 (2AA) of the Companies Act, 1956, in respect of financial year under review:

- i) That in the preparation of the Annual Accounts for the financial year ended 31st March, 2014, 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, 2014 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, 1956 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.

COST AUDIT

The Company has filed the cost audit report for the financial year ending 31st March 2013, on 25th November, 2013. The Company will file the cost audit report for the financial year ending 31st March 2014 within the stipulated time period.

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

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

DEPOSITS

The Company has not accepted any deposits from public during the financial 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.

CORPORATE GOVERNANCE REPORT

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

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

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

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING AND OUTGO

Information in accordance with the provisions of Section 217(1) (e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the report of Board of Directors) Rules, 1988 regarding conservation of energy, technology absorption, foreign exchange earnings and outgo are given in the Annexure - A, which forms part of this report.

PARTICULARS OF EMPLOYEES

During the period under review none of the employees were in receipt of remuneration in excess of the amount prescribed under Section 217(2A) of The Companies Act, 1956.

ACKNOWLEDGEMENTS

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

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

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

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

Date : 14th August, 2014
Place : Kolkata

S. L. Agarwal
Managing Director

B. R. Sengupta
Director

Annexure – “A” to the Directors’ Report

Information under Section 217(1)(e) of the Companies Act, 1956 read with the Companies (Disclosure of Particulars in the Report of Board of Directors) Rules 1988 and forming part of the Directors’ Report for the year ended 31st March 2014.

A. CONSERVATION OF ENERGY

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

B. TECHNOLOGY ABSORPTION

1. Research and Development (R & D)

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

2. Technology Absorption, Adoption & Innovation

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

3. Information regarding Imported Technology

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(₹ in Lacs)

	Year ended 2013-14	Period ended 2012-13
a) Foreign Exchange earnings of the Company	27,109.27	21.80
b) Foreign Exchange Outgo		
(i) C. I. F. value of import of Raw Materials, Components, Spare parts and Capital Goods	24,673.91	10,265.19
(ii) Others	818.84	525.31

Annexure “B” to the Directors’ Report

Management Discussion Analysis

INDUSTRY REVIEW

Global synopsis

Global Solar Photovoltaic (SPV) industry

The year 2014 has seen an increasing focus on curbing the emissions of greenhouse gases and other pollutants. This has been coupled with legislation and the need to enhance energy self-sufficiency and security. The global solar power market is benefitting from various incentive schemes in the form of tradable green energy certificates, feed-in-tariffs (FiTs), subsidies and tax rebates for the use of renewable energy for power generation.

This has fuelled the global solar power market to grow at a rapid pace. While sale volumes are primarily concentrated in Asia-Pacific, there has been an upward shift in sales across other geographies as well.

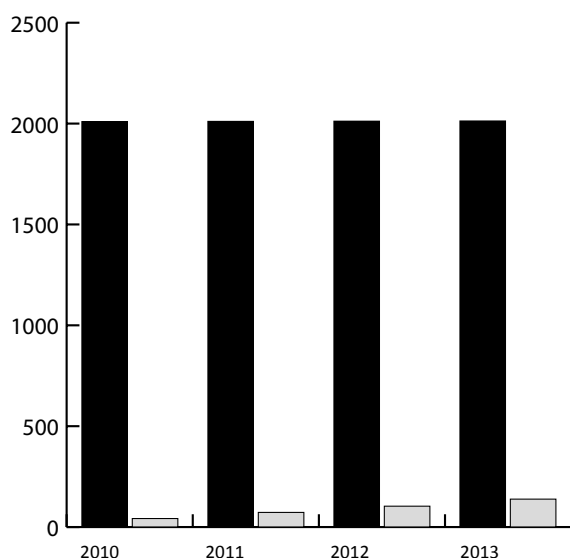
The total global installed SPV capacity by the end of 2013 was 137GW largely dominated by the Germany. SPV demand, on the other hand, was primarily dominated by the Asia-Pacific region, accounting for approximately 46% of annual installed SPV capacity globally. China, Japan, India, and Australia continued to be the top four countries driving regional demand.

The prices of SPV systems in the European region has witnessed a steeper fall owing to less FiTs and speculations on further subsidy cuts in the core solar power market. The unilateral obligation of the European Union member states to the Kyoto Protocol, which is designed to decrease emissions of greenhouse gases has also driven the solar power market in this region.

In the meantime, the United States has become a lucrative destination as the price of solar PV systems in the region has declined due to the reduction in imports from China following the imposition of anti-dumping and illegal subsidy tariffs on imports.

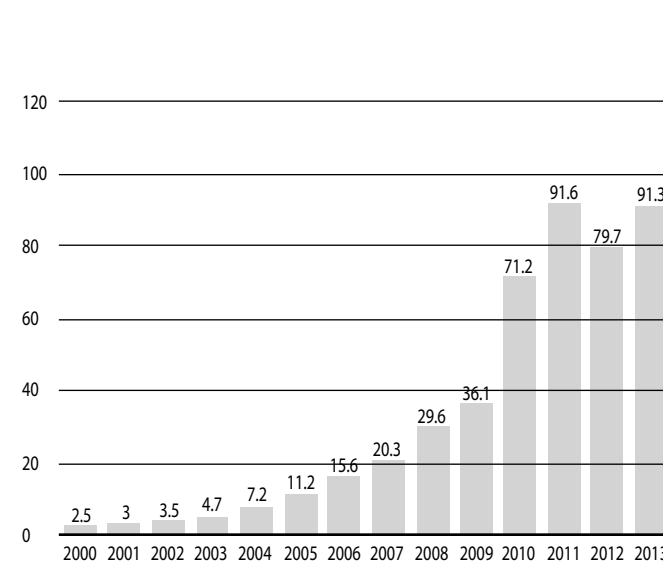
With panel prices across the globe coming down drastically, Asian manufacturers are now looking at value chain integration and technical efficiencies to differentiate their products from other suppliers in the market.

Year-wise global SPV capacities (GW)



(Source: Frost & Sullivan)

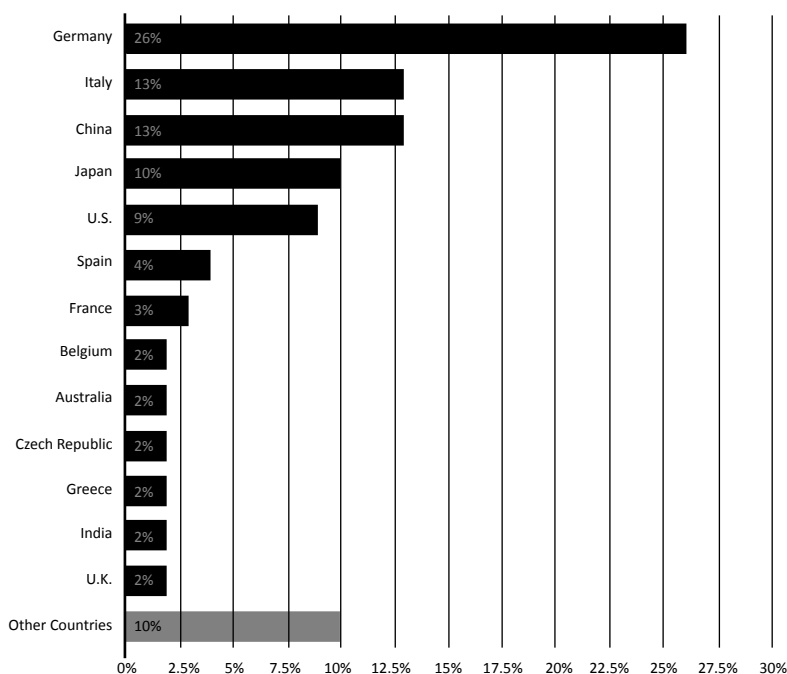
Global SPV manufacturing market size from 2000 to 2013 (USD bn)



(Source: Statista 2014)

Global SPV capacities (%)

Share of global cumulative solar PV capacity in 2013, by country*



(Source: Statista 2014)

INDIAN REVIEW

Renewable Energy

Electricity consumption in India has been increasing at a very quicker pace owing to population growth and economic development. However, energy supply is struggling to keep pace with the demand and has an average of 15% gap across the nation. Shortage of raw materials is posing further challenges to the conventional mode of energy supply. Such chronic lack of energy and unreliable supplies threaten India's economic growth.

The Government of India has off-lately started laying more stress on developing sustainable energy solutions. As such, there will be more focus on the renewable sources of energy like solar power. At present, renewable energy sources contribute about 12% to India's installed capacity base, with a capacity of about 32 GW.

