



Dated: November 24, 2017

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

Scrip Code: BSE- 540750; NSE- IEX

Subject: Investors Presentation for Financial Results Q2 FY18

Dear Sir / Madam,

With reference to above captioned subject, please find attached Investor presentation.

This is for your information and records.

Thanking You

Yours faithfully,

For Indian Energy Exchange Limited


Vineet Harlalka
Company Secretary & Compliance Officer

Investors Presentation Financial Results Q2 FY 2018

- Certain statements in this presentation contain forward-looking information about Indian Energy Exchange Limited, including their business operations, strategy and expected financial performance and condition. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or concern future financial performance (including revenues, earnings or growth rates), possible future plans and action of the company. Forward-looking statements are based on current expectations and understanding about future events.
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IEX - India's Premier Power Exchange

01

Fast Growing Sector & Conducive Government Policies

- Increasing power surplus to drive short term power trading market
- Robust transmission system
- Gov policies such as 27*7 power for all , Make in India will lead to increase in demand.

02

India's first & largest power exchange

- Trusted exchange with high brand loyalty.
- Dominant market share of 94.9% of traded volumes in India in DAM, TAM and REC combined⁽¹⁾

06

Robust and Scalable Technology

- Technology capable to handle 1 lakh participants against present participation of 5800
- Capable to handle 30 bid areas as against present 13

05

Rapidly Growing Trade Volumes

- Traded 40,528 MU in Electricity Contracts and 4.62 MU RECs in FY17 with 4 year CAGR of 15.4% and 23.4% respectively since FY13

04

Diverse Participant Base Ensuring liquidity

- >5900 registered participants including all distribution companies, >400 electricity generators and >3,900 industry/commercial consumers⁽²⁾ across country.

03

Efficient Price Discovery and Flexibility

- Transparent & automated online platform providing efficient price discovery
- Provides flexibility of granular trading in variety of electricity products to manage requirement efficiently.



History and Evolution

FY18*

- Highest cleared volume in DAM 183 Mus
- ESCerts trading commenced from September 2017.

FY17

- Received certification under ISO 9001:2008, ISO 14001:2004 and ISO/ IEC 27001:2013
- Daily average cleared volume touches 109 MU/day
- Highest cleared volume in a day crossed over 147 MUs
- Approval from CERC received for trading of ESCerts

FY16

- Registered OA consumers crossed 3400 mark
- Highest cleared volume in a day crossed over 136 MUs

FY15

- Highest cleared volume in a day crosses over 131 MUs.

FY14

- Over 2,900 open access consumers were procuring power through IEX

FY11

- Launch of RECs trading.

FY10

- Registered first industrial consumer
- Commencement of trading for TAM
- Average monthly cleared volume crossed 500 MU.

FY09

- Commencement of trading for DAM on 27th June 2008

FY07

- Incorporation of the company as a public limited company

Conducive Government initiatives will aid Short-term market growth



24x7 Power for All

- Expected to increase demand, thereby quantum of power purchase is likely to increase significantly



Augmentation of transmission capacity

- Higher grid connectivity will facilitate more participants and power supply coming to short term markets



UDAY

- Take over of DISCOMs debt by the state government would improve its financials & allow DISCOMs to improve reliability of their power supply, resulting into increased power purchase volume



National Tariff Policy 2016

- CSS cap at 20% of tariff may lead to reduction of charges in states like TN, WB, etc.



Open Access Regulations

- Increase in open access consumers and volume is expected to grow, resulting into larger short term volume



Deviation settlement mechanisms & amendments, CERC

- Will help discoms to streamline power procurement planning. Short term purchase from exchanges as a preferred option



Separation of content and carriage business

- More number of players in distribution business resulting into higher dependence on IEX



RPO guidelines, MPO

- Likely to increase RE share in total electricity consumption, resulting into surplus thermal capacity. Enforcement of RPO to improve REC market



Phasing out of old plants

- Phasing out of more than 25 year old 40 GW thermal plants which are largely tie up on long term basis, can result in shifting of this demand from the Distribution companies to short term market

