Going through the roof

Webel-SL Energy Systems Limited

Annual Report 2005-06

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 'anticipate', 'estimate', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

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

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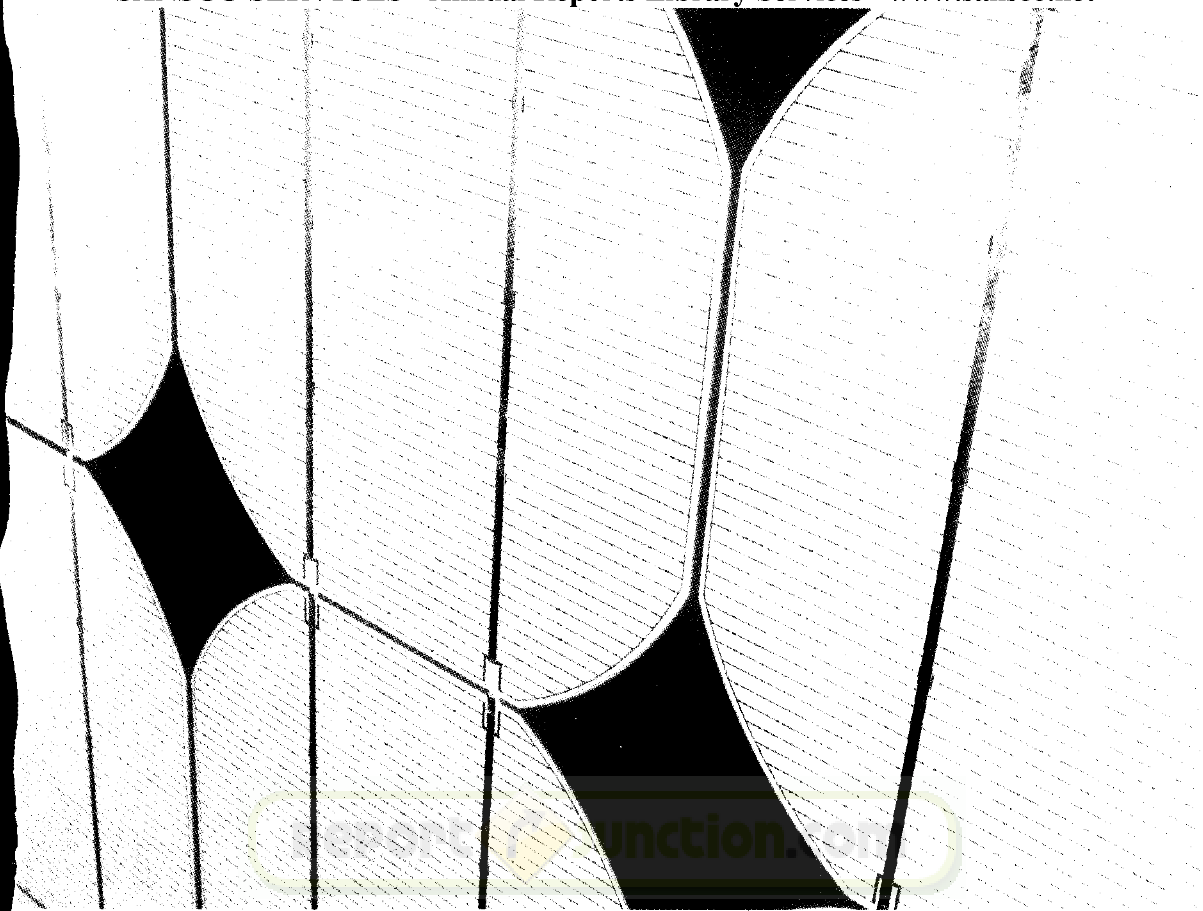


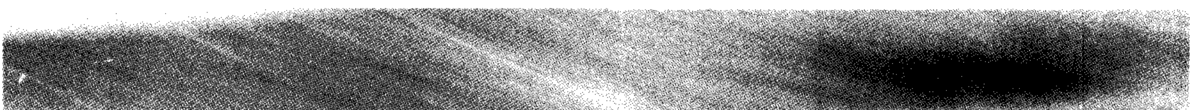
Our vision

To emerge as one of the largest producers of SPV cells in Asia (outside Japan) through a prudent presence in the mono crystalline (where we are currently present) and multi crystalline segments as well as a presence in the value and volume ends of the market

Going through the roof

Webel-SL Energy Systems Limited is a rapidly growing Indian company engaged in the manufacture of solar photovoltaic cells, one of the fastest growing sectors in the world today

Going through the roof



1

Origin, ownership and management

↗ Webel-SL Energy Systems Limited was incorporated in 1994, promoted by Mr SL Agarwal, presently Managing Director.

