



Dated: March 05, 2021

The Manager  
BSE Limited  
Corporate Relationship Department  
Phiroze Jeejeebhoy Towers  
Dalal Street  
Mumbai- 400001

The Manager  
National Stock Exchange of India Ltd  
Listing Department  
Exchange Plaza, 5<sup>th</sup> Floor, Plot no C/1  
G Block, Bandra Kurla Complex  
Bandra (E), Mumbai-400 051

**Scrip Code: 540750**

**Symbol: IEX**

**Sub: Investor Presentation made during the Analyst Meet held on March 05, 2021**

Dear Sir / Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached an Investor Presentation made today during meeting with the Analysts.

The above information will also be made available on the website of the Company:  
[www.iexindia.com](http://www.iexindia.com)

You are requested to take the above information on record.

Thanking You.

Yours faithfully,

For **Indian Energy Exchange Limited**

**Vineet Harlalka**  
**CFO, Company Secretary & Compliance Officer**  
**Membership No. ACS-16264**



Encl: as above

[www.iexindia.com](http://www.iexindia.com)

Indian Energy Exchange Limited

**Indian Energy Exchange Ltd.**

Corporate Office: Plot No. - C-001/A/1, 9th Floor, Max Towers, Sector 16B, Noida, UP - 201301, India | Tel: +91-120-4648100 | CIN: L74999DL2007PLC277039  
Registered Office: C/O Avanta Business Center, First Floor, Unit no 1.14(a), D2, Southern park, District Centre, Saket 110017



# Indian Energy Exchange

## Analyst Meet 2021

## In this presentation:

### Financial Highlights

Business Performance and Way Forward

Regulatory Updates

Customer Experience

Technology Innovation

Indian Gas Exchange



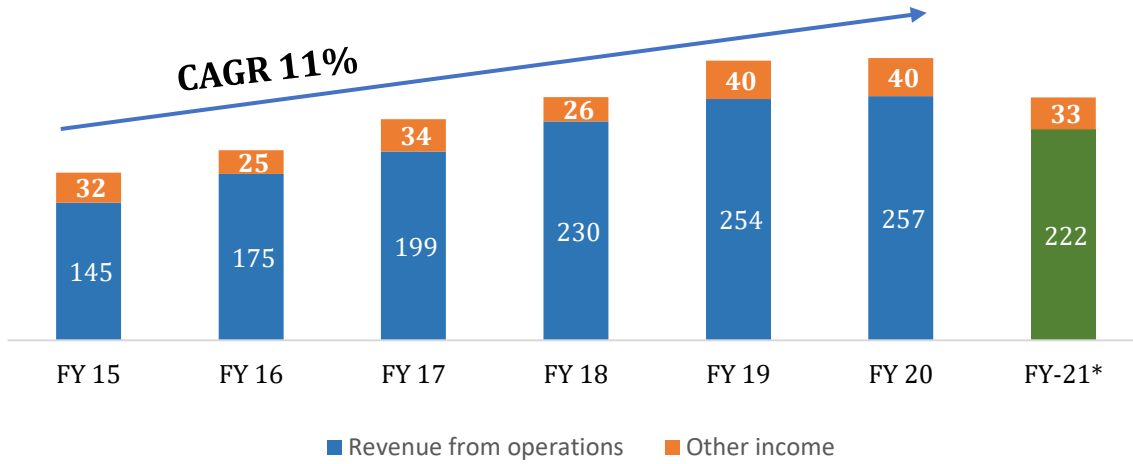
# Financial performance over the Decade



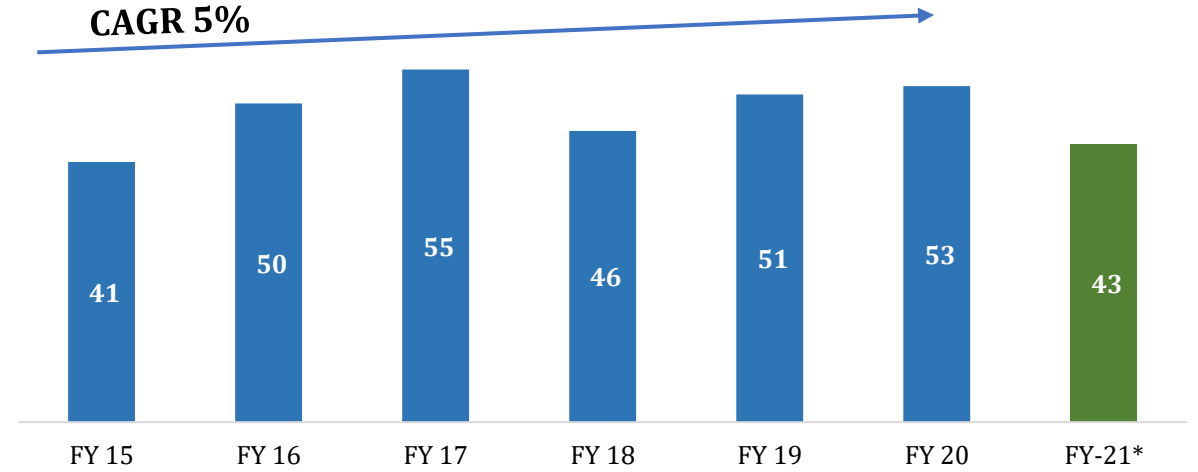
- ✓ Revenue from Operations and traded volumes has increased by CAGR 25% over 10 years.
- ✓ PAT, EBITDA & EPS has grown by CAGR 28 %, 28% & 27% resp. over 10 years – High Operating Leverage.
- ✓ Debt free company since inception.
- ✓ Technology focused entity
  - In FY 18, 118 Cr. was spent over trading platform, which has shifted from opex to capex Cost model.
  - Thereafter significant part of capex is spent towards technology initiatives focused at enhancing customer experience and convenience.
- ✓ Generating operating cash profits since inception and distributing dividend to shareholders. Focused on creating wealth for stakeholders as well.
- ✓ Strong balance sheet size of 788 Cr. Out of which, 645 Cr. (82%) comprises of Investments, Cash & equivalent; which ensures IEX is future ready to explore new markets/opportunities and compete with competitors.

