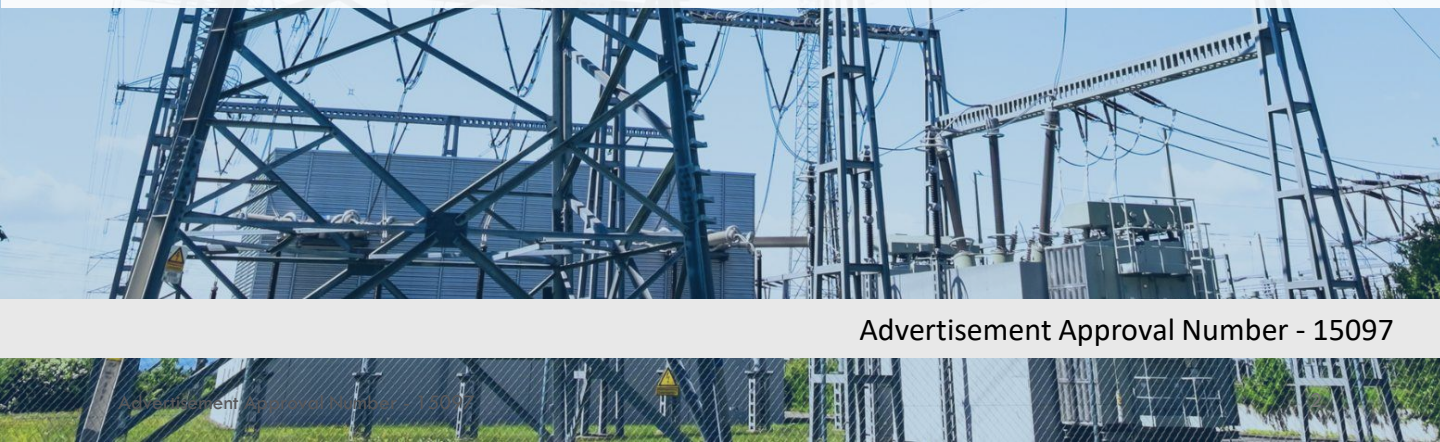


Powering the Future: Power Sector Report

Investing in India's Fast-Growing and Radically Reformed Power Sector



Advertisement Approval Number - 15097

India's Power Sector

What is Driving this Growth Vector?



India's Power Demand could see Double-Digit Growth¹

- Power consumption in India to grow at ~10% annually till 2030, potentially reaching 3,000 TWh
- Growth driven by ~10% annualized nominal GDP growth, increased manufacturing and export activity, and multi-decadal infrastructure schemes
- Indian per capita power consumption still significantly underpenetrated vis-a-vis rest of the world



Greenfield Power Consumer like EV and data centres to dominate Future Demand²

- Electric Vehicles (EVs) to dominate Indian roads by 2030 as government targets 30% EV penetration on Indian roads by 2030; multiple government schemes & subsidies such as FAME and PLI in place to incentivize EV adoption in India
- EVs have potential to become one of the single-largest power consumers in the country with expected total power consumption of ~100 TWh by 2030
- Data Centers market in India also expected to grow exponentially as data protection and localization is prioritized; expected power consumption of +100 TWh by 2030 would make data centers one of India largest power consumers



Renewable Capacity Additions to be Carried by both New and Legacy Power Generation Companies³

- >300 GW of additional renewable capacity is needed by 2030 (from existing ~144 GW) to fulfil India's key energy targets
- Capacity additions will be implemented from not just standalone renewable power companies, but also legacy power generators like NTPC, NHPC and SJVN, which are categorized by government as Renewable Energy Implementation Agencies (REIAs)



Power Financing Companies showing High Profitability and Cleaner Balance Sheets⁴

- Non-performing Assets (NPAs) have shown a steady decline for power-finance companies, with Net NPAs reducing to <1% in FY2024
- RoE and RoA have also continuously increased, as power finance companies grow their power loans market share vis-a-vis banks
- ~INR 14.5 lakh crore of investments expected from FY2022-FY2027 for adding necessary installed capacity by 2030



Transmission & Distribution Losses at 50-Year Low⁵

- India's T&D losses expected to continue reducing as government schemes such as RDSS (Revamped Distribution Sector Scheme) improve DISCOM's financial health and reduce leakages
- Being one of the world's largest synchronous grid, power trading expected to be a fast-growing market to ensure peak demand is met across the country; from FY2021-FY2023, power transactions grew by 22% annually

INVESTMENT THESIS

Power consumption in India is expected grow at ~10% annually, doubling to nearly ~3,000 TWh by 2030, with demand expected to arise from both domestic and industrial segments on account of growing per capita GDP and consumption, in addition to Greenfield power consumers such as EVs and Data Centres. Companies in the Indian power sector ecosystem have witnessed robust revenue growth and growing RoE (Return-on-Equity) in the past 5-6 years, driven by a clean-up of stressed power assets, higher capacity utilisation, and multi-decadal infrastructure policies aimed at doubling India's installed capacity by 2030 (including planned investments of ~INR 14.5 trillion from FY2022-2027). At present growth rates and RoE levels, we believe there is significant undervaluation across companies in the Power Sector value-chain, including Power Generation & Transmission, Power Equipment Manufacturing, as well as Power Financing & Trading. It is likely that Mr. Market will realize this mispricing and re-rate the sector in the near to medium-term.

