



Production Linked Incentive (PLI) Scheme for Solar PV Modules

Who we are?



- ✓ We are the consulting firm founded by the seasoned professionals having experience of working with various Big 4 and other top consulting practices.
- ✓ Our object is to provide end-to-end services using our practical insights for the real life problems.
- ✓ Our experts have experience providing services to clients as small as a start-up to Fortune 1000 companies.
- ✓ We are popular amongst our clients in providing specialised services in a comprehensive manner with little involvement of the client's team.
- ✓ Our end to end solutions ensures that we are taking care of the complete assignment and we believe to provide services considering overall business requirements.
- ✓ Our dedicated staff and single point of contact ensures satisfied clients.

Why choose us?

We are ideally placed to provide services that not just meet your expectations but create a new standards of quality.

Ability to scale as your business needs evolve.

Strong track record of delivering value and exceptional service.

We have experience in relevant industry.

Commitment to investment in our professional relationship.

Our team will deliver a quality service and provide the experience to address your needs.

50+ Satisfied clients

4+ Locations & growing

20K+ Hours consulted

OUR ADVANTAGE



People



Approach



Technology



Production Linked Incentive (PLI) Scheme – A Background

- In order to boost domestic manufacturing and cut down on import bills, the central government in March 2020 introduced a scheme that aims to give companies incentives on incremental sales from products manufactured in domestic units. Apart from inviting foreign companies to set shop in India, the scheme also aims to encourage local companies to set up or expand existing manufacturing units.
- The Cabinet approved introduction of Production Linked Incentive (PLI) Scheme for 10 key Sectors, for enhancing India's manufacturing capabilities and exports under Atmanirbhar Bharat initiative. The PLI schemes will have a huge role to play in achieving size and scale in manufacturing, as these schemes incentivize incremental production. The total budgetary outlay for these schemes is Rs. 1.96 lakh crores or \$26 billion. On average 5% of the production value is provided as an incentive. This implies that the minimum production in the country as a result of the PLI schemes stands to be around \$520 billion in five years.
- Solar capacity addition presently depends largely upon imported solar PV cells and modules as the domestic manufacturing industry has limited operational annual capacities of around 2,500 MW for solar PV cells and 9,000-10,000 MW for solar PV modules. The financial outlay for PLI for 'High Efficiency Solar PV Modules', as approved by the Cabinet over a five-year period is ₹ 4,500 crore and for which Ministry of New & Renewable Energy (MNRE) has been designated as the implementing Ministry.
- India has set an ambitious target of setting up 1,75,000 MW capacity of renewable energy by 2022 and 4,50,000 MW by 2030. On the basis of techno-economic analysis, Central Electricity Authority (CEA) has indicated in their Optimum Energy Mix report that 2,80,000 MW capacity from solar energy will be needed by 2029-30.
- The scheme aims to promote manufacturing of high efficiency solar PV modules in India and thus reduce import dependence in the area of Renewable Energy.

Key Sectors - Implementation of PLI Scheme

The Union Cabinet chaired by the Prime Minister, has given its approval to introduce the Production-Linked Incentive (PLI) Scheme in the following key sectors for Enhancing India's Manufacturing Capabilities and Enhancing Exports – 'Atmanirbhar Bharat'.

Sectors	Implementing Ministry / Department	Approved financial outlay over 5 Yr Period (In Cr.)
Automobiles & Auto Components	Department of Heavy Industries	57,042
Pharmaceuticals and Pharmaceuticals drugs	Department of Pharmaceuticals	15,000
Advance Chemistry Cell (ACC) Battery	NITI Aayog and Department of Heavy Industries	18,100
Telecom & Networking Products	Department of Telecom	12,195
Food Products	Ministry of Food Processing Industries	10,900
Textile Products: MMF segment and technical textiles	Ministry of Textiles	10,683
Speciality Steel	Ministry of Steel	6,322
White Goods (ACs & LED)	Department for Promotion of Industry and Internal Trade	6,238
Electronic/Technology Products	Ministry of Electronics and Information Technology	5,000
High Efficiency Solar PV Modules	Ministry of New and Renewable Energy	4,500

Solar PV Modules PLI Scheme – Eligibility Criteria

Eligibility: Beneficiaries of the PLI scheme will be selected through a transparent bidding process and will be shortlisted after consideration of the following three parameters:

A) Extent of Integration:

Manufacturers to propose to set up a fully integrated solar PV manufacturing plant using silicon based technology (starting from the stage of manufacturing of polysilicon, to Ingot or Wafer to Solar Cell and Module) or fully integrated thin film technology or any other technology. However, in order to qualify for the bid, the manufacturer will have to promise minimum integration across solar cells and modules.