# Financial Performance – YoY

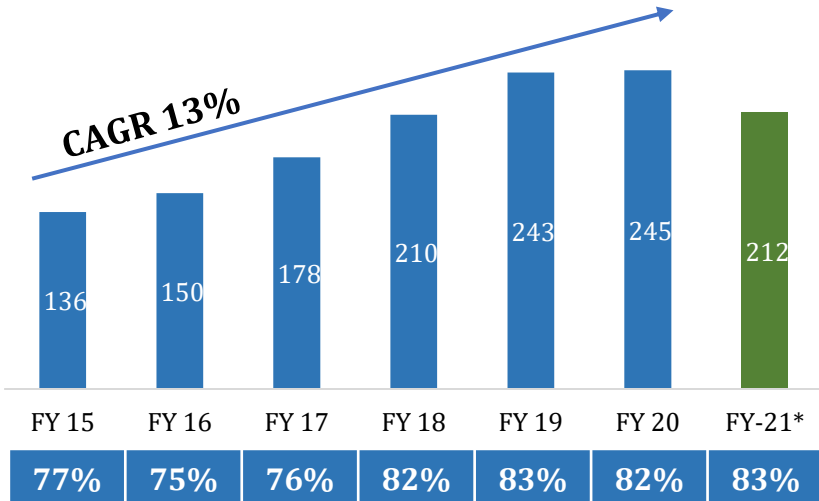
### Revenue



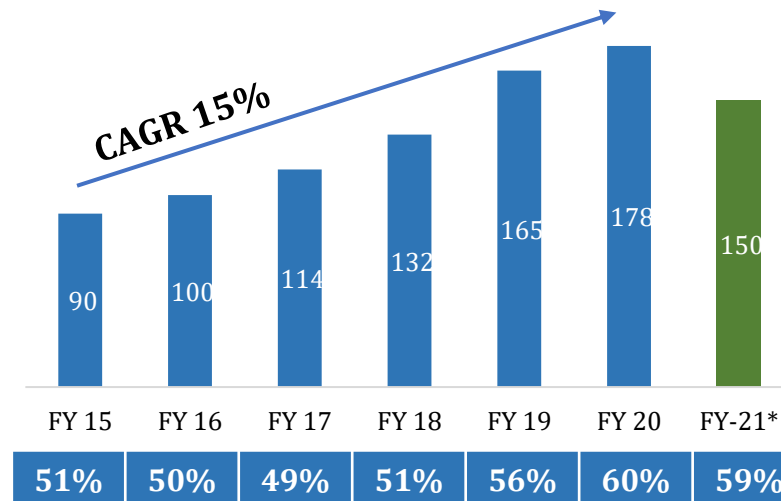
### Operating Expenses



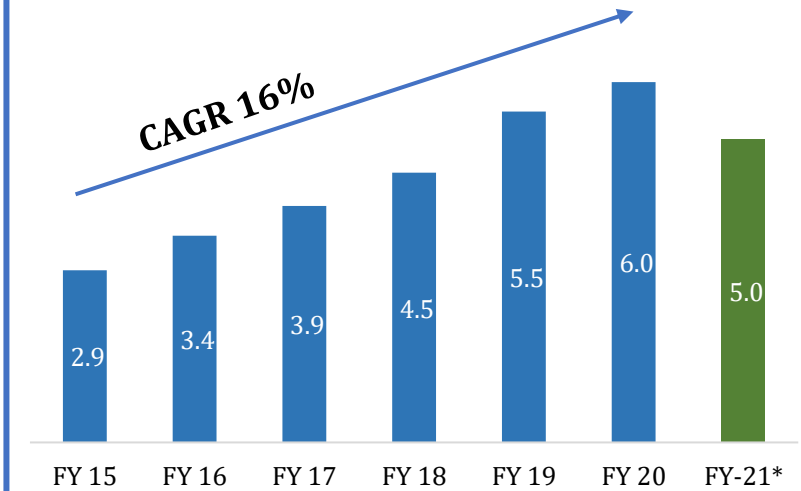
### EBITDA



### PAT



### EPS



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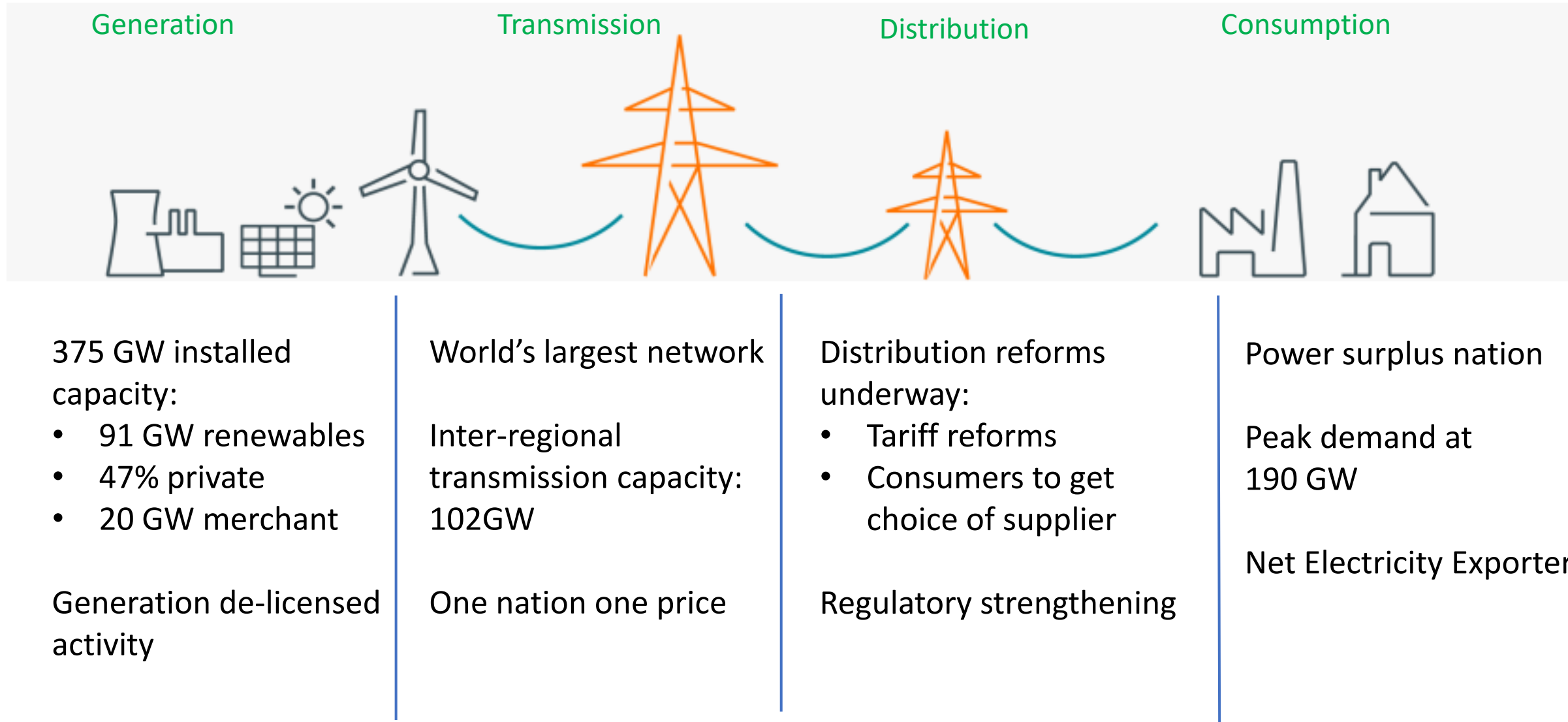
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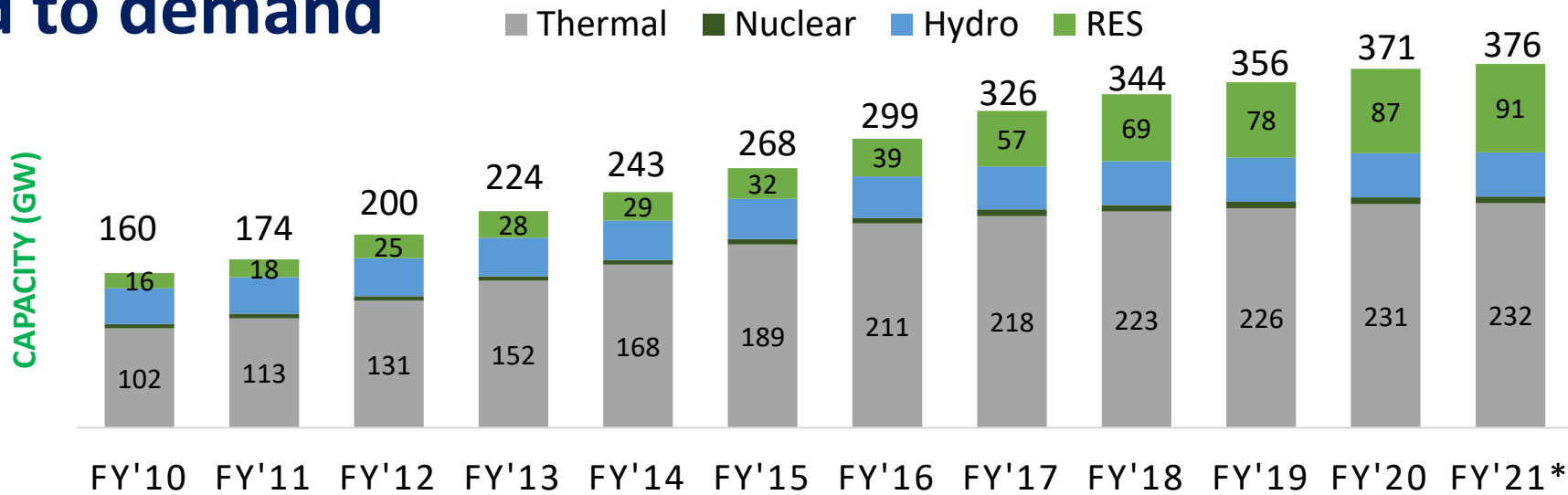