1. Refer to Page 3 for Details/Sources
2. Refer to Page 5-6 for Details/Sources
3. Refer to Page 4 for Details/Sources
4. Refer to Page 7 for Details/Sources
5. Refer to Page 8 for Details/Sources

India's Power Demand could see Double-Digit Growth

Robust growth expected across domestic and industrial sectors, aided by fresh demand from greenfield power consumption sectors like EV and Data Centers

The Indian power sector is the backbone and key growth vector propelling India into “Bharat ka Amrit Kaal”. The power sector has witnessed a major turnaround post-Covid, with **power consumption growing at an annualized rate of ~10%* from FY2021 to FY2024 (Fig. 1)**. With India's nominal GDP expected to cross \$7 trillion by 2030¹ from \$3.6 trillion as of FY2023 (an annualized growth of ~10%*), we expect per capita power consumption to significantly rise in the coming decade.

As of FY2024, India's annual power consumption stood at ~1,616 TWh/BU². While some estimates from the Ministry of Power suggest a baseline expected demand of ~2,500 TWh² by FY2030 (a CAGR of ~7%* from FY2023 to FY2030), we believe these studies underestimate the potential impact of greenfield power consumers (i.e. fresh electricity demand from a fast-growing industry) such as Electric Vehicles (EVs) and technology-driven consumption such as Data Centers (discussed in later sections). Along with greenfield consumers, India's domestic and industrial power consumption will also see a boost through multiple multi-decadal infrastructure plans such as

the **National Infrastructure Pipeline (NIP)** which foresees \$1.8 trillion investment outlays⁴ in India, and the **National Logistics Policy (NLP)** which aims to provide a seamless and more efficient logistics network in the country, reducing the logistics cost from ~14% of GDP to close to the global average at ~8%⁵. This unprecedented infrastructure revamp also aligns with **markedly increased industrial activity in India**, with the **Ministry of Commerce targeting \$2 trillion of exports from India by 2030³** (good & services combined) from the current level of \$777 billion in FY2024, which corresponds to an annual growth rate of ~14.5%*.

With these considerations in mind, we expect power consumption in India to **continue its post-Covid momentum till 2030 with a baseline annual growth of ~10%***. This estimates India's **total power consumption at ~3,000 TWh/BU**, corresponding to a **per capita consumption of ~2,000 kWh*** (It can be noted that even at 2,000 kWh, India's estimated per capita consumption in 2030 would still be **significantly less than the global average consumption of ~3,000 kWh⁶**).

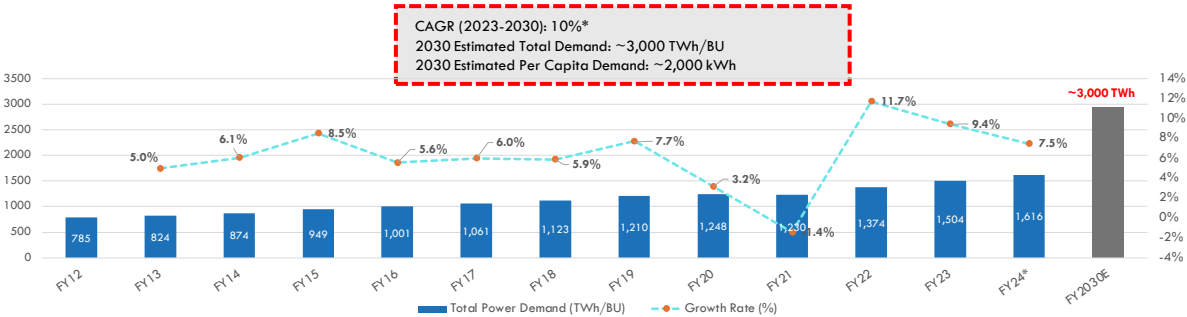


Figure 1: Power Consumption in India
(Source: Ministry of Power, CEA: <https://shorturl.at/DvZKS>, Omniscience Research)

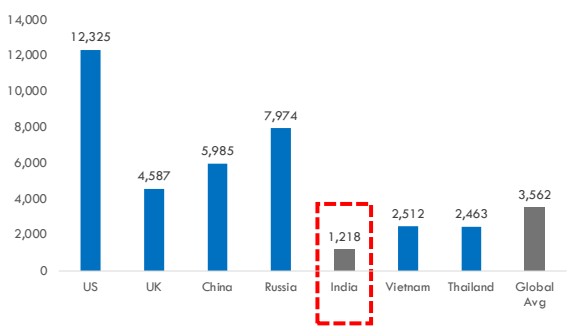


Figure 2: Per Capita Power Consumption by Country (kWh);
(Source: Low Carbon Power: <https://shorturl.at/awDvH>, Omniscience Research)

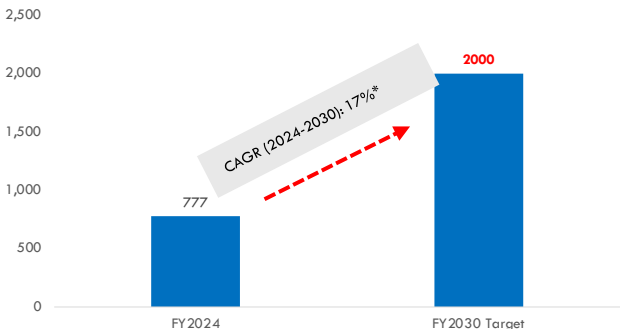


Figure 3: India Total Exports (\$ bn);
(Source: Hindu BusinessLine: <https://shorturl.at/c48sj>)

