



**Dated: November 29, 2019**

**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: BSE- 540750; NSE- IEX**

**Subject: Analyst/Investor Presentation**

Dear Sir / Madam,

Pursuant to Regulation 30 of the SEBI (LODR) Regulations, 2015, please find enclosed the presentation given at Analyst Meet held on November 28, 2019 in Mumbai.

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

This is for your information and records.

Thanking You

Yours faithfully,

**For Indian Energy Exchange Limited**

**Vineet Harlalka  
Company Secretary & Compliance Officer**



Encl: as above

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

**Indian Energy Exchange Limited**

Registered & Corporate Office: Unit No. 3, 4, 5 & 6, Plot No.7, Fourth Floor, TDI Centre, District Centre, Jasola, New Delhi – 110025  
Tel: +91-11-4300 4000 | Fax: +91-11-4300 4015

CIN: L74999DL2007PLC277039



# IEX Analyst Meet

28.11.2019





# In this presentation

## IEX : Who we are

Sector transformation, our strategy

Electricity value chain, New product launches

Technology - our differentiator

Customer experience

IEX a world class company

Regulatory enablers and IEX as a corporate citizen

New initiative

Way forward & Summary

# Vision and Mission

## VISION

Create marketplaces for efficient use of the energy resources

## MISSION

To operate an energy marketplace that is transparent, competitive and reliable, for the benefit of all stakeholders



# Who we are

- Automated, open and transparent platform for physical delivery of electricity
- Commenced operations in 2008, CAGR 33%, CERC regulated
- India's leading power exchange, Market Share: **97%**
- Average daily trade **6000+ MW**
- Record day volume : 308 MU's (12,900 MW)
- Our customer base
  - 4000+** Industries | **55** Discoms (all) | **100+** ESCert Entities
  - 400+** Generators | **1500+** RE Generators & Obligated entities
- *Publicly listed company (NSE and BSE)*
- *ISO 9001:2015, ISO 27001:2013, ISO 14001:2015*

Transparency

Liquidity

Competition

# IEX benefitting Power Sector...and the nation

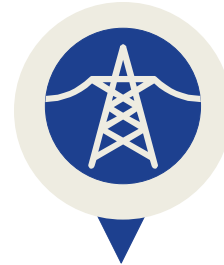
- Provides benchmark prices for all electricity transactions
- Transparent Mechanism for Price Discovery
- High liquidity on exchange has ensured lowest cost and assured supply

## Truly benefited Indian Power Sector



### Generation

▶ **Signals for Generating Capacity addition (~35 GW Merchant plants)**



### Transmission

▶ **Investments in transmission-congestion free – One Grid One Price**

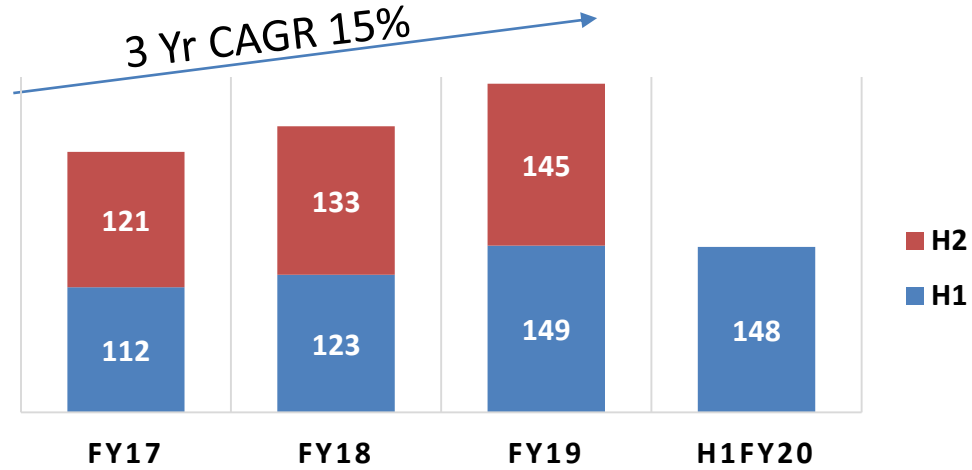


### Distribution

- ▶
- **Lower power prices** for discoms, end consumers.
  - **Avoids buying under take-or-pay contracts.**
  - **Flexibility** on 15-min basis

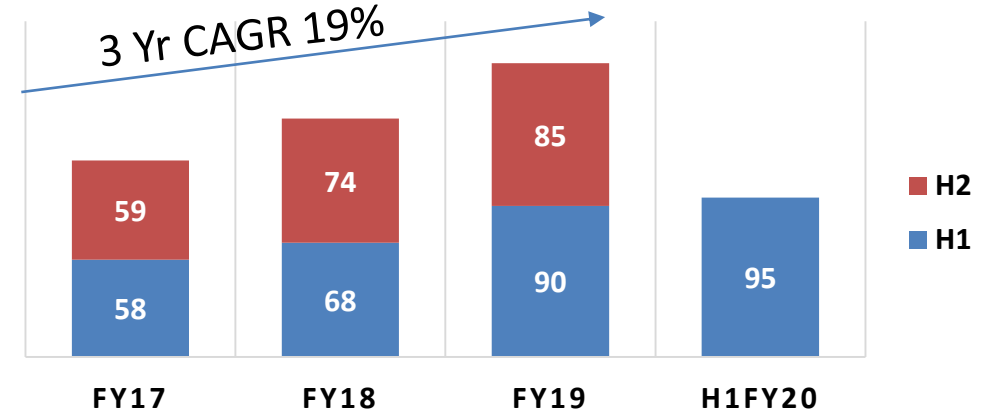
# Robust financials & operational excellence

