

# WELLSPUN RENEWABLES

This report shows how Government incentives for 'Make in India' can boost the renewable energy sector. It proposes an expansion strategy for Welspun Renewables towards achieving economic competitiveness for renewables.

Finalist – ***Metamorphosis competition***

Vista Business Fest 2015

Written by: KH Suraj Kumar Singha, Siddharth Banerjee  
(students of: UNITED WORLD SCHOOL OF BUSINESS)

Tejas is proud to present the award-winning articles of its flagship whitepaper competition ***Metamorphosis***, conducted during IIMB's 3-day business fest ***Vista*** (2015). Tejas congratulates the winning teams for their outstanding performance and thanks all participants for their dedicated efforts.

**The *Metamorphosis* challenge:** The vision of '*Make In India*' is holistic development in infrastructure, manufacturing, renewable energy, and other key sectors. Large conglomerates are in a position to provide strategic impetus to drive domestic growth, as they have huge capital outlay and managerial talent. At '*Metamorphosis*', Tejas challenges participants to develop expansion and diversification strategies for a specific company, by capitalizing on *Make in India* initiatives. The strategy should consider regulatory framework, government involvement and subsidies, resource outlay, and potential challenges in implementation.

**Disclaimer:** These articles are participant entries submitted in the ***Metamorphosis*** competition. These have not been edited by Tejas, nor does Tejas endorse the views expressed in these articles. All articles have been published with the express permission of the participants.

# Welspun Renewables

## Introduction:

Welspun Renewables is the pioneering organization to utilize the power of the sun and wind.

Welspun renewable is Delhi based ISO 9001:2008 Certified A+ rated energy renewable company. It is the biggest developer of solar projects in India. For Make in India it is one of the biggest reliable renewable energy company.

## Harnessing solar power:

Within a short span existence Welspun pioneered solar power solutions, both in terms of plant size and total installed capacity. In line with Honorable Prime Minister Mr. Narendra Modi's 175 GW renewable vision, Welspun committed to establishing 11001 MW of renewable capacities across the country. Towards this goal, in next few years we will be setting up 5 GW capacities, and of this 1 GW will be commissioned well within 2015-16. Welspun power plants are spread across Gujarat, Rajasthan, Madhya Pradesh, Maharashtra, Karnataka, Punjab, Tamil Nadu and Andhra Pradesh. 151 MW (DC) Neemuch MP solar power plant is one of the world's largest and was developed eight months ahead of schedule. 55 MW (DC) Phalodi Rajasthan solar capacity is one of India's largest and is counted among the highest generating plants in the country. The recently commissioned 19 MW (DC) Chitradurga plant is Karnataka's largest solar project. It has also 60 MW solar plant in Tamil Nadu, 34 mw solar plant at Bhatinda Punjab, 20 MW solar projects in Maharashtra.

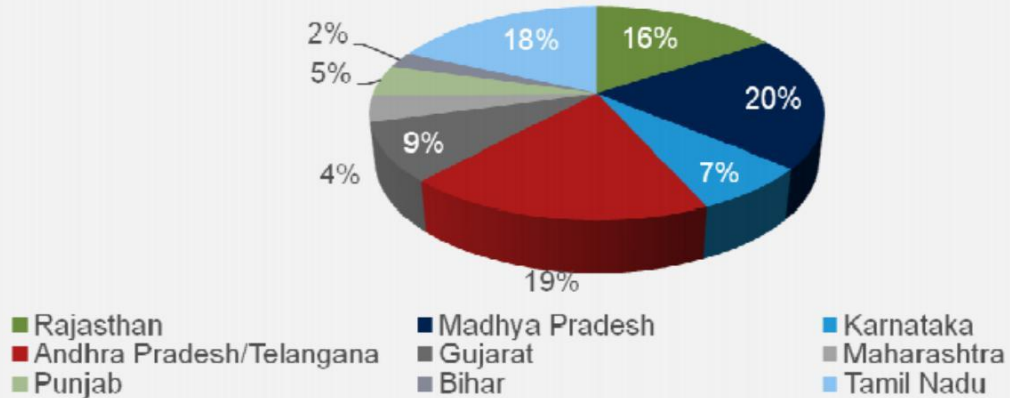
## Going with the wind:

Welspun steadily building mega wind capacities across the country. Our 126 MW Pratapgarh wind project in Rajasthan is first aggressive step in this direction. Through Welspun commissioned projects have generated over 1.1 billion units of clean energy till date and consequently mitigating over 1 million tons of CO2 emissions.