1. Indian economy poised to hit \$7.3 trillion by 2030: Finance Ministry report: Business Today: <https://shorturl.at/5A9QT>
2. Report on Optimal Generation Mix 2030 (Ministry of Power, CEA): <https://shorturl.at/ASNYI>
3. India on Track to Reach \$2 Trillion Export Target: Hindu Businessline: <https://rb.gy/cvca2p>
4. India Investment Grid: <https://shorturl.at/LxgvQ>
5. Drishiti IAS: National Logistics Policy: <https://shorturl.at/e9XIQ>
6. Statista World Population: <https://shorturl.at/bc8JA>

*For Illustrative Purposes Only

Power Capacity Additions to Keep up with Demand

India is in Line to push Renewable Installed Capacity to near 500 GW target by 2030

With 71% of India's power generation capacity addition in FY2024¹ accounted for by renewable energy, the nation is well on its way to achieve 500 GW of installed renewable power capacity by 2030. The Central Electricity Authority's (CEA) report on **Optimal Generation Capacity Mix for 2029-30** estimates a total installed capacity in India of ~817 GW² to support the expected power demand in the country. More recent estimates suggest an installed capacity requirement of ~900 GW⁵, which falls more in line with the expected power demand of ~3,000 TWh by 2030.

While solar and wind energy capacity have grown by ~12 and ~2 times since the last 8 years, the potential for both solar and wind power remain huge, given the country's topography and climate. As of FY2024, solar and wind energy capacities stood at ~82 GW and ~46 GW respectively, which were only ~11% and ~4% of the respective potential capacities³.

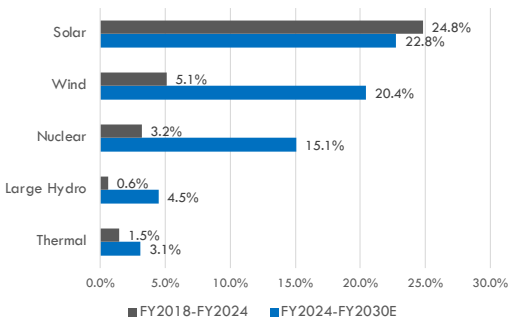
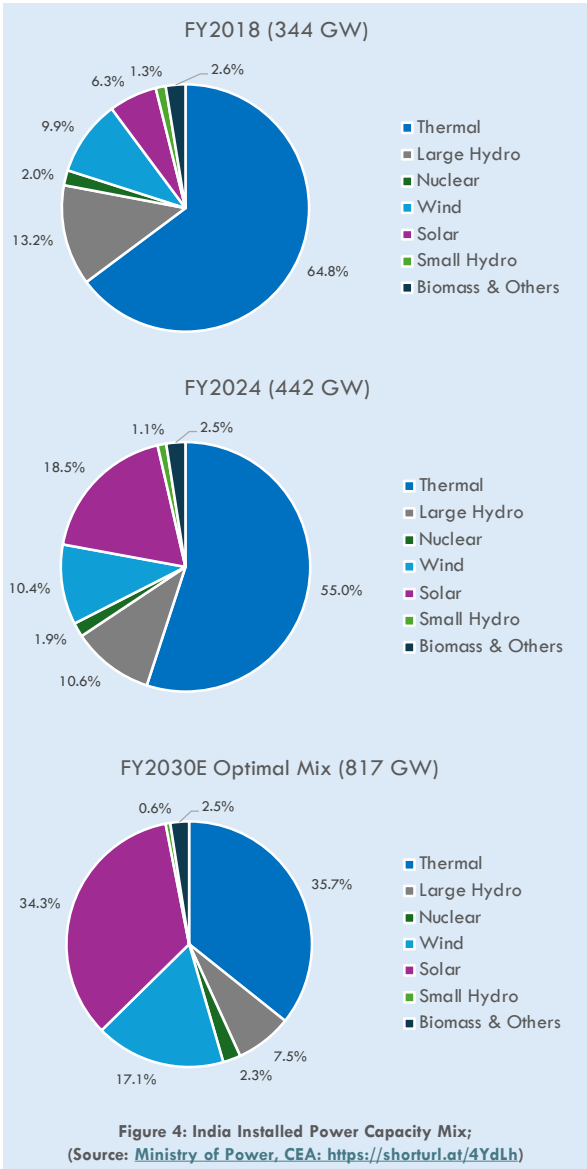
With current installed renewable capacity (excluding large hydro power) of ~144 GW⁶ as of FY2024, reaching the optimal generation capacity mix by FY2030 (with installed renewable capacity target of >440 GW) would entail capacity additions of >300 GW in the next 6 years, or an average annual renewable capacity addition of at least 50 GW. In line with this requirement, the Government has stipulated to invite bids for 50 GW of renewable energy from FY2023-24 to FY2027-28⁴, with bids placed by designated Renewable Energy Implementing Agencies (REIAs), namely:

- NTPC: National Thermal Power Corporation
- NHPC: National Hydro Power Corporation
- SJVN: Satluj Jal Vidyut Nigam
- SECI: Solar Energy Corporation of India

This also illustrates how renewable energy capacity additions in future won't be the exclusive realm of standalone green energy companies, and would instead be an industry-wide effort by flagship/traditional power generators as well, who will have substantially higher renewable energy capacities by the end of the decade.