### Revenue

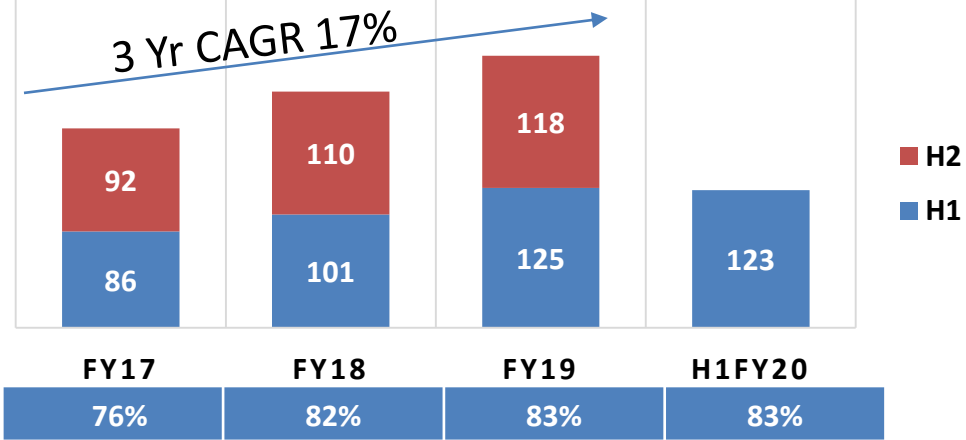


### Operating Cash Profit

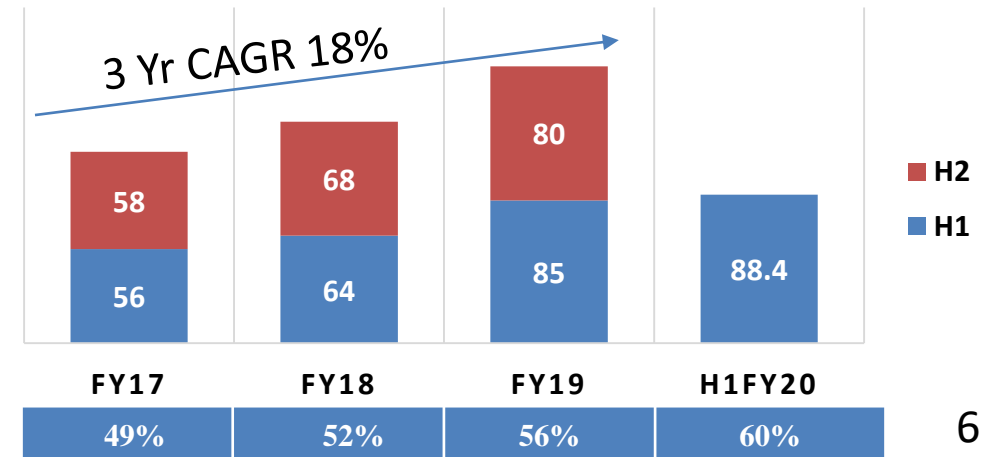
(In Rs Crore)



### EBITDA



### PAT



# Top 10 shareholders

S. No.	Name of Shareholder	No. of Shares	% of Shares
	Top 10 Shareholders		
1	TVS SHRIRAM GROWTH FUND 1B LLP & Group	431	14.38
2	DALMIA POWER LIMITED	300	10.02
3	MIRAE ASSET & Group	163	5.44
4	WESTBRIDGE CROSSOVER FUND, LLC	143	4.78
5	IIFL SPECIAL OPPORTUNITIES FUND & Group	143	4.76
6	SMALLCAP WORLD FUND, INC	142	4.74
7	RIMCO (MAURITIUS) LIMITED	136	4.55
8	MOTILAL OSWAL & GROUP	125	4.17
9	RURAL ELECTRIFICATION CORPORATION LTD	123	4.10
10	THE PABRAI INVESTMENT FUND& Group	115	3.83
<b>A.</b>	<b>Total of top 10 shareholders holding</b>	<b>1,821</b>	<b>60.77</b>
<b>B.</b>	<b>Other shareholders holding</b>	<b>1,175</b>	<b>39.23</b>
	<b>Total Shareholding (A+B)</b>	<b>2,996</b>	<b>100.00</b>

(In lakh)		
Category	No of Shares	% of Shares
<b>FOREIGN INVESTMENT</b>	<b>1,323</b>	<b>44.18</b>
- FOREIGN PORTFOLIO – CORP	858	28.66
- FOREIGN CORPORATE BODIES	452	15.08
- NON RESIDENT INDIANS	13	0.44
<b>OTHERS</b>	<b>1,673</b>	<b>55.82</b>
<b>Total</b>	<b>2,996</b>	<b>100.00</b>





# In this presentation

IEX : Who we are

## **Sector transformation, our strategy**

Electricity value chain, New product launches

Technology - our differentiator

Customer experience

IEX a world class company

Regulatory enablers and IEX as a corporate citizen

New initiative

Way forward & Summary

## Decarbonization



Deployment of low-carbon technologies - wind and solar.