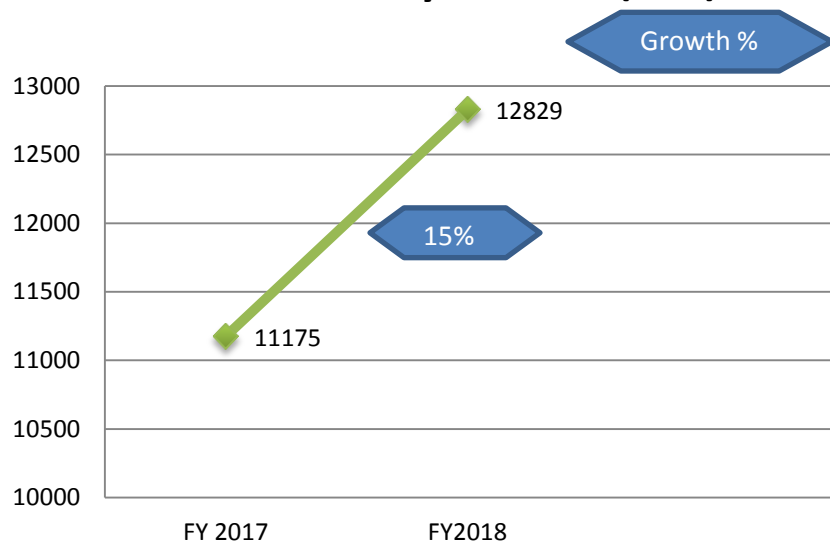
Volumes

Details	Qtr. Ended			YTD		
	Sep'16	Sep'17	% change	Sep'16	Sep'17	% change
Day Ahead Market (in MUs)	10,656	11,738	10	20,169	23,476	16
Term Ahead Market (in MUs)	91	329	262	301	480	59
REC Cert. (in 000)	428	751	75	1,181	1,204	2
E.Cert* (in '000)	-	11	-	-	11	-
Total (MU)	11,175	12,829	15	21,651	25,171	16

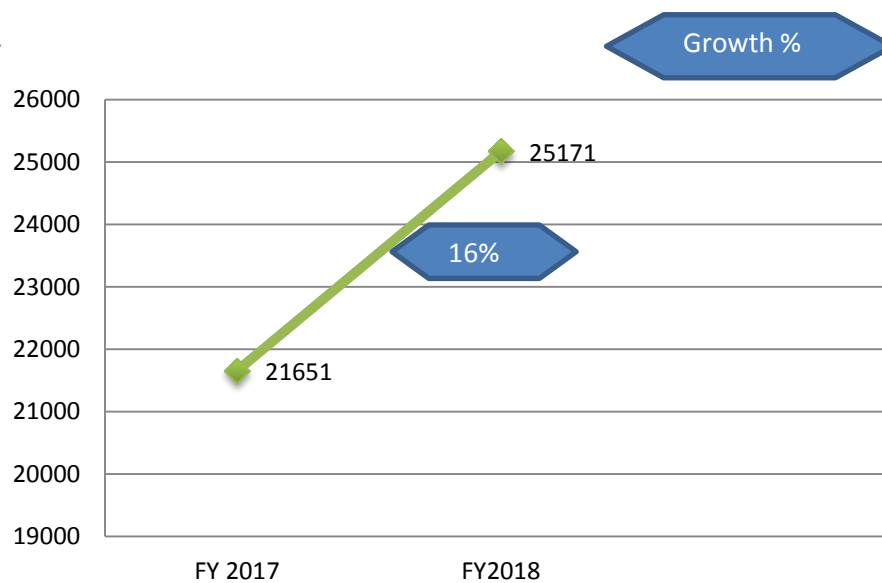
*Trading of ESCerts commenced wef from September, 2017.

Volume Details – FY 2017 vs 2018

Total Quarterly Volume (MU)