Type	SECI	NTPC	NHPC	SJVN	Total
Wind (GW)	2.5	2.5	2.5	2.5	10
Non-Wind (GW)	12.5	12.5	7.5	7.5	40

Table 1: Central Bidding Trajectory FY2024;
(Source: CareEdge Ratings: <https://shorturl.at/DXQc9>)



1. Renewable Energy Accounted for 71% of India's Power Generation Capacity Addition in FY24: CEEW-CEA: <https://rb.gy/m4csuq>
2. Report on Optimal Generation Mix 2030 (Ministry of Power, CEA): <https://shorturl.at/4YdLh>
3. Invest India: Renewable Energy: <https://rb.gy/8ra5gv>
4. Renewable Energy: Sustained Growth Amidst Execution Challenges (CareEdge Ratings): <https://tinyurl.com/3f32hhy4>
5. Press Information Bureau, Ministry of Power: <https://tinyurl.com/5m2kukre>
6. ET Energy World: <https://tinyurl.com/59knjzta>

*For Illustrative Purposes Only

EV Industry to Become Major Power Consumer

Electric Vehicles can potentially become one of India's top power consuming industries

With nearly **4 million Electric Vehicles (EVs)** sold in India cumulatively by March 2024¹, India's EV market is in the midst of an explosive growth phase. From merely ~1.3 lakh EVs sold in 2020, an estimated ~1.6 million EVs were sold in the country in 2023 – which is a sizeable **compounded annual growth rate of 133%* in the last 3 years**¹. For the same period, the share of petrol vehicle sales of total vehicle sales reduced from 86% in 2020 to 76% in 2023⁴, with diesel vehicles share remaining relatively flat at 11-12%.

India has set an ambitious target under **EV30@30 - a 30% EV penetration by 2030** (i.e. 30% of all vehicle sales being EVs), supported by government subsidization and EV-Infra schemes such as **FAME India** (Faster Adoption & Manufacturing of Electric Vehicles) which aims to provide subsidies to EV customers, and **PLI (Production Linked Incentive)** schemes to boost domestic manufacturing of EVs and EV components. In addition, with fossil-fuel prices rising and global EV battery prices expected to keep falling till 2030, the total cost of EV ownership – which is already the lowest compared to its petrol, diesel and CNG peers – would fall further². This **increasing cost effectiveness vis-à-vis traditional vehicles will be the primary factor that drives EV adoption in India in future**.

A simple analysis of projected EV numbers in 2030 gives us an estimated range of the total power consumption expected by EVs by the end of this decade. In broad terms, 3 scenarios can be envisioned for penetration rates for 2W, 3W, 4W (cars) and buses respectively:

- **Scenario 1:** Lower-than-expected EV penetration of 70%, 70%, 30% & 30%
- **Scenario 2:** Baseline EV penetration of 70%, 70%, 50% and 30%
- **Scenario 3:** Higher-than-expected EV penetration of 80%, 80%, 70% and 40%

Table 2: EV Power Consumption Scenarios FY2030*

EV Type	# of vehicles currently (mn)	Avg. Battery Capacity (kWh)	Avg. Range (km)	Avg. Daily Travel (km)	Scenario 1		Scenario 2		Scenario 3	
					# of EVs on Road in 2030 (mn)	Total Power Consumption on in 2030 (TWh)	# of EVs on Road in 2030 (mn)	Total Power Consumption on in 2030 (TWh)	# of EVs on Road in 2030 (mn)	Total Power Consumption on in 2030 (TWh)
2W	2.2	~3	100	40	67.9	29.8	67.9	29.8	76.9	20.5
3W	1.5	~7	100	120	7.7	23.5	7.7	23.5	8.3	14.2
4W (LCV)	0.2	~40	250	40	6.5	15.3	10.6	24.7	14.6	24.1
Bus	0.01	~300	250	250	0.1	11.5	0.1	11.5	0.1	15.9
TOTAL	3.9				82.2	80.0	48.3	89.5	99.9	107.8

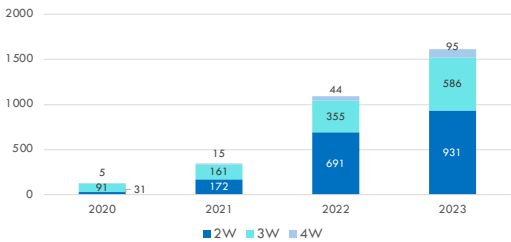


Figure 6: EV Sales in India (in '000s);
(Source: EV Ready India: <https://tinyurl.com/2sn9b3uf>)