### **Outlook:**

- Renewables to become leading energy sources
- Emerging new tech like hybrids

## Decentralization



Small-scale generation across T&D network

### **Outlook:**

- RE a threat to centralized energy production
- Requirement of local solutions

## Digitization



Intelligent CS and Apps to optimize plants and grid

### **Outlook:**

- Digital Tech to promote aggregation solutions

## Democratization



Empowered consumers - economic power shift

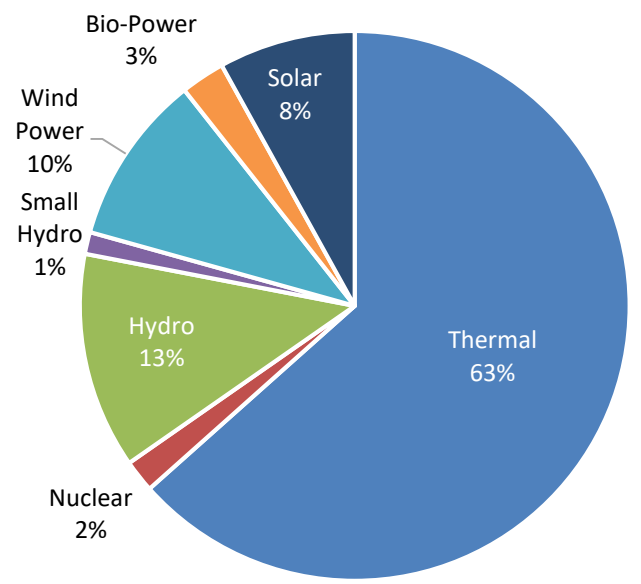
### **Outlook:**

- Peer to peer energy trading

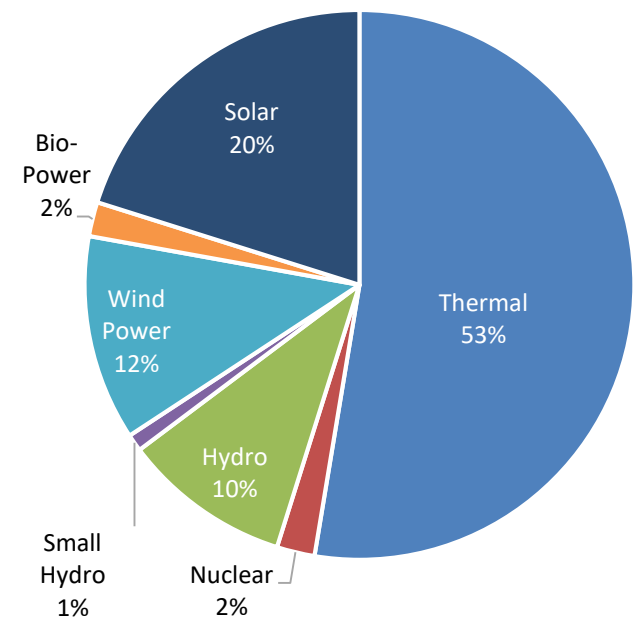
# Sector transformation drivers

**Paris Climate Agreement – Renewable energy to constitute 40% of total installed capacity base of 1250 GW**

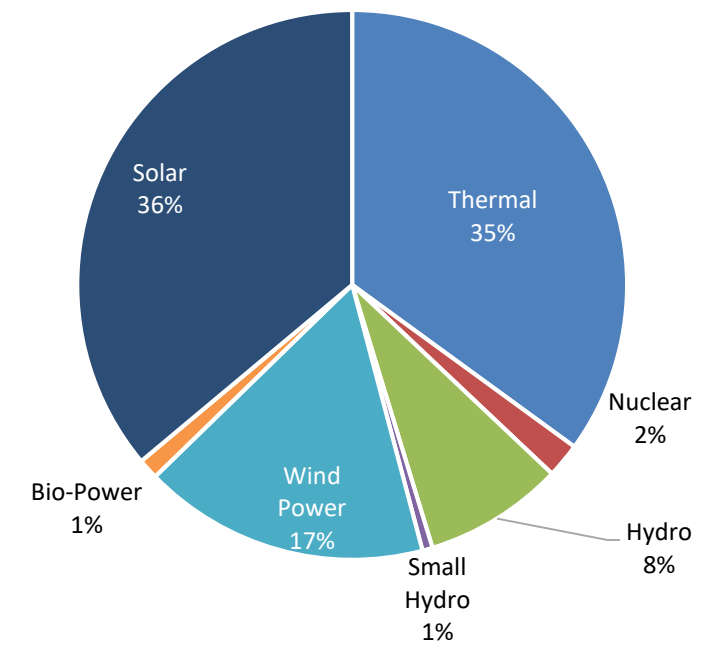
**Hybridization requires technology driven apps and automation**



**2019**



**2022**



**2030**

**Changing Installed Capacity Mix – Increasing reliance on RE**

# Electricity consumption set to increase

- **India a third of global average in per capita consumption**
- **Economic activity will accelerate**
  - Government envisions India as a \$5tn economy by FY'25
  - Manufacturing contribution up from 15% to 25%
  - Core sector growth will drive electricity consumption
- **Rapid urbanization**
  - 17 of 20 world's fastest growing cities in India
- **Consumer demand growth**
  - Last mile connectivity - Saubhagya : Power for All
  - Power on 24x7 basis





# IEX : two dimensional strategy

## Deepen power market

- Maximize DISCOM and Open Access volumes
- Longer duration contracts upto 1 year
- Cross Border Trade
- Real Time Markets
- Green Market
- Ancillary Markets

## Tech based new opportunities

- Smart Power Procurement
- Analytics
- New Product Development
- Gas exchange
- Business acquisitions







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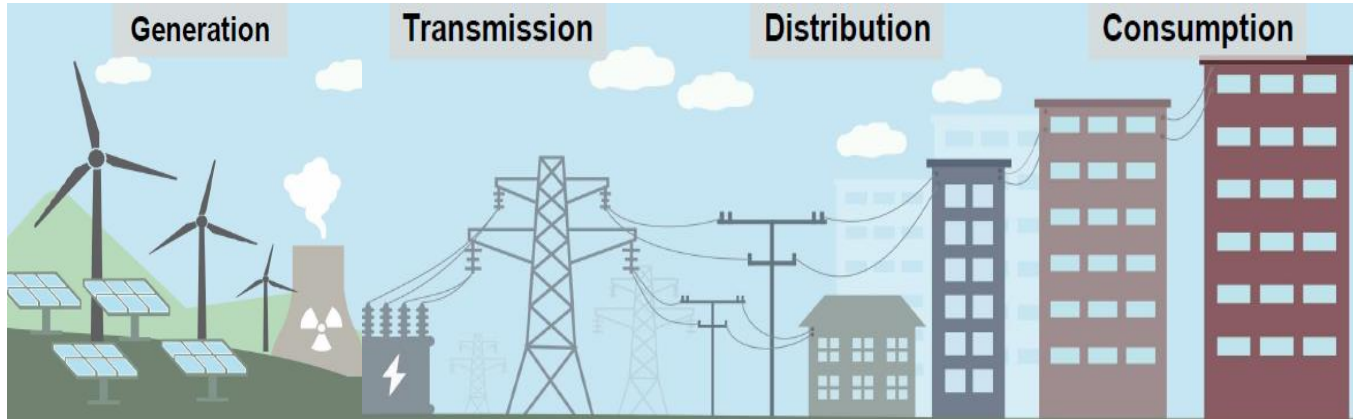
IEX a world class company

Regulatory enablers and IEX as a corporate citizen

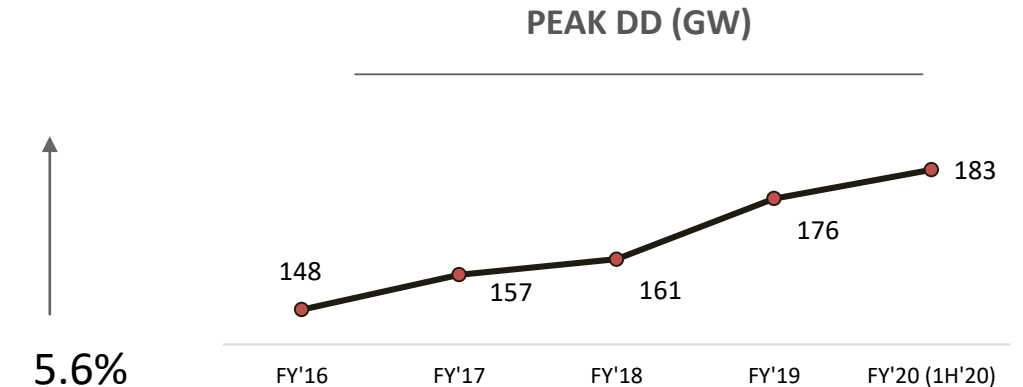
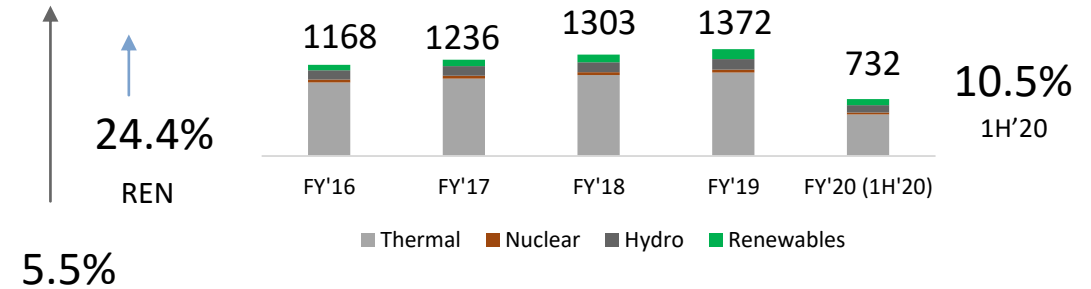
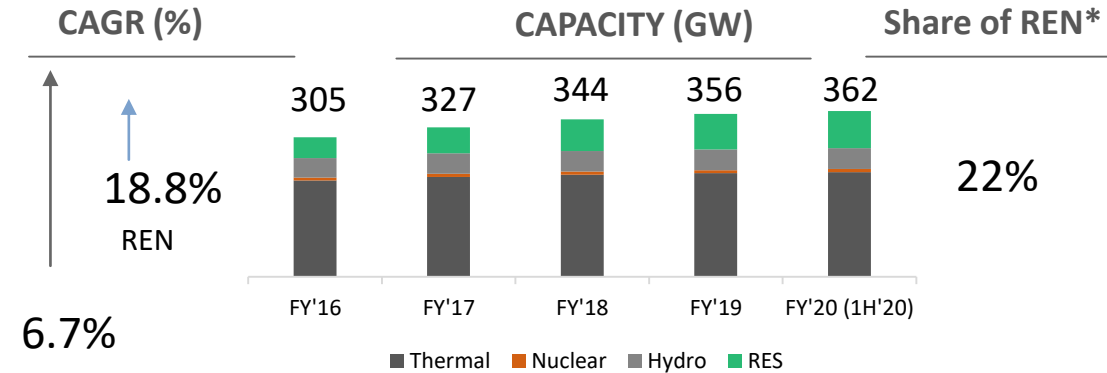
New initiative

