

**Websol Energy System Limited
Annual Report 2012-13**



Disclaimer

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

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

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

CORPORATE INFORMATION

BOARD OF DIRECTORS

Mr. S. L. Agarwal, *Managing Director*
Mr. S. K. Tibrewalla, *Independent Director*
Mr. B. R. Sengupta, *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 Sanganeria & Co.
Chartered Accountants

REGISTERED OFFICE

Ideal Centre,
9, A. J. C. Bose Road, 5th Floor,
Kolkata – 700 017, West Bengal, India
Ph: +91-33-4023-9031/9000
Fax: +91-33-4023-9011
Email: websol@webelsolar.com
Website: www.webelsolar.com

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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NOTICE

NOTICE is hereby given that the 23rd Annual General Meeting of the Members of Websol Energy System Limited will be held at Webel Bhavan, Block EP & GP, Sector – V, Salt Lake Electronics Complex, Kolkata – 700 091 on Monday 30th September, 2013, at 10.00 A.M. to transact the following businesses:-

Ordinary Business:

1. To consider and adopt the Audited Balance Sheet as at 31st March, 2013 and the Statement of Profit & Loss of the Company for the financial period ended on 31st March 2013 together with Notes, Reports of the Board of Directors and Auditor's thereon.
2. To appoint a Director in place of Mr. Santosh Kumar Tibrewalla who retires by rotation and being eligible, offers himself for re-appointment.
3. To appoint a Director in place of Mr. Biswa Ranjan Sengupta who retires by rotation and being eligible, offers himself for re-appointment

4. To appoint M/s Agarwal Sangneria & Co., Chartered Accountants, Kolkata as Statutory Auditors of the Company to hold the office from the conclusion of this Annual General Meeting till the conclusion of the next Annual General Meeting and to fix their remuneration.

By Order of the Board,
For WEBSOL ENERGY SYSTEM LIMITED

Sd/-
Place: Kolkata
Date: 14th August 2013

(Swati Agarwal)
Company Secretary

NOTES:

- a) A MEMBER ENTITLED TO ATTEND AND VOTE AT THE MEETING IS ALSO ENTITLED TO APPOINT A PROXY TO ATTEND AND VOTE INSTEAD OF HIMSELF AND THE PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE MUST BE DEPOSITED AT THE REGISTERED OFFICE OF THE COMPANY NOT LATER THAN FORTY EIGHT HOURS BEFORE THE TIME FOR HOLDING THE AFORESAID MEETING.
- b) Corporate members intending to send their authorised representatives to attend the Meeting are requested to send to the Company a certified copy of the Board Resolution authorizing their representative to attend and vote at the Meeting.
- c) Members are requested to bring their attendance slip along with their copy of annual report to the Meeting
- d) The register of members and transfer books of the Company will be closed from Wednesday, 25th September, 2013 till Monday, 30th September, 2013 (both days inclusive), for the purpose of Annual General Meeting.
- e) The Securities and Exchange Board of India (SEBI) has mandated the submission of Permanent Account Number (PAN)

by every participant in securities market. Members holding shares in electronic form are, therefore, requested to submit the PAN to their respective Depository Participants (DP). Members holding shares in physical form can submit their PAN details to the Company's Registrars & Share Transfer Agent, M/s R&D Infotech Private Limited.

- f) Members holding shares in physical mode are requested to notify immediately changes, if any, in their registered address and bank particulars, to the Company at its Registered Office or to its Registrars & Share Transfer Agent.
- g) Members holding shares in single name and physical form are advised to make nomination in respect of their shareholding in the Company. Members can avail of the nomination facility, under Section 109A of the Companies Act, 1956, by submitting Form No. 2B of the Companies (Central Govt's) General Rules and Forms, 1956 with the Company's Registrar and Share Transfer Agent.
- h) Members who hold shares in physical form in multiple accounts in identical names or joint accounts in the same order or names are requested to send the share certificates to the Company's Registrar and Share Transfer Agent for consolidation of such shareholdings into a single folio.

i) The Ministry of Corporate Affairs ("MCA") has taken a "Green Initiative in the Corporate Governance" by allowing paperless compliances by Companies for servicing of various notices and documents to their members through electronic mode. To support this green initiative of the Government in full measure, members who have not yet registered their e-mail address with the Company can now register the same by intimating their e-mail address to the Company's Registrar and Share Transfer Agent and to the Depository Participant (DP) in respect of shares held in physical mode and demat mode, respectively. Even after registering for e-communication, the members of the Company shall be entitled to receive such communication in physical form, upon request.

j) **Re-appointment of Directors**

The details of Directors seeking re-appointment at the ensuing Annual General Meeting are produced below in terms of Clause 49 of the Listing Agreement:

Mr. Santosh Kumar Tibrewalla, aged about 50 years holds a bachelor's degree in Commerce as well as Law from Calcutta University. He is a member of the Institute of Company Secretaries of India. He is a practicing Company Secretary and holds vast experience in the field of Corporate Laws.

Mr. Santosh Kumar Tibrewalla is a Non-Executive Independent Director of the Company. He is the Chairman of Share Transfer

Committee and member of Audit Committee, Shareholder's/Investor's Grievance Committee and Committee of Directors of the Board of Directors of the Company. He is not a Director in any other Company. He is not holding any shares in the Company as on 31st March 2013.

Mr. Biswa Ranjan Sengupta, aged about 70 years holds bachelor's degree in Engineering in both streams viz Mechanical and Electrical. He is a member of the Institute of Cost Accountant of India. He possesses immense experience in the fields of Banking and Management Consultancy and Finance.

Mr. Biswa Ranjan Sengupta is a Non-Executive Independent Director of the Company. He is the Chairman of Shareholder's/Investor's Grievance Committee & Audit Committee and member of Share Transfer Committee and Committee of Directors. He is not a Director in any other Company. He is not holding any shares in the Company as on 31st March 2013.

By Order of the Board,
For WEBSOL ENERGY SYSTEM LIMITED

Place: Kolkata
Date: 14th August 2013

Sd/-
(Swati Agarwal)
Company Secretary

DIRECTORS' REPORT



Dear Shareholders,

Your Directors are pleased to present the Twenty Third Annual Report and the Audited Accounts for the financial period ended 31st March, 2013.

FINANCIAL RESULTS

(₹ in lacs)

Particulars	Current Period 2012-13	Last financial Period 2011-12
Revenue from operations	11,421.58	14,325.21
Other Incomes	1,146.63	291.15
Total Revenue	12,568.21	14,616.36
Profit / (Loss) before interest, depreciation & taxes	1,561.80	(17,569.97)
Less: Interest	1,854.27	3,175.00
Less: Depreciation	1,298.51	1,995.50
Profit / (Loss) before Tax	(1,590.98)	(22,740.47)
Less: Provision for taxes including deferred taxes	-	678.07
Profit / (Loss) after Tax	(1,590.98)	(23,418.54)

OPERATIONS

During the current financial period of nine months (ie. 2012 – 13) as well as the last financial period of fifteen months (ie. 2011-12), we witnessed a significant decline in the global prices of the raw materials and finished goods coupled with the devaluation in the Indian Rupees vs US Dollar which resulted in a sharp decline in profitability leading to erosion of entire net worth of your Company.

During the nine months financial period under review your company reported a total revenue of ₹12,568.21 Lacs against ₹ 14,616.36 Lacs during the last financial period for fifteen months. After providing ₹ 1,298.51 Lacs towards depreciation and ₹ 1,854.27 Lacs towards interest, the company suffered a loss of ₹ 1,590.98 Lacs during the current financial period as compared to a loss of ₹ 23,418.54 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 period ended 31st March, 2013.

DEBT RESTRUCTURING AND BIFR

During the last financial period the credit facilities availed by your Company were restructured by a majority of the lenders under the bilateral scheme of restructuring. However three working capital banks viz., Standard Chartered Bank, Dena Bank and HDFC Bank did not consent to restructure the working capital credit facilities sanctioned by them and as such the scheme of restructuring was not implemented in its essence. As a consequence these three working capital lenders as also the other two working capital lenders i.e., Allahabad Bank and Federal Bank have classified your company's borrowings as Non Performing Asset (NPA) as on the date of the Balance Sheet under review.

Further due to the complete erosion of net worth of your company, a reference was filed and registered with the Board for Industrial and Financial Reconstruction (BIFR) during the financial period under review.

DIRECTORS

During the year under review Mrs. S. Vasanthi and Mr. S. K. Pal resigned from the office of Directors w.e.f. 08.10.2012 and 01.12.2012 respectively. However Mrs. S. Vasanthi is continuing with the Company as an employee. The Board put on record their valuable guidance and services rendered during their tenure as Directors of the Company.

According to the provisions of Articles of Association of the Company and the Companies Act, 1956, Mr. Biswa Ranjan Sengupta and Mr. Santosh Kumar Tibrewalla, Directors will retire by rotation at the forthcoming Annual General Meeting and being eligible offer themselves for re-appointment.

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 re-appointment at the forthcoming Annual General Meeting under section 224(1B) of the Companies Act, 1956.

