WEBEL SOLAR

Date: September 6, 2021

To,	To,
The Manager Listing, National Stock Exchange of India Limited, Exchange Plaza, Bandra Kurla Complex, Bandra (E) Mumbai: 400051 Scrip Code- WEBELSOLAR	**The Manager Listing, Bombay Stock Exchange Limited, Floor 25, PJ Towers, Dalal Street, Mumbai: 400 001 Scrip Code- 517498**

Dear Sir/Madam,

Sub: Annual Report for the financial year 2020-21

Enclosed is the Annual Report of the Company for the financial year ended March 31, 2021 including the Notice convening the 31st Annual General Meeting of the Members to be held on Thursday, September 30, 2021.

Kindly take the same on the record.

Thanking you.

Yours sincerely,
For **Websol Energy System Limited**

Websol Energy System Limited
Managing Director

Sohan Lal Agarwal
Managing Director
(DIN: 00189898)

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CIN: L29307WB1990PLC048350

We are India's only listed pure-play solar cell and module manufacturing company

Websol Energy System Limited
Annual Report 2020-21

Forward-looking statement

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

Contents

We are India's only listed pure play solar cell and modules manufacturing company

We have endured across more than 25 years.

We have survived and succeeded in a high mortality business.

We have demonstrated our capacity to make world-class products.

We have exported our products across more than 15 countries.

We are servicing the growing needs of the nation and the world.

We are profitable; we are virtually sold out for the rest of this year.

Websol Energy System Limited.

Pioneered the manufacture of solar cells in India.

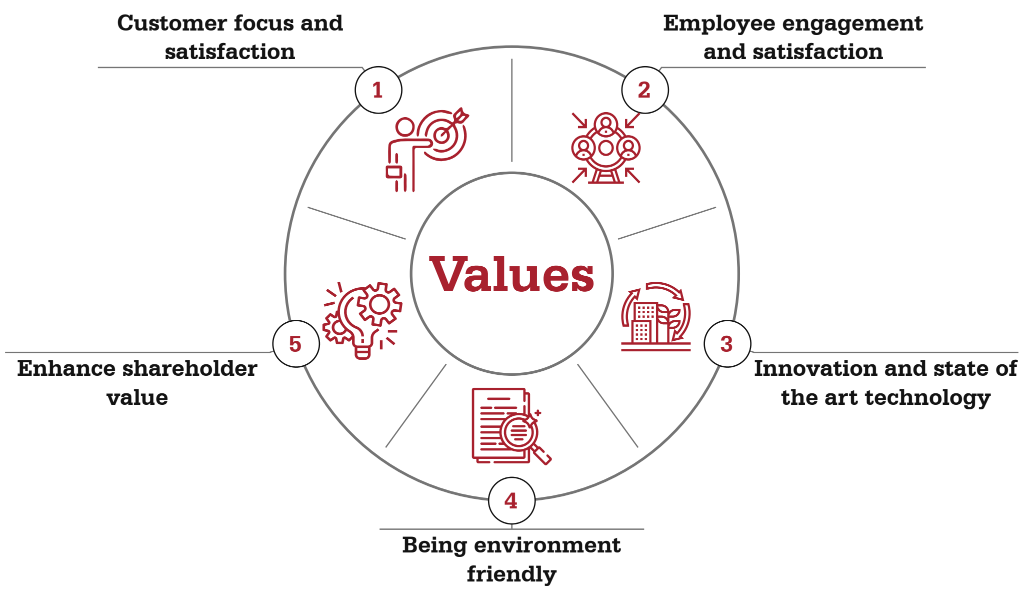
Endured through various market, policy and technology cycles.

Liquid, profit-making and debt-free today.

Positioned to address the needs of the country and world.

Vision

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



Mission

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

Experience

Over the years, the Company has emerged as one of the leading players in the solar photovoltaic cells and modules manufacturing segment. The Company enjoys a prominent presence in this sector due to its vast experience of two-and-a half decades. The Company commenced its business as a fully export oriented unit, mainly serving Europe (specially Germany and Italy) and US. The Company manufactured quality products for exports and its panels have been successfully functioning for the last 26 years.

Advanced technologies

The Company invested in cutting-edge technologies to address rapid technological advancements which enabled the company to produce world-class photovoltaic solar cells and modules at its state-of-the-art facility in Falta, SEZ. The facility empowered the company to ramp production capacity to 250 MW cells and 250 MW modules.

Research & development

The Company has invested in a vast team of analysts and research professionals that are focused on a better utilization of solar energy, designing quality standards and matching emerging sectorial trends with the objective of product customisation and improvement.

Certifications

The Company is ISO 9001:2015-certified, which signifies its commitment towards supplying superior quality products for its customers. The solar modules are also approved as per IEC 61215, IEC 61730 and UL 1703 standards. The Company possesses environment certifications to endorse its HSE compliance such as ISO 14001:2015 certification, in addition to the OHSMS 45001:2018 certification. Our modules have also been certified for BIS, facilitating their deployment in Indian solar energy projects.

Milestones

1990-91

Mr. S. L. Agarwal, Founder and Managing Director of Websol Energy System Limited, commenced the business.

1995-97

Production evolved to 6” wafers and modules up to 95 Wp. A quality certificate from ISPRA IEC 61215 standards was obtained

2000-01

Production extended to the manufacture of 8” wafers. Module output increased to 125 Wp for type W1000. Capacity enhanced to 3 MW.

2002-04

International certification obtained for W1000 as per IEC 61215 standards. UL 1703 listing for all W900 type modules. Capacity was enhanced from 3MW to 5MW.

2003-04

Installed capacity expanded from 3MW to 5 MW. UL 1703 listing was received for W1000 type modules. Production of 160/190Wp modules begun

2005-06

Capacity enhanced from 5MWp to 10 MWp. Started commercial production of W1600 and W2000R. International certification from TUV safety class II for W2000 and W1600 type modules. Industrial site finalised in SEZ Falta, West Bengal, for 120 MW expansion.

2006-07

The total installed capacity of the Company increased to 20 MWp. Three new products were launched, including the W2000R

2007-08

International certifications IEC 61215 and IEC 61730 were obtained for 180/220Wp. UL and CSA listing for 180/220Wp modules. Installed PECVD technology for silicon nitride anti-reflective coating at the Salt Lake plant in Kolkata. Cell efficiency reached 16.5%-plus

2009-10

The total installed capacity of the Company enhanced to 60 MWp. State-of-the-art production facility installed in Falta Special Economic Zone in West Bengal. Migrated from 125x125 mm to 156x156 mm wafers; enhanced the power output of modules to 290W.

2011-12

The total installed capacity of the company increased to 120 Mwp

2012-13

Engaged in a tie-up with Renesola (China) for two years to produce cells and modules in their name. The processing of Quasi-Mono wafers was started

2014-15

Installed a new texturizing line to convert to the manufacture of cost-effective multi-crystalline solar cells. Installed capacity enhanced to 180 MWp.

2015-16

Installed new process machines in the cell line to optimise efficiency. Cell efficiency enhanced to 18.30% average. Trials for 4BB cells began

2016-17

Installed a new printing line with higher productivity along with PECVD, Diffusion and Inox machines. Capacity enhanced to 240MWp

2017-18

An advanced cell printing line was installed for the commencement of the 5BB cell production. Existing module line was transformed to a fully automated high-tech 250 MW module line. The Company manufactured more than 1,00,000 units in a year (corresponding to CO_2 emission reduction of 97,659 kgs) after the installation of a 120KWp solar power facility connected to a grid in April, 2017.

2018-19

The Company achieved highest cell and module efficiency with the help of fortified capacity, tuned machines and processes. Process chemicals and use of advanced materials like paste and screens were reduced. The new module line was operated with enhanced productivity, increased product and quality efficiency with lower elimination.

2019-20

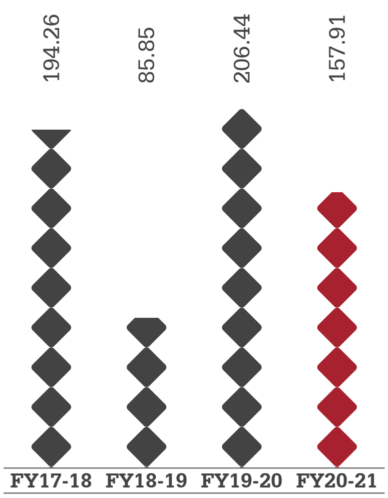
Owing to lower raw material costs, process improvements, enhanced productivity and shop floor energy savings, the Company reduced the cost of solar cell manufacture by 8%.

2020-21

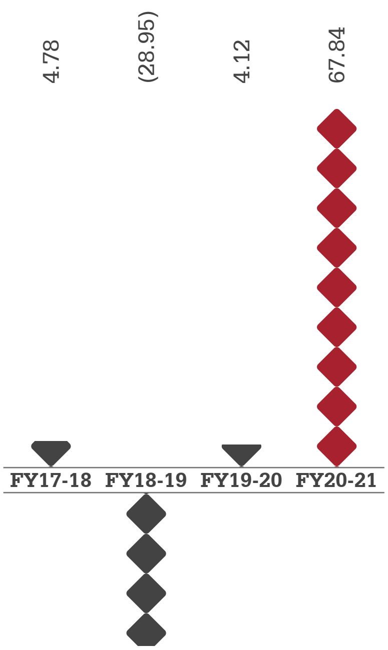
Websol altered wafer size from 157x157mm to 158.75 x158.75mm multi-crystalline, enhancing 7 watts in the 72 cell module. The company achieved front Ag paste saving with increasing throughput from printing screens, enhancing cost effectiveness by 10%. Achieved highest cell line production

Our performance over the years

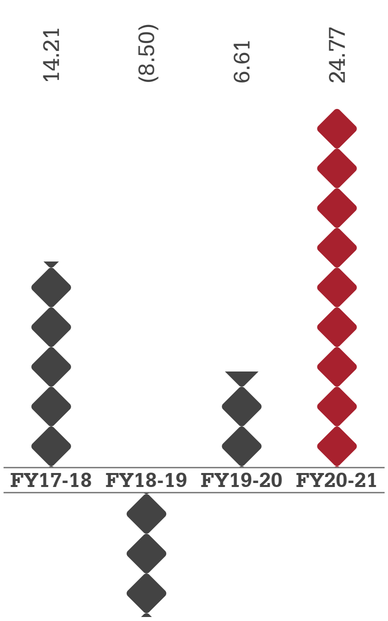
Revenues (Rs crore)



Profit after tax (Rs crore)



EBITDA margin (%)



Definition

Growth in sales volume after deduction of taxes (if any)

Reason for measurement

It indicates sales trend volume and the extent of the customer's acceptance of the Company's products.

Performance, FY2020-21

Aggregate sales degrew -23.50% to Rs 157.97 crore during FY2020-21 following closure in the first quarter that affected sales

Value impact

Develops a strong growth foundation on which profits can be built

Definition

Profits earned during the year net of all expenses and provisions

Reason for measurement

It indicates the robustness of the business model

Performance, FY2020-21

In FY2020-21, the profit after tax of the Company grew, which implies the strength of the business model

Value impact

Enables the sustainability of the Company's growth engine and ensures availability of cash for reinvestment.

Definition

EBITDA margin is a profitability ratio, which estimates the Company's operating profits with respect to the percentage of its overall revenues

Reason for measurement

The EBITDA margin highlights the earnings of the Company (prior to accounting for interest and taxes) on each rupee of sales.

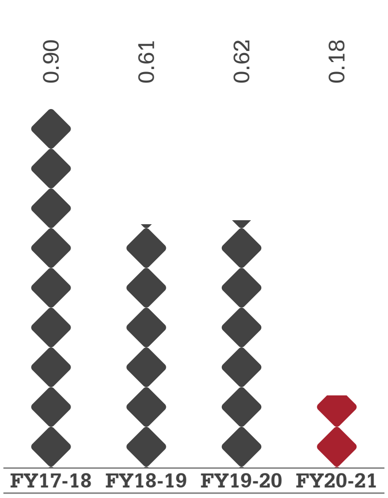
Performance, FY2020-21

The Company's EBITDA margin grew 24.77% in FY2020-21 due to the Company's increased output and operating efficiency.

Value impact

Manifests significant cushion in the business, which, when amplified by scale, increases the surplus.

Debt-equity ratio (%)



Definition

It is a leverage ratio, which calculates the ratio of total debt to shareholder's equity (after deduction of revaluation reserves)

Reason for measurement

It highlights the financial health of the Company, which indicates its ability to protect the interests of shareholders over debtors.

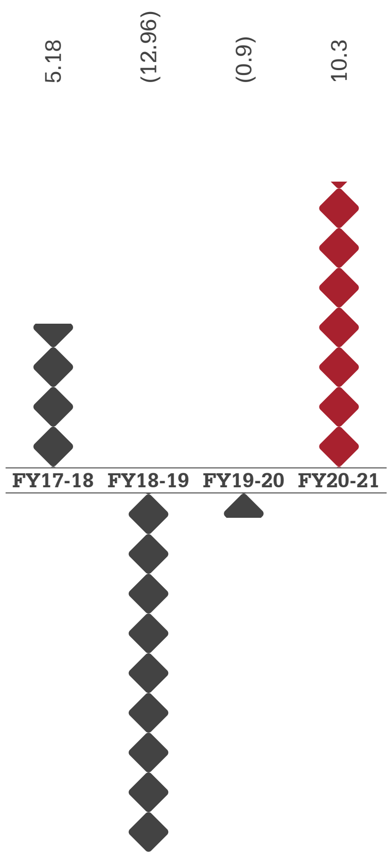
Performance, FY2020-21

The Company's debt-equity ratio strengthened from 0.62 in FY2019-20 to 0.18 in FY2020-21.

Value impact

Uniformity in equity structure increased shareholder value and moderated debt cost

ROCE (%)



Definition

It is a financial ratio that assesses a company's profitability and measures the effectiveness of the Company's utilization of capital to generate profits.

Reason for measurement

ROCE is a convenient mechanism for a comparative study of the profitability of various companies based on the utilization of capital – especially in capital-intensive sectors

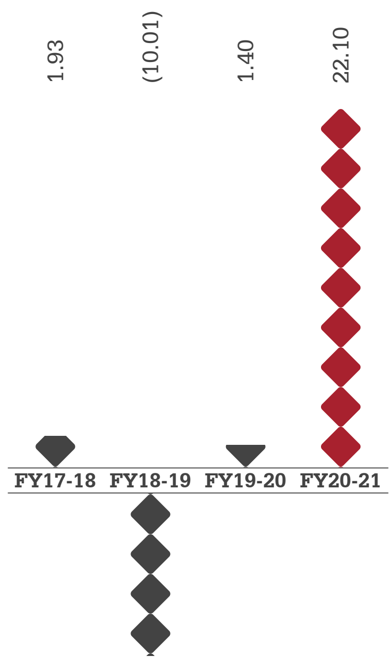
Performance, FY2020-21

An attempt of judicious investment of every rupee in profitable segments has accomplished superior returns.

Value impact

Increased ROCE helps strengthen valuations

Earnings per share (Rs)



Definition

It is the share of a company's profit per outstanding share of common stock calculated on a quarterly or annual basis.

Reason for measurement

It is a widely used metric to estimate the actual value of the shareholders created by the company.

Performance, FY2020-21

The Company's EPS increased from Rs 1.40 in FY2019-20 to Rs 22.10 in FY2020-21.

Value impact

Increased earnings per share added value in the hands of shareholders

Overview

This is what excites us at Websol

We are at the right place at the right time in history

Overview

The last decade has been seminal in the history of humankind's search for limitless affordable energy.

During this last decade, some remarkable things have come together.

One, renewable energy has achieved grid superiority, which means that the cost of renewable energy generation is cheaper than the alternative thermal equivalent.

Two, decisions related to incremental capacity energy capacity creation are now being taken around a sustainable market-based reality and no longer on the basis of government subsidies.

Three, the financial eco-system required to accelerate this sector is widening and deepening, drawing a larger number of global funding institutions with a commitment to fund assets for the long-term.

Four, a number of governments are making global statements of their intent to moderate carbon emissions intensity and footprint, graduating local assurances into visible international commitments.

Five, the increase in renewable energy is helping companies and consumers become more competitive, making it possible to reconcile growth with goodness.

Websol. Engaged in the business of the future

Our 30-year story is only now beginning

At Websol, we were ahead of our time when we went into business in the mid-Nineties.

We felt that the renewable energy ripple would transform with speed into a wave.

We believed that governments would go all out to transform the world.

We were right; we were wrong.

We were right about our direction; we were wrong about our timing.

We felt we would be deluged with large orders; we adapted to live with low volumes for years instead.

We felt we had a good stable technology to work with; we were required to adapt as technologies evolved every few years instead.

We felt that realisations would be steady enough to generate revenue visibility; realisations eroded every few months, putting a premium on the ability to remain viable at all times.

And yet…we survived quarter of a century in a high mortality business.

Our time starts now.

Websol. How we Kept staying in the game with small gains

Except that we made small gains a continuous focus

The big question that we are asked time and again: 'How did you survive?'

These are our answers.

One, we did not confuse the historicity of our direction with the urgency of milestones. The biggest mistake that we could have made was to have announced an expansion so disproportionate with our Balance Sheet size that the business could have become unsustainable.

Two, we put every rupee we saved into incremental capacity – not a substantial increase but a reasonable amount every few years – so that we kept broadbasing our business across a larger quantity, making it possible to absorb cost increases better and enhance profits across a larger production outlay.

Three, we trained our people in the finer understanding of a niche technology. The result is that each time we needed to increase capacity we did not spend our precious rupee; we debottlenecked at next to no cost; we strengthened cell efficiency using knowledge; we empowered our teams to seek the next improvement level.

This the is the result. We may not be largest in our business and we are not the most extensively funded either.

However, when industry experts speak of among the most respected solar cell manufacturers in one of the fastest renewable energy nations in the world, we are proud to see our name right up there.

The time has come to move ahead.

International Energy Association's Net Zero plan by 2050

A roadmap for the global energy sector

1

A surge in clean energy investment can bring jobs and growth

Input: To reach net zero emissions by 2050, global annual clean energy investment will need to more than triple to around USD4 trillion by 2030.

Impact: This will create millions of new jobs, significantly lift global economic growth, and achieve universal access to electricity and clean cooking worldwide by the end of the decade.

2

We need to drive huge leaps in clean energy innovation

Input: Most of the reductions in CO2 emissions through 2030 will come from technologies already on the market today. But in 2050, almost half the reductions come from technologies that are currently at the demonstration or prototype phase.

Impact: Accelerated innovation

3

A rapid shift away from fossil fuels

Input: Net zero means huge declines in the use of coal, oil and gas.

Impact: This requires steps such as halting sales of new internal combustion engine passenger cars by 2035; phasing out all unabated coal and oil power plants by 2040.

4

The path to net-zero emissions is narrow

Input: Massive deployment of all available clean energy technologies (renewables, EVs and energy-efficient building retrofits) between now and 2030.

Impact: For solar power, it is the equivalent to installing the world's current largest solar park roughly every day.

5

Electricity becomes the core of the energy system

Input: This will require huge increases in electricity system flexibility – such as batteries, demand response, hydrogen-based fuels, hydropower and more – to ensure reliable supplies.

Impact: Electricity generation will need to reach net-zero emissions globally in 2040 and be well on its way to supplying almost half of total energy consumption. Will play a key role key role across all sectors, from transport and buildings to industry.

6

New low-emissions industries flourish

Input: Accelerated renewable energy investments.

Impact: By 2045, the vast majority of cars on the roads will be running on electricity or fuel cells, planes will be relying largely on advanced biofuels and synthetic fuels, and hundreds of industrial plants will be using carbon capture or hydrogen around the world.

Key milestones for the most critical sectors and technologies to achieve net zero by 2050

Renewables

In our pathway to net zero, almost 90% of global electricity generation in 2050 will come from renewable sources, with solar PV and wind together accounting for nearly 70%.

Energy efficiency

The average rate of energy-efficiency improvements in the 2020s will be about three times the average of the last two decades.

Electrification

Electrification of areas previously dominated by fossil fuels will emerge as a crucial economy-wide tool for reducing emissions.

This will take place through technologies like electric cars, buses and trucks on the roads, heat pumps in buildings and electric furnaces for steel production.

Hydrogen and hydrogen-based fuels

Hydrogen and hydrogen-based fuels will need to fill the gaps where electricity cannot easily or economically replace fossil fuels and where limited sustainable bioenergy supplies cannot cope with demand (fuels for ships and planes, as well as hydrogen in heavy industries like steel and chemicals).

Bio-energy

Sustainable bioenergy delivers emissions reductions across a wide range of areas, including low-emissions fuels for planes, ships and other forms of transport, and the replacement of natural gas with biomethane to provide heating and electricity. Sustainable bioenergy will bring clean cooking solutions to 2.6 billion people who currently lack them.

CCUS

Carbon capture, utilisation and storage (CCUS) contributes to the transition to net zero in multiple ways. These include tackling emissions from existing energy assets, providing solutions in some of the sectors where emissions are hardest to reduce like cement, supporting the rapid scaling up of low-emissions hydrogen production, and enabling some CO2 to be removed from the atmosphere.

Behavioural changes

Achieving net zero by 2050 cannot be achieved without the sustained support and participation from citizens. Behavioural changes, particularly in advanced economies – such as replacing car trips with walking, cycling or public transport, or foregoing a long-haul flight – provide around 4% of the cumulative emissions reductions in our pathway.

- The number of countries that have pledged to achieve net-zero emissions has grown rapidly over the last year and now covers around 70% of global emissions of CO2. Even if successfully fulfilled, the pledges to date would still leave around 22 billion tonnes of CO2 emissions worldwide in 2050. The continuation of that trend would be consistent with a temperature rise in 2100 of around 2.1 °C.
- Total annual energy investment surges to USD 5 trillion by 2030, adding an extra 0.4 percentage point a year to annual global GDP growth, based on our joint analysis with the International Monetary Fund. This unparalleled increase – with investment in clean energy and energy infrastructure more than tripling already by 2030 – could bring significant economic benefits as the world emerges from the Covid-19 crisis. The jump in private and government spending creates millions of jobs in clean energy, including energy efficiency, as well as in the engineering, manufacturing and construction industries. All of this will put global GDP 4% higher in 2030 than it would be based on current trends.
- Improvements in air quality could provide major health benefits with 2 million fewer premature deaths globally from air pollution in 2030 than today in our net zero pathway. Achieving universal energy access by 2030 would provide a major boost to well-being and productivity in developing economies.

Net zero by 2050 hinges on an unprecedented clean technology push to 2030

- **The path to net-zero emissions is narrow: staying on it requires immediate and massive deployment of all available clean and efficient energy technologies.** In the net-zero emissions pathway presented in this report, the world economy in 2030 is some 40% larger than today but uses 7% less energy. A major worldwide push to increase energy efficiency is an essential part of these efforts, resulting in the annual rate of energy intensity improvements averaging 4% to 2030 – about three-times the average rate achieved over the last two decades. Emissions reductions from the energy sector are not limited to CO2: in our pathway, methane emissions from fossil fuel supply fall by 75% over the next ten years as a result of a global, concerted effort to deploy all available abatement measures and technologies.

- **Ever-cheaper renewable energy technologies give electricity the edge in the race to zero.** Our pathway calls for scaling up solar and wind rapidly this decade, reaching annual additions of 630 gigawatts (GW) of solar photovoltaics (PV) and 390 GW of wind by 2030, four-times the record levels set in 2020. For solar PV, this is equivalent to installing the world's current largest solar park roughly every day. Hydropower and nuclear, the two largest sources of low-carbon electricity today, provide an essential foundation for transitions. As the electricity sector becomes cleaner, electrification emerges as a crucial economy-wide tool for reducing emissions. Electric vehicles (EVs) go from around 5% of global car sales to more than 60% by 2030.

The transition to net zero is for and about people

- **A transition of the scale and speed described by the net zero pathway cannot be achieved without sustained support and participation from citizens.** The changes will affect multiple aspects of people's lives – from transport, heating and cooking to urban planning and jobs. We estimate that around 55% of the cumulative emissions reductions in the pathway are linked to consumer choices such as purchasing an EV, retrofitting a house with energy-efficient technologies or installing a heat pump. Behavioural changes, particularly in advanced economies – such as replacing car trips with walking, cycling or public transport, or foregoing a long-haul flight – also provide around 4% of the cumulative emissions reductions.

- **Providing electricity to around 785 million people that have no access and clean cooking solutions to 2.6 billion people that lack those options is an integral part of our pathway.** Emissions reductions have to go hand-in-hand with efforts to ensure energy access for all by 2030. This costs around USD 40 billion a year, equal to around 1% of average annual energy sector investment, while also bringing major co-benefits from reduced indoor air pollution.

- **Some of the changes brought by the clean energy transformation may be challenging to implement, so decisions must be transparent, just and cost-effective.** Governments need to ensure that clean energy transitions are people-centred and inclusive. Household energy expenditure as a share of disposable income – including purchases of efficient appliances and fuel bills – rises modestly in emerging market and developing economies in our net zero pathway as more people gain access to energy and demand for modern energy services increases rapidly. Ensuring the affordability of energy for households demands close attention: policy tools that can direct support to the poorest should include tax credits, loans and targeted subsidies.

An energy sector dominated by renewables

- **In the net zero pathway, global energy demand in 2050 will be around 8% smaller than today, but it serves an economy more than twice as big and a population with 2 billion more people.** More efficient use of energy, resource efficiency and behavioural changes combine to offset increases in demand for energy services as the world economy grows and access to energy should be extended to all.

- **Instead of fossil fuels, the energy sector will be based largely on renewable energy.** Two-thirds of total energy supply in 2050 will be from wind, solar, bioenergy, geothermal and hydro energy. Solar becomes the largest source, accounting for one-fifth of energy supplies. Solar PV capacity increases 20-fold between now and 2050, and wind power 11-fold.

- **Net zero means a huge decline in the use of fossil fuels.** They fall from almost four-fifths of total energy supply today to slightly over one-fifth by 2050. Fossil fuels that remain in 2050 will be used in goods where the carbon is embodied in the product such as plastics, in facilities fitted with CCUS, and in sectors where low-emissions technology options are scarce.

- **Electricity accounts for almost 50% of total energy consumption in 2050.** It plays a key role across all sectors – from transport and buildings to industry – and will be essential to produce low-emissions fuels such as hydrogen. To achieve this, total electricity generation increases over two-and-a-half-times between today and 2050. At the same time, no additional new final investment decisions should be taken for new unabated coal plants, the least efficient coal plants are phased out by 2030, and the remaining coal plants still in use by 2040 are retrofitted. By 2050, almost 90% of electricity generation comes from renewable sources, with wind and solar PV together accounting for nearly 70%. Most of the remainder comes from nuclear.

- **Emissions from industry, transport and buildings take longer to reduce. Cutting industry emissions by 95% by 2050 involves major efforts to build new infrastructure.** After rapid innovation progress through R&D, demonstration and initial deployment between now and 2030 to bring new clean technologies to market, the world then has to put them into action. Every month from 2030 onwards, ten heavy industrial plants will be equipped with CCUS, three new hydrogen-based industrial plants are built, and 2 GW of electrolyser capacity will be added at industrial sites. Policies that end sales of new internal combustion engine cars by 2035 and boost electrification will underpin the massive reduction in transport emissions. In 2050, cars on the road worldwide will run on electricity or fuel cells. Low-emissions fuels are essential where energy needs cannot easily or economically be met by electricity. For example, aviation relies largely on biofuels and synthetic fuels, and ammonia is vital for shipping. In buildings, bans on new fossil fuel boilers need to start being introduced globally in 2025, driving up sales of electric heat pumps. Most old buildings and all new ones should comply with zero-carbon-ready building energy codes.

Last month, the International Energy Agency (IEA) for the first time presented a concrete global roadmap for the energy sector to remove all emissions by 2050. The roadmap calls for annual additions of solar Photovoltaic to increase global solar capacity from 737 GW in 2020 to about 5,000 GW by the end of 2030. - MuKesh Ambani (24th June 2021)

First word

Managing Director's overview

For any business to be truly sustainable, the two imperatives are the size of the addressable market and a sustainable competitive advantage.

I would like to explain how these two realities apply to our company.

Let us start with the addressable market.

India announced an ambitious target of renewable energy capacity creation - 175 GW by 2022 and 450 GW by 2030 – that could completely transform the extent of renewable energy that we are likely to consume in our country a few years from now. The result is that while the base load of the country will continue to be addressed by thermal energy, while the incremental energy will be addressed by renewable energy.

This demand growth is unlikely to be only government-directed. Companies will increasingly seek to replace thermal energy with renewable options. The larger companies are showing the way: retail giant Amazon, for instance, expects to operate with 100% renewable energy by 2025, net-zero carbon emissions by 2040 and launched a USD 2 billion Climate Pledge Fund to back visionary companies whose products and services facilitate a low-carbon future. This trend is catching on; Google became carbon-neutral in 2007 and ten years later became the first company of its size to match 100% of its global, annual electricity consumption with renewable energy and now intends to completely decarbonize its electricity supply and operate 24/7 carbon-free energy everywhere by 2030.

Now come to the India story. The Indian government intends to increase the share of power generation capacity that does not consume fossil fuels to 40% by 2030 and reduce carbon emissions by 33 to 35% (from the 2005 level) by 2030 as a part of the Paris Agreement between nations.

The seriousness of the Indian government is reflected in the fact that power generation capacity from renewable, hydroelectric, and nuclear sources has already reached 38%; India appears likely to reduce emissions by 45% by 2030, far surpassing its Paris Agreement promise.

At Websol, what we find creditable

India announced an ambitious target of renewable energy capacity creation

175 GW
by 2022

450 GW
by 2030

is that the Indian government has extended its strategic intent into policy action. During the last couple of years, the speed with which we have seen the government respond to evolving ground realities has been heartening; these changes have translated into improved prospects for companies like ours. In turn, these improvements have provided us with the confidence that the changes will be enduring and sustainable, providing a basis for companies like ours to invest decisively in our future.

The government announced an increase in customs tariff that becomes effective from April 2022. We believe that this will make it possible for much of the country's long-term appetite for cells, panels and modules to be serviced from within, a validation of the country's Atmanirbhar Bharat (Self-Reliant India) commitment. At Websol, we believe that this decisive government support will not only make companies like ours larger to service the growing need of renewable energy products from within the country; we also believe that companies like ours will be equipped – technologically and financially – to emerge as dependable material providers to the world.

Investing in the future

At Websol, we believe that the time has come to make a decisive move.

By the close of the year under review, your company possessed a solar cell manufacturing capacity of 250 MW with an equivalent capacity to manufacture solar modules.

To retain our position as one of the premier solar energy material providers in the nation, we now need to step up our game. We need to make the most decisive investment in our manufacturing capacity across the foreseeable future.

Your company intends to add 500 MW of solar cell capacity and graduate from the existing technology to a more advanced generation that protects the company's technology contemporariness in a rapidly transforming world. Besides, we intend to activate our solar module line that makes it possible for us to enhance value to our solar cells (as they would be consumed in the manufacture of modules) and capitalize on the production-linked incentives announced by the Indian government to encourage the production of solar modules.

The financing arrangements of this proposed expansion are being worked out, but I must assure out stakeholders that we will ensure that a principal portion of the funding is net worth-driven, with virtually no debt and directed towards enhancing long-term shareholder value.

An emerging eco-system

At Websol, we are enthused by the gradual and irreversible maturing of the eco-system.

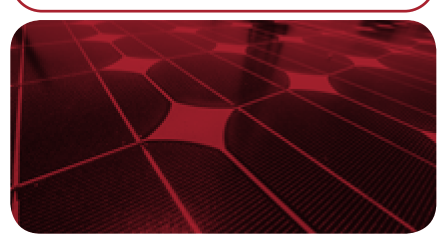
There are a growing number of distribution companies willing to offer their consumers the option of buying renewable energy through the grid for an incremental tariff (announced in Mumbai).

These distribution companies will need a regular back-end supply of solar cells and modules from established players like us.

These companies will seek solar cells configured around the most modern standards of efficiency and space economy.

Besides, we see the coming together of an eco-system of raw material providers within the country – laminating sheets (EVA and backsheet) and glass – that will only become more broad-based following the government's commitment to build India into long-term destination for renewable energy products. The government announced a forward-looking production-linked incentive that will enable module makers to derive an additional incentive from the government, based on transacted revenues, strengthening their reinvestment into the business and helping manufacturers accelerate their scale. We believe that the complement of these incentives will ensure that much of the investment going into the country's renewable energy sector will benefit Indian industry – not only from the perspective of addressing the country's growing needs but also by emerging as a competitive global provider of renewable energy products.

India is expected to grow from the sixth largest economy to the third largest by 2030, widening the role of clean energy. The result is that renewable energy is likely to be in a position of perpetual catch-up



Optimism

India is expected to grow from the sixth largest economy to the third largest by 2030, widening the role of clean energy. The result is that renewable energy is likely to be in a position of perpetual catch-up: each phase of economic growth will henceforth lead to a disproportionate increase in the appetite of renewable energy from across government and private projects.

The other fundamental driver of a sustained growth in renewable energy demand will be the country's growing population. India's was a population size of 1.05 billion at the turn of the century, 1.39 billion by 2020 and likely to exceed China's by 2026, sustained by an annual population increment of around 1% that is likely to catalyse the demand for renewable energy.

Besides, India is extensively under-consumed across core products and as the increase in incomes translates into enhanced product offtake, there could be a growing appetite for renewable energy.

Conclusion

At Websol, we see India at the bottom end of a long J-curve in terms of renewable energy consumption.

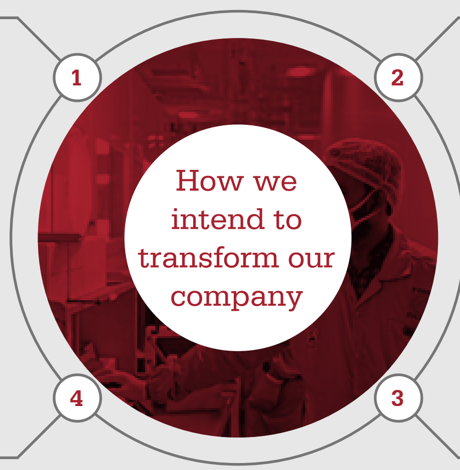
We believe that the country will need a larger field of solar cell and module manufacturers; in fact, we believe that given the disproportionate growth opportunity, the Indian capacity for renewable energy materials is concentrated in the hands of just a few.

At Websol, we see in this reality an unprecedented opportunity that makes it possible to catch up on the lost years with speed, growing our company's capacity and enhancing value in the hands of all those associated with our business.