# Welspun renewables

## PORTFOLIO SPREAD ACROSS MULTIPLE STATES : Diversified Risk

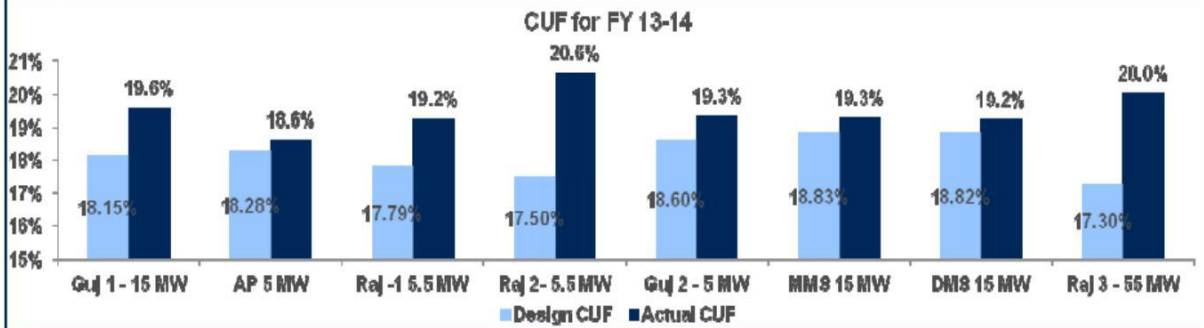
### Installed Capacity by FY 17 (MW)



Source: Company

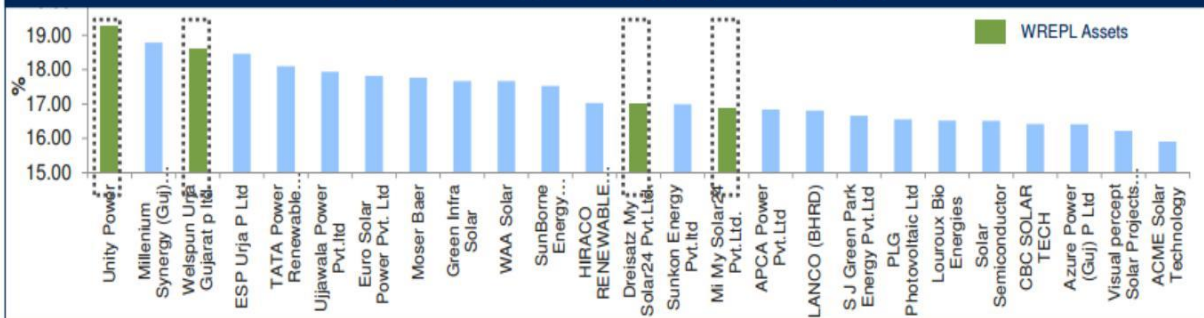
## SUSTAINED OPERATIONAL EXCELLENCE – ACTUAL PLF (CUF) > DESIGN PLF (CUF)