The Ministry of New & Renewable Energy (MNRE) has already started working on four ultra mega solar power plants in the arid regions. The Indian Finance Ministry recently announced a ₹ 500 crore (\$90 million) outlay for these projects. The government would also support the construction of 'Green Corridors' – transmission networks dedicated to carry electricity generated from renewable energy projects.

Solar energy – India's untapped potential

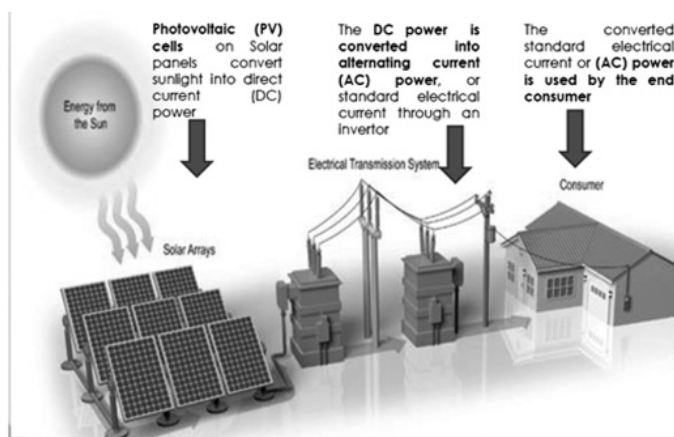
India is one of the sun's most favoured nations, blessed with about 5,000 TWh of solar insolation every year. Even if a tenth of this potential is utilised, it could mark the end of India's power problems. It has the potential to re-energise India's economy by creating millions of new jobs, allowing the country to achieve energy independence, reduce its trade deficits and propel it forward as a "Green Nation." Solar energy offers too many benefits for India to ignore, or delay its development.

200 Mw/Km square
Average intensity of solar radiation absorbed by India:

3,000-3,200 hours
Bright sunshine hours annually at Rajasthan, Guajrat, Madhya Pradesh and North Maharashtra

2.6 GW
Grid connected solar generation capacity

Graphical depiction
How does solar energy work?



Indian SPV industry

The Indian SPV industry is on the cusp of a revolution. When the current solar energy programme, the National Solar Mission was launched in 2010, a target of 20,000 MW was set for 2022. The country's grid connected solar power capacity has reached only 2,632 MW, but the cost of power generation has come down from ₹ 18 per unit to ₹ 7.5 per unit in just three years and promises to decline further.

During 2013, the Indian market witnessed 905 MW of solar PV installations compared to 982 MW in FY 2012. Though domestic manufacturers have a capacity for installing only 700-800 MW annually and foreign manufacturers contribute a bulk of the capacity, the right policy initiatives will catalyse the domestic industry's growth.

Government has announced various incentives and programs to promote PV industry in terms of increased indigenous manufacturing, increased power generation from solar, increased industry participation in R&D and technology development.

The SPV industry's potential to supply clean and cheap energy, achieve rural electrification, provide employment and fight climate change could make it the most important driver of India's future growth.

Jawaharlal Nehru National Solar Mission (JNNSM)

Objectives

- Reduce India's dependence on imports of diesel and coal for power generation
- Reduce greenhouse gas emissions
- Contribute to energy security

Under Phase I, solar PV capacity of 450 MW was installed by end of September 2013 against the targeted capacity of 500 MW (Bridge to India). Another 48 MW of PV projects were commissioned under the Migration scheme and 90.8 MW under the Rooftop PV and Small Solar Power Generation Programme (RPSSGP) Scheme.

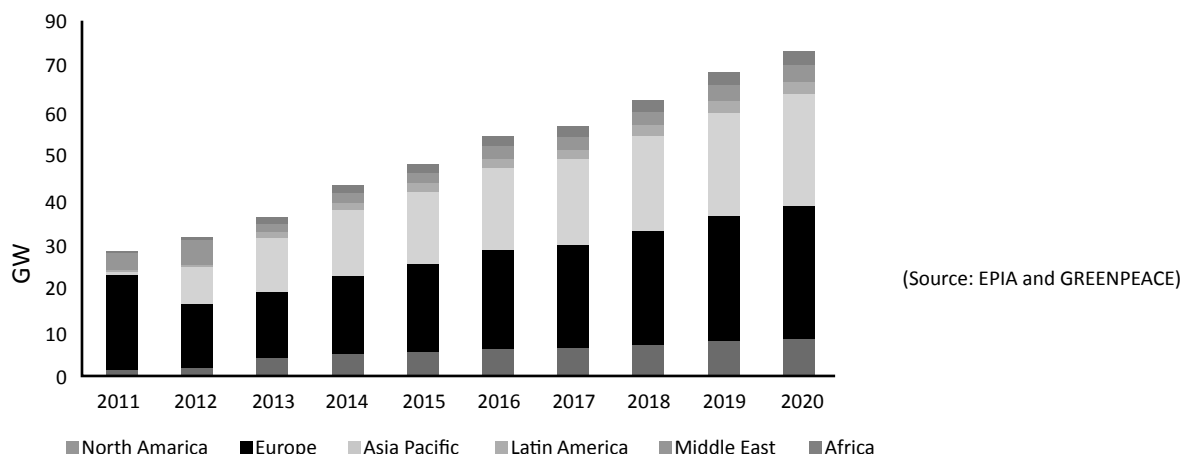
In April 2013, the Ministry of New and Renewable Energy released the draft guidelines for 750 MW of solar projects under Phase II Batch I of the JNNSM. Out of these, 375 MW of solar projects need to be developed using domestically manufactured solar cells and modules. This provides an ample of opportunity to domestic cell manufacturers to increase their utilization rates and participate in the implementation of Phase II of the JNNSM

Global Solar Photovoltaic (SPV) industry outlook

The solar power is anticipated to be an important factor towards meeting the energy needs across the globe. According to EPIA and GREENPEACE report on Solar Generation, global solar markets between 2016 and 2025 are estimated to remain on a high growth path an annual growth rate of 19% till 2020 and 11% until 2025. The growth will be largely driven by Asia-Pacific region. As such, Germany, France, Spain, Italy and the United Kingdom, together, plan to install more than 75 GW of SPV capacities. Drafting strict clean energy regulations and offering adequate subsidies to the renewable energy sector along with maintaining clarity in the incentive guidelines for solar power manufacturers will drive the Global SPV industry in the coming years.

Global Solar Power outlook

Growth will be driven by the Asia Pacific region



RISK MANAGEMENT

Technology risk

The Company's operation involves using dynamic technology. Hence, it requires continuous monitoring and upgradation of technology and processes at regular intervals.

At Websol, we continuously review and upgrade our technology, resources and processes to meet the globally accepted standard output. We have invested towards building in-house R&D unit and have constantly explored technological collaborations for knowledge exchange.

Geography risk

Company's dependence on limited geographies may put pressure on revenues in the event of any slowdown in any of those regions.

At Websol, we have a diversified customer base across various geographies. Moreover, with Indian Government's willingness to promote solar power in the country will further widen up opportunities in the domestic segment.

Currency risk

The Company may suffer forex losses in the event of unfavourable currency movement.

At Websol, we import silicon wafers and export end products which provides us a natural hedge against any foreign exchange fluctuations. Moreover, increasing focus on the domestic market will further provide an additional cushion to the Company to secure its foreign currency risks.

People risk

The Company may suffer productivity loss in the event of unavailability of talented and skilful workforces.

At Websol, our business interests are aligned with our workforce. We ensure continuous employee engagement and undertake development and motivational initiatives for their well-being.

Corporate Governance Report

1. COMPANY'S PHILOSOPHY

At Websol Corporate Governance is not merely compliance or a matter of creating checks and balances; it includes achieving the Company's objectives with a view to translate opportunities into reality. The Company's philosophy on Corporate Governance envisages attaining the highest levels of transparency, accountability, integrity and equity across all facets of its operations and in its interaction with stakeholders.