Sohanlal Agarwal
Managing Director

Recapitalise the Balance Sheet
The company intends to mobilise net worth with the objective to make growth capital available to capitalize on the biggest sectorial opportunity

Enhance installed capacity
The company intends to enhance its operating capacity with the objective to protect its position as a sizable national provider of solar cells and modules



Graduate to an advanced technology
The company intends to graduate to the manufacture of a superior cell size and advanced technology that protects its relevance in a fast-changing business

Pre-sell our capacity
The company intends to de-risk itself through a sales collaboration with a large market-facing company with a sizable requirement of solar cells and modules

Technical review

“We are an increasingly globally competitive player in a challenging technology space”

A technical review of the company’s FY2020-21 performance by Ms Vasanthi Sreeram, Technical Director

Q: Was the management pleased with the performance of the company during the year under review?

A: The year under review was marked by two parts – one which fell in the first quarter of the financial and the second which transpired in the three subsequent quarters. The company’s operations were reduced to a standstill in April 2021 following the imposition of the nationwide lock down; operations resumed only partially in May and full-fledged from June 2021 onwards. As a result, revenues in the first quarter of FY2020-21were 1.99% lower when compared with the immediately preceding quarter (fourth quarter of FY2019-20), which affected the full revenue-earning capacity of the company in FY2020-21. In spite of this initial setback, the company performed creditably through the course of the year.

Q: What were some of the positives of the Company’s performance?

A: The Company strengthened its operational aspects in FY2021-22. The Company produced 150 MW of solar cells and 30 MW of modules during the year under review when compared with the previous year when it produced 110 MW of solar cells and 90 MW of modules.

During the course of the year, the company reinforced its technology pedigree: the company certified its modules as per MNRE guidelines; a new 250 MW module line was stabilized and there was an increase in multi-crystalline efficiency by 20 bps to 18.9% on the old machines. Correspondingly, there was an improvement in multi-crystalline cell output to 4.76 watts within the 158.75 sq.mm cells, a record in the country.

The company continued to extend the technology barrier: among the other improvements, the company controlled the AG paste consumption, increased production throughout following superior machine tuning and moderated rejection by 200 bps. Besides, the company achieved its output target with 10% less people, strengthening resource productivity. The Company also moderated its power cost by approximately ten per cent during the year across a higher production, strengthening profitability.

Q: In what way was the performance creditable?

A: The company reported revenue growth of -23.50% to Rs 15,790.97 lakh in FY2020-21. EBIDTA increased 56.24% to Rs 93.67 crore Profit after tax was 1,550.60% higher at Rs 67.84 crore These results were the best achieved by the company in years and indicated a fundamental ground-shift in its business environment. What was creditable is that the company operated its cell manufacturing line at a consistent capacity utilisation (which is considered high for a complex product like solar photovoltaic cells) through the last three quarters of the financial year. Besides, these revenues were entirely generated from cells with no revenue contribution from the module line.

Q: What else was creditable about the company's performance during the year under review?

A: There were number of things that began to come together following the high capacity utilization and throughput during the year under review. The company reported cell efficiency by improvements in its operating process. The increased revenues and relatively steady margins generated predictable cash flows month-on-month; this empowered the company to address its liabilities; this, in turn, strengthened the company's respect as one committed to the well-being of its eco-system; the increased liquidity provided the company with the resources to pay its material suppliers and keep its production lines running. The fact that the company could achieve this in a sustainable way indicates a decisive shift in the company's operations.

Q: What has the management been particularly proud of having achieved in the last few years?

A: The one achievement that the company has been proud of has been its capacity to report sustained improvements in cell efficiency without substantial capital expenditure. The cell efficiency reported by the company strengthened from 18.2% to 18.8% in the last few years, which is among the best standards achieved in the country for multi-crystalline cells. This improvement was achieved through persistent engagement, experimenting with a series of process and material modifications with the objective to achieve the optimal sweet spot. The superior cell efficiency translated into the company's cells being able to deliver a higher wattage for the given space in a space-intensive business, enhancing customer value. We believe that this commitment to extend beyond the equipment provider's benchmark and explore higher standards has been one of the defining achievements of the company.

Q: What else has the company been particularly pleased to have achieved?

A: The other achievement that Team Websol has been proud of is its commitment to extend the durability of the cells. It is a known fact that over time cell efficiency declines. The company worked on the subject of 'Potential induced degradation' across two years following reasonable capital investments and process changes. The result is that the company succeeded in extending the life of its cells, enhancing the value proposition for the customer. I also believe that improvements like these

The Company strengthened its operational aspects in FY2021-22. The Company produced 150 MW of solar cells and 30 MW of modules during the year under review when compared with the previous year when it produced 110 MW of solar cells and 90 MW of modules.

The company intends to make a significant leap from the prevailing multi-crystalline technology to the cutting-edge mono-PERC technology that makes it completely benchmarked with the prevailing needs of customers the world over.

have strengthened respect for India's indigenous solar cell manufacturing industry in the international community.

Q: What is the company's agenda for FY2021-22?

A: The company has outlined a number of improvement initiatives for the current financial year.

One, the company will adapt its process to accommodate a larger wafer size that makes it possible for our customers to generate a higher output from their modules. During the last few years, the company increased its wafer size from 156mm x 156 mm to 157 mm x 157 mm. During the current financial year, the company intends to manufacture even larger cells (158.75 mm x 158.75 mm) following equipment modification, which should translate into superior watt value by 7-8 watts to 340 watts.

Two, the company intends to make a significant leap from the prevailing multi-crystalline technology to the cutting-edge mono-PERC technology that makes it completely benchmarked with the prevailing needs of customers the world over. In the PERC mono cells, the efficiency improvement could go up by as much as 400 bps compared to the base multi-crystalline cells. We believe that this wider product mix will enhance our respect as a cutting-edge technology-driven

company at a time when China is already moving towards PERC technology. Websol will continue to be relevant as there is a large appetite for multi-crystalline cells in India while enhancing its presence in the PERC segment.

Three, the company will commission its module line following the mobilization of additional financing. This extension will make the company eligible for the production-linked incentive scheme announced by the government.

Q: What would be the outlook pf the company following these changes?

A: We believe that following these improvements and the protective customs tariff on imported equipment, the cells and modules manufactured by the company should be competitive with their equivalents manufactured in China, the basis of the company's business sustainability. The result is that what was a pricing differential between the landed cost of Chinese solar products and our price of 25% a few years ago is likely to decline considerably by FY2021-22.

Business review

"We encountered a month-on-month stock-out of inventory for the first time in our existence"

A business review of the company's FY2020-21 performance

Q: Was the management pleased with the performance of the company during the year under review?

A: Despite losing the first quarter of the year under review on account of the lockdown announced by the government, the company staged a remarkable recovery during the last three quarters of the year under review. The company reported Rs 136.14 cr of revenues in the last three quarters and Rs 7.07 cr in profit after tax, which helped create a new foundation for the company.

Q: What was the reason for this new reality?

A: There were a number of realities that played out during the year under review.

One, principally, the cost of commissioning solar energy stayed well below the level of thermal energy, which accelerated the transition from conventional to renewable energy. Besides, there was a preference for commissioning fresh solar capacity over wind, which created a strong pan-India traction.

Two, the announcement of a minimum domestic content requirement within whatever renewable energy capacity was created in the country, catalysed the offtake for domestic manufacturers (who were anyway limited) like Websol.

The combination of these two over-arching realities resulted in the company reporting a consistent capacity utilisation of 80% from June 2020 onwards and being virtually sold out month-on-month with no inventory.

Q: What were some of the other developments of the company's performance during the year under review?

A: Besides, from a marketplace environment, the company widened its footprint across Chhattisgarh, Uttar Pradesh, Rajasthan, Maharashtra and Gujarat (incentivized by the DCR scheme), increasing the number of active customers to more than 15. The company's product mix during the year under review comprised 100% multi-crystalline cells which entailed a lower conversion loss to the module stage.

Q: What were some of the other factors that contributed to the company's competitiveness?

A: The company made timely improvements to moderate the consumption of silver paste, the second costliest item in the manufacture of a solar cell. The company completed its investment in the manufacture of cells of a larger size, which should generate a higher wattage for the same labour cost. The company replaced its existing vendor of tools and chemicals, which improved our value-engineering and indigenization, strengthening our overall competitiveness.

There were a number of positive developments that transpired on the company's shopfloor, which may be considered technical in nature but had a positive impact on the company's brand and offtake.

One, the company improved its yield; material rejection (breakage and electrical rejection) declined 1.5%. The company moderated power consumption per MW of production from Rs 1.2 cr to Rs 90 lakh in addition to a reduction in utilities cost by Rs 70 lakh per month following optimization in the chill water temperature.

Two, the company's investment in laser to chemical isolation technology should translate into a 0.4% consistent cell efficiency improvement.

How we proactively transformed over the years

The company entered the business through the manufacture of mono crystalline cells with reclaimed wafers	*Thereafter, the company graduated to mono-crystalline cells with solar grade wafers*
The company entered the business through the manual handling of wafers	*The company graduated to automated lines*
The company entered the business with imported technology	*The company entered into a business-strengthening alliance with Centrotherm as technology partner*
The company worked with different wafer types	*The company graduated from the manufacture of multi-crystalline cells to the proposed manufacture of mono PERC*

How Websol created a differentiated culture of caring and competence

Employees share their experiences

"I am proud to work here. The Company boasts of a world-class solar cell manufacturing facility. We work in a family-like atmosphere. We can directly communicate with the MD regarding any matter. The Company supported us during the lockdown by remunerating on time. I was in urgent need for a lump sum amount for funding my son's education; my Company gave me this without interest."

Avijit Bose
Utility Manager

"**A** big moment for Websol was when at a time multi-crystalline cells delivered an efficiency of 18.8%, Websol utilized the conventional mono-crystalline route to achieve 19.9% efficiency, which was arguably the highest in India."

Anupam Sharma
General Manager – Process and Quality

"**For** successfully working in a Company, an employee looks at three things: good remuneration, enabling work environment and freedom to take decisions at the right time. Websol satisfies all three requirements. I needed to purchase a flat for which I couldn't arrange enough funds; the MD provided an interest-free loan, for which I will be grateful. When one of our colleagues developed a hole in the lung, the MD funded the entire treatment."

Chandan Banerjee
Maintenance Supervisor

"**Years** ago, Websol's cells were used in the fabrication of the first solar roofing solution for the poor of Sagar Island, a location that had never seen electricity. That 25 kwh installation virtually transformed the lives of the rural humble folk. It was the first time that I actually saw the power of our work being put to such a transformative social impact."

Ms Vasanthi Sreeram
Technical Director

"**Websol** is open to innovation and provides opportunities to employees to research new approaches in quality control, which enhances the practical experience of juniors like me. This helped me reduce quality rejections; the Company felicitated me with the Best Employee of the Year Trophy!"

Nairiti Giri,
Engineer (Module line)

"**No** private company provides the same working atmosphere as Websol. In this Covid situation, the Company is providing medical insurance for almost a year in addition to 15 days of special leave in the event of being affected by Covid. The Company has a good HR policy covering accommodation, transportation, canteen and other facilities. In this pandemic, many Companies from the sector shut; Websol provided medical facilities and equipment (PPE kits, masks, face shields and sanitizers) for each employee."

Biswajit Jana,
Floor Supervisor (Module line)


ANTISTATIC

"The solar marKet is volatile but our Company did not need to shut operations even for a single day during the last few years (apart from the compulsory Covid locKdown(. A number of solar cell companies could not match the marKet volatility were shut for some time."

Dipak das
Manager (Stores and Purchase)

"We follow a systematic approach to worK. The management conducts a meeting each month to evaluate performance, which provides a platform for employees to express their perceptions."

Dipak Das
Operator (Process & Production)

"Websol provides independence to the employees, which inculcates responsibility. There is a humane face of the management: it supported employees during the Covid-19 environment through a new Mediclaim Policy, increased nutrition content in canteen meals and ensured that all employees led a secure worK life."

Modaswar Hussain
Human resource Head

We work as a family and as a team we share our experience and observations and also discuss with the management for the improvement in performance.

Sumit Kr. Shaw
Chief financial officer

"The best thing about Websol: no management interference in every-day working. The MD is easily accessible; he is concerned about employee welfare; his door is always open for help. This has made a big difference."

Subhasis Guha
Senior Manager (Plant facilities)

"There were improvement projects carried out by me whose result is reflected in lower electricity bills. After I completed these projects, the MD praised me for the good work. His words still ring in my ears!"

Mayukh Chakraborty
Manager (Electrical)

"Last year, we got a project of a 50 MW cell line, which we successfully implemented during challenging circumstances. The credit goes to the management for handling things efficiently and the employees who backed each other."

Samir Das
Accounts Manager

"I joined Websol as a fresher 16 years back. From the very first day my Management encouraged me to take responsibility and take independent decisions beneficial for the company. Our MD always treats us as a family. Websol is like my second home not only my office.

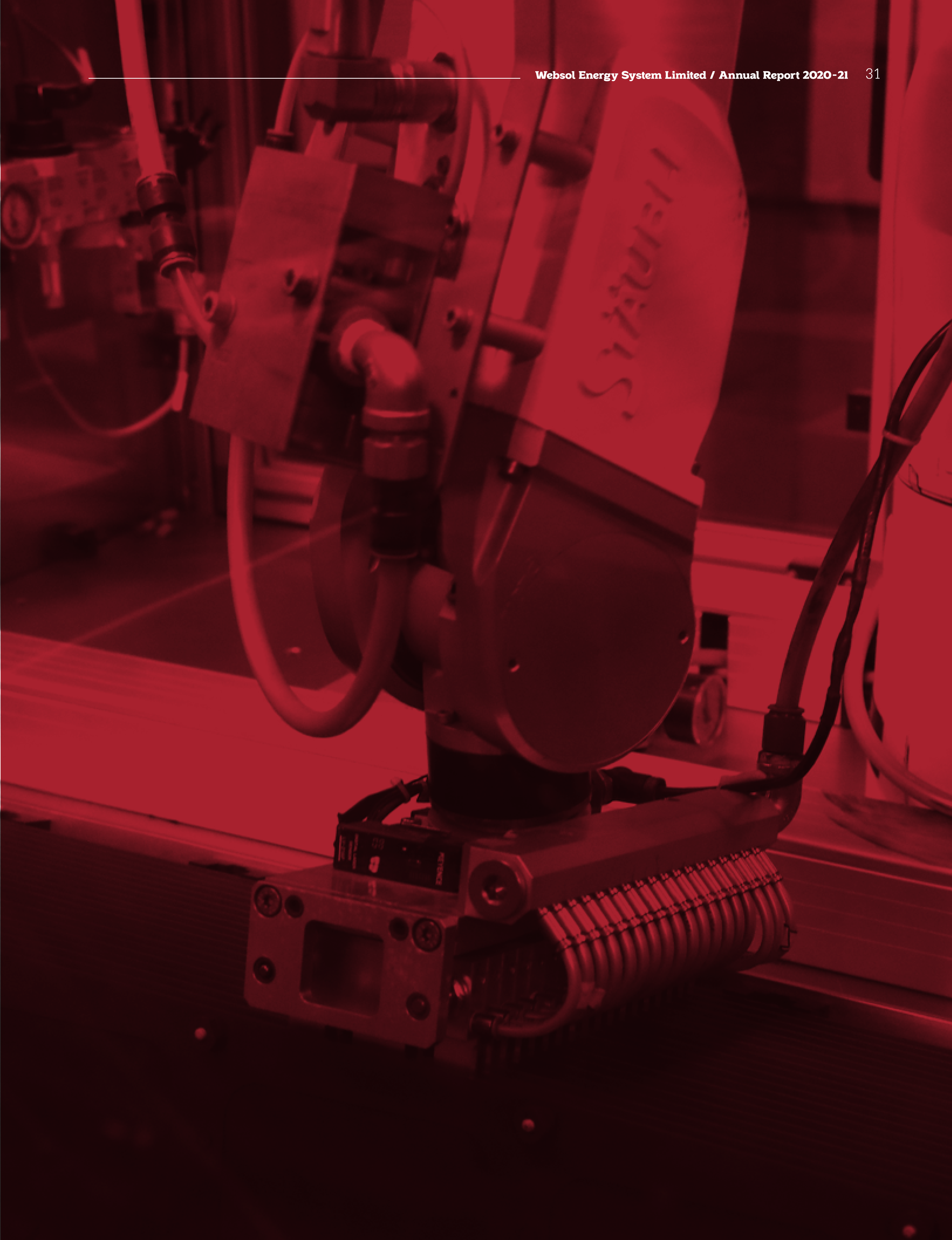
S.D Mallick
Head-Production, Planning and Procurement

"Websol is all about responsible automation, which has facilitated cell efficiency, production accuracy, enhanced productivity and improved quality. The employees are empowered to communicate with the senior management; if a mistake is made, the person gets a chance to rectify."

Bablu Deo
Senior Manager

"When the Government announced a lockdown in 2020, operations were completely shut for the first month, but we got our salary, food and lodging support for employees. Once I was working with a machine and accidentally broke my wrist, the Company admitted me to hospital, bore my medical expenses and gave me a month's leave with salary."

Saikat Hore
Assistant Manager (Operations & Maintenance)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How solar cell technologies are evolving to transform the world

Overview

The global capacity of solar energy is 592 GW, just 2.2% of the global electricity generation.

The sunlight stroking the earth is more than 10,000 times the world's total energy use.

The technologies to harvest as much solar energy as possible are surging. The most common technologies use different forms of Si-based solar cells and convert up to 20% of the sunlight to electricity.

According to IEA's market analysis, the generation of solar photovoltaics (PV) — the process of converting sunlight into electricity — has reached 720 TWh in 2019 from 585 TWh in 2018 and is expected to grow up to 1,940 TWh by 2025.

This is an exciting time in the history of solar energy technology, management and investment.

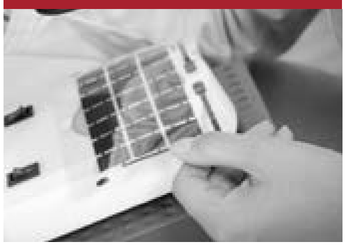
Developments

A typical solar cell consists of semiconducting materials such as p- and n-type silicon with a layered p-n junction connected to an external circuit. Sunlight illumination on the panels causes electron ejection from silicon. The ejected electrons under an internal electric field create a flow through the p-n junction and the external circuit, resulting in a current (electricity). With a swiftly growing market and the development of creative applications, R&D on innovative solar energy materials is growing to maximise solar-to-electricity efficiency at the lowest cost. Three types of highly investigated semiconducting materials comprise crystalline Si, thin films and next-generation perovskite solar cells (PSCs).

Crystalline silicon

Crystalline silicon (c-Si) is the most used semiconducting material in solar panels, occupying more than 90% of the global PV market, although the efficiency is significantly under the theoretical limit (~30%). Solar cells made of alternative low-cost and high-efficiency materials are emerging. The National Renewable Energy Laboratory (NREL) is driving the development of high-efficiency crystalline PVs, which includes III-V multijunction materials (with target efficiency of >30%) and hybrid tandem III-V/Si solar cells. Their six-junction III-V solar cells have reached an efficiency of 47.1% under concentrated light. Moreover, Si-based bifacial technology can harvest solar energy from both sides of the panel, increasing energy efficiency 11% over standard panels.

Thin films

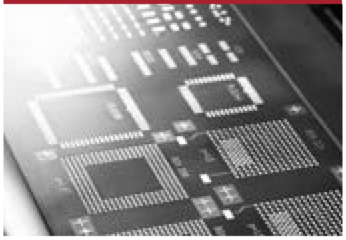


Second-generation thin-film solar cells are appearing as one of the most promising PV technologies due their narrow design (350 times smaller light-absorbing layers compared to standard Si-panels), light weight, flexibility, and ease of installation. Typically, four types of materials are used in their construction: cadmium-telluride (CdTe), amorphous silicon, copper-indium-gallium-selenide (CIGS), and gallium-arsenide (GaAs). While CdTe has a toxicity concern due to the cadmium, the CIGS solar cells are turning out to be the more promising high-efficiency and economic options for both residential and commercial installations, with efficiency up to 21%.

Perovskite solar cells

Among the next-generation solar cells, hybrid metal halide perovskite solar cells (PSCs) have garnered a great amount of attention due to their low price, thinner design, low-temperature processing and excellent light absorption properties (good performance under low and diffuse light). PSCs can be flexible, lightweight, and semitransparent. Perovskite thin films can also be printed, leading to scalable high-throughput manufacturing, and a recent roll-to-roll printed PSC reached 12.2% efficiency, the highest among printed PSCs. Notably, combined perovskite and Si-PV materials have shown a record efficiency of up to 28% under laboratory conditions. While stability and durability have remained concerns, a recent low-cost polymer-glass stack encapsulation system has enabled PSCs to withstand standard operating conditions. Although PSCs are still not commercialized, they hold significant economic and efficiency advantages to drive the future of the solar energy market.

Breakthrough technologies



Apart from innovative materials, creative methods of harvesting maximum solar energy are also emerging. For example, a Swiss start-up is using integrated lenses as optical boosters in the panels' protective glass to concentrate light beams by 200 times while reaching an efficiency of 30%. Another recent development is the designing of prototypes of thermo-radiative PV devices, or reverse solar panels, that can generate electricity at night by utilizing the heat irradiated from the panels to the optically coupled deep space, which serves as a heat sink.

Interestingly, along with innovative materials, integrative applications other than standard rooftop installations are also rising. For instance, solar distillation can harvest solar energy while utilizing the dissipated heat from panels to purify water, if there is an integrated membrane distillation attachment. Another transformative technology of the future could be solar paints, which include solar paint hydrogen (generates energy from photovoltaic water splitting), quantum dots (photovoltaic paint) and perovskite-based paints. Transparent solar windows are innovative applications; Ubiquitous energy achieved a solar-to-electricity conversion efficiency of 10% with transparent materials. With the rapid development of low-cost, high-performance semiconducting materials, space-saving thin films, and easily installable technologies, the solar energy market is expected to boom in five years. Despite the setback caused by the pandemic, the anticipated cost reduction by 15% to 35% by 2024 for solar installations could make renewable energy more affordable. (Source: prescouter.com)

New solar technologies of 2021

Floating solar farms (also known as floatovoltaics)

Silicon panels are becoming cheaper and efficient. If photovoltaic panels are placed on water bodies, they offer even greater efficiency. Floatovoltaics are photovoltaic solar power systems created for floating on reservoirs, dams and other water bodies. These floating solar farms can generate huge amounts of electricity without using valuable land or real estate. The installation costs of floating photovoltaic panels are less than land-based photovoltaic panels; power production of floating solar panels is greater by up to 10% due to the cooling water effect.

BIPV solar technology

Building Integrated Photovoltaics, as the name suggests, blend into building architecture in the form of roofs, canopies, curtain walls, facade, and skylight systems. BIPV solar panel systems enable homeowners to save building materials and electric power costs. BIPV technology, when used on the building's facades, atrium, terrace floor and canopies, provides the following benefits: increased energy efficiency; high thermal and sound insulation; clean and free power output from the sun; decreased O&M costs; zero carbon footprint. The photovoltaic PV glasses installed as building materials act as an energy-generating device, allowing natural light inside homes and offices, just like conventional architectural glasses.

Solar skins

Solar skins are a novel PV technology to integrate custom designs into solar panel systems. The solar skin technology is similar to the ad wraps displayed on bus windows. Solar thin-film skins maintain high efficiency due to their selective light filtration advancements. The sunlight falling on solar skins is filtered to reach solar cells beneath it. As a result, it simultaneously displays the custom image and provides solar energy. They can be customized to display business logos, business advertisements, a country's flag and so on. Moreover, solar skins utilize rail-less racking systems, sit lower, have a sleek finish, and hide metal components, giving the panels a super cool look.

Solar fabrics

Researchers are developing solar fabrics with a vision of including solar power in each fiber. These solar filaments can be embedded into t-shirts, winter coats, or any other clothing to keep warm, power the phone and provide energy for other needs while on the go.

There are several areas where researchers have attempted to combine solar fabric and solar panels, which include:

- Building facades that provide shade and power
- Awnings that lighten streets
- Curtains that eliminate power consumption from the grid

Photovoltaic solar noise barriers

Noise barriers (like the highway traffic noise barriers) were always constructed with the single aim of designing cost-effective barriers that efficiently perform noise abatement functions. However, the goal of the US Department of Energy has now evolved to merge noise abatement with sustainable power generation. Given the widespread use of noise barriers in the US, the potential of producing solar energy from these is likely to be around 400 gigawatt hours (GWh) annually, approximately equal to the annual electricity usage of 37,000 homes.

Passivated Emitter and Rear Cell (PERC)

This technology enhances energy conversion efficiency by adding a dielectric passivation layer on the rear of the cell. This layer allows more sunlight to be captured, making PERC cells more efficient than traditional cells. A typical PERC system can produce up to 5% more energy. PERC panels have higher efficiency in low-light environment. They warrant the use of fewer panels, less space and lower installation costs. The global demand for mono PERC module production increased significantly from less than 1 GW in 2014 to 64 GW in 2018 and is expected to reach 168 GW by 2022.

Topcon/HJT technology

This passivated contact solar cell is touted as the next generation solar cell technology after PERC. This novel architecture was introduced by researchers at Fraunhofer Institute for Solar Energy Systems in Germany in 2013. Compared to the other potential new technologies, such as HJT and IBC, TOPCON can be upgraded from PERC or PERT line. As a result, lower capital investment is needed for existing PERC or PERT manufacturers looking to upgrade their existing production lines. Moreover, a good gain in solar cell efficiency can also be achieved.

Top 6 trends to watch in 2021

Artificial Intelligence

One trend to look for in emerging solar energy technology solutions is the use of machine learning through microgrid controllers and artificial intelligence (AI). As new technology continues to emerge to meet the growing needs in the solar energy industry and the businesses that utilize it as an energy-efficient source, new software is helping shape the future of how businesses can implement artificial intelligence and machine learning in technology for solar energy.

1

Energy blockchain use

While the use of blockchain is more associated with the cryptocurrency market, the energy market is implementing it as well in its technology. This provides an efficient means to allow companies to buy and sell energy from others directly, eliminating intermediary energy suppliers. This is a great way for solar energy technology to efficiently allow consumers to utilize energy savings program in a cost-effective, easy-to-implement manner.

2

Greater accessibility to energy sources

Evolving technology in developing and delivering energy-efficient solutions is making it more feasible for countries in developing nations to have a cost-effective and efficient means to obtain a source of energy.

3

Energy storage systems

Energy storage systems are expected to be a key element. A cost-efficient solution is also key to increase access to alternative energy. The trend in energy technology within energy and utilities system software and energy efficiency software is sure to include a focus on implementing effective energy storage systems to meet these demands.

4

Solar energy management software

Software developed by a company familiar with the trends and solar energy technology implemented in management software can provide businesses with a cost-effective means to implement trends in solar power energy and technology utility management systems software for it. In turn, a company can reap rewards by saving energy costs without losing time from employees that may be better utilized in other aspects of a company.

5

Our business

Our solar energy business

Manufacturers of solar PV cells and modules

Installed capacity of 220 MW solar cells and 250 MW modules, FY2020-21

Manufacturing facility in Falta

Our robust business model

Pioneer
The Company was among the first in India to commission a vertically integrated solar photovoltaic manufacturing facility in Bengal

Scale
The Company has among India's largest integrated cell & module manufacturing capacities (250 MW).

Knowledge capital
The Company possessed a strong and experienced team of 50 employees with 10+ years of experience and 30 employees with 15+ years of experience

Eco-system
The Company invested in best-in-class systems and processes (automation, certifications, supply chain and quality assurance)

De-leveraged

The company possessed long-term debt of only Rs 1,271 cr the close of FY2020-21

Order book

The Company possessed a robust cell order book of 150 MW at the close of FY2020-21

Clientele

The Company addressed the growing needs of major clients like Rayzon Green Energies, Goldi Solar Pvt Ltd among others

Providing a world-class product

Test type	Industry Criteria (IEC) < 5% Pmax Degradation	Websol Plan (3 IEC) < 5% for Pmax Degradation
Damp heat	1000 hours	3000 hours
Thermal cycling	200 cycles	600 cycles
Potential induced degradation @ 1500V ; 85 Deg /85 RH	96 hours	288 hours
Ultra violet	15 Kwh/m2	120 Kwh/m2
Humidity Freeze (between -40oC to 85oC	10 cycles	30 cycles
Dynamic Mechanical Load	1000 cycles	2000 cycles

Delivering best-in-class environmental compliances

ETP treated water

	GPCB limit	Websol
pH @ 25 ° C	5.5 -9.0	7.68
Total suspended solids (mg/L)	100	18
Fluoride (as F) (mg/L)	2.0	0.98

Drinking water

	GPCB limit	Result (Websol)
pH @ 25 ° C	6.5-8.5	6.87
TDS (PPM)	500	54
Total hardness (in PPM as CaCO3)	200	10
Calcium (in PPM as CaCO3)	75	2.40

Ambient air

	WBPCB limit	Websol
PM 10 (µg/m3)	100	69.5
PM 2.5 (µg/m3)	60	33.5
SOx (µg/m3)	80	11.0
NOx (µg/m3)	80	28.0

Websol and environment-social-governance (ESG)

Environment, society and governance (ESG)

Websol prioritizes ESG investments, strengthening holistic growth, business quality, sustainability and respect.

Environment

- GHG emission reduction
- Sustainable procurement
- Reuse of treated waste water
- Environmental awareness/ training, technology upgradation
- Saplings plantation

Society

- Monitor/improve health safety
- Risk-based training programs
- Zero fatal accidents
- Safety of plant area inhabitants
- Donation and financial assistance

Governance

- Strong Board with Independent Directors
- Effective Board Committee structures
- Anti-bribery policy, Quality policy, Sustainability policy
- Whistleblower policy/Vigil mechanism
- Sexual harassment policy

Overview on ESG

A growing number of global manufacturers are recognizing financial and environmental benefits from sustainable business practices. Besides, stringent environmental norms imposed by regulating agencies are helping reduce resource depletion, water consumption, emissions, pollution and other harmful impacts.

The result of these realities is a greater emphasis on sustainable manufacture. This comprises the manufacture of products through sound processes that moderate the consumption of energy and natural resources while reducing negative environmental impact, while enhancing employee, community and product utility.

There is also a growing emphasis on aligning business existence with United Nations' 10 principles for manufacturing responsibility and environmental sustainability covering Human Rights, Labour interests, Environment responsibility and Anti-Corruption initiatives.

The management's approach

The company is contributing to climate change management through the manufacture of solar cells and modules; besides, the company is moderating its carbon footprint through the optimized consumption of water, electricity and other resources

Websol's overarching focus lies in consuming less and manufacturing more while minimising environment impact. It is the company's conviction that the most successful, profitable and sustainable companies are ones benchmarked around the most stringent environmental standards.

Websol has been progressively manufacturing solar cells through 'green' alternatives. The company invested in low-carbon technologies that translated into enhanced resource and energy efficiency. The risk mitigation policies were outlined keeping in mind its long-term vision on the one hand and enhanced sustainability-driven prosperity on the other. In doing so, the company focused on the reduction of its environmental footprint, planet preservation and moderated resource consumption through a proactive investment in the use of modern technologies, practices, methodologies and standards.

At Websol, our operations are woven around the 4Rs – Recycling, Replacement, Reduction and Renewables. The company strengthened its environment commitment through the various initiatives

Conservation initiatives, FY2020-21

- Widened gardening and vegetation growth to conserve trees and greenery
- Reduced electricity consumption by 9% through energy-efficient measures
- Reduced water consumption by 20% by reusing processed water in toilets, abatement system cleaning and gardening
- Utilised the in-house solar power plant which produced 1% of the plant's power consumption
- Deepened environment data monitoring to conserve the environment (work zone monitoring, ambient air, ambient noise, work zone noise, general exhaust, acid exhaust, DG stack, ETP outlet, raw water and drinking water consumption)
- Modified packaging to reduce wood consumption by 10%
- Recycled packaging material to reduce by 10% non-biodegradable material disposed
- Developed a system to reuse reverse osmosis wastewater for toilet flushing and other uses
- Developed a system to reuse treated effluent treatment plant water for gardening

Positive outcomes

Restoration: The extensive green cover within the premises serves as a carbon sink. The company planted trees in its manufacturing premises, enhancing the green cover; green cover in our project is a high 45%. The company invested in a ground reservoir to enhance ground water storage capacity

Renewable: The company installed a solar power plant to generate green energy (110089 KW / year)

Recycling: Around 20% of total ground water used was recaptured in the manufacturing process and gardening; effluent treatment run off was used in gardening. The company employed superior technologies that made it possible to moderate resource consumption and strengthen our operating efficiency

Reuse: The company enhanced the reuse of reverse osmosis of waste water for toilet flushing and abetment system in the cell process line

Reduce: The company invested in new technologies with cascading impact in the waste water treatment plant, ETP outlet treatment plant and RO waste water use in abatement system

Replace: No materials that generated environment hazards were employed. Chemicals like HF and HNO3 were used but treated in the effluent treatment plant. Replaced 72W surface mounting tube set with 34W surface mounting LED set; replaced 250W MH lamp with 120W LED street lights; commissioned one new capacitor bank to control power factor between 0.97 and 0.99; changed Jockey Pump starter with VFD Panel to control speed and reduce consumption; replaced all CFL and florescent lamps with LED bulb (9W) and LED tubes (18W); modified substation underground tranche reservoir continuous running pump circuit with an automated start-stop controller to control running time and energy consumption.

Review: Deepened environment monitoring (work zone monitoring, ambient air, ambient noise, work zone noise, general exhaust, acid exhaust, DG stack, ETP outlet, raw water and drinking water consumption)

Risk management: The effectiveness of hierarchy controls of risk management (Elimination, Substitution, Engineering Control, Administration control and PPE) risk level was reduced in the HIRA register from Medium to Low, High to Medium and Extreme to High.

Respect: The company's operations were successfully appraised by the West Bengal Pollution Control Board without non-conformances.

Our HSE investments

Health: We strengthened our occupational health checks in 2020 and 2021, covering eye sight and occupational health coverage.

Safety: We institutionalized the safety priority, conducted risk-based training across our units and undertook workplace initiatives to eliminate accidents. Near-miss reporting widened due to employee training and awareness, resulting in an appreciable year-on-year decline (5% in FY2018-19, 7% in FY2019-20 and 8% in FY2020-21)

Precaution: PPE was provided by Company to all employees, contractors and vendors in addition to face shields for all employees to protect against the pandemic

Pandemic preparedness: The Company trained employees in protection protocols; thermal scanning was done for every person entering the company's premises; sanitization bath was conducted of every person at the entry point; hand wash provision was provided for every person at the entry point; PPE awareness (nose mask, hand gloves, head cap) was enhanced; extra thermal scanning was done on each production floor across each shift; awareness-enhancing promotional material was displayed inside the manufacturing premises; the company co-ordinated with the local health centre and provided vaccine for employees covered under the government scheme; safety shower and eye wash were installed in areas; periodic monitoring was intensified.