# Electricity Value Chain: Key Highlights

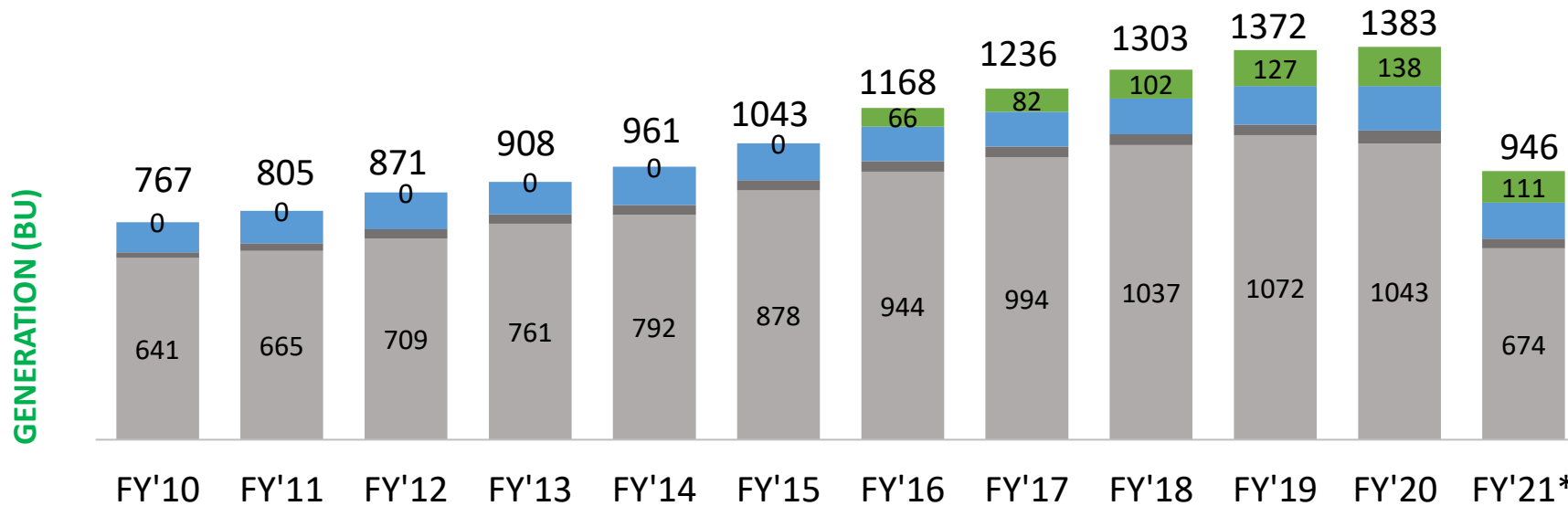


# Installed capacity has grown at a faster pace compared to demand

10 Yr CAGR



9%



6%

\*FY21- Till Dec 20

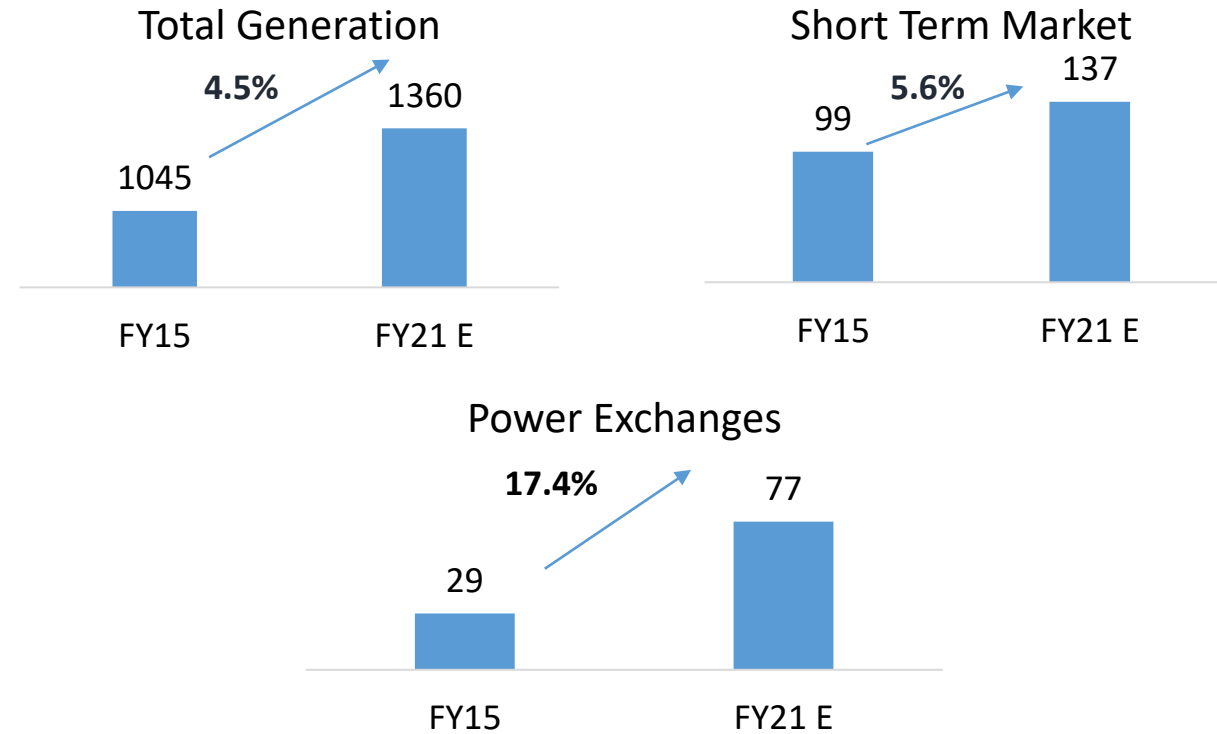
Capacity growth of 9% and generation increase of 6% in the last 10 years has led to surplus generation in India