Way forward & Summary

# Electricity value chain



Generation	Transmission	Distribution	Consumption
De-licensed	is licensed	licensed	Energy deficit decreased from 10% to 0.7% over the last decade
Private sector ~46%	World's largest network	Rs 81,468 Cr O/S*	
Generation in distress	Pvt sector ~8%	DISCOM losses ~Rs.28,000 Cr	
		AT&C Loss	



- As of Sept 2019; CAGR till FY'19, calculated as 4 yr CAGR except for Generation (3 year CAGR)
- Source: CEA; MOP 5 year vision; press

# Power market structure

Long Term (89.4%)

Short Term (10.6%) (3Yr CAGR: 8%; 1H'20: -1.7%)

1,372 BU (incl REN)\*

Up to 25 years

OTC:  
Intraday to 1 year

Exchanges:  
Intraday – 11 days

Real Time

1,226.5 BU

66.5 BU

53.5 BU

25.1 BU

89.4%

4.9%

3.9%

1.8%

Long-term PPA

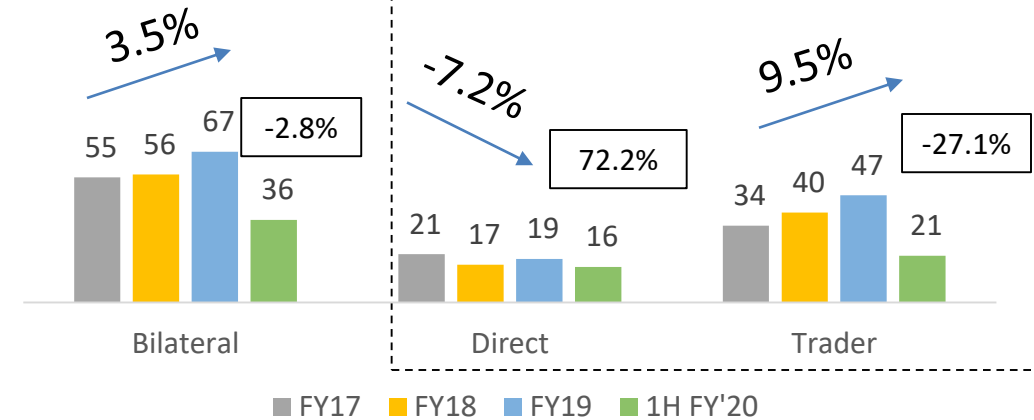
Bilateral &  
Banking  
Transactions

Exchanges  
(Only up to 11  
days)  
➤ DAC  
➤ Daily  
➤ Weekly  
➤ Day Ahead  
Market

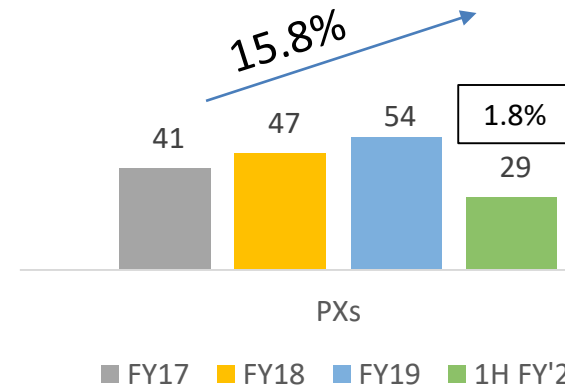
Deviation  
settlement/  
Unscheduled  
Interchange

- As of FY'19; CAGR calculated for 3 years ending FY'19
- Source: CEA, CERC

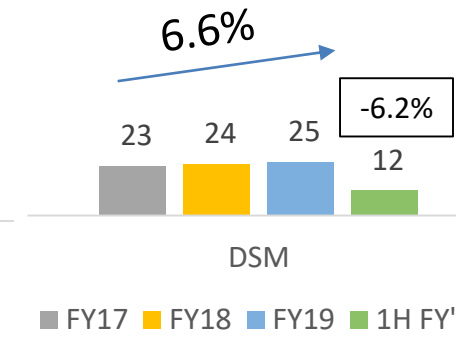
## Bilateral (BU)



## Exchange (BU)



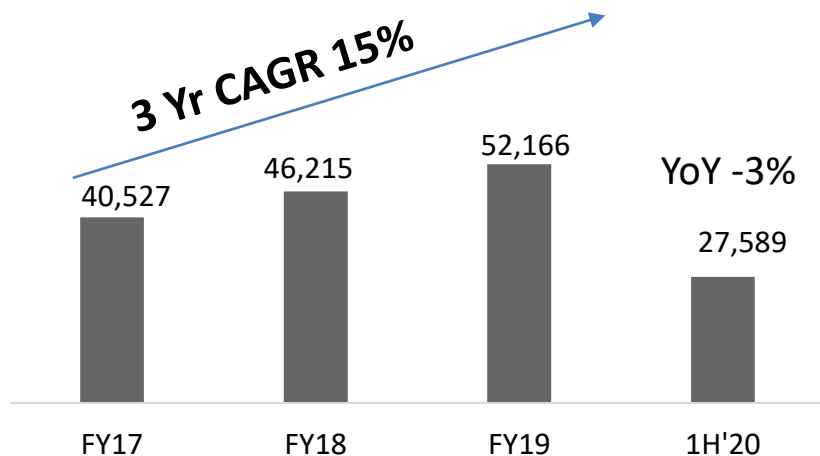
## DSM (BU)