2. BOARD OF DIRECTORS

The Board of Directors of the Company has optimum combination of Executive & Non-Executive Directors. The Board Meetings are usually held at the registered office of the Company. As on date the Board of Directors consists of five Directors. During the year ended 31st March 2014, 04 (Four) Board meetings were held on 29.05.2013, 14.08.2013, 13.11.2013 and 13.02.2014. 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	Yes	-	2	-
2	Mr. S. K. Tibrewalla (Resigned w.e.f. 01.04.2014)	Non-Executive Director – Independent	4	Yes	-	2	1
3	Mr. B. R. Sengupta	Non-Executive Director – Independent	4	Yes	-	2	1
4	Mr. S. Mandal (appointed w.e.f. 13.02.2014)	Nominee Director- EXIM Bank	-	-	-	-	-
5	Mr. D.Sethia ³ (appointed w.e.f. 14.08.2014)	Non-Executive Director – Independent	-	-	-	-	-
6	Mrs. Sushma Khaitan ³ (appointed w.e.f. 14.08.2014)	Non-Executive Director	-	-	-	-	-

¹ The other Directorships held by Directors as mentioned above, does not include Alternate Directorships and Directorships in foreign Companies, Companies registered under Section 25 of the Companies Act, 1956 and Private Limited Companies.

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

³ Mr. D. Sethia and Mrs. S. Khaitan have been appointed as Directors pursuant to the provisions of Section 161(4) and 149(1) of the Companies Act, 2013.

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

Code of Conduct: The Company has framed Code of Conduct for the Directors and Senior Management of the Company as per the provisions Clause 49 of the Listing Agreement. The Code of Conduct is displayed on the Website of the Company www.webelsolar.com. The Directors and Senior Management have affirmed compliance of the said Code of Conduct as on 31st March, 2014. A declaration signed by the CEO in this regard is annexed at the end of this report.

3. AUDIT COMMITTEE:

The terms of reference of the Audit Committee are as per the guidelines set out in the Listing Agreement with the Stock Exchanges read with Section 292(A) of the Companies Act, 1956.

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

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

- (a) Review of the Company's financial reporting process, the financial statements and financial/risk management policies;
- (b) Review of observations of auditors;
- (c) Review of the adequacy of the internal control systems ;
- (d) 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 29.05.2013, 14.08.2013, 13.11.2013 and 13.02.2014.

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

Sl. No.	Name of the Member	Category	No. of Meetings Attended
1	Mr. B. R. Sengupta	Chairman and Independent Director	4
2	Mr. S. L. Agarwal	Managing Director and CEO	4
3	Mr. S. K. Tibrewalla (Resigned w.e.f. 01.04.2014)	Independent Director	4
4	Mr. S. Mandal (w.e.f 30.05.2014 as member)	Nominee Director- EXIM Bank	-

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

4. NOMINATION AND REMUNERATION COMMITTEE:

The earlier nomenclature of "Remuneration Committee" has been changed to "Nomination and Remuneration Committee" w.e.f. 30th May, 2014 along with its scope of functions in terms of section 178 of the Companies Act, 2013.

Presently, the Committee Comprises of three members - one Executive Director i.e. Mr. S.L. Agarwal and two Non-Executive Directors viz. Mr. B.R. Sengupta and Mr. S. Mandal. The Company Secretary of the Company acts as the Secretary to the Committee

Remuneration Policy and Remuneration to Directors:

- a) **Executive Directors:** The Company follows the policy to fix the remuneration of Managing and Whole Time Director(s) on the basis of their qualification, experience and past performance. The Agreement(s) with the Executive Director(s) are contractual in nature. The Agreement(s) may be terminated at any time by either party giving 3 (three) months notice in writing without any cause. The details of remuneration paid to the Executive director during financial year 2013 - 14 are given below: (₹ in Lacs)

Sl. No.	Name of the Executive Director	Designation	Consolidated Salary	Perquisites & Other Benefits	Company's Contribution towards Provident Fund & Gratuity	Total
1	Mr. S. L. Agarwal	Managing Director & CEO	18.96	0.93	1.14	21.04

- b) **Non-Executive Directors:** The Non-Executive Directors are not paid any remuneration except sitting fees for attending the meetings of the Board of Directors and Committee thereof. The sitting fees paid / payable to the Non-Executive directors is within the limits prescribed by the Companies Act, 1956. The Company does not have any material pecuniary relationship and transaction with its Non-Executive Directors. The details of sitting fees paid / payable and shares held by the Non-Executive Directors during financial year 2013 - 14 are given below:

Sl. No.	Name of the Non-Executive Director	Sitting Fees (Rs.)	Shareholding in the Company
1	Mr. S. K. Tibrewalla (Resigned w.e.f. 01.04.2014)	30,600.00	Nil
2	Mr. B. R. Sengupta	30,600.00	Nil
3	Mr. S. Mandal (Appointed w.e.f 13.02.2014)	-	Nil

5. SHARE TRANSFER COMMITTEE

Presently, the Committee Comprises of three members - one Executive Director i.e. Mr. S.L. Agarwal and two Non-Executive Directors viz. Mr. B.R. Sengupta and Mr. S. Mandal. The Company Secretary of the Company acts as the Secretary to the Committee.

The functions of the Committee include:

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

During the year under review 03 (three) Share Transfer Committee meetings were held on 01.04.2013, 27.05.2013 and 24.06.2013.

6. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

The earlier nomenclature of Investors' Grievance Committee" has been changed to "Stakeholders Relationship Committee" w.e.f 30th May, 2014, along with its scope of functions in terms of section 178 of the Companies Act 2013.

Presently, the Committee Comprises of three members - one Executive Director i.e. Mr. S.L. Agarwal and two Non-Executive Directors viz. Mr. B.R. Sengupta and Mr. S. Mandal. The Company Secretary of the Company acts as the Secretary to the Committee.

The functions of the Committee include

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

During the year under review 04 (four) Investors Grievances Committee meetings were held on 29.05.2013, 14.08.2013, 13.11.2013 and 13.02.2014

Investor Grievance Redressal:

During the year under review 03 nos. of Investors complaints/queries were received and no complaints/queries were pending as on 31.03.2014. No request for transfer was pending for more than 15 days as on 31.03.2014.

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

7. COMMITTEE OF DIRECTORS:

Presently, the Committee Comprises of three members - one Executive Director i.e. Mr. S. L. Agarwal and two Non-Executive Directors viz. Mr. B. R. Sengupta and Mr. S. Mandal. The Company Secretary of the Company acts as the Secretary to the Committee. The function of the Committee include-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.

8. 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
2010-11	07.09.2011	10:00 AM	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata - 700 091	Change of name of Company from "Websol Energy Systems Limited" to "Websol Energy System Limited".
2011-12	30.11.2012	10:00 AM	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata - 700 091	No
2012-13	30.09.2013	10:00 AM	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata - 700 091	No

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

b) **No Special Resolutions was passed during the financial year 2013-14 through Postal Ballot under Section 192A of the Companies Act, 1956.**

9. DISCLOSURES

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

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No.41, forming part of the Annual Report.

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

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

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

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

d. **Subsidiary Company :**

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

e. **Risk Management :**

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

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

Whistle Blower Policy/ Vigil Mechanism as per the requirements of the amended Clause 49 of the Listing Agreement with the Stock Exchanges. The policy is displayed on the Website of the Company www.webelsolar.com

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

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

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

The Company has complied with all the mandatory requirements as mandated under Clause 49 of the Listing Agreement. A certificate, from Agarwal Sangneria & Co., Chartered Accountants, the Statutory Auditors of the Company, to this effect has been included in this report. Besides mandatory requirement, the Company has constituted a Remuneration Committee to consider and approve the remuneration of Executive Directors of the Company.

i. **CEO / CFO certification:**

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

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

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

10. MEANS OF COMMUNICATION

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

11. GENERAL SHAREHOLDER INFORMATION

a) **Annual General Meeting**

Day, date and time	Thursday, September 25, 2014 at 10.00 AM
Venue	Webel Bhavan Block EP & GP, Sector – V, Salt Lake Electronics Complex, Kolkata - 700 091
Book closure dates	Saturday September 20, 2014 to Thursday September 25, 2014

b) **Financial calendar**

Financial year: April 01, 2014 to March 31, 2015

The tentative dates of the Board meetings for consideration of Quarterly and Annual financial results for the financial year 2014-15 are as follows:

First quarter results	On or before August 14,2014
Second quarter results	On or before November 14, 2014
Third quarter results	On or before February 14, 2015
Fourth quarter and annual results	On or before May 30, 2015
Dividend Payment Date	Not Applicable

c) **Listing on Stock Exchanges**

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 2014-15 have been paid for both BSE & NSE.

d) **Market price Data with Stock Code**

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: (in ₹)