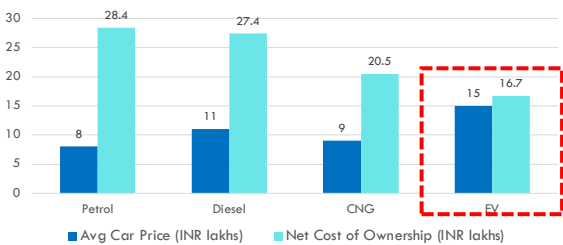


Figure 7: Cost Comparison of Average Indian Hatchback;
(Source: CareEdge Ratings: <https://tinyurl.com/zawnef68>)

Other assumptions include³:

- Expected annual growth rate of 9.0% for the overall Indian automotive sector from 2023-2030
- Average battery capacity of 3 kWh, 7 kWh, 40 kWh and 300 kWh for 2W, 3W, 4W (cars) and buses respectively
- Average range on full battery of 100 km, 100 km, 250 km and 250 km for 2W, 3W, 4W (cars) and buses respectively
- Average daily distance traveled of 40 km, 120 km, 40 km and 250 km for 2W, 3W, 4W (cars) and buses respectively

Based on above input parameters, the resulting power requirement for Scenario 1 through Scenario 3 ranges from ~80 TWh to ~110 TWh (Table 2), **making EVs one of the single-largest power consuming sectors in India in the next 5-6 years.**

1. EV Ready India: <https://tinyurl.com/2sn9b3uf>
2. India is Gradually Moving Towards Alternative Fuel Vehicles (CareEdge Ratings): <https://tinyurl.com/3kipmccr>
3. Handbook of Electric Vehicle Charging Infrastructure: Niti Aayog: <https://tinyurl.com/4uasjr5n>
4. ET: India aims for 30 percent of all vehicle sales to be electric by 2030: <https://tinyurl.com/2fbnh9wh>

*For Illustrative Purposes Only

Data Centres to Witness Exponential Growth

Data Centers to become greenfield power consumer as data localization becomes priority

While generating 20% of global data, India’s market share in the world’s total data center capacity stands at a minute 3%¹. Globally, data centers consumed 460 TWh of power in 2022²- nearly 2% of the world’s total electricity demand. With digital economies strengthening across the world, and AI and Large Language Models (which require immense computing power) gaining mainstream attention (i.e. ChatGPT), the global electricity demand from data centers is expected to double from 460 TWh in 2022 to ~1,000 TWh by 2026³. By extension, we can expect 2030 power usage as roughly ~4x of 2022 levels at ~2,000 TWh. This corresponds to ~6-7%* of the world’s total electricity demand expected by 2030. This is a plausible scenario, in line with industry estimates which project that data centers will consume nearly 9% of the total electricity consumption in the US³.

India is expected to become the largest mobile data usage market (on a per capita basis) by 2029⁴. Consequently, the need for data centers is expected to

witness an exponential increase in the coming decade, driven by the country’s huge digital infrastructure that encompasses payments, e-commerce, 5G, cloud computing and AI. This will be further aided by the government’s **increased emphasis on data protection and privacy**, with policies such as DPDP (Digital Personal Data Protection Act) and RBI Guidelines for Payments Data incentivizing localization of data generated in India.

A recent report by Jeffries estimates India’s data center capacity can rise to nearly 17 GW over the FY2024-2030 period⁵, from the present level of ~1 GW, representing an annualized capacity growth of nearly ~60%. This growth is backed by recent investment outlays announced in the past 36-48 months, which amount to ~\$28 billion cumulatively till 2030⁵. At 17 GW, the total power consumption (assuming round-the-clock usage) would be an estimated 140-150 TWh. These estimates indicate that data centers would likely surpass EVs as well in terms of total power consumption by a single industry.

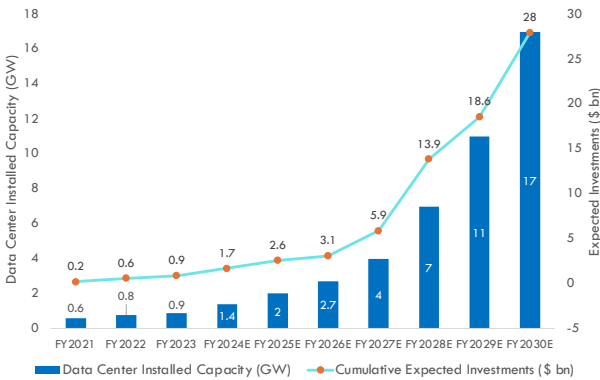


Figure 8: India Data Center Industry Outlook*; (Source: Jeffries: <https://tinyurl.com/28j9zhzy>)



Figure 10: Digital Infrastructure Comparison by Country; (Source: CoreEdge Ratings: <https://tinyurl.com/4d37kx8a>)

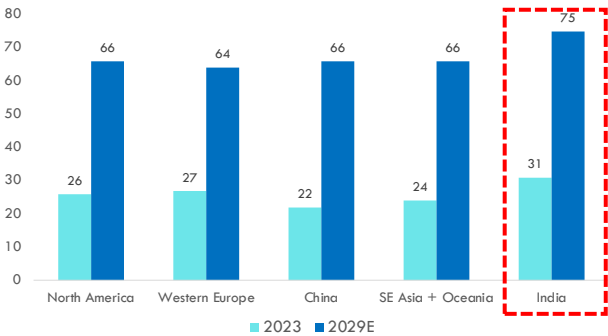


Figure 9: Smartphone Data Usage by Country (GB/month); (Source: Ericsson Mobility Report: <https://tinyurl.com/c2khdjir>)