↗ The Company was formed as a 100% export oriented unit through a joint venture between West Bengal Electronics Industry Development Corporation, SL Industries Pvt. Ltd and Helios Technology, SPA, Italy.

↗ Publicly held company listed on the Bombay and Kolkata stock exchanges; market capitalisation of Rs 183.48 cr as on 31st of March 2006.

2

Nature of business

↗ One of the few dedicated producers of solar photovoltaic cells and modules in India; the largest and fastest growing manufacturer of this product in India.

↗ Absorbed technology rapidly from the foreign partner as a result of which the Company is now a technologically independent manufacturer of solar cells and modules.

↗ 96% of the Company's turnover derived from exports in 2005-06.

3

Plant location and technology

↗ Manufacturing plant in Kolkata with an installed capacity of 10 MW of cells and modules as on 31 March 2006.

↗ Use of the mono-crystalline technology wherein the efficiency of the final output is the highest.

↗ One of the few solar photo voltaic companies to have mastered the reclaimed technology.

4

Product and brand

↗ Manufacture of cells and modules suitable for stand alone and grid-connected projects.

↗ Visible across the world through its 'Webel-SL Solar' brand, reputed for reliability and performance.

↗ Products certified by JRC ISPRA, UL, TUV and PV-GAP, all reputed international certifying agencies.

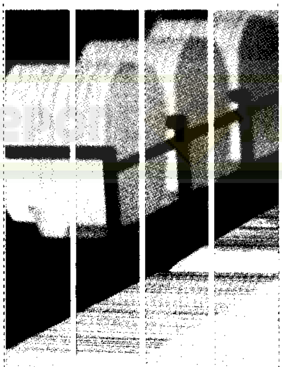
Milestones

1995-97

Production commenced with technical support from an Italian company. The Company processed 5" wafers. Installed capacity: 1 MW.

1998-99

Production evolved to 6' wafers and modules up to 90 Wp for type W900. A quality certificate for JRC-ISPRA, IEC 61215 standard was obtained.



2000-01

Production extended to 8" wafers. Module capacity increased to 120 Wp for type W1000. Installed capacity: 3 MW.

2002

The JRC-ISPRA IEC 61215 standard certificate was obtained for all W1000 modules. UL 1703 listing was obtained for all W900 type modules.

2003

Installed capacity increased from 3 MW to 5 MW. UL 1703 listing obtained for W1000 type modules. Production of 160-190 Wp modules commenced.

2004

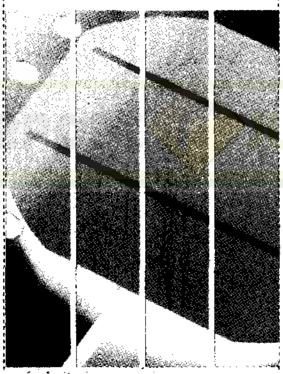
Commenced commercial production of W1600 and research and development of new products.

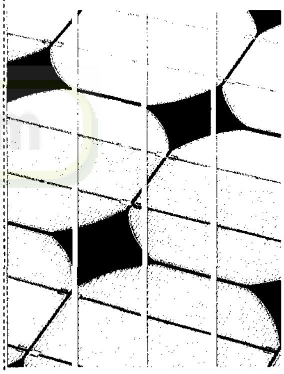
2005

Three new products introduced during the year including the W2000R.