Month	BSE		NSE	
Stock Code	517498		WEBELSOLAR	
	High	Low	High	Low
Apr-13	8.74	6.52	8.45	6.70
May-13	8.50	6.21	7.80	6.95
Jun-13	7.58	5.35	7.95	6.10
Jul-13	6.24	5.00	6.70	5.70
Aug-13	5.16	3.80	5.45	4.55
Sep-13	4.61	3.80	4.35	3.75
Oct-13	5.70	3.96	6.30	4.10
Nov-13	7.50	5.92	8.40	6.20
Dec-13	8.80	6.75	9.25	7.45
Jan-14	7.00	6.40	10.15	7.25
Feb-14	6.69	5.78	7.00	5.25
Mar-14	10.75	5.40	6.60	4.75

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

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

On April'2013	: Rs. 7.99 per share
On March'2014	: Rs. 5.80 per share
Change	: - 27.40%
Indices (BSE Sensex) on Closing Basis:	
On 01st April'2013	: 18,864.75
On 31st March'2014	: 22,386.27
Change	: 18.67%

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

h) **Distribution of Share Holding As on 31.03.2014**

No. of Shares Held		Shareholders		Shares	
From	To	Number	% to Total Holders	Number	% to Total Capital
1	500	7829	85.200%	1178865	5.37%
501	1,000	642	6.987%	515286	2.35%
1,001	2,000	334	3.635%	515297	2.35%
2,001	3,000	128	1.393%	329891	1.50%
3,001	4,000	51	0.555%	184172	0.84%
4,001	5,000	31	0.337%	145443	0.66%
5,001	10,000	77	0.838%	557778	2.54%
10,001	50,000	71	0.773%	1463683	6.66%
50,001	1,00,000	9	0.098%	637356	2.90%
1,00,001	And above	17	0.185%	16445295	74.84%
Total		9189	100.00%	21973066	100.00%

i) **Share Holding Pattern as on 31.03.2014:**

Sl. No.	Category	No. of Shares Held	% of Holding
1	Promoters & Associates	60,69,422	27.62%
2	Mutual Funds and UTI	7600	0.03%
3	Banks, Financial Institutions, Insurance Companies (Central/ State Govt, Institutions, Govt. Institutions)	40	0.00%
4	FII's	4867268	22.15%
5	Private Corporate Bodies	4914516	22.36%
6	Indian Public	5514220	25.10%
7	NRIs / OCBs	6,00,000	2.73%
	Total	2,19,73,066	100.00%

j) **Dematerialisation of Shares and Liquidity**

The shares of the Company are available for trading in the depository systems of both National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL). As on 31st March 2014, a total of 2,09,69,854 equity shares of Rs. 10/- each forming 95.43% 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

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

We, Sohan Lal Agarwal, Managing Director and CEO and Sarwan Beriwal - 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 2014 and:
 - i) these statements do not contain any materially untrue statement or omit any material fact or contain statement that might be misleading ;
 - ii) these statement together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are no transactions entered into by the Company during the financial year ended 31st March 2014 which are fraudulent, illegal or violative of the Company's Code of Conduct.
3. We accept responsibility for establishing and maintaining internal controls for financial reporting and that we have evaluated the effectiveness of the internal control systems of the Company pertaining to financial reporting and we have disclosed to the Auditors and the Audit Committee, deficiencies in the design or operation of internal controls, if any, and steps taken or proposed to be taken to rectify these deficiencies.
4. We have indicated 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: 30/05/2014

S L Agarwal
Managing Director & CEO

Sarwan Beriwal
Chief Financial Officer

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

I, Sohan Lal Agarwal, Managing Director of Websol Energy System Limited declare that as of 31st March 2014, all board members and senior management personal have affirmed compliance with Code of Conduct of the Company.

Place: Kolkata
Date: 30/05/2014

S L Agarwal
Managing Director & CEO

Auditors' Certificate on Corporate Governance

To the Shareholders of
WEBSOL ENERGY SYSTEM LIMITED

We have examined the compliance of conditions of Corporate Governance by WEBSOL ENERGY SYSTEM LIMITED, for the year ended on 31st March, 2014 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges in India.

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

We certify that the Company has complied with the conditions of Corporate Governance as stipulated in the above mentioned Listing Agreement.

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, 2014

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 comprises the Balance Sheet as at 31st March, 2014, and the Statement of Profit and Loss and Cash Flow Statement for the year ended on that date, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation of these financial statements that give a true and fair view of the financial position, financial performance and cash flows of the Company in accordance with the Accounting Standards referred to in sub-section (3C) of section 211 of the Companies Act, 1956 ("the Act") read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013. This responsibility includes the design, implementation and maintenance of internal control relevant to the preparation and presentation of the financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

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

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's 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 control relevant to the Company's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of the accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

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

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India:

- (a) in the case of the Balance Sheet, of the state of affairs of the Company as at 31st March, 2014;
- (b) in the case of the Statement of Profit and Loss, of the loss for the year ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2003 ("the Order") issued by the Central Government of India in terms of sub-section (4A) of section 227 of the Act, we give in the Annexure a statement on the matters specified in paragraphs 4 and 5 of the Order.
2. As required by section 227(3) of the Act, we report that :
 - a. we have obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - b. in our opinion proper books of account as required by law have been kept by the Company so far as appears from our examination of those books;
 - c. the Balance Sheet, Statement of Profit and Loss and Cash Flow Statement dealt with by this Report are in agreement with the books of account;

Independent Auditors' Report

- d. in our opinion, the Balance Sheet, Statement of Profit and Loss, and Cash Flow Statement comply with the Accounting Standards referred to in subsection (3C) of section 211 of the Companies Act, 1956 read with the General Circular 15/2013 dated 13th September 2013 of the Ministry of Corporate Affairs in respect of section 133 of the Companies Act, 2013;
- e. On the basis of written representations received from the Directors as on 31st March, 2014, and taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2014, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

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, 2014

Annexure to Auditors' Report

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF WEBSOL ENERGY SYSTEM LIMITED FOR THE YEAR ENDED 31st March, 2014

- (i) The Fixed Assets records of the Company are incomplete and are being currently updated to show full particulars, including quantitative details and situation thereof. The majority of Fixed Assets of the Company have been physically verified during the year by the management and any discrepancies between the book records and the physical records can be determined on updating of the book records. During the year under report, the Company has not disposed off any substantial part of its Fixed Assets except the write-off of Fixed Assets on account of discard of assets of erstwhile manufacturing unit located at Salt Lake, becoming obsolete and unusable.
- (ii) The Inventories of the Company consisting of stocks of raw materials, finished goods, work-in-progress and stores and spares parts have been physically verified by the management at regular intervals during the year. The discrepancies between the physical stocks and book records which were not material have been properly dealt with in the books of account. The Company is maintaining proper records of the Inventories. In our opinion, the frequency of physical verification is reasonable. The procedure of physical verification followed by the management is reasonable and adequate in relation to the size of the Company and the nature of its business.
- (iii) The Company has, during the year under report not granted unsecured loan to any party covered under section 301 of the Companies Act, 1956. The Company has taken unsecured loans from companies as covered in the register maintained under section 301 of the Companies Act, 1956. The balance outstanding at the beginning of the year was ₹ 512.42 Lacs in respect of the parties covered under the said section. During the year one more company has come into the fold of Parties stated in Register maintained under Section 301 of the Companies Act, 1956 and hence after considering the amount taken ₹ 205.00 Lacs and amount repaid ₹ 141.53 Lacs, the balance outstanding as at the date of the Balance Sheet was ₹ 695.89 Lacs in respect of the party covered under section 301 of the Companies Act, 1956. The terms and conditions of the Loans taken by the Company are not prima facie prejudicial to the interest of the Company. As explained to us the interest on loans taken were not charged by the respective parties due to the financial condition of the company.
- (iv) In our opinion, and according to the information and explanations given to us, there are adequate internal control procedures commensurate with the size of the Company and the nature of its business with regard to the purchase of inventory, fixed assets and sale of goods amongst others. During the course of our audit, we have not come across any continuing failure to correct major weaknesses in internal controls.
- (v) According to the information and explanations given to us there are no contracts or arrangements, as referred to in Section 301 of the Companies Act, 1956, entered into by the Company, during the year under report.
- (vi) As far as we have been able to ascertain, the Company has not accepted any deposits from the public, hence the question of complying with the provisions of sections 58A and 58AA or any other relevant provisions of the Companies Act, 1956 and the Companies (Acceptance of Deposits) Rules, 1975 does not arise.

