



PRESS RELEASE: WEBSOL ENERGY SYSTEMS, Q3 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 third quarter (ending 31 December 2020) of the current financial year FY 2020-21. The company is the one of the largest merchant manufacturer of solar cells in India servicing the growing needs of the country's renewable energy revolution.

The company reported a 21.3 %per cent improvement in revenues during the third quarter (December ending) over the immediately preceding quarter of the current financial year (September ending). This was corresponded by profitable growth with a 373.8% per cent increase in EBITDA over the preceding quarter. The performance of the third quarter of the current financial year was marked by an attractive EBITDA of 60.28 crores, a significant improvement over the immediately previous quarter, indicating the growing competitiveness of the business. The improvement in performance was derived singularly from the manufacture and sales of solar cells.

"The improved performance of the company during the third quarter is a reflection of the sharp turnaround in the ground realities of the renewable energy sector in India," said SL Agarwal, Managing Director. "This improvement has been driven by forward-looking government policy and has reflected in improved revenues and a substantial improvement in business quality. I am pleased to report that the company was able to moderate raw material costs as a percentage of revenues from 66 %per cent in the second quarter to 63.5%per cent in the third quarter, strengthening overall margins and 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

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commission 175GW of renewable energy capacity by 2002 and 450 GW by 2030.

The trickle-down of this reality is being reflected in the prospects of Websol Energy Systems. "The company is sold out for its complete manufacture of solar cells for the next six 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 is evaluating to set up of another 300 MW solar cell capacity to be commercialized over the next 12 months. This is with the overall objective of the company to retain its position among the largest merchant solar cell manufacturers in India, capitalizing on the renewable energy revolution."

During the third quarter of the current financial year, Websol Energy Systems reported an EBIDTA of Rs 60.28 cr following up on a corresponding figure of Rs 12.72 cr in the second quarter. A depreciation provision was made for Rs 3.88 cr. The company reported an interest outflow of Rs 2.77cr, which included Rs 1.81 cr of one-time penal interest for loans settled with lenders. The company reported a profit before tax of Rs 53.63 cr from operations in the third quarter compared with a profit before tax of Rs 5.86 cr in the second quarter. The Other Income and Exceptional Items reflected in the performance were duly certified by the auditor.

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.

"The company is attractively placed to capitalize on the prevailing sectorial reality by allocating all its accruals into additional capacity," says SL Agarwal. "From the fourth quarter onwards, the company's interest outflow will decline sharply on account of virtually no long-term debt on the books. Besides, the company will commission its dormant 250 MW module



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manufacturing line from 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 intended to graduate India into a global hub for the manufacture of solar energy equipment."



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