Policy/Act	Key Provisions
Digital Personal Data Protection Act (DPDP, 2023)	<ul style="list-style-type: none">Imposes more stringent requirements on businesses to invest in local data centersEmphasizes “Right to Privacy” and data protection
Harmonized Master List of Infrastructure Sub-sectors	<ul style="list-style-type: none">Data centers have been awarded “Infrastructure” statusMakes it simpler for banks to finance such projects
RBI Guidelines for Payments Data	<ul style="list-style-type: none">Payment service providers need to ensure that all payment system data is stored within India for a minimum of 6 months

Table 3: Policy Framework for Data Protection/Privacy in India; (Source: India Briefing: <https://tinyurl.com/25ez9dtr>)

1. CoreEdge Ratings estimates India’s data center capacity to double in three years: <https://tinyurl.com/4d37kx8a>
2. IEA Electricity 2024 – Analysis and forecast to 2026: <https://tinyurl.com/yc7buhzb>
3. Data Centers set to consume 9% of US Electricity by 2030: <https://tinyurl.com/t9npa38s>
4. Ericsson Mobility Report: <https://tinyurl.com/c2khdjir>
5. Siemens, ABB among biggest beneficiaries of data-centre capacity additions: Jeffries: Moneycontrol: <https://tinyurl.com/28j9zhzy>
6. India’s Data Center Sector – Market Outlook and Regulatory Frameworks: <https://tinyurl.com/25ez9dtr>

*For Illustrative Purposes Only

Power Financing is in its Healthiest Phase in India

Power financing segment remains significantly undervalued while having cleaner balance sheets

Adequate financing of power generation projects – led by renewable energy – will be instrumental in achieving the near-doubling of installed capacity in India by 2030. Recent research estimates show that the capital expenditures required to achieve the Optimal Generation Mix by 2030 would be in the tune of **INR 14.5 lakh crores from FY2022-FY2027¹**. Assuming a 75% debt funding (the standard for infra projects), this corresponds to **~INR 10.9 lakh crores worth of financing that needs to come from banks and standalone power-finance companies¹**. This fresh capital injection can be seen in the most recent loan disbursements in FY2024, which stood at INR 2.9 lakh crores compared to INR 2 lakh crores from FY2023¹.

Additionally, power-financing companies have enjoyed a consistent upward trajectory in asset-quality. **Net non-performing assets (NNPAs) for power-financing companies have reached decadal lows of under 1% by FY2024¹**, driven through consolidation and acquisitions in the sector. Government initiatives have also had a strong role to play in this, including PFC Projects Limited (PPL) – a joint venture intended to acquire and resolve stressed power assets, and the formation of National Asset Reconstruction Company Limited (NARCL) – an agency set up to resolve the stressed assets of the overall banking sector. This improved asset quality is expected to persist going forward, with nodal power finance companies such as REC Limited expected to have zero NNPA by 2025. Improved asset quality has been accompanied by enhanced profitability for the sector as well, with **Return-on-Equity (RoE) and Return-on-Assets (RoA) at their decadal highs¹**. This is largely attributable to lower credit costs, which are expected to stay low as the NNPA's reduce further. Power finance companies also operate on a wholesale-based business model vis-à-vis a completely retail-based model for banks, resulting in relatively lower operating expenses. Supported by central government schemes and cleaner balance sheets, the share of power financing companies in the total power-sector loan book has steadily improved, **increasing from 55% in FY2020 to ~60% currently¹**. These competitive advantages would persist in future as well.

Power finance companies also remain largely undervalued, especially given the enhanced profitability and asset quality they have shown in the past decade. Both PFC (Power Finance Company) and REC Limited had P/E levels of 9.9 and 8.2 and P/B levels of 2.0 and 1.6 respectively, much lower than present Nifty levels at 22.2 and 3.7 respectively*.

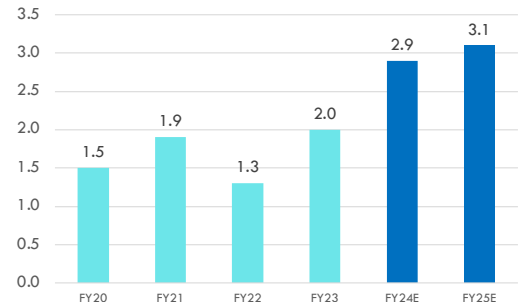


Figure 11: Power Loan Disbursements (INR Lakh-Crore);
(Source: CareEdge Ratings: <https://tinyurl.com/267ms66w>)

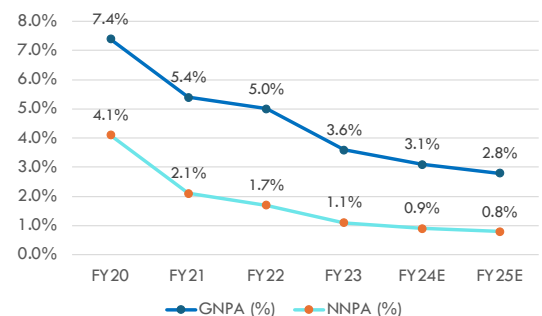


Figure 12: NPAs in Power Finance Companies;
(Source: CareEdge Ratings: <https://tinyurl.com/267ms66w>)