Annexure to Auditors' Report

- (vii) The Internal Audit of the company is being carried out by an external entity, commensurate with the size and nature of its business, and the internal audit reports are submitted to the management on a quarterly basis.
- (viii) We have broadly reviewed the books of account maintained by the company pursuant to the rules prescribed by the Central Government for maintenance of cost records under Section 209(1)(d) of the Companies Act, 1956 and are of the opinion that prima facie, the prescribed accounts and records have been made and maintained. However we have not made detailed examinations of the records.
- (ix) 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, Service Tax Custom Duty, Excise Duty and any other statutory dues as applicable to it. As per the information and explanations given to us the following undisputed amounts in respect of the abovementioned statutory dues were outstanding as at 31st March, 2014 for a period of more than six months from the date they became payable :

Name of Statute	Nature of Dues	Amount (₹ in Lacs)
Delhi Value Added Tax 2004	Delhi Value Added Tax	50.41
Income Tax Act, 1961	Income Tax	39.46
Central Sales Tax Act, 1956	Central Sales Tax	60.99
WB VAT Act, 2003	Works Contract Tax & VAT	0.65
Finance Act, 1994	Delhi Service Tax	22.75

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

Nature of dues	Forum where dispute is pending	Amount (₹ in Lacs)	Remarks
Excise Duty & Penalty	High Court at Kolkata	373.09	The Company has paid ₹ 100.00 Lacs against this demand in the year 2004-05.
Excise Duty & Penalty	Custom, Excise and Service Tax Appellate Tribunal	452.40	—
Excise Duty & Penalty	Commissioner - Appeals	13.08	—
Income Tax	Commissioner of Income Tax - Appeal	101.04	—

- (x) The accumulated losses of the Company as at the date of the balance sheet continues to be more than its net worth. The company has incurred cash losses during the current financial year as well as in the immediately preceding financial period. A reference was filed and registered with the Board of Industrial and Financial Reconstruction (BIFR) during the preceding financial period due to erosion of net worth of the company.
- (xi) In our opinion and according to the information and explanations given to us, and on the basis of our examination of the books of accounts and related records, we observed delays in the repayment of the principal sums and interest thereon to banks / financial institutions. However as explained in Note 24 annexed to the financial statements, out of the total borrowings, accounts of the Company, as on the date of the Balance Sheet under review, the accounts of working capital bankers continues to be classified as a Non Performing Asset. Further the Company does not have any Debentures.
- (xii) The Company has not granted any loans and advances on the basis of security by way of pledge of shares, debentures and other securities, hence the question of maintenance of records thereof does not arise.
- (xiii) The Company is not a chit fund or a nidhi/mutual benefit fund/society. Therefore, the provisions of clause 4(xiii) of the Companies (Auditor's Report) Order, 2003 are not applicable to it.
- (xiv) The Company is not dealing in Shares and Securities in the normal course of its business and has not made any investment during the year under report.
- (xv) The Company has not given any guarantee for loans taken by others from bank or financial institutions, hence the question of terms and conditions whereof being prejudicial to the interest of the Company does not arise.

Annexure to Auditors' Report

- (xvi) During the year under audit as verified from the relevant books and records of the Company, it was ascertained that no fresh term loan has been obtained by the Company except the conversion of part of working capital to Working Capital Term Loan (WCTL) and interest on such Working Capital Term Loans (WCTL) to Funded Interest Term Loans (FITL) as per the bilateral restructuring scheme approved by the majority of the lenders and conversion of External Commercial Borrowings of Axis Bank into Rupee Term Loan.
- (xvii) According to the information and explanations given to us and on overall examination of the balance sheet of the Company, we are of the opinion that no funds raised for short term basis have been used for long term investment.
- (xviii) The Company has not made preferential allotment of shares to parties and companies covered in the Register maintained under section 301 of the Companies Act, 1956.
- (xix) The Company has not issued any debentures hence the question of creating securities there against does not arise.
- (xx) The Company has not raised any money by way of fresh issues from the public during the year under review and hence, any disclosure regarding its end use is not applicable.
- (xxi) According to the information and explanations given to us, no fraud on or by the Company has been noticed or reported during the financial year covered by our audit.

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, 2014

Balance Sheet as at 31st March, 2014

(₹ in Lacs)

	Notes	As at 31.03.2014	As at 31.03.2013
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	2,197.31	2,197.31
(b) Reserves and surplus	3	(16,447.01)	(9,012.43)
2 Non-current liabilities			
(a) Long-term borrowings	4	17,156.55	19,381.97
(b) Deferred tax liabilities (Net)		1,938.83	1,938.83
(c) Other Long term liabilities	5	1,157.48	3,381.50
3 Current liabilities			
(a) Short-term borrowings	6	21,778.31	14,219.89
(b) Trade payables		22,771.98	10,480.66
(c) Payables for capital contract		33.92	21.32
(d) Other current liabilities	7	12,078.40	10,157.18
(e) Short-term provisions	8	281.88	270.68
TOTAL EQUITY AND LIABILITIES		62,947.65	53,036.91
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	9 (i)	32,150.49	33,847.06
(ii) Intangible Assets	9 (ii)	5.31	5.53
(iii) Capital Work in Progress		1,181.62	90.25
(b) Non-current investments	10	15.10	15.10
(c) Long-term loans and advances	11	3,251.84	2,977.46
(d) Other non-current assets	12	1,419.69	1,613.71
2 Current assets			
(a) Inventories	13	3,836.82	3,919.29
(b) Trade receivables	14	17,532.90	7,197.65
(c) Cash and Bank balances	15	254.85	915.94
(d) Short-term loans and advances	16	3,281.31	2,235.75
(e) Other current assets	17	17.72	219.17
TOTAL ASSETS		62,947.65	53,036.91

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

1
2 to 43

For and on behalf of the Board of Directors

P. K. Agarwal
Partner
Membership No. 53496
Place : Kolkata
Date : 30th May, 2014

S. L. Agarwal
Managing Director

B. R. Sengupta
Director

Swati Agarwal
Company Secretary

Statement of Profit & Loss for the year ended 31st March, 2014

(₹ in Lacs)

	Notes	For the year ended 31st March 2014	For the period ended 31st March 2013
I. Revenue from operations	18	30,465.58	11,421.58
II. Other income	19	125.10	1,146.63
III. Total Revenue (I + II)		30,590.68	12,568.21
IV. Expenses:			
Cost of raw materials consumed	20	25,132.86	9,727.97
Stores and spares consumed	20a	1,211.94	308.11
Changes in stock of Finished Goods & Work-in-progress	20b	209.48	308.83
Employee benefit expenses	21	661.67	426.73
Finance costs	22	3,103.04	1,854.27
Power and Fuel		938.37	569.73
Depreciation	9	1,776.46	1,298.51
Other expenses	23	1,115.48	989.59
V. Total Expenses		34,149.30	15,483.74
VI. Profit/(Loss) before exceptional items and tax (III-V)		(3,558.62)	(2,915.53)
VII. Exceptional items - Exchange Fluctuation Profit / (Loss)		(3,782.70)	1,324.55
VII(a). Provision for Doubtful Debts & Advances		(93.25)	-
VIII. Profit/(Loss) before tax (VI + VII + VIIA)		(7,434.57)	(1,590.98)
IX. Tax expense (including Deferred Tax)		-	-
X. Profit/(Loss) after tax for the period (VIII-IX)		(7,434.57)	(1,590.98)
XI. Earnings per equity share: (Basic & Diluted)		(33.83)	(7.24)

Significant Accounting Policies

1

Notes to the Financial Statements

2 to 43

In terms of our report of even date

For **Agarwal Sangneria & Co.**

Chartered Accountants

Firm Registration No. 317224E

For and on behalf of the Board of Directors

P. K. Agarwal

Partner

Membership No. 53496

Place : Kolkata

Date : 30th May, 2014

S. L. Agarwal

Managing Director

B. R. Sengupta

Director

Swati Agarwal

Company Secretary

Cash Flow Statement for the year ended 31st March, 2014

(₹ in Lacs)