# Short Term Market Comparison

- ✓ ST Market grew at a CAGR of 5.6% whereas Power Exchanges have grown at 17.4% .
- ✓ IEX launched RTM & GTAM in FY2021
- ✓ 8.8 BUs traded in RTM & GTAM till Feb 2021

## Short Term Market Trend (In BU)



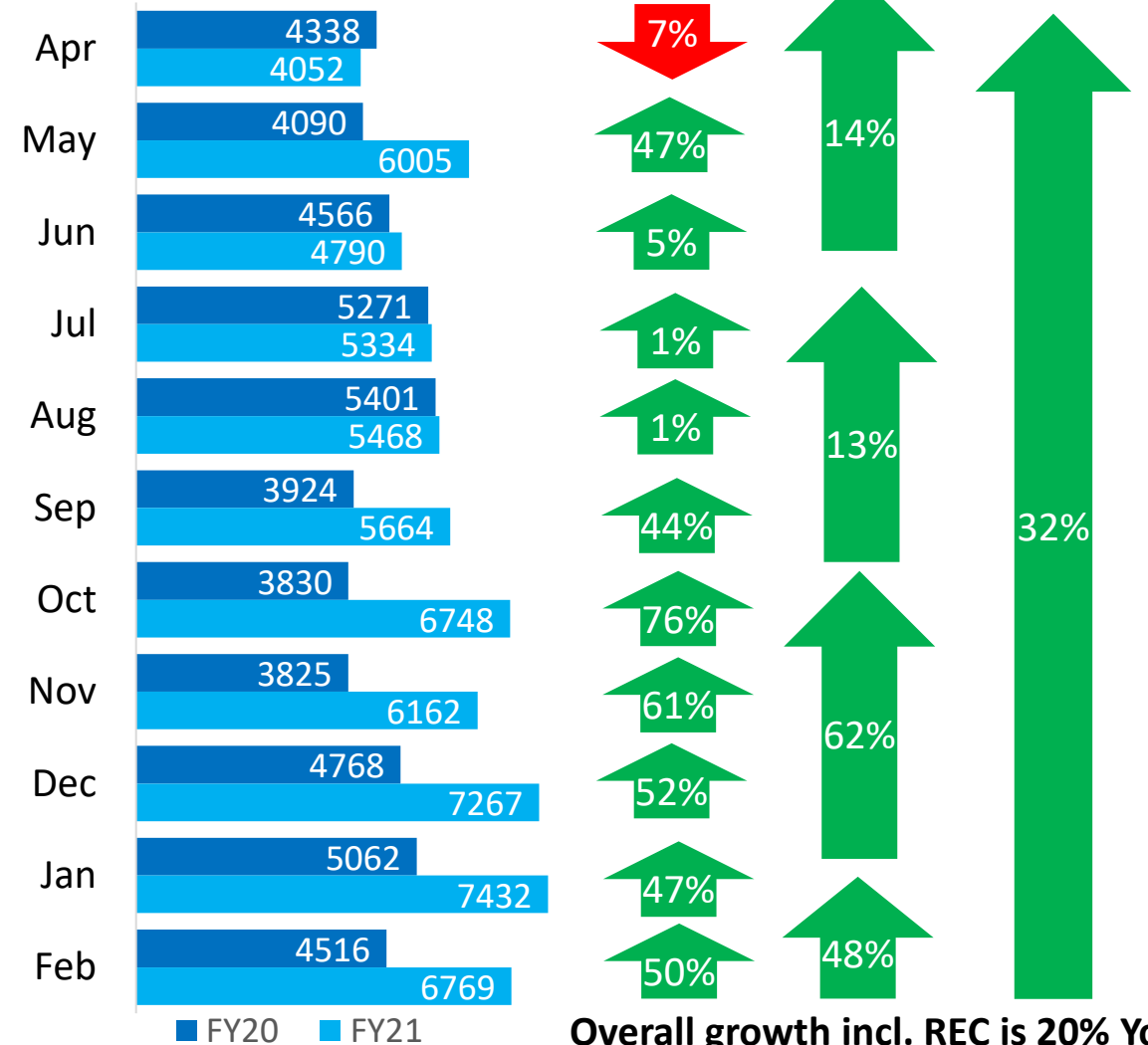
# IEX Performance (Apr-Feb)



Product	FY20	FY21	% Achieved
<b>Electricity</b>	49590	65691	32%
DAM	45141	53867	19%
TAM	4448	3038	-32%
RTM		8054	
GTAM		731	
<b>Certificate</b>	5508	697	-87%
REC	5508	697	-87%
ESCerts			
<b>Total</b>	55097	66388	20%

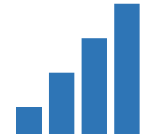
- ✓ Jan 21 demand increased by 5% & Feb by 3% YoY. Overall demand reduced by ~3% in 11M FY21.
- ✓ Achieved 50% growth in Electricity volume YoY in Feb 21
- ✓ Highest peak demand in Jan 21- 190 GW
- ✓ Highest monthly Electricity volume recorded in Jan 21 – 7.4 BU
- ✓ Discom buy increased by 36% & OA increased by 16% YoY
- ✓ 100% market share in RTM
- ✓ Market price down by 10% YoY (from 3.00/unit to Rs 2.71/unit)
- ✓ No REC trade during Jul-Feb

Electricity Volume Comparison (DAM+TAM+RTM+GTAM)



# New Markets Segments FY21 (Apr-Feb)

## REAL TIME MARKET (Jun'20 – Feb'21)



**VOLUME (MU)**

- ✓ Buy – 10218
- ✓ Sell – 21550
- ✓ Cleared – 8055



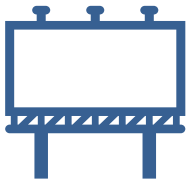
**PRICE (Rs/Unit)**

- ✓ Average – 2.68
- ✓ Min – 0.02
- ✓ Max – 9.00



**PARTICIPATION**

- ✓ Top 5 Buyers – J&K, Telangana, Rajasthan, AP, W Bengal
- ✓ Top 5 Sellers – NLC, Odisha, UP, J&K, Karnataka



**HIGHLIGHTS**

- ✓ Highest Daily Cleared Volume – 56 MU
- ✓ Top 5 Buyers Purchase 58% of Total Cleared Volume
- ✓ Daily Avg sell bid was 2.1 times of buy bid.

