Renewable Manufacturing Opportunity in Rajasthan

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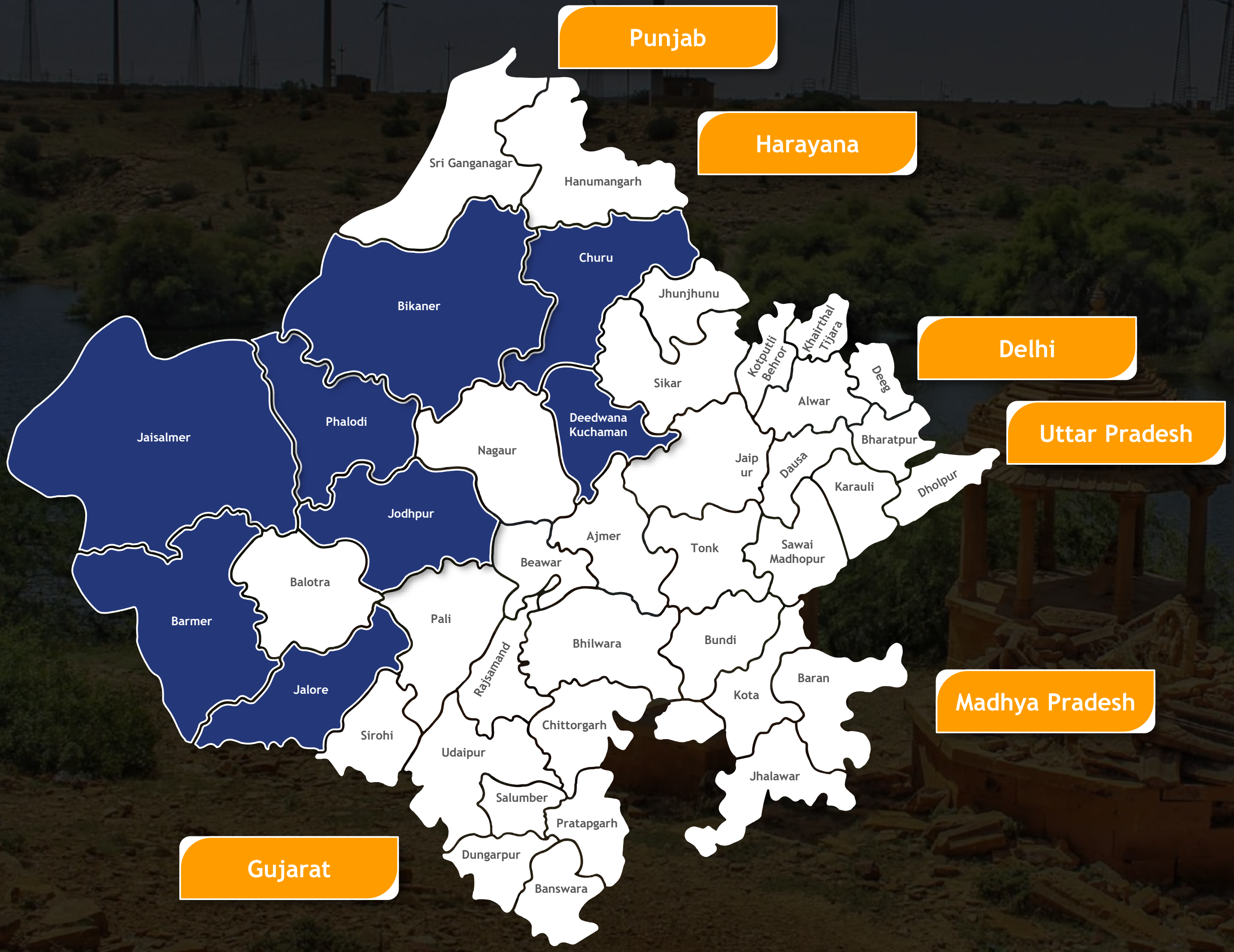
Government of Rajasthan

Rajasthan is #1 State in RE generation with strong Renewables equipment manufacturing potential



RE Generation Leadership

- **India's #1 RE state:** ~30 GW installed RE capacity – highest in India (15% of India)
- **Solar drives 80%+ of State's RE**, enabled by the Thar Desert's high irradiance
- **Utility-scale projects:** Home to the world's largest solar park (Bhadla, ~2.2+ GW) and large wind farms (e.g., Jaisalmer Wind Park ~1.6 GW)
- **Growth pipeline:** Targeting 125 GW RE by 2030 with solar, wind, & hybrid projects; targeted production of 2000 kTPA of green hydrogen by 2030