	For the year ended 31st March 2014	For the period ended 31st March 2013
A. Cash Flow from Operating Activities :		
Net Profit / (Loss) before tax	(7,434.57)	(1,590.98)
Adjustments for :		
Depreciation	1,776.46	1,298.51
Preliminary Expenses W/Off	74.31	55.73
Loss on sale / adjustments of Fixed Assets	196.84	3.34
Interest (Net)	3,103.04	1,854.27
	5,150.65	3,211.85
Operating Profit before Working Capital Changes	(2,283.92)	1,620.87
Adjustments for:		
Trade and other Receivables	(11,354.00)	(6,461.63)
Provision for Doubtful Debt	25.93	62.20
Inventories	82.48	(586.79)
Trade payables	11,034.56	6,794.96
	(211.03)	(191.26)
Cash generated from operations	(2,494.95)	1,429.61
Interest paid (Net)	(3,103.04)	(1,854.27)
Direct Taxes paid/refund	(5.98)	33.10
	(3,109.02)	(1,821.17)
Cash Flow before extraordinary items	(5,603.97)	(391.56)
Extraordinary item of Expenditure/Income	—	—
Net Cash from Operating Activities	(5,603.97)	(391.56)
B. Cash Flow from Investing Activities :		
Purchase of Fixed Assets	(484.80)	(846.35)
(Payments)/Adjustment for Capital Work-in-Progress	(1,091.37)	639.49
Sale of Fixed Assets	208.29	6.64
Sales / (Purchase) of Investments	—	5.00
Net Cash used in Investing Activities	(1,367.88)	(195.22)
C. Cash Flow from Financing Activities :		
Proceeds from Long Term Borrowings	(1,246.47)	(7,120.55)
Proceeds from Short Term Borrowings	7,557.23	7,096.17
Net Cash generated from Financing Activities	6,310.76	(24.38)
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(661.09)	(611.16)
Opening Balance of Cash and Cash Equivalents	915.94	1,527.10
Closing Balance of Cash and Cash Equivalents	254.85	915.94
	661.09	611.16

In terms of our report of even date
For **Agarwal Sangneria & Co.**
Chartered Accountants
Firm Registration No. 317224E

For and on behalf of the Board of Directors

P. K. Agarwal
Partner
Membership No. 53496
Place : Kolkata
Date : 30th May, 2014

S. L. Agarwal
Managing Director

B. R. Sengupta
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 (on Straight Line Method at applicable rates prescribed in Schedule XIV of the Companies Act, 1956, on a pro-rata basis).
- (c)
 - i) Raw materials, Stores & Spares and Trading goods are valued at cost determined on the weighted average method or market price whichever is lower.
 - ii) Work-in-process is valued at cost inclusive of appropriate production overheads.
 - iii) Finished goods are valued at Cost or Market Price whichever is lower.
- (d) Transactions in Foreign currencies to the extent not covered by forward contracts are accounted for at exchange rates prevailing on the dates on which the transactions took place. Losses and gains arising from subsequent fluctuations are recognized as and when they are crystallized. Foreign Currency Loans, Creditors and Debtors are stated at exchange rates prevailing on the date of the Balance Sheet.
- (e) The diminution in carrying amount of investment which are considered temporary are not provided for in the books.
- (f) Sales are net of returns. The consumption of Raw Materials and Stores & Spares are net of sale thereof, if any.
- (g) Purchases are net of rebates and discounts including those in respect of purchases made in earlier years.
- (h) The foreign exchange gain / loss on Sales, Purchases, Debtors, Creditors, Foreign Currency Term Loans, External Commercial Borrowings and Foreign Currency Convertible Bonds have been shown as exceptional item in the Statement of Profit and Loss.
- (i) In respect of retirement benefits in the form of Provident Fund, the contribution payable by the Company for the year is charged to revenue.
- (j) Liability for future payment of Gratuity to employees is covered by Group Gratuity Scheme of Life Insurance Corporation of India. The amount paid/payable to them is charged to revenue as and when demand is raised.
- (k) Payment to employees in respect of encashment of leave is accounted for as and when claimed by the employee concerned and paid by the Company.
- (l) No provision is made in books of account for future liability, being unascertainable, that may occur on account of warranty on company's products [Please refer Note No. 31(b) also]
- (m) Fixed Assets are reviewed at each Balance Sheet date for impairment. In case, events and circumstances indicate any impairment, recoverable amount of fixed assets is determined. An impairment loss is recognized, wherever the carrying amount of assets either belonging to cash generating unit or otherwise exceeds recoverable amount. The recoverable amount is the greater of net selling price of assets or its value in use. In assessing the value in use, the estimated future cash flow from the use of assets is discounted to their present value at appropriate rate. An impairment loss is reversed if there has been change in the recoverable amount and such loss no longer exists or has decreased. Impairment loss/ reversal thereof is adjusted to the carrying value of the respective assets, which in case of cash generating unit, are allocated to assets on a pro-rata basis.
- (n) Borrowing cost incurred in relation to the acquisition or construction of assets are capitalized / allocated as part of the cost of such assets till the date of completion of such assets. Other borrowing costs are charged as an expense in the year in which these are incurred.

Notes to the Financial Statements

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
NOTE 2 SHARE CAPITAL		
Authorised:		
3,00,00,000 (3,00,00,000) Equity Shares of ₹ 10/- each	3,000.00	3,000.00
Issued, Subscribed and Paid-up:		
1,12,86,533 (1,12,86,533) Equity shares of ₹ 10/- each fully paid up in cash	1,128.66	1,128.66
99,86,533 (99,86,533) Equity shares of ₹ 10/- each fully paid up issued as Bonus Shares by capitalization of Securities Premium	998.65	998.65
7,00,000 (700,000) Equity shares of ₹ 10/- each fully paid for consideration other than cash	70.00	70.00
Total	2,197.31	2,197.31

a. Reconciliation of Equity Shares

	As at 31.03.2014		As at 31.03.2013	
	Number of Shares	(Amount in lacs)	Number of Shares	(Amount in lacs)
Shares outstanding at the beginning of the year	2,19,73,066	2,197.31	2,19,73,066	2,197.31
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	2,19,73,066	2,197.31	2,19,73,066	2,197.31

b. Terms and rights attached to the Equity shares

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

c. 60,69,422 (27.62%) No. of Equity Shares of the company are held by promoter and the promoter group as on 31st March 2014

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

Name of Shareholder	As at 31.03.2014		As at 31.03.2013	
	No. of Shares	% holding	No. of Shares	% holding
S L Industries Pvt. Ltd.	55,19,674	25.12%	55,19,674.00	25.12%
Tysom Agencies Pvt. Ltd.	20,00,000	9.10%	20,00,000.00	9.10%
The Royal Bank of Scotland PLC as trustee of the Jupiter India Fund	-	0.00%	18,46,162.00	8.40%
Mavi Investment Fund Limited	-	0.00%	14,92,500.00	6.79%
The National Westminster Bank PLC as trustee of the Jupiter India Fund	18,46,162	8.40%	-	0.00%
The Indiaman Fund Limited	11,64,776	5.30%	11,64,776.00	5.30%

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

Notes to the Financial Statements

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
NOTE 3 RESERVES AND SURPLUS		
a. Capital Reserves		
Opening Balance	610.38	610.38
Closing Balance	610.38	610.38
b. Securities Premium Account		
Opening Balance	8,024.72	8,608.82
Less : Transfer to FCCB Redemption reserve	–	584.09
Closing Balance	8,024.72	8,024.73
c. FCCB Redemption Reserve		
Opening Balance	2,671.75	2,087.66
Add : Transfer from Security Premium	–	584.09
Closing Balance	2,671.75	2,671.75
d. Revaluation Reserve		
Opening Balance	1,918.42	1,918.42
Closing Balance	1,918.42	1,918.42
e. Surplus/(Deficit) in Statement of Profit & Loss		
Opening balance	(22,237.71)	(20,646.73)
Add : Net Profit/(Loss) for the period	(7,434.57)	(1,590.98)
Closing Balance	(29,672.28)	(22,237.71)
Total	(16,447.01)	(9,012.43)

	As at 31.03.2014	As at 31.03.2013
NOTE 4 LONG TERM BORROWINGS		
A. Secured		
(a) Term loans from Banks (Refer Note No. 26)		
Facility A - Term Loan	14,595.18	14,181.82
Facility B - Working Capital Term Loan	533.34	380.00
Facility C - Funded Interest Term Loan	1,111.74	618.28
(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	–	2,170.87
(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) Vehicle Loan	–	7.96
(iii) Machinery Purchase Loan on Installment Basis	545.40	–
(Repayable after one year)		
Sub Total of Secured Loans	16,785.66	17,358.92
B. Unsecured		
(a) Loan from related party	370.89	512.42
From Promoter Company		
(b) Loan from others	–	1,510.63
From Joint Stock Companies (including Interest Accrued)		
Sub Total of Unsecured Loans	370.89	2,023.05
Total	17,156.55	19,381.97

Notes to the Financial Statements

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
NOTE 5 OTHER LONG TERM LIABILITIES		
(a) Payables for capital contracts	1,002.48	3,109.06
(b) Security Deposit against Land Development Agreement	155.00	200.00
(c) Advances against Land Development Agreement	–	72.44
Total	1,157.48	3,381.50

