

Imagine.
Air may be clean.
Skies may be blue.
Cars may be smokeless...



Webel SL Energy Systems Limited is among the Indian pioneers in the manufacture of solar photovoltaic cells, which transform sunlight into electricity.

These are what make the company special:

- A rapid growth in capacity to 5 MW, making the company the second largest producer of SPV cells in India.
- Among few companies in the world to possess the specialised recycled technology.
- An ability to produce cells from 10 watt to 350 watt, among the widest range in the world.
- The export of more than 90 per cent of the company's production.

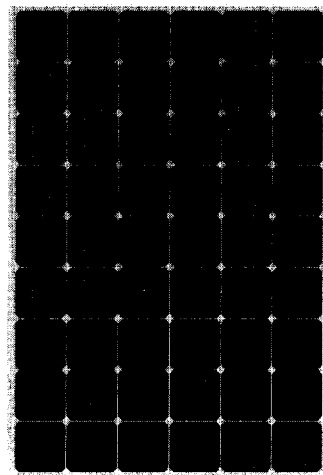
Today, the company has its operations in Kolkata (West Bengal) and is listed on the Bombay and Calcutta stock exchanges.

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... And this could
be a reality sooner
than you think.



As the world gravitates towards
cleaner fuels, solar power will
emerge as a preferred energy source
over the next decade.

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Because it has three things.

Economical.

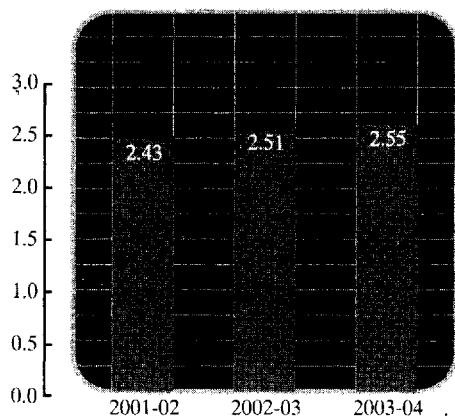
Ubiquitous.

Long-lasting.

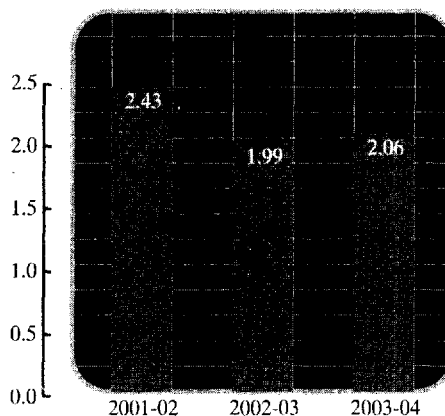
At Webel SL Energy Systems, we
leveraged these inherent product
advantages and strengthened the
quality of our business in 2003-4 with
a view to report attractive growth in
2004-5 – and beyond.

What we achieved in 2003-4

THE FINANCIAL YEAR UNDER REVIEW WAS ONE OF CONSOLIDATION. WE STRENGTHENED OUR BUSINESS MODEL IN A NUMBER OF WAYS. WE EXPECT THAT THIS WILL LEAD TO ATTRACTIVE GROWTH OVER THE FORESEEABLE FUTURE



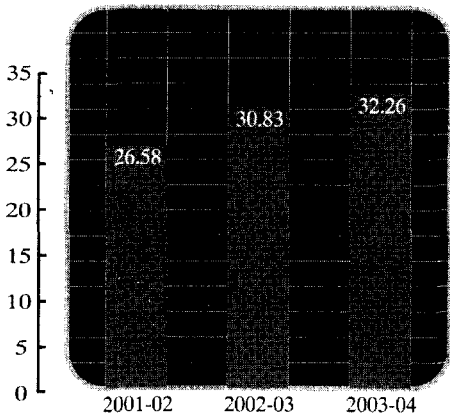
Profit before tax (Rs. in cr)



Profit after tax (Rs. in cr)

- We discontinued supply to unremunerative geographies and consciously rationalised our turnover from Rs. 3439 lacs in 2002-3 to Rs. 2750 lacs in 2003-4.
- This decision helped strengthen our profit after tax by 3.31 per cent to Rs. 205.85 lacs.
- This reinforced our EBIDTA margin from 16.34 per cent in 2002-3 to 20.04 per cent in 2003-4 and net profit margin from 5.79 per cent in 2002-3 to 7.48 per cent.
- This enhanced the return on our employed capital from 30.83 per cent in 2002-3 to 32.26 per cent.
- We rationalized interest from Rs 2.32 cr in 2002-3 to Rs 1.91 cr in 2003-4.
- We enhanced our installed capacity to 5 MW.
- We extended our product mix towards value-added cell varieties.