Outlook, FY2021-22

- Focussed on enhancing protection from the second wave of Covid-19 pandemic
- Special paid leave for 10 additional days for Covid-19-positive patients
- Provided immunity boosting food in the canteen for employees

Our environment conservation initiatives

Reduce water consumption	Reuse wastewater	Moderate electricity consumption	Eliminate air emissions	Eliminate soil contamination

Big numbers

110089
KWH, Captive energy production, FY2020-21

11836413
KWH, Captive energy consumption, FY2020-21

pH 6-9
Fluoride <2 mg/ltr
Effluent control outcomes, FY2020-21

250
m3/day, capacity of the company's effluent treatment plant

200
m3/day, quantum of treated effluents released per day to Falta SEZ ETP drainage

50
m3/day, Effluents quantity released for gardening

Water and power consumption

Year	Cell production (MWp)	Water consumption	Power consumption	Module production (MWp)	Water consumption	Power consumption
2018-19	29.50	2.60	197.20	41.00	0.02	58.20
2019-20	110.00	1.06	79.10	87.00	0.01	39.40
2020-21	142.00	1.00	70.60	33.00	0.02	51.80

Water and power consumption per unit MWp produced has gone down while capacity utilisation has improved

Our corporate social responsibility (CSR)

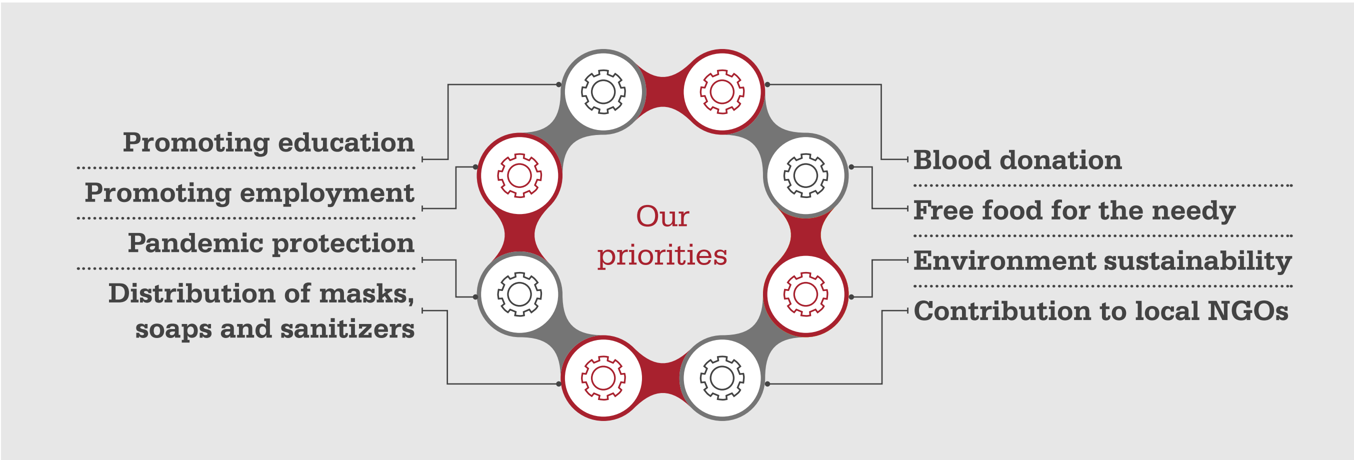
The company engaged in a number of initiatives to widen its CSR coverage.

The company organized a blood donation camp with the help of ESIC Hospital, Kolkata.

The company provided free food to truck drivers, visitors, vendors and contractors.

The company contributed towards environmental sustainability comprising activities in maintaining the ecological balance, flora and fauna protection, animal welfare, natural resource coservation and soil, air and water quality.

The company contributed towards NGOs and charitable trusts for the welfare, development and relief of the schedule caste, tribes, other backward classes, women, marginalized and minorities.



Management Discussion and Analysis

Global economic overview

The global economy reported de-growth of 3.5% in 2020 compared to a growth of 2.9% in 2019, the sharpest contraction since World War II. This steep decline in global economic growth was largely due to the outbreak of the novel coronavirus and the consequent suspension of economic activities across the world. This led to global supply chain disruptions, resulting in a de-growth in some of the largest global economies.

Consequently, global FDI reported a significant decline from USD1.5 trillion in 2019 to USD859 billion in 2020, the lowest since the 1990s and more than 30% below the investment trough that followed the 2008-09 global financial meltdown.

Regional growth %	2020	2019
World output	(3.5)	2.9
Advanced economies	(4.9)	1.7
Emerging and developing economies	(2.4)	3.7

(Source: IMF)

The global economy is projected to grow by 5.5% in 2021 largely due to the successful roll-out of vaccines across the globe, coupled with policy support in large economies.

(Source: IMF)

Indian economic review

The Indian economy passed through one of the volatile periods in living memory in FY2020-21.

The Indian government announced a complete lockdown in public movement and economic activity from the fourth week of March 2020. As economic activity came to a grinding halt, the lockdown had a devastating impact on an already-slowing economy as 1.38 billion Indians were required to stay indoors - one of the most stringent lockdowns enforced in the world.

The outbreak of the novel coronavirus and the consequent suspension of economic activities due to the pandemic-induced lockdown, coupled with muted consumer sentiment and investments, had a severe impact on the Indian economy during the first quarter of the year under review. The Indian economy de-grew 23.9% in the first quarter of FY2020-21, the sharpest de-growth experienced by the country since the index was prepared.

The Indian and state governments selectively lifted controls on movement, public gatherings and events from June 2020 onwards, each stage of lockdown relaxation linked to corresponding economic recovery. Interestingly, as controls relaxed what the country observed was a new normal: individuals were encouraged to work from home; inter-city business travel was replaced by virtual engagement; a greater premium was placed on the ownership of personal mobility modes (cars and two-wheelers); there was a sharp increase in home purchase following the need to accommodate an additional room for home working.

The result is that India's GDP contracted 7.3% during FY2020-21, largely on account of the sharp depreciation of the first two quarters. This sharp Indian recovery – one of the most decisive among major economies – validated India's robust long-term consumption potential.

Y-o-Y growth of the Indian economy

	FY18	FY19	FY20	FY21
Real GDP growth (%)	7	6.1	4.2	(7.3)

Growth of the Indian economy, FY2020-21

	Q1, FY21	Q2, FY21	Q3 FY21	Q4,FY21
Real GDP growth (%)	(23.9)	(7.5)	0.4	1.6

(Source: Economic Times, IMF, EIU, Business Standard, McKinsey)

Indian economic reforms and recovery

There were a number of positive features of the Indian economy during the year under review.

India reported improving Goods and Services Tax (GST) collections month-on-month in the second half of FY2020-21 following the relaxation of the lockdown, validating the consumption-driven improvement in the economy.

The per capita income was estimated to have declined by 5% from Rs 1.35 lakh in FY2019-20 to Rs 1.27 lakh in FY2020-21, which was considered moderate in view of the extensive demand destruction in the first two quarters of FY2020-21.

The gap between government expenditure and revenue was estimated at ~Rs 12 trillion due to increased borrowing by the government in May 2020 to address the COVID-19 outbreak.

India jumped 14 places to 63 in the 2020 World Bank's Ease of Doing Business ranking and was the only country in the emerging market basket that received positive FPIs of USD23.6 billion in 2020; the country ranked eighth among the world's top stock markets with a market capitalisation of USD2.5 trillion in 2020.

The Indian government initiated structural reforms in agriculture, labour laws and medium-small enterprise segments. The labour reforms were intended to empower MSMEs increase employment, enhance labour productivity and wages.

India extended the Partial Credit Guarantee Scheme by relaxing the criteria and allowing state-owned lenders more time to purchase liabilities of shadow banks. Under the Rs 45,000-crore partial credit guarantee scheme, announced as a part of the Atmanirbhar Bharat package, three additional months were given to banks to purchase the portfolio of non-banking financial companies.

The government approved amendments to the Essential Commodities Act and brought an ordinance to allow farmers to sell their crop to anyone; the changes to the Essential Commodities Act, 1955, were intended to 'deregulate' agricultural commodities (cereals, pulses, oilseeds, edible oils, onions and potatoes from stock limits). The government approved the Farming Produce Trade and Commerce (Promotion and Facilitation) Ordinance, 2020, to ensure barrier-free trade in agriculture produce.

The Government relaxed foreign direct investment (FDI) norms for sectors like defence, coal mining, contract manufacturing and single-brand retail trading.

The Union Cabinet approved the production-linked incentive (PLI) scheme for 10 sectors: pharmaceuticals, automobiles and auto components, telecom and networking products, advanced chemistry cell batteries, textile, food products, solar modules, white goods and specialty steel. These incentives could attract outsized investments, catalysing India's growth journey.

India's foreign exchange reserves continue to be in record setting mode – FY21 saw USD101.5 billion dollars accretion in reserves, the steepest rise in foreign exchange reserves in any financial year; India's forex reserves are ranked third after Japan and China and can cover more than a year's import payments.

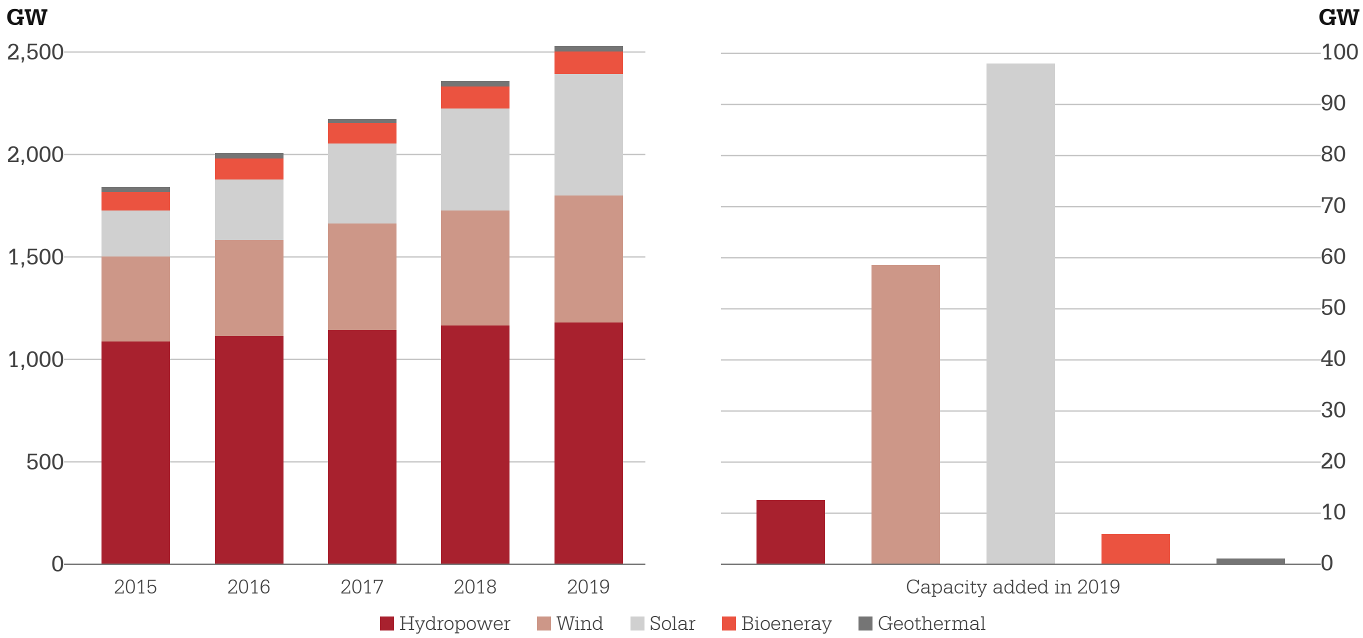
Outlook

The Indian economy is projected to grow by less than 10% in FY22 as per various institutional estimates, following the impact of second surge of the pandemic. India's growth journey could be the result of a culmination of favourable tailwinds like consistent agricultural performance, flattening of the COVID-19 infection curve, increase in government spending, favourable reforms and an efficient roll-out of the vaccine, among others.

Global renewable energy sector overview

The renewable generation capacity across the world increased by over 260 Gigawatt (GW) in 2020, a rise of 10.3%, with solar energy accounting for the largest share (127 GW). Solar energy continued to lead capacity expansion, with an increase of 21.7%, followed by wind energy (111 GW). Solar and wind energy accounted for approximately 91% of all net renewable additions in 2020. The global renewable generation capacity amounted to 2,799 GW by the end of the year. Wind and solar energy capacities stood at 734 GW and 711 GW respectively in 2020.

Renewable power capacity growth



Asia continued its dominance in the global solar capacity expansion with a rise of 78 GW (61.4% of the total in 2020), which was lower in 2019. Most of the new capacity added in 2019 was in China (49 GW) and Vietnam (11 GW).

(Source: IRENA, Economic Times)

India's renewable energy sector overview

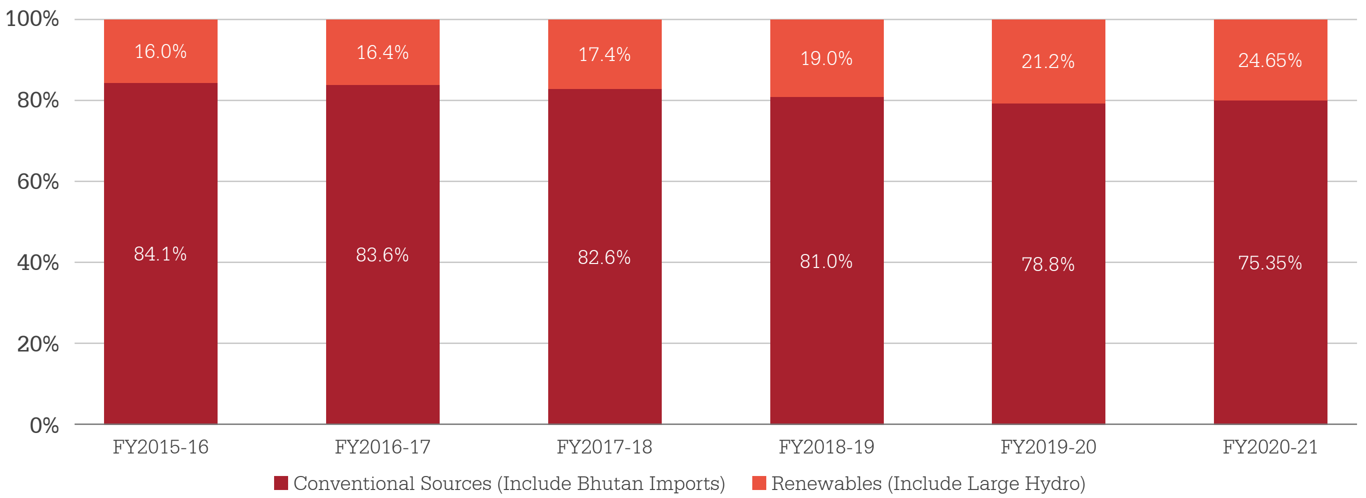
Power generation from renewable energy sources in India amounted to 7,356 MW in FY2020-21. India's renewable capacity installations reached 94.43 Gigawatts (GW) as of 31st March, 2021. Solar energy was the biggest contributor in the total renewable energy capacity addition with a share of 30% followed by wind with 17% share. The renewable sector added more new capacity than conventional energy sector in FY2020-21 for the third year in a row, clean energy accounting for close to one-fourth of the total installed energy capacity in the country.

India added 7,356 MW of total new capacity in the renewable energy sector in FY2020-21 compared to 8,711 MW in FY2019-20, accounting for 51% of the target (14,380 MW) for FY2019-20. Renewable energy accounted for nearly 25% of the total energy mix as against 75% generated from conventional sources (including electricity imported from Bhutan).

Even though the Indian power sector continues to be dominated by conventional sources of energy, which accounts for nearly three-quarters of the country's installed power generation capacity, there has been a progressive shift towards renewable sources. In the last six years, the share of renewable energy (wind, solar, bio-power and small hydro) in installed capacity reported a rise from 11.8% (32 GW in March 2015) to 24.7% (94 GW in March 2020). Renewable energy is estimated at 55% of India's total installed power capacity by 2030.

(Source: MNRE, HinduBusinessLine, Mercom India, PV magazine India)

Conventiomal versus Renewables: Electricity generation %



Data from CEA

Source: Mercom India Research

Solar energy sector overview

Solar thermal electricity technologies produce electric power by converting the sun's energy into high-temperature heat using various mirror configurations, which is then channeled to an on-site power plant and used to make electricity through traditional heat-conversion technologies. The plant essentially comprises two parts; one that collects solar energy and converts it to heat, and another that converts the heat energy to electricity.

A solar cell is a semiconductor device that transforms sunlight into electricity. Semiconductor material is placed between two electrodes. When sunshine reaches the cell, free negatively charged electrons are discharged from the material, enabling conversion to electricity. This is the so-called photovoltaic effect. In theory, a solar cell made from one semiconductor material only can convert ~30% of the solar radiation energy it is exposed to into electricity. Commercial cells, depending on technology, have an efficiency of 5 to 12% for thin films and 13 to 21% for crystalline silicon-based cells. Efficiencies up to 25% have been reached by the use of laboratory processes. By using multiple solar cells, efficiencies above 35% have been achieved.

Global solar energy sector overview

As of 31st December, 2020, solar energy accounted for 25.4% share of the world's total renewable energy. Solar installations, including photo-voltaic (PV) and concentrated solar power (CSP), accounted for a cumulative installed capacity of 711 GW of which off-grid solar electricity represented 4.3 GW of the total while grid-connected PV accounted for rest of the solar installed capacity.

Asia accounted for the largest share of PV capacity in the world with 406 GW of cumulative installed capacity, out of which 78 GW was added in 2019. China owns the largest share in the market with 254 GW of cumulative installations, followed by Japan (67 GW) and India (39 GW).

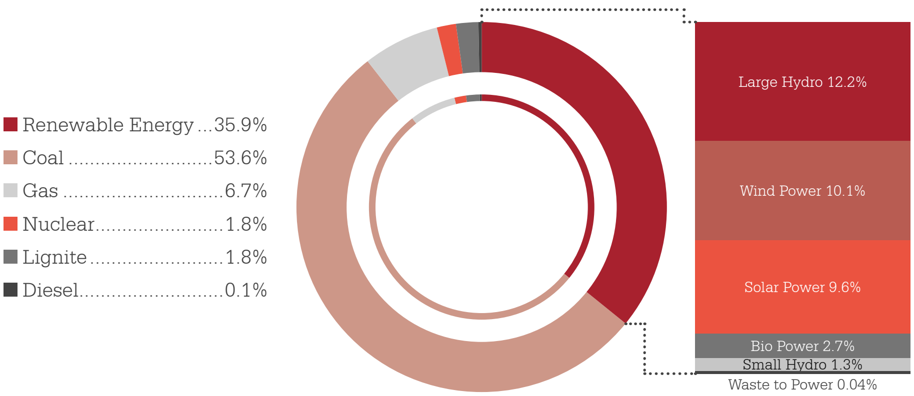
(Source: IRENA, PV- magazine)

Indian solar energy sector overview

As of 31st March, 2021, cumulative solar installations in the country amounted to around 40.09 GW with an addition of 2.2 GW in FY2020-21. This means that 10.2% share of India's total installed power capacity comprises solar power. Solar capacity increased from around 2.6 GW to around 39 GW in 6.5 years. The country's total installed power capacity stood at about 383 GW as of 31st March, 2020. Of this, renewable energy accounted for about 94.43 GW, with an 8.5% increase from 87 GW in FY2019-20. Solar energy accounted for about 42.45% of renewable energy in the country.

India - Cumulative Installed Power Capicity Mix (%)

Renewables (including large hydro) comprised ~35.9% of India's total installed capacity, with solar accounting for ~9.6%. Among renewables, solar accounted for ~26.7% of the installed capicity.



Data from CEA, MNRE, Mercom India Solar Project Tracker (Installed Capicity as on 31 Dec 2019)

Source: Mercom India Research

Solar-generated electricity accounted for 50.1 billion units (BU) in FY2019-20, a growth of 28% year-over-year (YoY) compared to FY2018-19, where the total solar energy generated was 39.3 billion units. However, this increase was the lowest in six years.

India: Solar electricity generation by month (In MU)

Data from CEA

Source: Mercom India Research

In the fourth quarter of CY20, solar power generation stood at 14.2 BUs compared to 11.74 BUs in the Q4 of CY19, representing a 21% increase compared to the latter. The electricity generated from solar energy accounted for 3.6% in FY2019-20 compared to 2.85% in FY2018-19, 1.98% in FY2017-18 and just over 1% in FY2016-17. Even though solar has been the most installed new power generation source over the past three years, in terms of generation, its contribution in comparison to coal is still small.

Global solar photovoltaic sector

The global solar photovoltaics (PV) market had a successful year in 2020, with approximately 127 gigawatts (GW) additional capacity installed, which reported a 2.5% growth year-over-year. In 2020, China was the largest solar market, with approximately 49 GW installed, followed by USA with 15 GW and Vietnam with 11 GW installed in 2020. Japan was fourth on the list. The top four markets collectively accounted for 63% of the solar PV capacity installed in 2020. Close to 20 countries added a GW or more in 2020 pointing to a growing trend of robust mid and small markets as PV has become cheaper than fossil fuels in many parts of the world.

The top 10 developers' operational projects are relatively small when you consider installations of approximately 127 GW in 2020 and over 700 GW of cumulative PV installations. This reflects the fragmented nature of the market, where local and single-market developers make up the majority of activity.

For the top 10 global solar developers, the Asia-Pacific (APAC) region made up 52.4% of developers' capacity, followed by the Americas at 42.1% and Europe, the Middle East and Africa (EMEA) at 5.5%. In contrast, when compared with the number of projects, the largest number of solar projects by top developers are in EMEA, at 41.6%, followed by the APAC at 29.9%, and Americas at 28.4%.

India's solar energy potential

About 5,000 trillion kWh per year energy is incident over India's land area with most parts receiving 4-7 kWh per sq. m per day. If a modest portion of the overall incident of solar energy can be captured effectively then it can fulfill the power requirements of the entire country. National Institute of Solar Energy has monitored the country's solar potential of about 748 GW, assuming 3% of the waste land area to be covered by solar PV modules.

Annual CO_2 emissions in India diminished by 7% (or 160 Mt CO_2) in 2020 as against average emissions growth of 3.3% from 2015-2019. Emissions in the month of April 2020 declined by a mind-boggling 40% compared with last year owing to strict lockdown measures implemented by the government. This was the largest reduction in a single month by any major economy. Owing to lower electricity demand, there was a reduction of 5% in annual emissions from coal-fired power plants across the nation. Electricity generation through renewable sources increased by around 4%, which enhanced their contribution in the generation mix by 22%. India out-spaced the global average of 9.6% with a 9.7% contraction in carbon emissions this year. India was already on the way to record negative carbon emissions even before the pandemic commenced in late 2019. The ongoing Covid-19 pandemic has superposed the changing trends. Along with lower carbon emissions, the per capita energy use of India is comparatively the lowest by a massive margin among all the IEA members and association countries, less than half of Mexico and less than one-tenth of Australia. India's per capita emissions in 2020 stood at 1.6 tonnes of CO_2, much below the global average of 4.4 tonnes, while its contribution to global total CO_2 emissions was only 6.4%.

(Sources: IEA, Business insider)

Speed

In India, power generation sources are transformed from conventional energy to renewable energy at a remarkable pace. According to IEA, India invested more in solar PV compared with all fossil fuel sources of electricity generation combined in 2018. The sustainability of this trend is what excites analysts rather than events occurring at the moment as hydro energy accounted for a double-digit share in the country's electricity production along with solar and wind energy contributing in single digit.

Sources: (IEA)

Positive outlook

India is expected to surpass the European Union as the third biggest energy consumer in the world by 2030. According to its current national policy scenario, India's energy consumption is anticipated to almost double as the the country's GDP increases to an estimated USD8.6 trillion by 2040. As a result, India will contribute to the largest share of energy demand growth at 25% over the next two decades due to increased urbanization, quality of life and growth in digital space. This clearly implies that the country needs to add large power generation capacity without significant energy efficiency improvements. This growing demand cannot be fulfilled with only conventional and thermal energy sources and will require huge renewable energy alternatives.

India could save USD 190 billion every year in energy imports by increasing its energy efficiency and alleviate 875 terawatt hours per year of power generation, which would account for nearly half of India's yearly power generation at present.

The Indian government initiated an ambitious target to enhance the contribution of renewables in electricity generation to 175GW capacity by 2022 and further raised its renewables capacity target to 450GW by 2030. India has a goal to increase the contribution of non-fossil-based capacity in its electricity mix to more than 40% by 2030 and a decline in the emissions intensity of its GDP of 33-35% by 2030 as against the 2005 consumption level.

(Source: The Hindu)

National policy direction

A National Action Plan on Climate Change (NAPCC) was launched by the Government of India in 2008 with the goal of taking various steps to promote climate change as a co-benefit in India's developmental objectives. The NAPCC covered a range of measures and planned to implement them through eight national missions, with the energy sector being influential in achieving these objectives.

The eight national missions comprise the following: National Solar Mission, National Mission for Enhanced Energy Efficiency, National Mission on Sustainable Habitat, National Water Mission, National Mission for Sustaining the Himalayan Ecosystem, National Mission for a Green India, National Mission for Sustainable Agriculture and National Mission on Strategic Knowledge for Climate Change.

The funding

The Indian government has played a crucial role in deploying funds for renewable energy projects initially by establishing the National Clean Energy Fund, now known as the National Clean Energy & Environment fund (NCEEF) to invest in clean energy projects and technologies. The funds allocated to the NCEEF were generated from a nation-wide clean energy tax on coal (coal cess) initiated in 2010, levied in coal imports and production. The tax was initially set at Rs 50 per tonne of domestic and imported coal production in 2010 had enhanced to Rs 400 in 2016. A total of USD 4.2 billion was accumulated in the NCEEF until it was incorporated under the Goods and Services Tax (GST) reform. The Indian Renewable Energy Development Agency (IREDA) uses a portion of the NCEEF as a loan to banks at a two-percent interest rate, which is further loaned out for renewable energy projects at a concessional interest rate. IREDA also provides financial support to the renewable energy developers by borrowing funds from international agencies such as World Bank. It offers generation-based incentives for solar and wind projects, and capital subsidies for solar water heater systems.

Catalysts

The 10 leading solar energy states in India such as Rajasthan, Tamil Nadu, Andhra Pradesh, Telangana, Gujarat, Karnataka, Maharashtra, Madhya Pradesh, Uttar Pradesh and Punjab comprise more than 90% of the country's installed solar capacity and solar generation. India had built out its inter-state transmission system over the decades and is functioning with the help of a single synchronously operated grid since 31st December 2013. The Green Energy Corridor plan indicates that transmission lines can be implemented in two to three years after the competitive bidding process. Since 2012, India had added an average of 21,000 kms of transmission lines each year, which resulted in sharp interconnectivity across regions in the country.

The other catalysts to the renewable energy movement constituted a record breaking increase in fuel prices which induced preferences for electric vehicles, subsidies offered by the government to encourage EV sales and advancement in battery storage technologies and policies.

The future for solar energy seems to be bright as most regions in the country receive good solar radiation of 4-7 kWh/sq. m/day. The confidence of investors in solar energy has increased as solar tariffs recorded an all-time low of Rs 1.99 per unit in 2020. Some large projects have been proposed in the solar energy sector, and a 35,000 km2 (14,000 sq mi) area of the Thar Desert has been kept aside for solar power projects, substantial to produce 700 to 2,100 GW, which is relatively higher than the country's existing electricity consumption. As per another assessment, India's electricity needs can be fulfilled on a total land area of 3,000 km2, which is equivalent to 0.1% of the total land in the country.

Targets

By 2022, India had set a target to install 100GW grid-connected solar power plants, which is in line with the country's Intended Nationally Determined Contribution (INDCs) target to achieve 40% electricity generation from renewable energy resources. It also targets to reduce the emission intensity of its GDP by 2030 to 33-35% of the 2005 level.

Growth drivers

Exponential economic growth: India became one of the fastest-growing economies during the financial period between 2015 and 2018 ever since economic growth started accelerating along with the demand for clean power and government support.

Government commitments and regulations: The Indian government seeks to achieve 175 GW of renewable energy capacity by 2022 and 450 GW by 2030. The government is also making efforts to achieve 40% of its power installed capacity from natural resources and reduce its emissions intensity of its GDP by 33-35% by 2030.

Rising urbanisation: India's population is expected to increase from around 1.37 billion presently to 1.52 billion by 2036. This increase in population is expected to increase urbanisation from 34% to 39% by 2036 and increase the demand for cleaner energy.

Climate change: In the last 120 years, 2020 was the third hottest year with 11 of the 15 hottest years occurring in the last 15 years. The increase in temperatures is expected to increase the utilisation of solar energy.

Depletion of non-renewable resources: Excessive depletion of non-renewable resources has been paving the way for renewable and clean energy like solar energy for better environment and economical purposes.

Grid parity: The world has achieved grid parity, indicating that alternative energy source can generate power at a cost equivalent or less than that of the price of power from the electricity grid. In recent power auctions, bidders bid down to Rs 2 a unit for solar energy, enhancing its attractiveness.

Storage: Storage-plus solar options ensure round-the-clock power access. For e-vehicles, affordable and indigenous batteries can reduce the battery cost from the current 50%+ of the car's price, thus creating a needed traction in India's e-vehicle sales. Storage requirements for solar are estimated to rise over 3-fold from 50 MWh in 2019 to 175 MWh by 2022. With the country reaching only halfway in its target of 175 GW of renewable energy capacity by 2022 (which includes 100 GW of solar), storage solutions could hold the key to bringing solar energy to scale.

Indian government initiatives

Jawaharlal Nehru National Solar Mission: Launched in 2010, the government initiated the Jawaharlal Nehru National Solar Mission (JNNSM), which seeks to promote ecologically sustainable growth while addressing India's energy security challenge. In June 2015, India's Prime Minister Narendra Modi approved setting up the country's solar power capacity target of 100 GW under the JNNSM by 2022. Various incentives such as zero import duty on capital investments and raw materials, low-interest rates and priority lending sector status have been set up for 2022 under this mission.

Green energy corridor: India received INR 75.26 billion (USD 1.05 billion) of a soft loan from the German Development Bank for the purpose of implementing green corridor projects. The aim is to improve the sector framework and conditions for grid integration of renewable energies with conventional power grids. This loan is expected to fund 40% of intrastate and 70% of interstate transmission schemes.

Ujwal DISCOM Assurance Yojana (UDAY): This scheme was introduced to improve financial health of DISCOMs and revive power demand. The main focus of this scheme is to ensure the sustainability of distribution companies including operational improvement such as AT&C loss reduction. The support for this scheme was estimated at Rs 25,913 crore.

Tariff policy: It is the mechanism of the renewable purchase obligation (RPO) for the fixation of a minimum percentage of the purchase of energy consumption by the states from renewable energy sources. A special tariff for solar energy, among other renewable energies, is also provided under this policy.

Integrated Energy Policy: This integrated policy recommends focus on renewable energy development and sets specific targets for capacity addition.

National Smart Grid Mission: The focus of this mission is to demonstrate smart grid capabilities via a range of initiatives and pilot projects. The total outlay of this mission under 12th Five Year Plan is around Rs 980 crore, out of which Rs 890 crore is allotted to smart grid development and Rs 27 crore for micro grid development.

Budgetary allocations

- Rs 2516 Crore out of the Union Budget for FY2020-21 was allocated for solar power sector including grid interactive and off-grid projects.
- The government reinforced the PM-KUSUM Program with 2 million off-grid and 1.5 million on-grid solar pumps.
- Rs 2,150 crore was allotted for grid-interactive solar power projects ,which accounts for 50.57% of the total budgetary allocation of Rs 4,350 crore for renewable energy projects connected to the grid.
- Central Financial Assistance was provided for capacity addition of 7,500 megawatt of solar power in FY2020-21. (Source: Mercom India, Economic Times)

Opportunities

- 90 GW of new solar capacity is

expected to be added between 2019 and 2023. Apart from PV deployment, there are opportunities for investments in grid-related projects and metering modernization infrastructure.

- Shifting from the regular and simple tenders to Hybrid, Peak-Power and Round-The-Clock bids is the proper directional approach. Success of the initial bids has ensured that such tenders shall be the next growth frontier. The ideal of firm, schedulable and dispatchable power available at attractive tariffs shall be achieved and Solar energy shall play a key role in it. Merchant power sales could also unleash exponential growth. (Source: EQMagPro, PV Magazine India)

Challenges

- The COVID-19 pandemic brought economies to a halt, which enhanced uncertainty for the solar industry in India seeking to reach 100GW in capacity by 2022.
- A logical premise is that signatories to an agreement would fulfil their Condition Precedents and Subsequents in a time-bound fashion, maintaining the sanctity of the contract and creating a mutual beneficial situation for everybody. Payment delays and tariff renegotiation could pose challenges.
- Streamlining the land acquisition process and refining the payment security mechanism are other challenges. Solutions to these will allow the power producers in the company to operate in a relatively risk-free environment and this would trigger a growth.
- There is a need to emphasise the 'priority sector' status to the clean energy domain, uncoupling it from traditional power sector limitations.
- Ease of financing could enhance tariff discovery.

(Source: EQMagPro, PV Magazine India, Orfonline)

Company overview

Websol Energy System Limited has been engaged in the manufacture of photovoltaic crystalline solar cells and related modules. The Company's facility is located in Falta SEZ, Sector II, Falta, West Bengal. The company's products are used in commercial and industrial establishments in India and abroad. The Company's manufacturing capacity comprises 250MW of cells and a 250 MW fully automated module line.

Financial analysis

The Company reported revenue from operations of Rs 153.59 crore on a consolidated basis during FY2020-21, compared to Rs 195.54 crore in FY2019-20. Operating EBITDA on a consolidated basis stood at Rs 38.05 crore for FY2020-21 Depreciation and interest for the current year stood at Rs 15.35 crore and Rs 9.07 crore, respectively.

