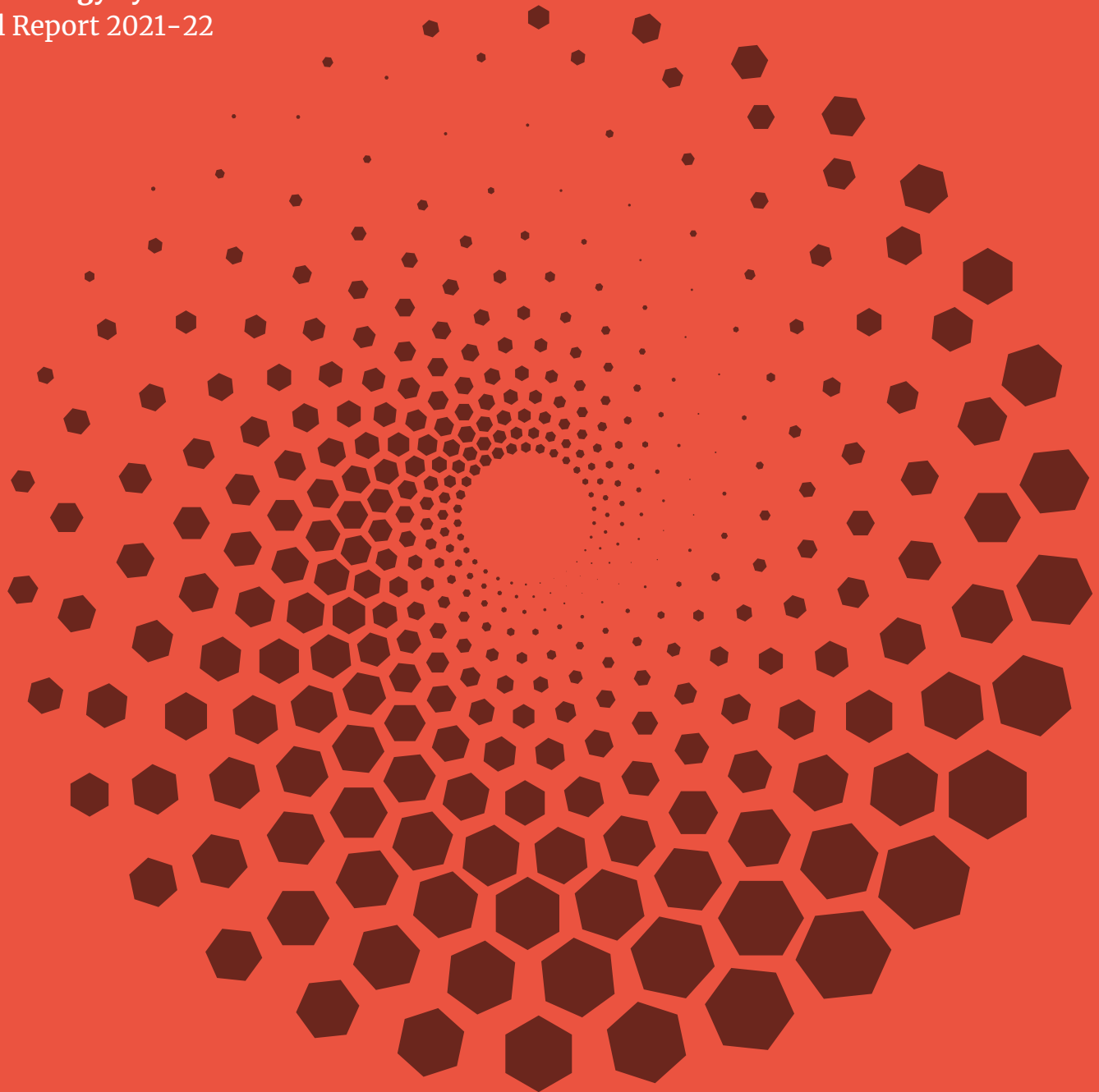