STATUTORY AUDITORS' REPORT

On the Statutory Auditor's observations, reply from the management is as under:

a. As mentioned in para (i) of the Annexure to the Auditors' Report, regarding updating of the book records related to Fixed

Assets, the updation of fixed asset register is in process and the same will be updated in due course of time.

b. As mentioned in para (ix) of the Annexure to the Auditors' Report, regarding delay in deposit of undisputed statutory dues as on 31st March 2013, the same is due, because of adverse cash flow situation of the Company. The said dues will be paid in due course of time.

c. As mentioned in para (x) of the Annexure to the Auditors' Report, regarding accumulated losses exceeding the net worth during the current financial period and as well as during the last financial period, the same was due to significant decline in the global prices of the raw materials and finished goods coupled with the devaluation in the Indian Rupees vs US Dollar which resulted in a sharp decline in profitability. These factors had an impact on the profitability of your Company which ultimately led to erosion of entire net worth of our Company. On erosion of entire net worth of the Company as on 30th June 2012, as a statutory compliance of law, a reference was filed and registered with Board for Industrial and Financial Reconstruction (BIFR) during the current financial period.

d. As mentioned in para (xi) of the Annexure to the Auditors' Report, regarding delays in repayment of principal sums and interest thereon to banks / financial institutions and classification of the accounts of the Company as Non Performing Asset (NPA) the same was due to adverse financial conditions. Further, three working capital lenders viz. Standard Chartered Bank, Dena Bank and HDFC Bank did not consent to the restructuring package approved and sanctioned by the lead bank. As on the date of the Balance Sheet all the working capital lenders viz. Allahabad Bank, The Federal Bank, Standard Chartered Bank, Dena Bank and HDFC Bank to the Company have classified the Company's borrowings accounts with them as Non Performing Assets (NPA).

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 period under review:

i) That in the preparation of the Annual Accounts for the financial period ended 31st March, 2013, 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 period

as at 31st March, 2013 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.

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

As required under Clause 49 of the Listing Agreement with the Stock Exchanges, a report on Corporate Governance along with a certificate from 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.

INDUSTRIAL RELATIONS

The industrial relation during the period under review (July 2012- March 2013) had been cordial. The Directors take on record the dedication, contribution, support, commitment and significant efforts made by the Officers, Staff and Workers towards the overall evolution of the Company.

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.

ACKNOWLEDGEMENT

The Board of Directors would like to take this opportunity to offer their thanks and deep sense of gratitude for the support, assistance and co-operation received from the Financial Institutions, Banks, Customers, Vendors and the Government Authorities during the period under review. The Board is thankful to the shareholders for their support to the Company.

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

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

Sd/-
B. R. Sengupta
(Director)

Date: 29th May 2013
Place: Kolkata

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 period ended 31st March 2013.

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)

Research and Development is spread across the business of our company. Though 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)

Particulars	2012-13	2011-12
(a) Foreign Exchange earnings of the Company	21.80	11,223.60
(b) Foreign Exchange Outgo		
(i) C. I. F. value of import of Raw Materials, Components, Spare parts and Capital Goods	10,265.19	14,188.84
(ii) Others	525.31	1,012.13

MANAGEMENT DISCUSSION AND ANALYSIS

INDUSTRY REVIEW

Global Solar Photovoltaic (SPV) industry

The SPV industry that witnessed a remarkable growth in the past decade continued its impressive performance in 2012 with an addition of 31GW (30.4 GW in 2011) of new capacity. SPVs are soon expected to become a mature and mainstream source of electricity globally. The industry set a new record with the total installed capacity crossing the 100 GW mark to reach 102 GW in 2012, which is capable of producing annual electricity energy equivalent to 16 coal power plants or supplying annual power needs to over 30 million European households.

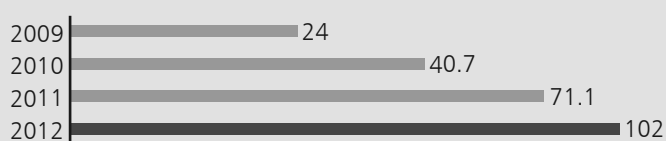
The growth in European markets (the largest market in the world with a capacity of 70GW) that witnessed continuous growth over the last decade, declined compared to the previous year. Europe's share of new PV installations across the world declined from 74% in 2011 to 55% in 2012. However, significant growth in other markets led to the overall growth in

the SPV industry. Germany topped the list of new capacity addition with 7.6 GW followed by China (5 GW), Italy (3.4 GW), the USA (3.3 GW), Japan (2 GW), France (1.1 GW), Australia and India (1 GW each). This clearly forecasts the end of European countries domination in the SPV industry in the coming years. It is expected that China, USA, Japan and India would be the new driving force for the industry. (Source: *European Photovoltaic Industry Association*)

Global polysilicon prices

The polysilicon prices that has witnessed an average price decline during the past one year is currently hovering at around USD 16.50/kg. This may go up to a maximum of USD 19.50/kg if China implements anti-dumping tariffs on imported silicon. However, this price rise would not lead to any major corrections in the market dynamics. (Source: *IHS Polysilicon Price Tracker report*)

Year-wise global PV capacity



Evolution of global PV cumulative installed capacity 2006-2012 (MW)

Region	2006	2007	2008	2009	2010	2011	2012
Europe	3,281	5,310	11,020	16,850	30,472	52,884	70,043
Asia Pacific	1,825	2,096	2,631	3,373	4,956	7,628	12,397
Americas	650	863	1,209	1,752	2,780	4,959	8,717
China	80	100	140	300	800	3,300	8,300
Middle East and Africa	1	2	3	25	71	192	601
Rest of the world	1,108	1,150	1,226	1,306	1,590	2,098	2,098
Total	6,946	9,521	16,229	23,605	40,670	71,061	102,156

Evolution of global PV annual installations 2006-2012 (MW)

Region	2006	2007	2008	2009	2010	2011	2012
Europe	992	2,028	5,710	5,830	13,622	22,411	17,159
Asia Pacific	324	271	535	742	1,583	2,672	4,769
Americas	150	213	346	543	1,029	2,179	3,758
China	10	20	40	160	500	2,500	5,000
Middle East and Africa	-	1	1	22	46	121	410
Rest of the world	105	42	76	80	284	508	-*
Total	1,582	2,575	6,708	7,376	17,064	30,391	31,095

* From 2012 onwards, these figures are directly integrated into those of the relevant regions.

Renewable energy in India

The share of energy produced from renewables in India has gone up from 2% in 2003-04 to 12% in 2012-13. In the renewables segment solar energy has the highest potential with equivalent energy potential of about 6,000 million GWh of energy. India's installed capacity of solar power increased from 941.24 MW in 2011-12 to 1,645.61 MW in 2012-13. (Source: AF-Mercados presentation)

Indian Solar Photovoltaic (SPV) industry

The Indian SPV market is estimated to grow from USD 1.05 bn in 2012 to USD 2.05 bn in 2013 given the robust demand generated from the JNNSM (Jawaharlal Nehru National Solar Mission). The demand for chemicals and materials used in the manufacture of cells and modules is to grow at a CAGR of 22.2% till 2015. During the same period the demand for module components is estimated to grow at a CAGR of 25% (Source: The Times of India).

Demand drivers such as Central and State policies, the renewable energy certification (REC) mechanism, rooftop policies, implementation of renewable purchase obligation (RPOs) and the huge off-grid market will open opportunities

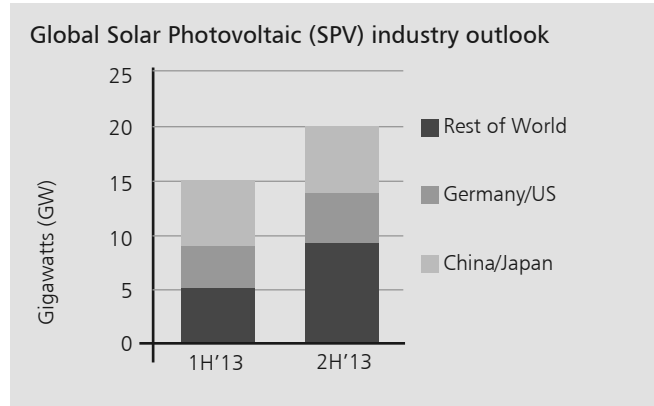
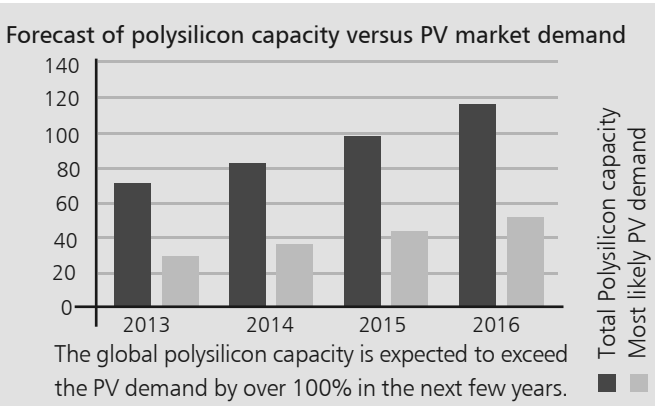
again for domestic manufacturers. The rooftop photovoltaic (RTPV) installations expected to be major demand driver in the coming 3-4 years with cumulative installations expected to reach between 2GW and 5GW. (Source: Bettina Weiss, President, SEMI)

Jawaharlal Nehru National Solar Mission (JNNSM)

The JNNSM that had set a target of installing 1,000 MW-2,000 MW solar power in its first phase (2010-2013) has successfully commissioned 1,000 MW so far. In its second phase the JNNSM targets to install 9,000 MW. This is likely to boost demand for solar power manufacturing companies in the coming years.

