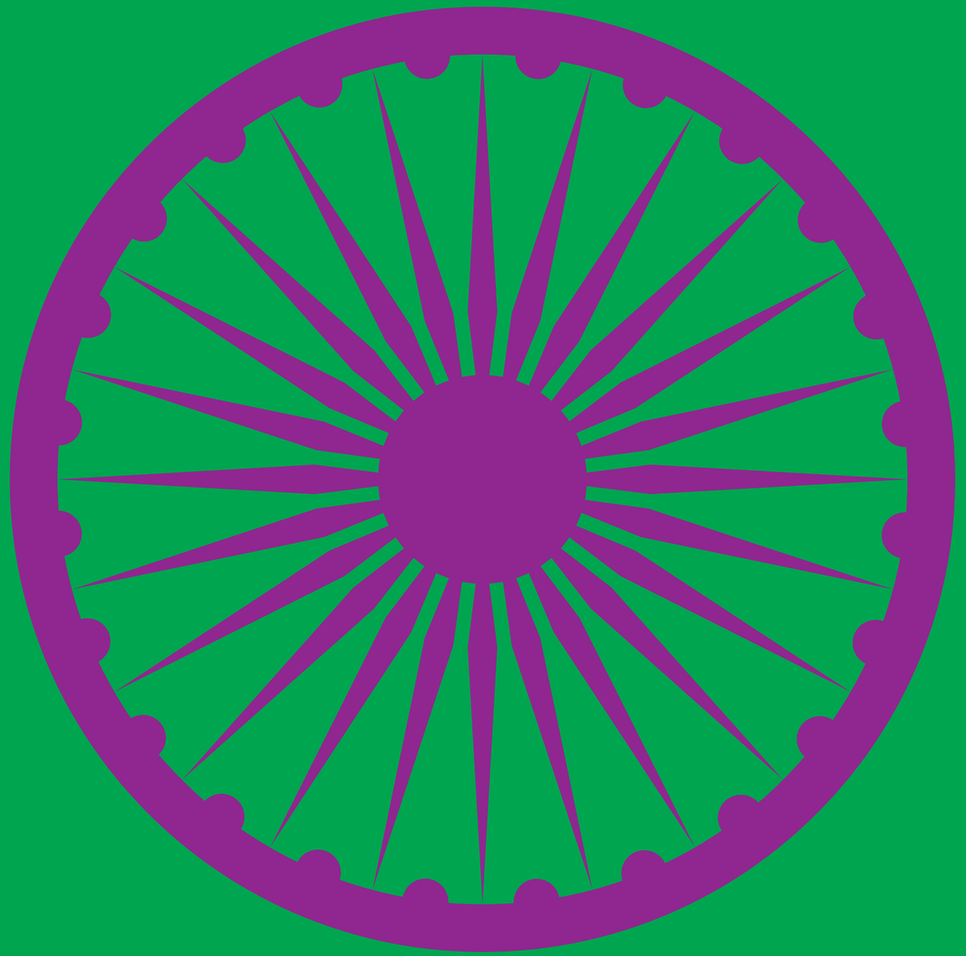
MAKE IN INDIA

RENEWABLE ENERGY

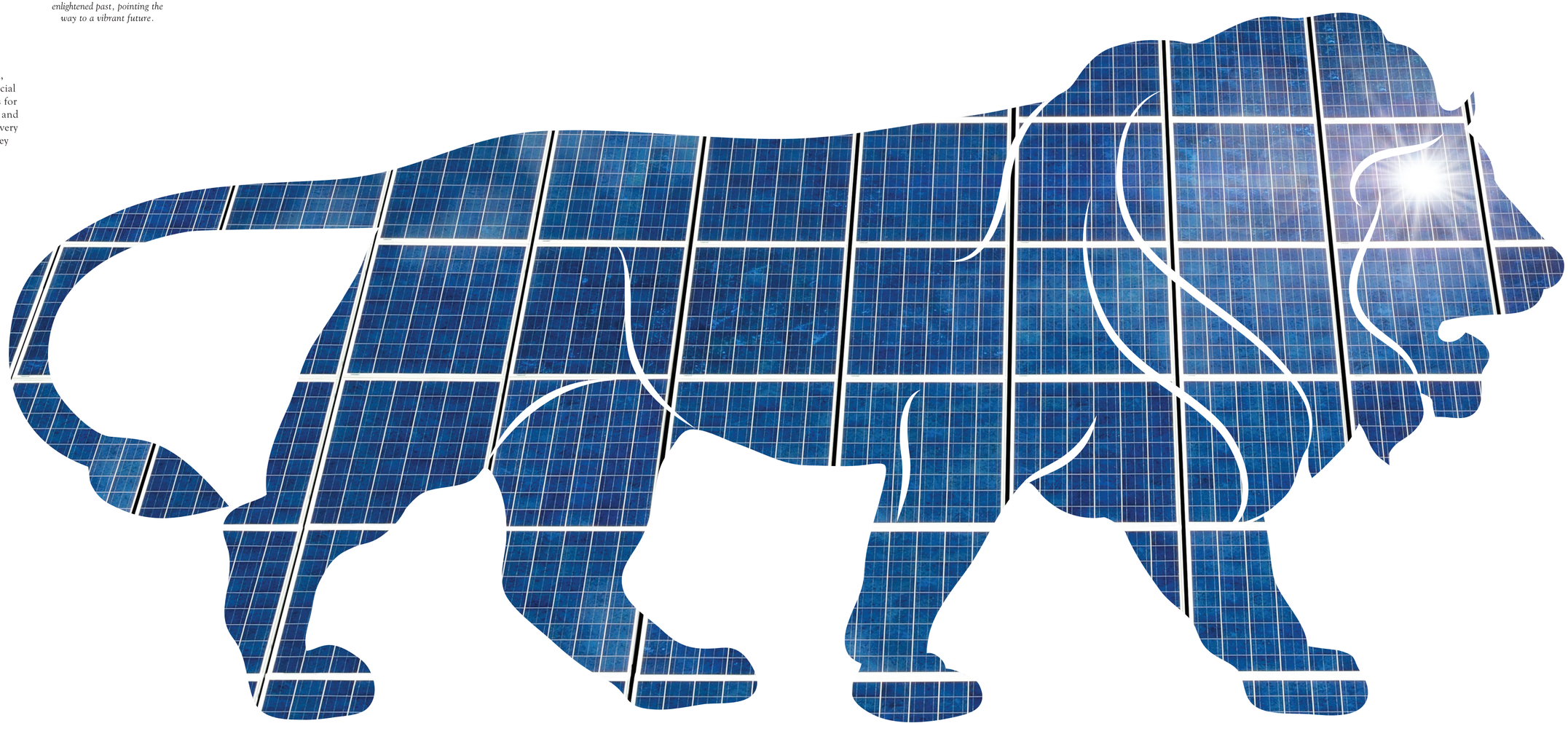


FROM AGRICULTURE TO AUTOMOBILES
FROM HARDWARE TO SOFTWARE
FROM SATELLITES TO SUBMARINES
FROM TELEVISIONS TO MOVIES
FROM BRIDGES TO BIOTECHNOLOGY
FROM PAPER CLIPS TO POWER PLANTS
FROM ROADS TO CITIES
FROM FRIENDSHIP TO PARTNERSHIP
FROM PROFIT TO PROGRESS
WHATEVER YOU WANT TO MAKE:
MAKE IN INDIA

The Ashoka Chakra is a central element in India's national emblem and also forms the centrepiece of India's national flag. The wheel denotes peaceful progress and dynamism – a sign from India's enlightened past, pointing the way to a vibrant future.

सत्यमेव जयते

Since time immemorial, the Lion has been the official emblem of India. It stands for strength, courage, tenacity and wisdom – values that are every bit as Indian today as they have ever been.