	As at 31.03.2014	As at 31.03.2013
NOTE 6 SHORT TERM BORROWINGS		
A. Secured		
(a) Loans repayable on demand from banks		
- Export Packing Credit	1,544.77	1,554.26
-WCTL and FITL of Working capital Lenders	8,259.18	7,995.33
- Cash Credits/Working Capital Demand Loan	7,310.05	4,160.49
-Bills for Collection	509.80	509.81
- Term Loans repayable within one year	1,841.88	-
(All the above loans are secured by way of first pari passu charge on the entire current assets of the company, second pari passu charge on the entire fixed assets of the Falta SEZ unit, personal guarantee of Managing Director and corporate guarantee of the promoter company)		
(b) Machinery Purchase Loan on Installment Basis	545.40	-
(c) Vehicle Loan	1.20	-
B. Unsecured		
From Joint Stock Companies	1,766.03	-
Total	21,778.31	14,219.89

	As at 31.03.2014	As at 31.03.2013
NOTE 7 OTHER CURRENT LIABILITIES		
(a) Foreign Currency Convertible Bonds - including effect of exchange fluctuation	10,135.44	9,157.68
(b) Interest accrued but not due on secured loans	-	11.49
(c) Interest accrued and due on secured loans	1,473.23	98.75
(d) Unpaid dividends	7.05	8.32
(e) Statutory Liabilities payable	224.21	343.20
(f) Advances from customers	182.04	451.10
(g) Salary,Wages and Bonus payable	54.88	55.81
(h) Other Payables *	1.55	30.83
Total	12,078.40	10,157.18

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

	As at 31.03.2014	As at 31.03.2013
NOTE 8 SHORT TERM PROVISIONS		
Provisions for :		
Gratuity	59.24	48.04
Income Tax	122.64	122.64
Excise Duty	100.00	100.00
Total	281.88	270.68

Notes to the Financial Statements

(₹ in Lacs)

Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31.03.2013	Addition During the year	Sales / Adjustments during the year	Cost as at 31.03.2014	Up to 31.03.2013	For the year	Less: for Sale / Adjustment	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013

NOTE 9 (i) TANGIBLE ASSETS

Leasehold land	1,982.64	—	—	1,982.64	—	-	-	-	1,982.64	1,982.64
Building	5,923.65	4.89	260.29	5,668.25	685.24	-	138.38	546.86	5,121.39	5,238.41
Plant & Machinery	31,980.76	238.92	109.77	32,109.91	5,729.74	31.89	63.41	5,698.22	26,411.69	26,251.02
Furniture & Fixture	321.93	11.07	31.79	301.21	86.01	0.50	24.38	62.13	239.08	235.92
Computer	84.30	4.36	-	88.66	60.27	0.26	-	60.53	28.13	24.03
Office Equipment	71.04	1.35	13.77	58.62	12.73	3.41	6.53	9.61	49.01	58.31
Motor Vehicles	88.88	26.62	43.68	71.82	32.15	0.83	18.31	14.67	57.15	56.73
Total	40,453.20	287.21	459.30	40,281.11	6,606.14	36.89	251.01	6,392.02	33,889.09	33,847.06
Previous period	39,627.49	837.44	11.73	40,453.20	5,312.75	1,298.48	5.09	6,606.14	33,847.06	34,314.74

Notes :

1. Leasehold Land of Salt Lake unit has been acquired on 24th March, 2003 under a lease of 90 years with a renewal option.
2. Leasehold Land of Falta SEZ unit has been acquired on 24th January, 2007 under a lease of 15 years with a renewal option.

Name of Assets	GROSS BLOCK				DEPRECIATION				NET BLOCK	
	Cost as at 31.03.2013	Addition During the year	Sales / Adjustments during the year	Cost as at 31.03.2014	Up to 31.03.2013	For the year	Less: for Sale / Adjustment	Up to 31.03.2014	As at 31.03.2014	As at 31.03.2013

NOTE 9 (ii) INTANGIBLE ASSETS

Computer Software	5.56	0.75	—	6.31	0.03	0.97	—	1.00	5.31	5.53
Previous period	—	5.56	—	5.56	—	0.03	—	0.03	5.53	—

Notes to the Financial Statements

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
NOTE 10 NON-CURRENT INVESTMENTS		
Other Investments		
Investment in erstwhile overseas joint venture - Websol Energy System Europe KG	15.10	15.10
Total	15.10	15.10
	As at 31.03.2014	As at 31.03.2013
NOTE 11 LONG TERM LOANS AND ADVANCES (Unsecured, Considered Good)		
Capital Advances (net of provisions)	542.62	441.62
Security Deposits	294.07	155.85
Loans & Advances recoverable in cash or in kind		
Advances for raw materials	823.94	823.94
Loans to Overseas Corporate Bodies	975.35	975.35
Loans to erstwhile Overseas Joint Venture	18.45	18.45
Loans to Other Corporate Bodies	116.42	116.42
Advances to suppliers and others	480.99	445.83
Total	3,251.84	2,977.46
	As at 31.03.2014	As at 31.03.2013
NOTE 12 OTHER NON CURRENT ASSETS		
Trade Receivables outstanding for a period exceeding twelve months		
Unsecured, considered good	1,419.69	1,599.30
Unsecured, considered doubtful	178.83	204.77
	1,598.52	1,804.07
Less: Provision for doubtful debts	178.83	204.77
	1,419.69	1,599.30
Miscellaneous Expenditure to the extent not w/off	–	14.41
Total	1,419.69	1,613.71
	As at 31.03.2014	As at 31.03.2013
NOTE 13 INVENTORIES		
Raw Materials	2,293.00	1,878.51
Work-in-progress	742.14	875.53
Finished goods	756.68	832.77
Stores and spares	45.00	332.48
Total	3,836.82	3,919.29
	As at 31.03.2014	As at 31.03.2013
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	17,452.39	6,563.03
Trade receivables outstanding for a period exceeding six months but upto twelve months from the date they became due for payment	–	–
Unsecured, considered good	80.51	634.62
Total	17,532.90	7,197.65

Notes to the Financial Statements

(₹ in Lacs)

	As at 31.03.2014	As at 31.03.2013
NOTE 15 CASH AND BANK BALANCES		
Cash and Cash Equivalents		
In Current and EEFC Accounts	231.77	34.03
In Unpaid dividend accounts	7.05	8.32
Cash in hand	7.77	1.63
Other Bank Balances		
Term deposits with more than 12 months Maturity /Margin Accounts	8.26	871.96
Total	254.85	915.94

	As at 31.03.2014	As at 31.03.2013
NOTE 16 SHORT-TERM LOANS AND ADVANCES - Unsecured, considered good		
Advances for capital goods	10.41	76.00
Security Deposits	50.51	138.22
Loans to Corporate Bodies	1,251.93	407.67
Income Tax Deducted at Source	243.39	237.41
Advance for projects	—	7.58
Advance to suppliers and others	1,725.07	1,368.87
Total	3,281.31	2,235.75

	As at 31.03.2014	As at 31.03.2013
NOTE 17 OTHER CURRENT ASSETS		
Bank Interest Receivable	3.31	144.86
Miscellaneous Expenditure to the extent not w/off	14.41	74.31
Total	17.72	219.17

	For the year ended 31st March 2014	For the period ended 31st March 2013
NOTE 18 REVENUE FROM OPERATIONS		
Sale of products (Solar Photovoltaic Cells and Modules)	30,456.85	11,421.58
Other operating revenues- Scrap Sale	8.73	—
Total	30,465.58	11,421.58

	For the year ended 31st March 2014	For the period ended 31st March 2013
NOTE 19 OTHER INCOME		
Interest Income from Bank Deposits	1.97	85.35
Interest Income from others	47.35	133.14
Sundry Balances written back	8.17	738.02
Tolling Charges	—	53.55
Miscellaneous Income	67.61	136.57
Total	125.10	1,146.63

Notes to the Financial Statements

(₹ in Lacs)

	For the year ended 31st March 2014	For the period ended 31st March 2013
NOTE 20 COST OF RAW MATERIALS CONSUMED		
Opening stock	1,878.51	1,038.92
Add: Purchases	25,440.33	10,398.13
Carriage Inward	106.56	169.43
Processing Charges	0.45	—
	27,425.86	11,606.48
Less: Closing stock	2,293.00	1,878.51
Cost of raw material consumed	25,132.86	9,727.97
Raw Material consumed comprises :		
Silicon Wafers	12,889.00	5,410.04
Silver & Aluminium Paste	2,292.71	1,080.20
Other materials*	9,951.15	3,237.73
Total	25,132.86	9,727.97