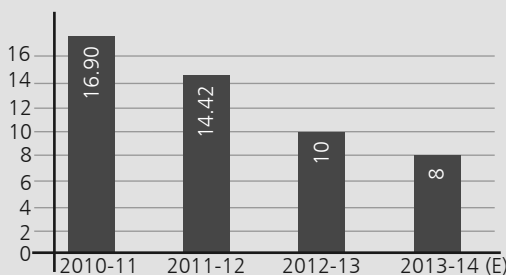
Global Solar Photovoltaic (SPV) industry outlook

The demand for solar photovoltaics is expected to reach 35.1 GW in 2013 with the first half of the year witnessing a demand of 15 GW. Large scale utility and commercial ground-mount applications accounted for 45% of the 1H'2013 demand, followed by rooftop applications with 20% and remaining from non-residential rooftop installations and off-grid applications. Almost 45% of the demand in 2H'2013 is expected to come from China and Japan. (Source: Solarbuzz)

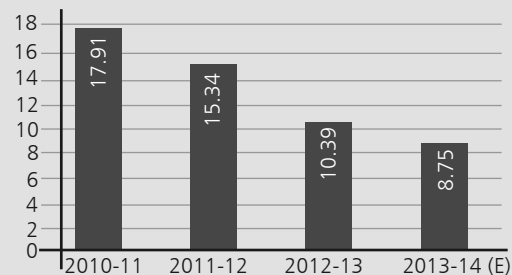


Reducing cost of solar PV generation and tariff

Cost of solar PV (₹ cr/MW)



Tariff of solar PV (₹/Kwh)



The cost of generating one megawatt of power through solar PV has come down from ₹16.90/MW in 2010-11 to ₹ 10/MW in 2012-13. The primary reasons for this reduction is supply-demand dynamics, competitive pressure, government support, reductions in the cost of PV power generation equipment and systems through technological innovations, economies of scale and efficiency improvements.

RISK MANAGEMENT

Raw material risk

Risk impact

SPV cells manufacture requires solar-grade silicon wafers and other raw materials, which constitute about 70-75% of the Company's manufacturing costs. Thus, any fluctuations in raw materials cost and supply could adversely impact the Company's production and margins.

Risk mitigation

- Global polysilicon capacity is expected to outstrip the PV demand by over 100% in the next few years.
- The Company has a healthy business relationship with major poly-silicon and wafer supplier(s) which secures its raw material availability.

Business concentration risk

Risk impact

The European countries dominate the solar industry and any downturn in these markets could adversely impact growth. An excessive business concentration in a particular location could affect margins.

Risk mitigation

- The increasing demand for solar energy in India, government's stipulation to procure power from indigenous manufacturers and popularity of the Company's products is likely to enhance sales in the domestic market.

Manpower risk

Risk impact

The solar industry, being a technology driven sector requires talented professionals. Non-availability of skilled manpower could impact productivity and quality.

Risk mitigation

- The Company's administrative team comprise of qualified and talented professionals. Moreover, the Company on regular basis provides training to enhance employee skills.
- The Company's managerial staffs regularly attend international solar conferences to enhance knowledge and skill.
- The Company's research team regularly interacts with the international research-based organisations exchanging technological knowledge.

Competition risk

Risk impact

The solar photovoltaic market is growing and highly competitive. Inability to provide quality products could result in a decline in

market share and margins

Risk mitigation

- The Company is in the solar industry for over two decades and has enough experience and skills to manufacture products with international quality standards. Its product and process certifications would ensure its position as a reputed organised player in the international market.
- The industry is dominated by players having enough experience and necessary certifications to sell products in international market, which is a major challenge for new entrants.
- The Company's venture into manufacture of mono-like wafers (a low priced product) to enable it to target price conscious customers.

Demand risk

Risk impact

Any slowdown in the global economic scenario may adversely affect demand. Moreover, the demand for SPV cells is seasonal marked by a decline in demand in countries that experience snowfall in winter.

Risk mitigation

- The Tariff Policy in India stipulates solar renewable purchase obligation (SRPO) target of 0.25% by 2013 which shall increase to 3% by 2022. Thus, the country would need 35,000 MW of solar capacity to achieve this (*Source: CEA*).
- The demand for SPV cells in China, Japan and USA are growing at a phenomenal rate owing to which the demand for SPVs is expected to reach 35.1 GW in 2013.
- Power shortage in India and global markets is likely to increase demand for solar power in the coming years.

Technology risk

Risk impact

The solar photovoltaics market is constantly maturing with the advancement of new technology. Inability of the Company to invest in Research and Development may lead to technological obsolescence.

Risk mitigation

- Most of the players in the solar PV market resort to crystalline solar cells technology. The Company with its rich intellectual capital, decades of experience and constant R&D activities has achieved technological competence in the field.



Foreign exchange risk

Risk impact

The Company imports silicon wafer (a primary raw material) from international market and exports end-products. Thus, its funds are exposed to foreign exchange fluctuations.

Risk mitigation

- The Company deals in US Dollar for majority of its imports and exports which provides a natural hedge in case of fluctuation in exchange rates.
- With the increasing SPV demand in India, the Company looks forward to increase focus on domestic sales.

STRENGTHS

Rich experience

The Company is amongst the most experienced Indian companies engaged in the manufacture of solar photovoltaic cells. It is one of the most dependable global.

Brand name

The Company enjoys a strong brand name in the domestic and international market. It has a reputation of marketing best quality product within the stipulated time which translates into a superior price-value proposition.

Vendor relations

The Company enjoys long-term relationships with most of its raw material suppliers resulting in just-in-time availability of superior quality crystalline silicon wafers.

Product basket

The Company's product portfolio comprises wafers with a wide range of output which caters to diverse market segments.

Value pyramid

The Company has enhanced its product mix over the years. The proportion of revenues derived from 250+ watts modules has substantially increased over the years resulting in better margins.

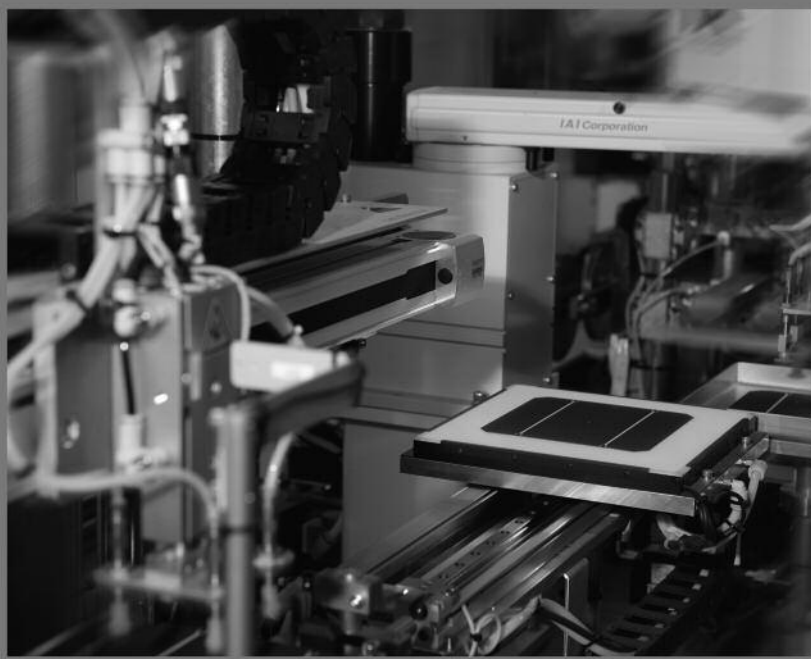
Quality

The Company's manufacturing plant is ISO 9000 certified for its quality production. Moreover, its product conforms to the requirements and specifications of various international standards like the PV GAP, TUV, IEC and UL.

Technology

The Company has gained technological expertise in the crystalline solar grade technology, resulting in an increase in yields, cell efficiency and capacity utilization.

ANNEXURE “B” TO THE DIRECTORS’ REPORT CORPORATE GOVERNANCE



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

a. Introduction

The Board of Directors of the Company has optimum combination of Executive & Non-Executive Directors. The Board Meeting are usually held at the registered office of the Company at Ideal Centre, 5th floor, 9 A. J. C. Bose Road, Kolkata – 700 017.

b. The composition and category of Directors:

Sl. No.	Name of the Director	Category
1	Mr. S. L. Agarwal	Executive – Managing Director-Promoter – CEO
2	Mr. S. K. Tibrewalla	Non-Executive Director – Independent
3	Mr. B. R. Sengupta	Non-Executive Director – Independent

c. Attendance of each Director at the Annual General Meeting and Number of other Directorship and Chairmanship / Membership of Committee of each Director in various Companies:

Sl. No.	Name of the Director	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	6	Yes	-	2	-
2	Mrs. S. Vasanthi (Resigned from the Board w.e.f. 08.10.2012)	1	No	NA	NA	NA

Sl. No.	Name of the Director	Attendance Particulars		Number of Other Directorship(s) ¹	No. Number of other Committee Membership / Chairmanship ²	
		Board	Last AGM		Committee Membership	Committee Chairmanship
3	Mr. S. K. Pal (Resigned from the Board w.e.f. 01.12.2012)	4	Yes	NA	NA	NA
4	Mr. S. K. Tibrewalla	6	Yes	-	2	-
5	Mr. B. R. Sengupta	6	Yes	-	2	2

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.

During the period ended 31st March 2013, 06 (Six) Board meetings were held on 29.08.2012, 08.10.2012, 25.10.2012, 12.11.2012, 03.12.2012, and 21.02.2013. The Company has held at least one Board Meeting in every three months and the gap between such two meetings was not more than four months.

d. Code of Conduct:

The Company has framed Code of Conduct for the Directors and Senior Management of the Company as per the provisions of Clause 49 of the Listing Agreement. 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, 2013. A declaration signed by the CEO in this regard is annexed at the end of this report.

4. 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.

As on 31st March, 2013, the Committee Comprises of three members - both Executive and Non-Executive Directors. 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:

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

During the period under review 03 (three) Audit Committee meetings were held on 29.08.2012, 12.11.2012 and 21.02.2013.