B) Manufacturing Capacity:

Preference will be given to manufacturers who set up higher capacity plants. However, in order to qualify, the manufacturer will have to undertake to set up a manufacturing plant of minimum 1,000 MW capacity (1,000 MW each for all individual stages included in the manufacturer's proposal).

C) Minimum module performance:

Manufacturers will have to fulfill following minimum performance parameters:

- *Minimum module efficiency of 19.50% with temperature coefficient of P_{max} better than -0.30% per degree Celsius*
- Or*
- *Minimum module efficiency of 20% with temperature coefficient of P_{max} equal to or better than - 0.40% per degree Celsius.*

Solar PV Modules PLI Scheme – Other Eligibility / Selection Criteria

Manufacturers who fulfill the minimum conditions as specified above will be shortlisted. Subsequently, they will be assigned marks (maximum of 100), for determining their inter-se position as per the following selection criteria table:

Parameters	Stages of Manufacturing	Timeline for commissioning	Marks
Extent of Integration	Stage-1: Manufacturing of Polysilicon from outsourced (imported/domestic) M.G. Silica + Stage-2: Manufacturing of Ingots-Wafers from Stage-1 Polysilicon + Stage-3: Manufacturing of solar cells from Stage-2 Wafers + Stage-4: Manufacturing of Modules from Stage-3 Solar Cells or Fully integrated manufacturing of Thin Film plant or fully integrated plant of any other technology	Within 3 years from date of sanction	50
	Stage-2: Manufacturing of Ingots-Wafers from outsourced Polysilicon + Stage-3: Manufacturing of solar cells from Stage-2 Wafers + Stage-4: Manufacturing of Modules from Stage-3 Solar Cells or similar level of integration of any other technology	Within 2 years from date of sanction	35
	Stage-3: Manufacturing of solar cells from outsourced Wafers + Stage-4: Manufacturing of Modules from Stage-3 Solar Cells or similar level of integration of any other technology	Within 1.5 years from date of sanction	20
Manufacturing Capacity (In MW)	4,000 MW & above		50
	3,500 MW and above but less than 4,000 MW		45
	3,000 MW and above but less than 3,500 MW		40
	2,500 MW and above but less than 3,000 MW		35
	2,000 MW and above but less than 2,500 MW		30
	1,500 MW and above but less than 2,000 MW		25
	1,000 MW and above but less than 1,500 MW		20

NOTE:

The manufacturer can be a single company or a Joint Venture/ Consortium of more than one company. In case of Joint Venture / Consortium, a partner / company will be allowed to tie up their manufacturing capacity (of any stage) with another partner / company for one bid only.

Solar PV Modules PLI Scheme – Calculation of Incentive

PLI Calc. = Sales Volume (Wp)* × Tapering Factor × Local Value Addition*** × Base PLI Rate (Performance Matrix)******

***Max Sales** - Maximum capacity that can be awarded, is 50% of the bid capacity (capacity which manufacturer has promised to set up in his bid) or 2000 MW, whichever is less.

