



ANNUAL REPORT
1998-1999



WEBEL-SL ENERGY SYSTEMS LIMITED

WEBEL-SL ENERGY SYSTEMS LIMITED



BOARD OF DIRECTORS

B. CHAKRABORTY – *Chairman*
FRANCO TRAVERSO
J. N. MAITI
R. K. PODDAR
D. K. BASU
S. L. AGARWAL – *Managing Director*

BANKERS

ALLAHABAD BANK
FEDERAL BANK

AUDITORS

O. P. AGARWAL & CO.
Chartered Accountants

REGISTERED OFFICE & WORKS

PLOT NO. N1, BLOCK – GP, SECTOR - V
SALT LAKE ELECTRONICS COMPLEX
CALCUTTA - 700 091

WEBEL-SL ENERGY SYSTEMS LIMITED**NOTICE OF ANNUAL GENERAL MEETING**

NOTICE is hereby given that the Eighth Annual General Meeting of the members of WEBEL-SL ENERGY SYSTEMS LIMITED will be held at Webel Bhawan, Block - EP & GP, Sector - V, Salt Lake Electronics Complex, Calcutta - 700 091 on Thursday, 30th September, 1999 at 11.00 A.M. to transact the following business :

ORDINARY BUSINESS :

1. To receive, consider and adopt the Balance Sheet of the Company as at 31st March, 1999, the Profit & Loss Account for the period ended on that date and the Reports of the Directors and Auditors thereon.
2. To appoint a Director in place of Mr. R. K. Poddar who retires by rotation and being eligible, offers himself for reappointment.
3. To appoint a Director in place of Dr. Franco Traverso who retires by rotation and being eligible, offers himself for reappointment.
4. To appoint Auditors and fix their remuneration. In this connection, to consider and if thought fit, to pass with or without modification, the following resolution as a Special Resolution :

"RESOLVED THAT pursuant to the provisions of Section 224A of the Companies Act, 1956, M/s. O. P. Agarwal & Co. Chartered Accountants, be and are hereby appointed the Auditors of the Company to hold office until the conclusion of the next Annual General Meeting and the Board of Directors be and is hereby authorised to fix their remuneration for the said period".

SPECIAL BUSINESS :

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

"RESOLVED THAT Sri Bimalendu Chakraborty, be and is hereby appointed as a director of the Company whose period of office will be liable to determination by retirement by rotation."
6. To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution.

"RESOLVED THAT pursuant to Section 80, 81 and other applicable provisions, if any, of the Companies Act, 1956, and the Memorandum of Association and Articles of Association of the Company and subject also to such conditions and modifications as may be considered necessary by the Board of Directors of the Company (herein after referred to as the "Board"), or as may be prescribed or imposed while granting such approvals, permissions and sanctions which may be agreed to or accepted by the Board, the consent of the Company be and is hereby accorded to the Board to issue 1,15,000 Preference Shares of the face value of Rs. 100/- each, of an aggregate nominal value not exceeding Rs. 115 lacs at par, in one or more tranches, on such terms and conditions as to the rate of dividend, period of redemption, terms for cumulation as may be decided by the Board in its absolute discretion, to the Financial Institutions, namely I.D.B.I and I.C.I.C.I., by private placement."
7. To consider, and if thought fit, to pass with or without modification(s) the following resolution as an Ordinary Resolution.

"RESOLVED THAT Clause V of the Memorandum of Association of the Company be amended to read as follows :

V. The Authorised Share Capital of the Company is Rs. 9,00,00,000/- (Rupees Nine Crores Lacs only) divided into 75,00,000 Equity Shares of Rs. 10/- each and 1,50,000 Preference Shares of Rs. 100/- each, with the power to increase and reduce the capital of the Company and to divide the shares in the capital for the time being into several classes and to attach thereto respectively such qualified or special rights, privileges and conditions as may be permissible at law and/or determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate any such rights, privileges or conditions in such manner as may for the time being be provided by the Articles of Association of the Company."
8. To consider, and if thought fit, to pass with or without modification(s) the following resolution as a Special Resolution :