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 (Appointed as Chairman w.e.f. 01.12.2012)	Chairman and Independent Director	3
2	Mr. S. K. Pal (Ceased to be the Chairman and Member w.e.f. 01.12.2012)	Independent Director	2
3	Mr. S. L. Agarwal	Managing Director and CEO	3
4	Mr. S. K. Tibrewalla (Appointed as Member w.e.f. 01.12.2012)	Independent Director	1

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

5. REMUNERATION COMMITTEE:

Terms of Reference: The terms of reference of Remuneration Committee includes the determination of the Company's policy on specific remuneration packages for Executive Directors including pension rights and any compensation payment. During the period under review no Remuneration Committee meeting was held.

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 directors during financial period 2012-13 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	13.74	0.45	1.14	15.33
2	Mrs. S. Vasanthi (Resigned from the Board w.e.f. 08.10.2012)	Whole Time Director (Technical & Marketing)	3.51	0.11	0.27	3.89

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 period 2012-13 are given below:

Sl. No.	Name of the Non-Executive Director	Sitting Fees (₹)	Shareholding in the Company
1	Mr. S. K. Pal (Resigned w.e.f. 01.12.2012)	18,000.00	Nil
2	Mr. S. K. Tibrewalla	32,000.00	Nil
3	Mr. B. R. Sengupta	36,000.00	Nil

6. SHARE TRANSFER COMMITTEE

As on 31st March, 2013, the Share Transfer Committee comprises of 03 (three) Members, out of which 2 (two) are Independent Directors viz., Mr. S. K. Tibrewalla and Mr. B. R. Sengupta and 1 (one) Executive Director i.e., Mr. S. L. Agarwal. The Chairman of the Committee is Mr. S. K. Tibrewalla. 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

7. SHAREHOLDERS' / INVESTORS' GRIEVANCE COMMITTEE

As on 31st March, 2013, the shareholders' / investors' grievance committee comprises of 03 (three) Members, out of which 2 (two) are Independent Directors viz., Mr. S. K. Tibrewalla and Mr. B. R. Sengupta and 1 (one) Executive Director i.e., Mr. S. L. Agarwal. The Chairman of the Committee is Mr. B. R. Sengupta. 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

Investor Grievance Redressal:

During the period under review 09 nos. of Investors complaints / queries were received and no complaints / queries were pending as on 31.03.2013. No request for transfer was pending for more than 15 days as on 31.03.2013.

Compliance Officer:

Name, designation & address of the Compliance Officer:	Ms. Swati Agarwal
	Company Secretary & Compliance Officer
	Websol Energy System Limited
	Ideal Centre, 5 th Floor, 9. A. J. C. Bose Road, Kolkata – 700 017
	Telephone No. : +91-33-4023 9031
	Fax No. : +91-33-4023 9011
	Email: investors@webelsolar.com

8. COMMITTEE OF DIRECTORS:

As on 31st March, 2013, the Committee of Directors comprises of 03 (three) Members, out of which 2 (two) are Independent Directors viz., Mr. S. K. Tibrewalla and Mr. B. R. Sengupta and 1 (one) Executive Director i.e., Mr. S. L. Agarwal. The Chairman of the Committee is Mr. S. L. Agarwal.

The functions of the Committee include

- Borrow money upto ₹ 500 Crores (Rupees Five Hundred Crores) form Banks / financial institutions
- Periodically review the day to day operations.
- Any other matters(s) arising out of and incidental to these functions and such other acts assigned by the Board

9. GENERAL BODY MEETINGS

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

Financial Year / Period Ended	Date	Time	Venue	Whether any Special Resolution Passed
2009-10	29.12.2010	11:00 AM	Gyan Manch 11, Petoria Street, Kolkata – 700 054	No
2010-11	07.09.2011	10:00 AM	Webel Bhavan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091	Yes
2011-12	30.11.2012	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) Details regarding Special Resolution passed in the previous three Annual General Meetings

Date of Annual General Meeting	Details of Special Resolution passed
07 th September 2011	Change of name of Company from “Websol Energy Systems Limited” to “Websol Energy System Limited”.

c) Special Resolutions passed during the financial period 2012-13 through Postal Ballot under Section 192A of the Companies Act, 1956

Date of declaration of result	Subject matter of resolution	No. of Valid votes received	Votes in Favour of resolution	Votes in Against the Resolution	Votes in Favour (%)	Votes Against (%)
29.12.2012	Authority to Board of Directors to Sell/Lease/ Dispose/Assign/Transfer of the Company's Leasehold Land at Salt Lake	93,77,058	93,71,453	5605	99.94	0.06

10. DISCLOSURES

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

None of the transactions with any of the related parties were in conflict with the interest of the Company. Attention of members is drawn to the disclosure of transactions with the related parties set out in Note No.40, 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 :

The Company does not have a formal whistle blower policy.

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 M/s 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.

11. 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 / The Echo of India and Arthik Lipi in Bengali (local) language. The results are also posted on the website of the Company.

(b) The Company's website www.webelsolar.com contains a separate dedicated section "Investor Relations" where shareholders information is available. The Annual Report of the Company is also available on the website in a user – friendly and downloadable form.

(c) Annual Report containing, inter alia, Audited Annual Accounts, Directors' Report, Auditors' Report and other useful information is circulated to members and others entitled thereto. The Management Discussion and Analysis (MDA) Report forms part of the Annual Report and is displayed on the Company's website.

(d) 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

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

12. GENERAL SHAREHOLDER INFORMATION

a) Annual General Meeting

Day, date and time	Monday, September 30, 2013 at 10.00 AM
Venue	"Webel Bhavan, Block EP & GP, Sector – V, Salt Lake Electronics Complex, Kolkata- 700 091
Book closure dates	Wednesday September 25, 2013 to Monday September 30, 2013

b) Financial calendar

Financial year: April 01, 2013 to March 31, 2014

The tentative dates of the Board meetings for consideration of Quarterly and Annual financial results for the financial year 2013-14 are as follows:

First quarter results	On or before August 14, 2013
Second quarter results	On or before November 14, 2013
Third quarter results	On or before February 14, 2014
Fourth quarter and annual results	On or before May 30, 2014
Dividend Payment Date	Not Applicable

c) Listing on Stock Exchanges with Stock Code

The equity shares of your Company are listed on the following Stock Exchanges:

Bombay Stock Exchange Limited	Phiroze Jeejeebhoy Towers, Dalal Street, Mumbai – 400 001
National Stock Exchange of India Limited	5, Exchange Plaza, Bandra Kurla Complex, Bandra East, Mumbai – 400 001

The listing fees for the year 2013-14 have been paid for both BSE & NSE.

d) Stock Code

Bombay Stock Exchange Limited	517498
National Stock Exchange of India Limited	WEBELSOLAR
ISIN	INE855C01015

e) Market price Data

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

(In ₹)

Month	BSE		NSE	
	High	Low	High	Low
July'12	16.47	11.26	16.40	11.90
Aug'12	13.70	10.00	13.50	10.25
Sep'12	14.17	10.03	13.95	9.80
Oct'12	16.34	12.10	16.05	12.20
Nov'12	14.29	12.33	14.40	12.50
Dec'12	14.32	10.80	14.30	10.75
Jan'13	10.80	8.96	10.55	8.85
Feb'13	10.00	8.37	10.00	8.60
March'13	9.60	6.39	9.50	6.10

f) 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 01 st July'2012	: ₹ 12.71 per share
On 29 th March'2013	: ₹ 7.25 per share
Change	: (-) 42.96%

Indices (BSE Sensex) on Closing Basis:

On 01 st July'2012	: 17,236.18
On 31 st March'2013	: 18,835.77
Change	: 9.28%

g) Registrar and Transfer Agent	M/s. 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

h) Shares Transfer System

Share Transfer System is entrusted to the Registrar and Share Transfer Agent. Transfer Committee is empowered to approve the Share transfers. Transfer Committee Meeting is held as and when required. The Share Transfer issues of duplicate certificate etc are endorsed by Directors / Executives / Officers as may be authorized by the Transfer Committee. Grievances received from members and miscellaneous correspondences are processed by the Registrars within 30 days.

i) Distribution of Share Holding As on 31.03.2013

No. of Shares Held		Shareholders		Shares	
From	To	Number	% to Total Holders	Number	% to Total Capital
1	500	7892	85.27%	11,95,403	5.44%
501	1,000	663	7.16%	5,30,404	2.41%
1,001	2,000	330	3.57%	5,15,068	2.34%
2,001	3,000	117	1.26%	3,00,239	1.37%
3,001	4,000	51	0.55%	1,84,101	0.84%
4,001	5,000	32	0.35%	1,49,499	0.68%
5,001	10,000	75	0.81%	5,46,077	2.49%
10,001	50,000	70	0.76%	13,79,237	6.28%
50,001	1,00,000	10	0.11%	7,20,677	3.28%
1,00,001	And above	15	0.16%	1,64,52,361	74.88%
Total		9255	100.00%	2,19,73,066	100.00%

j) Share Holding Pattern as on 31.03.2013:

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)	140	0.00%
4	FII's	57,97,268	26.38%
5	Private Corporate Bodies	5303893	24.14%
6	Indian Public	41,94,743	19.09%
7	NRIs / OCBs	6,00,000	2.73%
	Total	2,19,73,066	100.00%

k) 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 2013, a total of 2,09,68,854 equity shares of ₹10/- each forming 95.43% of the share capital of the Company stands dematerialised. The entire equity shares of the Company are listed on BSE and NSE.

l) Outstanding Instruments

The Company has not issued any GDRs / ADRs / Warrants or any convertible instruments during the period ended 31st March, 2013.

m) Plant Location

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

n) Address for Correspondence:

Websol Energy System Limited
Ideal Centre, 5th Floor,
9, A. J. C. Bose Road, Kolkata – 700 017
Phone No. : +91-33-4023-9031
Fax No. : +91-33-4023-9011
E-Mail : 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 Ankur Poddar - 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 period ended 31st March 2013 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 period ended 31st March 2013 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) significant changes in internal control over financial reporting during the financial period ;
- ii) significant changes in accounting policies during the period and that the same have been disclosed in the notes to the financial statements ; and
- iii) instances of significant fraud of which we have become aware and the involvement therein, if any, of the management or an employee having a significant role in the Company's internal control system over financial reporting.