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

	For the year ended 31st March 2014	For the period ended 31st March 2013
NOTE 20a STORES & SPARES CONSUMED		
Opening Stock	332.48	276.45
Add : Purchases	924.46	364.14
	1,256.94	640.59
Less : Closing Stock	45.00	332.48
Consumption	1,211.94	308.11

	For the year ended 31st March 2014	For the period ended 31st March 2013
NOTE 20b CHANGES IN STOCK OF FINISHED GOODS AND WORK-IN-PROGRESS		
Inventories at the beginning of the year :		
Finished goods	832.77	516.22
Work-in-progress	875.53	1,500.91
	1,708.30	2,017.13
Inventories at the end of the year :		
Finished goods	756.68	832.77
Work-in-progress	742.14	875.53
	1,498.82	1,708.30
Net (increase)/decrease	209.48	308.83

	For the year ended 31st March 2014	For the period ended 31st March 2013
NOTE 21 EMPLOYEE BENEFIT EXPENSES		
Salaries, allowances, bonus and gratuity	593.89	385.65
Contributions to provident and other funds	48.38	30.69
Staff welfare expenses	19.40	10.39
Total	661.67	426.73

Notes to the Financial Statements

(₹ in Lacs)

	For the year ended 31st March 2014	For the period ended 31st March 2013
NOTE 22 FINANCE COSTS		
Interest expense on		
- Term Loans	2,140.62	1,154.14
- Packing Credits and Cash Credits	961.79	546.40
-Others including Buyers Credit interest	-	133.52
Other borrowing costs	0.63	20.21
Total	3,103.04	1,854.27

	For the year ended 31st March 2014	For the period ended 31st March 2013
NOTE 23 OTHER EXPENSES		
Audit Fees (refer note 34)	2.65	2.36
Bank Commission and Charges	20.75	19.27
Carriage Outward	98.53	169.05
Insurance	19.83	20.26
Loss on sale of fixed assets	196.84	3.34
Miscellaneous	201.93	239.15
Other Selling Expenses	77.56	18.78
Preliminary Expenditure w/off	74.31	55.73
Prior Period Expenses	27.12	208.50
Provision for doubtful debts	183.08	115.10
Rates & taxes	6.54	7.03
Rent	47.73	22.47
Repairs to building	43.10	37.26
Repairs to machinery	26.26	6.31
Repairs to others	17.27	5.25
Testing Charges	-	0.36
Travelling and Conveyance	71.98	59.37
Total	1,115.48	989.59

24 The Working Capital borrowing accounts of the Company continue to remain NPA as on the date of Balance sheet under review. Out of the five Working Capital lenders, Allahabad Bank, being in the capacity of the lead bank, has taken symbolic possession of the Salt Lake land which was given as collateral security against the Working Capital loans. Further Dena Bank has assigned its credit facilities in favor of M/s Asset Reconstruction Company (India) Ltd. (ARCIL) and as such all rights & obligations in respect of the credit facilities sanctioned & availed by the company from Dena Bank fund have been transferred in the name of ARCIL.

25 The Company has not provided for interest payable on unsecured Loans obtained from various Companies due to the stipulation of the Working Capital Lenders in this regard, under the scheme of restructuring.

Notes to the Financial Statements

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

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

27 The Company has procured certain additional production equipments during the year from M/s Renesola Singapore Pte. Ltd. under the instalment purchase scheme. The said machines are hypothecated to Renesola Singapore Pte. Ltd. vide an agreement executed between the two Companies.

28 The Company has recognized diminution in the value of certain fixed assets pertaining to the erstwhile factory situated at Salt Lake and as such discarded the obsolete / unusable fixed assets having the cost of ₹ 415.61 Lacs and accumulated Depreciation of ₹ 232.70 Lacs.

29 The Company is in the process of making third party adjustments / netting off on account of certain imports and exports. As such, there are certain amounts on account of Sundry Debtors & Sundry Creditors which shall be adjusted against each other subject to the receipt of necessary approval by the company in this regard from the concerned authorities.

30 (a) Estimated amounts of Capital Contracts as at 31st March, 2014 and not provided for ₹ 1593.60 Lacs (Previous period ₹ 1330.96 Lacs). Total Advances paid there against ₹ 553.03 Lacs including ₹ 345.75 Lacs in foreign currency (Previous period ₹ 694.91 Lacs including ₹ 345.75 Lacs in Foreign Currency).

(b) Certain Advances, included above, amounting to ₹ 542.62 Lacs (previous period ₹ 542.62 Lacs) are lying unmoved for a considerable period.

31 Contingent Liabilities –

(a) Outstanding Bank Guarantees ₹ 10.00 Lacs (Previous period ₹ 46.27 Lacs)

(b) 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.

(c) Demands against the company not acknowledged as debts ₹ 939.61 Lacs (Previous period ₹ 1029.95 Lacs)

(d) Outstanding Capex Letter of Credits ₹ Nil (Previous period ₹ 4169.47 Lacs) for import of Capital Goods, since crystallized and debited to CC Account.

(e) Demand against the legal expenses and interest by HDFC Bank against their Outstanding Working Capital Loan.

(f) Demand against the legal expenses and interest by certain Sundry Creditors, amount of which is not ascertainable.

(g) Demand of ₹ 8.96 Lacs against Interest and other payments on TDS by Income Tax Department.

32 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.

Notes to the Financial Statements

33 (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.

34 Amounts paid / payable to Statutory Auditors –

(a) Audit fees ₹ 2.65 Lacs (Previous period ₹ 2.00 Lacs), plus the applicable service tax.

(b) In other capacity in respect of certification work ₹ 0.50 Lacs (Previous period ₹ 0.36 Lacs) plus the applicable service tax.

35 Miscellaneous Expense includes an amount of ₹ 53.14 Lacs as Tolling Charges of Modules, invoices for which were raised by the party during the preceding period.

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

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

	31.03.2014		31.03.2013	
	₹ In Lacs	%	₹ In Lacs	%
1. Raw Materials				
- Imported	23,578.90	93.82	9,199.72	94.57
- Indigenous	1,553.96	6.18	528.25	5.43
Total	25,132.86	100.00	9,727.97	100.00
2. Stores & Spares				
- Imported	613.10	50.59	226.18	73.41
- Indigenous	598.84	49.41	81.93	26.59
Total	1,211.94	100.00	308.11	100.00

(b) CIF value of imports

	31.03.2014	31.03.2013
	₹ In Lacs	₹ In Lacs
Raw Materials	24030.50	9,995.86
Capital Goods	233.63	NIL
Components & Spares	409.78	269.33

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

	31.03.2014	31.03.2013
	₹ In Lacs	₹ In Lacs
Travelling	15.06	2.57
Bank Charges	0.84	0.85
Interest on Foreign Currency Loans	802.94	521.89

(d) Earning in Foreign Currency (including outstandings)

	31.03.2014	31.03.2013
	₹ In Lacs	₹ In Lacs
F.O.B. Value of Exports	27109.27	21.80

38 Director's Remuneration :

	31.03.2014	31.03.2013
	₹ In Lacs	₹ In Lacs
Salary & Medical Re-imbursements Including PF contribution & bonus to Mr. S.L. Agarwal, Managing Director	21.04	14.19

Notes to the Financial Statements

39 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.

40 Earnings Per Share :

		31.03.2014	31.03.2013
(a) Profit After Tax	₹ In Lacs	(7,434.30)	(1,590.97)
(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)	₹	(33.83)	(7.24)

41 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
Industry Side Pvt. Ltd.	Associate	Nil
Tysom Agencies Pvt. Ltd.	Associate	Nil
S.L. Agarwal	Key Management Personnel – Managing Director	Nil

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

Nature of Transactions	Associates	
	31.03.2014 ₹ In Lacs	31.03.2013 ₹ In Lacs
Unsecured Loans Taken	205.00	164.59
Unsecured Loans Repaid	141.53	269.66
Unsecured Loan Payable Outstanding	695.89	512.42

42 Since the accounting year of the Company is from 01st April, 2013 to 31st March, 2014 these accounts are for a period of twelve months and the figures thereof are not comparable with those of previous period to that extent which was for nine months i.e., 01st July, 2012 to 31st March, 2013.

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

In terms of our report of even date

For **Agarwal Sangneria & Co.**

Chartered Accountants

Firm Registration No. 317224E

For and on behalf of the Board of Directors

P. K. Agarwal

Partner

Membership No. 53496

Place : Kolkata

Date : 30th May, 2014

S. L. Agarwal

Managing Director

B. R. Sengupta

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 forwardlooking 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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