



PRESS RELEASE: WEBSOL ENERGY SYSTEMS, ANNUAL RESULTS AND Q4 FY 2020-21

Websol Energy Systems Limited, a listed Kolkata-based manufacturer of solar cells and modules, posted a handsome improvement in performance during the fourth quarter and financial year ended 31 March 2020-21.

The company is among the largest merchant manufacturer of solar cells and modules in India servicing the growing needs of the country's renewable energy revolution.

The total company's revenues from operations is of 153.5 crores derived from 158 MW of cells and 8 MW of solar modules in F.YR 2020-2021.

For the F.Yr 21-22, The Company and the Management is also working toward production of 175 MW of Solar Cell and 135 MW of Solar Module for F.YR 2021-22.

The company yearly profitable growth and increase in EBIDTA increases with improvement in performance derived from increased cell throughput, improved realisations and resumption of the module line.

“The improved performance of the company during the fourth quarter and the full year is a reflection of the sharp turnaround in operating realities of the renewable energy sector in India,” said SL Agarwal, Managing Director. “This improvement has been driven principally by a forward-looking government policy. The company was able to widen cell manufacturing margins, moderate raw material costs as a percentage of revenues from 60.55% per cent in the third quarter to 53.67% per cent in the fourth quarter, strengthening overall competitiveness.”

The company expects to capitalise on the improvement in sectorial prospects. India is probably the only country within the G-20 to have met its target in renewable energy accretion. The country has targeted to commission 175GW of renewable energy capacity creation by 2022 and 450 GW by 2030. The government announced a production-linked incentive scheme for the manufacture of solar modules and raised the customs duty on the import of solar cells to 40 per cent effective 1 April 2022.

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The trickle-down of this reality is being reflected in the prospects of Websol Energy Systems. The company intends to increase solar cell production to 175 MW and module capacity to 135 MW, representing an attractive increase over the last financial year. “The company is sold out for its complete manufacture of solar cells for the coming months,” says Mr SL Agarwal. “In view of this reality, the company is restructuring its existing 250 MW solar cell capacity towards higher cell sizes and contemplating the commissioning of additional solar cell capacity incorporating cutting-edge technology to be commercialised in 18 months. We believe that when the expansion is commissioned, the company will retain its position among the largest merchant solar cell manufacturers in India, capitalizing on the renewable energy revolution.”

During the fourth quarter of the current financial year, Websol Energy Systems reported an EBIDTA of Rs 10.72 cr following up on a corresponding figure of Rs 60.28 cr (which was due to exceptional items of Rs 55.31 crores considered last time, mainly as a result of write back)in the third quarter. A depreciation provision was made for Rs 3.78 cr. The company reported an interest outflow of Rs 2 cr .The company reported a profit before tax of Rs 4.94 cr from operations in the fourth quarter compared with a profit before tax of Rs 53.63 cr (which was due to exceptional items of Rs 55.31 crores considered last time, mainly as a result of write back)in the third quarter

Websol Energy Systems has been a pioneer in the manufacture of solar energy cells, having gone into production with a capacity of 1 MW in the mid-Nineties. The company grew steadily to emerge as a 250 MW solar cells and 250 MW modules manufacturer. The company possesses a successful track record of having exported solar cells to Europe and North Africa, backed by certifications from the most demanding global agencies.

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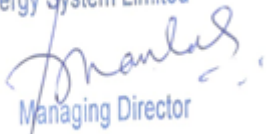
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“The company is attractively placed to capitalize on the prevailing sectorial reality by making a sizable investment in additional capacity,” says SL Agarwal. “During the current year, the company’s interest outflow will decline sharply on account of virtually no long-term debt on the books. Besides, the company commissioned its dormant 250 MW module manufacturing line in the last quarter. The accumulated loss of the previous years will provide a multi-year tax hedge. We will utilize this advantage to build a broadbased, competitive and sustainable organization in the wake of the PLI scheme of the government and the Atmanirbhar Bharat direction of the government that is intended to graduate India into a global hub for the manufacture of solar energy equipment.”

Websol Energy System Limited

Managing Director

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