## GTAM MARKET (Aug'20- Feb'21)



**VOLUME (MU)**

- ✓ Buy – 1655
- ✓ Sell – 1609
- ✓ Cleared -734



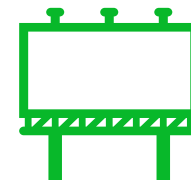
**PRICE (Rs/Unit)**

- ✓ Average -3.84
- ✓ Min – 2.82
- ✓ Max – 9.00



**PARTICIPATION**

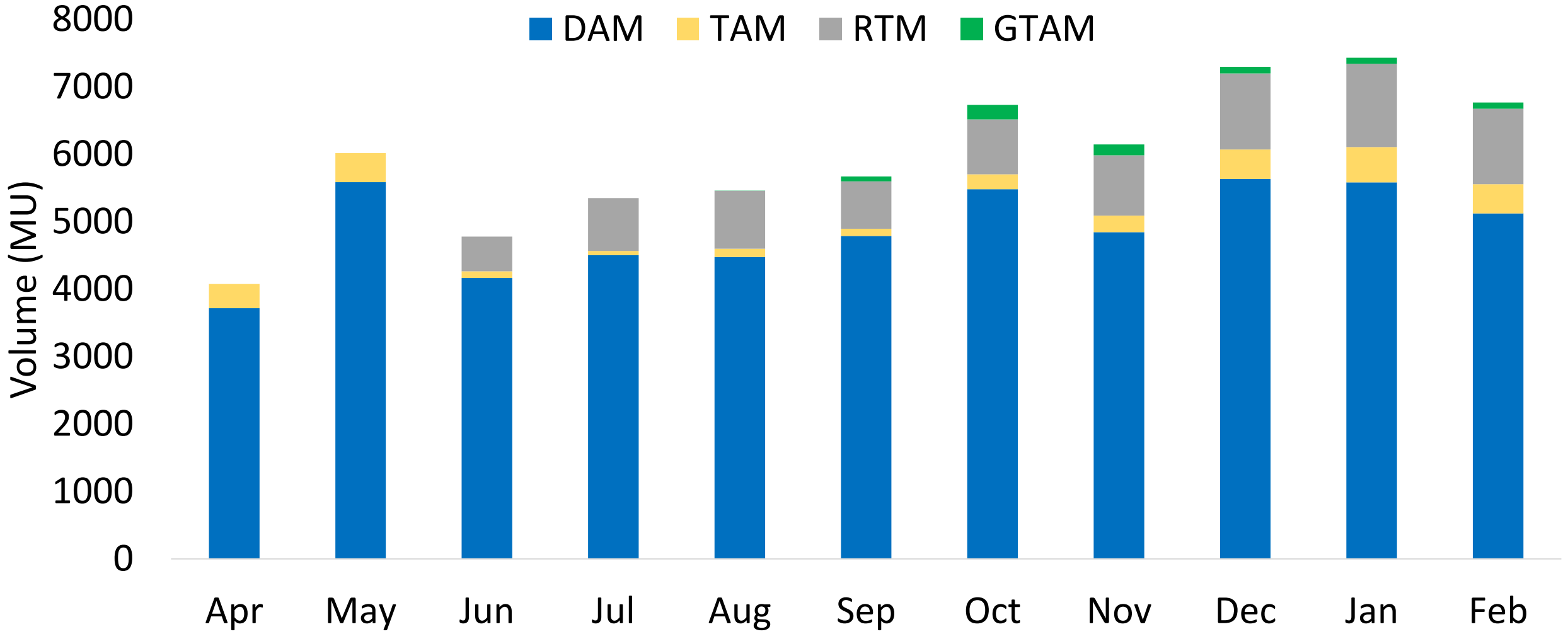
- ✓ Top 5 Buyers – Haryana, CESC, Tata Power, DVC, BRPL
- ✓ Top 5 Sellers – Telangana, PCKL, Choudhary Power, Amplus, MRN CANE



**HIGHLIGHTS**

- ✓ 63% of Cleared Volume is sold by Telangana
- ✓ Top 5 discoms trade almost 76% of the total cleared Volume.
- ✓ Max Sell Volume in a day- 31 Mus
- ✓ Cleared Volume in a Single Day-22.11 MUs

# All Power Market Segments Volume (FY21)



# Immense growth potential



## Demand for Electricity

- 100% household electrification under SAUBHAGAYA scheme
- Rapid urbanization - 17 of 20 world's fastest growing cities in India
- Per capita electricity consumption is expected to increase by ~ 40% in the next 4 years

## Phasing out of Plants

- Total capacity likely to phase out by March 2027: 41 GW
- Incremental ~100BU opportunity for Exchange

## No new PPAs and Merchant Sell at reasonable rates

- No new long-term PPAs signed in the last 5 years in thermal power.
- ~20GW of untied merchant capacity in the country
- Ample availability of cheap coal. E-Auction premium on coal: Apr-Dec 2020 – 5% as compared to 32% (Apr-Dec 2019)

# Immense growth potential



## Favorable Policy and Regulatory Initiatives

- Budget 2021: Proposed Rs 3 lakh crore distribution reform package to **promote competition, consumer choice** and increase penetration of automation and technology
- Sharing of ISTS Charges & Losses Regulations 2020:
  - ✓ Will increase DISCOM participation on exchange
  - ✓ Increased opportunity for sale of URS power by DISCOMs
- Draft proposal for Enabling Discoms to exit from PPA after completion of 25 years will increase supply side liquidity
- Market Based Economic Dispatch: 100% of power dispatch through Exchanges

# Immense growth potential



## Efficient Price discovery

- Efficient price discovery has been the biggest growth driver for exchanges in the past
  - Discoms can source cheaper power through Exchange to meet shortages
  - Industries can source competitive power to reduce their input costs
  - Prices at Exchange always lower than Bilateral contracts
- 

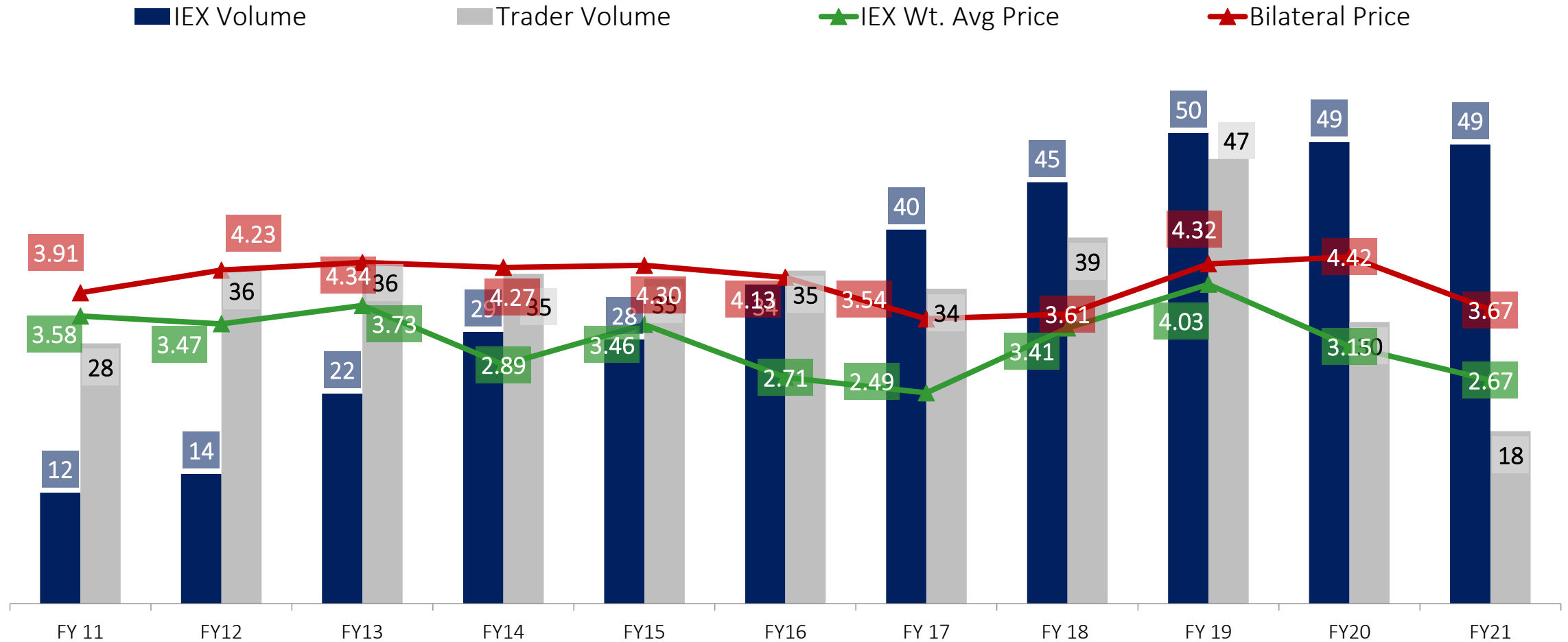
## Flexibility

- Exchange provides flexibility to purchase power as per requirement throughout the year
  - Option available to Buy/Sell different quantum for each 15 mins time block. Minimum bid quantum can be as low as 0.1 MW
  - Availability of power within 1hour of requirement
- 

