BRIDGING THE GAP BETWEEN INDIAN MANUFACTURERS AND INTERNATIONAL PLAYERS WITH THIN FILM / TECHNOLOGY RISKS

KK NESAR
PROJECTS PVT LTD, INDIA

WELCOME

From

KK NESAR Projects Pvt Ltd

(CIN NO: U74200GJ2009PTC058267)

270, Kadam Nagar,

Signum Apartments, Flat no: 302, Nizampura

VADODARA – 390 002

GUJARAT

INDIA

Cell : 0091 9898296247

E-mail : praveenkulkarni@kknesar.com

Web site : www.kknesar.com

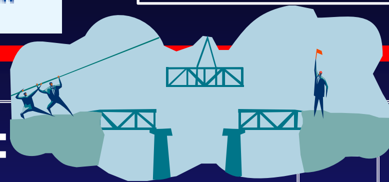
PV INSIDER

KK NESAR
PROJECTS PVT LTD, INDIA

INSIDER

GAP = Gems & Pearls

Presenter : Praveen Kumar Kulkarni
Cell No: 0091 9898296247



I. Identifying the GAPs :

1). Overview of Indian Companies with their company objectives, Positioning with previous business experience (from the same line or different line) or First Generation Entrepreneurs etc
- Do we want to compete or Collaborate / Challenge or Accept the Challenge / Remain as Ancillary

2). Do we know our market very well ? Do we know other country market ? How is the Sustainability? Is our thinking same on Market forecast or its dynamics including the Supply Chain / Raw Material

3). Technology Specifics (Crystalline / Thin film) and Quality + Delivery awareness

TECHNOLOGY RISK, ENVIRONMENT IMPACT, POLLUTION CONTROL APPROVALS

4). Key Technology developing team members / Promoter's background

5). Capacity of the Plant in MW and Start year of Manufacturing with right technology / process.

6). Plant and equipment supplier with up-gradation support or Change in technology support with cost reduction processes.

I. BRIDGING the GAPs :

1). Take a Position within the existing resources and decide to Compete or Collaborate or Remain as Ancillary.

2). Understand the local market and the international market, if necessary, hire qualified Market research organisations or rely on Collaborator with their necessary guarantee.

3). Come what may, no compromise on Specifications, Quality and Delivery.

TECHNOLOGY RISKS WITH THIN FILM NEEDS A PROPER UNDERSTANDING, RESEARCH, EIA REPORTS, ETC

4). Retain and Nurture, Recruit new faces, outsource or acquire new technology as is made available.

5). Capacity and CAPEX shall be based on sound market research, financing, market reachability in phases with Wait and Watch with USPs.

6). Reputed equipment supplier supports the change or variation / RISK in technology worldwide , so, purchase of equipment shall consider this key aspect.

Presenter : Praveen Kumar Kulkarni
Cell No: 0091 9898296247

I. Identifying the GAPs :

7). R & D facilities both for manufacturing & alternate materials with expenses incurred on R & D

8). New products launched / improved in the past 3 to 6 years WITH ITS ASSOCIATED BUSINESS RISKS

9). Inhouse Ingot facilities with Capacity (supply Chain issues / challenges)

10). Inhouse wafer manufacturing facilities with Capacity (supply Chain issues / challenges)

11). Incentives offered by the Government

12). Working capital (Interest rate impact) management issues vis-a-vis Sales

13). Manufacturing Units in Other Countries

14). Sales Turnover in other countries

I. BRIDGING the GAPs :

7). In house R & D facilities both for manufacturing & alternate materials recommended. Collaboration helps to bring down the expenses incurred on R & D

8). Collaboration with Research organisation or acquisition of a research company could be fruitful.

9). Helps to channel the Working Capital and ensure the supply chain and contain the price fluctuation.

10). In house wafer manufacturing facilities with Capacity helps in ensuring the supply chain, quality and contain the price.

11). Depend the least on Government support

12). This is the main Game, play it safely with an access to low cost debt fund, reduce the inventory.

13). Strategically locate. Do not be Greedy to become Numero UNO, rather, become a NICHE player

14). Be a Quick learner and never repeat mistakes made in One Country in the other.

KK NESAR

PROJECTS PVT LTD, INDIA

GAP = Gems & Pearls

Cell No: 0091 9898296247

I. Identifying the GAPs :

15). Shall Government support still needed, if so, was it not enough? what more is needed ? As manufacturer or technology developer, what support is needed to development new technology?

Why expect Government support?

16). Without Joint Venture, whether INDIAN companies can survive or excel ??

17). Any serious technical or supply lacuna faced by any project developers or buyer of PV panels from the INDIAN Manufacturers, in so far.

18). As developers, how best we can support the INDUSTRY with self reliance or good technology promotion aspects i.e What do you expect from the Project Developers with high degree of transparency….

19). Sustainability v/s New Invention

20). Innovative Business Concepts

I. BRIDGING the GAPs :

15). Depend less on the Government, rather, quickly think and act to bring out how other country or company is so competitive with real facts and if Government support is necessary, only then approach. Try to Be a leader, let others to follow you.

16). Collaboration is the good Mantra for Success due to Nascent and volatile market v/s price war.

17). Avoid the errors even if it costs fortune, if you want to be a long term player of repute. RECALL OF PANELS, IF NECESSARY, IS MUST.

18). Educate the developer with after sales support. Do not expect too much of premium as you must be able to sell near the market price.