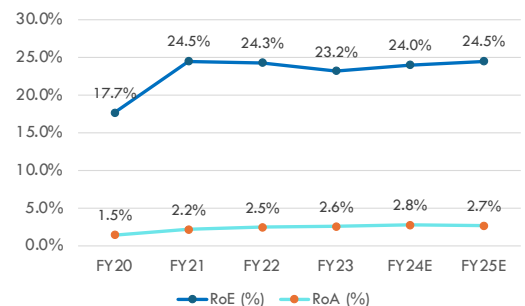


Figure 13: RoE (%) and RoA (%) - Power Finance Companies;
(Source: CareEdge Ratings: <https://tinyurl.com/267ms66w>)

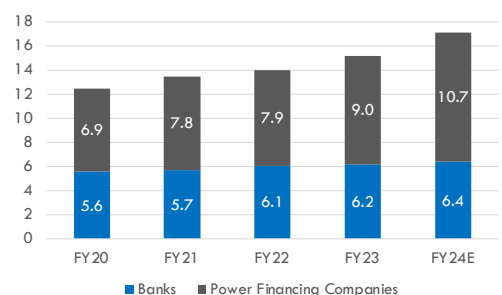


Figure 14: India Power Loan Distribution by Channel;
(Source: CareEdge Ratings: <https://tinyurl.com/267ms66w>)

1. Power Financing: At the Cusp of Inflection (CareEdge Ratings): <https://tinyurl.com/267ms66w>
* As of 31-May-2024

Transmission & Distribution Losses at 50-Year Lows

Government Initiatives have greatly improved grid efficiency and minimized supply-demand gaps

India’s transmission network consists of **4,81,326 ckm (circuit-kilometers) of transmission lines and 12,25,260 MVA (megavolt-amperes) of transformation capacity** as of 31st January 2024. To support the Renewable energy installed capacity goal of ~500 GW by 2030, the Central Electricity Authority (CEA) **estimates an additional 50,890 ckm and 4,33,575 MVA of transmission lines and sub-station capacity¹** respectively under the Inter-State Transmission System (ISTS) plan, with an estimated cost of INR 2.44 lakh crores.

More than 90% of India’s transmission grid is dominated by central and state government entities, with the Power Grid Corporation of India (PGCIL) retaining a monopolistic advantage, **controlling ~36% of India’s transmission network²**. As India’s nodal power transmission company, PGCIL is expected to continue dominating the transmission sector in the coming decade, even as entry of private players like Adani and JSW Power bring in additional competition. In addition to transmission capacity expansion, **Transmission & Distribution (T&D) losses have steadily reduced to near 50-year lows at below 20%³**, driven by 100% rural electrification and expansion of the country’s grid. Multiple government initiatives are in place to continue improving financial health of DISCOMs while driving T&D losses further down to globally competitive levels. The most important of these is the Revamped Distribution Sector Scheme (RDSS), which prioritizes a shift towards modernization and sustainability of the power sector in India, with an **investment outlay of ~3.03 lakh crores⁴**. Installation of Smart Meters - which are crucial to plugging power thefts and improving revenues for DISCOMs - has also witnessed a steep rise in FY2024 and would continue to be a priority under RDSS in the near future.

With India’s transmission network being the world’s largest synchronous grid, **power trading has huge potential in India**, especially as the National Grid expands to accommodate for renewable capacity additions in future. A synchronous grid augments inter-regional power transfer, and power trading will be instrumental in the next decade to fulfil peak demand and reduce congestions across the National Grid. In FY2023, **India had more than 1 lakh power transactions amounting to a total power output of ~172 TWh²**. This represents an annual growth of ~17.9% since FY2021 when the total power output transacted stood at ~124 TWh².

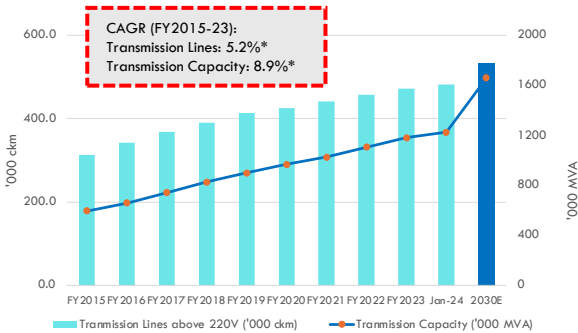


Figure 15: India Transmission Lines/Capacity; (Source: CEA: <https://tinyurl.com/mr97y2ky>)

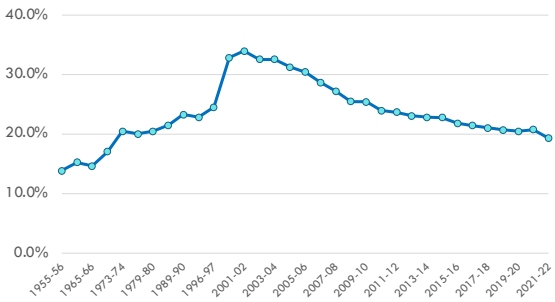


Figure 16: India Transmission & Distribution Losses; (Source: CEA: <https://tinyurl.com/mr97y2ky>)