Renewables Equipment Mfg. Potential

- **Solar PV manufacturing hub:** ~9.3% of India's solar module production capacity (2nd among states)
- **Wind equipment:** Hosts wind-turbine manufacturing (e.g. ReGen's Udaipur plant – ~300 MW/yr capacity)
- **Dedicated industrial zones** being setup for solar component mfg. by RIICO; policies incentivize electrolyzer and battery plant investments

State has undertaken multiple interventions to make its ecosystem attractive for RE manufacturing players

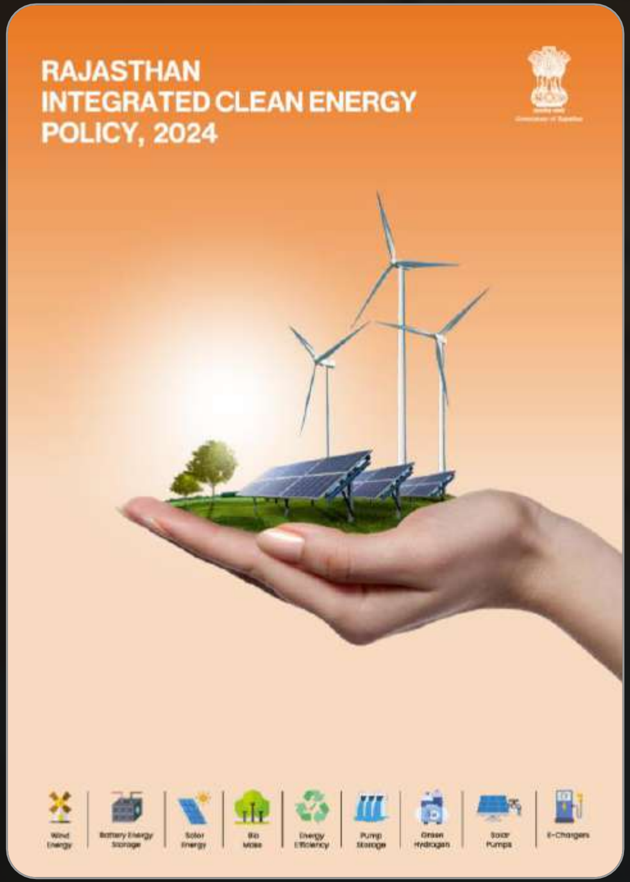
1. **Push to further spur RE generation in RJ** via land allotment, preferential grid access, storage infra, expedited approvals

2. **Existing & upcoming dedicated RIICO parks in key locations** with power & water availability

3. **Incentives under RIPS 2024 upto ~60% of investment** for integrated module & cell project(s) in Rajasthan

4. **State-of-the-art investor journey** incl. single application form, incentive calculator, GenAI investor chatbot

Sustained demand for RE equipment in Rajasthan via policy push to drive continued RE generation growth



- **Policy takes an aggressive target of 90 GW Solar Generation**, 25 GW Wind & Hybrid and 10 GW energy storage in the state
- **Supports RE investments using preferential grid access, exemptions from various RREC charges** (RREDF Charges, CSS & AS, Transmission & Wheeling) etc.
- **Streamlines the registration & approval process for setting up RE Parks/Projects** & land allotment process
- **Policy focusses on Power Storage facilities** (both PSP and BESS); provisions of State-owned & Private storage facilities
- **Target of producing 2,000 kilo Tons Per Annum (kTPA) of Green Hydrogen by 2030**, steps to encourage investment

Integrated solar cell/module manufacturing units investing in RJ can avail benefits amounting to up to 60% of Investment

Preliminary

Eligible Fixed Capital Investment - INR Cr	1,000 Cr	5,000 Cr
Fixed Asset Turnover Ratio (FATR)	3x	
Operating Revenue	3,000	15,000
Total Cost	~2,850	~13,400
Profit Before Tax (PBT) - Base Case	4-5%	
RIPS Incentives (Turnover Linked Incentives - annual)	60-65	~200
Profit Before Tax (PBT) - RIPS Case	6-7%	5-6%
RIPS Incentives (cumulative - 10 years)	~600 (60%)	~2,000 (40%)