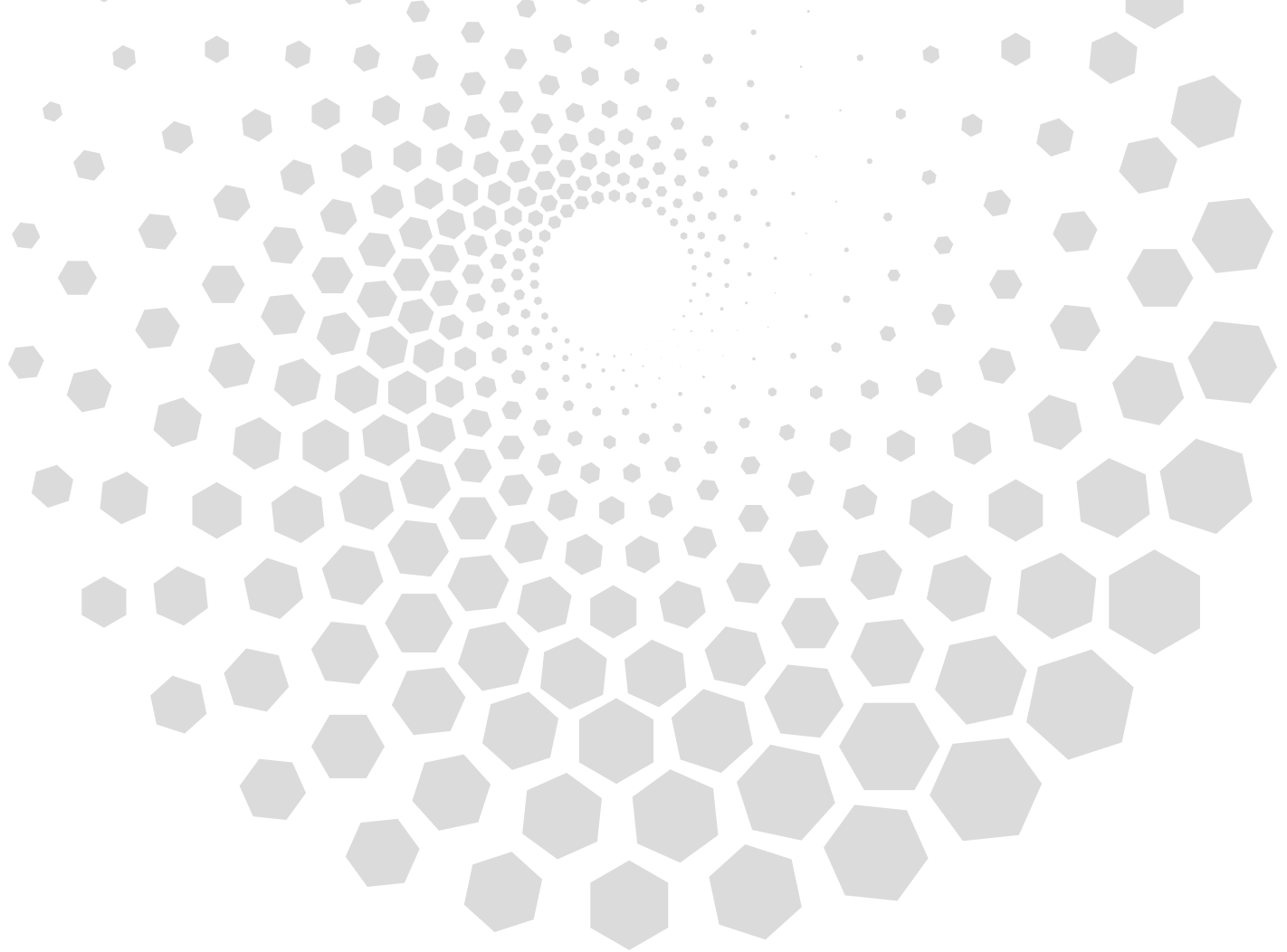