Place: Kolkata
Date: 29/05/2013

Sd/-
S L Agarwal
Managing Director & CEO

Sd/-
Ankur Poddar
Chief Financial Officer

DECLARATION FOR COMPLIANCE WITH THE CODE OF CONDUCT OF THE COMPANY AS PER CLAUSE 49(I)(D)(II) OF LISTING AGREEMENT

I, Sohan Lal Agarwal, Managing Director of Websol Energy System Limited declare that as of 31st March 2013, all board members and senior management personal have affirmed compliance with Code of Conduct of the Company.

Place: Kolkata
Date: 29/05/2013

S/d-
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 nine months period ended on 31st March, 2013 as stipulated in clause 49 of the Listing Agreement of the said Company with the stock exchanges.

The compliance of conditions of corporate governance is the responsibility of the management. Our examination 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.

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

We state that no investor grievances are pending for a period exceeding one month against the Company as per the records maintained by the Shareholders/Investors Grievance Committee.

We further 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

Sd/-
(P. K. AGARWAL)
Partner

C. A. MEMBERSHIP NO.53496

Place: Kolkata
Dated, the 29th day of May, 2013

FINANCIAL SECTION

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 March 31, 2013, and the Statement of Profit and Loss and Cash Flow Statement for nine months 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"). 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. 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 March 31, 2013;
- (b) in the case of the Statement of Profit and Loss, of the loss for nine months ended on that date; and
- (c) in the case of the Cash Flow Statement, of the cash flows for nine months 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 ;
 - 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;
 - e. on the basis of written representations received from the Directors as on March 31, 2013, and taken on

record by the Board of Directors, none of the directors is disqualified as on March 31, 2013, from being appointed as a Director in terms of clause (g) of sub-section (1) of section 274 of the Companies Act, 1956.

- f. Since the Central Government has not issued any notification as to the rate at which the cess is to be paid under section 441A of the Companies Act, 1956 nor has it issued any Rules under the said section, prescribing the manner in which such cess is

to be paid, no cess is due and payable by the Company.

For AGARWAL SANGANERIA & CO.

Chartered Accountants
Firm Registration No. 317224E

Sd/-
(P. K. AGARWAL)
Partner

Place: Kolkata
Dated, the 29th day of May, 2013 C. A. MEMBERSHIP NO.53496

ANNEXURE TO THE AUDITORS' REPORT

ANNEXURE REFERRED TO IN PARAGRAPH 1 OF OUR REPORT OF EVEN DATE TO THE MEMBERS OF WEBSOL ENERGY SYSTEM LIMITED FOR NINE MONTHS ENDED 31st MARCH, 2013

(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 period 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 period under report, the Company has not disposed off any substantial part of its Fixed Assets and therefore, it does not affect the going concern assumption.

(ii) The Inventories of the Company consisting of stocks of raw materials, finished goods, work-in-progress and stores and spare parts have been physically verified by the management at regular intervals during the period. 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 period under report not granted unsecured loan to any party covered under section 301 of the Companies Act, 1956. The principal balance outstanding at the beginning of the period, in respect of erstwhile joint venture, was ₹18.45 Lacs and as the joint venture was called off during the previous period under report, the said loan does not

come under the purview of section 301 of the Companies Act, 1956 as on the date of the balance sheet. The Company has also taken unsecured loans from a company as covered in the register maintained under section 301 of the Companies Act, 1956. The balance outstanding at the beginning of the period was ₹ 1,487.73 Lacs including ₹ 870.23 Lacs in respect of a party which is not covered under the purview of section 301 of the Companies Act, 1956 during the period under report and ₹ 617.50 Lacs in respect of the party covered under the said section. Hence after considering the amount taken of ₹ 164.58 Lacs and amount repaid of ₹ 269.66 Lacs, the balance outstanding as at the date of the balance sheet was ₹ 512.42 Lacs in respect of the party covered under section 301 of the Companies Act, 1956. The terms and conditions of the Loans given and taken by the Company are not prima facie prejudicial to the interest of the Company. As explained to us the interest on loans taken and given were not charged due to the financial condition of the company as well as the party to whom the loan was given.

(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 with regards to sale of goods. 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 period 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.

(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 a 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, Wealth Tax, Service Tax, Custom Duty, Excise Duty, Cess 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, 2013 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	12.85
Income Tax Act, 1961	Income Tax	31.44
Finance Act, 1994	Service Tax	6.64
WB VAT Act, 2003	Works Contract Tax & VAT	0.65
Central Sales Tax Act, 1956	Central Sales Tax	24.24
Income Tax Act, 1961	Tax Deducted at Source	19.38

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	216.55	The Company has paid ₹ 100.00 Lacs against this demand
Excise Duty & Penalty	Custom, Excise and Service Tax Appellate Tribunal	478.34	--
Excise Duty & Penalty	Commissioner –Appeals	51.05	--
Sales Tax	Assistant Commissioner	222.44	--
Income Tax	Commissioner of Income Tax –Appeal	61.57	--
Entry Tax	High Court at Kolkata	120.23	--

(x) The accumulated losses of the Company as at the date of the balance sheet are more than its net worth and it has incurred losses during the nine months period covered by audit. The company has also incurred cash losses in the immediately preceding financial period. As a result of the erosion of net worth of the company, a reference has been filed with the Board of Industrial and Financial Reconstruction (BIFR) and the same has been registered with the said Board during the period under audit.

(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 26 annexed to the financial statements, three working capital banks viz. Standard Chartered Bank, Dena Bank and HDFC Bank did not restructure the credit facilities of the company as approved by the lead bank of the company i.e., Allahabad Bank under bilateral scheme of restructuring and these banks have classified the account as a Non Performing Asset. As on the date of the balance sheet the remaining two working capital banks viz., Allahabad Bank and Federal Bank have also classified the accounts 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 period under report. The company has initiated legal steps to recover the investment in erstwhile Joint Venture situated in Germany for which proper records have been maintained by the company.

(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.

(xvi) During the period 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.

(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 period 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 period covered by our audit.

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

Sd/-
(P. K. AGARWAL)
Partner

Place: Kolkata
Dated, the 29th day of May, 2013 C. A. MEMBERSHIP NO.53496

Balance Sheet as at 31st March, 2013

(₹ in Lacs)

	Notes	As at 31.03.2013	As at 30.06.2012
I. EQUITY AND LIABILITIES			
1 Shareholders' funds			
(a) Share capital	2	2,197.31	2,197.31
(b) Reserves and surplus	3	(9,012.43)	(7,421.45)
2 Non-current liabilities			
(a) Long-term borrowings	4	19,381.97	26,107.72
(b) Deferred tax liabilities (Net)		1,938.83	1,938.83
(c) Other Long term liabilities	5	4,764.64	5,003.84
(d) Long-term provisions	6	48.04	40.27
3 Current liabilities			
(a) Short-term borrowings	7	14,219.89	7,123.72
(b) Trade payables		9,097.52	2,367.12
(c) Payables for capital contract		21.32	67.26
(d) Other current liabilities	8	10,157.18	10,162.01
(e) Short-term provisions	9	222.64	222.64
TOTAL EQUITY AND LIABILITIES		53,036.91	47,809.27
II. ASSETS			
1 Non-current assets			
(a) Fixed assets			
(i) Tangible Assets	10 (i)	33,847.06	34,314.74
(ii) Intangible Assets	10 (ii)	5.53	-
(iii) Capital Work in Progress		90.25	729.74
(b) Non-current investments	11	15.10	15.10
(c) Long-term loans and advances	12	2,977.46	3,492.40
(d) Other non-current assets	13	1,613.71	402.15
2 Current assets			
(a) Current investments	14	-	5.00
(b) Inventories	15	3,919.29	3,332.50
(c) Trade receivables	16	7,197.65	1,725.21
(d) Cash and Bank balances	17	915.94	1,527.10
(e) Short-term loans and advances	18	2,235.75	2,052.46
(f) Other current assets	19	219.17	212.87
TOTAL ASSETS		53,036.91	47,809.27

Significant Accounting Policies
Notes to the Financial Statements

1
2 to 42

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

Sd/-
(P.K. Agarwal)
Partner
Membership No. 53496

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

Sd/-
(B. R. Sengupta)
Director

Sd/-
(S. K. Tibrewalla)
Director

Place : Kolkata
Date : 29th May 2013

Sd/-
(S. Agarwal)
Company Secretary

Statement of Profit and Loss for the period ended 31st March, 2013

(₹ in Lacs)

Particulars	Notes	For the period ended 31 st March 2013	For the period ended 30 th June 2012
I. Revenue from operations	20	11,421.58	14,325.21
II. Other income	21	1,146.63	291.15
III. Total Revenue (I + II)		12,568.21	14,616.36
IV. Expenses:			
Cost of raw materials consumed	22	9,727.97	21,949.25
Stores and spares consumed	22a	308.11	318.72
Changes in stock of Finished Goods & Work-in-progress	22b	308.83	1,095.95
Employee benefit expenses	23	426.73	632.05
Finance costs	24	1,854.27	3,175.00
Power and Fuel		569.73	753.29
Depreciation	10	1,298.51	1,995.50
Other expenses	25	989.59	1,392.31
V. Total Expenses		15,483.74	31,312.07
VI. Profit/(Loss) before exceptional items and tax (III-V)		(2,915.53)	(16,695.71)
VII. Exceptional items - Exchange Fluctuation Profit / (Loss)		1,324.55	(6,044.77)
VIII. Profit/(Loss) before tax (VI + VII)		(1,590.98)	(22,740.48)
IX. Tax expense:			
(1) Provision for taxation for earlier years		-	0.10
(2) Deferred tax		-	677.97
X. Profit/(Loss) after tax for the period (VIII-IX)		(1,590.98)	(23,418.55)
XI. Earnings per equity share: (Basic & Diluted)		(7.24)	(106.58)

