



Webel-SL Energy Systems Limited

Plot No. N1, Block GP, Sector V, Saltlake, Kolkata - 700 091

NOTICE OF ANNUAL GENERAL MEETING

Notice is hereby given that the 17th Annual General Meeting of the Members of **WEBEL – SL Energy Systems Limited** will be held at Crystal Room, International Tower, X-1, 8/3 Block EP, Saltlake Sector V, Saltlake Electronics Complex, Kolkata - 700 091 on Friday, 28th September, 2007, at 10.30 A.M. to transact the following business :-

Ordinary business:

1. To consider and adopt the Balance Sheet as at 31st March, 2007 and the Profit & Loss Account of the Company for the year ended on that date, and the Reports of the Directors and auditors thereon.
2. To declare the dividend.
3. To appoint a Director in place of Mr. S. P. Bangur who retires by rotation and, being eligible, offers himself for re-appointment.
4. To appoint a Director in place of Mr. P. K. Roy who retires by rotation and, being eligible, offers himself for re-appointment.
5. To appoint auditors and to fix their remuneration.

Special business:

To consider, and if thought fit, to pass with or without modification, the following resolution as an ordinary resolution –

6. Re-appointment of Mr. S. L. Agarwal as a Managing Director

“RESOLVED THAT in accordance with the provisions of

sections 198, 269 (read with Schedule XIII), 309 and other applicable provisions, if any, of the Companies Act, 1956, and subject to any other approvals as may be necessary, the Company hereby approves the re-appointment of Mr. S. L. Agarwal as the Managing Director of the Company for a period of five years w. e. f. 1st September, 2007, upon such terms and conditions and such remuneration and perquisites as set out in the Explanatory Statement annexed to the notice convening the Annual General Meeting of the Company, with liberty to the Board to alter and / or vary such terms and conditions including remuneration as may be agreed to by the Board of Directors of the Company and Mr. S. L. Agrawal, provided that in any year, the total remuneration including perquisites of Mr. S. L. Agrawal shall not exceed the limits specified in Schedule XIII of the Companies Act, 1956, or any amendments thereto.

FURTHER RESOLVED THAT the Board of Directors of the Company be and is hereby authorised to do all such acts, deeds, things and matters as may be necessary, usual or proper for giving effect to the above resolution.”

By order of the Board
For **Webel-SL Energy Systems Ltd.**

Registered Office:

Plot No. N1, Block GP,
Sector V, Salt lake
Electronics Complex,
Calcutta - 700 091

Dated: 31st August, 2007

Jitendra Tiwari
Company Secretary

NOTES :

- a) A MEMBER ENTITLED TO ATTEND AND VOTE IS ALSO ENTITLED TO APPOINT ONE OR MORE PROXIES TO ATTEND AND VOTE INSTEAD OF HIMSELF AND A PROXY NEED NOT BE A MEMBER. PROXIES IN ORDER TO BE EFFECTIVE, MUST BE RECEIVED BY THE COMPANY NOT LATER THAN 48 HOURS BEFORE THE COMMENCEMENT OF THE MEETING.
- b) The Register of members and Transfer Books of the Company will remain closed from 17th September, 2007

to 28th September, 2007 (both days inclusive).

- c) The dividend as recommended by the Board of Directors, if approved at the meeting, will be made payable on or after 28th September, 2007, to those members whose names appear on the Register of Members of the Company as on 28th September, 2007, or to their mandates, to the extent eligible and also to the beneficial owners of the equity shares held in the electronic mode as per the details furnished by the depositories for this purpose.

d) Members holding shares in physical form are requested to notify immediately changes, if any, in their registered address and bank particulars to the Company at its Registered Office, or to its Registrars & Share Transfer Agent, at the following address, quoting their folio numbers :-

M/s. R&D Infotech Pvt. Ltd., 22/4, Nakuleshwar Bhatlacharjee Lane, Kolkata 700 026. Phone no: 91-033-2463 1658, fax no.: 91-033- 2463 1658, e-mail: rd.infotech@vsnl.net.