# India's only listed pure play profitable **solar cells and module manufacturer**

Websol Energy System Limited  
Annual Report 2021-22





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### 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 because of new information, future events or otherwise.

PART ONE

What we  
are, what  
we do and  
**how we  
performed**

# Websol Energy System Limited.

Pioneered the manufacture of solar cells in India.

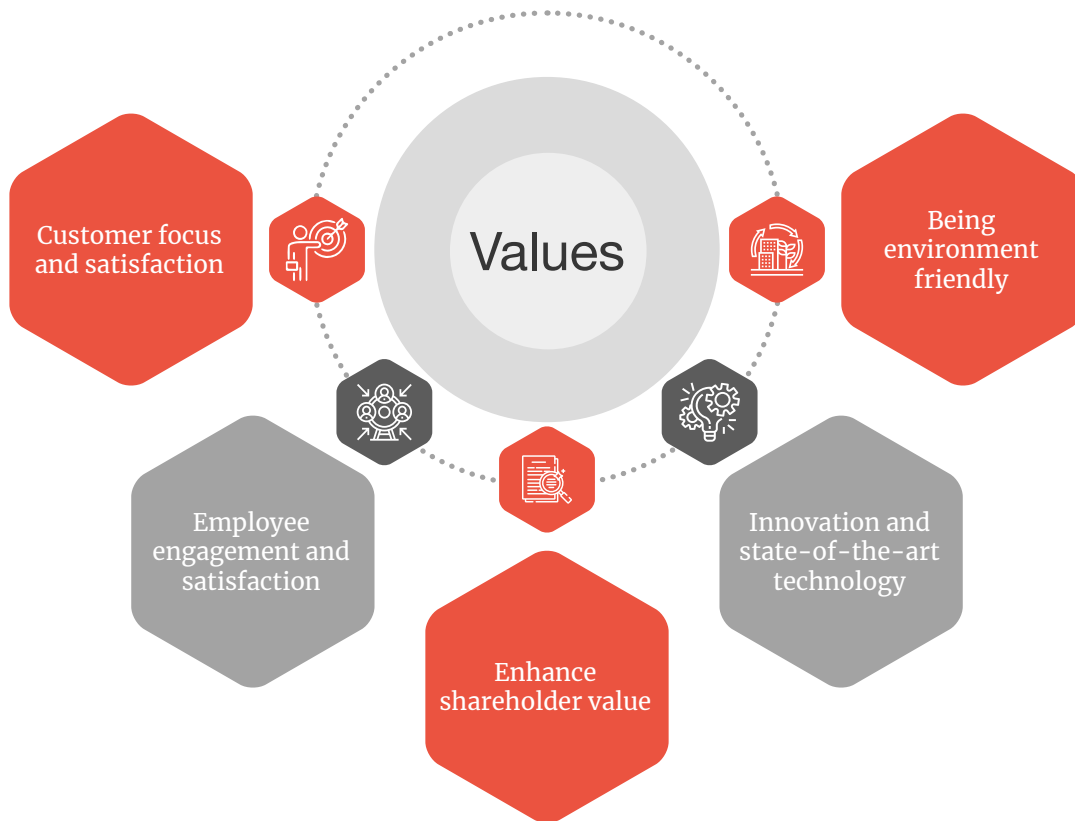
Endured through various market, policy and technology cycles.

Liquid, profit-making and debt-free today.

Positioned to address the growing 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 the conservation of natural resources and implement pollution control measures along with caring for our employees.

### Research and development

The Company has invested in a team of research professionals focused on delivering a better utilisation of solar cell manufacturing capacity, enhancing quality standards and addressing sectorial trends through product customisation and improvement.

### Experience

The Company has emerged as one of the leading solar photovoltaic cell players. The Company enjoys a prominent presence due to its longstanding experience of two-and-a-half decades. The Company commenced its business as a fully export oriented unit, serving Europe (Germany and Italy) and US. The Company has manufactured quality products for exports; its panels have been successfully in operation for 26 years.

### Talent

The Company comprised 250 workers and knowledge professionals as on 31st March, 2022. The average employee age was 35 on that date.

### Advanced technologies

The Company invested in cutting-edge technologies to address rapid technological advancements,

which enabled it 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.