Significant Accounting Policies
Notes to the Financial Statements

1
2 to 42

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

Sd/-
(P.K. Agarwal)
Partner
Membership No. 53496

Place : Kolkata
Date : 29th May 2013

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

Sd/-
(B. R. Sengupta)
Director

Sd/-
(S. K. Tibrewalla)
Director

Sd/-
(S. Agarwal)
Company Secretary

For and on behalf of the Board of Directors

Cash Flow Statement For the period ended 31st March, 2013

(₹ in Lacs)

	For the period ended 31 st March 2013	For the period ended 30 th June 2012
A. Cash Flow from Operating Activities :		
Net Profit / (Loss) before tax	(1,590.98)	(22,740.47)
Adjustments for:		
Depreciation	1,298.51	1,995.50
Preliminary Expenses W/Off	55.73	92.89
Loss on sale / adjustments of Fixed Assets	3.35	10.64
Interest (Net)	1,854.27	3,175.00
	3,211.86	5,274.03
Operating Profit before Working Capital Changes	1,620.88	(17,466.44)
Adjustments for:		
Trade and other Receivables	(6,461.63)	4,430.06
Provision for Doubtful Debt	62.20	(259.70)
Inventories	(586.78)	8,556.17
Trade payables	6,843.00	(2,433.90)
	(143.23)	10,292.63
Cash generated from operations	1,477.65	(7,173.81)
Interest paid (Net)	(1,854.27)	(3,175.00)
Direct Taxes paid/refund	(14.94)	(72.43)
	(1,869.21)	(3,247.43)
Cash Flow before extraordinary items	(391.56)	(10,421.24)
Extraordinary item of Expenditure/Income	-	-
Net Cash from Operating Activities	(391.56)	(10,421.24)
B. Cash Flow from Investing Activities:		
Purchase of Fixed Assets	(846.35)	(7,258.28)
(Payments)/Adjustment for Capital Work-in-progress	639.49	5,307.97
Sale of Fixed Assets	6.65	76.15
Sales / (Purchase) of Investments	5.00	1,438.59
Net Cash used in Investing Activities	(195.21)	(435.57)
C. Cash Flow from Financing Activities:		
Issue of Equity Shares	-	(4.64)
Dividend (including tax) paid	-	-
Proceeds from Long Term Borrowings	(7,120.55)	11,710.57
Proceeds from Short Term Borrowings	7,096.17	(236.01)
Net Cash generated from Financing Activities	(24.38)	11,469.93
Net increase / (decrease) in Cash and Cash Equivalents (A+B+C)	(611.15)	613.11
Opening Balance of Cash and Cash Equivalents	1,527.10	913.99
Closing Balance of Cash and Cash Equivalents	915.94	1,527.10
	611.15	(613.11)

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

Sd/-
(P.K. Agarwal)
Partner
Membership No. 53496

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

Sd/-
(B. R. Sengupta)
Director

Sd/-
(S. K. Tibrewalla)
Director

Place : Kolkata
Date : 29th May 2013

Sd/-
(S. Agarwal)
Company Secretary

NOTES TO THE FINANCIAL STATEMENTS

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

- (a) The financial statements of the company have been prepared under the historical cost convention. Items of income and expenditure are recognised 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 recognised as and when they are crystallised. Foreign Currency Loans & Creditors and corresponding fixed assets and purchases 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, Foreign Currency Convertible Bonds, Capex FLC, Buyer's Credit and Supplier's Credit 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. The provision for the period from 01st July 2012 to 31st March 2013 has been made on an estimated basis pending the actuarial valuation certificate.
- (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(c) 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

NOTE 2. SHARE CAPITAL

(₹ in Lacs)

Particulars	As at 31.03.2013	As at 30.06.2012
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
700,000 (700,000) Equity shares of ₹ 10/- each fully paid for consideration other than cash	70.00	70.00
TOTAL	2,197.31	2,197.31

a. Reconciliation of Equity Shares

Particulars	As at 31.03.2013		As at 30.06.2012	
	Number of Shares	Amount (₹in Lacs)	Number of Shares	Amount (₹in Lacs)
Shares outstanding at the beginning of the year	21,973,066	2,197.31	21,973,066	2,197.31
Shares Issued during the year	-	-	-	-
Shares outstanding at the end of the year	21,973,066	2,197.31	21,973,066	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 2013

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

Particulars	As at 31.03.2013		As at 30.06.2012	
	No. of Shares	% of Holding	No. of Shares	% of Holding
S L Industries Pvt. Ltd.	5,519,674.00	25.12%	5,519,674.00	25.12%
Tysom Agencies Pvt. Ltd.	2,000,000.00	9.10%	2,000,000.00	9.10%
The Royal Bank of Scotland Plc as trustee of the Jupiter India Fund	1,846,162.00	8.40%	1,846,162.00	8.40%
Mavi Investment Fund Limited	1,492,500.00	6.79%	1,492,500.00	6.79%
The Indiaman Fund Limited	1,164,776.00	5.30%	1,164,776.00	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

NOTE 3. RESERVES & SURPLUS

(₹ in Lacs)

Particulars	As at 31.03.2013	As at 30.06.2012
a. Capital Reserves		
Opening Balance	610.38	610.38
Closing Balance	610.38	610.38
b. Securities Premium Account		
Opening Balance	8,608.82	9,216.12
Less: Transfer to FCCB Redemption reserve	584.09	607.30
Closing Balance	8,024.73	8,608.82
c. FCCB Redemption Reserve		
Opening Balance	2,087.66	1,485.00
Add: Transfer from Security Premium	584.09	607.30
Less: Adjustments for previous years	-	4.64
Closing Balance	2,671.75	2,087.66
d. Revaluation Reserve		
Opening Balance	1,918.42	1,918.42
Closing Balance	1,918.42	1,918.42
e. Surplus/ (Deficit) in Profit & Loss Account		
Opening balance	(20,646.73)	2,771.81
Add: Net Profit/(Loss) for the period	(1,590.98)	(23,418.54)
Closing Balance	(22,237.71)	(20,646.73)
Total	(9,012.43)	(7,421.45)

NOTE 4. LONG TERM BORROWINGS

(₹ in Lacs)

Particulars	As at 31.03.2013	As at 30.06.2012
A. Secured		
(a) Term loans from Banks (Refer Note No. 28)		
Facility A - Term Loan	14,181.82	14,665.44
Facility B - Working Capital Term Loan	380.00	7,020.52
Facility C - Funded Interest Term Loan	618.28	674.33
(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	2,241.95
(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 Loans	7.96	17.75
Sub Total of Secured Loans	17,358.92	24,619.99
B. Unsecured		
(a) Foreign Currency Convertible Bonds (including effect of Foreign Exchange Fluctuation)	-	9,552.48
Less: Amount disclosed under other current liabilities	-	(9,552.48)
Sub Total	-	-
(b) Loan from related party	512.42	617.50
From Promoter Company		
(c) Loan from others	1,510.63	870.23
From Joint Stock Companies (including Interest Accrued)		
Sub Total of Unsecured Loans	2,023.05	1,487.73
Total	19,381.97	26,107.72

NOTES TO THE FINANCIAL STATEMENTS

NOTE 5. OTHER LONG TERM LIABILITIES

(₹ in Lacs)

Particulars	As at 31.03.2013	As at 30.06.2012
(a) Trade Payables	1,383.14	664.36
(b) Payables for capital contracts	3,109.06	3,513.00
(c) Security Deposit against Land Development Agreement	200.00	200.00
(d) Advances against Land Development Agreement	72.44	72.44
(e) Advances from customers	-	554.04
Total	4,764.64	5,003.84

NOTE 6. LONG TERM PROVISIONS

Particulars	As at 31.03.2013	As at 30.06.2012
Provisions for Gratuity	48.04	40.27
Total	48.04	40.27

NOTE 7. SHORT TERM BORROWINGS

Particulars	As at 31.03.2013	As at 30.06.2012
Secured		
Loans repayable on demand from banks		
- Export Packing Credit	1,554.26	1,550.72
-WCTL and FITL of Working capital Lenders	7,995.33	-
- Cash Credits/Working Capital Demand Loan	4,160.49	5,063.20
-Bills for Collection	509.80	509.80
(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)		
Total	14,219.89	7,123.72

NOTE 8. OTHER CURRENT LIABILITIES

Particulars	As at 31.03.2013	As at 30.06.2012
(a) Foreign Currency Convertible Bonds - including effect of exchange fluctuation	9,157.68	9,552.48
(b) Interest accrued but not due on secured loans	11.49	82.44
(c) Interest accrued and due on secured loans	98.75	132.76
(d) Unpaid dividends	8.32	11.25
(e) Statutory Liabilities payable	343.20	161.73
(f) Advances from customers	451.10	1.41
(g) Salary, Wages and Bonus payable	55.81	49.35
(h) Other Payables *	30.83	170.59
Total	10,157.18	10,162.01

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

NOTE 9. SHORT TERM PROVISIONS

Particulars	As at 31.03.2013	As at 30.06.2012
Provisions for :		
Income Tax	122.64	122.64
Excise Duty	100.00	100.00
Total	222.64	222.64

NOTES TO THE FINANCIAL STATEMENTS

NOTE 10 (i). TANGIBLE ASSETS

(₹ in Lacs)

Name of Assets	Gross Block				Depreciation				Net Block	
	Cost as at 01.07.2012	Addition During the period	Sales/ Adjustments during the period	Cost as at 31.03.2013	Up to 30.06.2012	For the period	Less: for Sale / Adjustment	Up to 31.03.2013	As at 31.03.2013	As at 30.06.2012
Leasehold land	1,982.64	-	-	1,982.64	-	-	-	-	1,982.64	1,982.64
Building	5,887.90	35.75	-	5,923.65	537.61	147.63	-	685.24	5,238.41	5,350.29
Plant & Machinery	31,190.35	790.41	-	31,980.76	4,599.59	1,130.15	-	5,729.74	26,251.02	26,590.76
Furniture & Fixture	321.17	0.76	-	321.93	70.75	15.26	-	86.01	235.92	250.42
Computer	80.63	3.67	-	84.30	63.92	(3.65)*	-	60.27	24.03	16.71
Office Equipment	64.19	6.85	-	71.04	10.35	2.38	-	12.73	58.31	53.84
Motor Vehicles	100.61	-	11.73	88.88	30.53	6.71	5.09	32.15	56.73	70.08
Grand Total	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
Previous period	32,464.46	7,247.64	84.61	39,627.49	3,325.71	1,995.50	8.46	5,312.75	34,314.74	29,138.75

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.