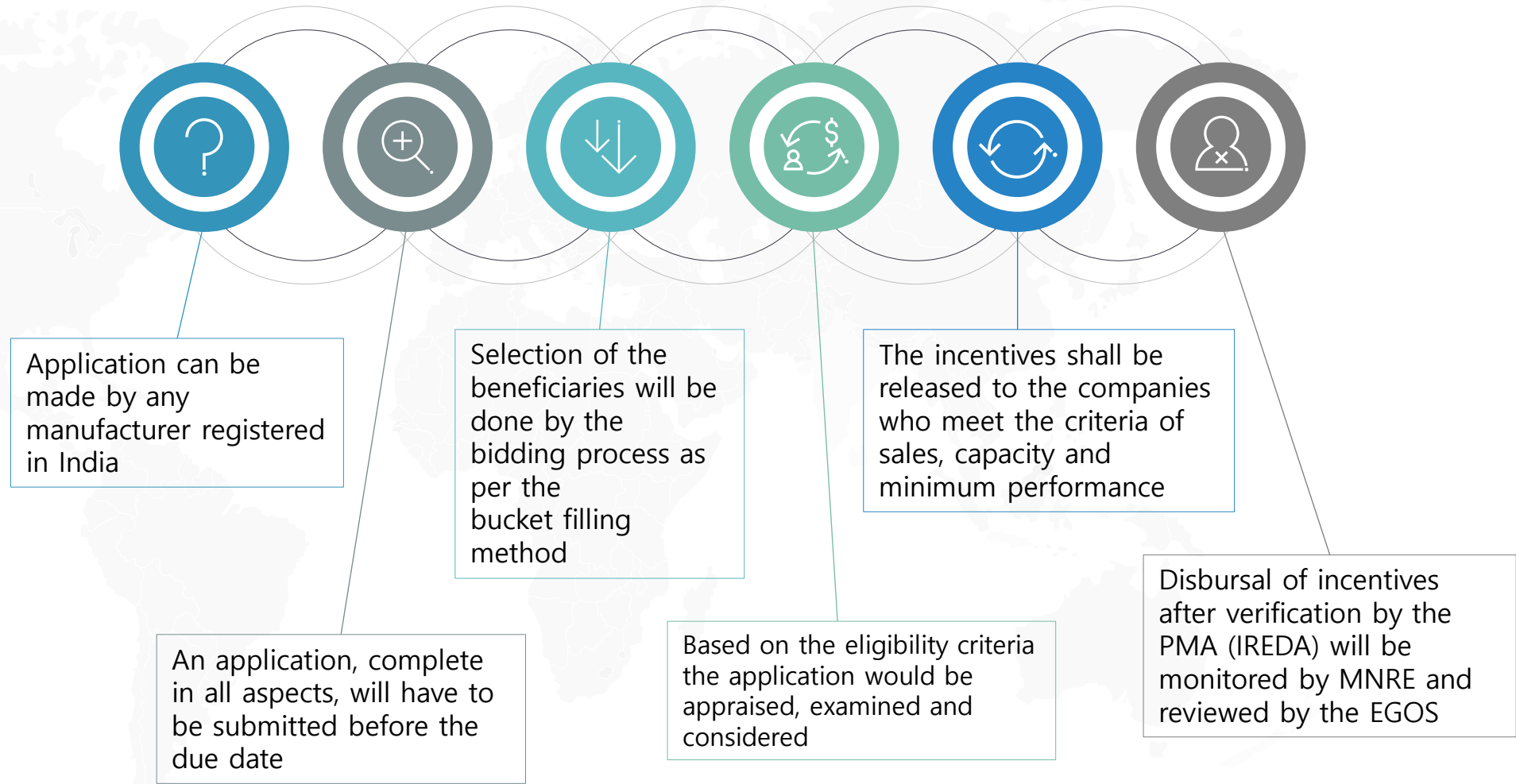
****Tapering Factor** - PLI rate (₹/Wp) will be multiplied by a tapering factor of 1.4 for the 1st year of the five year PLI disbursement period followed by a tapering factor of 1.2, 1.0, 0.8 and 0.6 for the 2nd, 3rd, 4th and 5th year of the PLI disbursement period respectively.

*****Local Value Addition** - (Sale value of Module as per GST invoice excluding net domestic indirect taxes) – (Value of direct and indirect imported materials and services (including all customs duty) as per Bill of Entry filed in Customs, used in manufacture of module) / [(Sale value of Module as per GST invoice excluding net domestic indirect taxes) × 100%].