"RESOLVED THAT Clause 4 of the Articles of Association of the Company be amended to read as follows :

4. The Authorised Share Capital of the Company is Rs. 9,00,00,000/- (Rupees Nine Crores Lacs only) divided into 75,00,000 Equity Shares of Rs. 10/- each and 1,50,000 Preference Shares of Rs. 100/- each, with power to increase and reduce the capital of the Company and to divide the shares in the Capital for the time being into several classes and to attach thereto respectively such preferential, qualified or special rights, privileges and conditions as may be permissible at law and/or determined by or in accordance with the Articles of Association of the Company and to vary, modify or abrogate



WEBEL-SL ENERGY SYSTEMS LIMITED

any such rights, privileges or conditions in such manner as may for the time being be permissible at law and/or provided by the Articles of Association of the Company."

Registered Office :
Plot No. N1, Block - GP, Sector - V,
Salt Lake Electronics Complex,
Calcutta - 700 091
Dated : 31st August, 1999.

By order of the Board
S. L. Agarwal
Managing Director

NOTES :

1. A member entitled to attend and vote at the meeting is entitled to appoint a Proxy to attend and vote instead of himself and such Proxy need not be a member of the Company. Proxies, in order to be effective, must be received at the Registered Office of the Company not less than forty eight hours before the commencement of the meeting.
2. Explanatory Statement under Section 173(2) of the Companies Act, 1956 is given herewith.
3. The Register of Members and Share Transfer Books of the Company will remain closed from Wednesday, the 29th September, 1999 to Tuesday, the 12th October, 1999(both days inclusive).
4. The shareholders are requested to send all the Share transfers requests queries and correspondences to the Company directly at its Registered Office.
5. Members who have multiple accounts in identical names or joint accounts in same order are requested to intimate the company the ledger folios of such accounts to enable the Company to consolidate all such shareholdings into one accounts.

ANNEXURE TO THE NOTICE

EXPLANATORY STATEMENT UNDER SECTION 173(2) OF THE COMPANIES ACT, 1956

ITEM NO. 5

Mr. Bimalendu Chakraborty was appointed on 15th May, 1999 as a director to fill the causal vacancy created by the resignation of Mr. Nandan Bhattacharya. His term expires at the forthcoming Annual General Meeting of the Company. The Company has received a notice under Section 257 of the Companies Act, 1956 proposing his candidature for the office of a Director of the Company liable to retire by rotation.

The Board recommends the resolution for approval.

None of the Directors except Mr. B. Chakraborty, is interested in the resolution.

ITEM NO. 6

The Financial Institutions, namely, I.D.B.I and I.C.I.C.I, have agreed to restructure the financial liabilities whereby interest rates shall be reduced. As per the terms, Preference Shares not exceeding Rs. 115 lacs shall be issued in lieu of losses incurred by them by way of reduction in interest rates. The terms of such issue are being negotiated with Financial Institutions.

The Board recommends the resolution for approval.

None of the Directors is interested in the resolution.

ITEM NO. 7 & 8

In view of what has been stated above at Item No. 5, it is necessary to amend the Capital Clause of the Memorandum and Articles of Association and increase the Authorised Capital of the Company from Rs. 750 lacs to Rs. 900 lacs.

Your Directors commend the resolutions for approval.

None of the Directors is interested in the resolutions.

All the documents in relation to the Special Business of the Notice are open for inspection at the Registered Office of the Company between 10.30 a.m. and 12.30 p.m. on any working day prior to the Meeting.

Dated : the 31st August, 1999

By Order of the Board
S. L. Agarwal
Managing Director

WEBEL-SL ENERGY SYSTEMS LIMITED**DIRECTORS' REPORT
TO THE MEMBERS**

Your Directors present the Ninth Annual Report along with the Audited Statement of Accounts for the financial year ended on 31st March, 1999.

