



Saubhagya Scheme & Intermittent Opportunities for Power Generation, Transmission & Distribution Sector in India 2018

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Why eninrac's report upon “ Saubhagya Scheme & Intermittent Opportunities for Power Generation, Transmission and Distribution Sector in India ”

WITH ABOUT 4 CRORES RURAL HOUSEHOLDS YET TO BE ELECTRIFIED , POWER SECTOR IN INDIA HAS LOT MORE TO OFFER TO THE ENTIRE VALUE CHAIN FOR MAKING THEM DEEP POCKETED

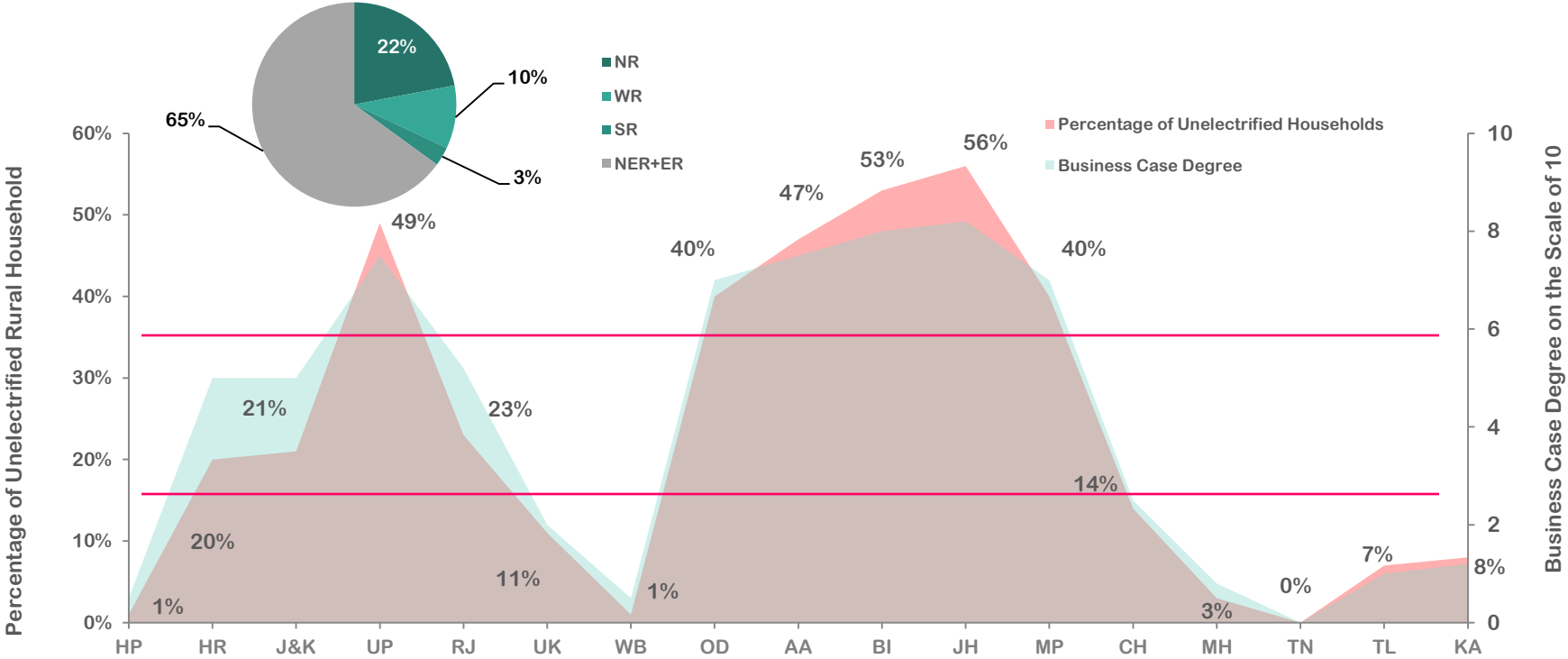
AFTER UDAY, SAUBHAGYA SCHEME IS MAKING ALL NEW HIGHLIGHTS INTO INDIA'S POWER INDUSTRY – THE CATCH IS, WHETHER IT WILL KEEP UP THE VOWS OF PROVIDING LAST MILE ELECTRICITY IN THE COUNTRY BY END OF 2018 ?