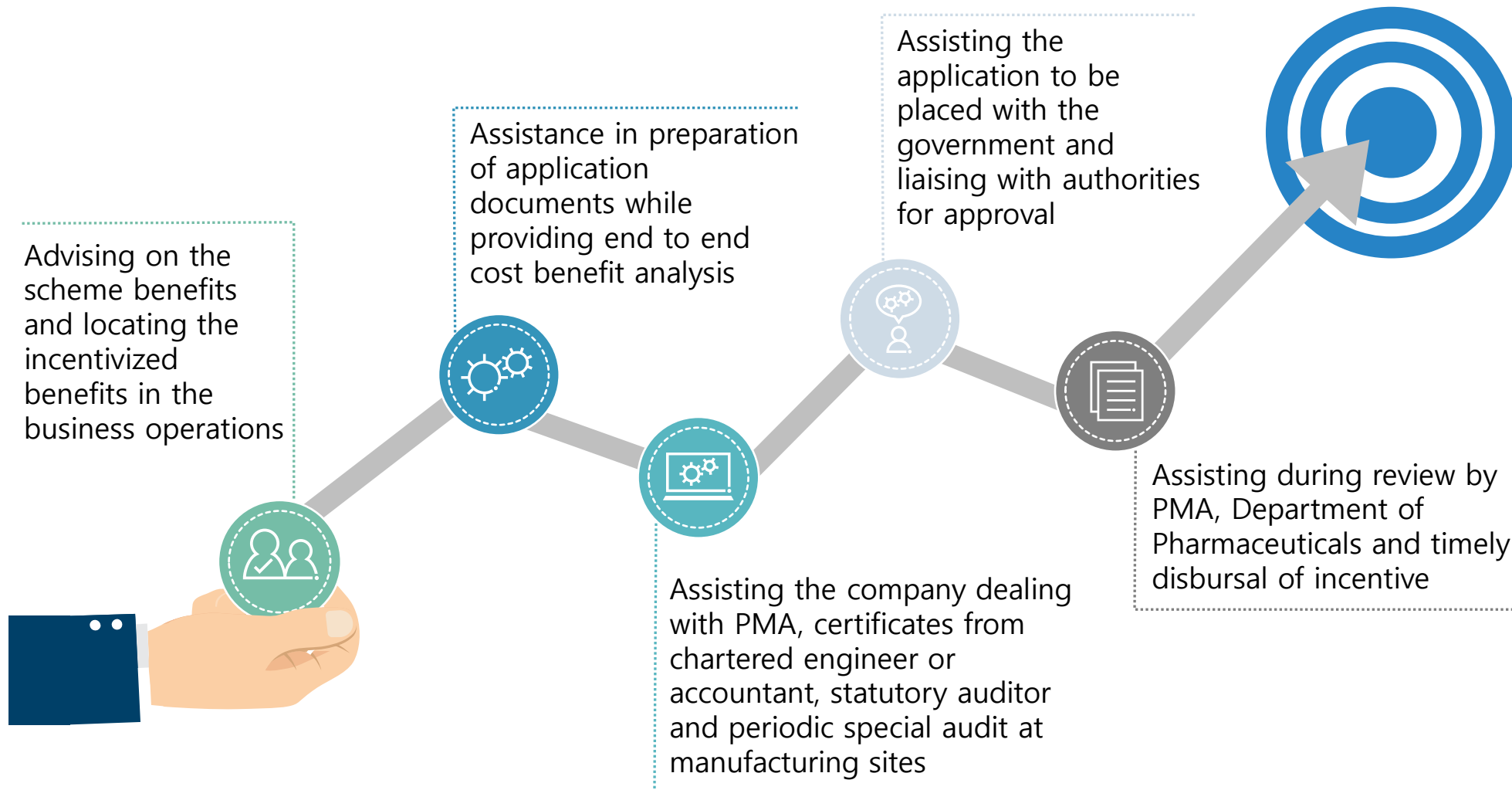
******Performance Matrix Table-**

	Module Efficiency (%) →	During five year period after commissioning				
		Base PLI Rate (₹/Wp)				
		Less than 19.50%	19.50% and above but less than 20%	20% and above upto 21.5%	Above 21.5% & upto 23%	Above 23%
Module's Temperature Coefficient of Pmax* (in % per degree Celsius)↓	Position		W	X	Y	Z
Worse than -0.40		0	0	0	0	0
-0.40 to -0.30	A	0	0	2.50	3.00	3.50
Better than -0.30	B	0	2.25	2.75	3.25	3.75

Solar PV Modules PLI Scheme – Modus Operandi



Service Offerings - PLI



Meet your expert



Abhishek Goel

Professional Associations

- Institute of Chartered Accountants of India
- Institute of Company Secretaries of India
- ISACA
- ACFE

Areas of Expertise

- Tax & Regulatory
- Deal advisory & valuation
- Audit & assurance
- Risk Advisory

Abhishek is a Chartered Accountant, Company Secretary and holds graduate degree from University of Delhi.

Abhishek has over 8 years of experience in handling Tax and Regulatory matters with EY, Deloitte and BDO. He has extensive experience dealing with various cross border issues including Regulatory support, International Taxation, Transfer Pricing, and Exchange Regulations.

Abhishek is actively involved with various MNC's and startups right from incorporation to raising rounds of funding.