## New launches

- New product launches – Longer Duration, Cross Border Trading, Green Day Ahead
- Derivatives
- Diversification opportunities – Play in the energy basket of India

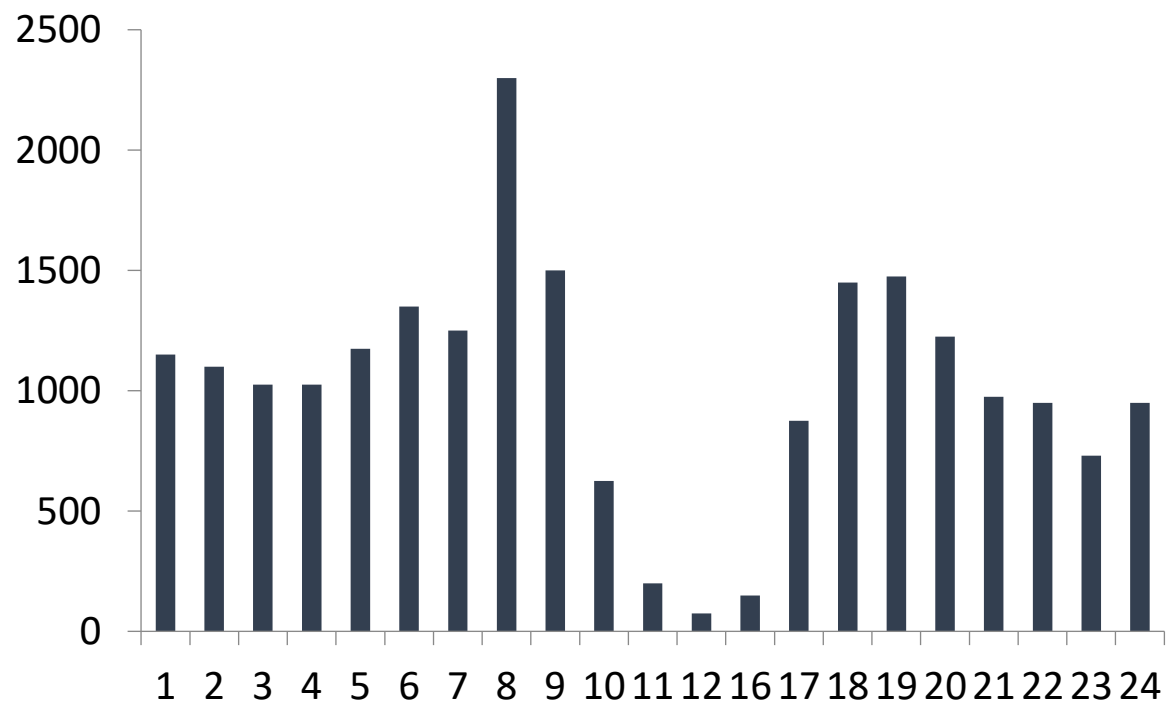
# Price discovery in IEX has been historically competitive compared to bilateral market



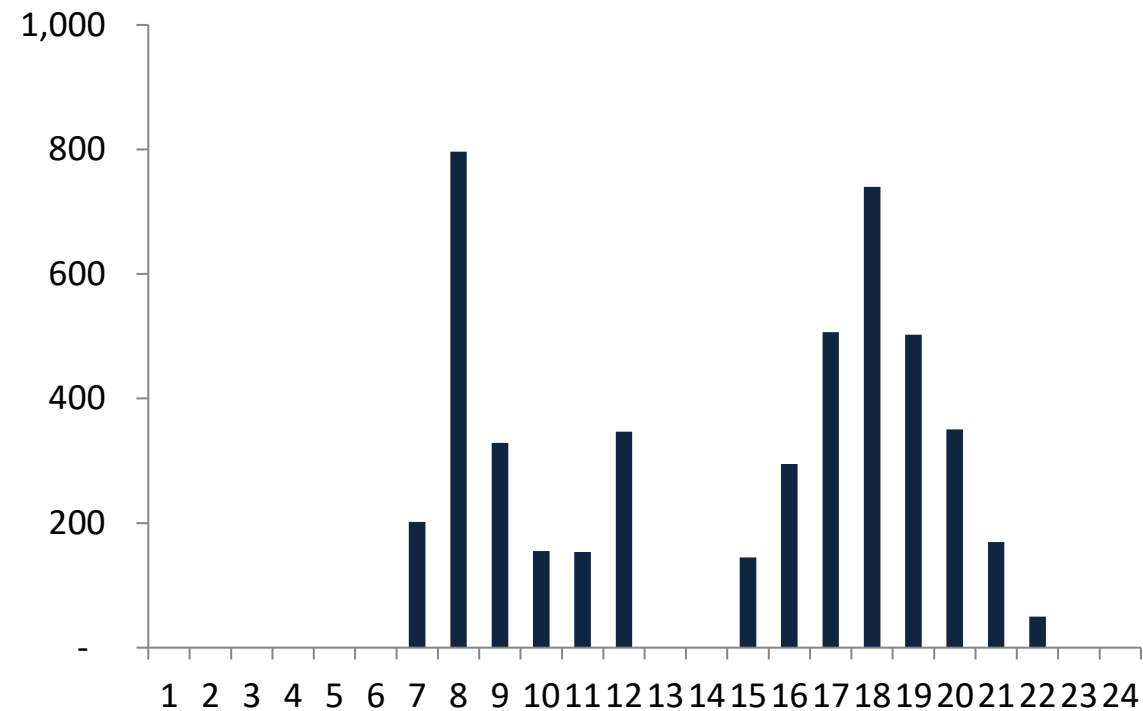
Source: CERC MMC Reports\* Till Dec-20



### Flexibility in Buy - Telangana - 15th Jan '19 (In MW)



### Flexibility in Sell- Haryana - 22nd Jan '19 (In MW)



# No lockdown at IEX!



- Supporting distribution companies in supplying 24\*7 uninterrupted power
- Enabling replacement of costly PPAs through buying on exchange
- Launched RTM and GTAM with high availability during the lockdown
- Extensive customer engagements and communication drives
- Providing round-the-clock operations with seamless connectivity and high security
- End to end automation allowing remote working
- Pivoting on employee safety as the first principle

# Significant savings to DISCOMs

**“Maharashtra discoms turn to energy exchanges, shun costly PPAs” – PTI – April 12, 2020**

*"We are increasingly buying power from exchanges, which is cheaper than PPA tariffs," an official from state utility Mahavitaran*



In April, the first full month of the lockdown, national power demand crashed by 25% year-on-year. Photo: Indranil Bhoumik/Mint

**“Power Exchanges Account for 51% of short –term trade” – Economic Times – Jan 20, 2021**

*A top official in Andhra Pradesh said the state saved Rs. 1,024 crore or Rs. 1.43 per unit of electricity purchased during April-December 2020 by purchasing power from exchanges.*

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# Regulatory Updates



## CEA Procedure for Cross Border Trade of Electricity on 26.02.2021

- Entities from neighboring countries (Nepal, Bhutan, Bangladesh) can participate in DAM & TAM.
- Approx. 2.5 GW of cross border transactions in FY 21 which is projected to increase to 17.5 GW in 5 years.