WINDFALL GAINS.
HOME IN ON SURPRISINGLY HIGH RETURNS WITH THE WORLD'S FIFTH LARGEST PRODUCER OF WIND ENERGY.
5TH LARGEST POWER GENERATION PORTFOLIO
5TH LARGEST WIND ENERGY PRODUCER
1,500 MW ANNUAL PV CAPACITY BY THE END OF 2014
245 GW OF INSTALLED CAPACITY AS OF MARCH 2014
20,000 MW OF SOLAR POWER BY 2022

NEW INITIATIVES

THE MAKE IN INDIA PROGRAM INCLUDES MAJOR NEW INITIATIVES DESIGNED TO FACILITATE INVESTMENT, FOSTER INNOVATION, PROTECT INTELLECTUAL PROPERTY AND BUILD BEST-IN-CLASS MANUFACTURING INFRASTRUCTURE.

1 NEW PROCESSES

- SPECIAL FOCUS ON EASE OF DOING BUSINESS
- DE-LICENSING & DEREGULATION

2 NEW INFRASTRUCTURE

- INDUSTRIAL CORRIDORS
- INDUSTRIAL CLUSTERS
- SMART CITIES
- NURTURING INNOVATION
- SKILL DEVELOPMENT

3 NEW SECTORS

- OPENING OF CRITICAL SECTORS LIKE DEFENSE, CONSTRUCTION AND RAILWAYS FOR FDI

4 NEW MINDSET

- DEDICATED TEAMS THAT WILL GUIDE AND ASSIST FIRST-TIME INVESTORS FROM TIME OF ARRIVAL
- FOCUSSED TARGETTING OF COMPANIES ACROSS SECTORS

FACTS + FIGURES

REASONS TO INVEST

→ India has the fifth largest power generation portfolio worldwide with a power generation capacity of 245 GW.

→ Economic growth, increasing prosperity, a growing rate of urbanization and rising per capita energy consumption has widened access to energy in the country.

→ Current renewable energy contribution stands at 31.70 GW of the total installed capacity of 245 GW in the country as on 31.03.2014.

→ Wind energy is the largest renewable energy source in India. The Jawaharlal Nehru National Solar Mission aims to generate 20,000 MW of solar power by 2022, creating a positive environment among investors keen to tap into India's potential.

→ The country offers unlimited growth potential for the solar photovoltaic industry.

GROWTH DRIVERS

→ India is the fourth largest importer of oil and the sixth largest importer of petroleum products and LNG globally. The increased use of indigenous renewable resources is expected to reduce India's dependence on expensive imported fossil fuels.

→ The government is playing an active role in promoting the adoption of renewable energy resources by offering various incentives, such as generation-based incentives (GBIs), capital and interest subsidies, viability gap funding, concessional finance, fiscal incentives etc.

→ The National Solar Mission aims to promote the development and use of solar energy for power generation and other uses, with the ultimate objective of making solar energy compete with fossil-based energy options.

→ The objective of the National Solar Mission is to reduce the cost of solar power generation in the country through long-term policy, large scale deployment goals, aggressive R&D and the domestic production of critical raw materials, components and products.

→ Renewable energy is becoming increasingly cost-competitive compared to fossil fuel-based generation.

→ Wind energy equipment prices have fallen dramatically due to technological innovation, increasing manufacturing scale and experience curve gains.

→ Prices for solar modules have declined by almost 80% since 2008 and wind turbine prices have declined by more than 25% during the same period.

→ The government has created a liberal environment for foreign investment in renewable energy projects. The establishment of a dedicated financial institution - the Indian Renewable Energy Development Agency, makes for renewed impetus on the promotion, development and extension of financial assistance for renewable energy and energy efficiency/conservation projects.