### 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 that endorse its HSE compliance: 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.

# How we have grown across the years

## 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 began.

## 2005-06

Capacity enhanced from 5MW to 10 MW. 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 MW. Three new products were launched, including W2000R

#### 2007-08

International certifications IEC 61215 and IEC 61730 were obtained for 180/220Wp and 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 MW. 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 MW.

#### 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 commenced.

#### 2014-15

Installed a new texturising line to graduate to the manufacture of cost-effective multi-crystalline solar cells. Installed capacity enhanced to 180 MW.

#### 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 240MW.

#### 2017-18

Installed an advanced cell printing line 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 CO2 emission reduction of 97,659 kg) after the installation of a 120KW solar power facility connected to a grid in April 2017.

#### 2018-19

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 rejections.

#### 2019-20

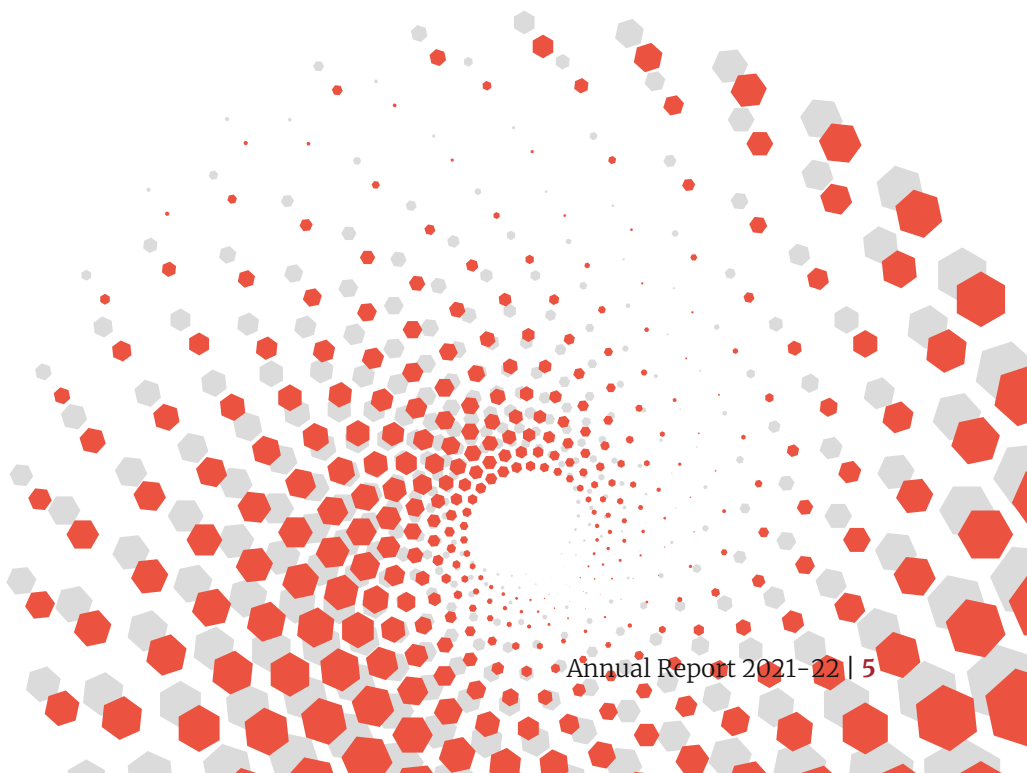
Owing to lower raw material costs, process improvements, enhanced productivity and shop floor energy savings, the Company reduced the cost of solar cell manufacture by 8%.