* Depreciation for the period	6.58
Less : Excess depreciation for earlier years written back	10.23
	(3.65)

NOTE 10 (ii). INTANGIBLE ASSETS

Name of Assets	Gross Value				Depreciation				Closing Balance	
	Cost as at 01.07.2012	Addition During the period	Sales/ Adjustments during the period	Cost as at 31.03.2013	Up to 30.06.2012	For the period	Less: for Sale / Adjustment	Up to 31.03.2013	As at 31.03.2013	As at 30.06.2012
Computer Software	-	5.56	-	5.56	-	0.03	-	0.03	5.53	-
Previous period	-	-	-	-	-	-	-	-	-	-

NOTE 11. NON-CURRENT INVESTMENTS

Particulars	As at 31.03.2013	As at 30.06.2012
Other Investments		
Investment in erstwhile overseas joint venture - Websol Energy System Europe KG	15.10	15.10
Total	15.10	15.10

NOTE 12. LONG TERM LOANS AND ADVANCES (UNSECURED, CONSIDERED GOOD)

Particulars	As at 31.03.2013	As at 30.06.2012
Capital Advances (net of provisions)	441.62	617.16
Security Deposits	155.85	148.99
<u>Loans & Advances recoverable in cash or in kind</u>		
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	516.42
Advances to suppliers and others	445.82	392.09
Total	2,977.46	3,492.42

NOTES TO THE FINANCIAL STATEMENTS

NOTE 13. OTHER NON CURRENT ASSETS

(₹ in Lacs)

Particulars	As at 31.03.2013	As at 30.06.2012
Trade Receivables outstanding for a period exceeding twelve months		
Unsecured, considered good	1,599.30	332.00
Unsecured, considered doubtful	204.77	266.97
	1,804.07	598.97
Less: Provision for doubtful debts	204.77	266.97
	1,599.30	332.00
Miscellaneous Expenditure to the extent not w/off	14.41	70.15
Total	1,613.71	402.15

NOTE 14. CURRENT INVESTMENTS

Particulars	As at 31.03.2013	As at 30.06.2012
"Investments in Mutual Fund - 18,168.05 units of Principal Large Cap Fund - Growth Plan - Quoted "	-	5.00
Market Value as on the Balance Sheet date	-	(4.85)
Total (At Cost)	-	5.00

NOTE 15. INVENTORIES

Particulars	As at 31.03.2013	As at 30.06.2012
Raw Materials	1,878.51	1,038.92
Work-in-progress	875.53	1,500.91
Finished goods	832.77	516.22
Stores and spares	332.48	276.45
Total	3,919.29	3,332.50

NOTE 16. TRADE RECEIVABLES

Particulars	As at 31.03.2013	As at 30.06.2012
Trade receivables outstanding for a period less than six months from the date they became due for payment	-	-
Unsecured, considered good	6,563.03	646.95
Trade receivables outstanding for a period exceeding six months but upto twelve months from the date they became due for payment	-	-
Unsecured, considered good	634.62	1,078.26
Total	7,197.65	1,725.21

NOTES TO THE FINANCIAL STATEMENTS

NOTE 17. CASH AND BANK BALANCES

(₹ in Lacs)

Particulars	As at 31.03.2013	As at 30.06.2012
Cash and Cash Equivalents		
In Current and EEFC Accounts	34.03	43.49
In Unpaid dividend accounts	8.32	11.25
Cash in hand	1.63	2.40
Other Bank Balances		
Term deposits with more than 12 months Maturity in Margin Accounts	871.96	1,469.96
Total	915.94	1,527.10

NOTE 18. SHORT-TERM LOANS AND ADVANCES - UNSECURED, CONSIDERED GOOD

Particulars	As at 31.03.2013	As at 30.06.2012
Advances for capital goods	76.00	22.76
Security Deposits	138.22	32.93
Loans to Corporate Bodies	407.67	376.40
Income Tax Deducted at Source	237.41	222.47
Advance for projects	7.58	7.58
Advance to suppliers and others	1,368.87	1,390.32
Total	2,235.75	2,052.46

NOTE 19. OTHER CURRENT ASSETS

Particulars	As at 31.03.2013	As at 30.06.2012
Bank Interest Receivable	144.86	138.56
Miscellaneous Expenditure to the extent not w/off	74.31	74.31
Total	219.17	212.87

NOTE 20. REVENUE FROM OPERATIONS

Particulars	For the period ended 31 st March 2013	For the period ended 30 th June 2012
Sale of products (Solar Photovoltaic Cells and Modules)	11,421.58	14,318.56
Other operating revenues- Scrap Sale	-	6.65
Total	11,421.58	14,325.21

NOTE 21. OTHER INCOME

Particulars	For the period ended 31 st March 2013	For the period ended 30 th June 2012
Interest Income from Bank Deposits	85.35	177.98
Interest Income from others	133.14	50.09
Sundry Balances written back	738.02	14.84
Tolling Charges	53.55	-
Miscellaneous Income	136.57	48.24
Total	1,146.63	291.15

NOTES TO THE FINANCIAL STATEMENTS

NOTE 22. COST OF RAW MATERIALS CONSUMED

(₹ in Lacs)

Particulars	For the period ended 31 st March 2013	For the period ended 30 th June 2012
Opening stock	1,038.92	8,575.59
Add: Purchases	10,398.13	13,992.26
Carriage Inward	169.43	284.32
Processing Charges	-	2.80
Exchange Fluctuation	-	133.20
	11,606.48	22,988.17
Less: Closing stock	1,878.51	1,038.92
Cost of raw material consumed	9,727.97	21,949.25
Raw Material consumed comprises:		
Silicon Wafers	5,410.04	17,371.75
Silver & Aluminium Paste	1,080.20	1,662.09
Ethyl Vinyl Acetate	365.25	335.43
Isopropyl Alcohol	74.78	61.94
Tempered Glass	498.48	568.31
Tedlar	515.53	420.57
Other materials*	1,783.69	1,529.16
Total	9,727.97	21,949.25

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

NOTE 22a. STORES & SPARES CONSUMED

Particulars	For the period ended 31 st March 2013	For the period ended 30 th June 2012
Opening Stock	276.45	200.00
Add : Purchases	364.14	395.17
	640.59	595.17
Less : Closing Stock	332.48	276.45
Consumption	308.11	318.72

NOTE 22b. CHANGES IN STOCK OF FINISHED GOODS AND WORK-IN-PROGRESS

Particulars	For the period ended 31 st March 2013	For the period ended 30 th June 2012
Inventories at the beginning of the year:		
Finished goods	516.22	976.76
Work-in-progress	1,500.91	2,136.32
	2,017.13	3,113.08
Inventories at the end of the year:		
Finished goods	832.77	516.22
Work-in-progress	875.53	1,500.91
	1,708.30	2,017.13
Net (increase) / decrease	308.83	1,095.95

NOTES TO THE FINANCIAL STATEMENTS

NOTE 23. EMPLOYEE BENEFIT EXPENSES

(₹ in Lacs)

Particulars	For the period ended 31 st March 2013	For the period ended 30 th June 2012
Salaries, allowances, bonus and gratuity	385.65	568.49
Contributions to provident and other funds	30.68	49.05
Staff welfare expenses	10.39	14.51
Total	426.73	632.05

NOTE 24. FINANCE COSTS

Particulars	For the period ended 31 st March 2013	For the period ended 30 th June 2012
Interest expense on		
- Term Loans	1,154.14	1,376.40
- Packing Credits and Cash Credits	546.40	731.08
- Bills Discounting	-	311.51
-Others including Buyers Credit interest	133.52	573.61
Other borrowing costs	20.21	182.39
Total	1,854.27	3,174.99

NOTE 25. OTHER EXPENSES

Particulars	For the period ended 31 st March 2013	For the period ended 30 th June 2012
Audit Fees (refer note 34)	2.36	4.69
Bank Commission and Charges	19.27	174.75
Carriage Outward	169.05	125.76
Insurance	20.26	131.95
Loss on sale of fixed assets	3.34	10.64
Miscellaneous	239.15	235.77
Other Selling Expenses	18.78	6.35
Preliminary Expenditure w/off	55.73	92.89
Prior Period Expenses	208.50	44.55
Provision for doubtful debts	115.10	259.70
Rates & taxes	7.03	3.88
Rent	22.47	33.38
Repairs to building	37.26	5.04
Repairs to machinery	6.31	26.02
Repairs to others	5.25	8.55
Testing Charges	0.36	109.43
Travelling and Conveyance	59.37	118.96
Total	989.59	1,392.31

NOTES TO THE FINANCIAL STATEMENTS

26. The Company has incurred losses during the current financial period as well as the last financial period due to significant decline in the global prices of the raw materials and finished goods. As a consequence the working capital as well as the term loan credit facilities of the Company were restructured by a majority of the lenders on bilateral basis during the last financial period. Three working capital lenders ie. Standard Chartered Bank, Dena Bank and HDFC Bank did not consent to restructure the working capital facilities even as on the date of Balance Sheet under review. As on the date of the Balance Sheet all the

working capital lenders viz. Allahabad Bank, The Federal Bank, Standard Chartered Bank, Dena Bank and HDFC Bank to the Company have classified the Company's borrowings accounts with them as Non Performing Assets (NPA).