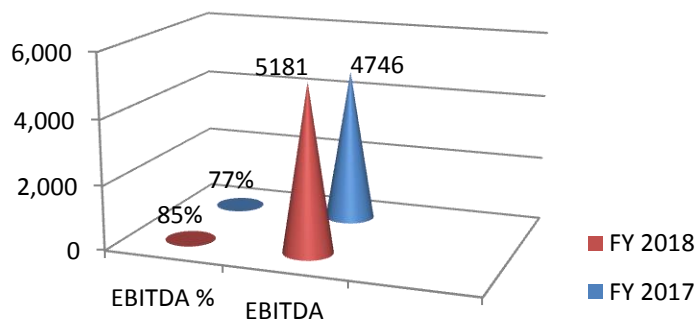
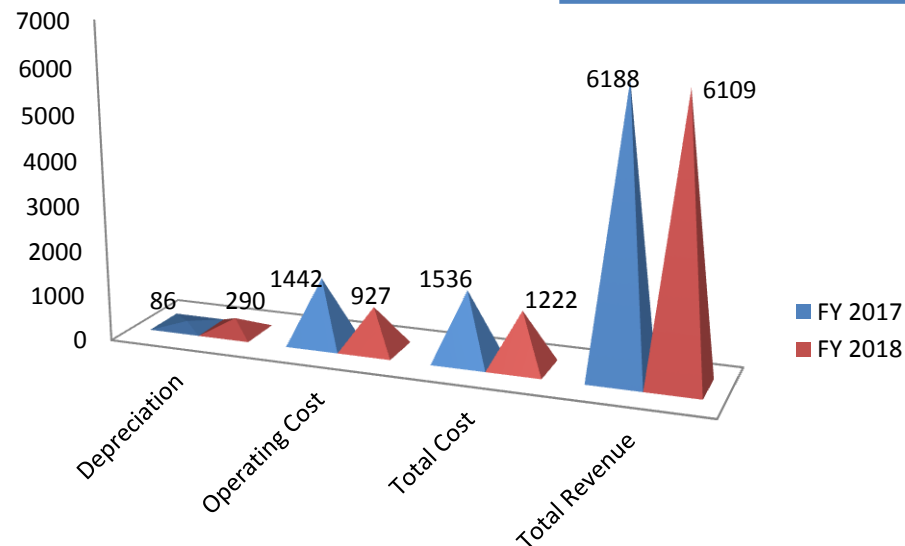
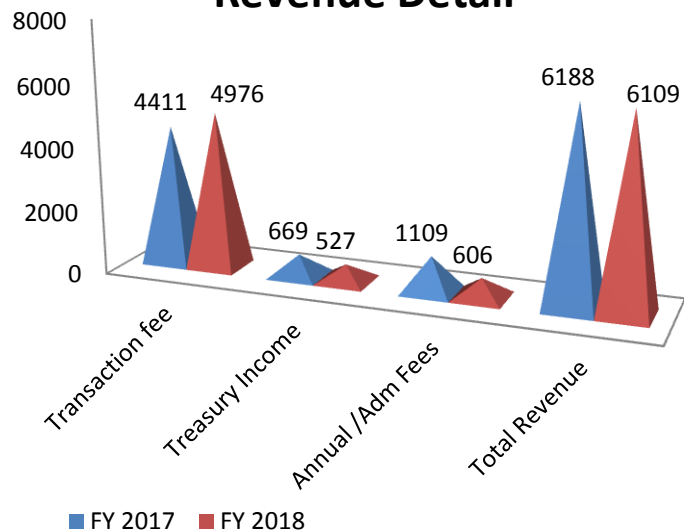
Total Half Yearly Volume (MU)



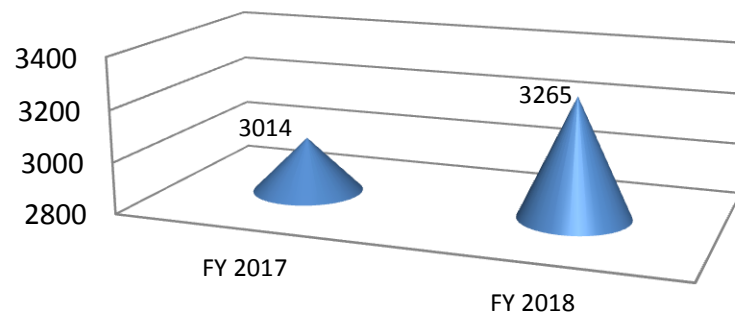
Quarterly Financial Summary – FY 2017 vs 2018