19). To be sustained and depends more on market dynamics

20). Always be alert and Innovative, like your best competitors do and excel them without harming the sustainability.

KK NESAR
PROJECTS PVT LTD, INDIA

INSIDER

GAP = Gems & Pearls

Cell No: 0091 9898296247

I. Identifying the GAPs :

1) Asking for Government to support by maintaining the clause" The panels must be from Indian Supplier : Made In India – Tag"

BACK

Seeking Government support = Begging or robbing a common man or poor farmer or our Gen-next through policy makers !!!!
{ CSR: Should Entrepreneurs ROB the poor farmers ?!}

Furnish a detailed techno-commercial offer with the key figures and spex to be checked and be easily understood by the Buyer or Decision maker vis-à-vis CHEAP supplier.

Tax incentives offered by import from CHINA etc or local sourcing shall be clearly indicated with local support after sales for 25 year warranty. If it is going against the INDIAN make, then, Government shall be made understandable (with proof of Chinese Govt etc offering such large tax incentives etc) to protect local supply and technology development, thus, the developer must get due benefits by sourcing locally. Never ask for Anti-Dumping taxes.

The objective shall be to reduce the price with transparency and also to compete in World market with volume and good technical specifications.

I. BRIDGING the GAPs :

1) Support from the Govt without increasing the project cost, thrust to improve price of Indian made panels while incentives being passed on to Indian cos while allowing to import cheap panels
2) Let a supplier (Ab)from abroad come through an Indian panel supplier (Ind) (who must be supplying 20% of his local production in India or abroad i.e an Indian PV manufacturing company in Operation which gives employment).
3) Let the (Ab) pay 2.5% trade commission to (Ind) while maintaining minimum stock with (Ind). (Ab) shall remain responsible for 25 years of warranty and product replacement , if required in future under warranty period, shall be replaced from the stock (Ab) holds with (Ind).
4) Thus, we ensure some cash flow to (Ind), low cost panel import and hence the benefits to Project developer +
5) Indian panel manufacturer MUST compete with international price without any protection from Govt i.e Panels should be made in INDIA or expecting Antidumping duty etc
6) It is also not prudent to impose anti dumping duty on low cost panel supplier like what other countries are doing, which increases project cost and may cause hindrance to the project development. Let this additional 2.5% cost be adjusted through tax holiday or such scheme.

PV Subsidy or Un sustain-ability or Taxing Gen-Next ?!

KK NESAR
PROJECTS PVT LTD, INDIA

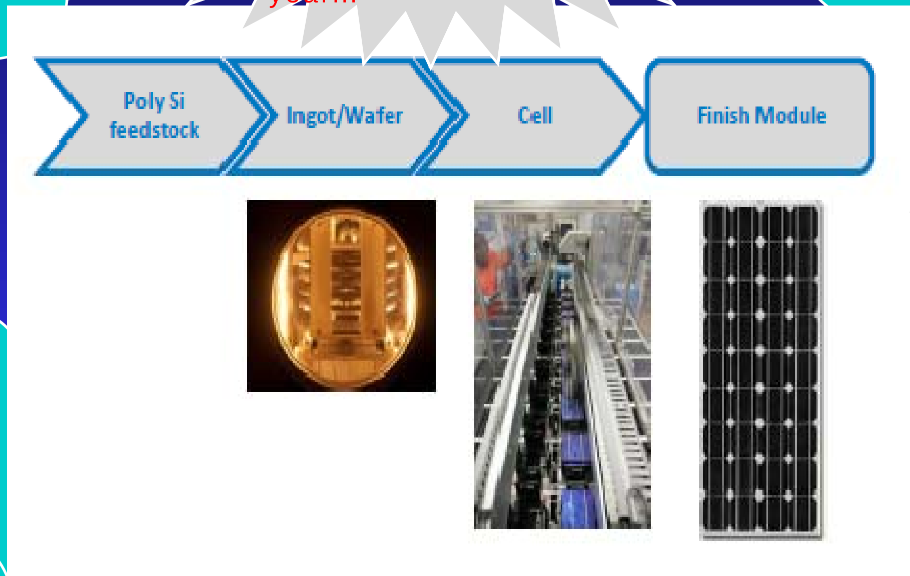
Manufacturing Subsidies by Country (?!!)

Nominal Cost of Debt = 9.5% to 10.2% (China), 6.4% to 8.9% (USA), 12% to 14% (INDIA)

China Govt's subsidy of Corporate Income Tax (21% Income tax waiver!!) for 9.5 GW PV panel sales / year @ 0.8 USD / wp is around 1.6 BUSD / year!!!

Manufacturing Subsidies by Country (?!!)

2). Subsidized debt limit (D/(D+Eq)= 80% (China), 60%(USA)



Can INDIA afford waiver of Corporate Tax ? Is it Ethical Governance? Is it not wise to Import from China?

Manufacturing Subsidies by Country (?!!)

1). Subsidized cost of debt = 3 to 4.5% (China), 3 to 4% (USA)

Manufacturing Subsidies by Country (?!!)

4). Income tax Credits = 20 year tax holiday (China), 5 to 7 year tax holiday (USA)

Manufacturing Subsidies by Country (?!!)

3). Effective Corporate Income Tax rate after Subsidy = 0% (China), 28% (USA)

Collected through Web sites by: Praveen Kumar Kulkarni