27. WCTL/FITL of Working Capital Lenders was considered as Long Term Borrowing in preceding period and the same is now considered as Short Term Borrowings for the current financial period.

28. TERMS OF REPAYMENT OF TERM LOANS FROM BANKS ARE AS FOLLOWS:

Name of Bank/Facility	Total Amount	Repayment Terms
Axis Bank		
ECB	US \$ 11.43 Mn	bullet repayment on 31.10.2013
Term Loan	₹ 6286.00 Lacs	28 equal quarterly installments beginning from 31.12.2013
Overdraft	₹ 650.00 Lacs	28 equal quarterly installments beginning from 01.01.2014
FITL I	₹ 490.00 Lacs	36 equal monthly installments beginning from 01.01.2014
FITL II	₹ 182.00 Lacs	36 equal monthly installments beginning from 01.01.2014
EXIM Bank		
Term Loan I	US\$ 3.01 Mn	13 quarterly installments beginning from 15.04.2014
Term Loan II	US\$ 7.85 Mn	20 quarterly installments beginning from 14.10.2013
FITL I		36 monthly installments beginning from 15.04.2014
FITL II		36 monthly installments beginning from 14.10.2013
ICICI Bank		
Term Loan	₹ 1943.00 Lacs	84 equal monthly installments beginning from 31.10.2013
WCTL	₹ 600.00 Lacs	36 equal monthly installments beginning from 31.10.2013

29. During the period under review the Company had filed a reference with the Board for Industrial & Financial Reconstruction (BIFR) in view of the complete erosion of Net Worth as on the date of last Balance Sheet. The said reference has been registered by BIFR during the period under review.

30. Estimated amounts of Capital Contracts as at 31st March, 2013 and not provided for ₹ 1330.96 Lacs (Previous period ₹ 2013.93 Lacs). Total Advances paid there against ₹ 694.91 Lacs including ₹ 345.75 Lacs in foreign currency (Previous period ₹ 639.93 Lacs including ₹ 345.20 Lacs in Foreign Currency)

31. Contingent Liabilities –

(a) Outstanding Bank Guarantees ₹ 46.27 Lacs (Previous period ₹ 184.32 Lacs)

(b) Outstanding Letter of Credit ₹ Nil Lacs (Previous period ₹ 70.00 Lacs)

(c) 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.

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

(e) Outstanding Capex Letter of Credits ₹ 4169.47 Lacs (Previous period ₹ 4,667.08 Lacs) for import of Capital Goods

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 period under reporting.

33. Since there is no reasonable certainty that sufficient future taxable income will be available, the measurement of deferred tax asset, which may be realized, has not been considered in these accounts.

34. Amounts paid / payable to Auditors –

(a) Audit fees ₹ 2,00,000/- (Previous period ₹ 3,12,500/-), plus the applicable service tax.

(b) In other capacity in respect of certification work ₹ 36,000/- (Previous period ₹ 62,500/-) plus the applicable service tax.

(c) For Audit under section 44AB of the Income Tax Act, 1961 to other firm of Chartered Accountants ₹ 60,000/- (Previous period ₹93,750/-), plus the applicable service tax.

35. Balances of Debtors, Creditors and Loans and Advances are subject to confirmation and reconciliation with respective parties.

NOTES TO THE FINANCIAL STATEMENTS

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

	31.03.2013		30.06.2012	
	₹ In Lacs	%	₹ In Lacs	%
1. Raw Materials				
- Imported	9,199.72	94.57	21,190.82	96.54
- Indigenous	528.25	5.43	758.42	3.46
Total	9,727.97	100.00	21,949.24	100.00
2. Stores & Spares				
- Imported	226.18	73.41	211.73	66.43
- Indigenous	81.93	26.59	106.98	33.57
Total	308.11	100.00	318.72	100.00

(b). CIF value of imports

	31.03.2013 (₹ In Lacs)	30.06.2012 (₹ In Lacs)
Raw Materials	9,995.86	13,516.65
Capital Goods	NIL	394.70
Components & Spares	269.33	277.49

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

	31.03.2013 (₹ In Lacs)	30.06.2012 (₹ In Lacs)
Travelling	2.57	14.89
Bank Charges	0.85	14.50
Interest on Foreign Currency Loans	521.89	884.99
Testing Charges	NIL	85.15
Advertisement in Foreign Journals	NIL	4.74
Listing Fees	NIL	4.80
Commission	NIL	2.47
Newspaper, Books & Periodicals	NIL	0.59

(d). Earning in Foreign Currency (including outstandings)

	31.03.2013 (₹ In Lacs)	30.06.2012 (₹ In Lacs)
F.O.B. Value of Exports	21.80	11,223.60

37. DIRECTOR'S REMUNERATION:

Salary & Medical Re-imbursments including PF contribution & bonus

(₹ in Lacs)

	For the period ended 31st March 2013	For the period ended 30th June 2012
Mr. S.L. Agarwal, Managing Director	14.19	15.08
Mrs. S. Vasanthi, Director (Technical & Marketing)	03.62	10.50
(This sum is debited to respective head of accounts)		

* The Remuneration of Mrs. S. Vasanthi has been considered only upto 07th October 2012 i.e., the period upto which she was a Director in the Company

38. 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.

39. EARNINGS PER SHARE:

		31.03.2013	30.06.2012
(a) Profit After Tax	₹ in Lacs	(1,590.97)	(23,418.54)
(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)	₹	(7.24)	(106.58)

40. RELATED PARTY DISCLOSURE (PURSUANT TO ACCOUNTING STANDARD 18)

i) List of Related Parties and Relationship

Name of the Party	Relationship	Remarks
S. L. Industries Pvt. Ltd.	Associate	Nil
Industry Side Pvt. Ltd.	Associate	Nil
S.L. Agarwal	Key Management Personnel – Managing Director	Nil
S. Vasanthi	Key Management Personnel – Director, Technical & Marketing	Ceased to be a Director w.e.f. 08 th October 2012

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

Nature of Transactions	Associates	
	31.03.13 (₹ in Lacs)	30.06.12 (₹ in Lacs)
Interest on Unsecured Loan taken	Nil	435.41
Unsecured Loans Taken	164.59	1496.62
Unsecured Loans Repaid	269.66	2904.49
Unsecured Loan Payable Outstanding	512.42	1487.73

41. Since the accounting year of the Company is from 01st July 2012 to 31st March 2013, these accounts are for a period of nine months and the figures thereof are not comparable with those of previous period to that extent which was for fifteen months i.e., 01st April 2011 to 30th June 2012.

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

Sd/-

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

Sd/-
(B. R. Sengupta)
Director

Sd/-
(S. K. Tibrewalla)
Director

(P.K. Agarwal)
Partner
Membership No. 53496

Place : Kolkata
Date : 29th May 2013

Sd/-
(S. Agarwal)
Company Secretary

WEBSOL ENERGY SYSTEM LIMITED

Ideal Centre, 9 A. J. C. Bose Road, 5th Floor, Kolkata - 700017

PROXY FORM

I/We.....of.....in the district of
being member(s) of Websol Energy System Limited hereby appoint
of.....or failing him/her of.....in the district
of..... as my/our proxy to vote for me/us on my/our behalf at the 23rd Annual General Meeting of the
Company to be held on Monday, the 30th September 2013 at 10.00 a.m. at Webel Bhawan, Block EP & GP, Sector V, Salt Lake
Electronics Complex, Kolkata – 700 091 and at any adjournment thereof.

Signed this day of 2013

DP ID No*

Client ID No*

Folio No.

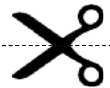
No. of Shares held

* Applicable for shares held in electronic form.

Note: 1.The proxy need not be a member of the Company.

2.The Proxy to be effective, should be duly stamped, completed and signed and must be deposited at the Registered Office of the
Company not less than 48 hours before the time for holding the aforesaid meeting.

Affix Rupee
One
Revenue
Stamp & sign
across the
same



WEBSOL ENERGY SYSTEM LIMITED

Ideal Centre, 9 A. J. C. Bose Road, 5th Floor, Kolkata - 700017

ATTENDANCE SLIP

I hereby record my/our presence at the 23rd Annual General Meeting of the Company held on Monday, the 30th September 2013
at 10.00 a.m. at Webel Bhawan, Block EP & GP, Sector V, Salt Lake Electronics Complex, Kolkata – 700 091

Name of the Member (in block letters) :

DP ID No* :

Client ID No* :

Folio No. :

No. of Shares held :

* Applicable for shares held in electronic form.

.....
Signature of the Member/Proxy

Note: Please fill this Attendance Slip and hand it over at the entrance of the meeting hall.

If undelivered, please return to:



WEBSOL ENERGY SYSTEM LIMITED

Ideal Centre, 9 A. J. C. Bose Road, 5th Floor, Kolkata - 700017