Amount in Lacs

Revenue Detail



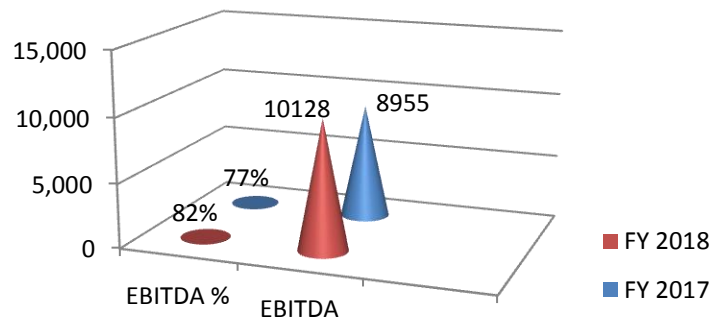
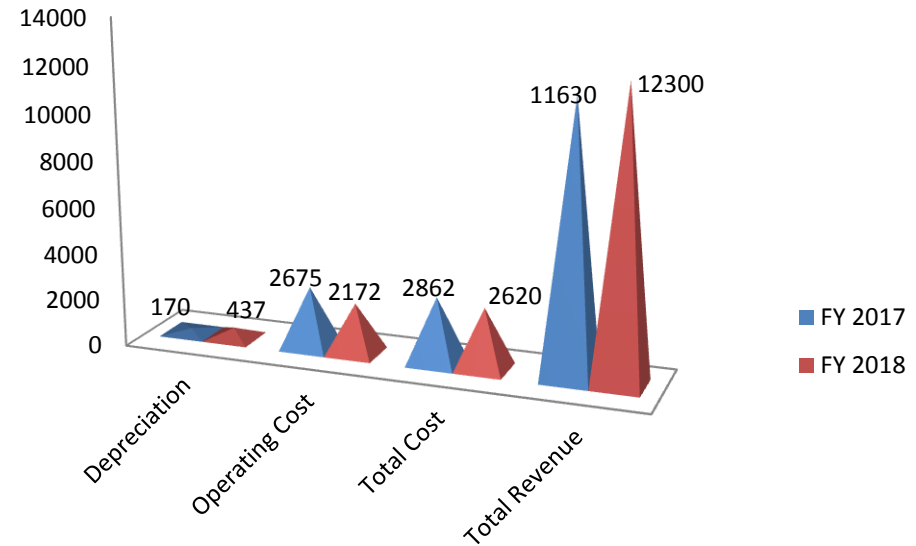
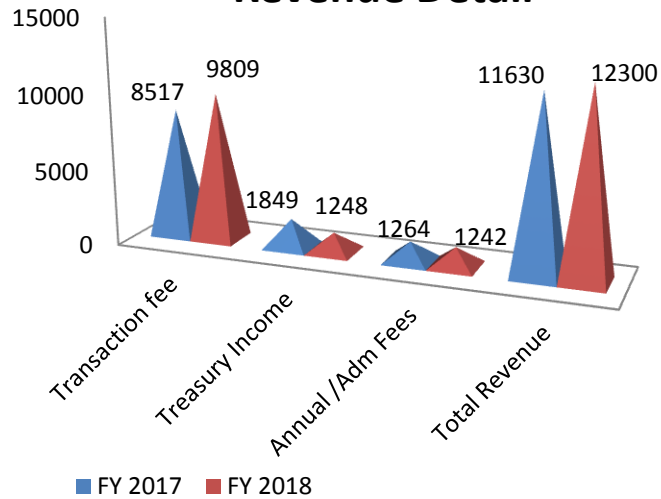
Profit After Tax



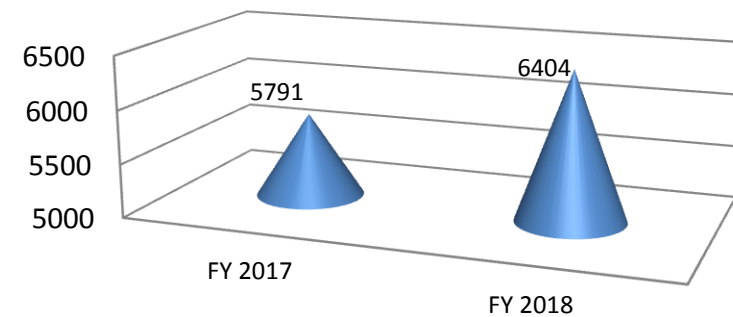
Half Yearly Financial Summary - FY 2017 vs 2018

Amount in Lacs

Revenue Detail



Profit After Tax



Financial Performance –Q2 FY 2018

Particulars	Quarter Ended		
	Sep'17	Sep'16	% Change
<u>Revenue</u>			
Revenue from operations	5582	5079	10
Other Income	527	1109	[52]
Total Revenue	6109	6188	1
<u>Expenses</u>			
Employee benefits	583	420	39
Technology Expenses	43	598	[93]
Finance Costs	5	8	[38]
Depreciation & Amortization	290	86	237
Other Expenses	302	424	[29]
Total Expenses	1223	1536	[20]
Profit Before Tax	4886	4652	5
Current Period	1253	1567	[20]
Deferred Tax	368	71	418
Total Income Tax Expense	1621	1638	[1]
Profit After Tax	3265	3014	8
Other comprehensive income /(loss) for the period, net of income tax	[5]	-	-
Total comprehensive income for the period	3260	3014	8