## CERC Power Market Regulations 2021 issued on 15.02.2021

- **CERC stipulated transaction fees of 2p on either side, subject to regulatory approval.**
- **Market Coupling related provision shall come into effect through separate Regulations.**
- Allowed introduction of TAM contracts beyond 11 days.
- Flexibility in introduction of new bid types without prior approval.
- Generators eligible to buy from the market in the event of forced outage
- Clearing & Settlement as per the existing practice; CERC has written to RBI for amendment in the PSS Act 2007

## CERC ISTS Charges Sharing Regulations 2020 made effective from 29.12.2020

- Discoms are exempted from the applicability of Transmission charges for participation in the Short Term Market.
- This will incentivize the Discoms to sell their surplus power on Exchange and purchase through market to optimize power purchase cost.
- However, this has led to an increase in transmission charges for Generators. We are taking up the matter with CERC to deal with this issue.

## Renewable/Hydro Purchase Obligations

- MoP via order dated 29<sup>th</sup> January 2021 included HPO targets which will add another segment on the exchange.
- Draft Electricity Bill has proposed stringent penalty mechanism for RPO compliance. This will lead to more buy of REC.
- We are undertaking advocacy with MNRE for RPO compliance framework.

# Regulatory Updates



## Regulatory jurisdiction of CERC and SEBI on Electricity Derivatives

- As per MoP Committee recommendations, CERC to regulate all delivery-based contracts & SEBI to regulate financially settled contracts.
- MoP has filed application for early disposal of the matter and given directions to the parties to proceed in the matter subject to the order of Supreme Court.
- We have filed the Petition before CERC for approval of Longer Duration Contracts upto 1 year.

## MoP Draft for Enabling Discoms to exit from PPA after completion of 25 years

- Approx. 20 GW of CGS have completed 25 years.
- Willing Discoms may relinquish their share from CGSs after expiry of PPA term.
- This will lead to increase in buy from DISCOMs and increase in sell from plants which are more than 25 years old.

## MoP Draft Electricity (Amendment) Bill 2021

- Multiple Distribution Company in an area of supply providing choice to consumers and increase competition.
- Competition will ensure replacement of costlier power and increased purchase from exchange.

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# Customer Experience Transformation



## Platform access beyond 70+ Members

- Anytime, Anywhere, Secure Web and Mobile access to 70+ Members, 6000+ Clients, Senior Leaders across Members and Clients, key Stakeholders in the Power Sector

## Personalized and Deep Data Insights for effective Decision making (Real time and trend data)

- Bid Details (Cleared, Un-cleared, Distribution of un-cleared Buy and Sell from Clearing Price, etc...)
- DSM and RTM comparison
- Generation, Transmission Lines Outage
- Demand, Weather

## Bid upload Automation through APIs, and through auto-flow of un-cleared Bids across market segments

## Digital / Paperless processes

- Online Registration and Updates
- National Open Access Registry (NOAR) integration

## Robust Business Continuity through seamless DC to DR switch



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# Customer Centric Technology and Product Strategy

## CUSTOMER CENTRIC



- **Digital Experience**
  - Secure Web and Mobile access
  - Integrated bids across segments
- **Ease of Bidding**
  - Member API launch
  - Smart Power Procurement

## EFFICIENT



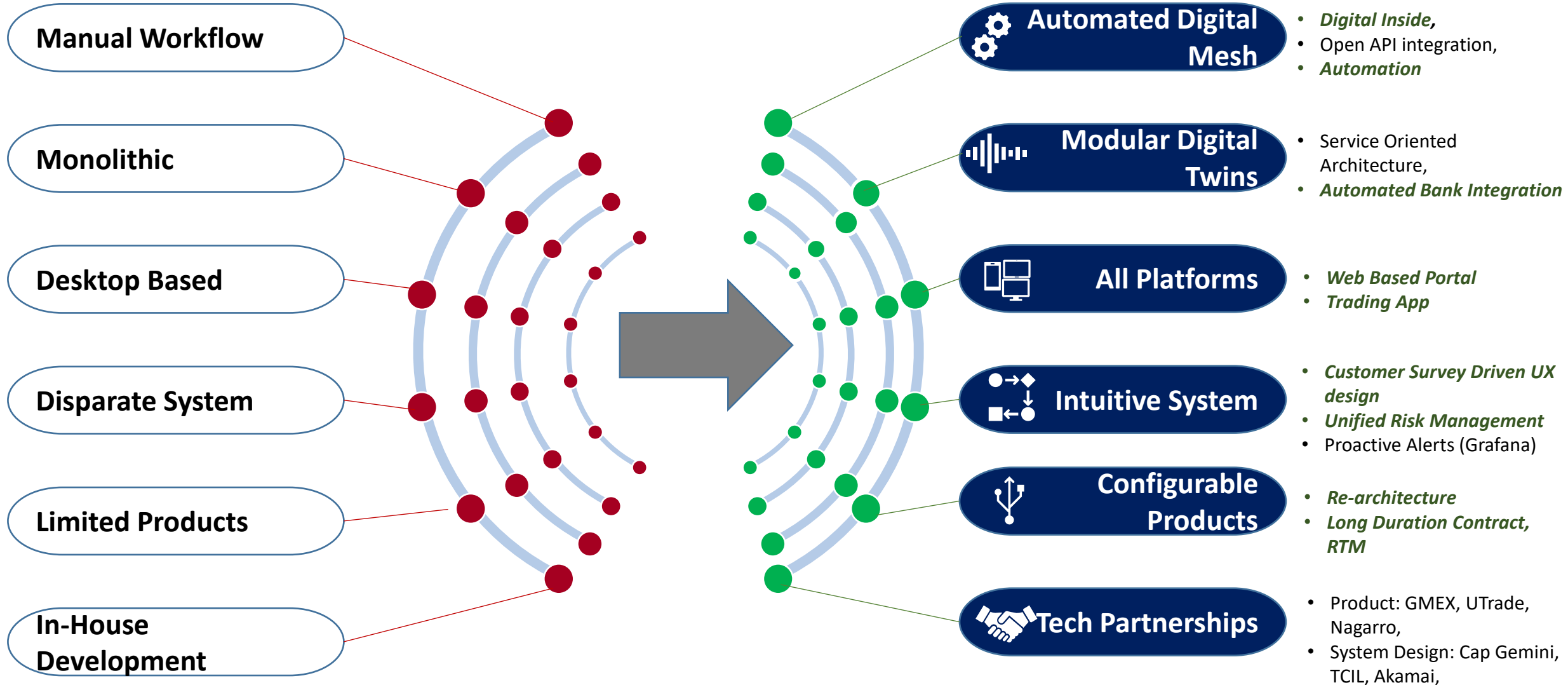
- **Security and seamless uptime**
- **Comprehensive Product Portfolio**
  - Longer Duration Contract
  - Green Day Ahead Market (GDAM)
  - Cross Border Transactions
- **Automation**
  - Real Time reporting
  - Alerts/Notifications
  - SAP integration

## STATE OF THE ART



- **National Open Access Registry**
  - Integration of NOAR
- **Economic Surplus/Social Welfare optimization**
  - MILP
- **Data Insights**
  - Bid Data Analytics for senior management
  - Power market data analytics

# Technology in transformation





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**Indian Gas Exchange**

# Indian Gas Exchange (IGX)



## OUR VISION

To lead India's transition towards a gas-based economy by architecting next generation solutions for natural gas trading and access.