Risk management

Raw material risk	Any increase in raw materials cost could impact demand for solar photovoltaic products and affect prospects.	**Mitigation**: The manufacturing cost of solar photovoltaic cells, in particular related to solar-grade silicon wafers and other raw materials, constitutes 70% of the Company's manufacturing costs. The Company cushioned the risk of raw material inflation through back-to-back sales agreements that protected it from resource volatility.
Customer concentration risk	An excessive concentration of revenues from a particular customer could affect margins.	**Mitigation**: The Indian Government's growing focus on indigenous procurement has increased the number of domestic manufacturers of renewable energy systems. Besides, the increasing use of solar energy has made India one of the most attractive markets in the world, widening the customer concentration risk.

Competition risk	Growing competition could have an adverse impact on profitability.	**Mitigation**: The Company's product certifications and strong relationships lead to sustainable offtake. The Company is ranked as one of the largest and most competitive solar photovoltaic manufacturers in India with the cost of production being among the lowest across all Indian PV manufacturers.
Demand risk	A decline in demand could moderate returns on investment.	**Mitigation**: India is expected to retain its position as one of the fastest growing renewable energy countries – an estimated 175 GW capacity from renewable energy by 2022 and an estimated 450 MW by 2030. This is likely to translate into one of the lowest power costs in the world, widening the market for renewable energy and strengthening demand.
Technology risk	Technologies could become obsolete with speed, affecting financial performance.	**Mitigation**: The core technology in the solar energy sector has been relatively stable. New technologies are mostly add-ons around the core technology. The Company has widened its technology platform through an extension from multicrystalline technology to monocrystalline and towards the manufacture of relatively large solar cells. The Company strengthened the performance efficiency of its cells to enhance project viability for its customers.
Funding risk	The Company may not be able to fund its growing business and expansion needs in a cost-effective manner.	**Mitigation**: The Company moderated its debt-equity ratio from 1.18 in FY2016-17 to 0.18 in FY2020-21; interest cover stood at a comfortable 2.49 times as on 31st March, 2021.

Internal control systems and their adequacy

The Company's internal audit system has been continuously monitored and updated to ensure that assets are safeguarded, established regulations are complied with and pending issues are addressed promptly. The audit committee reviews reports presented by the internal auditors on scheduled intervals. The committee makes note of the audit observations and takes corrective actions, if necessary. It maintains constant dialogue with statutory and internal auditors to ensure that internal control systems are operating effectively.

Cautionary statement

This statement made in this section describes the Company's objectives, projections, expectation and estimations which may be 'forward-looking statements' within the meaning of applicable securities laws and regulations. Actual results could differ materially from those either expressed or implied. Important factors that could make a difference to the Company's operation include among others, economic conditions affecting demand/supply and price conditions, variation in prices of raw materials, changes in Government regulations, tax regimes, economic developments and other incidental factors.

NOTICE

Notice is hereby given that the **31st Annual General Meeting** ("AGM") of the members of **Websol Energy System Limited** ("Company") for the Financial Year ended March 31, 2021, will be held on **Thursday, September 30, 2021, at 12:00 P.M**. through Video Conference (VC) or Other Audio-Visual Means (OAVM), to transact the following business:

ORDINARY BUSINESS:

1. To consider and adopt the audited standalone Financial Statements of the Company for the financial year ended March 31, 2021, together with the Report of the Board of Directors and the Auditors thereon.

2. To appoint a director in place of Ms. Sreeram Vasanthi (DIN: 00289326), who retires by rotation and, being eligible, offers herself for re-appointment.

SPECIAL BUSINESS:

3. Re-appointment of Mr. Sohan Lal Agarwal as the Managing Director

   To consider and, if thought fit, to pass with or without modification(s), the following resolution as a Special Resolution:

   "RESOLVED THAT pursuant to the provisions of Section 196, 197 , 203, Schedule V and other applicable provisions, if any, of the Companies Act, 2013 and rules made thereunder (including any statutory modification or re-enactment thereof), re-appointment of Mr. Sohan Lal Agarwal (DIN 00189898) as Managing Director of the Company be and is hereby ratified and approved for a period of 5 (Five) years, with effect from April 01, 2021 to March 31, 2026 at a remuneration not exceeding Rs 2,00,00,000/- (Rupees Two Crores only) per annum, including any perquisites and allowances, and on such terms and conditions as may be decided from time to time by the Board of Directors on the recommendation of Nomination and Remuneration Committee, within the limits specified under Section 197 of the Companies Act, 2013, read with Schedule V thereof.

   RESOLVED FURTHER THAT subject to the applicable provisions of the Companies Act read with Schedule V of Companies Act, where in any financial year during the tenure of appointment of Mr. Sohan Lal Agarwal (DIN: 00189898), the Company has no profits or its profits are inadequate, the Company may pay the aforesaid remuneration to Mr. Sohan Lal Agarwal within the overall limits prescribed under the provisions of the Companies Act, 2013.

   RESOLVED FURTHER THAT consent of the members be and is hereby also accorded to ratify the term of Mr. Sohan Lal Agarwal as Managing Director of the Company from April 1, 2021 to the date of Annual General Meeting and to ratify, approve and validate all the deeds, acts and business transactions executed by Mr. Sohan Lal Agarwal in the capacity of Managing Director of the Company during such tenure.

   RESOLVED FURTHER THAT the Board of Directors of the Company be authorized on behalf of the Members of the Company to do all such acts, deeds, matters and things as may be necessary to give effect to this resolution, and as it may, in its absolute discretion, deem necessary or expedient in the interest of the Company and with power on behalf of the Company to settle any questions, difficulties or doubts that may arise in this regard including to vary the terms of re-appointment, without requiring the Board to secure any further consent or approval of the Members of the Company."

4. **Increase the borrowing powers of the Company**

   To consider and, if thought fit, to pass with or without modification(s), to pass the following resolution as a Special Resolution:

   "RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and subject to the provisions of Section 180 (1) (c) and other applicable provisions, if any, of the Companies Act, 2013, and the Rules made there under (including any statutory modification(s) or reenactment thereof for the time being in force) and the Article of Association of the Company; the consent of the Members of the Company be and is hereby accorded to the Board of Directors of the Company (herewith referred to as the "Board" which expression shall also include a Committee thereof), to borrow money exceeding the paid up share capital of the Company and its free reserves, that is to say, reserves not set apart for any specific purpose, provided that the total amount up to which monies may be borrowed together with the money already borrowed by the Company (apart from the temporary loans obtained from the Company's Bankers in the ordinary course of business) shall not exceed the sum of Rs 2000cr/-(Rupees Two Thousand Crores only) on such terms and conditions as the Board may deem fit from time to time

   RESOLVED FURTHER THAT for the purpose of giving effect to the above Resolution, the Board of Directors of the Company be and is hereby authorized to take all such actions and to give all such directions and to do all such acts, deeds, matters and things as may be necessary and/or expedient in that behalf.

5. **Approval to create charge/Mortgage over the properties of the Company for the purpose of borrowing in the terms of section 180 (1)(a) of the Companies Act ,2013**

   RESOLVED THAT in supersession of all the earlier resolutions passed in this regard and subject to the provisions of Section 180(1) (a) and other applicable provisions, if any of the Companies Act 2013(including any statutory modifications or re-enactments thereof for the time being in force), as amended from time to time, the consent of the Members of the Company be and is hereby accorded to the creation by the Board of Directors of the Company(hereinafter referred to as the "Board" which term shall include any committee thereof for the time being exercising the powers conferred on the Board by this resolution) of such mortgages ,charges and hypothecations as may be necessary on such of the assets of the Company, both present and future ,in such manner as the Board may determine, to or in favour of financial institution, investment institutions and their subsidiaries ,banks, mutual funds, other bodies corporate or any other entities and Trustees for the holders of debentures /bonds and/or other instruments which may be issued on private placement basis or otherwise ,to secure loans ,debentures ,bonds working capital facilities and other instruments in any currency of an outstanding aggregate value not exceeding the total assets and gross current assets as per the latest audited financial statements from time to time, together with the interest thereon at the agreed rates, further interest liquidated damages ,premium on pre-payment or on redemption, costs charges, expenses and all other moneys payable by the Company in relation to such loans ,debentures, bonds, working capital facilities and other instruments"

RESOLVED FURTHER THAT the Board of Directors be and is hereby authorized to take such steps as may be necessary for obtaining approvals, statutory, contractual or otherwise, in relation to the above and to settle all matters arising out of and incidental thereto, and to sign and to execute deeds, applications, documents and writings that may be required, on behalf of the Company and generally to do all such acts, deeds, matters and things as may be necessary, proper, expedient or incidental for giving effect to this resolution."

By order and on behalf of the Board
Websol Energy System Limited

Sd/
Sohan Lal Agarwal
Managing Director
DIN: 00189898

Place: Kolkata
Date: September 01, 2021

Regd. Office:
WEBSOL ENERGY SYSTEM LIMITED
CIN: L29307WB1990PLC048350
Plot No. 849, Block P, 48 Pramatha Choudhary Sarani
2nd Floor New Alipore, Kolkata - 700053
Phone: +91 -33-24000419
Fax: +91-33-24000375
E-mail: investors@webelsolar.com

Notes:

1. In view of the continuing COVID-19 pandemic, the Ministry of Corporate Affairs ("MCA") has vide its General Circular No. 02/2021 dated January 13, 2021 read with General Circular No. 20/2020, 14/2020 and 17/2020 dated May 05, 2020, April 08, 2020 and April 13, 2020 respectively (collectively referred to as "MCA Circulars") and SEBI has vide its Circular No. SEBI/ HO/ CFD/CMD2/CIR/P/2021/11 dated January 15, 2021 read with Circular No. SEBI/HO/CFD/ CMD1/CIR/P/2020/79 dated May 12, 2020 (collectively referred to as "SEBI Circulars") and other applicable circulars permitted holding of the Annual General Meeting ("the Meeting/ AGM") through Video Conferencing ("VC")/ Other Audio Visual Means ("OAVM"), without the physical presence of the Members, Directors, Auditors or other eligible persons at a common venue. In compliance with the provisions of the Companies Act, 2013 ("Act, 2013"), SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ("SEBI Listing Regulations") and aforesaid MCA and SEBI Circulars, the 31st AGM of the Company will be conducted through VC/OAVM facility, which does not require physical presence of Members at a common venue. The deemed venue for the 31st AGM shall be the Registered Office of the Company.

2. The Explanatory Statement pursuant to Section 102 of the Companies Act, 2013 ("the Act"), with respect to the items of Special Businesses as set out in Item No. 3 is annexed hereto. Additional Information, pursuant to Para 1.2.5 of SS-2 ("Secretarial Standard on General Meetings") and Regulation 36(3) of the SEBI Listing Regulations in respect of Directors seeking re-appointment/ appointment at this AGM is annexed hereto as Annexure I.

3. Pursuant to the provisions of the Act, a Member entitled to attend and vote at the Meeting is entitled to appoint a proxy to attend and vote on a poll instead of him/her and the proxy need not be a Member of the Company. Since the 31st AGM is being held pursuant to the MCA Circulars, through VC / OAVM, physical attendance of Members has been dispensed with. Accordingly, in line with the MCA Circular No. 14/2020 dated April 08, 2020, the facility for appointment of proxies by the Members will not be available for the 31st AGM and hence the Proxy Form and Attendance Slip are not annexed to this Notice.

4. Since the 31st AGM will be held through VC/OAVM Facility, the Route Map is not annexed to this Notice.

5. Participation of Members through VC /OAVM will be reckoned for the purpose of quorum for the AGM as per section 103 of the Companies Act, 2013.

6. Pursuant to the provisions of Section 108 of the Companies Act, 2013 read with Rule 20 of the Companies (Management and Administration) Rules, 2014 (as amended) and Regulation 44 of SEBI (Listing Obligations & Disclosure Requirements) Regulations 2015 (as amended), and the Circulars issued by the Ministry of Corporate Affairs dated April 08, 2020, April 13, 2020 and May 05, 2020 the Company is providing facility of remote e-Voting to its Members in respect of the business to be transacted at the AGM. For this purpose, the Company has entered into an agreement with National Securities Depository Limited (NSDL) for facilitating voting through electronic means, as the authorized agency. The facility of casting votes by a member using remote e-Voting system as well as venue voting on the date of the AGM will be provided by NSDL.

7. The Board of Directors of the Company has appointed Mr. Rahul Goyal, Practicing Company Secretary as the Scrutinizer(s) to scrutinize the voting and remote e-voting process in a fair and transparent manner. The Scrutinizer's decision on the e-voting shall be final.

8. The Scrutinizer shall, immediately after the conclusion of voting at the AGM, count the votes cast at the meeting, and the votes cast through remote e-voting and make within two working days from the conclusion of the AGM, a consolidated Scrutinizer's Report of the total votes cast in favour or against, if any, to the Chairman, or any other person authorized by the Chairman in writing, who shall countersign the same and shall declare the results of the voting forthwith.

9. The results declared, along with the Scrutinizer's Report shall be placed on the Company's website http://www.webelsolar.com and on the website of NSDL immediately after the declaration of result by the Chairman or a person authorized by him in writing. The results shall also be immediately forwarded to the Stock Exchange(s) where the shares of the Company are listed. Further, the results shall be displayed on the notice board of the Company at its Registered Office as well as Corporate Office.

10. Members of the Company under the category of Institutional Investors are encouraged to attend and vote at the AGM through VC. Corporate Members intending to authorise their representatives to participate and vote at the meeting are required to send to the Company a certified copy of the Board Resolution, pursuant to Section 113 of the Companies Act, 2013, authorizing their representative to attend and vote at the meeting. The said Resolution/Authorization shall be sent to the Scrutinizer by email through its registered email address to csrahulgoyal@gmail.com with a copy marked to evoting@nsdl.co.in

11. In case of joint holders attending the Meeting, only such joint holder who is higher in the order of names will be entitled to vote.

12. In compliance with the aforesaid MCA Circulars and SEBI Circular, the Notice of the 31st AGM and other documents are being sent only through electronic mode to those Members whose email addresses are registered with the Company/ Depositories.

Therefore, those Members, whose email address is not registered with the Company or with their respective Depository Participant/s, and who wish to receive the Notice of the 31st AGM and the Annual Report for the year 2020-21 and all other communication sent by the Company, from time to time, can get their email address registered by following the steps as given below:-

a) For Members holding shares in physical form, please send scan copy of a signed request letter mentioning your folio number, complete address, email address to be registered along with scanned self- attested copy of the PAN and any document (such as Driving License, Passport, Bank Statement, AADHAR) supporting the registered address of the Member, by email to the Company's email address at: investors@webelsolar.com

b) For the Members holding shares in demat form, please update your email address through your respective Depository Participant/s.

13. Members may note that the Notice of 31st AGM and Annual Report 2020-21 will be available on the website of the Company at www.webelsolar.com, on the website of the stock exchanges i.e. BSE at www.bseindia.com, on the website of NSE at www.nseindia.com. Notice of 31st AGM will also be available on the website of NSDL at www.evoting.nsdl.co.in

14. In compliance with the aforesaid Circulars, the Company shall publish a public notice by way of an advertisement in Financial Express and in Ekdin, both having a wide circulation in Kolkata, where the registered office of the Company is situated and having electronic editions, inter alia, advising the Members whose e-mail ids are not registered with the Company, its Registrar and Share Transfer Agent (RTA) or Depository Participant(s) (DPs), as the case may be, to register their e-mail ids with them.

15. Members who hold shares in dematerialized form are requested to furnish their Client ID and DP ID Nos. for easy identification of attendance at the meeting.

16. The Register of Contracts maintained under Section 189 of the Companies Act, 2013, the Register of Directors and Key Managerial Personnel and their shareholding maintained under Section 170 of the Companies Act, 2013, read with rules issued thereunder are open for inspection by the members at the registered office of the Company on all working days, except Saturdays, between 11:00 A.M. and 1:00 P.M. and also at the Annual General Meeting. Further, the Notice for this 31st Annual General Meeting along with requisite documents and the Annual Report for the Financial Year ended 2020 - 21 shall also be available on the Company's website, www.webelsolar.com under the "Investor" tab. Further, the notice received, if any, under Section 160 of Companies Act, 2013, will be put up on the website of the Company up to the date of the Meeting.

17. The Register of Members and Share Transfer Book of the Company will be closed from September 24, 2021, to September 30, 2021 (both days inclusive) for the purpose of holding the Annual General Meeting.

18. The remote e-voting period commences on September 27, 2021 (9.00 A.M.) and ends on September 29, 2021 (5.00 P.M.). During this period, the members of the Company, holding shares either in physical form or in dematerialized form, as on the cut-off date i.e. September 23, 2021, may cast their vote electronically. The e-voting module shall be disabled by NSDL for voting thereafter. Once the vote on a resolution is cast by the Member, he shall not be allowed to change it subsequently.

19. The voting rights of members shall be in proportion to their shares of the paid-up equity share capital of the Company as on September 23, 2021.

20. Any person, who acquires shares of the Company and becomes member of the Company after dispatch of the notice and holding shares as on the cut-off date i.e September 23, 2021 may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Company or to the RTA.

21. Members holding shares in dematerialized form are requested to intimate all changes pertaining to their bank details, National Electronic Clearing Service (NECS), Electronic Clearing Service (ECS), mandates, nominations, power of attorney, change of address, change of name, e-mail address, contact numbers, etc., to their Depository Participant (DP). Changes intimated to the DP will then be automatically reflected in the Company's records which will help the Company and the Company's Registrar and Transfer Agent, to provide efficient and better services. Members holding shares in physical form are requested to intimate such changes to the Company's Registrar and Transfer Agent. The details of RTA are as follows:

R & D Infotech Pvt. Ltd.
Add: 15 C, Beltala Road, Ground Floor, Kolkata – 700026
Phone: +91-33-2419-2641/42 | Fax: +91-33-2476-1657
Email: rd.infotech@vsnl.net

22. Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate all risks associated with physical shares and for ease of portfolio management. Members can contact the Company or the Company's Registrar and Transfer Agent for assistance in this regard.

23. SEBI and the MCA encourage paperless communication as a contribution to greener environment. Members holding shares in physical mode are requested to register their e-mail ID's with the Indus Portfolio Private Limited, the Registrar and Transfer Agent of the Company and members holding shares in demat mode are requested to register their e-mail ID's with their respective Depository Participants (DPs) in case the same is still not registered. If there is any change in the e-mail ID already registered with the Company, members are requested to immediately notify such change to the Registrar and Transfer Agent of the Company in respect of shares held in physical form and to DPs in respect of shares held

in electronic form. Members who wish to register their email ID can download the ‘Green Initiative’ form from the Company’s website i.e. http://www.webelsolar.com

24. In terms of Sections 101 and 136 of the Companies Act, 2013, read together with the rules made thereunder, the copy of the Annual Report including Financial Statements, Board’s Report etc., and this Notice are being sent by electronic mode, to those members who have registered their email IDs with their respective depository participants or with the Registrar and Transfer Agent of the Company, unless any member has requested for a physical copy of the same. In case you wish to get a physical copy of the Annual Report, you may send your request to investors@webelsolar.com mentioning your Folio/DP ID & Client ID.

25. Pursuant to Section 72 of the Companies Act, 2013, the members holding shares in physical form are advised to file nomination in the prescribed Form SH-13 with the Company’s Registrar and Transfer Agent. In respect of shares held in electronic/ demat form, the members may please contact their respective depository participant.

26. Members holding shares in physical form in identical order of names in more than one folio are requested to send to the Company or the Company’s Registrar and Transfer Agent, the details of such folios together with the share certificates for consolidating their holding in one folio. A consolidated share certificate will be returned to such members after making requisite changes thereon.

27. In case of joint holders attending the meeting, the member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote.

28. 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 Depository Participants with whom they are maintaining their demat accounts. Members holding shares in physical form can submit their PAN details to the Company or the Company’s Registrar and Transfer Agent.

29. National Securities Depositories Limited (“NSDL”) will be providing e-voting facility (remote e-voting and voting at 31st AGM) to the shareholders of the Company in order to cast their votes electronically in terms of aforesaid MCA Circulars.

30. In case of Joint holders, the Member whose name appears as the first holder in the order of names as per the Register of Members of the Company will be entitled to vote at the 31st AGM.

31. Members may join the 31st AGM through VC/OAVM Facility by following the procedure as mentioned below which shall be kept open for the Members from 11:45 A.M IST, i.e., 15 minutes before the time scheduled to start the 31st AGM and the Company may close the window for joining the VC/OAVM Facility 15 minutes after the scheduled time to start the 31st AGM.

32. Members may note that the VC/OAVM Facility, provided by NSDL, allows participation of atleast 1,000 Members on a first-come-first-served basis. The large shareholders (i.e., shareholders holding 2% or more shareholding), promoters, institutional investors, directors, key managerial personnel, the Chairpersons of the Audit Committee, Nomination and Remuneration Committee and Stakeholders Relationship Committee, auditors, etc. can attend the 31st AGM without any restriction on account of first-come-first-served principle.

33. In compliance with the provisions of Section 108 of the Companies Act, 2013, and the Rule 20 of the Companies (Management and Administration) Rules, 2014, as amended by the Companies (Management and Administration) Amendment Rules, 2015, and Regulation 44 of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, the Company is pleased to provide members of the Company with the facility to cast their vote electronically, through the e-voting services provided by NSDL, on all resolutions set forth in this Notice.

34. Shareholders may send their concerns / queries to the Company Secretary and Compliance Officer of the Company at – investors@webelsolar.com. Telephone - +91-+91 -33-24000419. Website – www.webelsolar.com and/or at the registered office address of the Company.

35. The instructions for Members for voting through remote e-voting and joining AGM are as under:

    How do I vote electronically using NSDL e-Voting system?

    The way to vote electronically on NSDL e-Voting system consists of “Two Steps” which are mentioned below:

    Step 1: Access to NSDL e-Voting system

    A) Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode

    In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are advised to update their mobile number and email Id in their demat accounts in order to access e-Voting facility.

Login method for Individual shareholders holding securities in demat mode is given below:

Type of shareholders	Login Method
Individual Shareholders holding securities in demat mode with NSDL.	1. Existing IDeAS user can visit the e-Services website of NSDL Viz. https://eservices.nsdl.com either on a Personal Computer or on a mobile. On the e-Services home page click on the "Beneficial Owner" icon under "Login" which is available under 'IDeAS' section , this will prompt you to enter your existing User ID and Password. After successful authentication, you will be able to see e-Voting services under Value added services. Click on "Access to e-Voting" under e-Voting services and you will be able to see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be re-directed to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 2. If you are not registered for IDeAS e-Services, option to register is available at https://eservices.nsdl.com. Select "Register Online for IDeAS Portal" or click at https://eservices.nsdl.com/SecureWeb/IdeasDirectReg.jsp 3. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile. Once the home page of e-Voting system is launched, click on the icon "Login" which is available under 'Shareholder/Member' section. A new screen will open. You will have to enter your User ID (i.e. your sixteen digit demat account number hold with NSDL), Password/OTP and a Verification Code as shown on the screen. After successful authentication, you will be redirected to NSDL Depository site wherein you can see e-Voting page. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting. 4. Shareholders/Members can also download NSDL Mobile App "NSDL Speede" facility by scanning the QR code mentioned below for seamless voting experience. **NSDL Mobile App is available on** App Store Google Play
Individual Shareholders holding securities in demat mode with CDSL	1. Existing users who have opted for Easi / Easiest, they can login through their user id and password. Option will be made available to reach e-Voting page without any further authentication. The URL for users to login to Easi / Easiest are https://web.cdslindia.com/myeasi/home/login or www.cdslindia.com and click on New System Myeasi. 2. After successful login of Easi/Easiest the user will be also able to see the E Voting Menu. The Menu will have links of e-Voting service provider i.e. NSDL. Click on NSDL to cast your vote. 3. If the user is not registered for Easi/Easiest, option to register is available at https://web.cdslindia.com/myeasi/Registration/EasiRegistration 4. Alternatively, the user can directly access e-Voting page by providing demat Account Number and PAN No. from a link in www.cdslindia.com home page. The system will authenticate the user by sending OTP on registered Mobile & Email as recorded in the demat Account. After successful authentication, user will be provided links for the respective ESP i.e. NSDL where the e-Voting is in progress.
Individual Shareholders (holding securities in demat mode) login through their depository participants	You can also login using the login credentials of your demat account through your Depository Participant registered with NSDL/CDSL for e-Voting facility. upon logging in, you will be able to see e-Voting option. Click on e-Voting option, you will be redirected to NSDL/CDSL Depository site after successful authentication, wherein you can see e-Voting feature. Click on company name or e-Voting service provider i.e. NSDL and you will be redirected to e-Voting website of NSDL for casting your vote during the remote e-Voting period or joining virtual meeting & voting during the meeting.

Important note: Members who are unable to retrieve User ID/ Password are advised to use Forget User ID and Forget Password option available at abovementioned website.

Helpdesk for Individual Shareholders holding securities in demat mode for any technical issues related to login through Depository i.e. NSDL and CDSL.

Login type	Helpdesk details
Individual Shareholders holding securities in demat mode with NSDL	Members facing any technical issue in login can contact NSDL helpdesk by sending a request at evoting@nsdl.co.in or call at toll free no.: 1800 1020 990 and 1800 22 44 30
Individual Shareholders holding securities in demat mode with CDSL	Members facing any technical issue in login can contact CDSL helpdesk by sending a request at helpdesk.evoting@cdslindia.com or contact at 022- 23058738 or 022-23058542-43

B) Login Method for e-Voting and joining virtual meeting for shareholders other than Individual shareholders holding securities in demat mode and shareholders holding securities in physical mode.

How to Log-in to NSDL e-Voting website?

1. Visit the e-Voting website of NSDL. Open web browser by typing the following URL: https://www.evoting.nsdl.com/ either on a Personal Computer or on a mobile.

2. Once the home page of e-Voting system is launched, click on the icon “Login” which is available under ‘Shareholder/Member’ section.

3. A new screen will open. You will have to enter your User ID, your Password/OTP and a Verification Code as shown on the screen.

   Alternatively, if you are registered for NSDL eservices i.e. IDEAS, you can log-in at https://eservices.nsdl.com/ with your existing IDEAS login. Once you log-in to NSDL eservices after using your log-in credentials, click on e-Voting and you can proceed to Step 2 i.e. Cast your vote electronically.

4. Your User ID details are given below :

Manner of holding shares i.e. Demat (NSDL or CDSL) or Physical	
a) For Members who hold shares in demat account with NSDL.	8 Character DP ID followed by 8 Digit Client ID For example if your DP ID is IN300*** and Client ID is 12****** then your user ID is IN300***12******.
b) For Members who hold shares in demat account with CDSL.	16 Digit Beneficiary ID For example if your Beneficiary ID is 12************** then your user ID is 12**************
c) For Members holding shares in Physical Form.	EVEN Number followed by Folio Number registered with the company For example if folio number is 001*** and EVEN is 101456 then user ID is 101456001***

5. Password details for shareholders other than Individual shareholders are given below:

   a) If you are already registered for e-Voting, then you can user your existing password to login and cast your vote.

   b) If you are using NSDL e-Voting system for the first time, you will need to retrieve the ‘initial password’ which was communicated to you. Once you retrieve your ‘initial password’, you need to enter the ‘initial password’ and the system will force you to change your password.

   c) How to retrieve your ‘initial password’?

      (i) If your email ID is registered in your demat account or with the company, your ‘initial password’ is communicated to you on your email ID. Trace the email sent to you from NSDL from your mailbox. Open the email and open the attachment i.e. a .pdf file. Open the .pdf file. The password to open the .pdf file is your 8 digit client ID for NSDL account, last 8 digits of client ID for CDSL account or folio number for shares held in physical form. The .pdf file contains your ‘User ID’ and your ‘initial password’.

      (ii) If your email ID is not registered, please follow steps mentioned below in process for those shareholders whose email ids are not registered.

6. If you are unable to retrieve or have not received the “ Initial password” or have forgotten your password:

   a) Click on “Forgot User Details/Password?”(If you are holding shares in your demat account with NSDL or CDSL) option available on www.evoting.nsdl.com.

   b) Physical User Reset Password?” (If you are holding shares in physical mode) option available on www.evoting.nsdl.com.

c) If you are still unable to get the password by aforesaid two options, you can send a request at evoting@nsdl.co.in mentioning your demat account number/folio number, your PAN, your name and your registered address etc.

d) Members can also use the OTP (One Time Password) based login for casting the votes on the e-Voting system of NSDL.

7. After entering your password, tick on Agree to "Terms and Conditions" by selecting on the check box.

8. Now, you will have to click on "Login" button.

9. After you click on the "Login" button, Home page of e-Voting will open.

Step 2: Cast your vote electronically and join General Meeting on NSDL e-Voting system.

How to cast your vote electronically and join General Meeting on NSDL e-Voting system?

1. After successful login at Step 1, you will be able to see all the companies "EVEN" in which you are holding shares and whose voting cycle and General Meeting is in active status.

2. Select "EVEN" of company for which you wish to cast your vote during the remote e-Voting period and casting your vote during the General Meeting. For joining virtual meeting, you need to click on "VC/OAVM" link placed under "Join General Meeting".

3. Now you are ready for e-Voting as the Voting page opens.

4. Cast your vote by selecting appropriate options i.e. assent or dissent, verify/modify the number of shares for which you wish to cast your vote and click on "Submit" and also "Confirm" when prompted.

5. Upon confirmation, the message "Vote cast successfully" will be displayed.

6. You can also take the printout of the votes cast by you by clicking on the print option on the confirmation page.

7. Once you confirm your vote on the resolution, you will not be allowed to modify your vote.

General Guidelines for shareholders

1. Institutional shareholders (i.e. other than individuals, HUF, NRI etc.) are required to send scanned copy (PDF/JPG Format) of the relevant Board Resolution/ Authority letter etc. with attested specimen signature of the duly authorized signatory(ies) who are authorized to vote, to the Scrutinizer by e-mail to csrahulgoyal@gmail.com with a copy marked to evoting@nsdl.co.in.

2. Any person holding shares in physical form and non-individual shareholders, who acquires shares of the Company and becomes member of the Company after the notice is send through e-mail and holding shares as of the cut-off date i.e. September 23, 2021, may obtain the login ID and password by sending a request at evoting@nsdl.co.in or Issuer/RTA. However, if you are already registered with NSDL for remote e-voting, then you can use your existing user ID and password for casting your vote. If you forgot your password, you can reset your password by using "Forgot User Details/Password" or "Physical User Reset Password" option available on www.evoting.nsdl.com or call on toll free no. 1800 1020 990 and 1800 22 44 30 . In case of Individual Shareholders holding securities in demat mode who acquires shares of the Company and becomes a Member of the Company after sending of the Notice and holding shares as of the cut-off date i.e. September 23, 2021 may follow steps mentioned in the Notice of the AGM under Step 1:"Access to NSDL e-Voting system"(Above).

3. It is strongly recommended not to share your password with any other person and take utmost care to keep your password confidential. Login to the e-voting website will be disabled upon five unsuccessful attempts to key in the correct password. In such an event, you will need to go through the "Forgot User Details/Password?" or "Physical User Reset Password?" option available on www.evoting.nsdl.com to reset the password.

4. In case of any queries, you may refer the Frequently Asked Questions (FAQs) for Shareholders and e-voting user manual for Shareholders available at the download section of www.evoting.nsdl.com or call on toll free no.: 1800 1020 990 and 1800 22 44 30 or send a request to to Mr. Amit Vishal, Senior Manager and /or Ms. Pallavi Mhatre, Manager at evoting@nsdl.co.in

Process for those shareholders whose email ids are not registered with the depositories for procuring user id and password and registration of e mail ids for e-voting for the resolutions set out in this notice:

1. In case shares are held in physical mode please provide Folio No., Name of shareholder, scanned copy of the share certificate (front and back), PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) by email to investors@webelsolar.com

2. In case shares are held in demat mode, please provide DPID-CLID (16 digit DPID + CLID or 16 digit beneficiary ID), Name, client master or copy of Consolidated Account statement, PAN (self attested scanned copy of PAN card), AADHAR (self attested scanned copy of Aadhar Card) to investors@webelsolar.com. If you are an Individual shareholders holding securities in demat mode, you are requested to refer to the login method explained at step 1 (A) i.e. Login method for e-Voting and joining virtual meeting for Individual shareholders holding securities in demat mode.

3. Alternatively shareholder/members may send a request to evoting@nsdl.co.in for procuring user id and password for e-voting by providing above mentioned documents.

4. In terms of SEBI circular dated December 9, 2020 on e-Voting facility provided by Listed Companies, Individual shareholders holding securities in demat

mode are allowed to vote through their demat account maintained with Depositories and Depository Participants. Shareholders are required to update their mobile number and email ID correctly in their demat account in order to access e-Voting facility.

The Instructions for Members for e-voting on the day of the AGM are as under:-

1. The procedure for e-Voting on the day of the AGM is same as the instructions mentioned above for remote e-voting.
2. Only those Members/ shareholders, who will be present in the AGM through VC/OAVM facility and have not casted their vote on the Resolutions through remote e-Voting and are otherwise not barred from doing so, shall be eligible to vote through e-Voting system in the AGM.
3. Members who have voted through Remote e-Voting will be eligible to attend the AGM. However, they will not be eligible to vote at the AGM.
4. The details of the person who may be contacted for any grievances connected with the facility for e-Voting on the day of the AGM shall be the same person mentioned for Remote e-voting.

Instructions for Members for attending the AGM through VC/OAVM are as under:

1. Member will be provided with a facility to attend the AGM through VC/OAVM through the NSDL e-Voting system. Members may access by following the steps mentioned above for Access to NSDL e-Voting system. After successful login, you can see link of "VC/OAVM link" placed under "Join General meeting" menu against company name. You are requested to click on VC/OAVM link placed under Join General Meeting menu. The link for VC/OAVM will be available in Shareholder/Member login where the EVEN of Company will be displayed. Please note that the members who do not have the User ID and Password for e-Voting or have forgotten the User ID and Password may retrieve the same by following the remote e-Voting instructions mentioned in the notice to avoid last minute rush.
2. Members are encouraged to join the Meeting through Laptops for better experience.
3. Further Members will be required to allow Camera and use Internet with a good speed to avoid any disturbance during the meeting.
4. Please note that Participants Connecting from Mobile Devices or Tablets or through Laptop connecting via Mobile Hotspot may experience Audio/Video loss due to Fluctuation in their respective network. It is therefore recommended to use Stable Wi-Fi or LAN Connection to mitigate any kind of aforesaid glitches.
5. Shareholders who would like to express their views/ask questions during the meeting may register themselves as a speaker may send their request mentioning their name, demat account number/folio number, email id, mobile number at investors@webelsolar.com latest by 5:00 .p.m. (IST) on Wednesday, September 29, 2021.
6. Shareholders, who would like to express their views/ have questions may send their questions in advance mentioning their name demat account number/ folio number, email id, mobile number at investors@ webelsolar.com latest by 5:00 p.m. (IST) on Wednesday, September 29, 2021.The same will be replied by the company suitably.
7. Those shareholders who have registered themselves as a speaker will only be allowed to express their views/ ask questions during the meeting.
8. When a pre-registered speaker is invited to speak at the meeting but he / she does not respond, the next speaker will be invited to speak. Accordingly, all speakers are requested to get connected to a device with a video/ camera along with good internet speed.
9. The Company reserves the right to restrict the number of questions and number of speakers, as appropriate, for smooth conduct of the AGM.
10. Members who need assistance before or during the AGM, can contact Mr. Amit Vishal, Senior Manager, NSDL and / or Ms. Pallavi Mhatre, Manager, NSDL at evoting@nsdl.co.in or call 1800 1020 990 / 1800 22 44 30.