# 1H'20 volumes performance

Product	Q1'20	YoY	Q2'20	YoY	1 H'20	YoY
DAM	11,985	-14%	12,963	-6%	24,947	-10%
TAM	1,009	113%	1,632	425%	2,641	236%
Electricity	12,994	-10%	14,595	4%	27,589	-3%
REC	1,133	-44%	1,320	-58%	2,453	-52%
<b>Total</b>	<b>14,126</b>	<b>-14%</b>	<b>15,915</b>	<b>-7%</b>	<b>30,042</b>	<b>-11%</b>

## Electricity cleared volumes (MU)



- **Macro-economic factors**
  - IEX correlation to: IIP: 81.3%; Core sector growth: 99.6%; Electricity demand: 86.1%
- **Union Elections of May 2019**
  - 1.5BU lost in April and May 2019; 13% increase in bilateral vol in the same time
- **Extended Monsoons**
  - Wettest Sept in more than 100 years; impact on electricity demand and increased hydro generation

- MCP declined 14% Apr to Sept'19
- OA volume (except CPP) increased 68% (Apr to Sept 19)

## New Product Launches

- Real time electricity market
- Cross Border Trade
- Longer Duration Contracts
- Green TAM
- Exchange based Ancillary Market
- Gross Bidding

## DISCOM

- Power procurement cost optimization
- ST Bilateral replacement
- Engaging Marcom

## Open Access

- Addition of clients
- Customer outreach
- Marketing initiatives
- Policy Advocacy



Organization Building





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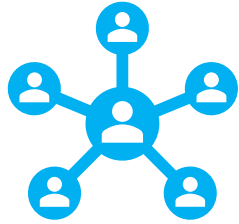
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New initiative

Way forward & Summary

**Creating a customer centric energy marketplace through efficient and state of the art Technology Solutions**





## Customer Centric

- Intuitive Design
- Secure
- Responsive

Customer survey

Web Based integrated Portal

Seamless Communication

Security as a service (TCIL, Akamai, F5)



## Efficient

- Efficient Matching Algorithm
- Automation
- Low Latency

Global Standard Algorithm (MILP, NSide)

Digital Inside

RPA (Automation Anywhere UIPath)

Automation Testing



## State of the Art

- Analytics
- Future ready

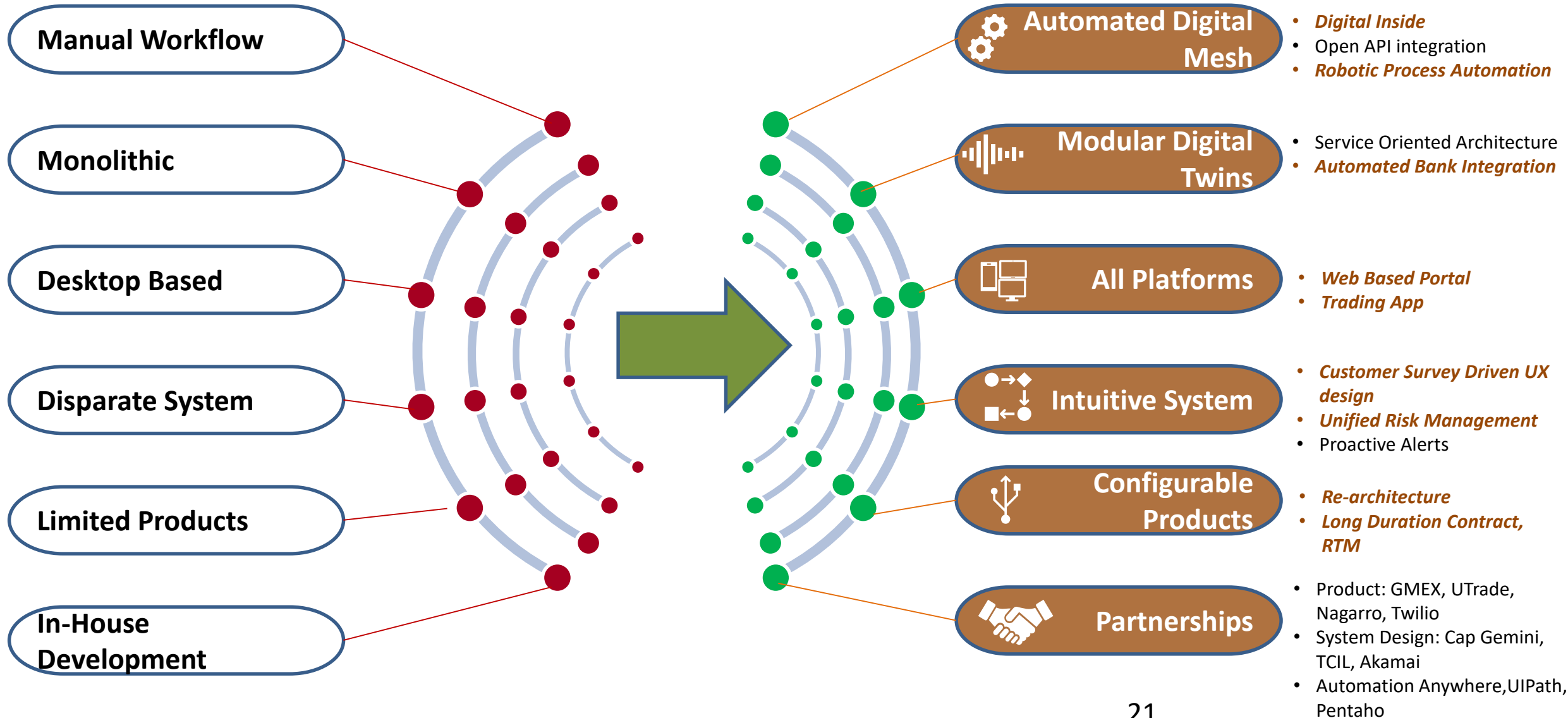
Forecasting tools (AI/ML)