Explanatory statement pursuant to Section 173(2) of the Companies Act, 1956

Item no. 6

The terms of office of Shri S. L. Agarwal, Managing Director expired on 31st August, 2007. The Board of Directors at its meeting held on 31st August, 2007, has re-appointed Shri S. L. Agarwal as the Managing Director w.e.f. 1st September, 2007 for a further period of five years, however, subject to approval of the shareholders in the Annual General Meeting. The terms on which Shri S. L. Agarwal has been re-appointed, as aforesaid, are as follows:

Salary

Rs. 50,000 per month;

Commission

Commission of 5% of the net profit of the Company;

Perquisites

Perquisites will be allowed, in addition to the salary as aforesaid, provided that the amount of perquisites shall be restricted to an amount equal to the annual salary. The following perquisites will be allowed in addition to the salary.

Medical reimbursement

The expenses incurred by the Director for self and family, subject to a ceiling of one month's salary in a year, or three month's salary over a period of three years.

Leave travel concession

For self and family, once in a year, incurred in accordance with the rules of the Company.

Club fees

Fees of clubs subject to a maximum of three clubs to the Director. This will not include the admission and life membership fees.

Personal accident insurance

Premium not to exceed Rs. 4000 per annum to the Director.

Gas, electricity and water

The expenses incurred on gas, electricity and water at the residence will be reimbursed by the Company.

Gratuity

The gratuity will be limited to half a month's salary for each completed year of services.

Car and phone

Car for use of the Company's business and telephone at residence will be provided. They will, however, not be

considered as perquisites. Personal long-distance calls on telephone and use of car for private purpose shall be billed by the Company to the Director.

Other terms

i) Earned / privilege leave on full-pay allowance, as per the rules of the Company but not exceeding one month's leaves for every eleven months of services, subject to the condition that leave accumulated but not availed of shall be dealt with as per the income tax rules, 1962. Casual and sick leave on full-pay and allowance are as per the rules of the Company.

ii) Reimbursement of actual travelling, entertainment and all other expenses actually and properly incurred by him in connection with business of the Company as per rules of the Company.

iii) The total remuneration to Shri S. L. Agarwal in a financial year shall not exceed the limits as specified in the Companies Act, 1956, or any amendment thereto.

iv) The Managing Director as re-appointed above, so long as he functions as such, shall not be paid any sitting fee for attending meetings of the Board of Directors or any Committee(s) thereof.

v) Either party is entitled to terminate the appointment / agreement by giving to the other three months' notice in writing without any cause.

The existing contract / terms of appointment between the Company and Shri S. L. Agarwal stand terminated w.e.f. 1st September, 2007.

Shri S. L. Agarwal, so long as he functions as the Managing Director, shall not be subject to retirement by rotation.

The terms of appointment of the Director has been recommended by the Remuneration Committee.

This may be treated as an abstract pursuant to Section 302 of the Companies Act, 1956.

The Board recommends adoption of the resolution in the interest of the Company.

No Director of the Company except Shri S. L. Agarwal is interested or concerned in the resolution.

A copy of the re-appointment letter issued to Shri S. L. Agarwal is open for inspection by the members at the registered office of the Company during the Company's business hours on all working days.

Summers hotter
than before? Rivers
drier than ever?
Floods more severe
than in the past?


Get used to it.

Culprit: Increased atmospheric carbon dioxide level. What was 280 ppm in the pre-Industrial Age is expected to touch 625 ppm by 2050.

As a responsible organisation, we are confronting this probable reality through the manufacture of solar cells.

Clean. Universally applicable. Relatively low cost.
Protecting people and the planet.





Forty years from now, if you drive into a fuel station and get petrol, you might be lucky.