By order and on behalf of the Board
Websol Energy System Limited

Sd/
Sohan Lal Agarwal
Managing Director
DIN: 00189898

Place: Kolkata
Date: September 01, 2021

Regd. Office:
WEBSOL ENERGY SYSTEM LIMITED
CIN: L29307WB1990PLC048350
Plot No. 849, Block P, 48 Pramatha Choudhary Sarani
2nd Floor New Alipore, Kolkata - 700053
Phone: +91 -33-24000419
Fax: +91-33-24000375
E-mail: investors@webelsolar.com

Explanatory Statement pursuant to Section 102 of the Companies Act, 2013:

The following explanatory statement, as required under Section 102 of the Companies Act, 2013, sets out all material facts relating to special businesses mentioned in Item 3, 4 and 5 of the accompanying Notice for convening the AGM of the Company.

Item No. 3

The Members at the Extra Ordinary General Meeting of the Company held on May 26, 2016 had appointed Mr. Sohan Lal Agarwal as the Managing Director for a period of five years from April 01, 2016 to March 31, 2021. The Board of Directors on the recommendation of Nomination and Remuneration Committee, subject to approval of Members, re-appointed Mr. Sohan Lal Agarwal as the Managing Director for a period of five years w.e.f. April 01, 2021 at a remuneration not exceeding Rs 2,00,00,000/- (Rupees Two Crores only) per annum, including any perquisites and allowances, within the limits specified under Section 197 of the Companies Act, 2013. The Board of Directors had also ratified the term of Mr. Sohan Lal Agarwal as Managing Director of the Company from April 1, 2021 to the date of Annual General Meeting and ratify, approve and validate all the deeds, acts and business transactions executed by Mr. Sohan Lal Agarwal in the capacity of Managing Director of the Company during such tenure.

The Company has completed the annual performance appraisal of all the employees of the Company including senior management. In view of this there is a revision in the salary of all the employees for the FY 2021-22. Hence the Board of Directors is requesting your approval for the revision in the remuneration of Managing Director with effect from his re-appointment. The details of remuneration payable to Mr. Sohan Lal Agarwal and the terms and conditions of the re-appointment are given below:

(i) Basic Salary: Rs 5,51,857/- per month.

Allowances / Perquisites: The Managing Director shall be entitled to all the perquisites listed herein below in addition to the salary mentioned above:

(a) Housing: The Company shall provide rent free furnished residential accommodation, with free gas, electricity and water as per Company policy. In case no accommodation is provided by the Company, the Managing Director shall be entitled to such house rent allowance as may be decided by the Board of Directors from time to time subject however to a limit of 50% of his salary.

(b) Medical Re-imbursement: Reimbursement of medical expenses incurred, including premium paid on health insurance policies, whether in India or abroad, for self and family including hospitalisation, surgical charges, nursing charges and domiciliary charges for self and for family subject to a maximum of Rs 15000 per annum.

(c) Leave Travel Concession: For self and family every year incurred in accordance with the rules of the Company subject to a maximum of Rs 7,50,000 per annum.

(d) Club Fees: Limited to two clubs, provided that the Company shall not pay Club Admission Fee and Life membership Fee.

(e) Special Allowances: Upto a maximum of Rs 30,00,000 per annum.

(f) Personal Accident Insurance: Subject to a maximum premium of Rs 2,00,000 per annum..

(g) City Compensatory Allowance: Subject to a maximum of Rs 15,00,000 per annum.

(h) Commission: Payment of Commission of such amount as may be recommended and approved by the Nomination and Remuneration Committee in compliance with the provisions of the Companies Act, 2013 and within the limits specified under Section 197 of the Companies Act, 2013.

This explanatory statement may also be read and treated as disclosure in compliance with the requirements of Section 190 of the Companies Act, 2013

Except Mr. Sohan Lal Agarwal, the appointee, none of the Directors, Key Managerial Personnel of the Company or their relatives are in any way, concerned or interested, financially or otherwise, in the proposed resolution. The statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to Special Resolution at Item No. 3 is annexed hereto as Annexure II.

Accordingly, the Board recommends the Special Resolution as stated at Item No.3 for approval of the Members.

Item No.4 and 5

Keeping in view the potential in renewable energy sector and the initiatives taken by the Indian Govt. to promoter this industry through its PLI scheme along with setup of an independent body to regulate and promote this sector. The Company has enhanced its capacity of production and also plans to further boost its presence in the Indian and Foreign market. With such ambitious targets, the Company aims to raise funds for working capital or otherwise for any other business objects and accordingly the Company.

Hence it is proposed to increase the maximum borrowing limits from Rs 500 Cr. (Rupees Thousand Crores only) to Rs 2000 crore (Rupees Two Thousand Crores Only). Pursuant to Section 180(1)(c) of the Companies Act, 2013, the Board of Directors cannot borrow more than the aggregate amount of the paid‑up capital of the Company and its free reserves at any one time except with the consent of the members of the Company in a general meeting. In order to facilitate securing the borrowing made by the Company, it would be necessary to create charge on the assets or whole of the undertaking of the Company in such manner as the Board may determine. Accordingly, the Board recommends the Special Resolution as stated at Item No.4&5 for approval of the Members.

None of the Directors or Key Managerial Personnel of the Company and their relatives is concerned or interested, financially or otherwise, in the Special Resolution except to the extent of their shareholding in the Company.

Annexure I

Details of Directors seeking appointment /re-appointment at the Annual General Meeting pursuant to Regulation 36(3) of SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 and Secretarial Standard on General Meeting (SS-2).

Particulars	Mr. Sohan Lal Agarwal	Ms. Sreeram Vasanthi
DIN	00189898	00289326
Age / Date of Birth	76 years / 04.03.1946	52 years/ 29.06.1969
Nationality	Indian	Indian
Date of first appointment	September 25, 1992	July 31, 2020
Qualifications	B.com	MSC-Physics & M.Tech – Electrical Studies
Terms and conditions of appointment	As may be approved by the Board of Directors subject to maximum ceiling limits of remuneration as per Act and as detailed out in Explanatory Statement	Appointed as Executive Director w.e.f. July 31, 2020
Expertise in specific functional area and background	More than Fifty years' experience in varied industries including past 30 years (approx.) in renewable energy	Having 25 years (approx.)experience in technical field
Remuneration sought to be paid	Entitled for payment of salary, perquisite, commission and bonus as approved by the Members at the 31st AGM	Entitled for payment of salary, perquisite, commission and bonus as approved by the Members at the 30th AGM held on December 31, 2020
Remuneration last drawn by such person, if applicable	Refer Corporate Governance report forming part of Annual report	Refer Corporate Governance report forming part of Annual report
Directorships (other than alternate directorships) held in other companies (excluding foreign companies and section 8 companies)	• S L INDUSTRIES P. LTD. • WEBSOL GREEN PROJECTS PRIVATE LIMITED	Nil
Memberships/ Chairmanships of committees of other Public companies (includes only Audit Committee and Stakeholders' Relationship Committee.)	Nil	Nil
No. of shares held in the Company	7.59% Indirect holding through SL Industries Pvt Ltd – 17.40%	None
Relationship with other Directors inter-se and with KMP of the Company	None	None
Number of meetings of Board attended during the year	6	5

By order and on behalf of the Board
Websol Energy System Limited

Sd/
Sohan Lal Agarwal
Managing Director
DIN: 00189898

Place: Kolkata
Date: September 01, 2021

Regd. Office:
WEBSOL ENERGY SYSTEM LIMITED
CIN: L29307WB1990PLC048350
Plot No. 849, Block P, 48 Pramatha Choudhary Sarani
2nd Floor New Alipore, Kolkata - 700053
Phone: +91 -33-24000419
Fax: +91-33-24000375
E-mail: investors@webelsolar.com

Annexure II

Statement as required under Section II, Part II of the Schedule V of the Companies Act, 2013 with reference to the Resolutions at Item No. 3 of the Notice for the AGM

I. General Information:

1. **Nature of Industry:** Solar Industry
2. **Date or expected date of commencement of commercial production:** Existing Company already commenced commercial production.
3. **In case of new companies, expected date of commencement of activities as per project:** Not Applicable.
4. **Financial Performance of the Company** in the last three years is as under:

(Rs In Lakh)

S. No.	Particulars	2021	2020	2019
1	Total Revenue	15790.97	20664.09	8584.49
2	Profit/(Loss) before tax	6925.23	(1527.66)	(2889.47)
3	Net Profit/ (Loss)	6783.73	411.16	(2894.55)
4	Paid-up share capital	3114.33	3059.46	2902.71

5. **Foreign investments or collaborators, if any:** No

II. Information about the Appointee: –

1. Background details: Mr. Sohan Lal Agarwal has more than 50 years' experience in varied industries including past 30 years (approx.) in renewable energy.
2. **Past Remuneration:**

Financial Year	Amount (Rs In lakh)
2020-21	90.00
2019-20	90.00
2018-19	79.87

3. Recognition or awards: Mr. Sohan Lal Agarwal is a renowned and highly respected personality in the Industry.
4. Job profile and his suitability: Based on his experience and background he is suitable for the position of Managing Director. The Company will be benefitted by the efficient leadership qualities of Mr. Sohan Lal Agarwal who has the management experience to handle the nature of business of the Company and the vision to take the business forward.
5. Remuneration proposed: The terms of appointment and remuneration to Mr. Sohan Lal Agarwal, proposed to be approved by the shareholders have already been specified in the resolution as set out at item no. 3 of the Notice.
6. Comparative remuneration profile with respect to industry, size of the company, profile of the position and person (in case of expatriates the relevant details would be w.r.t. the country of his origin): Remuneration as proposed of Mr. Sohan Lal Agarwal is comparable to that drawn by the peers in the similar capacity in the similar industry and is commensurate with the size of the Company and the nature of its business.
7. Pecuniary relationship directly or indirectly with the company, or relationship with the managerial personnel, if any: He is part of Promoter and Promoter Group of the Company

III. Other Information

1. Reasons of inadequate profits: The Company is passing a Special Resolution pursuant to the proviso to the sub-section (1) of Section 197 of the Companies Act, 2013 and as a matter of abundant precaution. However, please note that in the last couple of financial years, the turnover and profitability of the Company has significantly improved
2. Steps taken or proposed to be taken for further improvement: The Company has been taking various initiatives to increase turnover and profitability of the Company
3. Expected increase in productivity and profits in measurable terms: In view of the facts stated in 1 above, it is difficult to forecast the productivity and profitability in measurable terms. However, the Company expects that the productivity and profitability would improve significantly.

IV. Disclosures

All the disclosures have made in the explanatory statement.

By order and on behalf of the Board
Websol Energy System Limited

Sd/
Sohan Lal Agarwal
Managing Director
DIN: 00189898

Place: Kolkata
Date: September 01, 2021

Regd. Office:
WEBSOL ENERGY SYSTEM LIMITED
CIN: L29307WB1990PLC048350
Plot No. 849, Block P, 48 Pramatha Choudhary Sarani
2nd Floor New Alipore, Kolkata - 700053
Phone: +91 -33-24000419
Fax: +91-33-24000375
E-mail: investors@webelsolar.com

Director's Report

Dear Members,

Your Directors hereby submits the thirty-first annual report of the business and operations of your Company along with the audited financial statements, for the financial year ended March 31, 2021

FINANCIAL HIGHLIGHTS

(Rs in lakh)

Particulars	Year 2020-21	Year 2019-20
Revenue from operations	15,359.63	19,554.17
Other Income	431.34	1,089.92
Total Revenue	15790.97	20644.09
Total Expenses	14,428.87	21,445.74
Profit / (Loss) before tax	6925.23	(1527.66)
Less: Tax expense	141.50	(1938.82)
Profit / (Loss) after Tax	6783.73	411.16
Other Comprehensive Income	15.62	(13.98)
Total Comprehensive Income for the year	6799.36	397.18
Earnings per share (Nominal value per share Rs 10/-)		
Basic	22.10	1.40
Diluted	19.30	1.21

OPERATIONS

Websol Energy Systems Limited, a listed Kolkata-based manufacturer of solar cells and modules, posted a handsome improvement in performance during the fourth quarter and financial year ended 31 March 2020-21.

The company is among the largest merchant manufacturer of solar cells and modules in India servicing the growing needs of the country's renewable energy revolution

The total company's revenues from operations is of 153.5 Crore derived from 158 MW of cells and 8 MW of solar modules in F.YR 2020-2021.

For the F.Yr 21-22, The Company and the Management is also working toward production of 175 MW of Solar Cell and 135 MW of Solar Module for F.YR 2021-22.

Your Company reported revenue from operations amounting to Rs 15,359.63 lakh as against Rs19, 554.17 lakh during the last financial year. The Company incurred a profit of Rs 6783.73 lakh during the current financial year as compared to profit of Rs 411.16 lakh in the last financial year.

DIVIDEND

Your directors have not recommended any dividend for the year ended March 31, 2021, in view of the restrictions under Section 123 of the Companies Act, 2013 (the Act) as amended by the Companies (Amendment) Act, 2015, becoming effective from 13th August, 2015, by virtue of which no Company can declare dividend unless carried over previous losses and depreciation not provided in previous year or years, are set off against profit of the Company for the current year.

DIRECTORS

a) **Changes in Directors:**

In accordance with the provisions of Section 152 of the Act read with Article 91 of the Article of Association of the Company, Ms. Vasanthi Sreeram, Executive Director will retire by rotation at the ensuing Annual General Meeting ('AGM') and being eligible, offer himself for re-appointment.

Ms. Sreeram Vasanthi was appointed as Additional director (Executive Director) w.e.f. July 31, 2020 and her appointment was approved by shareholders in the 30th AGM of the Company held on December 31, 2020. Mr. Sumit Kumar Shaw was appointed as Additional Director (Executive Director) w.e.f. December 04, 2020 and his appointment was approved by shareholders in the 30th AGM of the Company held on December 31, 2020. Mr. Devan Kaushik was re-appointed as Independent Director in the AGM held on December 31, 2020 for a second term of five consecutive years from the conclusion of the 30th AGM of the Company till the conclusion of 35th AGM to be held in the calendar year 2025. Mr. Vishal Jayprakash Vithlani resigned as Nominee Director w.e.f. November 06, 2020.

b) **No. of Meetings of the Board:**

Six meetings of the Board were held during the year ended March 31, 2021.

c) **Declaration by Independent Directors:**

All Independent directors have given declarations that they meet the criteria of independence as required under Section 149(6) of the Companies Act, 2013 and SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015 ('Listing Regulations'). In the opinion of the Board of Directors of the Company, the Independent Directors are persons of integrity and possess relevant expertise, experience and proficiency as per the Companies Act, 2013.

d) **Separate Meeting of Independent Director:**

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

STATUTORY AUDITORS

M/s G. P. Agrawal & Co., Chartered Accountants (FRN 302082E) were appointed as Statutory Auditors of your company in the Annual General Meeting held on 29th September, 2018 for a term of five consecutive years.

Clarification/explanation on remarks in Independent Auditors' Report

a. In Annexure A Point No. 1(b) of the Auditors' Report regarding physical verification of fixed asset, your Directors have to state that the physical verification of fixed assets is not carried out due to COVID pandemic. However, the management will review the same

MAINTENANCE OF COST RECORDS

The Company is not required to maintain cost records as specified by the Central Government under section 148(1) of the Companies Act, 2013.

SECRETARIAL AUDIT

M/s. AL & Associates, Practicing Company Secretaries were appointed as the Secretarial Auditors, to conduct secretarial audit of the Company for the financial year ended March 31, 2021. The report of the Secretarial Auditor is provided in the "Annexure A" to this Report. The Secretarial Audit Report does not contain any qualification, reservation, adverse remark or disclaimer.

DEPOSITS

During the year under review, your Company did not accept any deposits in terms of the provisions of section 73 of the Companies Act, 2013 read with Companies (Acceptance of Deposits) Rules, 2014.

KEY MANAGERIAL PERSONNEL:

During the year under review, Ms. Sreeram Vasanthi was appointed as Executive Director w.e.f. July 31, 2020, Mr. Sumit Kumar Shaw was appointed as Executive Director w.e.f. December 04, 2020, Ms. Sweta Saraf was appointed as Company Secretary w.e.f. November 30, 2020 and resigned w.e.f. January 14, 2021. Mr. Sumit Kumar Shaw was appointed as Chief Financial Officer w.e.f. October 20, 2020 and Company Secretary w.e.f. January 14, 2021.

COMMITTEES OF THE BOARD:

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

AUDIT COMMITTEE:

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

WHISTLEBLOWER POLICY:

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

POLICY ON SELECTION AND REMUNERATION OF DIRECTORS:

Based on the recommendation of the Nomination & Remuneration Committee, the Company has formulated a Policy on Selection & Remuneration of Directors, Key Managerial Personnel and other employees.

BOARD EVALUATION:

Pursuant to the provisions of the Companies Act, 2013 and Regulation 17 of the Listing Regulations, the Board has carried out the evaluation of its own performance and that of its Committees as well as evaluation of performance of the individual directors. The manner in which the evaluation has been carried out has been explained in the Corporate Governance Report attached to this Report.

LISTING OF SECURITIES IN STOCK EXCHANGES

The shares of the Company are listed on Bombay Stock Exchange Limited and National Stock Exchange of India Limited. Outstanding FCCBs of the Company are listed on Singapore Stock Exchange in whole sale market.

CODE OF CONDUCT FOR PREVENTION OF INSIDER TRADING

In terms of the Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992 your Company has adopted the Code of Conduct for Prevention of Insider Trading, approved by Board of Directors, inter alia, prohibits trading in securities of the Company by Directors and employees on the basis of unpublished price sensitive information in relation to the Company.

RISK MANAGEMENT POLICY:

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

MATERIAL CHANGES AND COMMITMENTS:

There are no material changes and commitments affecting the financial position of the Company between the end of the financial year i.e. March 31, 2021 and the date of this Report.

SIGNIFICANT AND MATERIAL ORDERS:

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

INTERNAL FINANCIAL CONTROLS:

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

ANNUAL CSR REPORT

During the FY 2020-21, Company was not required to incur expenditure on CSR activities as the profits of the Company during the financial year ended March 31, 2020 was below the prescribed limit as prescribed under Section 135 of Companies Act, 2013.

PARTICULARS OF CONTRACTS OR ARRANGEMENTS WITH RELATED PARTIES

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

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

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

PARTICULARS OF LOANS, GUARANTEES OR INVESTMENTS UNDER SECTION 186

The Company has not given any loan, guarantee or made any investments or provided any security that violates Section 186 of Companies Act, 2013.

STATE OF AFFAIRS OF THE COMPANY

Green energy in India is a growing industry and Government of India is giving full support to the Industry. Your company expects to utilize its full capacity in the financial Year 2021-2022. There is no loan from banks on the balance sheet of the company except one loan from Asset Reconstruction Company.

SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has a Policy on Prevention of Sexual Harassment of Women at Workplace. No cases were reported during the year under review. There were no complaints pending as on March 31, 2021. The Company has complied with the provisions relating to the constitution of Internal Complaints Committee under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

CONSERVATION OF ENERGY, TECHNOLOGY ABSORPTION FOREIGN EXCHANGE EARNING AND OUTGO

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

ANNUAL RETURN

Pursuant to Sections 92 and 134 of the Act, the Annual Return as at March 31, 2021 in Form MGT-7, is available on the website of the Company at the link: www.webelsolar.com

MANAGERIAL REMUNERATION AND PARTICULARS OF EMPLOYEES

The information required pursuant to Section 197 read with Rule 5 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 in respect of managerial personnel and employees of the Company is provided as Annexure C to this report.

CORPORATE GOVERNANCE REPORT

Maintaining high standards of Corporate Governance has been fundamental to the business of the company since its inception. Pursuant to the Listing Regulations, the Report on Corporate Governance together with the certificate issued by M/s S Bhatt and Associates, Company Secretaries, on compliance with the conditions of Corporate Governance as stipulated in the Listing Regulations is provided as Annexure D to this report.

DIRECTORS' RESPONSIBILITY STATEMENT

In terms of the provisions of section 134 (5) of the Companies Act, 2013, and to the best of their knowledge and belief and according to the information and explanations obtained by them and save as mentioned elsewhere in this Report, the attached financial statements and the Auditors' Report thereon, your Directors confirm that:

i) in the preparation of the annual accounts, the applicable accounting standards have been followed and there are no material departures from the same;

ii) such accounting policies have been selected 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 as at March 31, 2021 and the profits of the Company for the financial year ended on that date;

iii) proper and sufficient care had been taken for the maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;

iv) the annual accounts have been prepared on a going concern basis;

v) internal financial controls have been laid down and the same are adequate and were operating effectively; and

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

ACKNOWLEDGEMENTS

Your Directors take this opportunity to place on record their sincere appreciation for the co-operation and assistance the Company has received from banks, shareholders, customers, vendors and various Government authorities. Your Directors would also like to take this opportunity to express their appreciation for the dedicated efforts of the employees of the Company.

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

Date: 14th August, 2021
Place:Kolkata

Dharmendra Sethia
Independent Director

S. L. Agarwal
Managing Director

Annexure A

Form No. MR-3
SECRETARIAL AUDIT REPORT

For the Financial Year Ended on 31st March, 2021

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies (Appointment and Remuneration Personnel) Rules, 2014]

The Members,
WEBSOL ENERGY SYSTEM LIMITED
Plot No. 849, Block P 48 Pramatha Choudhary Sarani
2nd Floor New Alipore, Kolkata

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

Based on our verification of the books, papers, minute books, forms and returns filed and other records maintained by the company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, We hereby report that in our opinion, the company has, during the audit period covering the financial year ended on 31st March, 2021 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter:

We have examined the books, papers, minute books, forms and returns filed and other records maintained by Websol Energy System Limited for the financial year ended on 31st March, 2021 according to the provisions of:

(i) The Companies Act, 2013 (the Act) and the rules made there under;

(ii) The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made there under;

(iii) The Depositories Act, 1996 and the Regulations and Bye-laws framed there under;

(iv) Foreign Exchange Management Act, 1999 and the rules and regulations made there under to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;

(v) The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 **('SEBI Act')**:-

  (a) The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

  (b) The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;

  (c) The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;

  (d) The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;

  (e) The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008;

  (f) The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;

  (g) The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and

  (h) The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998;

  (i) The Securities and Exchange Board of India (Listing Obligation and Disclosure Requirements) Regulations, 2015.

(vi) We further report that after considering the compliance system prevailing in the Company, and after carrying out test checks of the relevant records and documents maintained by the Company, it has complied with the following laws that are applicable specifically to the Company:

  (a) Information Technology Act, 2000 and the rules made there under,

  (b) Special Economic Zone Act, 2005 and rules made there under

  (c) Pollution Prevention Act

  (d) Clean Water Act

  (e) Clean Air Act

(f) Noise Control Act

(g) National Renewable Energy Act, 2015 etc

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

(i) Secretarial Standards issued by The Institute of Company Secretaries of India, in respect to Board Meetings & General Meetings.

(ii) The Listing Agreement entered into by the Company with National Stock Exchange of India Limited as well as with BSE Ltd.

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

We further report that:

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

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

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

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

We further report that during the audit period the Company has issued 47,02,667 equity shares in lieu of conversion of FCCB's and no other specific event has happened and / or no other action has been taken by the Company having a major bearing on the company's affairs in pursuance of the above referred laws, rules, regulations, guidelines, standards, etc. referred to above.

For AL & Associates
(Practicing Company Secretaries)

Priti Lakhotia
UDIN:F010843C000402608

Place: Kolkata
Date: 31st May, 2021

FCS No.10843
CP No. 12790

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

Annexure A

(to the Secretarial Audit Report of Websol Energy System Limited for the FYE March 31,2021)

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

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

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

For AL & Associates
(Practicing Company Secretaries)

Priti Lakhotia
UDIN:F010843C000402608
FCS No.10843
CP No. 12790

Place: Kolkata
Date: 31st May, 2021

Annexure- B

Information under Section 134(3)(m) of the Companies Act, 2013 read with Rule 8(3) of the Companies (Accounts) Rules, 2014 and forming part of the Directors' Report for the year ended 31stMarch, 2021.

A. CONSERVATION OF ENERGY

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

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

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

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

B. TECHNOLOGY ABSORPTION

1. Research and Development (R & D)

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

2. Technology Absorption, Adoption & Innovation

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

3. Information regarding Imported Technology

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

C. FOREIGN EXCHANGE EARNINGS AND OUTGO

(Rs In lakh)

Particulars	For the year 2020-21	For the year 2019-20
(a) Foreign Exchange earnings of the Company	-	9.51
(b) Foreign Exchange Outgo		
(i) C. I. F. value of import of Raw Materials, Components, Spare parts and Capital Goods	7,393.85	11170.30
(ii) Others	0.00	0.00

Annexure- C

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

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

Executive Director	Ratio to Median Remuneration
Mr. S.L AGARWAL	58.17
Mrs. Sima Jhunjhunwala	03.34
Mrs. Sreeram Vasanthi	2.42
Independent Director	
Mr. Dharmendra Sethia	1.09
Mr. Devan Kaushik	1.09
Mr. Ritesh Ojha (Joined from 14.11.2018)	1.09

b. **The percentage increase in remuneration of each Director, Chief Executive Officer, Chief Financial Officer, Company Secretary in the Financial Year:**

Directors, Chief Executive Offcer, Chief Financial Officer and Company Secretary	% increase in remuneration in the Financial year
Mr. SL Agarwal	NIL
Mrs. Sima Jhunjhunwala	NIL
Mr. Sumit Kr. Shaw	10%
Mrs. Sweta Sarraf	NIL

c. **The percentage increase in the median remuneration of employees in the Financial year:** 10%

d. **The number of permanent employees on the rolls of Company:** 328

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

On an average employees received an annual increase of 10% because of the weak financial performance during the financial year 2020-21 due to COVID Situation. Individual increase varied from 5 to 20%.Increase is always trend with industry norms and individual employee's appraisal is based on organizational performance apart from individual performance.

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

Aggregate remuneration of Key Managerial Personnel (KMP) in FY 2020-21 (Rs in lakh)	99.98
Revenue (Rs In lakh)	15,359.63
Remuneration of KMPs (as % of revenue)	0.65
Proft before Tax (PBT) (Rs In lakh)	6,925.23
Remuneration of KMP (as % of PBT)	NA

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

Particulars	March 31, 2021	March 31, 2020	% change
Market Capitalization(Rs Crores)	130	38.24	240
Price Earnings Ratio	0.45	7.14	(93.70%)

h. **Public offer:**

No Public offer during the Financial Year 2020-21.

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

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

Particulars	Mrs. Sima Jhunjhunwala	Mrs. Sweta Saraf	Mr. Sumit Kr. Shaw
Remuneration in F.Y. 2020-21 (Rs In lakh)	4.97	2.25	6.51
Revenue (Rs In lakh)	15,359.63	15,359.63	15,359.63
Remuneration as % of revenue	0.03	0.01	0.04
Profit before Tax (PBT) (Rs In lakh)	6,925.23	6,925.23	6,925.23
Remuneration (as % of PBT)	NA	NA	NA

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

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

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

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

Statement of Particulars of Employees as required under Section 197(12) of the Companies Act, 2013 read with Rule 5(2) and (3) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended)

Name	Designation, Nature of Duties	Remuneration (Rs)	Qualification and experience (years)	Age (years)	Date of commencement of employment	Last employer, designation
Employed throughout the financial year 2020-21						
Mr. S L Agarwal	Managing Director	86,25,747	B.COM(HONS)	75	01-01-1990	
Employed for part of the financial year 2020-21 (If any employee was not employed for full year, then details of that employees should be disclosed here if his / her remuneration was more than Rs 5 lakhs per month						

Notes:

1. Remuneration includes salary, company's contributions to provident and other funds, bonus, allowances and monetary value of perquisites.
2. Except the appointment of directors, all appointments are non-contractual and terminable by notice on either side.
3. No employee is a relative of any director of the Company.

None of the employees are covered under Rule 5(2)(ii) and (iii) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014 (as amended).

ANNEXURE D TO THE DIRECTORS' REPORT
CORPORATE GOVERNANCE REPORT

1. COMPANY'S PHILOSOPHY

Corporate Governance is about promoting corporate fairness, transparency, accountability and integrity of the management to facilitate effective entrepreneurial and prudent management practices for long-term sustainable growth of the Company. It also aims to align as nearly as possible the interests of individuals, corporates & society and enhancing the stakeholders' value. Best results are achieved when companies begin to treat the Corporate Governance system not as a mere structure but as a way of corporate life. Websol's Guiding Principles also reflect the fundamental philosophy of Good Corporate Governance practices which have always been an integral part of the Company's philosophy.

2. BOARD OF DIRECTORS

The composition of the Board of Directors of the Company comprises of Executive and Non-Executive Directors. This is in conformity with the SEBI (Listing Obligations & Disclosure Requirements) Regulations, 2015 ('the Listing Regulations') and the Companies Act, 2013. As on date the Board of the Company consists of six directors. During the financial year 2020-21, the Board met 06 (Six) times i.e. the Board meetings were held on July 31, 2020, October 20, 2020, December 04, 2020, January 14, 2021, January 27, 2021 and February 24, 2021.

The names and categories of the Directors on the Board, their attendance at the Board Meetings held during the financial year 2020-21 and at the last Annual General Meeting ("AGM"), the number of directorships and committee positions held by them in other public limited companies as also the name of the other listed entities where he/she is a Director and category of such directorships as on March 31, 2021, are as under:

Sl. No.	Name of the Director	Category	Attendance Particulars		No. of Directorship(s) in other Public Limited Companies 1	No. of other Board (including Websol Energy System Limited) Committee Membership / Chairmanship2		Shareholding in the Company
			Board	Last AGM		Committee Membership	Committee Chairmanship	
1.	Mr. S.L Agarwal	Executive Managing Director – Promoter	6	Yes	-	1	-	7.46%
2.	Mr. Sumit Kumar Shaw	Executive – Executive Director	3	No	-	-	-	NIL
3.	Mrs. Sreeram Vasanthi	Executive Director	5	Yes	-	-	-	NIL
4.	Mr. Dharmendra Sethia	Non-Executive Independent Director	6	Yes	1	2	2	NIL
5.	Mr. Devan Kaushik	Non-Executive Independent Director	6	No	-	2	-	NIL
6.	Mr. Ritesh Ojha	Non-Executive Independent Director	6	Yes	-	1	-	NIL

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

2 Only Audit Committee and Stakeholder Relationship Committee, in public companies including Websol Energy System Limited, have been considered for the committee position.

None of the directors are related to each other as per the provisions of the Act.

The Company has held at least one Board Meeting in every three months and the maximum time gap between any two meetings was not more than four months as stipulated under the Companies Act, 2013 and Listing Regulations..

In accordance with Regulation 26 of the Listing Regulations, none of the Directors on the Board hold more than 10 Committee Memberships and 5 Chairmanships/ Chairpersonship, across all the public limited companies in which he / she is a Director.

Board skills/expertise/competence matrix

The Board of Directors have identified the following parameters with respect to the skill/expertise/ competence that are available with the Board in the context of the business and sector for it to function effectively:

Directors	Industry Knowledge / Experience		Technical Skills/Experience				Behavioural Competencies	
	Understanding of laws and regulations	International Experience	Accounting and Finance	Risk Management	Legal and Compliance	Strategic Management	Leadership and Mentoring Skill	Interpersonal Relations
Mr. Sohan Lal Agarwal	YES	YES	YES	YES	YES	YES	YES	YES
Mr. Sumit Kumar Shaw	YES	YES	YES	YES	YES	YES	YES	YES
Mrs. Sreeram Vasanthi		YES					YES	YES
Mr. Dharmendra Sethia	YES		YES	YES	YES			
Mr. Devan Kaushik	YES		YES	YES	YES			
Mr. Ritesh Ojha	YES		YES	YES	YES			

Code of Conduct:

The Company has framed Code of Conduct for the Directors and the Senior Management of the Company as per the provisions of the Listing Regulations. The Code of Conduct is displayed on the website of the Company, i.e., www.webelsolar.com. The Directors and the Senior Management have affirmed with the compliance of the said Code of Conduct as on t March 31, 2021. A declaration signed by the CFO in this regard is annexed at the end of this Report.

Independent Directors Meeting:

The Independent Directors met once during the financial year, i.e., on 24.02.2021 without the presence of any of the Non-Independent Directors and the members of the Management. At this meeting, the Independent Directors inter alia evaluated the performance of the Non-Independent Directors and the Board of Directors as a whole, evaluated the performance of the Chairperson of the Board and further discussed the various aspects relating to the quality, quantity and timeliness of the flow of information between the Company, the Management and the Board.

Board Independence:

The Non-Executive Independent Directors fulfill the conditions of independence as laid down under Section 149 of the Companies Act, 2013 and the Rules made hereunder and meet the criteria laid down by SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015.

The appointment of the Independent Director is considered by the Remuneration Committee after taking into account the skills, experience and standing in their respective field or profession. The Board thereafter considers the Committee's decision and takes suitable action.

Every Independent director at the first meeting of the Board held every year provides a declaration regarding his independence which is then taken into record by the Company. In the opinion of the Board, the Independent Directors fulfill the conditions specified in the Listing Regulations and the Companies Act, 2013 and are independent of the Management.

3. AUDIT COMMITTEE:

During the Financial Year 2020-21, the Committee met 04 (four) times i.e. July 31, 2020, October 20, 2020, December 04, 2020, January 14, 2021.