### Performance better than Projections (Projects with full year operations)



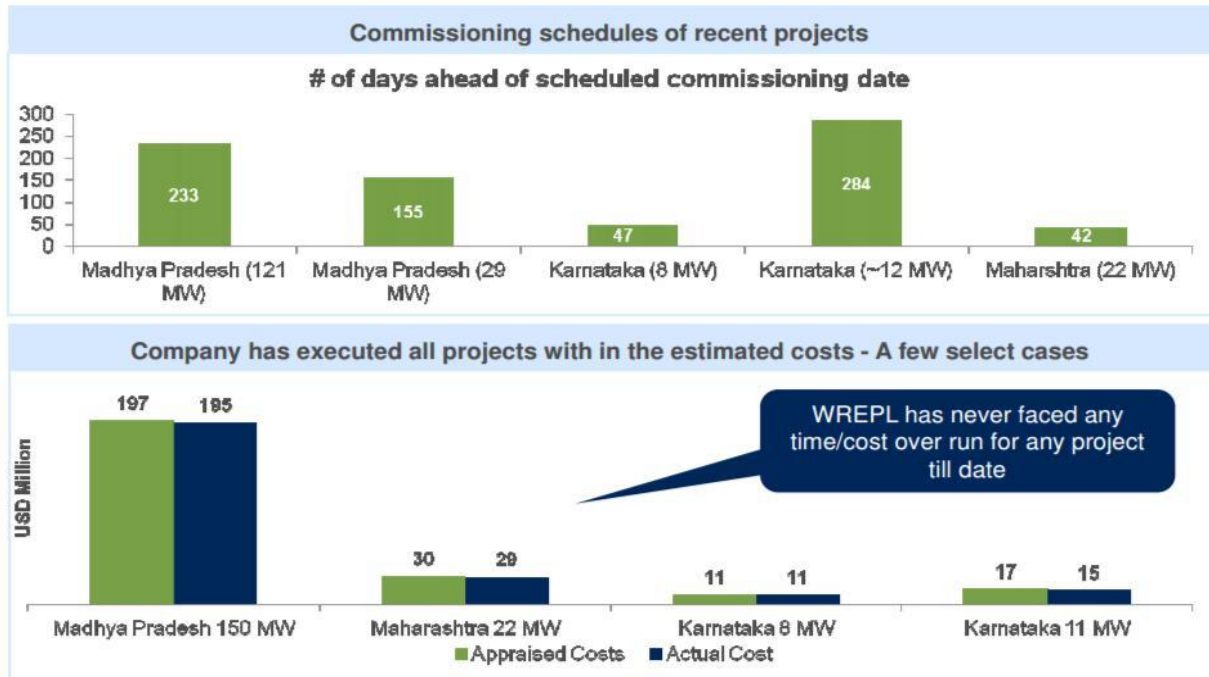
Source: Company

### Amongst the best performing projects in Gujarat\*

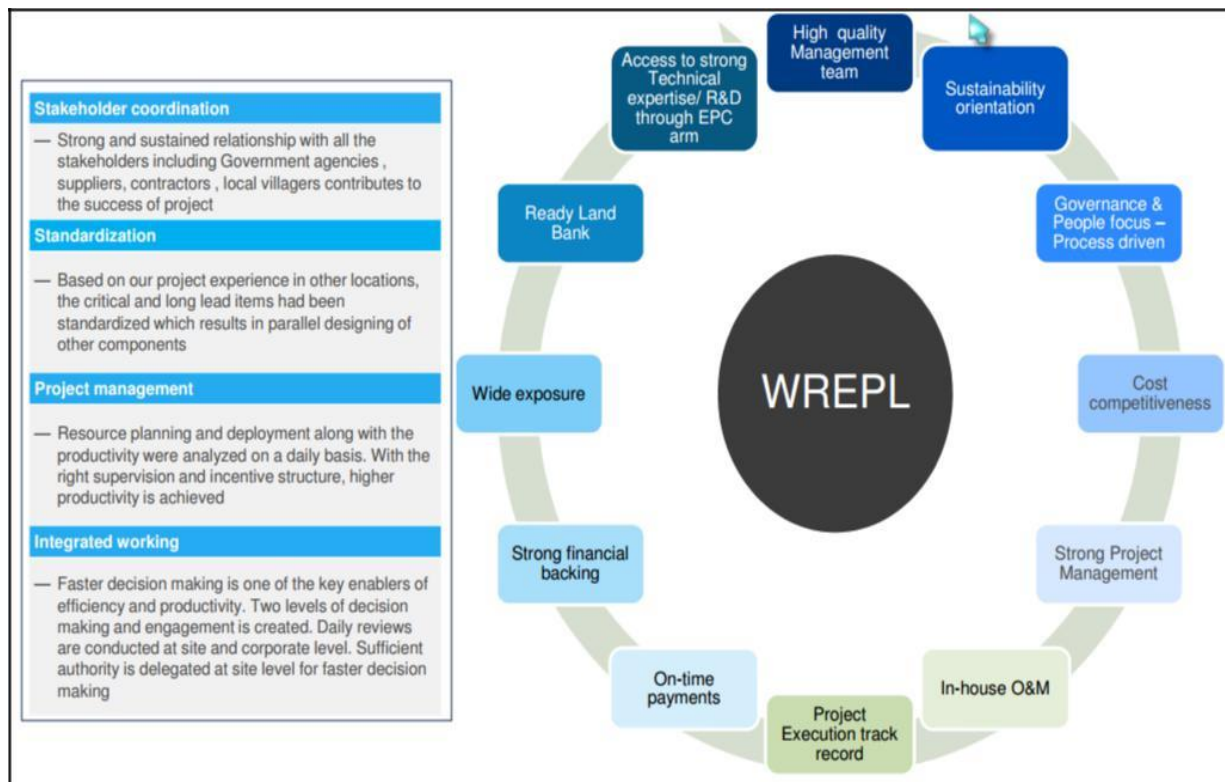


Source: Company

# Welspun renewables



## Framework in which company operates:



# Welspun renewables

---

## World-class business practices:

Welspun Renewables is the foremost organization in the renewable energy sector to be ISO 9001:2008 certified, for aligning our business practices to key quality standards. This accreditation allows us to show differentiation on triad of success - world class people, process and technology. Welspun are the only corporate in India whose renewable energy program has been registered with UNFCCC (United Nations Framework Convention on Climate Change) as a CDM (Clean Development Mechanism) Program of Activities. Welspun have received an A+ certificate from Care Credit Ratings. The agency has rated the credit health the Welspun Renewables projects as 'stable'.

## Investors:

Global institutions like General Electric Financial Services and Asian Development Bank have chosen to invest in Welspun, making another First in India's solar energy industry. In April 2014, GE Energy Financial Services invested US\$24 million for a 151 MW solar photovoltaic project in Neemuch, Madhya Pradesh that Welspun Renewables has developed. In June 2014, Asian Development Bank made a US\$50 million equity investment into Welspun Renewables, making it their largest direct equity investment in the renewable energy sector.

With a focus on green technologies and triple bottom-line, Welspun Renewables is interweaving inclusive growth, social, economic and environmental sustenance in their projects, to provide sustainable energy for all through solar and wind energy.