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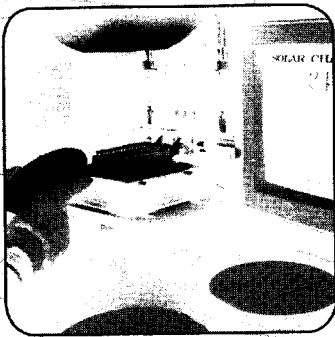


ROCE (in %)

CAPACITY MAGNIFIED

In a world marked by single-digit growth, any industry that grows at nearly 35 per cent year after year must really represent one of the most exciting industry spaces in the world.

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THIS IS THE REALITY OF THE INTERNATIONAL SOLAR PHOTOVOLTAIC INDUSTRY.

In view of this remarkably dynamic space, it would be myopic to consolidate; a progressive and future-focused manufacturer must enhance capacity aggressively to address the growing industry potential.

At Webel-SL Energy Systems, we are proud to have demonstrated the commitment to continuously invest in our assets and succeed in this challenging environment. In 2002-3, for instance, the company enhanced its solar photovoltaic cell production capacity from 2.5 MW to 5 MW.

This would have been a routine expansion but for one critical difference: it was conducted with a capital expenditure almost 30 per cent lower than the greenfield cost, significantly reducing the company's cost per installed MW and enhancing its competitive advantage.

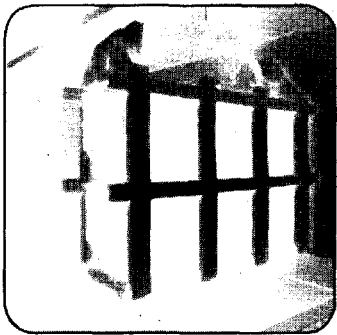
The company has now embarked to migrate its competitiveness into a higher league by doubling the installed capacity to 10 MW by the end of 2004-5 at a cost of Rs. 3 cr.

As a result, the company doubled its capacity without diluting its equity or adding to its debt in 2003-4 and reducing its employed capital per installed MW from Rs 13.55 cr in 1995-96 to Rs 3.47 cr in 2003-4, strengthening its competitive edge.

TECHNOLOGY

The technology to manufacture solar photovoltaic cells is mature and standardised.

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AS A RESULT, MANUFACTURERS WHO SEEK TO CREATE A COMPETITIVE EDGE MUST DO SO ON THE BASIS OF DOING SOMETHING THAT GOES BEYOND ESTABLISHED PARAMETERS - REFINING THE MANUFACTURE FROM THIN SILICON WAFERS THROUGH THE USE OF SEMI-CONDUCTOR TECHNOLOGY.

Webel SL Energy Systems is uniquely placed in this regard: it is one of the only very few companies in the world to leverage the specialised recycled technology. An increasing competence in the use of this recycled technology explains the company's survival and success at a time when the world's largest companies have used their scale to undercut most manufacturers out of business.

Over the years, Webel SL's technological competence has been translated into important achievements:

- The successful development of higher wattage panels, resulting in value-addition.
- The development of higher wattage panels with a rationalised number of cells without compromising efficiency.
- The availability of an extensive product range that addresses demand across geographies.

As a result, the company rationalised its raw material cost as a proportion of the turnover from 71.06 per cent in 1995-96 to 72.26 percent in 2003-4 and enhanced its margins in a business marked by declining realisations.

Specialisation

⇒ Webel SL Energy is the only company in India to manufacture 140-watt panels using only 36 cells (against the conventional 72 cells) and servicing customers with a product range from 10-watt modules to 350-watt modules.

RISING

Webel SL Energy Systems is committed to leverage the advantages arising out of the manufacture of solar photo voltaic cells in India – for international consumers.

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