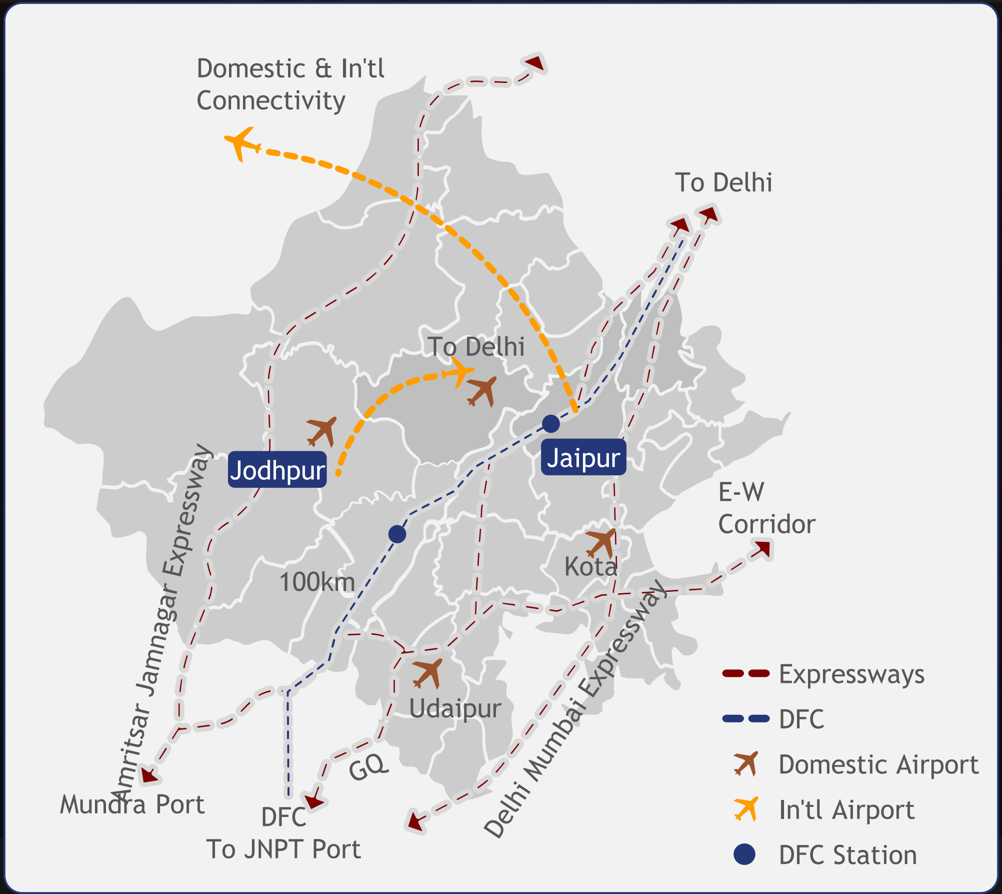
60% — Subsidies up to 60% of investment vs. lower for key peers

50-150 bps — Increase in Operating Margin due to RIPS Benefits in first 10 years

Additional benefits in terms of Electricity Duty exemptions and stamp duty & conversion benefits

TLI considered as the ACI of choice for Rajasthan, FATR assumed at 3

Locations in States are well connected to domestic & export markets…



Served by 20 major National Highways; 3rd Largest network of national highways

3rd largest rail network in India; Easy access to major ports such as Mundra Port and JNPT

1 International airport and 6 Domestic airports
Direct connectivity to Dubai, Muscat, Singapore, etc.

8 ICDs (Inland Container Depots), 1 Air Cargo Complex and 4 MMLP established/proposed

Over 58% of State's area within Delhi Mumbai Industrial Corridor (DMIC); Forms 25% of the total NCR

Delhi-Jaipur expressway provides excellent connectivity with the Delhi-NCR region

… complemented by a well-developed ecosystem & talent availability

Peaceful labor relations and law and order situation, creating a conducive business environment

Presence of premier institutes like IIM, IIT, BITS with significant no. of skilled labor available

410+ industrial areas; 17 Industrial parks awarded highest rating for excellence[2] in infra, utilities, etc.