Composition as on March 31, 2021 and attendance of the members during the Financial Year 2020-21 are as follows:

Sl. No.	Name of the Member	Category	No. of Meetings Attended
1.	Mr. Sohan Lal Agarwal	Executive Director	3
2.	Mr. Dharmendra Sethia	Chairman and Independent Director	3
3.	Mr. Devan Kaushik	Independent Director	3

All the members of the Committee have financial management expertise. The Company Secretary of the Company acted as the Secretary to the Audit Committee. The constitution and terms of reference of the Committee are in compliance with the requirements of Section 177 of the Act and Listing Regulations.

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

a) To Review the Company's financial reporting process, the financial statements and financial/risk management policies;

b) Reviewing changes if any in accounting policies and practices and reasons for the same;

c) Recommendation for appointment, remuneration and terms of appointment of auditors of the Company;

d) Review of the adequacy of the internal financial control systems;

e) Discussions with the management and the external auditors, the audit plan for the financial year and joint post-audit review of the same.

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

4. NOMINATION AND REMUNERATION COMMITTEE:

During the Financial Year 2020-21, the Committee met 04 (four) times i.e. July 31, 2020, October 20, 2020, December 04, 2020, January 14, 2021.

Composition as on March 31, 2021 and attendance of the members during the Financial Year 2020-21 are as follows:

Sl. No.	Name of the Member	Category	No. of Meetings Attended
1.	Mr. Sohan Lal Agarwal	Executive Director	3
2.	Mr. Dharmendra Sethia	Chairman and Independent Director	3
3.	Mr. Devan Kaushik	Independent Director	3

Following are the terms of reference of such Committee:

a) To identify persons, who are qualified to become Directors and who may be appointed in the senior management of the Company in accordance with the criteria laid down and to recommend to the Board for their appointment and/ or removal.

b) To evaluate the performance of all the Directors

c) To formulate the criteria for determining qualifications, positive attributes and the independence of a Director, and recommend a policy to the Board , relating to the remuneration of the Directors, the key managerial personnel and other employees.

d) To formulate the criteria for the evaluation of the Independent Directors and the Board.

e) To devise a policy on Board diversity.

f) To review and approve/recommend remuneration for the Whole-Time Director designated as Chairman & Managing Director of the Company.

g) To perform such functions as detailed in the Nomination and Remuneration Committee in accordance with Schedule IV relating to Code for Independent Directors under the Companies Act, 2013.

h) To discharge such other functions as may be delegated to the Committee by the Board from time to time.

Performance Evaluation of Independent Directors:

A. Performance Evaluation Parameters:

i) Statutory Duties: Perform the duties specified in Sections 149, 166 and Schedule IV of the Companies Act, 2013

ii) Business Contribution:

a) Strive to Participate in all the Board and General Meetings of the Company and the meetings of the Committees (wherein a member); and have active participation in the following matters:

1) Approval of financial statements (half yearly and annual)

2) Approval of related party transactions, if any

b) Actively deliberate on and ensure adequate deliberations are undertaken with respect to the following matters:

1) Business Strategy, Business Performance and Business Risk

2) Related Party Transactions: Pay sufficient attention and ensure that adequate deliberations are held before approving related party transaction and assure them that the same are in the interest of the Company.

3) Resource Management

c) Satisfy themselves about the integrity of the financial information and the financial controls and that the system of risk management are robust and defensible

d) Ascertain and ensure that the Company has an adequate and functional vigil mechanism and also ensure that the interest of a person who uses such mechanism is not prejudicially affected on account of such use.

iii) Management's Performance Monitoring and Feedback:

a) Actively monitor the performance of the Management on both tactical and strategic plans

b) Provide prompt feedback to the Management on its performance vis-à-vis the Business Plan and also provide guidance on the course correction

c) Scrutinize the performance of the Management in meeting the agreed goals and objectives and monitor the reporting of performance.

iv) Committee Management:

a) Actively participate in the Committee meetings and its matters

b) The Chairperson of the Committee would be accountable for the performance of the respective Committee. The Chairman shall sign and submit the minutes of the Meeting of the Committee promptly to the Board

c) Arrive at a threshold for the closure of the repeated Audit observations, if any and deal with the Audit Observations within the given timelines.

d) Safeguard the interest of all the stakeholders, particularly the minority shareholders. Also make efforts to balance the conflicting interest of the stakeholders

v) Disclosures, Documentation and Reporting

a) Ensure that all the documents and disclosures that directors are required to provide to the Company under Companies Act, 2013 and under any other law applicable, if any and are reported within the timelines as per prescribed formats.

vi) Financial and Operational Controls

a) Familiarize themselves with the system of the Internal Financial Controls followed by the Company as mentioned under the Listing Regulations and Section 134 of the Companies Act, 2013 and satisfy themselves that such Internal Financial Controls are adequate and operating effectively.

vii) Appointment, Removal, Remuneration and Evaluation of Executive Directors:

a) To determine the levels of the remuneration of Executive Directors, Key Managerial Personnel and the Senior Management.

b) Have a primary role in appointing and where necessary recommend the removal of Executive Directors, Key Managerial Personnel and the Senior Management and to ensure that the appointment and removal was in accordance with the Policy adopted by the Company.

c) Objectively evaluate the performance of Executive Directors and the Key Managerial Personnel in due consideration with the Policy and/ or the Performance Appraisal parameters adopted by the Company for the Executive Directors and the Key Managerial Personnel.

viii) Integrity and maintenance of confidentiality & independence of behavior and judgement

a) He should uphold the ethical standards of integrity and probity.

b) He must apply the highest standard of confidentiality and should not disclose to any person or company any confidential information concerning the company and any group companies with which he is associated as a director.

c) He should refrain from taking any action that would lead to the loss of his independence and where circumstances arise which would make him lose his independence, he should have immediately informed the board about the same.

B. Performance Evaluation Matrix for Independent Directors:

i) Statutory duties and Business Contribution Attending all meetings scheduled 100% Attendance Sheet

a) Actively deliberate on the business strategy, business performance, risk, resource management. Notable contributions to be evaluated by Board Minutes of Meeting

All the Independent Directors should hold a separate meeting at least once a year.

ii) Management's Performance Monitoring and Feedback

a) Actively monitor the performance of the Management on both the tactical and strategic plans and ensure that there are no major deviations from Tactical and Strategic Plans.

b) Provide prompt feedback to the management on their performance vis-à-vis the plan and provide guidance on any course correction

iii) Committee Management

a) Actively participate in the committee that you are responsible for

a) 100% Attendance

b) Level of contribution

b) Attendance Sheet

c) Minutes of Meeting

d) Committee Chairman accountable for performance of the Committee. No material deviation from the performance targets and deadlines

(e) Arrive at a threshold for closure of repeated observations and ensure meeting with those timelines.

iv) Disclosures, Documentation and Reporting

a) Ensure that all the disclosure required as per norms have been made and reported within the prescribed timelines

b) Oversee and ensure that the required documentation is made. No major observations Audit Report

v) Financial and Operational Controls

a) Actively satisfy themselves on the integrity of the financial data, financial controls and the risk management frameworks.

b) Make sure that the financial statements are 100% accurate.

No major financial risk exposure due to oversight

vi) Appointment, Removal, Remuneration and Evaluation of Executive Directors

a) Determine appropriate levels of remuneration of Executive Directors. Complete adherence to the norms of the Audit Report and on the recommendation of the Nomination and Remuneration Committee.

b) Oversee the appointment of the Executive Directors and Key Management Personnel in line with business requirement and as per governance norms.

c) Objectively evaluate the performance of the Executive Directors and Key Management Personnel considering the set parameters

vii) Integrity and maintenance of confidentiality & independence of behavior and judgement

a) Uphold the ethical standards of integrity and probity.

b) Apply the highest degree of confidentiality.

c) Refrain from any action that would lead to loss of his independence and where circumstances arise which makes him lose his independence, he should have immediately inform the board about the same Complete adherence to the performance criteria as adopted by the Board of the Directors of the Company or the person(s) authorized by the Board for the same.

C. Evaluation Mechanism:

i) The performance evaluation of the Independent Directors shall be done by the entire Board of Directors, excluding the director who is being evaluated.

ii) On the basis of the report of performance evaluation, it shall be determined whether to extend or continue the term of appointment of the Independent Director.

5. REMUNERATION OF DIRECTORS:

The remuneration to the Managing Director and Whole-Time Director(s) are decided on the basis of following criteria:

a) Industry trend;

b) Remuneration package in other comparable corporates;

c) Job responsibilities; and

d) Company's performance and individual's key performance areas.

a) **Executive Directors:** The Company follows the policy to fix the remuneration of Managing and Whole Time Director(s) on the basis of their qualification, experience and past performance. The Agreement(s) with the Executive Director(s) are contractual in nature. The Agreement(s) may be terminated at any time by either party giving 3 (three) months' notice in writing without any cause. The details of remuneration paid to the Executive director during financial year 2020 - 21 are given below:

(Rs In lakh)

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	79.79	3.50	6.71	90.00
2.	Mrs. Sreeram Vasanthi	Executive Director				
3.	Mr. Sumit Kumar Shaw	Executive Director				

b) **Non-Executive Directors :** The Non-Executive Directors are not paid any remuneration except sitting fees for attending the meetings of the Board of Directors and Committee thereof. The sitting fees paid / payable to the Non-Executive directors is within the limits prescribed by the Companies Act, 2013. The Company does not have any material pecuniary relationship and transaction with its Non-Executive Directors. The details of sitting fees paid / payable and shares held by the Non-Executive Directors during financial year 2020 - 21 are given below:

(Rs In lakh)

Sl. No.	Name of the Non-Executive Director	Sitting Fees	Shareholding in the Company
1.	Mr. Dharmendra Sethia	1.62	NIL
2.	Mr. P. Kaushik	1.62	NIL
3.	Mr. Ritesh Ojha	1.62	NIL

6. STAKEHOLDERS RELATIONSHIP COMMITTEE:

During the financial year 2020-21, the committee met on January 14, 2021. The composition as on March 31, 2021 and attendance during the year ended March 31, 2021:

Name of Member	No. of Meetings Attended
Mr. Dharmendra Sethia, Chairperson	1
Mr. Devan Kaushik	1
Mr. Ritesh Ojha	1

As on date of this Report, Mr. Sumit Kumar Shaw is the Company Secretary & Compliance Officer of the Company

The functions of the Committee include:

a) Providing guidance for overall improvement in the quality of services to the investors.

b) Address the shareholders' and investors' complaints and ensuring expeditious resolution of the same.

c) Dissemination of factually correct information to the investors and the public at large.

d) Any other matters(s) arising out of and incidental to these functions and such other acts assigned by the Board.

Based on the report received from the Registrar & Share Transfer Agents, no Investors complaints / queries were received during the financial year 2020-21 and no complaints were pending as on March 31, 2021.

7. GENERAL BODY MEETINGS:

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

Financial Year Ended	Date	Time	Venue	Special Resolution(s) passed
March 31, 2018	September 29, 2018	10:00 AM	Rabindra Tirth, DG-17, Major Arterial Road (East-West), Action Area 1D, Newtown, Kolkata - 700156, West Bengal	No resolution passed
March 31, 2019	September 30, 2019	09:30 AM	Nazrul Tirtha, Biswa Bangla Sarani, Beside DLF Building, AF Block - (Newtown), Action Area-1A, Newtown, Kolkata, West Bengal – 700156	Re-appointment of Mr. Dharmendra Sethia as Independent Director of the Company for a period of 5 years
March 31, 2020	December 31, 2020	11.00 AM	Video Conference/ Other Audio Visual Means	Re-appointment of Mr. Devan Kaushik as an Independent Director of the Company for a period of 5 years

b) No Special Resolution was passed during the financial year 2020-21 through Postal Ballot under Section 108 and 110 and other applicable provisions of the Act read together with Rules 20 and 22 of the Companies (Management and Administration) Rules, 2014 (as amended).

8. MEANS OF COMMUNICATION:

In compliance with the Listing Regulations the quarterly / annual results are furnished to the Stock Exchanges within the prescribed time and also published in the Newspapers viz. Business Standard / HT Mint and Arthik Lipi in Bengali (local) language. The results are also posted on the website of the Company www.webelsolar.com. The Annual Report is circulated to members and is displayed on the Company's website.

9. GENERAL SHAREHOLDER INFORMATION:

a) Annual General Meeting

Day, Date and Time	Thursday, September 30, 2021 at 12.00 PM
Venue	The 31st AGM of the Company will be conducted through Video Conferencing (VC)/ Other Audio Visual Means (OAVM). The deemed venue for the 31st AGM shall be the Registered Office of the Company
Book Closure Dates	Saturday, September 25, 2021 to Thursday, September 30, 2021

b) Financial Year

The financial year of the Company is from 1st April to 31st March every year.

c) Details of Listing of Equity Shares and Stock Code

Name of Stock Exchange	National Stock Exchange of India Ltd. (NSE)	BSE Ltd. (BSE)
Address of Stock Exchange	ExchangePlaza, Bandra Kurla Complex, Bandra (E), Mumbai-400051	Floor -25, PJ Towers, Dalal Street, Mumbai -400001
Stock Code	WEBELSOLAR	517498
Listing Fees	Paid	Paid

d) Market Price Data

NSE		Months	BSE	
High	Low		High	Low
18.95	11.50	April, 2020	19.10	11.88
15.85	13.60	May, 2020	15.93	14.00
24.70	14.20	June, 2020	25.02	14.42
22.70	18.60	July, 2020	22.30	18.80
24.40	17.00	August, 2020	24.45	17.00
21.50	17.60	September, 2020	21.30	17.85
24.80	18.40	October, 2020	24.70	18.20
23.85	20.50	November, 2020	23.70	20.20
45.90	22.50	December, 2020	45.80	22.85
51.00	39.70	January, 2021	51.00	39.55
46.00	35.15	February, 2021	45.50	35.25
47.80	38.70	March, 2021	47.50	38.20

e) Stock Performance in comparison to broad based indices

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

On April 01, 2020 : 11.88

On March 31, 2021 : 41.75

Change : 251.43%

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

On April 01, 2020 : 28,265.31

On March 31, 2021 : 49,509.15

Change : 75.16%

f) Registrar and Share Transfer Agent

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

g) Share Transfer System

The Company's shares are compulsorily traded in electronic form in demat mode on BSE and NSE. 97.147 % of the outstanding equity shares of the Company are held in demat mode. Transfer of equity shares in electronic form are effected through the depositories without any involvement of the Company.

h) Distribution of Shareholding as on 31st March, 2021

Shareholding Range	No. of Holders	% of Total Holders	No. of Shares Held	% of Total Shares
Upto 500	20,077	80.61	30,61,377	10.55
501 – 1000	2,332	9.36	19,04,730	6.56
1001 – 2000	1,201	4.82	18,59,472	6.41
2001 – 3000	444	1.78	11,49,030	3.96
3001 – 4000	182	0.73	6,61,793	2.28
4001 – 5000	185	0.75	8,88,051	3.06
5001 – 10000	255	1.03	19,16,120	6.60
10001 – 50000	187	0.75	35,86,030	12.35
50001 – 100000	30	0.12	21,03,768	7.25
100001 and above	13	0.05	1,18,96,696	40.98
Total:	**24,906**	**100.00**	**2,90,27,067**	**100.00**

i) Shareholding Pattern as on 31st March, 2021

Category	No. of Holders	% of Total Holders	No. of Shares	% of Holding
Promoters and Promoters Group			7796922	25.04
Mutual Funds			6200	0.02
Financial Institutions/Banks			1235	0.00
FII's/ FPI's			2555432	8.21
NRIs/Foreign Nationals/Foreign Bodies Corporate				
Public and Others				
Non Promoter- Non Public				
Indian Residents	23,608	96.57	1,71,79,923	56.15
Domestic Companies	285	1.76	19,08,965	6.24
Non Resident Indians	3	1.61	6,20,008	2.03
Foreign Companies	0	0.00	0	0.00
Mutual Funds	2	0.01	6,200	0.02
Financial Institutions	3	0.01	1235	0.00
Banks	0	0.01	961	0.00
Directors / Relatives of Directors	4	0.02	77,14,922	25.22
FIIs	3	0.01	31,63,370	10.34
Others	0	0.00	0	0.00
Total	**23,906**	**100.00**	**3,05,94,623**	**100.00**

j) Status of Dematerialization as on 31st March, 2021

Particulars	No. of Shares	% of Total Shares	No. of Accounts
National Securities Depository Limited (NSDL)	2,12,76,384	68.318%	11,465
Central Depository Services (India) Limited (CDSL)	89,78,247	28.829%	11,852
Total Dematerialized	**3,02,54,631**	**97.147**	**23,317**
Physical	8,88,637	2.853	1,593
Grand Total	**3,11,43,268**	**100.00**	**24,910**

l) Plant Location

Falta SEZ Unit

Sector – II, Falta Special Economic Zone,

Falta District, South 24 Parganas,

PIN – 743 504, West Bengal

Fax:+91 – 33 – 2400 0375

Email: investors@webelsolar.com

Website: www.webelsolar.com

m) Address for Correspondence

Websol Energy System Limited

48, Pramatha Choudhry Sarani, Plot No. 849,

Block – P, 2nd Floor, New Alipore, Kolkata – 700 053

Phone: +91 – 33 – 2400 0419

The Company has designated investors@webelsolar.com (email id) exclusively for the purpose of registering complaints by investors.

10. OTHER DISCLOSURES

i) The Company does not have any materially significant related party transaction, which may have potential conflict with the interests of the Company at large. The transactions with related parties, in normal course of business, have been disclosed separately in the Notes to the Financial Statements.

ii) There were no instances of non-compliances related to capital markets during the year under review and no penalties/strictures were imposed against the Company during the last three years.

iii) Whistle Blower Policy framed by the Company to deal with unethical behavior, victimization, fraud and other grievances or concerns, if any, is available on the Company's website at the following web-link:

https://www.websolar.com/investor-corner/corporate-governance/.

During the year 2020-21, no personnel has been denied access to the Audit Committee pertaining to the Whistle Blower Policy.

iv) All mandatory requirements relating to corporate governance under the Listing Regulations have been appropriately complied with and the status of non-mandatory (discretionary)requirements is given below:

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

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

c. The Company's financial statements for the year ended 31st March, 2021 do not contain any modified audit opinion.

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

v) The Company doesn't have any unlisted subsidiary company as defined in the Listing Regulations and therefore corresponding disclosures have not been made.

vi) In terms of the Listing Regulations, the Management Discussion and Analysis Report forms part of the Annual Report. Details of significant changes in key financial ratios, along with detailed explanations thereof (including details of any change in Return on Net Worth as compared to the immediately previous financial year along with a detailed explanation thereof) have been adequately covered under the Management Discussion and Analysis Report.

vii) A certificate has been obtained from M/s S Bhatt and Associates, Practicing Company Secretaries confirming that none of the Directors of the Company have been debarred or disqualified by the Securities and Exchange Board of India/ Ministry of Corporate Affairs or any such statutory authority from being appointed or continuing as directors of the Company and the same forms part of the Annual Report.

viii) All recommendations made by the Committees of the Board during the year were accepted by the Board. During the year 2020-21, there was no such instance wherein the Board had not accepted any recommendation of any committee of the Board.

ix) Details of total fees for all services paid by the Company on a consolidated basis, to the Statutory Auditors and all entities in the network firm/network entity of which the StatutoryAuditors are a part, given below:

Year 2020-21	Total (Rs)
For Statutory Audit	4,00,000
For Other Services	2,25,000
For Taxation Matter	1,80,000
Total	**8,05,000**

x) The disclosures in relation to the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 are given in the Board's Report.

xi) The CEO & CFO Certification for the year 2020-21 forms part of the Annual Report.

xii) The financial statements have been prepared in accordance with Indian Accounting Standards ("Ind AS") prescribed under Section 133 of the Companies Act, 2013 (the "Act") read with Rule 3 of the Companies (Indian Accounting Standards) Rules,2015 (as amended from time to time).

All the Ind AS issued and notified by the Ministry of Corporate Affairs under the Companies (Indian Accounting Standards) Rules, 2015 (as amended) till the date the financial statements are approved for issue by the Board of Directors has been considered in preparing these financial statements.

xiii) The Company has identified risk involved with 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.

xiv) The Company has duly complied with the Corporate Governance requirements specified in Regulations 17 to 27 and clauses (b) to (i) of sub-regulation (2) of Regulation 46 and Schedule V of Chapter IV of the Listing Regulations.

xv) Other items which are not applicable to the Company have not been separately commented upon.

For and on behalf of the Board of Directors

S L Agarwal
Managing Director
DIN - 00189898

Place: Kolkata
Date: 14th August, 2021

Declaration Regarding Compliance with the Code of Conduct

Websol Energy System Limited ("the Company") has adopted the Code of Conduct for its Board Members and Senior Management Personnel and the same is available on the website of the Company.

It is hereby confirmed that the Company has obtained an affirmation from all the Board Members and Senior Management Personnel that they have complied with the said Code for the financial year 2020-21.

Place: Kolkata
Date: 14th August, 2021

S L Agarwal
Managing Director
Websol Energy System Limited

Certification by Managing Director and Chief Financial Officer in terms of regulation 17(8) of the SEBI (Listing obligations and disclosure requirements) Regulations, 2015

We, the undersigned, in our respective capacities as Managing Director and Chief Financial Officer of Websol Energy System Limited ("the Company") to the best of our knowledge and belief, hereby certify that:

A. We have reviewed the financial statements for the year ended March 31, 2021 and that to the best of our knowledge and belief, we state that:

   1. these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;

   2. these statements together present a true and fair view of the Company's affairs and are in compliance with existing accountingstandards, applicable laws and regulations.

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

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

D. We have indicated to the Auditors and the Audit Committee

   1. there has been no significant change in internal control over financial reporting during the year;

   2. there has been no significant change in the accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and

   3. there has been no instance 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 systems over financial reporting.

Place: Kolkata
Date: 14th August, 2021

sd/-
S L Agarwal
Managing Director & CEO

sd/-
Sumit Kumar Shaw
Chief Financial Officer

Financial Statements

Independent Auditor's Report

To the Members of
Websol Energy Systems Limited

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying Financial Statements of Websol Energy System Limited ('the Company'), which comprise the Balance Sheet as at 31st March, 2021, the Statement of Profit and Loss (including Other Comprehensive Income), the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and notes to the Financial statement including a summary of the significant accounting policies and other explanatory information (herein after referred to as "financial statements").

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid financial statements give the information required by the Companies Act, 2013 ('the Act') in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India, of the state of affairs of the Company as at 31st March, 2021, and its profit (including other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Basis for Opinion

We conducted our audit in accordance with the Standards on Auditing (SAs) specified under section 143(10) of the Act. Our responsibilities under those Standards are further described in the Auditor's Responsibilities for the Audit of the financial statements section of our report. We are independent of the Company in accordance with the Code of Ethics issued by the Institute of Chartered Accountants of India ('ICAI') together with the ethical requirements that are relevant to our audit of the financial statements under the provisions of the Act and the Rules thereunder, and we have fulfilled our other ethical responsibilities in accordance with these requirements and the Code of Ethics. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of Matter

We draw attention to Note No. 34(12) of the financial statements which explains the management's assessment that there is no significant impact of COVID-19 pandemic on the Financial Statements for the year ended 31st March, 2021.

Our opinion is not modified in respect of above matter.

Key Audit Matters

Key audit matters are those matters that, in our professional judgment, were of most significance in our audit of the financial statements of the current period. These matters were addressed in the context of our audit of the financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. We have determined the matters described below to be the key audit matters to be communicated in our report.

Key Audit Matter	Auditor's Response
Accuracy of recognition, measurement, presentation and disclosures of revenues and other related balances as per Ind AS 115 "Revenue from Contracts with Customers"..	Our procedures, in relation to revenue recognition for those contracts, included: • Understanding and evaluating the design and testing the operating effectiveness of controls in respect of revenue recognition • Reading the underlying contracts with customers and advances received
The application of the revenue accounting standard involves certain key judgements relating to identification of distinct performance obligations, determination of transaction price of the identified performance obligations, the appropriateness of the basis used to measure revenue recognised over a period. Additionally, revenue accounting standard contains disclosures which involves collation of information in respect of disaggregated revenue and periods over which the remaining performance obligations will be satisfied subsequent to the balance sheet date.	• Assessing the appropriateness of information, such as allotment letter, and stage of completion of the project including expected completion date, completion certificate and possession letter used by the Management, to determine the duration of the project • Evaluating the assumptions used by the Management in ascertaining performance obligation is satisfied over time or at a point in time in accordance with Ind AS 115.

Key Audit Matter	Auditor's Response
Refer Note No. 2.9 to the Financial Statements.	• Selected a sample of agreements, and tested the operating effectiveness of the internal control, relating to identification of the distinct performance obligations and determination of transaction price, satisfaction of performance obligation at a point of time and in recording and disclosing revenue in accordance with the new revenue accounting standard. Based on the above procedures performed we did not find any significant exceptions in revenue recognized on transitioning to Ind AS 115, Revenue from contracts with customers

Information Other than the Financial statements and Auditor's Report Thereon

The Company's Board of Directors is responsible for the preparation of the other information. The other information comprises the information included in the Management Discussion and Analysis, Board's Report including Annexures to Board's Report and Shareholder's Information, but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained during the course of our audit or otherwise appears to be materially misstated.

When we read the annual report, if we conclude that there is a material misstatement therein, we are required to communicate the matter to those charged with governance.

Responsibilities of Management and Those Charged with Governance for the Financial statements

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

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

That Board of Directors are also responsible for overseeing the company's financial reporting process.

Auditor's Responsibility for the audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with SAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with SAs, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances. Under section 143(3)(i) of the Act, we are also responsible for expressing our opinion on whether the company has adequate internal financial controls system in place and the operating effectiveness of such controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

Other Matter

Due to the COVID-19 pandemic, lockdown and other travel restrictions are imposed by the Government/local administration; hence, the audit processes were partially carried out electronically by remote access. The necessary records were made available by the management through digital medium and were accepted as audit evidence while reporting for the current period.

Our opinion is not modified in respect of these matters.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government of India in terms of sub-section (11) of section 143 of the Act, we give in the "Annexure A", a statement on the matters specified in the paragraph 3 and 4 of the Order.
2. As required by Section 143(3) of the Act, we report that:

   (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purposes of our audit.

   (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books.

   (c) The Balance Sheet, the Statement of Profit and Loss including Other Comprehensive Income, Statement of Changes in Equity and the Statement of Cash flows dealt with by this Report are in agreement with the books of account.

   (d) In our opinion, the aforesaid financial statements comply with the Ind AS specified under Section 133 of the Act, read with Rule 7 of the Companies (Accounts) Rules, 2014.

   (e) On the basis of the written representations received from the Directors as on 31st March, 2021 taken on record by the Board of Directors, none of the directors is disqualified as on 31st March, 2021 from being appointed as a director in terms of Section 164 (2) of the Act.

   (f) With respect to the adequacy of the internal financial controls over financial reporting of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B". Our report expresses an unmodified opinion on the adequacy and operating effectiveness of the Company's internal financial controls over financial reporting.

   (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, as amended, in our opinion and to the best of our information and according to the explanations given to us:

i. The Company has disclosed the impact of pending litigations on its financial position in its financial statements- Refer Note No. 34.1 to the financial statements.

ii. The Company has made provision, as required under the applicable law or accounting standards, for material foreseeable losses, if any, on long-term contracts including derivative contracts;

iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund by the Company.

3. With respect to the other matters to be included in the Auditor's Report in accordance with the requirements of section 197(16) of the Act, as amended:

In our opinion and to the best of our information and according to the explanations given to us, the remuneration paid by the Company to its directors during the year is in accordance with the provisions of section 197 of the Act

For G.P. Agrawal & Co.
Chartered Accountants
Firm's Registration No. - 302082E

(CA. Radhika Singhania)
Partner
Membership No. 310691

Place of Signature: Pune
Date: The 31st day of May, 2021

"Annexure A" to the Independent Auditor's Report

Statement referred to in paragraph 'Report on Other Legal & Regulatory Requirements' of our report of even date to the members of Websol Energy System Limited on the financial statements for the year ended 31st March, 2021:

1. (a) The Company has maintained proper records showing full particulars including quantitative details and situation of its fixed assets.

   (b) As explained to us, the Fixed Assets have been physically verified by the management at regular intervals. Based on our review, no material discrepancies between the book records and the physical fixed assets have been noticed.

   (c) According to information and explanations given to us and on the basis of our examination of the books of account, and records, leasehold land is registered in the name of the Company.

2. The management has conducted the physical verification of inventory at reasonable intervals. No discrepancies have been noticed on physical verification of the inventory as compared to books records.

3. The Company has not granted any loans, secured or unsecured to companies, firms, Limited Liability partnerships or other parties covered in the Register maintained under section 189 of the Act. Accordingly, the provisions of clause 3 (iii) (a) to (C) of the Order are not applicable to the Company and hence not commented upon.

4. In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and I86 of the Act in respect of loans, investments, guarantees, and security.

   The company has not made any investment or furnished any guarantee or securities within the meaning of section 185 and I86 of the Act. However, In our opinion and according to the information and explanations given to us, the Company has complied with the provisions of section 185 and I86 of the Act in respect of loan granted

5. The Company has not accepted any deposits from the public and hence the directives issued by the Reserve Bank of India and the provisions of Sections 73 to 76 or any other relevant provisions of the Act and the Companies (Acceptance of Deposit) Rules, 2015 with regard to the deposits accepted from the public are not applicable.

6. In our opinion and according to the information and explanation given to us, the cost records and accounts has not been prescribed by the Government under section 148 (1) of the Act. Accordingly, the provisions of clause 3 (vi) of the Order are not applicable to the Company and hence not commented upon.

7. (a) According to information and explanations given to us and on the basis of our examination of the books of account, and records, the Company has been generally irregular in depositing undisputed statutory dues including Provident Fund, Employees State Insurance, Income-Tax Duty of Customs, Duty of Excise, Cess, Goods and Services Tax (GST) and any other statutory dues with the appropriate authorities.

   According to the information and explanations given to us, the following undisputed amounts payable in respect of the above were in arrears as at 31st March, 2021 for a period of more than six months from the date on when they become payable:

Name of Statute	Nature of dues	Amount (Rs In lakh)
Employee Provident Fund Organisation	Provident Fund	5.20
Directorate of Commercial Taxes Government of West Bengal	Professional Tax	1.33

   (b) The disputed statutory dues aggregating to Rs 194.61 lakh that have not been deposited on account of matters pending before appropriate authorities are as under:

Sl. No.	Name of the Statute	Nature of dues	Period to which pertain	Amount (Rs In lakh)	Forum where dispute is pending
1	Central Excise Act, 1944	Excise Duty	1994-95 to 1999-00	116.55*	High court, Kolkata
2	Central Excise Act, 1944	Excise Duty	October, 2006 to October, 2007	57.12	High court, Kolkata
3	Central Excise Act, 1944	Excise Duty	November, 1999 to June, 2001	13.87	High court, Kolkata
4	Income Tax Act, 1956	Tax Deducted at sources	-**	7.07	-

* The company had paid Rs 100.00 lakhs against this demand in the year 2004-05.

** The Company is currently not able to identify the period for which the corresponding demand relates to as the same has been reflected as Demand relating to previous years in Traces.

8. The Company had Foreign Currency Convertible Bonds ('FCCBs') amounting to US$ 12.00 Million, out of which FCCBs of the value US$ 0.50 Million has been converted into 5,48,645 Equity Shares of the Company during the year as per the rates approved by regulators and shareholders.

   The Company has currently failed to make timely repayment of its principal outstanding of Rs 301.96 lakhs as against working capital loan repayable on demand from Invent Assets and Reconstruction Co. Pvt. Ltd. which has been recalled by the lender via a letter dated 4th May, 2020 and is not yet repaid by the company as on 31.03.21. i.e. period of default of 11 months.

9. Based upon the audit procedures performed and the information and explanations given by the management, the company has not raised moneys by way of initial public offer or further public offer including debt instruments and term loans. Accordingly, the provisions of clause 3 (ix) of the Order are not applicable to the Company and hence not commented upon.

10. Based upon the audit procedures performed and the information and explanations given by the management, we report that no fraud by the Company or on the company by its officers or employees has been noticed or reported during the year.

11. According to the information and explanations given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.

12. In our opinion, the Company is not a Nidhi Company. Therefore, the provisions of clause 3(xii) of the Order are not applicable to the Company.

13. According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with section 177 and 188 of Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.

14. Based upon the audit procedures performed and the information and explanations given by the management, the company has not made any preferential allotment or private placement of shares during the year under review. Accordingly, the provisions of clause 3 (xiv) of the Order are not applicable to the Company and hence not commented upon.

15. Based upon the audit procedures performed and the information and explanations given by the management, the company has not entered into any non-cash transactions with directors or persons connected with him. Accordingly, the provisions of clause 3 (xv) of the Order are not applicable to the Company and hence not commented upon.

16. In our opinion, the company is not required to be registered under section 45 IA of the Reserve Bank of India Act, 1934 and accordingly, the provisions of clause 3 (xvi) of the Order are not applicable to the Company and hence not commented upon.

For G.P. Agrawal & Co.
Chartered Accountants
Firm's Registration No. - 302082E

(CA. Radhika Singhania)
Partner
Membership No. 310691

Place of Signature: Pune
Date: The 31st day of May, 2021

“Annexure B” to the Independent Auditor’s Report

Report on the Internal Financial Controls under Clause (i) of sub-section 3 of section 143 of the Companies Act, 2013 (“the Act”)

We have audited the internal financial controls over financial reporting of Websol Energy System Limited (“the Company”) as of 31st March, 2021 in conjunction with our audit of the financial statements of the Company for the year ended on that date.

Management’s Responsibility for Internal Financial Controls

The Company’s management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting (“the Guidance Note”) issued by the Institute of Chartered Accountants of India (ICAI). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company’s policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Act.

Auditors’ Responsibility

Our responsibility is to express an opinion on the Company’s internal financial controls over financial reporting based on our audit. We conducted our audit in accordance with the Guidance Note and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Act, to the extent applicable to an audit of internal financial controls, both issued by the ICAI. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls over financial reporting were established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls system over financial reporting and their operating effectiveness. Our audit of internal financial controls over financial reporting included obtaining an understanding of internal financial controls over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor’s judgement, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company’s internal financial controls system over financial reporting.

Meaning of Internal Financial Controls over Financial Reporting

A company’s internal financial control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company’s internal financial control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the Company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the Company are being made only in accordance with authorizations of management and directors of the Company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the Company’s assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls Over Financial Reporting

Because of the inherent limitations of internal financial controls over financial reporting, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls over financial reporting to future periods are subject to the risk that the internal financial control over financial reporting may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls system over financial reporting and such internal financial controls over financial reporting were operating effectively as at 31stMarch, 2021, based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note issued by the ICAI.