Service oriented Architecture

Block chain

P2P exchange

# Technology in transformation



# Smart Product/Bids







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**Customer experience**

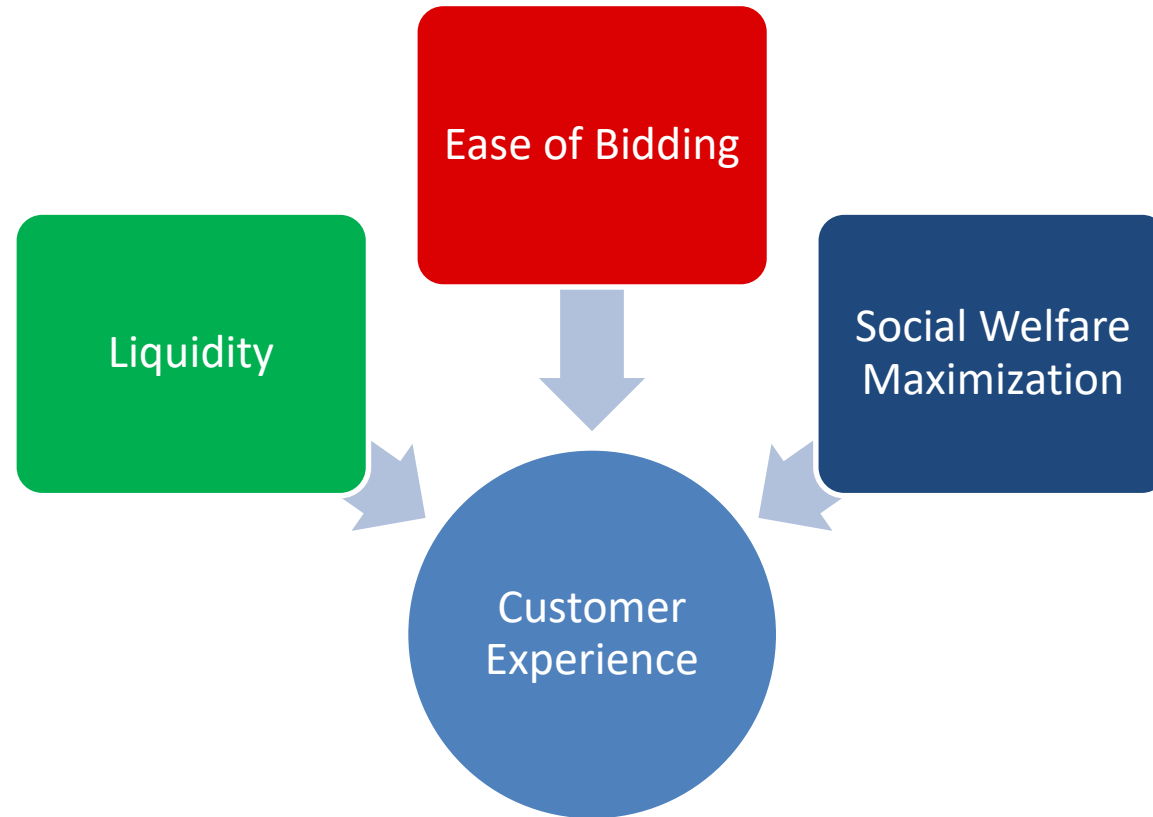
IEX a world class company

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Way forward & Summary

Provide the most intuitive, reliable and cost effective power procurement option



**Customer Experience Drivers**

# Customer Interactions with Exchange

**Bidding**

Anytime, Anywhere and Easy

**Customer interactions**

**Scheduling**

Automated Confirmation and Minimum Customer Effort

**Financial Settlement**

Real time and Transparent

**Create Customer Delight for each Interaction**

## **S** – Self-service web/mobile applications

- enable customers anytime anywhere easy access

## **I** – Intelligent process automation

- reduce customer effort; insights to enable effective decision making

## **M** – Matching engine optimization

- increase social welfare

## **P** – Product launches

- meet the needs of all customer segments

## **L** – Learning opportunities for our customers

- experiential learning for customers through organizing events

## **E** – Energy portfolio management solutions

- optimize procurement cost for customers

**Create effective solutions to fulfil all Power Procurement related needs of our customers**



## Key Pillars of Transformation





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Way forward & Summary



## VISION

To support IEX in becoming the most preferred Energy Market Place by attracting, recruiting, developing and retaining a high potential, high performing and highly engaged team of employees



## MISSION

To be recognized as a trusted and valued business partnering function which is employee focused and delivers best in class HR processes and services through continuous improvements and innovations