#### 2020-21

Websol increased the 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%. The Company achieved the highest cell line production

#### 2021-22

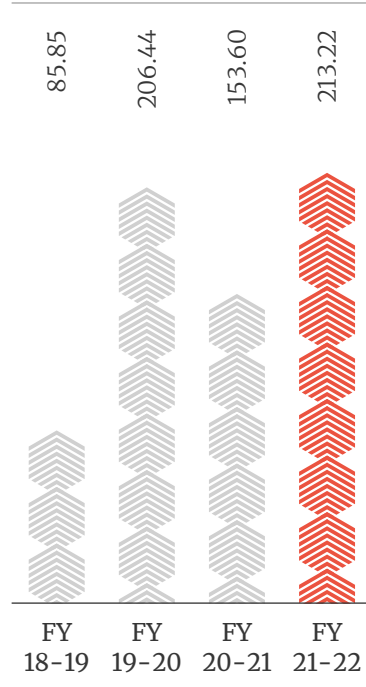
Websol continued to use its multicrystalline cells equipment to full capacity. The Company planned for capacity enhancement with technological upgradation to Mono PERC in line with international requirements.



# Our performance over the years

## Revenues

(Rs crore)



### 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, FY2021-22

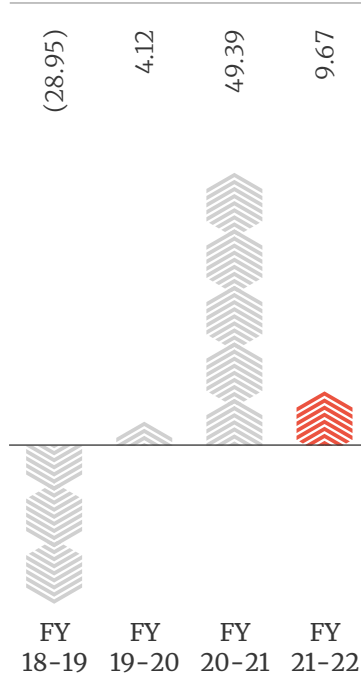
The revenue from operations increased by 39% to Rs 213.22 crore during FY2021-22. In FY2021-22, the market bounced back and there was a good demand for our products.

### Value impact

Develops a strong growth foundation on which profits can be built

## PAT

(Rs crore)



### Definition

Profits earned during the year net of all expenses and provisions

### Reason for measurement

It indicates the robustness of the business model

### Performance, FY2021-22

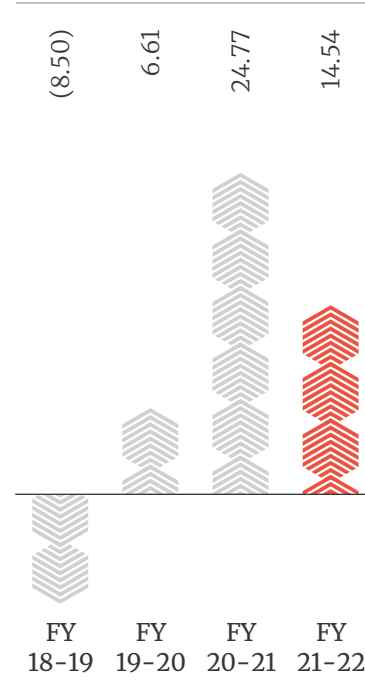
The profit after tax of the Company was less, due to lower exceptional items. In FY2021-22, PAT was low compared to FY2020-21 as write backs were more in FY2020-21

### Value impact

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

## EBITDA margin

(%)



### 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, FY2021-22

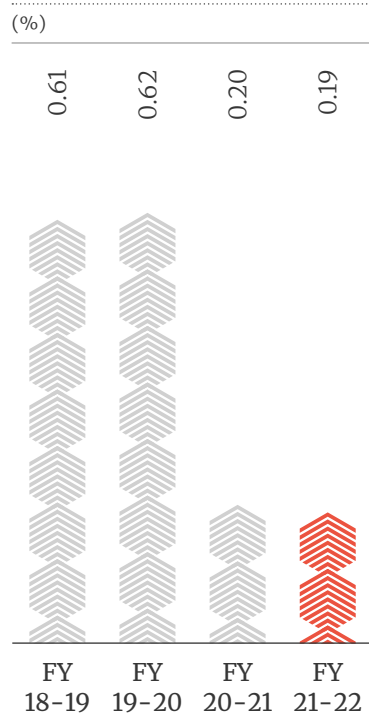
The Company's EBITDA margin decreased by more than 700 bps in FY2021-22 as competition grew and selling price per Wp reduced.