STATISTICS

→ India is endowed with vast potential for solar energy and is rapidly emerging as a major manufacturing hub for solar power plants. It is expected that the annual PV-installed capacity will grow at a CAGR of around 49.5% between 2010 and 2014 to reach 1,500 MW by the end of 2014.

→ Wind energy accounts for nearly 70% (21.1 GW) of installed capacity, thereby making India the world's fifth largest wind energy producer.

→ The Government of India has set a capacity addition target of 30 GW, which will take the total renewable capacity to almost 55GW by the end of 2017. This includes 15 GW from wind power, 10 GW from solar power, 2.9 GW from biomass power and 2.1 GW from small hydro power.

INVESTMENT OPPORTUNITIES

→ From barely 20 MW in 2011, India's installed solar capacity has increased to 1,686 MW at the end of 2013.

→ India has vast untapped renewable energy resources – wind energy has installed capacity of 21.1 GW and an estimated potential of 102.8 GW.

→ Small hydro has installed capacity of 3.8 GW and an estimated potential of 19.7 GW.

→ Bio-power (including biomass and bagasse co-generation) has an installed capacity of 4.1GW as opposed to an estimated potential of 22.5 GW. Solar power has installed capacity of 1.7 GW against the potential of 6 GW.

→ The Solar Policy of Rajasthan notified in 2011 envisages the setting up of solar manufacturing facilities at proposed solar parks.

→ The Gujarat Solar Park also makes special provisions for encouraging on-site manufacturing facilities to provide equipment to projects coming up within the park as well as adequate repairs, maintenance and skilled manpower to service projects within the park.

FDI POLICY

Foreign Direct Investment (FDI) up to 100% is permitted under the automatic route for renewable energy generation and distribution projects subject to provisions of The Electricity Act, 2003.

FINANCIAL SUPPORT

KEY PROVISIONS IN BUDGET 2014-15:

→ Allocation of INR 5 Billion towards the proposed ultra-mega solar power projects in Rajasthan, Gujarat, Tamil Nadu and Ladakh in J&K which includes an allocation of INR 4 Billion for launching a scheme for solar power driven agricultural pump sets and water pumping stations for energizing 100,000 pumps and a future allocation of INR 1 Billion for the development of 1 MW solar parks on the banks of canals.

→ Excise duty is being reduced from 12% to NIL on forged steel rings used in the manufacture of bearings of wind-operated electricity generators.

→ Full exemption from excise duty is being provided for solar tempered glass used in the manufacture of solar photovoltaic cells/modules, solar power generating equipment/system and flat plate solar collectors.

→ Full exemption from excise duty is being granted in respect of machinery, equipments etc. required for setting up of solar energy production projects.

→ Full exemption from excise duty is being provided to backsheet and EVA sheet used in the manufacture of photovoltaic cells/modules and specified raw materials used in their manufacture.

→ Full exemption from excise duty is being provided to parts consumed within the factory of production for the manufacture of non-conventional energy devices.

→ Full exemption from excise duty is being provided on flat copper wire used in the manufacture of PV ribbons (timed copper interconnect) for use in the manufacture of solar cells/modules.

→ Full exemption from excise duty is being provided on machinery, equipment etc. required for the setting up of compressed biogas plants (Bio-CNG).

→ Basic customs duty is being reduced from 10% to 5% on forged steel rings used in the manufacture of bearings of wind-operated electricity generators.

→ Full exemption from SAD is being provided on parts and components required for the manufacture of wind-operated electricity generators.

→ Basic customs duty on machinery, equipments etc. required for the setting up of solar energy production projects is being reduced to 5%.

→ Full exemption from basic customs duty is being provided on specified raw materials used in the manufacture of solar back sheet and EVA sheet.

→ Full exemption from basic customs duty is being provided on flat copper wire used in the manufacture of PV ribbons (timed copper interconnect) for solar PV cells/modules.

→ Concessional customs duty of 5% is being provided on machinery, equipment etc. required for the setting up of compressed biogas plants.