**01**

1<sup>st</sup> natural gas trading exchange

**02**

Automated platform with cutting edge technology

**03**

Efficient & transparent market driven price discovery mechanism

**04**

Indigenous price discovery

# IGX Journey

**Jun 2020**

IGX launched by Honorable Minister Shri Dharmendra Pradhan Ji

**Sep 2020**

Gas Exchange Regulations notified by PNGRB

**Dec 2020**

IGX authorized by PNGRB and commenced operations

**Jan 2021**

Adani Total Gas, Torrent Gas, GAIL acquired 5% stake each

**Mar 2021**

15 Members & 500+ clients already registered on IGX



# IGX market model and trade updates

## Physical Trading Hubs (3 Delivery points)

<b>Dahej</b>	Ex terminal, after regas	Launched
<b>Hazira</b>	Mora interconnection point	Launched
<b>KG Basin</b>	KG Basin network	Launched

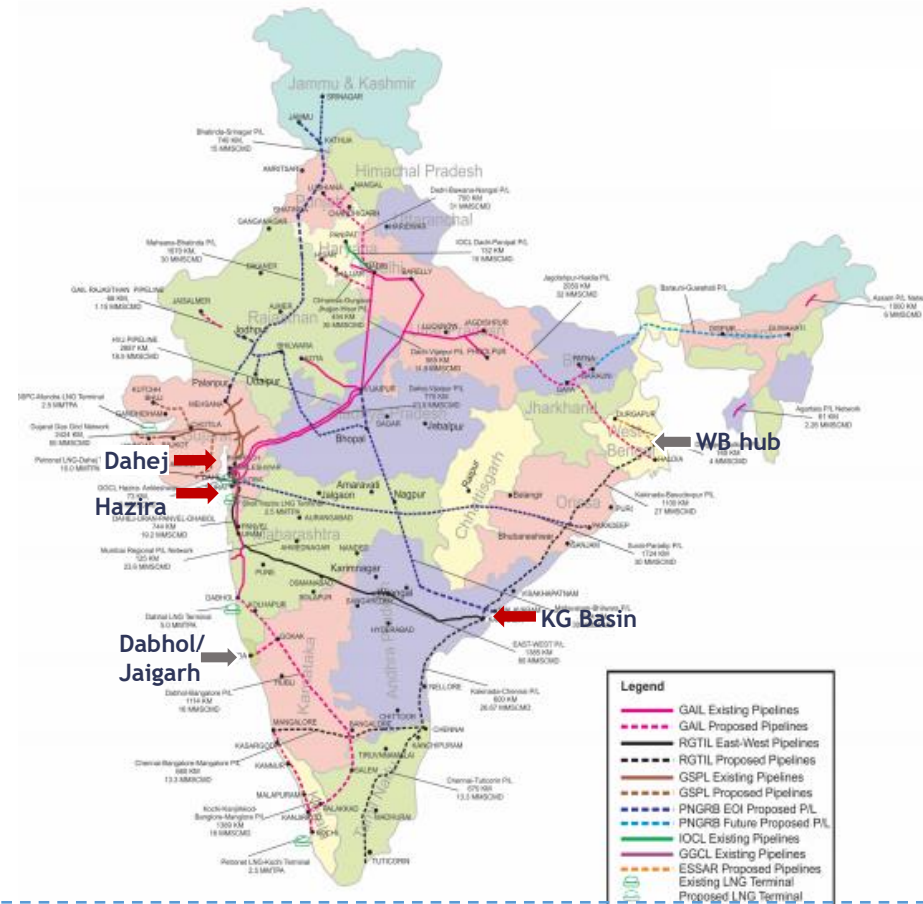
## 5 Contracts

Daily   Weekly   Weekday   Fortnightly   Monthly
Day-ahead (PLANNED)

## Double-sided Closed Auction

**Ex-hub : Delivery by Buyer**  
**Delivered : Delivery by Exchange**

**INR Contracts (not USD)**  
**Lot size 100 MMBTU/day**



**New launches planned**

New Hubs: Dabhol/Jaigarh and WB

New contracts: Qtrly and beyond

New matching algorithm: Open auction and continuous trade

**Trade milestones**

- ~1 lac MMBtu trade across **Daily, Weekly, Fortnightly and Monthly** contracts.
- Both **ex-hub** and **delivered** transactions have been executed.
- Participation from **all major sectors** (CGDs, Glass, Power, CGD, Chemical, Resellers, Domestic & RLNG Sellers)



# Key enablers and updates

## Key enablers



### System Operator

Independent system operator to be appointed



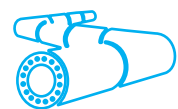
### Uniform Taxation

Natural Gas under GST



### Imbalance Management

System level energy accounting



### Transportation Tariff rationalization

Entry-Exit tariff for gas pipeline



### Separation of Transportation & Marketing activities

will provide a level playing field to all market participant

## Updates on enablers

TSO to be setup for common carrier pipelines announced in Budget 2021.

Hon. PM announced that Govt is committed to bring Natural Gas under GST – **Feb 2021**

Parking, lending, netting, trading services introduced by PNGRB under recent regulations – **Nov 2020**

PNGRB has rationalized Gas Transportation Tariffs from 4 zones to 2 zones. Further rationalization to be considered – **Nov 2020**

# Opportunity



- Under Paris Climate Agreement, govt commitment to reduce carbon emissions will promote use of Natural Gas
- Government's vision of increasing share of Natural Gas in total energy basket from 6% to 15% by 2030 will increase gas consumption in the economy from current 160 MMSCMD to 600+ MMSCMD
- CGD 9<sup>th</sup> and 10<sup>th</sup> round to cover 70% of Indian population. Proposed 11<sup>th</sup> round will cover a significant part of the population.
- Presently only ~22MMTPA LNG regasification capacity (50%) utilized out of ~40MMTPA. Further~30MMTPA LNG terminal capacity is additionally planned.
- Existing pipeline capacity of 18,000 Kms will be doubled in the next 2 years.
- Presently out of 160 MMSCMD of gas consumption only 30 MMSCMD is imported through short term.
- Additional demand will be largely met by RLNG imports and large part of incremental 400+ MMSCMD of gas will be met through Short term markets.

**Indian gas sector is poised for a breakout growth in demand, led by CGD coupled with increasing dependency on imported LNG. Supported by ramp up in LNG terminal and gas T&D infrastructure enabling short term trading of gas.**

# Q&A

     
@IndianEnergyExchange



Daily SMS



buysmart@iexindia.com



Mobile App (IEXApp)  
Available on Android and IOS

# Thank you