Shared land border with 5 major Indian states representing 40% of domestic market

3rd largest network of national highways[1] and 2nd largest rail network[2] in India

Over 10K hectares of industrial land available along with suitable land aggregation and allotment policies

1. Ministry of Road Transport & Highways, Government of India; 2. Ministry of Railways, Government of India; 3. RIICO; 4. Press Release

Rajasthan Investment Promotion Scheme (RIPS) 2024 launched by Hon'be CM as a comprehensive package for incentives for new investments in RJ

Hon'ble CM emphasizing GoR's ongoing policy overhaul aimed at supporting investors and driving economic growth in Rajasthan

Sh. Bhajan Lal Sharma
Hon'ble Chief Minister of Rajasthan

> State of Rajasthan takes great pride in launching RIPS 2024, which makes significant strides to improve the ease of doing business and reduce the cost of doing business in the State for investors
> Through this policy, we are committed to fostering a business environment that promotes balanced development, job creation, and long-term sustainable economic prosperity for all.

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RIPS 2024: RIPS 2024 offers incentives across 3 tiers driven by sector, state priorities, and investor flexibility

Tier 1: Standard Incentive Packages

1

- Manufacturing
- Services
- Sunrise
- MSMEs
- Start-ups
- Industrial Infrastructure
- R&D, GCC and Test Labs

Tier 2: Add-On Incentives Driven by State Priorities

2

- Green Growth (including RE Generation & Storage, M-Sand)
- Export Promotion
- Capability Development

Tier 3: Customized Incentive Packages (for 500 Cr+ investments)

3

B

RIPS 2024: RE Manufacturing incentivized as a thrust sector under manufacturing standard package

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RIPS 2024: Rajasthan offers India's most comprehensive package of financial incentives for RE Manufacturing (1/3)

Asset Creation Incentives (ACI) and Boosters

Capital Subsidy (13-28% of EFCI) OR Turnover Linked Incentives (1.2-2.0% of Eligible Turnover) OR Investment Subsidy (75% of State Tax)

Employment Booster (10-15% on top of ACI, basis additional employment generation)

The investor can choose one of the following ACI Boosters

Sunrise Booster (25% on ACI; first 3 in battery tech.) OR Anchor Booster (20% on ACI; first 3 in backward regions) OR Thrust Booster (10% on ACI for solar cell mfg.) OR Interest Subvention (5% for 5 years)

Special Incentives

Flexible land payment option on RIICO land

Special incentives applicable to Solar Cell Manufacturing

- Inclusion of RE CPP investment in EFCI
- Additional 5% SGST reimbursement OR 5% VAT reimbursement on PNG

RIPS 2024: Rajasthan offers India's most comprehensive package of financial incentives for RE Manufacturing (2/3)

Project Category for Manufacturing Enterprises

Project Category	EFCI	Employment Generation
Large	INR 50 Cr. to < INR 300 Cr.	100 (with minimum EFCI: INR 50 Cr.)
Mega	INR 300 Cr. to < INR 1000 Cr.	250 (with minimum EFCI: INR 150 Cr.)
Ultra Mega	INR 1000 Cr.+	750 (with minimum EFCI: INR 500 Cr.)

Applicable Capital Subsidy Basis Project and Area Category

Project Category	Area Category 1	Area Category 2	Area Category 3
Large	13% of EFCI	17% of EFCI	20% of EFCI
Mega	17% of EFCI	20% of EFCI	23% of EFCI
Ultra Mega	23% of EFCI	25% of EFCI	28% of EFCI

Applicable TLI Basis Project and Area Category

Project Category	Area Category 1	Area Category 2	Area Category 3
Large	1.20% of Net Sales Turnover	1.40% of Net Sales Turnover	1.65% of Net Sales Turnover
Mega	1.40% of Net Sales Turnover	1.65% of Net Sales Turnover	1.85% of Net Sales Turnover
Ultra-Mega	1.65% of Net Sales Turnover	1.85% of Net Sales Turnover	2.00% of Net Sales Turnover

RIPS 2024: Rajasthan offers India's most comprehensive package of financial incentives for RE Manufacturing (3/3)

Tier 1 Incentives	Exemptions	75% exemption and 25% reimbursement for stamp duty & conversion charges	100% exemption from electricity duty, mandi fee & land taxes for 7 years
Tier 2 Incentives	Green Growth Incentives 50% subsidy on green project (e.g., ETP/WTP etc.)	Export Promotion Inventive Reimbursement of freight charges spent during exports	Capability Development Incentives Incentives on patents/IP creation and initiatives for upskilling the workforce
Tier 3 Incentives	Option to opt for customized package with tailor-made incentives for investment of Rs. 500 Cr and above		

Thank You

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