INCENTIVES OFFERED BY THE GOVERNMENT FOR THE DEVELOPMENT OF THE SOLAR ENERGY SECTOR INCLUDE:

→ Exemption from excise duties and concession on import duties on components and equipment required to set up a solar plant.

→ A 10-year tax holiday for solar power projects.

→ Wheeling, banking and third party sales, buyback facility by states.

→ Guaranteed market through solar power purchase obligation for states.

→ GBI schemes for small solar projects connected to a grid below 33KV.

→ Reduced wheeling charges as compared to those for conventional energy.

→ Special incentives for exports from India in renewable energy technology under renewable sector-specific SEZ.

→ A payment security mechanism to cover the risk of default by state utilities/discoms.

→ A subsidy of 30% of the project cost for off-grid PV and solar thermal projects.

→ Loans at concessional rates for off-grid applications.

FISCAL INCENTIVES FOR BIOMASS POWER PROJECTS:

→ Accelerated depreciation: a claim of 80% depreciation in the first year for certain specific equipment.

→ A 10-year income tax holiday.

→ Concessional customs duty and excise duty exemption for machinery and components during the setting up of the project.

→ An exemption of sales tax in certain states.

→ Financial assistance from IREDA for the setting up of biomass power and bagasse co-generation projects.

FISCAL INCENTIVES FOR SMALL HYDRO POWER PROJECTS:

→ Preferential tariffs.

→ Central financial assistance to the state government and the private sector for the setting up of small/mini hydro projects.

→ A subsidy to upgrade watermills and thereby improve their efficiency.

→ Custom duty concessions.

→ A 10-year tax holiday.

SECTOR POLICY

GUIDELINES FOR GREEN LARGE-AREA DEVELOPMENTS BY MNRE:

→ These guidelines cover various fiscal and promotional policies for the development of wind energy, which accounts for 69% of installed capacity.

→ The package of incentives (except wind) includes fiscal concessions such as 80% accelerated depreciation, concessional custom duty for specific critical components, excise duty exemption, income tax exemption on profits for power generation etc. in wind power projects.

THE PROVISION OF CENTRAL FINANCIAL ASSISTANCE FOR SMALL/ MICRO HYDRO-POWER PROJECTS:

→ The MNRE is providing central financial assistance to set up small/micro hydro projects both in the public and private sectors. Support is also given to state governments for the identification of new potential sites, including surveys, the preparation of detailed project reports and the renovation and modernization of old projects.

THE SETTING UP OF THE SOLAR ENERGY CORPORATION OF INDIA:

→ The mandate of the Solar Energy Corporation of India (SECI) allows wide-ranging activities to be undertaken with an overall view to facilitate the implementation of the National Solar Mission and the achievement of targets set therein. The SECI has the objective of developing solar technologies and ensuring inclusive solar power development throughout India.

THE ANNOUNCEMENT OF THE OFFSHORE WIND ENERGY POLICY:

→ To promote deployment of offshore wind farms up to 12 nautical miles from coast.

→ To promote investment in energy infrastructure.

→ To promote spatial planning and management of maritime renewable energy resources in the exclusive economic zone.