- ▼ Ghawar oil field (Saudi Arabia): In decline
- ▼ Burgan oil field (Kuwait): In decline
- ▼ Iran's six giant oilfields: In decline
- ▼ Iraq's two super giant oilfields: In decline
- ▼ Syria, Yemen and Oman oil fields: In decline
- ▼ Former Soviet Union, most giant oilfields: In steep decline
- ▼ Canada, conventional oil: In decline
- ▼ Central and South America oil fields: In decline
- ▼ Cantarell (Mexico): In steep decline
- ▼ Onshore reserves in Africa: In decline

Source: Simmons and Company, 2007

The oilfield of the future is not 200 feet deep below the surface. It is 96 million miles above the ground.



Report  Junction.com

The sun.

Practically inexhaustible energy source. Supplies the Earth more energy in just one hour than the world consumes in one year.





Webel-SL Energy Systems Limited is one of the fastest growing manufacturers of solar photovoltaic cells in Asia (outside Japan).

We are investing in our business with urgency. For earth's sake.

We possess an installed capacity of 10 MW today.

We are growing to 42 MW by the end of 2007-8 and 72 MW in 2009-10.

And intend to emerge as a 102-MW Company over the foreseeable future.

Promise

To emerge as one of the largest producers of SPV cells in Asia (outside Japan) through a prudent presence in the mono-crystalline (current technology used) and multi-crystalline technologies (to be employed) as well as in the value and volume ends of the market.

Positioning

- A rich 12-year presence in the global renewable energy space; one of the few dedicated producers of solar photovoltaic (SPV) cells and modules in India.

- Formed as a 100% export-oriented unit through a joint venture between West Bengal Electronics Industry Development Corporation, SL Industries Private Limited and Helios Technology, SPA, Italy.

- Absorbed technology from the foreign partner; now an independent manufacturer of solar cells and modules.

- Spearheaded by Mr S.L. Agarwal, Managing Director.

Products

- Manufactures cells and modules suitable for stand-alone and grid-connected projects.

- Products exported under the Webel-SL Solar brand enjoy a goodwill for reliability, longevity and performance.

- Products certified by reputed international agencies such as Underwriters Laboratories (UL), JRC ISPRA, UL, TUV and PV-GAP.

Presence

- Products exported to a number of countries – the US, the European Union, Africa, Australia and New Zealand, among others.

- The Company derived nearly 95% of its income through exports in 2006-7.

- Shares actively traded on the Bombay and Kolkata stock exchanges.

Production and technology capabilities

- Manufacturing facility located in Kolkata, India

- Use of mono-crystalline technology delivering high output efficiency.

- One of the few solar photovoltaic companies to have mastered the reclaimed technology.

Performance, 2006-7

- 56.61% increase in turnover to Rs 106.78 cr.

- 61.79% growth in EBIDTA to Rs 18.84 cr.

- 31.54% surge in post-tax profit to Rs 8.43 cr.

- 27.42% increase in cash profit to Rs 9.61 cr.

- 31.60% increase in EPS to Rs 12.95.

- 16.33% surge in market capitalisation to Rs 213.46 cr as on 31 March 2007.



Impressive past. Exciting future.

1998-99

- Production evolved to 6" wafers and modules up to 90 Wp for type W900.
- Received quality certification from JRC-ISPRA IEC 61215.

2000-01

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

1995-97

- Production commenced with technical support from an Italian company.
- Processed 5" wafers.
- Installed capacity reached 1 MW.

2006

- Expansion of installed capacity from 5 MW to 10 MW.
- Received JRC-ISPRA IEC 61215 standard certification as well as UL certification for all products.

2004

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

2002

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

2007 (31 March)

- Turnover crosses Rs 100 cr.

2005

- Introduced three new products, including the W2000R.

2003

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

2008 (E)

- Proposed commissioning of the state-of-the-art PECVD asset.
- Enhancement of installed capacity from 10 MW to 42 MW.



From the
Chairman's desk

Dear Shareholders

It is easy to sound pessimistic in the general run of things; when one is in the business of manufacturing something as environment friendly as solar photovoltaic cells, then it can be tempting as well.

So, I promise to present only fact, no interpretation; I promise to alert but not alarm; I promise to present, but not necessarily conclude.