### Value impact

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



## Debt-equity ratio



### Definition

It is a leverage ratio, that calculates the ratio of total debt to shareholder's equity (after the 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.

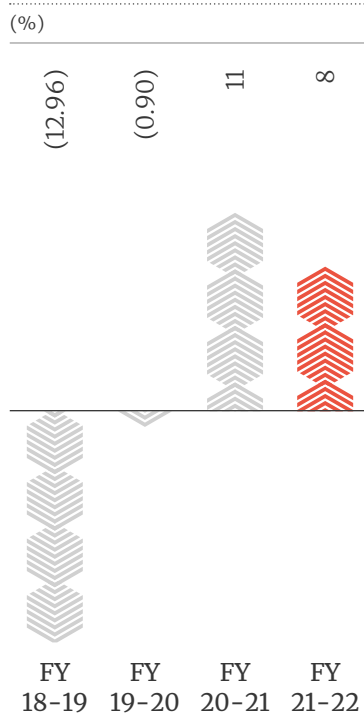
### Performance, FY2020-21

The Company's debt-equity ratio strengthened from 0.20 in FY2020-21 to 0.19 in FY2021-22.

### Value impact

The gearing was largely maintained, reflecting the integrity of the Balance Sheet

## RoCE



### Definition

It is a financial ratio that assesses a company's profitability and measures the effectiveness of the Company's utilisation 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 utilisation of capital – especially in capital-intensive sectors

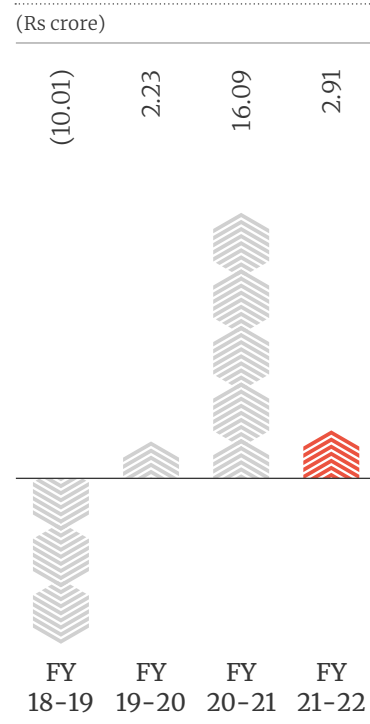
### Performance, FY2021-22

Due to present technology becoming obsolete, no capex additions were done. Due to a reducing EBITDA margin, the RoCE reported a reduction compared to FY2020-21

### Value impact

Following a decline in ROCE due to the Covid pandemic, the profit was impacted

## Earnings per share



### 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, FY2021-22

The Company's EPS decreased from Rs16.09 in FY2020-21 to Rs2.91 in FY2021-22.

### Value impact

Decreased earnings per share due to Covid pandemic effected profits.

# The financial health of our business

Year, FY2021-22	Quarter one	Quarter two	Quarter three	Quarter four
Revenues (Rs crore)	44.60	59.30	50.48	63.43

Year, FY2021-22	Quarter one	Quarter two	Quarter three	Quarter four
EBITDA (Rs crore)	8.83	8.53	8.66	6.2

Year, FY2021-22	Quarter one	Quarter two	Quarter three	Quarter four
Profit after tax (Rs crore)	3.12	4.04	2.01	0.50

Year, FY2021-22	Quarter one	Quarter two	Quarter three	Quarter four
Cash profit (Rs crore)	6.94	7.91	5.87	4.29

Year, FY2021-22	Quarter one	Quarter two	Quarter three	Quarter four
EBITDA margin (%)	20.53	14.38	17.15	9.90

Year, FY2021-22	Quarter one	Quarter two	Quarter three	Quarter four
Interest cover (x)	6.34	6.47	6.59	2.98

Year, FY2021-22	Quarter one	Quarter two	Quarter three	Quarter four
Interest outflow (Rs crore)	0.79	0.72	0.73	0.81