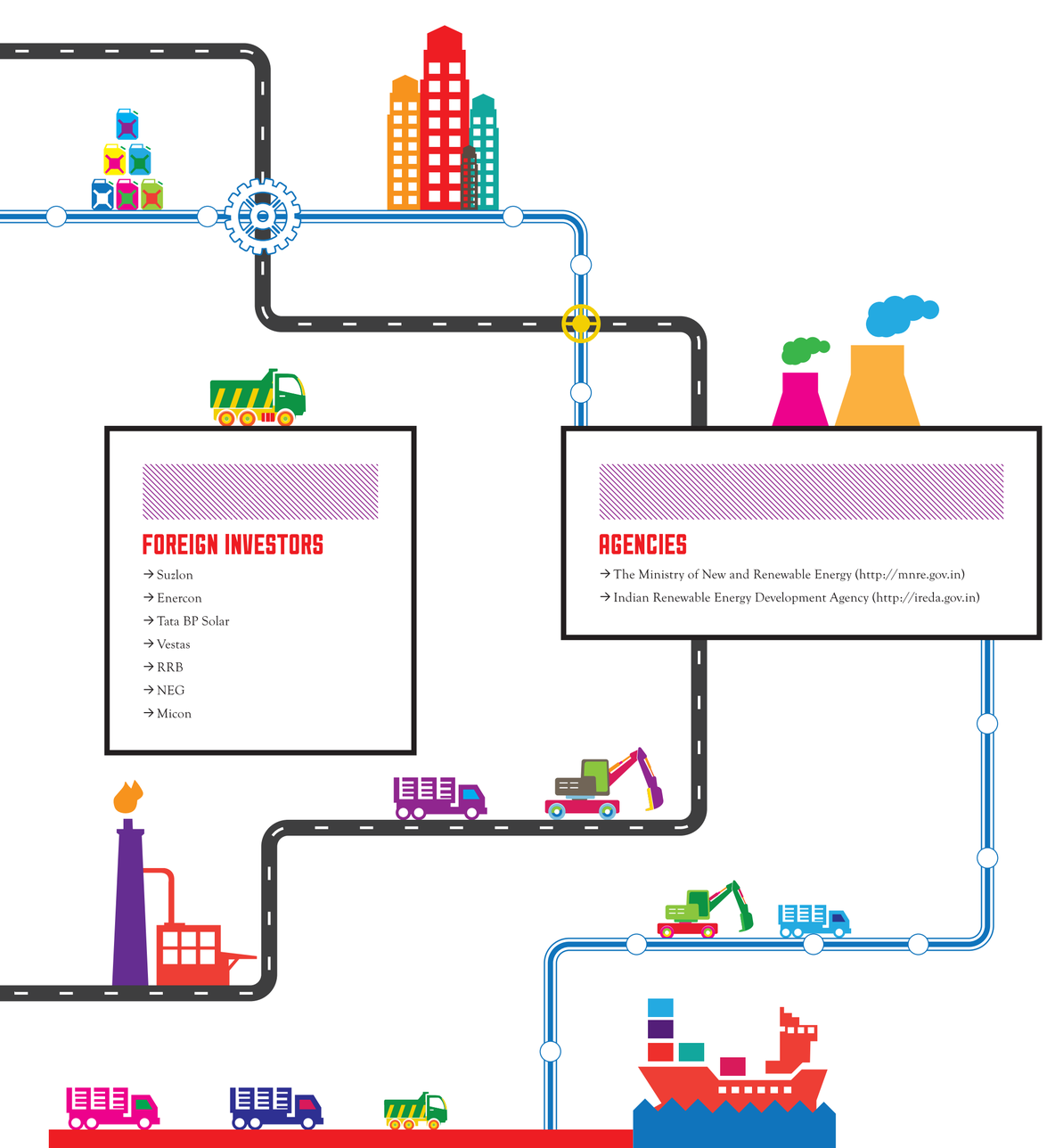
→ To achieve energy security and reduce carbon emissions.

→ To encourage indigenization of offshore wind energy technology.

→ To promote R&D in the offshore wind energy sector.

STATE INITIATIVES:

→ State Electricity Regulatory Commissions in Andhra Pradesh, Haryana, Punjab, Madhya Pradesh, Maharashtra, Rajasthan, Tamil Nadu, Gujarat, Kerala, Punjab, Orissa and West Bengal have announced preferential tariffs for purchase of power from wind power projects.



FOREIGN INVESTORS

→ Suzlon
→ Enercon
→ Tata BP Solar
→ Vestas
→ RRB
→ NEG
→ Micon

AGENCIES

→ The Ministry of New and Renewable Energy (http://mnre.gov.in)
→ Indian Renewable Energy Development Agency (http://ireda.gov.in)

सत्यमेव जयते

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