The earth's choking

All of us have heard about environmental depletion but to what extent can we quantify the damage? A couple of statistics provide some interesting insights:

- **The ozone hole is growing:** Since 1985, the hole in the ozone layer that envelops the Earth has grown larger than Antarctica and there are predictions of a second hole over the Arctic region, which could expose millions to ultraviolet-B radiation.
- **Increasing de-forestation:** The damage to forests has been reported the world over, caused by acid rain from air pollution and other factors. The damage is intensifying in regions such as Africa and South America, where fears of heavy impact on ecosystems are growing. The forest cover in Africa has declined by over 50% over the last decade and a half, while in South America, it has reduced by around 37% over the same time.
- **Growing desertification:** Nearly a fourth of all continental land on the Earth has turned into deserts. This amounts to nearly 70% of all arable land in the dry regions constituting about 3.6 billion hectares. About 900 million people – or one in every six people on our planet — are affected by desertification.

The oil phenomenon

There is a second phenomenon that is perhaps related but happening unseen. When oil prices first increased, most people said that it was a cyclical move, which would soon correct;

The Kyoto Protocol has laid down a worldwide target for reduction in the emission of greenhouse gases by 5.3% by 2008-12, compared with their actual levels in 1990.



when oil prices declined from US\$70 to US\$58 a barrel last year and rebounded thereafter, a number of observers were confused; now that we are seeing rising bottoms and oil price seeking comfort in the domain of US\$70, we witness increasing references to when the oil runs out, a price in excess of US\$100 a barrel becomes a stable reality, declining cost of cars expects to increase oil demand and a projected skew in global consumption coming out of rising demand in India and China is expected to create the world's first conventional energy crisis.

The two phenomena – environmental degradation and oil price rise – are perhaps related. Over the last few decades, man has burnt oil without restraint, polluted the environment and depleted in a century and a half – or looks like anyway – what took centuries to create.

The result is that the use of renewable energy sources will not only be advisable a few years from now; it will be an absolute necessity.

Light years away

Ironically, even as we are talking of shifting from the use of conventional fossil fuels to renewable energy sources, there

is a staggering two-billion strong population – amounting to one in every three in the global population that still does not have access to electricity. Though lighting constitutes almost 18% of the total power usage in India, compared with 8-10% in developed countries, an estimated 52% – or one in every two – of the 1.1-billion-strong population live without electricity.

There are a few implications of what this means: one, that when conventional energy is provided to them, the global warming or fossil fuel depletion could accelerate; two, a number of these communities live distant from established population clusters, so it will cost considerably to reach conventional energy to them.

Although the Government of India has formulated an ambitious 'Power for All' programme that envisages doubling of power generation capacity to reach 200,000 MW by the end of the Eleventh Plan, the challenge does not merely comprise mobilising the huge investment required but also funding the growing operating costs, driven by the ever-increasing resource and commodity prices, and that too, on a sustainable basis. The challenge: delivery of affordable and environmentally-sustainable

energy to the energy-starved.

Turning to the sun

Solar energy reconciles both these requirements.

It is interesting to assess whether heat from the sun is more competitive than heat from fossil fuels. At present, it costs between USD 60 to 65 to obtain solar heat equivalent to the heat produced from burning a barrel of oil. So this technology could compete with oil at that price. It is becoming more and more evident that the era of cheap oil is over. Just consider: Oil at USD 65 a barrel (1 barrel is equivalent to 159 litres) roughly translates into the price of one-and-a-half litres of bottled water in India. As this anomaly corrects, it is projected that oil will reach over USD 100 a barrel.

As a result, it will be cost effective and safer to go with solar energy into the long-term. Besides, it is also estimated that over time, the cost per watt of solar power will be cheaper than any of the other renewable energy sources.

Making hay while the sun shines

World solar photovoltaic (SPV) market installations reached a record high of 1,744 MW in 2006, representing a growth of

19% over the previous year. Today, the size of the global solar energy industry is valued at an estimated USD 7 billion with the industry registering a compounded annual growth rate (CAGR) of 35-40% across the last decade.