FINANCIAL RESULTS

	(Rs. in Lacs)	
	1998-99	1997-98
Gross Profit/(Loss) (after interest)	8.59	(172.09)
Depreciation	65.35	61.90
Net Profit/(Loss) before Taxation	(56.76)	(233.98)
Income Tax for earlier years	(0.09)	—
Net Profit/(Loss) after Tax	(56.85)	(233.98)
Surplus/(Deficit) brought forward from Previous year	(293.15)	(59.16)
Balance carried to Balance Sheet	(350.00)	(293.15)

In view of loss incurred by the company, your Directors do not recommend any dividend for the year.

OPERATIONAL REVIEW :

With the recessionary trend continuing in the international market, the turnover of the Company increased only marginally from Rs. 1075.01 lacs in the previous year to Rs. 1127.17 lacs only. The cost of production and administrative costs were kept under strict control. Furthermore, your company has been able to get the sanction of the Financial Institution for waiver of penal interests and a financial rehabilitation package which will give long term benefits to the company. As a result, the financial cost of the company which was mounting up in the past few years, will also be under control. The company had a cash profit of Rs. 8.59 lacs during the year as against cash loss of Rs. 172.09 lacs during the previous year. Your Directors are confident of a much better financial results in the years to come.

With the adoption of the latest technology to process 6 inch wafers, your company has gained enormously by way of reduction in production costs. The company is now able to manufacture solar PV Modules of Higher Wattage which has good international demand. The products have already started to receive good response and acclaim from its customers. The company also received ISO 9002 certificate. Your Directors are pleased to inform that your company is the first among the Asian countries to receive the internationally coveted ISPRC certificate. The benefits of those quality certificates will be available to the company in the years to come.

EQUITY SHARE CAPITAL

Your Company issued Equity Shares of Rs. 203.32 lacs towards conversion of Unsecured Loans pursuant to the approval accorded by the Shareholders of your Company at the Annual General Meeting held on 24th December, 1998. Consequent to the above issue, your Company's Equity Capital stands enhanced to Rs. 651.32 lacs.

Y2K COMPLIANCE :

Your company has constituted Y2K project team who have tested all the hardware and software uses in the company for determining compliance for Y2K and steps have been taken to upgrade or replace the non-compliant equipment



WEBEL-SL ENERGY SYSTEMS LIMITED

and system by October 1999 and the expenses on this account are estimated to be insignificant. Initiatives have also been taken by the company to evaluate the system operating with its business associates and the management is confident that the company will not face any undue risks due to this factor.

DIRECTORS :

Mr. Nandan Bhattacharya has resigned from the Board of Directors of the Company and in his place Mr. B. Chakraborty was appointed. Your Directors place on record sincere appreciation for invaluable advice and guidance received from Mr. Nandan Bhattacharya from time to time.

Directors due to retire by rotation are Mr. France Traverso and Mr. R. K. Poddar who being eligible, offer himself for re-election.

AUDITORS :

The Auditors M/s. O. P. Agarwal & Company, Chartered Accountant, retire at the conclusive of the forthcoming Annual General Meeting and being eligible, offer themselves for re-appointment. The re-appointment of Auditors is being proposed as a Special Resolution in accordance with section 224 A of the Company's Act, 1956.

AUDITOR'S REPORT :

The comments in the Auditor's report read with comments to the accounts are self explanatory. The company has taken corrective steps for realisation adverse remarks therein.

COMPANY'S (DISCLOSURES OF PARTICULARS IN THE REPORT OF BOARD OF DIRECTORS) RULES 1988 :

Information in accordance with provision of section : 217(1)(e) of the Company's Act, 1956 read with the Company's (Disclosures of Particulars in the Report of Board of Directors) Rules 1988 regarding Conservation of Energy, Technology Absorption and Foreign Exchange Earnings and outgo is given in Annexure

PARTICULARS OF EMPLOYEES

Information as required under provision of section 217(2A) of the Company's Act, 1956 read with Company's (particulars of employees) rules, 1975 has amended is not given as none of the employees received remuneration exceeding the limits specified therein.

ACKNOWLEDGEMENT :

Your Directors record their appreciation for support and assistance extended by all its well-wishers for and on behalf of the Board.

Calcutta, 31st August, 1999

For and on behalf of the Board
S. L. Agarwal
Managing Director