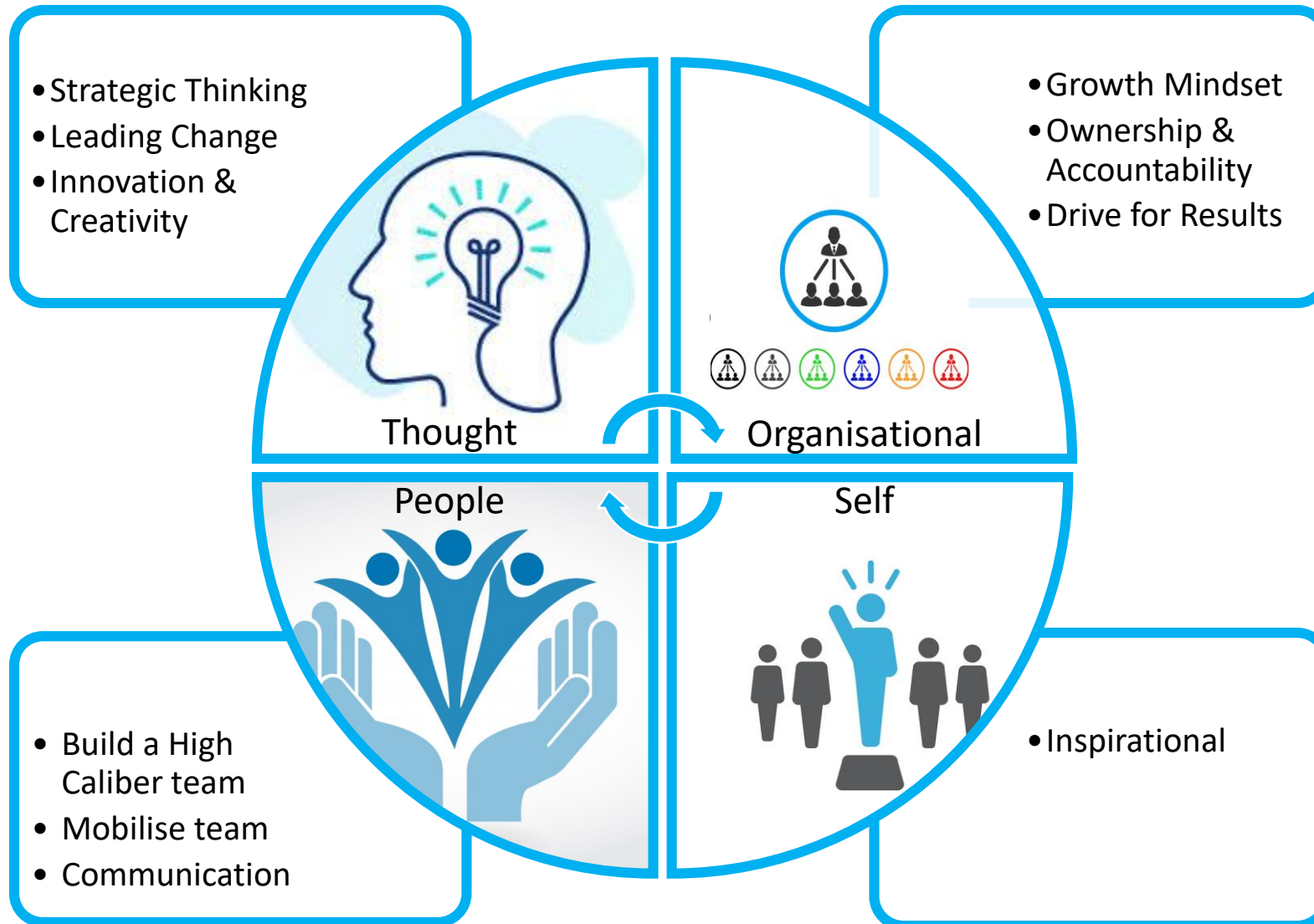
# IEX Leadership Team



- More than ~200 years & ~50 Companies experience
  - Average experience ~23 years
  - Balance of Power, IT & Other Industry experience
  - From best of the companies
- ..... A complimentary mix

# IEX a World Class Company









## Organisation Culture

- IEX Leadership Framework
- New HRMS
- Higher ownership through Simplification of processes



## Talent Management

- Stronger Employer Brand
- Top Search & Recruitment partners on board



## Performance Management

- Clear & Signed Off Goals
- Individual Incentive Target sheets signed off



## Employee Engagement

- Monthly Meetings
- Extended Leadership Meetings
- All Hands Meetings
- Ease of Work Survey
- Work Life Balance activities

IN PROGRESS

- Revised IEX Vision, Mission & Values
- Embed & Integrate in all process
- Role Model & Brand Ambassadors

- Individual Development Plans – MYD
- Top Talent -HPPH
- Career Planning
- Succession Planning
- Long Term Retention Program

- Mid year discussions
- Annual Performance review (Quality & On tool)

- GPTW Survey
- Annual Employee Family Day



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Way forward & Summary

## GENERIC

- SAUBHAGYA – 24x7 Power for All
- Ultra Mega RE Parks
- Generator's Distress Mitigation
  - Payment security Order (Mandatory LC)
  - Sanctity of contracts
- Uday 2.0 – enabling Discoms become sustainable

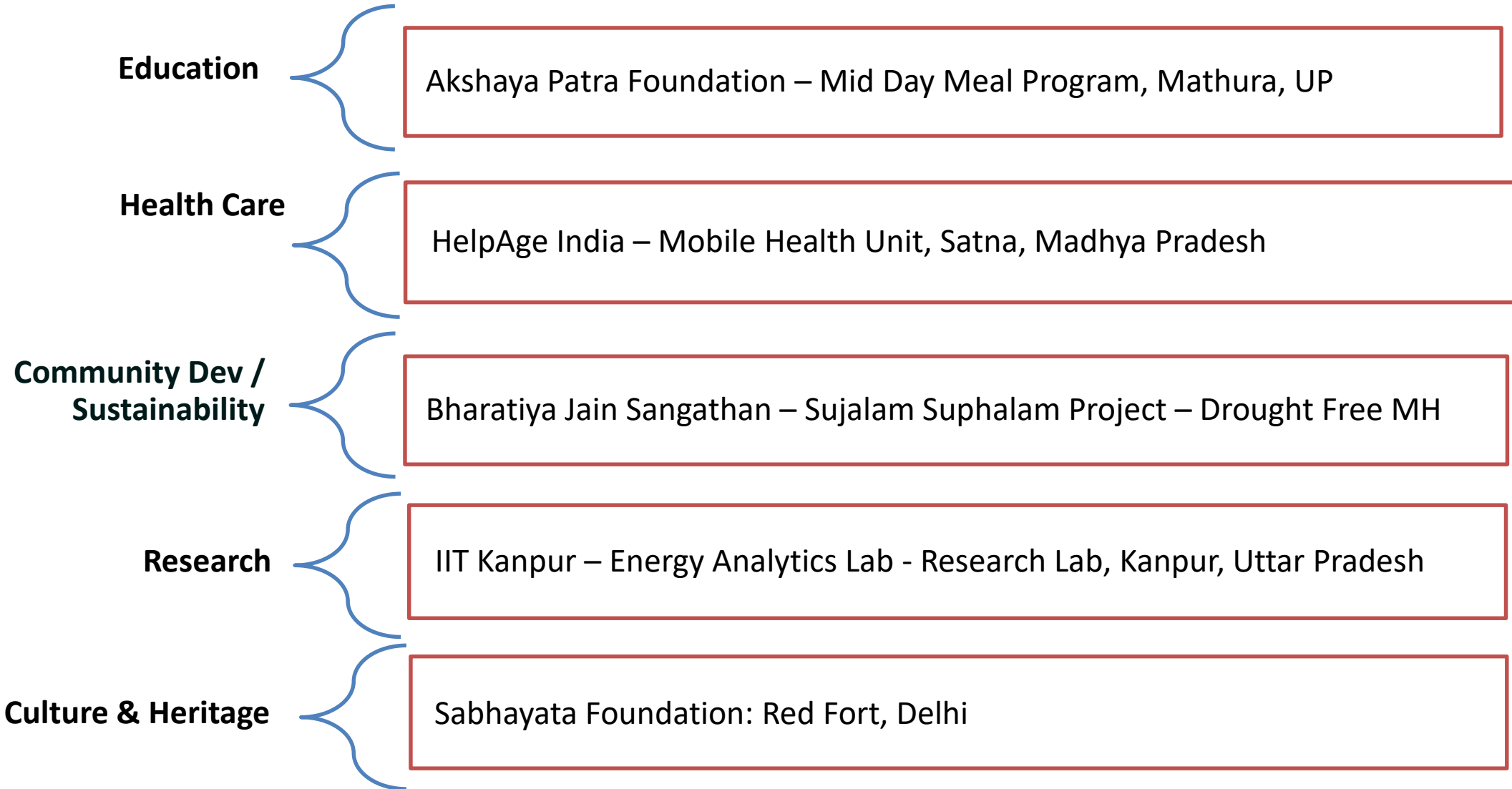
## MARKET

- 5 Year Vision document (draft)
- Electricity Act Amendment
- National Tariff Policy
- MoP Committee on 'Deepening of Power Markets in India'
- New SHAKTI Policy allowing allocation of coal to Merchant Power Plants