It seems that power industry in India is not done yet in gaining all the attention. Since, 2014 the industry has been into limelight, courtesy the initiatives taken by the Indian government. After, quite a good number of schemes, policies & reforms introduced into the sector over the short span of three years, the government still doesn't seem satisfied as building upon the same continues. After UDAY, Saubhagya scheme is another more talked about fresh addition into the list. But, unlike UDAY which at large was dedicated to the distribution facet of power industry, Saubhagya Scheme is believed to touch the entire value chain catering all the three legs – generation, distribution & transmission . From gencos to power exchanges & traders, transmission utilities to discoms , OEMs to package & component suppliers to EPC players, Saubhagya Scheme opens up a wide opportunity zone for all. To tap this underlying opportunity on pan India as well as regional basis , eninrac consulting attempts to come up with a in-depth research study onto the same.

Since, the government plans to pool in an invest to the tune of USD 2.15 Billion till Dec 2018 for electrifying approximately 4 crores of rural households under this scheme, we anticipate significant business case holding up into grid upgrades, renewable-energy integration, rural electrification, and smart metering. Infact, more automation and advanced analytics based solutions for controlling high transmission and distribution losses is the way forward for India's power sector. These and related opportunities would need annual investment of about USD10 billion by 2020 is what the report broadly talks about . Apart from this, the report deep delves in evaluating state wise business case for the industry stakeholders under the Saubhagya scheme and thereafter .

Exhibit 01: Underlying Business Case for the Value Chain Players in the State w.r.t the Unelectrified Rural Households

Region Opportunity Split for Value Chain Players under Saubhagya Scheme



Note (i) Business Case is highly electric for the states placed above 6 on the scale (ii) Business Case is decent for the states placed between 3-6 on the scale (iii) Business Case is dull for the states placed below 3 on the scale

Source: eninrac research

BUSINESS CASE UNDER SAUBHAGYA SCHEME

- Close to 23 percent of the rural household in India are unelectrified, which makes the count to be 4.1 crore households
- The total outlay for the Saubhagya Scheme is INR 16,320 Crores, of which the central government will provide INR 12,320 Crores
- The outlay for electrifying rural households will be INR 14,025 Crores of which the centre shall provide INR 10,588 Crores
- Bihar, Jharkhand, Uttar Pradesh Assam & Nagaland amongst the high opportunity zones
- In the urban centers to ensure 100% electrification an investment of INR 2295 has been pooled in
- The state discoms will execute the electrification works through contractors or other suitable agencies
- The scheme aims to cover about 50 lakh households in the urban centres
- For households located in remote and inaccessible areas, solar power packs of 200 to 300 Watt and battery back with 5 LED light, 1 DC Fan, 1 DC power plug along with repair and maintenance for 5 years would be provided

REPORT INSIGHTS

- Value Chain player wise identification of top opportunity zones in India under Saubhagya Scheme
- State wise as is status of power distribution sector in India and analysing the implications post Saubhagya Scheme
- Examining business case for package and component suppliers into power generation, transmission & distribution under Saubhagya Scheme
- Examining business case for DISCOMs in terms of addressing latent demand and true power demand under Saubhagya Scheme
- Examining business case for DISCOMs in integration of solar power projects, wind power projects & smart grid projects under Saubhagya Scheme

KEY HIGHLIGHTS

- Examining different power sale model for generation companies & opportunities there off under Saubhagya Scheme
- Analysing region wise impact of Saubhagya Scheme on Power Demand in India
- Examining region wise opportunities for the IPPs, CPSUs, SEBs and captive power generation companies under Saubhagya Scheme
- Examining region wise business case for renewable power generation companies
- Analysing region wise business case for power transmission utilities under Saubhagya Scheme
- Region wise track of the rural electrification status in India – Identifying the trends of past five years

PRESS EXCERPTS

Saubhagya Scheme launched to provide connections to over 40 Million families in rural and urban areas by end of 2018

Live Mint

States have been provided with an incentive of 50% of their loans being converted into grants , if electrification targets under Saubhagya Scheme are met by December 2018

Live Mint

KEY QUERIES ADDRESSED

- What would be the impact of Saubhagya Scheme on Power Demand Rise in India?
- How power supply embellishment shall take place in India with Saubhagya Scheme in place ?
- What would be the long term impact of India's adaptability towards power demand response ?
- What would be the opportunity tune for independent power producers under Saubhagya Scheme?
- What would be the opportunity tune for power transmission utilities under Saubhagya Scheme ?
- What would be the opportunity tune for power distribution utilities in rural electrification under Saubhagya Scheme ?
- What would be the opportunity tune for power distribution utilities in grid upgradation ?
- What would be the opportunity tune for EPC players under Saubhagya Scheme ?
- What would be the opportunity tune for OEMs under Saubhagya Scheme ?



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Happiness does not come from doing easy work but from the afterglow of satisfaction that comes after the achievement of a difficult task that demanded our best

- Theodore Isaac Rubin