From the make in India perspective

This table show the contribution in renewable energy sector by Welspun in make in India

<b>Welspun current production</b>	<b>Make in India perspective</b>	<b>Percentage of contribution</b>	<b>Year</b>
545 MW	1500 MW	36.33	2014
243 GW Installed capacity	5 GW solar		2015-2016
20,000MW solar	10,000MW	50	2022

### **Government Subsidies or incentives:**

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

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.

### **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 (tinned 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).

## Welspun renewables

---

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 (tinned 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.

# Welspun renewables

---

## Company Expansion:

Welspun is currently different plant which is working across multiple states. In 2015 August, the company commissioned a 34-MW solar project in Bhatinda district of Punjab. The company aims to develop a total of 550 MW solar capacities in Karnataka, 100 MW in Andhra Pradesh, and 150 MW in Punjab.

For the implementation of expansion setting up a goal That's like





## Welspun renewables

---

### CORPORATE LEVEL STRATEGIES – WELSPUN ENERGY LIMITED :



Develop next-generation products with focus on improving efficiency/cost-per-kWh  
Increasing production capacity and strengthening vertical integration  
Augmenting Management Bandwidth  
Strong focus on driving global growth  
Moving up Value Chain with comprehensive end-to-end solutions

### FOREIGN INVESTMENT:

Foreign companies and banks are continuously investing in Welspun. Few of them are

1. In 2014 Asian Development Bank injects Rs 310 crore into Welspun's clean energy firm.
2. On 25 April 2014 GE invests USD 24 million in Welspun Renewables Energy's solar project.