- Linking of DSM Prices with IEX prices
- National Open Access Registry for Gate Closure time reduction
- Rationalization of Transmission Charges (new draft Transmission Charge Regulation)
- Resolution of SEBI/CERC jurisdiction issue
- CBET Guidelines (new guidelines included trade through PX)
- Long-term PPAs for base load (draft Tariff Policy)

1. **Long Duration Contracts/Electricity Derivatives** : Jurisdiction Issue resolved b/w SEBI and CERC; Both Regulators filed Joint application before SC to withdraw appeals.
2. **Cross Border Trade in DAM & TAM**: CEA and POSOCO to issue Procedures; Petition for CBTE-TAM already filed with the Commission
3. **Real Time Market**: CERC to finalize Regulations based on public comments; Expected Start Date : Jan20.
4. **Green Market**: Waiting for CERC Approval on Green TAM petition
5. **New Bid Types in DAM**: Final hearing completed
6. **Exchange based Ancillary Market**: Draft regulations awaited





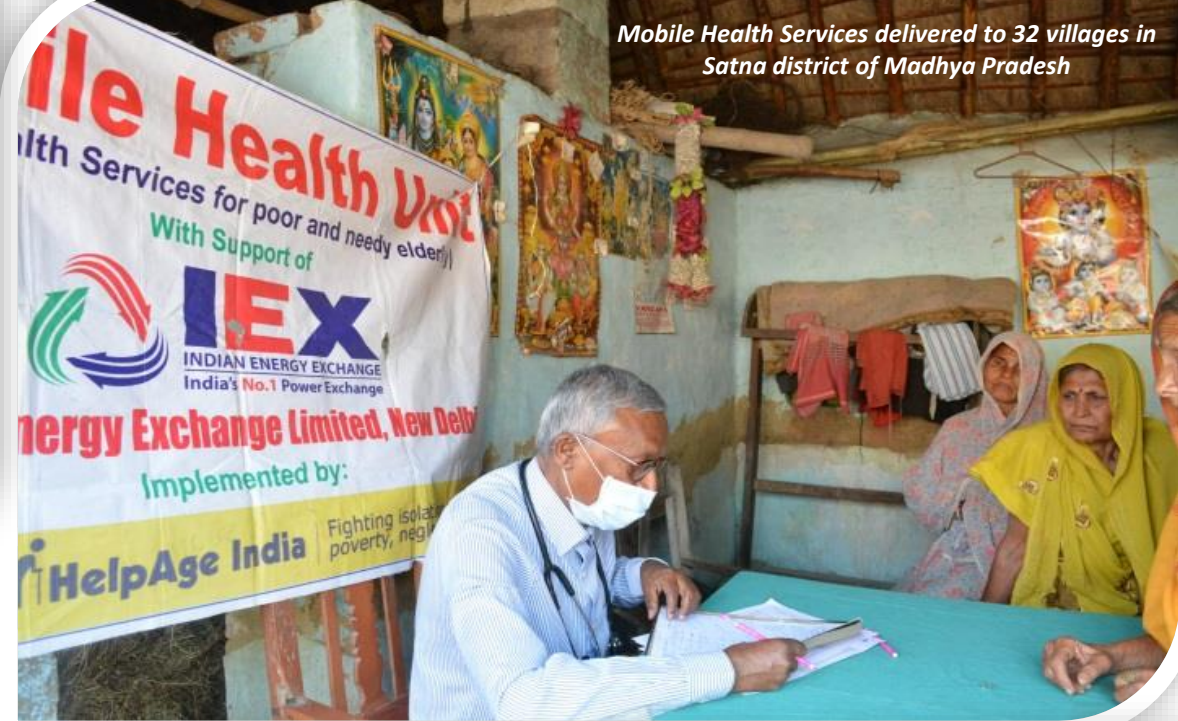




*School bus to Isha Vidhya Rural School, Tamil Nadu*



*Smile Twin e-Learning Programme with Smile Foundation in Delhi-NCR*



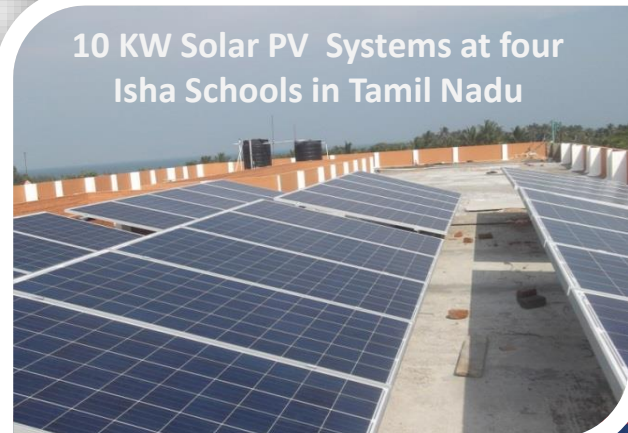
*Mobile Health Services delivered to 32 villages in Satna district of Madhya Pradesh*



*Mid Day Meals to 5,000 School Children in UP with Akshaya Patra Foundation*



*Skilling of Solar Technicians*



*10 KW Solar PV Systems at four Isha Schools in Tamil Nadu*





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Way forward & Summary

## Govt vision of gas based economy

- Govt policy targets to increase share of natural gas in India's energy basket from 6.5% to 15% in 5 years.
- This would lead to Indian Gas market growing 2.5X (166 to 380 MMSCMD) by 2030.
- A robust gas trading exchange enabling seamless transactions can help Govt realize this ambitious target.

## Market gaps and need

- Buyers desire price transparency, flexibility and anonymity to overcome suppliers' bargaining power.
- MoPNG has expressed the need for a Gas Trading Hub. Taken steps towards market development.

## Our plan/solution

- To optimize trading value chain, plan to set up a Gas Exchange - Physical hubs near Dahej and Kakinada.
- Prompt and longer duration products with delivery facilitation by the exchange.
- State of the art and proven exchange technology backed with long experience in electricity

## Enablers required for success

- The history of gas market hubs globally has shown that certain steps are needed to enable development
- Few technical issues need resolution to ensure liquidity and enable efficient trading at the hub



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**Way forward & Summary**

## 1. Expand coverage and market

- Launch new products
- Advocacy to increase short term market

## 2. Best in class, futuristic Technology Infrastructure

- Enterprise IT, trading platform
- Technology & analytics solutions for customers

## 3. Strengthen the organisation

- Capacity building, hi-performance culture
- Talent acquisition, development and retention

## 4. Business diversification

- Play in the energy basket of India
- Energy efficiency technology solutions





- **Very interesting phase in our journey**
  - energy space is transforming at a fast pace
  - demand well positioned to grow
- **IEX has developed 360 plans to transform the energy basket of India**
- **All execution mode now!!**



**Thank You!**