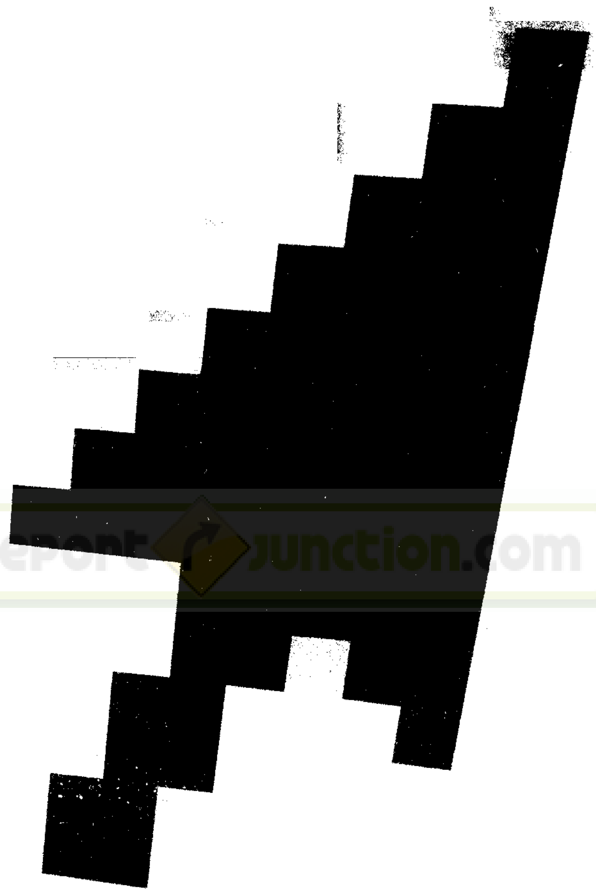
2006

Commissioning of the installed capacity from 5MW to 10 MW.





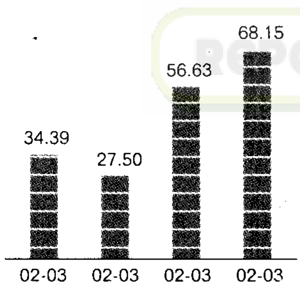
JRC ISPRA	PV GAP	TUV	UL



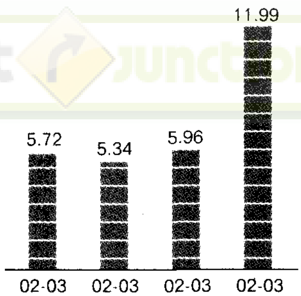
The number of ways in which 2005-06 was a record year for us

- 20.40% topline growth from Rs 56.63 cr in 2004-05 to Rs 68.18 cr in 2005-06.
- 54.38% EBIDTA growth from Rs 7.54 cr in 2004-05 to Rs 11.64 cr in 2005-06.
- 190% PAT growth from Rs 2.21 cr in 2004-05 to Rs 6.41 cr in 2005-06.
- 22.84% export growth from Rs 53.45 cr in 2004-05 to Rs 65.66 cr in 2005-06.
- 80% capacity utilisation on an installed capacity of 5 MW.
- 376 basis point rise in the EBDITA margin from 13.32 % in 2004-05 to 17.08 % in 2005-06.
- 550 basis point increase in the PAT margin from 3.90 % in 2004-05 to 9.40 % in 2005-06.
- 100 % capacity expansion from 5 MW to 10 MW significantly completed.

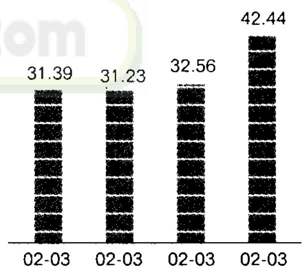
Revenues (Rs / cr)



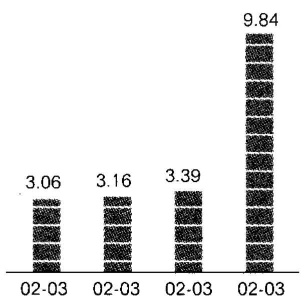
EBDITA (Rs / cr)



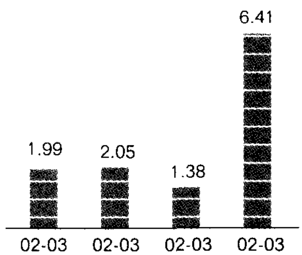
ROACE %



EPS (Rs)



PAT (Rs / cr)



Interest cover (times)