Some of his select engagements include:-

- Overseeing the compliance and finance operations of various MNC's and startups.
- Handling day-to-day tax related activities of Multinational clients which includes day-to-day advisory with respect to withholding tax, filing of various forms and finalizing the income tax and withholding tax computations.
- Advising clients on various international tax issues such as exposure to permanent establishment, place of effective management, advisory with respect to cross border transactions, etc.
- Handling Transfer Pricing compliance as well advisory of the Multinational Groups including preparation of transfer pricing reports as well as group transfer pricing study.
- Assisting clients in various regulatory and secretarial compliances which includes filing of various forms with MCA/ RBI such as FLA return, FC-GPR, etc.
- Assisting clients in handling litigation and representing before government agencies authorities including Tax authorities, Central and state ministries, and other semi government bodies. .

Meet your expert



Raj Abhishek Sharma

Professional Associations

- Institute of Chartered Accountants of India

Areas of Expertise

- Indirect tax and Foreign Trade
- Due diligence and transaction advisory
- Cross border transaction advisory
- Startup funding and advisory
- Inbound Investment advisory

Raj Abhishek is a Chartered Accountant and graduate in commerce from Delhi University.

He has spent more than 5 years working with BDO India LLP, K.G Somani & Co., KGS Advisors LLP as head of Tax & Regulatory department, including his internship from T.R. Chadha & Co. working in special audits department dealing in forensic audits and due diligence.

Has diverse experience in independently dealing of complex regulatory issues as well as liaising with Government and other regulatory authorities.

Some of his select engagements include:-

Handling core advisory and compliance for GST, Customs and Foreign trade policy.

Conducting due diligence of various companies in India and Ethiopia and opining on the acquisitions, takeovers and complex tax matters.

Handling audits on behalf of banks conducting concurrent audits and lender financial audits and also being appointed as specialized monitoring agencies by consortiums or lead banks.

Liaising with government agencies for various incentives under Central and state industrial policy and has experience of handling assignments for benefit value upto INR 100 crores.

Assisting clients in their day to day compliance manual and advising on their financing activities to help streamline their financial management.

Meet your expert



Abhishek Jhajharia

Professional Association

- Institute of Chartered Accountants of India
- American Institute of Certified Professional Accountants

Areas of Expertise

- Audit & Assurance
- Internal Controls
- Ind AS / US GAAP
- Corporate Training

Abhishek is a Chartered Accountant and a qualified US CPA.

He started his career with Deloitte in 2010 with internship in IFRS and Audit & Assurance team. During internship and post qualification (over 5 years), he has worked on wide range of assignments, ranging from IND-AS audits and IGAAP audits for Indian Companies to US GAAP assignments.

He is a Business Management graduate from Bangalore university and a post graduate diploma holder in Business Administration from Symbiosis (CDL), Pune and is currently pursuing LLB.

Some of his select engagements include:-

- Ind AS Audit & Assurance assignment for Solar Power Industry
- IGAAP Audit & Assurance assignment for the following industries: automobile ancillary, media and marketing, service, etc.
- US GAAP assignment on Level 3 valuation of assets for a major real estate investment fund
- Tax Audits for solar power sector, automobile ancillary industry, advertising, etc.
- Internal Financial Control Audit for clients ranging across various industries
- Ind AS conversion assignment for a major e-commerce giant
- Certification work for Solar power companies
- Trainings on topics ranging from Ind AS, US GAAP, Internal Controls, Auditing techniques, etc.

Meet your expert



Saurav Aggarwal




Gaurav Aggarwal

Saurav is a Chartered Accountant, a bachelor of commerce and has over 4 years of professional experience in Transfer Pricing, International Taxation related matters. He has experience of working with Deloitte, BDO and Vaish Associates Advocates.

He has extensive experience of dealing with various cross border issues including Transfer Pricing, domestic litigations and advisory to clients including various multinationals and listed clients. His forte includes assisting the clients in transfer pricing compliance, representation before the tax authorities, helping the clients in filing Advance pricing agreements and advising clients on group transfer pricing study.

Gaurav is a Chartered Accountant, a bachelor of commerce and has over 4 years of professional experience in Statutory Audits and indirect taxes. He possess experience working with leading accounting firms of the country.

He remained instrumental in implementation of GST and auditing various multinational clients. Gaurav has in depth experience of dealing with various indirect tax issues including customs and foreign trade policy. He is popular amongst his clients for providing practical advise on real business challenges. He has experience handling routine indirect tax compliances and has been actively involved in litigations.



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