It is interesting to note that despite relatively sluggish market conditions influenced by weakening realisations and tightening silicon prices, the industry raised over USD 4 billion in equity and debt financing, up from USD 1.8 billion the previous year. This reflects the strong optimism of the prospects of the global solar energy market; this is endorsed by a recent European Renewable Energy Council report, which projects the solar energy industry to account for 8% of the global energy market by 2030. Based on this optimism, there is a consensus that the industry will grow to USD 50 billion by 2050, over seven times its present worth.

Through the roof

A number of developed nations are leading the charge for promoting solar power as a sustainable source of green energy, the US being one of them.

In response to the mission of

reducing fossil fuel dependence and pollution, the US Department of Energy has formulated the Million Solar Roofs Initiative. The plan, which proposes to install solar energy systems in one million US buildings by 2010, will provide 3,000 MW of additional clean energy and reduce the output of greenhouse gasses by three million tonnes – akin to taking nearly one million cars off the road.

With a view to make the Million Solar Roofs Initiative viable, an economic component has been attached, comprising large tax credits for businesses and individuals for going solar. In addition, rebate programmes have also been initiated to help reduce the cost of purchasing a solar platform, besides providing credit to customers who sell surplus power in the form of adjustments with their monthly bills. This proposal is also expected to create an estimated 70,000 jobs due to the large requirement for qualified technicians to help install and service an ever-growing number of photovoltaic arrays and solar hot water systems.

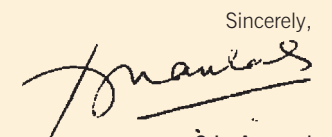
The Kyoto Protocol has laid down a worldwide target for reduction in the emission of greenhouse gases by 5.3% by 2008-12, compared with their actual levels in 1990.

Till December 2006, approximately 161 countries demonstrated their support by satisfying this protocol. Interestingly, recent European Union Directives stipulate the need to double the share of non-fossil renewable energy sources such as solar from 6% to 12% of gross energy consumption in Europe by 2010.

These directives as well as increasing government subsidies and incentives announced by different countries will establish solar energy as the most inexhaustible and preferred source of green and clean energy.

A time to acknowledge

As an organisation, we will respond to this call through an aggressive tenfold capacity expansion by 2010. This will help us to create a revenue potential of nearly Rs 1,300 cr and enable us to emerge as one of the most attractive global players in our industry over the coming years.

Sincerely,


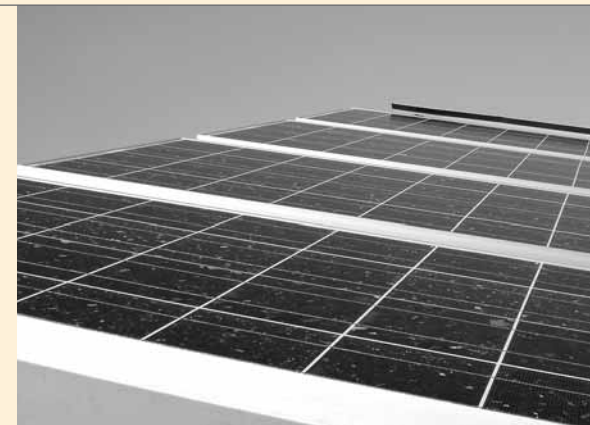
S.L. Agarwal
Managing Director,
Webel-SL Energy Systems Limited

Scale

Webel-SL has embarked on a capacity expansion from the present 10 MW to 42 MW (by 2007-8) and then to 72 MW with the objective to reach 102 MW – the biggest expansion in its history.

THIS AGGRESSIVE GROWTH WILL HELP THE COMPANY IN THE FOLLOWING WAYS:

- Enable it to leverage the value of its brand.
- Help it to cover fixed costs more profitably.
- Enable it to meet the growing needs of existing buyers.
- Help it to leverage economies of purchase.
- Enable it to reduce its break-even point, price products competitively and enhance market share.



Result

- Webel-SL will retain its position as one of the fastest growing solar cell and module manufacturers in Asia (outside Japan).