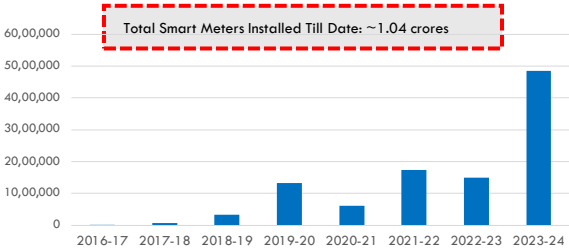


Figure 17: Annual Smart Meter Installations; (Source: Ministry of Power, CEA: <https://tinyurl.com/ykr9txpe>)

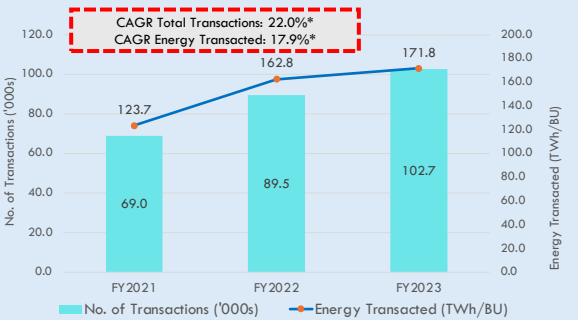


Figure 18: Power Trading Markets in India; (Source: PGCIL: <https://tinyurl.com/578bjkyZ>)

1. Transmission System for Integration of over 500 GW RE Capacity by 2030 (CEA December 2022)
2. PGCIL Annual Report FY2022-23: <https://tinyurl.com/578bjkyZ>
3. Ministry of Power: Growth of Electricity Sector in India from 1947-2023: <https://tinyurl.com/3nxx9i7y>
4. Press Information Bureau: RDSS: <https://tinyurl.com/3v8drbkgp>

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FACTSHEET: Omni Power - Electrifying India/ Omni Renewable Tech



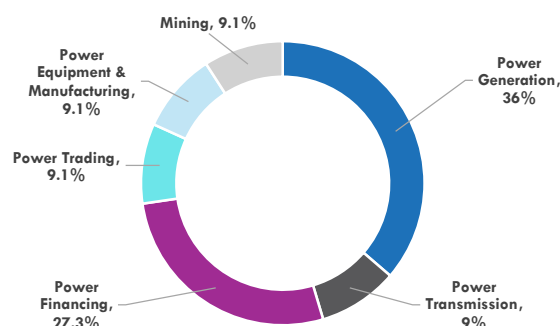
Strategy Name	Omni Power – Electrifying India/ Omni Renewable Tech
Portfolio Inception Date	07-Jan-2021
# of Holdings	11
Investments	Thematic
Benchmark	Nifty 100
Avg. Market Cap (INR Cr.)*	1,40,729

Omni Power - Electrifying India is a curated portfolio of companies operating in India's power sector that are extremely well-positioned to capitalize on India's rapidly growing power consumption in the coming decade.

India's power sector is in the midst of radical reforms, with emission reduction and renewable energy capacity installation being a priority for the government for the next decade. We expect total power consumption in India to grow at a double-digit pace. Demand will be driven by both industrial and domestic segments as India's GDP growth continues to outpace its peers, while greenfield power consumers such as Electric Vehicles (EVs) and Data Centres would further create new demand centres for power. At present rates, total capacity additions are in line to fulfil the target of ~500 GW renewable capacity by 2030.

This Growth Vector creates numerous investment opportunities across the Power Sector value-chain, including Power Generation, Power Transmission, Power Equipment Manufacturing, as well as Power Financing & Trading. **At current profitability levels, there are significantly undervalued companies across the power ecosystem, and it is likely that Mr. Market will realize this mispricing and re-rate the sector in the near to medium-term.**

PORTFOLIO COMPOSITION



PORTFOLIO vs. BENCHMARK Valuation and Performance Ratios*1

Valuation Ratios	Portfolio	Benchmark
P/E (TTM)	14.9	24.6
P/BV (TTM)	2.0	4.2
P/E (Fwd 1 Yr)	15.2	22.6
Div. Yield	2.8%	1.3%

Performance Ratios	Portfolio	Benchmark
ROE	13.7%	17.1%
Operating Margin	21.6%	15.7%

*As of 30-Jun-2024

1 Omnisience Research, Company financial statements

*For Illustrative Purposes Only

Disclaimers

Investment in securities market are subject to market risks. Read all the related documents carefully before investing. Registration granted by SEBI, membership of BASL and certification from NISM in no way guarantee performance of the intermediary or provide any assurance of returns to investors.

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Address: Awfis, 1st Flr, B Wing, Parinee Crescenzo, G-Block, BKC, Mumbai – 400051 | Phone (M): (+91) 9004 560540
Email: info@omnisciencecapital.com | Website: www.omnisciencecapital.com

Principal Officer is Vikas V Gupta (Contact No. 9987681967, Email: vikas.gupta@omnisciencecapital.com) and Compliance Officer is Ashwini Kumar Shami (Contact No. 9892140540, Email: ashwini.shami@omnisciencecapital.com). Grievance Officer is Mahir Shah (Contact No. 9029202759, Email: grievance@omnisciencecapital.com). Local office address of Securities and Exchange Board of India is SEBI Bhavan, C4-A, G Block, BKC, Mumbai - 51.