For G.P. Agrawal & Co.
Chartered Accountants
Firm’s Registration No. - 302082E

(CA. Radhika Singhania)
Partner
Membership No. 310691

Place of Signature: Pune
Date: The 31st day of May, 2021

Balance Sheet as at 31st March, 2021

(Rs in lakh)

Particulars	Note No.	As At 31st March, 2021	As At 31st March, 2020
I. ASSETS			
(1) Non - current assets			
(a) Property, plant and equipment	4(i)	23,874.69	25,335.45
(b) Right of use assets	4(ii)	57.35	86.03
(c) Other Intangible assets	5	1.58	2.10
(d) Financial assets			
(i) Other financial assets	6(i)	343.20	328.07
Total non current assets		24,276.82	25,751.65
(2) Current assets			
(a) Inventories	7	1,775.38	1,203.93
(b) Financial assets			
(i) Trade receivables	8	1,986.60	1,775.43
(ii) Cash and cash equivalents	9	165.54	51.97
(iii) Loans	10	-	531.36
(iv) Other financial assets	6(ii)	0.73	19.21
(c) Current tax assets (Net)	11	13.75	15.15
(d) Other current assets	12	203.02	1,724.17
Total current assets		4,145.02	5,321.22
Total assets		28,421.84	31,072.87
II. EQUITY AND LIABILITIES			
(1) Equity			
(a) Equity share capital	13	3,114.33	3,059.46
(b) Other equity	14	16,122.76	9,378.29
Total equity		19,237.09	12,437.75
Liabilities			
(2) Non - current liabilities			
(a) Financial liabilities			
(i) Borrowings	15(i)	1,271.69	3,980.74
(ii) Trade and other payables	16(i)		
Total outstanding dues of micro enterprises and small enterprises		-	-
Total outstanding dues of creditors other than micro enterprises and small enterprises		-	3,123.39
(b) Provisions	17 (i)	190.61	168.38
(c) Deferred tax liabilities (Net)	18	141.50	-
(d) Other non-current liabilities	19(i)	366.46	619.06
Total non current liabilities		1,970.26	7,891.57
(3) Current liabilities			
(a) Financial liabilities			
(i) Borrowings	15(ii)	1,339.52	2,837.06
(ii) Trade and other payables	16(ii)		
Total outstanding dues of micro enterprises and small enterprises		6.19	19.52
Total outstanding dues of creditors other than micro enterprises and small enterprises		3,960.55	5,551.07
(iii) Other financial liabilities	20	1,395.30	1,544.05
(b) Other current liabilities	19 (ii)	408.63	686.79
(c) Provisions	17 (ii)	104.30	105.06
Total current liabilities		7,214.49	10,743.55
Total equity and liabilities		28,421.84	31,072.87
Corporate Information	1		
Significant Accounting policies and estimates	2 to 3		
Other Disclosures	34		

The accompanying notes 1 to 34 are an integral part of the financial statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

Websol Energy Systems Limited

For G. P. AGRAWAL & CO.
Chartered Accountants
Firm's Registration No. - 302082E

(CA. Radhika Singhania)
Partner
Membership No. 310691

S. L. Agarwal
Managing Director
DIN No. 00189898

Dharmendra Sethia
Director
DIN No. 06775533

Sumit Kumar Shaw
Company Secretary
Membership No. : 54355

Place of Signature: Pune
Date: The 31st day of May, 2021

Statement of Profit and Loss for the year ended 31st March, 2021

(Rs in lakh)

Particulars		Note No.	Year ended 31st March, 2021	Year ended 31st March, 2020
I.	Revenue from operations	21	15,359.63	19,554.17
II.	Other income	22	431.34	1,089.92
III.	**Total revenue (I+II)**		**15,790.97**	**20,644.09**
IV.	**Expenses:**			
	Cost of materials consumed	23	9,051.13	13,995.29
	Stores and spares consumed	24	133.57	634.11
	Changes in inventories of finished goods and work-in-progress	25	146.56	1,249.55
	Power and fuel consumption	26	1,036.39	1,029.47
	Employee benefits expense	27	901.56	945.13
	Finance costs	28	907.79	619.11
	Depreciation and amortization expense	29	1,535.81	1,546.89
	Other expenses	30	716.06	1,426.19
	Total expense (IV)		**14,428.87**	**21,445.74**
V.	**Profit/ (Loss) before exceptional items and tax (III-IV)**		**1,362.10**	**(801.65)**
VI.	Exceptional items	31	(5,563.13)	726.01
VII.	**Profit/ (Loss) before tax (V-VI)**		**6,925.23**	**(1,527.66)**
VIII	**Tax expense**	32		
	Current tax		-	0.01
	Deferred tax		141.50	(1,938.83)
	Tax expense		**141.50**	**(1,938.82)**
IX.	**Profit for the year (VII-VIII)**		**6,783.73**	**411.16**
X.	**Other comprehensive income**			
	A. I. Items that will not be reclassified to Profit or Loss			
	- Remeasurements of defined benefit plan		15.62	(13.98)
	- Income tax relating to above item		-	-
	Other comprehensive income for the year		**15.62**	**(13.98)**
XI.	**Total comprehensive income for the year (IX + X)**		**6,799.36**	**397.18**
XII.	**Earnings per equity share** (Nominal value per share Rs 10/-)	33		
	Basic (Rs)		22.10	1.40
	Diluted (Rs)		19.30	1.21

Corporate Information	1	
Significant Accounting policies and estimates	2 to 3	
Other Disclosures	34	

The accompanying notes 1 to 34 are an integral part of the financial statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

Websol Energy Systems Limited

For G. P. AGRAWAL & CO.
Chartered Accountants
Firm's Registration No. - 302082E

(CA. Radhika Singhania)
Partner
Membership No. 310691

S. L. Agarwal
Managing Director
DIN No. 00189898

Dharmendra Sethia
Director
DIN No. 06775533

Sumit Kumar Shaw
Company Secretary
Membership No. : 54355

Place of Signature: Pune
Date: The 31st day of May, 2021

Statement of Cash Flows for the year ended 31st March, 2021

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
A CASH FLOW FROM OPERATING ACTIVITIES		
Net Profit/ (Loss) before tax	6,925.23	(1,527.66)
Adjustments for		
Depreciation	1,535.81	1,546.89
Finance costs	907.79	619.11
Interest Income	(241.84)	(248.03)
Sundry balances written back	(6,922.43)	(425.65)
Liability no longer required written back	-	(40.16)
Sundry balances written off	1,431.59	55.41
Loss on Sale of Leasehold Land	-	726.01
Loss on discard of Property plant and equipment	0.80	-
Exchange Fluctuation (Income)/Expenses	(47.50)	22.75
Allowance for impairment of receivables	73.91	4.96
Operating Profit/ (Loss) before working capital changes	**3,663.36**	**733.63**
Increase / (Decrease) in Trade and other payables	567.50	(2,243.46)
Increase / (Decrease) in Non-current and current provisions	37.09	15.18
Increase / (Decrease) in Trade receivables	(281.97)	(870.13)
Increase / (Decrease) in Other liabilities	(524.59)	210.43
Increase / (Decrease) in Other financial liabilities *	(148.76)	629.56
Increase / (Decrease) in Other financial assets	(15.58)	(1.21)
(Increase) / Decrease in Other assets	673.68	(658.41)
(Increase) / Decrease in Inventories	(571.45)	2,186.17
Cash generated from operations	**3,399.28**	**1.76**
Direct Taxes (Paid)/refund	(5.08)	66.37
Net cash flow from operating activities	**3,394.20**	**68.13**
B CASH FLOW FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(48.99)	(121.64)
Proceeds from sale of property, plant and equipment	2.35	1,207.86
Proceeds from fixed deposit	-	0.35
Interest received	241.84	248.03
Net cash flow from investing activities	**195.20**	**1,334.60**
C CASH FLOW FROM FINANCING ACTIVITIES		
Repayment of long term borrowings	(1,071.66)	(1,585.86)
Proceeds from long term borrowings	-	2,080.63
Decrease in short term borrowings (net)	(1,496.38)	(1,233.92)
Interest paid	(907.79)	(619.11)
Net Cash flow (used in) financing activities.	**(3,475.83)**	**(1,358.26)**
Increase in cash and cash equivalents (A+B+C)	113.57	44.47
Cash and cash equivalents at beginning of the year	51.97	7.49
Cash and cash equivalents at end of the year	**165.54**	**51.97**

* Includes cash outflow of leases (Refer note no 34(7)(i))

Statement of Cash Flows for the year ended 31st March, 2021

Notes: (Rs in lakh)

1) Cash and cash equivalents at the end of the year consists of:	31st March, 2021	31st March, 2020
Cash on hand	10.41	10.29
Balance with banks		
On current accounts	155.13	41.68
Closing cash and cash equivalents for the purpose of cash flow statement	**165.54**	**51.97**

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

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

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

5) Change in liability arising from financing activities : (Rs in lakh)

Particulars	Borrowings	
	Non-current	Current
As at 01.04.2019	3,526.13	4,070.99
Cash flow during the year**	454.61	(1,233.93)
As at 31.03.2020	3,980.74	2,837.06
Cash flow during the year**	(2,709.05)	(1,497.54)
As at 31.03.2021	**1,271.69**	**1,339.52**

** includes interest on long term borrowings using effective interest method

Corporate Information	1
Significant Accounting policies and estimates	2 to 3
Other Disclosures	34

The accompanying notes 1 to 34 are an integral part of the financial statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

Websol Energy Systems Limited

For G. P. AGRAWAL & CO.
Chartered Accountants
Firm's Registration No. - 302082E

(CA. Radhika Singhania)
Partner
Membership No. 310691

S. L. Agarwal
Managing Director
DIN No. 00189898

Dharmendra Sethia
Director
DIN No. 06775533

Sumit Kumar Shaw
Company Secretary
Membership No. : 54355

Place of Signature: Pune
Date: The 31st day of May, 2021

Statement of Changes In Equity for the year ended 31st March, 2021

(a) Equity Share Capital

(Rs in lakh)

Particulars	Balance at the beginning of the year	Changes in equity share capital during the year	Balance at the end of the year
For the year ended 31st March, 2020	2,902.71	156.75	3,059.46
For the year ended 31st March, 2021	3,059.46	54.86	3,114.33

(b) Other equity

(Rs in lakh)

Particulars	Equity component of Foreign Currency Convertible Bonds (Refer note 13(f)	Reserve and surplus			Other Comprehensive Income	Total
		Capital Reserve	Security Premium	Retained Earnings	" Remeasurement of Defined Benefit Plan "	
Balance as at 1st April, 2019	**3,790.36**	**19,109.28**	**14,364.55**	**(27,779.40)**	**-**	**9,484.79**
Less: Prior Period Adjustment (Refer note 14 (5))	-	-	-	28.83	-	28.83
Restated Balance as at 1st April, 2019	3,790.36	19,109.28	14,364.55	(27,808.23)	-	9,455.96
Profit for the year	-	-	-	411.16	-	411.16
Other Comprehensive Income (net of taxes)	-	-	-	-	(13.98)	(13.98)
Total Comprehensive Income	**-**	**-**	**-**	**411.16**	**(13.98)**	**397.18**
Issue of equity shares	(971.87)	-	815.13	-	-	(156.74)
Mat Credit Entitlements lapsed on adoption of new tax regime (Refer note 32)	-	-	-	(318.11)	-	(318.11)
Transfer from other comprehensive income to retained earnings	-	-	-	(13.98)	13.98	-
Balance as at 31st March, 2020	**2,818.49**	**19,109.28**	**15,179.68**	**(27,729.16)**	**-**	**9,378.29**
Profit for the year	-	-	-	6,783.73	-	6,783.73
Other Comprehensive Income (net of taxes)	-	-	-	-	15.62	15.62
Total Comprehensive Income	**-**	**-**	**-**	**6,783.73**	**15.62**	**6,799.35**
Issue of equity shares	(340.18)	-	285.30	-	-	(54.88)
Transfer from other comprehensive income to retained earnings	-	-	-	15.62	(15.62)	-
Balance at 31st March, 2021	**2,478.31**	**19,109.28**	**15,464.98**	**(20,929.81)**	**-**	**16,122.76**

Corporate Information	1
Significant Accounting policies and estimates	2 to 3
Other Disclosures	34

The accompanying notes 1 to 34 are an integral part of the financial statements.

As per our report of even date attached.

For and on behalf of the Board of Directors

Websol Energy Systems Limited

For G. P. AGRAWAL & CO.
Chartered Accountants
Firm's Registration No. - 302082E

(CA. Radhika Singhania)
Partner
Membership No. 310691

S. L. Agarwal
Managing Director
DIN No. 00189898

Dharmendra Sethia
Director
DIN No. 06775533

Sumit Kumar Shaw
Company Secretary
Membership No. : 54355

Place of Signature: Pune
Date: The 31st day of May, 2021

Notes forming part of finanacial statements

Note 1 Corporate information

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

Its registered office is situated at 48, Pramatha Choudhury Sarani, Plot No 849, Block - P, 2nd Floor, New Alipore, Kolkata (West Bengal). The financial statements for the year ended 31st March, 2021 were approved for issue by the Board of Directors on 31st May, 2021

Note 2 Significant accounting policies

2.1 Statement of Compliance with Ind AS

These financial statements have been prepared in accordance with the Indian Accounting Standards (referred to as "Ind AS") as prescribed under Section 133 of the Companies Act, 2013 read with Companies (Indian Accounting Standards) Rules as amended from time to time.

2.2 Basis of preparation

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

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

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

2.3 Use of estimates

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

2.4 Operating Cycle

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

2.5 Property, plant and equipment (PPE) and Depreciation

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

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

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

c) Depreciation of these assets commences when the assets are ready for their intended use. Depreciation on items of PPE is provided on a straight line basis to allocate their cost, net of their residual value over the estimated useful life of the respective asset as specified in Schedule II to the Companies Act, 2013 which in the view of the management best represents the period for which the asset is expected to be used:

Notes forming part of finanacial statements

The estimated useful lives of PPE of the Company are as follows:

Leasehold Land	**Lease term**
Building	30 Years
Plant & Machinery	25 Years
Furniture and Fixture	10 Years
Computer	5 Years
Office Equipment	5 Years
Motor Vehicle	8 Years

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

2.6 Intangible Assets

Intangible assets with finite useful lives that are acquired separately are carried at cost less accumulated amortisation and accumulated impairment losses, Amortisation is recognised one straight-line basis over their estimated useful lives. The estimated useful life and amortisation method are reviewed at the end of each reporting period and changes, if any, are treated as changes in accounting estimate.

Derecognition of intangible assets:

An Intangible asset is derecognised on disposal, or when no future economic benefits are expected from use or disposal. Gains or losses arising from derecognition of an Intangible asset, measured as the difference between the net disposal proceeds and the earning amount of the asset, are recognised in the statement of profit and loss when the asset is derecognised.

Useful lives of intangible assets	
Estimated useful lives of the intangible assets are as follows:	
Software purchased	6 Years

2.7 Impairment of Assets

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

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

2.8 Inventories

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

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

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

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

2.9 Revenue recognition

Revenue is recognised upon transfer of control of promised goods or services to customers at an amount to which the entity expects to be entitled following a five-step model in accordance with Ind AS 115. Revenue is measured based on the consideration specified in a contract with a customer, and is reduced for volume discounts, rebates and other similar allowances.

Notes forming part of finanacial statements

a) Sale of goods

Revenue from sale of goods is recognized if the performance obligation of the same is satisfied. Performance obligation is satisfied at a point in time as per which income is recognized as and when control in goods is passed to the buyer.

b) Interest income

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

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

2.10 Provisions, contingent liabilities and contingent assets

a) Provisions are recognized only when there is a present obligation, as a result of past events and when a reliable estimate of the amount of obligation can be made at the reporting date. These estimates are reviewed at each reporting date and adjusted to reflect the current best estimates. Provisions are discounted to their present values, where the time value of money is material.

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

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

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

2.11 Employee benefits

a) Short-term employee benefits

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

b) Provident fund

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

c) Gratutiy

Gratuity is in the nature of a defined benefit plan. The cost of providing benefits under the defined benefit obligation is calculated on the basis of actuarial valuations carried out at reporting date by independent actuary using the projected unit credit method. Service costs and net interest expense or income is reflected in the Statement of Profit and Loss. Gain or Loss on account of remeasurements are recognised immediately through other comprehensive income in the period in which they occur.

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

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

i) Financial Assets

(a) Recognition

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

Notes forming part of finanacial statements

(b) Classification

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

Financial assets are classified as those measured at:

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

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

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

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

(c) Impairment

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

(d) Reclassification

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

(e) De-recognition

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

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

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

ii) Financial liabilities

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

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

iii) Equity instruments

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

Notes forming part of finanacial statements

iv) Offsetting of financial instruments

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

v) Dividend distribution

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

vi) Fair value measurement

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

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

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

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

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

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

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

2.13 Taxes

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

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

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

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

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

2.14 Earnings per Share

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

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

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

Notes forming part of finanacial statements

2.15 Leases

a) Where the Company is the lessee

The Company's lease asset classes primarily consist of land. The Company assesses whether a contract contains a lease, at inception of a contract. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. To assess whether a contract conveys the right to control the use of an identified asset, the Company assesses whether: (a) the contract involves the use of an identified asset, (b) the Company has substantially all of the economic benefits from use of the asset through the period of the lease and (c) the Company has the right to direct the use of the asset..

At the date of commencement of the lease, the Company recognizes a right-of use asset ("ROU") and a corresponding lease liability for all lease arrangements in which it is a lessee, except for leases with a term of twelve months or less (short-term leases) and low value leases. For these short- term and low value leases, the Company recognizes the lease payments as an operating expense on a straight-line basis over the term of the lease.

The right-of-use assets are initially recognized at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or prior to the commencement date of the lease plus any initial direct costs less any lease incentives. They are subsequently measured at cost less accumulated depreciation and impairment losses.

Right-of-use assets are depreciated from the commencement date on a straight-line basis over the shorter of the lease term and useful life of the underlying asset. Right of use assets are evaluated for recoverability whenever events or changes in circumstances indicate that their carrying amounts may not be recoverable. For the purpose of impairment testing, the recoverable amount (i.e. the higher of the fair value less cost to sell and the value-in-use) is determined on an individual asset basis unless the asset does not generate cash flows that are largely independent of those from other assets. In such cases, the recoverable amount is determined for the Cash Generating Unit (CGU) to which the asset belongs.

The lease liability is initially measured at amortized cost at the present value of the future lease payments. The lease payments are discounted using the interest rate implicit in the lease or, if not readily determinable, using the incremental borrowing rates. Lease liabilities are re-measured with a corresponding adjustment to the related right of use asset if the Company changes its assessment if whether it will exercise an extension or a termination option.

Lease liability and ROU asset have been separately presented in the Balance Sheet and lease payments have been classified as financing cash flows.

b) Where the Company is the lessor

Leases for which the Company is a lessor is classified as a finance or operating lease. Whenever the terms of the lease transfer substantially all the risks and rewards of ownership to the lessee, the contract is classified as a finance lease. All other leases are classified as operating leases.

When the Company is an intermediate lessor, it accounts for its interests in the head lease and the sublease separately. The sublease is classified as a finance or operating lease by reference to the right-of-use asset arising from the head lease.

2.16 Finance costs

Borrowing costs include exchange differences arising from foreign currency borrowings to the extent they are regarded as an adjustment to the interest cost. Borrowing costs that are directly attributable to the acquisition or construction of qualifying assets are capitalised as part of the cost of such assets. A qualifying asset is one that necessarily takes substantial period of time to get ready for its intended use.

Interest income earned on the temporary investment of specific borrowings pending their expenditure on qualifying assets is deducted from the borrowing costs eligible for capitalisation.

All other borrowing costs are charged to the Statement of Profit and Loss for the period for which they are incurred.

2.17 Operating Segment

The Company is engaged in production of Solar photo-Voltaic Cells and Modules. Based on its internal organisation and management structure, the Company operates in only one business segment i.e. manufacturing of Solar photo-

Notes forming part of finanacial statements

Voltaic Cells and Modules and in only one geographic segment i.e. India. Accordingly there are no separate reportable segments.

2.18 Foreign Currency Transactions

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

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

2.19 Cash Flow Statement

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

2.20 Cash and cash equivalents

Cash and cash equivalents in the Balance sheet comprise cash on hand, cheques on hand, balance with banks on current accounts and short term, highly liquid investments with an original maturity of three months or less and which carry insignificant risk of changes in value.

For the purpose of the Cash Flow Statement, Cash and cash equivalents consist of Cash and cash equivalents, as defined above and net of outstanding book overdrafts as they are considered an integral part of the Company's cash management.

Note 3 Use of estimates and judgements

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

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

Key sources of estimation uncertainty

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

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

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

(ii) Fair value measurement

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

(iii) Provisions and contingent liabilities

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

Notes forming part of finanacial statements

Note No. : 4

(Rs in lakh)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As on 1st April, 2020	Additions During the year	Disposals/ deductions during the year	As on 31st March, 2021	As on 1st April, 2020	For the year	Disposals/ deductions during the year	As on 31st March, 2021	As on 31st March, 2021	As on 31st March, 2020
(i) Property, plant and equipment										
Building	4,708.68	-	-	4,708.68	799.75	206.24	-	1,005.99	3,702.69	3,908.93
Plant and machinery	25,819.28	27.27	-	25,846.55	4,461.27	1,275.90	-	5,737.17	20,109.38	21,358.01
Furniture and Fixture	151.99	0.37	-	152.36	137.59	7.72	-	145.31	7.05	14.40
Computer	13.25	6.39	-	19.64	6.28	2.46	-	8.74	10.90	6.97
Office Equipment	24.32	7.39	0.62	31.09	15.30	4.24	0.28	19.26	11.83	9.02
Motor Vehicles	89.28	7.57	26.62	70.23	51.16	10.04	23.81	37.39	32.84	38.12
Total	**30,806.80**	**48.99**	**27.24**	**30,828.55**	**5,471.35**	**1,506.60**	**24.09**	**6,953.86**	**23,874.69**	**25,335.45**
(ii) Right of Use Assets										
Leasehold Land*	114.71	-	-	114.71	28.68	28.68	-	57.36	57.35	86.03

Previous Year

(i) Property, plant and equipment

(Rs in lakh)

Particulars	Gross Block				Depreciation / Amortisation				Net Block	
	As on 1st April, 2019	Additions During the year	Disposals/ deductions during the year	As on 31st March, 2020	As on 1st April, 2019	For the year	Disposals/ deductions during the year	As on 31st March, 2020	As on 31st March, 2020	As on31st March, 2019
Leasehold Land**	1,933.90	-	1,933.90	-	0.03	-	0.03	-	-	1,933.87
Building	4,708.68	-	-	4,708.68	592.95	206.81	-	799.75	3,908.92	4,115.73
Plant and machinery@	25,728.46	90.82	-	25,819.28	3,181.86	1,279.41	-	4,461.27	21,358.01	22,546.60
Furniture and Fixture	151.41	0.58	-	151.99	123.02	14.57	-	137.59	14.40	28.39
Computer	8.54	4.71	-	13.25	4.47	1.81	-	6.28	6.97	4.07
Office Equipment	22.68	1.63	-	24.32	11.72	3.58	-	15.30	9.02	10.96
Motor Vehicles	89.28	-	-	89.28	39.70	11.46	-	51.16	38.12	49.58
Total	**32,642.95**	**97.74**	**1,933.90**	**30,806.80**	**3,953.75**	**1,517.64**	**0.03**	**5,471.35**	**25,335.45**	**28,689.20**
(ii) Right of Use Assets										
Leasehold Land*	-	114.71	-	114.71	-	28.68	-	28.68	86.03	-

Notes:

* 1. Leasehold Land of Falta SEZ unit has been acquired under a lease of 15 years with a renewal option against which right of use assets is created as per Ind AS 116.

**2. Leasehold Land of Salt Lake unit was acquired under a lease of 90 years with a renewal option, which was disposed off during F.Y. 2019-20.

@ 3. Additions during the year includes Rs 90.82 lakhs transferred from Capital Work in Progress.

4. Charge created for Rs 3000.00 lakhs over raw material and fixed assets lying at manufacturing unit at Falta for performance obligation of an agreement entered into with Exide Industries Ltd.

Notes forming part of finanacial statements

Note No. : 5 Intangible assets

(Rs in lakh)

Particulars	Computer Software
Gross carrying amount as at 1st April, 2020	**6.31**
Additions during the year	-
As at 31st March, 2021	**6.31**
Accumulated Amortisation	
As at 1st April, 2020	**4.21**
Amortisation for the year	0.52
As at 31st March, 2021	**4.73**
Net carrying amount as at 31st March, 2021	**1.58**

Previous year

(Rs in lakh)

Particulars	Computer Software
Gross carrying amount as at 1st April, 2019	**6.31**
Additions during the year	-
Gross carrying amount as at 31st March, 2020	**6.31**
Accumulated Amortisation	
As at 1st April, 2019	**3.63**
Amortisation for the year	0.58
As at 31st March, 2020	**4.21**
Net carrying amount as at 31st March, 2020	**2.10**

Note No. : 6 Other financial assets

(i) Non-current

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Security deposits	343.20	328.07
Total	**343.20**	**328.07**

(ii) Current

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Unsecured, considered good		
Security deposits	0.05	18.98
Other Receivable	**0.68**	**0.23**
Total	**0.73**	**19.21**

Note No. : 7 Inventories (Valued at lower of cost and net realisable value)

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Raw Materials	877.77	590.78
Work In Progress	72.72	439.39
Finished Goods	264.08	141.43
Stores and Spares	560.81	32.33
Total	**1,775.38**	**1,203.93**

Refer Note 4.4. for charge over inventory of raw material.

Notes forming part of finanacial statements

Note No. : 8 Trade receivables

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
a) Trade receivables Considered good -Unsecured	1,838.78	1,775.43
b) Trade receivables which have significant increase in Credit Risk	226.69	4.96
Less:Allowance for impairment of receivables	(78.87)	(4.96)
	147.82	-
Total	**1,986.60**	**1,775.43**

In determining the allowance for credit losses of trade receivable, the Company has used a practical expedient by computing the expected credit loss allowance for trade receivable based on a provision matrix. The provision matrix takes into account the historical credit loss experience. The expected credit loss allowance is based on the ageing of the recivables that are due and rates used in the provision matrix.

Note No. : 9 Cash and cash equivalents

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balances with banks		
In current accounts	155.13	41.68
Cash on hand	10.41	10.29
Total	**165.54**	**51.97**

Note No. : 10 Loans

Current

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Considered good -Unsecured		
Loans		
Overseas corporate body	-	531.36
Total	-	**531.36**

Note No. : 11 Current tax assets (Net)

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advance Tax	20.94	26.60
Less : Provision for taxation	(7.19)	(11.45)
Total	**13.75**	**15.15**

Notes forming part of finanacial statements

Note No. : 12 Other current assets (Unsecured, considered good)

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances other than capital advances		
Cenvat Credit	119.72	119.72
Advance for raw material	-	950.54
Advance to Staff	8.01	14.36
Electricity duty refundable	29.07	29.07
GST input receivable	11.76	14.88
Prepayments	34.46	595.60
Total	**203.02**	**1,724.17**

Note No. : 13 Equity share capital

(Rs in lakh)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	(Rs in lakh)	No. of shares	(Rs in lakh)
(a) Authorised				
Equity shares of par value Rs 10/- each	6,00,00,000	6,000.00	6,00,00,000	6,000.00
	6,00,00,000	**6,000.00**	**6,00,00,000**	**6,000.00**
(b) Issued, subscribed and paid up				
Equity shares of par value Rs 10/- each fully paid in cash	1,12,86,553	1,128.66	1,12,86,553	1,128.66
Equity shares of par value Rs 10/- each fully paid up issued as bonus shares by capitalization of Securities Premium	99,86,533	998.65	99,86,533	998.65
Equity shares of par value Rs 10/- each fully paid for consideration other than cash	98,70,182	987.02	93,21,537	932.15
	3,11,43,268	**3,114.33**	**3,05,94,623**	**3,059.46**

(c) Reconciliation of number and amount of equity shares outstanding:

(Rs in lakh)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares	(Rs in lakh)	No. of shares	(Rs in lakh)
At the beginning of the year	3,05,94,623	3,059.46	2,90,27,067	2,902.71
Shares issued during the year	5,48,645	54.87	15,67,556	156.76
At the end of the year	**3,11,43,268**	**3,114.33**	**3,05,94,623**	**3,059.46**

(d) The Company has only one class of equity shares having a par value of Rs 10/- per Equity share. Each holder of equity shares is entitled to vote one 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 ensuring Annual General Meeting. In the event of the 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.

Notes forming part of finanacial statements

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

Name of the shareholder	As at 31st March, 2021		As at 31st March, 2020	
	No. of shares held	% of holding	No. of shares held	% of holding
S L Industries Private Limited	54,19,674	17.40%	54,19,674	17.71%
Sohan Lal Agarwal	23,63,208	7.59%	22,81,208	7.46%
India Max Investment Fund Limited	14,85,689	4.77%	26,42,272	8.64%

(f) Foreign Currency Convertible Found (FCCB) amounting to US$ 16.80 Million issued by the Company in earlier years was restructured vide a written resolution dated 7th December, 2016 signed by the bondholders and consequently, a supplementary trust deed was executed on the same date between the Company and the trustee. Post restructuring, the bond convertible into equity shares of the Company at the option of the Bond Holders. Other major changes due to restructuring are as follows:

(i) Principal Value of Bonds were reduced from US$ 16.80 Million to US$ 12 Million.

(ii) Change in conversion price from Rs 550/- per share to Rs 62/- per share at a fixed exchange rate of Rs 68.032/US$.

(iii) Extension in tenure of bonds upto 1st May 2021, i.e,bondholders not converting their bonds into shares upto the said date will be settled in cash by the Company.

(iv) Minimum denomination of bonds fixed at US$ 1,00,000 as a result of which pool factor of 0.7142857142857143 being utilized for conversion into equity shares.

Note No. : 14 Other equity

(Rs in lakh)

Particulars	As at 31st March, 2021		As at 31st March, 2020	
(a) Equity component of Foreign Currency Convertible Bonds				
Balance as per last account	2,818.49		3,790.36	
Less: Issue of equity shares	(340.18)		(971.87)	
Closing Balance		2,478.31		2,818.49
(b) Capital Reserve				
Balance as per last account	19,109.28		19,109.28	
Closing Balance		19,109.28		19,109.28
(c) Securities Premium				
Balance as per last account	15,179.68		14,364.55	
Add: Issue of equity shares	285.30		815.13	
Closing Balance		15,464.98		15,179.68
(d) Retained earnings				
Balance as per last account	(27,729.16)		(27,779.40)	
Less: Prior Period Adjustment (Refer foot note 5)	-		28.83	
Restated Balance as per last account	(27,729.16)		(27,808.23)	
Add: Profit for the year	6,783.73		411.16	
Add: Transfer from Other Comprehensive income	15.62		(13.98)	
Less: Mat credit Entitlements lapsed on adoption of new tax regime (Refer note 32)	-		(318.11)	
Closing Balance		(20,929.81)		(27,729.16)

Notes forming part of finanacial statements

(e) Other Comprehensive Income-				
Remeasurement of Defined Benefit Plan				
Balance as per last account	-		-	
Add:Other Comprehensive income for the year	15.62		(13.98)	
Less:Transferred to Retained Earnings	15.62		(13.98)	
Closing Balance		-		-
Total		**16,122.76**		**9,378.29**

Notes:-

1 Capital Reserve represents various capital receipts such as subsidy, share application money forfeited, receipt on settlement of loan,etc.

2 Securities Premium is used to record the premium on issue of shares. This reserve is being utilised in accordance with the provisions of the Act.

3 Retained Earnings represents the undistributed profit / amount of accumulated earnings of the Company.

4 Remeasurement of defined benefit plans comprises actuarial gains and losses which are recognised in other comprehensive income and then immediately transferred to retained earnings.

5 **Restatement as a result of correction of an error**

Prior Period Adjustment includes Safeguard Duty on the goods cleared under DTA against which no provision was made in books in earlier years as well as previous year which has been paid in current year upon receiving demand from the statutory authority as below:

(Rs in lakh)

Financial year	Safeguard Duty	IGST on Safeguard Duty
2018-19	27.45	1.37
2019-20	233.16	11.66
Total	**260.61**	**13.03**

The aforesaid error has been corrected by restating each of the affected financial statement line items for the prior period as follows:

(Rs in lakh)

Balance Sheet (Extract)	Other current liabilities *	Retained Earnings
Balance as at 1st April,2019	124.16	(27,779.40)
Increase/(Decrease)	28.83	(28.83)
Restated Balance as at 1st April 2019	**152.99**	**(27,808.23)**

*Statutory liabilities

Statement of Profit or Loss (Extract)	For the year ended 31st March, 2020	Increase / (Decrease)	For the year ended 31st March, 2020 (Restated)
Other expenses - Rates & taxes	11.16	244.81	255.97
Profit for the year	655.97	(244.81)	411.16

Basic and diluted earnings per share for the prior period have also been restated. The amount of correction for both basic and diluted earnings per share was an increase of Rs 2.23 and Rs 1.93 per share respectively.

Notes forming part of finanacial statements

Note No. : 15 Borrowings

(i) Non-current

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Term loans		
Secured		
From Entities other than Bank #	1,271.69	1,900.10
Other Loans		
Secured		
From bodies corporate*	-	2,080.64
*Other than related parties		
Total	**1,271.69**	**3,980.74**

Current maturities of Long term debts shown under "current- other financial liabilities" (Note No. 20)

Nature of securities:

i) Term loan from Invent is primarily secured by way of first pari passu charge on mortgage / hypothecation over 90 MW cell line and plant and equipment.

Repayment Schedule as at March 31, 2021*

(Rs in lakh)

Particulars	Maturity profile		Total
	Less than 1 year	1-5 years	
Secured loan			
Invent Asset Reconstrucrtion Company Ltd.	950.00	1,425.00	2,375.00

* The figures as stated above are actual loan balances and excludes adjustment to the extent of Rs 255.52 lakh on transition to Ind AS for loans recognised using effective interest rate.

Repayment Schedule as at March 31, 2020**

(Rs in lakh)

Particulars	Maturity profile		Total
	Less than 1 year	1-5 years	
Secured loan			
Invent Asset Reconstrucrtion Company Ltd.	950.00	2,375.00	3,325.00

** The figures as stated above are actual loan balances and excludes adjustment to the extent of Rs 474.90 lakh on transition to Ind AS for loans recognised using effective interest rate.