Performance Highlights: Q2 FY18 vs. Q2 FY17

- Total Revenue was of Rs. 6,109 Lacs, which was lower by 1.27%, mainly due to reduction in interest income. The interest income reduced by 52.42% from Rs. 1,109 Lacs to Rs. 528 Lacs due to major cash outflow on acquisition of Exchange trading Software license, dividend payout and lower interest rates in comparison to corresponding period of previous year.
- Total expenditures were at Rs. 927 Lacs, which was lower by 35.67% in comparison to corresponding period of previous year.
- EBITDA margin increased from 76.70% to 84.82%. The increase was due to mainly fall in technology cost because of acquisition of the exchange technology.
- Depreciation & amortization amount was at Rs. 290 Lacs, which increased by 239% due to amortization of trading software license over its useful life.
- The Company commenced trading in Energy Saving Certificates (ECSerts) on 26 Sept 2017.

Financial Performance – H1 FY 2018

Particulars	Half Year Ended		
	Sep'17	Sep'16	% Change
<u>Revenue</u>			
Revenue from operations	11052	9781	13
Other Income	1248	1849	[33]
Total Revenue	12300	11630	6
<u>Expenses</u>			
Employee benefits	1046	780	34
Technology Expenses	394	1166	[66]
Finance Costs	11	17	[35]
Depreciation & Amortization	437	170	157
Other Expenses	732	729	-
Total Expenses	2620	2862	[8]
Profit Before Tax	9680	8768	10
Current Period	2529	2910	[13]
Deferred Tax	748	66	1033
Total Income Tax Expense	3277	2976	10
Profit After Tax	6403	5792	11
Other comprehensive income /(loss) for the period, net of income tax	[14]	[1]	-
Total comprehensive income for the period	6389	5791	10

Performance Highlights: H1 FY18 vs. H1 FY17

- Other Income, which mainly consist of treasury income, decline by 32.46% from Rs. 1,848 Lacs to Rs. 1,248 Lacs. The fall was due to cash outflow on acquisition of Trading Software license, Dividend pay-out and lower interest rates in comparison to corresponding previous year.
- EBITDA margin increased from 77.00% to 82.35%. The increase was due to fall in technology cost, as post-acquisition of the trading software license, the Company is now in-house managing the trading software, which resulted in significant saving in software related cost. The technology expenses reduced from Rs. 1,166 Lacs to Rs. 393 Lacs for H1 of FY18.
- The employee cost increased by 34.12%, from Rs. 780 Lacs to Rs. 1,046 Lacs, mainly due to creation of in-house technology centre for managing the trading software.
- Depreciation & amortization cost increased by 157% to Rs. 437 Lacs against Rs. 170 Lacs due to amortisation of Trading Software License cost over its useful life.

Power Sector Highlights

- The total generation in the country increased by 4.5% for H1 FY'18 vs H1 FY'17 whereas IEX volume increased by 16%.
- The Hon'ble Prime Minister's SAUBHAGYA Scheme to provide access to electricity to all villages by December 2017 and to each household by December 2018 is expected to accelerate the process of rural electrification and increase the overall electricity demand in the country.
- With the commissioning of Champa-Kurukshetra (800 KV HVDC) transmission line for Northern region and Wardha-Nizamabad, Angul - Srikakulum – Vemagiri (both 765 KV D/c) and associated downstream lines in Southern region, the available transfer capability of northern and southern region has increased substantially. During this year, there was virtually no transmission congestion in the country.
- The Sector faced power supply constraints in the last few months owing to lower domestic coal availability, increase in price of e-auctioned and imported coal by 30% coupled with the reduction in hydro, wind and nuclear generation. This led to increase in clearing price on the Exchange by 26%.
- In the H1 FY-18, the purchase bids in the Day Ahead Market (DAM) increased by 21% which indicates larger participation by the buyers on the Exchange platform.
- As per the CERC Market Reports, in the period April – August'17 as compared to same period last year, the size of short term market increased from 10.9% to 11.15%. Within the short term market, the direct (banking) transactions reduced by 20%, bilateral transactions through traders increased by 3% and exchange transactions increased by 17%.

Thank You