(ii) Current

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Secured		
Working capital loan*		
From Entities other than Bank	301.96	-
Unsecured		
Loans from Director (Refer Note No. 34 (8))	150.94	-
Inter-Corporate Deposit (payable on demand)		
From Related parties (Refer Note No. 34 (8))	85.87	1,657.88
From others (bodies corporate)	800.75	1,179.18
Total	**1,339.52**	**2,837.06**

Nature of security: Hypothecation of both present and future current assets (stock and book debts) portfolio to the extent of 1.25 times of working capital loan. However, the charge is yet to be perfected.

*The principal has not been repaid and the Company is currently in the process of negotiation for extension of repayment period.

Notes forming part of finanacial statements

Note No. : 16 Trade and Other Payables

(i) Non Current (Rs in lakh)

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Trade payables	-	-
Other payables		
Payable to Suppliers of Capital Goods		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	-	3,123.39
Total	**-**	**3,123.39**

(ii) Current (Rs in lakh)

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Trade payables		
Total outstanding dues of micro and small enterprises (Refer note no. 34 (2))	6.19	19.52
Total outstanding dues of creditors other than micro and small enterprises	3,951.16	5,551.07
Other payables		
Payable to Suppliers of Capital Goods		
Total outstanding dues of micro and small enterprises	-	-
Total outstanding dues of creditors other than micro and small enterprises	9.39	-
Total	**3,966.74**	**5,570.59**

Note No. : 17 Trade and Other Payables

(i) Non Current (Rs in lakh)

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Provision for Employee benefits (Refer note no. 34 (4))		
Gratuity	190.61	168.38
Total	**190.61**	**168.38**

(ii) Current (Rs in lakh)

Particulars	**As at 31st March, 2021**	**As at 31st March, 2020**
Provision for Employee benefits (Refer note no. 34 (4))		
Gratuity	4.30	5.06
Other Provisions		
Excise Duty	100.00	100.00
Total	**104.30**	**105.06**

Notes forming part of finanacial statements

Note No. : 18 Deferred tax liabilities (Net)

(Rs in lakh)

Particulars	Opening Balance	Recognised in profit or loss/ Retained Earnings	Closing Balance
As at 31st March, 2021			
Tax effect of items constituting deferred tax liabilities			
Depreciation	4,819.39	256.43	5,075.82
	4,819.39	**256.43**	**5,075.82**
Tax effect of items constituting deferred tax assets			
Provision for Gratuity	43.66	5.40	49.06
Carry Forward Losses	4,775.73	(2,976.19)	1,799.54
Unabsorbed depreciation	-	3,085.72	3,085.72
	4,819.39	**114.93**	**4,934.32**
Net deferred tax liabilities /(asset)	**-**	**141.50**	**141.50**
As at 31st March, 2020			
Tax effect of items constituting deferred tax liabilities			
Depreciation	1,938.83	2,880.56	4,819.39
	1,938.83	**2,880.56**	**4,819.39**
Tax effect of items constituting deferred tax assets			
Provision for Gratuity	-	43.66	43.66
Carry Forward Losses	-	4,775.73	4,775.73
	-	**4,819.39**	**4,819.39**
Net deferred tax liabilities / (asset)	**1,938.83**	**(1,938.83)**	**-**

Note No. : 19 Other liabilities

(i) Non Current

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Lease Obligation (Refer Note 34(7))	32.25	62.04
Deferred Income	334.21	557.02
Total	**366.46**	**619.06**

(ii) Current

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Advances from customers	109.80	87.47
Statutory liabilities	46.23	348.99
Lease Obligation (Refer Note 34(7))	29.79	27.52
Deferred Income	222.81	222.81
Total	**408.63**	**686.79**

Notes forming part of finanacial statements

Note No. : 20 Other Financial Liabilities

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Current maturities of long-term debts *	847.79	950.00
Other Payables		
Unpaid salary and other payroll dues	154.17	202.37
Accrued expenses	393.34	386.68
Others	-	5.00
Total	**1,395.30**	**1,544.05**

* Refer Note No. 15(i) for nature of securities & terms of repayment respectively.

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

Note No. : 21 Revenue from operations

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Sale of goods		
Solar Photovoltaic Cells and Modules	15,046.29	19,242.85
Other operating revenues		
Tolling charges	313.34	311.32
Total	**15,359.63**	**19,554.17**

Note No. : 22 Other income

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest income on financial assets carried at amortized cost		
Borrowing	222.81	222.81
Security deposit	19.02	19.05
Other Interest Income	0.01	6.17
Other non-operating income		
Sundry balances written back	12.67	425.65
Liability no longer required written back	-	40.16
Exchange Fluctuation Income	47.50	-
Miscellaneous income	129.33	376.08
Total	**431.34**	**1,089.92**

Notes forming part of finanacial statements

Note No. : 23 Cost of materials consumed

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening stock	590.78	1,506.71
Add: Purchases	8,871.94	12,716.06
Carriage Inward	466.18	363.30
	9,928.90	14,586.07
Less: Closing stock	877.77	590.78
	9,051.13	13,995.29
Silicon Wafers	4,800.51	7,178.34
Silver & Aluminium Paste	2,692.98	1,882.32
Other Materials	1,557.64	4,934.63
Total	**9,051.13**	**13,995.29**

Note No. : 24 Stores and Spares consumed

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening Stock	32.33	53.02
Add: Purchase	662.05	613.42
Less: Closing Stock	560.81	32.33
Total	**133.57**	**634.11**

Note No. : 25 Changes in inventories of finished goods and work-in-progress

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Finished Goods		
Opening stock	141.43	1,696.66
Less: Loss of Stock due to cyclone (Refer Note 31)	97.46	-
Less: Closing stock	264.08	141.43
Total (A)	(220.11)	1,555.23
Work- in-progress		
Opening stock	439.39	133.71
Less : Closing stock	72.72	439.39
Total (B)	**366.67**	**(305.68)**
Total	**146.56**	**1,249.55**

Notes forming part of finanacial statements

Note No. : 26 Power and Fuel

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Power and fuel	1,032.56	1,025.83
Electric charges	3.83	3.64
Total	**1,036.39**	**1,029.47**

Note No. : 27 Employee benefits expense

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Salaries, allowances, bonus and gratuity	810.20	850.89
Contributions to provident and other funds (Refer note no. 34 (4))	64.06	71.42
Staff welfare expenses	27.30	22.82
Total	**901.56**	**945.13**

Note No. : 28 Finance costs

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Interest		
On financial assets carried at amortised cost	225.73	284.37
On Loans	203.49	233.20
Other borrowing costs *	478.57	101.54
Total	**907.79**	**619.11**
* Includes		
i) Interest for late payment of statutory dues (Other than TDS)	60.39	12.85
ii) Interest on TDS	8.04	32.90
iii) One Time Settlement Charges	369.13	-

Note No. : 29 Depreciation and amortisation expense

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Depreciation on property, plant and equipment (Refer note no. 4(i))	1,506.61	1,517.63
Amortisation of Right of use Assets (Refer note no. 4 (ii))	28.68	28.68
Amortisation of intangible assets (Refer note no. 5)	0.52	0.58
Total	**1,535.81**	**1,546.89**

Notes forming part of finanacial statements

Note No. : 30 Other expenses

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Rent	8.38	26.00
Repairs and maintenance		
Building	78.75	35.88
Machinery	35.64	21.23
Others	11.99	17.27
Insurance	31.66	29.17
Listing Fees	4.89	7.76
Rates & taxes	20.76	255.98
Carriage Outward	25.48	339.07
Conference and Meeting expenses	-	2.26
Director's Sitting fees	4.86	4.86
Donation	6.73	3.00
Advertisement and Selling Expenses	130.08	122.00
Bank Commission and Charges	2.59	5.49
Printing and Stationery	5.36	10.69
Professional and consultancy charges	69.63	210.65
Payment to Auditor*	8.05	7.90
Exchange Fluctuation Loss	-	22.75
Telephone charges	7.45	7.60
Travelling and Conveyance	81.69	98.16
Coolie & Cartage	0.13	0.09
Hire Charges	5.76	8.34
Security Expenses	15.08	14.22
Sundry Balances written off	52.93	55.41
Loss on discard of Property plant and equipment	0.80	-
Credit impairment for doubtful debt	73.91	4.96
Miscellaneous	33.46	115.45
Total	**716.06**	**1,426.19**

Note No. : 30 Other expenses(Contd.)

(Rs in lakh)

Payment to Auditor	Year ended 31st March, 2021	Year ended 31st March, 2020
As Auditor	4.00	3.00
For Taxation Matters	1.80	2.07
For other Services	2.25	2.83
Total	**8.05**	**7.90**

Notes forming part of finanacial statements

Note No. : 31 Exceptional Items

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Loss on sale of leasehold land (Refer note no. 31(a))	-	726.01
Loss due to Cyclone (Refer note no. 31(b))	97.46	-
Insurance claim received against loss due to cyclone (Refer note 31 (c))	(129.49)	-
Sundry balances written back (Refer note no. 31(d))	(6,909.76)	-
Sundry balances written off (Refer note no. 31(e))	1,378.66	-
Total	**(5,563.13)**	**726.01**

(a) A non-core asset was sold by a lender, Invent Asset and Reconstruction Company Private Limited to whom the said asset was charged as security and adjusted the amount realized against sale proceeds with the outstanding installments till 31.03.2020 and future installment falling due in the financial year 2020-21.

(b) Due to Amphan flood in May, their was loss of stock in factory amounting to Rs 97.46 lakh for which necessary claim is filed with the Insurance company. The above excludes repair and other expenses incurred post cyclone which has been debited under relevant line items under other expenses.

(c) The claim received from Insurance Company amounted to Rs 129.49 lakshs against the Company's loss due to amphan flood.

(d) Sundry baalnces written back amounting to Rs 6909.76 includes various credit balance, those were payable to various parties for trade payables and borrowings.

(e) Sundry balances written off amounting to Rs 1378.66 lakh includes various debit balance such as loans and advances etc.

Note No. : 32 Tax expense

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Current tax	-	0.01
Deferred tax	141.50	(1,938.83)
Tax Expense	**141.50**	**(1,938.82)**

The Company had elected to exercise the option permitted under section 115BAA of the Income-tax Act, 1961 as introduced by the Taxation Laws (Amendment) Ordinance, 2019. Accordingly, the Company had recognised Provision for Income Tax for the year ended 31 March 2020 and re-measured its Deferred Tax Asset as per the rate prescribed in the said section.

Consequently, MAT Credit-Deferred Tax Asset lapsed on account of option exercised under Section 115BAA(1) read with Section 115JAA(8) adjusted with Other equity.

The reconciliation of estimated income tax to income tax expense is as below:

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Profit before tax	6,925.23	(1,527.66)
Statutory Income Tax Rate	25.17%	25.17%
Expected income tax expense at statutory income tax rate	1,743.08	(384.51)
(i) Adjustment of previous years' carry forward losses	(1,730.85)	-
(ii) Items not allowed as per Income Tax	469.55	-
(iii) Items deductible as per Income Tax	(481.79)	-
(iv) Carried forward losses	-	384.52
(v) Impact of deferred tax	141.50	(1,938.83)
Tax Expense recognised in Statement of profit and loss/OCI	**141.50**	**(1,938.82)**

Notes forming part of finanacial statements

Note No. : 33 Earnings per share

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Amount used as the numerator (Rs in lakh)		
Profit for the year - (A)	6,783.73	411.16
Weighted average number of equity shares outstanding used as the denominator for computing Basic Earnings per share - (B)	306.89	293.61
Weighted average number of equity shares outstanding used as the denominator for computing Diluted earnings per share - (C)	351.41	339.07
Nominal value of equity shares (Rs)	10.00	10.00
Basic earnings per share (Rs) (A/B)*	22.10	1.40
Diluted earnings per share (Rs) (A/C)*	19.30	1.21

Note No. : 34 Other disclosures

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

(Rs in lakh)

Sl. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
A.	**Contingent liabilities :**		
	Claims against the Company not acknowledged as debts :		
(i)	Excise duty and penalty*	187.54	187.54
(ii)	Trade payable- Liquidated damages**	234.20	20.00
(iii)	Tax Deducted and Source and penalty	7.07	-
		421.74	**207.54**

The amounts shown above represent the best possible estimates arrived at on the basis of available information. The uncertainties and timing of the cash flows are dependent on the outcome of different legal processes which have been invoked by the Company or the claimants, as the case may be and, therefore, cannot be estimated accurately. The Company does not expect any reimbursement in respect of above contingent liabilities.

In the opinion of the management, no provision is considered necessary for the disputes mentioned above on the ground that there are fair chances of successful outcome of the appeals.

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.

* The company has paid Rs 100 lakh against this demand in the year 2004-05.

** Includes Rs 214.20 lakhs against claim of Exide Industries Ltd (to the extent for which provision has not been made in the books) against an outstanding litigation.

Notes forming part of finanacial statements

2. The company has received memorandum (as required to be filed by the suppliers with the notified authority under the Micro, Small and Medium Enterprises Development Act, 2006) claiming their status as on 31 March 2021 as micro, small and medium enterprises. Consequently, the amount due to micro and small enterprises as per requirement of Section 22 of the Micro, Small and Medium Enterprises Development Act, 2006 is Rs 6.19 lakh (31st March 2020 - 19.52 lakh) as follows:

(Rs in lakh)

Sl. No.	Particulars	As at 31st March, 2021	As at 31st March, 2020
1	Principal amount due to suppliers registered under the MSMED Act and remaining unpaid as at year end	6.19	19.52
2	Interest due to suppliers registered under the MSMED Act and remaining unpaid as at year end	-	-
3	Principal amounts paid to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
4	Interest paid, other than under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
5	Interest paid, under Section 16 of MSMED Act, to suppliers registered under the MSMED Act, beyond the appointed day during the year	-	-
6	Interest due and payable towards suppliers registered under MSMED Act, for payments already made		
7	Further interest remaining due and payable for earlier years	-	-
		6.19	**19.52**

3. **Operating segment**

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

4 **Employee Benefits :**

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

a) **Defined Contribution Plan :**

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

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

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Employer's Contribution to Provident Fund	53.90	58.82
Employer's Contribution to Employees' State Insurance Scheme	10.15	12.60

Notes forming part of finanacial statements

Retiring gratuity

The Company had an obligation towards gratuity, a defined benefit retirement plan covering eligible employees. The plan provided for a lump-sum payment to vested employees at retirement, death while in employment or on termination of employment of an amount equivalent to 15/26 days of last drawn basic salary for each completed year of service. Vesting occured upon completion of five years of service. The Company made annual contributions to gratuity funds established as trusts or insurance companies. The Company accounted for the liability for gratuity benefits payable in the future based on an actuarial valuation. The Company was exposed to actuarial risk, investment risk, interest risk, salary escalation risk, demographic risk, regulatory risk.

i. **Actuarial risk:** It is the risk that benefits will cost more than expected. This can arise due to one of the following reasons:

   Adverse Salary Growth Experience: Salary hikes that are higher than the assumed salary escalation will result into an increase in Obligation at a rate that is higher than expected.

   Variability in mortality rates: If actual mortality rates are higher than assumed mortality rate assumption than the Gratuity benefits will be paid earlier than expected. Since there is no condition of vesting on the death benefit, the acceleration of cash flow will lead to an actuarial loss or gain depending on the relative values of the assumed salary growth and discount rate.

   Variability in withdrawal rates: If actual withdrawal rates are higher than assumed withdrawal rate assumption than the Gratuity benefits will be paid earlier than expected. The impact of this will depend on whether the benefits are vested as at there resignation date.

ii. **Investment risk:** For funded plans that rely on insurers for managing the assets, the value of assets certified by the insurer may not be the fair value of instruments backing the liability. In such cases, the present value of the assets is independent of the future discount rate. This can result in wide fluctuations in the net liability or the funded status if there are significant changes in the discount rate during the inter-valuation period.

iii. **Interest risk:** The plan exposes the Company to the risk of fall in interest rates. A fall in interest rates will result in an increase in the ultimate cost of providing the above benefit and will thus result in an increase in the value of the liability.

iv. **Liquidity risk:** This is the risk that the Company is not able to meet the short-term gratuity payouts. This may arise due to non-availability of enough cash / cash equivalent to meet the liabilities or holding of illiquid assets not being sold in time.

v. **Salary Escalation risk:** The present value of the defined benefit plans calculated with the assumption of salary increase rate of plan participants in future. Deviation in the rate of increase of salary in future for plan participants from the rate of increase in salary used to determine the present value of obligation will have a bearing on the plan's liability

vi. **Demographic risk:** The Company has used certain mortality and attrition assumptions in valuation of the liability. The Company is exposed to the risk of actual experience turning out to be worse compared to the assumption.

vii. **Regulatory risk:** Gratuity benefit is paid in accordance with the requirements of the Payment of Gratuity Act , 1972 (as amended from time to time). There is a risk of change in regulations requiring higher gratuity payouts (e.g. Increase in the maximum limit on gratuity of Rs 20 lakh).

The most recent actuarial valuation of the plan assets and the present value of the defined benefit obligation were carried out as at March 31, 2021 by a registered Actuary. The present value of the defined benefit obligation, and the related current service cost and past service cost, were measured using the projected unit credit method.

The principal assumptions used for the purposes of the actuarial valuations were as follows:

Particulars	Valuation	Valuation
	As at 31st March, 2021	As at 31st March, 2020
Discount rate(s)	6.80%	6.80%
Expected rate(s) of salary increase	10.00%	10.00%

Notes forming part of finanacial statements

Amounts recognised in statement of profit and loss in respect of these defined benefit plans are as follows:-

(Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Current service cost	28.69	21.72
Past service cost and (gain)/loss from settlements	-	-
Net interest expense	11.68	10.33
Components of defined benefit costs recognised in profit or loss	**40.37**	**32.05**
Remeasurement on the net defined benefit liability:		
Return on plan assets (excluding amounts included in net interest expense	-	0.05
Actuarial (gains) / losses arising from experience assumptions	(15.62)	(6.09)
Actuarial (gains) / losses arising from assumptions changes	-	20.02
Components of defined benefit costs recognised in other comprehensive income	**(15.62)**	**13.98**
Total	**24.75**	**46.03**

The current service cost and the net interest expense for the year are included in the "Employee benefit expenses" (Note 27) line item in the statement of profit and loss

The remeasurement of the net defined liability is included in other comprehensive income.

The amount included in the balance sheet arising from the entity's obligation in respect of its defined benefit plans is as follows:

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Present value of funded defined benefit obligation	212.73	190.12
Fair value of plan assets	(17.82)	(16.68)
Funded status	**194.91**	**173.44**
Restrictions on asset recognised	-	-
Net liability arising from defined benefit obligation	**194.91**	**173.44**

Movements in the present value of the defined benefit obligations are as follows: (Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening defined benefit obligations	190.12	159.84
Current service cost	28.69	21.72
Interest cost	12.81	11.51
Actuarial (gains) / losses arising from experience assumptions	(15.62)	(6.10)
Actuarial (gains) / losses arising from financial assumptions	-	20.02
Benefits paid	(3.28)	(16.87)
Closing defined benefit obligation	**212.72**	**190.12**

Notes forming part of finanacial statements

Movements in the fair value of the plan assets are as follows: (Rs in lakh)

Particulars	Year ended 31st March, 2021	Year ended 31st March, 2020
Opening fair value of plan assets	16.68	15.55
Interest income	1.13	1.18
Return on plan assets (excluding amounts included in net interest expense)	-	(0.05)
Closing fair value of plan assets	**17.82**	**16.68**

Particulars	As at 31st March, 2021	As at 31st March, 2020
Investment Details	**Gratuity**	**Gratuity**
	Funded	**Funded**
Scheme of insurance - conventional products	100%	100%

The following payments are expected contributions to the defined benefit plan in future years: (Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
March 31, 2020	22.86	22.47
March 31, 2021	11.37	2.53
March 31, 2022	7.69	11.36
March 31, 2023	7.56	7.80
March 31, 2024	7.25	7.87
March 31, 2025 to March 31, 2029	79.55	82.25
Total expected payments	**113.42**	**134.28**

Sensitivity analysis

Significant actuarial assumption for determination of defined benefit plan are discount rate and expected salary growth. The sensitivity analysis below have been determined based on reasonably possible changes of the assumptions occurring at the end of the reporting period, while holding all other assumptions constant. The result of sensitivity analysis is given below :

	Year ended 31st March, 2021		Year ended 31st March, 2020	
Assumptions	**Discount rate**		**Discount rate**	
Sensitivity Level	**+1 % increase**	**-1 % decrease**	**+1 % increase**	**-1 % decrease**
Impact on defined benefit obligation	(26.79)	33.26	(12.90)	16.00
% Change compared to base due to sensitivity [+/(-)%]	-12.60%	15.60%		

	Year ended 31st March, 2021		Year ended 31st March, 2020	
Assumptions	**Future salary increases**		**Future salary increases**	
Sensitivity Level	**+1 % increase**	**-1 % decrease**	**+1 % increase**	**-1 % decrease**
Impact on defined benefit obligation	28.42	(24.05)	13.30	(11.60)
% Change compared to base due to sensitivity [+/(-)%]	13.40%	-11.30%		

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

The Company has neither given any Loans, security or guarantee nor made any investment during the year.

6. Disclosure under Regulation 34(3) of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015

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

7. Lease disclosure

a) The Company has adopted IND AS 116 "Leases" with the date of initial application being 1st April, 2019, using the modified retrospective method.

b) Lease Liabilities is being measured by discounting the lease payments using incremental borrowing rate i.e., 8.00% p.a.

c) The adoption of IND AS 116 resulted in recognition of 'Right of Use' asset of Rs 114.71 lakh and also Financial lease obligation amounting to Rs 114.71 lakh.

d) Changes in Carrying Value of "Right of Use (ROU) Assets is as follows:

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	86.03	-
Recognised on account of adoption of Ind AS 116 as at 1st April, 2019	-	114.71
Additions during the year	-	-
Depreciation for the year	(28.68)	(28.68)
Closing Balance	**57.35**	**86.03**

e) Movement in Lease Liabilities:

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Opening Balance	89.56	-
Recognised on account of adoption of Ind AS 116 as at 1st April, 2019	-	114.71
Additions during the year	-	-
Finance Cost accrued during the year	6.35	8.44
Payment of lease liabilities for the year	33.87	33.59
Closing Balance	**62.04**	**89.56**

f) The breakup of non-current and current lease liabilities is as follows:

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Non-Current Lease Liabilities	32.25	62.04
Current Lease liabilities	29.79	27.52

g) The details of the contractual maturities of lease liabilities on an undiscounted basis are as follows :

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Less than One Year	33.87	33.87
One to Five year	33.88	67.75
	67.75	**101.62**

h) Amount Recognised in statement of profit and loss:

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Interest on lease liabilities	6.35	8.44
	6.35	**8.44**

i) Amount Recognised in statement of cash flows:

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Total Cash outflow of leases including cash outflow for short term leases and leases of low value	52.46	17.84
	52.46	**17.84**

j) The Company does not face a significant liquidity risk with regard to its lease liabilities as the current assets are sufficient to meet the obligations related to lease liabilities as and when they fall due.

Note No. : 34 Other disclosures (Contd.)

8 Related party disclosures

a) Name of the related parties and description of relationship :

i) Key Managerial Personnel (KMP):	Mr. S.L. Agarwal - Managing Director
	Smt Sima Jhunjhunwala - Chief Financial Officer (Resigned on 07-08-2020)
	Smt Sweta Sarraf-Company Secretary (Resigned on 14-07-2020)
	Mr. Sumit Kumar Shaw- Chief Financial Officer (Appointed on 20-10-2020), Additional Director (Appointed on 04-12-2020) Company Secretary (Appointed on 15-01-2021)
ii) Other related parties	
Close members of KMP	Sangrima Enterprise - Relative of Managing Director is partner in the firm
Significant influence entities	S.L Industries Pvt. Ltd. (Promoter Company)
	Websol Green Projects Private Limited
	Tysom Agencies Private Limited
	Shalimar Hatcheries Ltd.
	Sona Vets Pvt. Ltd.

b) Transactions with Related parties :ase Liabilities: (Rs in lakh)

Nature of transaction/ Name of related party	Significant Influence Entities	Key Managerial Personnel (KMP)	Close members of KMP	Total
(i) Compensation/ Remuneration of KMP				
Mr. S.L. Agarwal	-	86.26	-	86.26
	(-)	(90.00)	(-)	(90.00)
Smt. Sima Jhunjhunwala	-	4.97	-	4.97
	(-)	(18.87)	(-)	(18.87)
Mr. Sumit Kumar Shaw	-	6.51	-	6.51
	(-)	(-)	(-)	(-)
Smt. Sweta Sarraf	-	2.25	-	2.25
	(-)	(1.06)	(-)	(1.06)
(ii) Unsecured Loan taken				
S.L Industries Pvt. Ltd.	0.10	-	-	0.10
	(72.97)	-	-	(72.97)
Mr. S.L. Agarwal	-	150.00	-	150.00
	(-)	(-)	(-)	(-)
Tysom Agencies Private Limited	732.02	-	-	732.02
	(-)	(-)	(-)	(-)
(iii) Unsecured Loan Repayment				
S.L Industries Pvt. Ltd.	18.37	-	-	18.37
	(54.69)	-	-	(54.69)
Sona Vets Pvt. Ltd.	1.11	-	-	1.11
	(16.42)	-	-	(16.42)
Shalimar Hatcheries Ltd.	1.11	-	-	1.11
	(-)	(-)	(-)	(-)
Tysom Agencies Private Limited	674.22	-	-	674.22
	(-)	(-)	(-)	(-)
(iv) Purchase of Goods				
Sangrima Enterprise	-	-	-	-
	(-)	(-)	(15.00)	(15.00)
(v) Amount paid for purchase				
Sangrima Enterprise	-	-	17.30	17.30
	(-)	(-)	(14.34)	(14.34)
(vi) Amount Received for Sale				
Sangrima Enterprise	-	-	-	-
	(-)	(-)	(7.28)	(7.28)
(vii) Interest on Unsecured Loans taken				
Mr. S.L. Agarwal	-	1.01	-	1.01
	(-)	(-)	(-)	(-)

(Rs in lakh)

Nature of transaction/ Name of related party	Significant Influence Entities	Key Managerial Personnel (KMP)	Close members of KMP	Total
Tysom Agencies Private Limited	22.45	-	-	22.45
	(-)	(-)	(-)	(-)
(viii)Reimbursement of Expenses				
Mr. S.L. Agarwal	-	25.36	-	25.36
	(-)	(-)	(-)	(-)
Websol Green Projects Private Limited	0.40	-	-	0.40
	(0.06)	(-)	(-)	(0.06)
Balance outstanding as at the year end:				
(i) Trade payable outstanding at the end of the year				
Sangrima Enterprise	-	-	20.37	20.37
	(-)	(-)	(37.67)	(37.67)
(ii) Unsecured Loans Taken				
S.L Industries Pvt. Ltd.	-	-	-	-
	(18.28)	(-)	(-)	(18.28)
Sona Vets Pvt. Ltd.	-	-	-	-
	(414.17)	(-)	(-)	(414.17)
Shalimar Hatcheries Ltd.	-	-	-	-
	(1,225.44)	(-)	(-)	(1,225.44)
Mr. S.L. Agarwal	-	150.94	-	150.94
	(-)	(-)	(-)	(-)
Tysom Agencies Private Limited	80.24	-	-	80.24
	(-)	(-)	(-)	(-)
(iii) Other Receivables				
Websol Green Projects Private Limited	0.46	-	-	0.46
	(0.06)	(-)	(-)	(0.06)
(iv) Trade receivable outstanding at the end of the year				
Tysom Agencies Private Limited	28.56	-	-	28.56
	(28.56)	(-)	(-)	(28.56)

c) **Details of Remuneration paid/ payable to KMP** (Rs in lakh)

Particulars	Mr. S.L. Agarwal	Smt Sima Jhunjhunwala	Smt Sweta Sarraf	Mr. Sumit Kumar Shaw	Total
Short - term employee benefits					
Salary	76.46 (79.79)	4.24 (17.33)	2.25 (0.50)	6.11 (-)	89.05 (97.62)
Perquisites	3.37 (3.50)	0.38 (2.22)	- (0.5)	0.20 (-)	3.95 (6.22)
	79.83 (83.29)	4.62 (19.55)	- (1.00)	6.31 (-)	93.00 (103.86)
Post employment benefits					
Contribution to provident fund, gratuity and other funds	6.43 (6.71)	0.35 (1.43)	- (0.06)	0.21 (-)	6.98 (8.20)
	86.26 (90.00)	4.97 (20.98)	2.25 (1.06)	6.51 (-)	99.98 (112.04)

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

e) The amounts outstanding are unsecured and will be settled in cash. No guarantees have been given or received.

Expense has been recognised in current year and previous year for bad or doubtful debts in respect of the amounts owed by following related parties:

Name of Related Party	(Rs in lakh)
Sona Vets Pvt. Ltd.	413.06 (-)
Shalimar Hatcheries Ltd.	124.33 (-)

f) Figures in brackets-( ) represents for year ended 31st March, 2020

9 Financial instruments - Accounting, Classification and Fair value measurements

A. Financial instruments by category

As at 31st March, 2021 (Rs in lakh)

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying value			
				Amortized cost	FVTOCI	FVTPL	Total
(1)	**Financial assets**						
(a)	Trade receivables	8	1,986.60	1,986.60	-	-	1,986.60
(b)	Cash and cash equivalents	9	165.54	165.54	-	-	165.54
(c)	Other financial assets	6	343.93	343.93	-	-	343.93
	Total		**2,496.07**	**2,496.07**	-	-	**2,496.07**
(2)	**Financial liabilities**						
(a)	Borrowings	15	2,611.20	2,611.20	-	-	2,611.20
(b)	Trade payables and other payable	16	3,966.73	3,966.73	-	-	3,966.73
(c)	Other financial liabilities	20	1,395.30	1,395.30	-	-	1,395.30
	Total		**7,973.23**	**7,973.23**	-	-	**7,973.23**

As at 31st March, 2020 (Rs in lakh)

Sl. No.	Particulars	Refer Note No.	Total Fair Value	Carrying value			
				Amortized cost	FVTOCI	FVTPL	Total
(1)	**Financial assets**						
(a)	Trade receivables	8	1,775.43	1,775.43	-	-	1,775.43
(b)	Cash and cash equivalents	9	51.97	51.97	-	-	51.97
(c)	Loans	10	531.36	531.36	-	-	531.36
(d)	Other financial assets	6	347.28	347.28	-	-	347.28
	Total		**2,706.04**	**2,706.04**	**-**	**-**	**2,706.04**
(2)	**Financial liabilities**						
(a)	Borrowings	15	6,817.80	6,817.80	-	-	6,817.80
(b)	Trade payables and other payable	16	8,693.98	8,693.98	-	-	8,693.98
(c)	Other financial liabilities	20	1,544.05	1,544.05	-	-	1,544.05
	Total		**17,055.83**	**17,055.83**	**-**	**-**	**17,055.83**

B. Fair value hierarchy

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

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

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

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

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

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

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

Financial assets and financial liabilities measured at fair value on a recurring basis as at 31st March, 2021 Nil (31st March, 2020 : Nil).

10. Financial risk management objectives and policies

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

(a) Credit risk

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

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

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

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

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

Expected credit loss for trade receivables under simplified approach

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

The movement of Trade Receivables and Expected Credit Loss are as follows:

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Trade Receivables (Gross)	2,065.48	1,780.39
Less: Expected Credit Loss	(78.87)	(4.96)
Trade Receivables (Net)	**1,986.60**	**1,775.43**

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Balance at the beginning of the year	4.96	8.12
Credit in Statement of Profit and Loss	73.91	(3.16)
Balance at the end of the year	**78.87**	**4.96**

(b) Liquidity risk

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

The tables below summarises the Company's financial liabilities into relevant maturity groupings based on their contractual maturities.

(Rs in lakh)

Particulars	Less than 1 year	1-5 years	More than 5 years	Total
As at 31st March, 2021				
Borrowings (excluding interest)	1,339.52	1,271.69	-	2,611.20
Trade payables and other payable	3,966.73	-	-	3,966.73
Other financial liabilities	1,395.30	-	-	1,395.30
Total	**6,701.55**	**1,271.69**	**-**	**7,973.23**
As at 31st March, 2020				
Borrowings (excluding interest)	2,837.06	3,980.74	-	6,817.80
Trade payables and other payable	5,570.59	3,123.39	-	8,693.98
Other financial liabilities	1,544.05	-	-	1,544.05
Total	**9,951.70**	**7,104.13**	**-**	**17,055.83**

(c) Market risk

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

Foreign currency risk

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

Unhedged Foreign Currency exposures are as follows :- (Rs in lakh)

Nature	Currency	As at 31st March, 2021	As at 31st March, 2020
Amount receivable on account of sale of goods, loans and advances, interest, etc.	USD (in lakhs)	NIL	NIL
Amount payable on account of purchase of goods and services, loans and advances, interest, etc.	USD (in lakhs)	17.71	98.95
	EURO (in lakhs)	0.02	0.27

Interest rate risk

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

i) Liabilities

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

The Company has no variable rate borrowings.

ii) Assets

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

Price risk

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

The Company is not exposure to any price risk arises from investments held and classified as FVTPL. To manage the price risk arising from investments in mutual funds, the Company diversifies its portfolio of assets.

11. Capital Management

Risk management

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

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

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

No changes were made in the objectives, policies or processes for managing capital during the year ended 31st March, 2021 and 31st March, 2020.

(Rs in lakh)

Particulars	As at 31st March, 2021	As at 31st March, 2020
Net debt	3,293.45	7,715.83
Total equity	19,237.09	12,437.75
Net debt to equity ratio	**0.17**	**0.62**

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

12 The outbreak of Coronavirus (COVID-19) is causing significant disturbance and slowdown of economic activity in India and across the globe. The Company has evaluated the impact of this pandemic in its business operations. Based on its review and current indicators of economic conditions, there is no significant impact on its financial results for the year ended 31-03-2021. The Company will continue to closely monitor any material changes arising from future economic conditions and impact on its business.

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

As per our report of even date attached.

For and on behalf of the Board of Directors

Websol Energy Systems Limited

For G. P. AGRAWAL & CO.
Chartered Accountants
Firm's Registration No. - 302082E

(CA. Radhika Singhania)
Partner
Membership No. 310691

S. L. Agarwal
Managing Director
DIN No. 00189898

Dharmendra Sethia
Director
DIN No. 06775533

Sumit Kumar Shaw
Company Secretary
Membership No. : 54355

Place of Signature: Pune
Date: The 31st day of May, 2021

Notes

A TRISYS PRODUCT
info@trisyscom.com

WEBEL
SOLAR

Websol Energy System Limited

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