



Dated: November 17, 2020

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, 5th Floor, Plot no C/1
G Block, Bandra Kurla Complex
Bandra (E), Mumbai-400 051

Scrip Code: 540750

Symbol: IEX

Sub: Investor Presentation Q2 FY 2021

Dear Sir / Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find attached an Investor Presentation for Q2 FY2021.

The above information will also be made available on the website of the Company:
www.iexindia.com

You are requested to take the above information on record.

Thanking You.

Yours faithfully,

For Indian Energy Exchange Limited

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



Encl: as above

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

Investor Presentation - Q2 FY'21



In this presentation

Sector in transformation

Electricity value chain

IEX : Who we are

COVID - 19

Way forward

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:

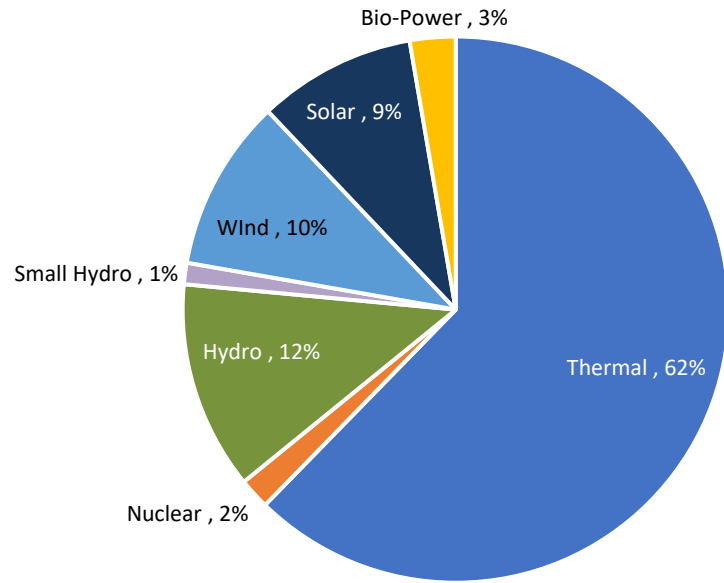
- Peer to peer energy trading

The energy shift

Hybridization requires technology driven apps and automation

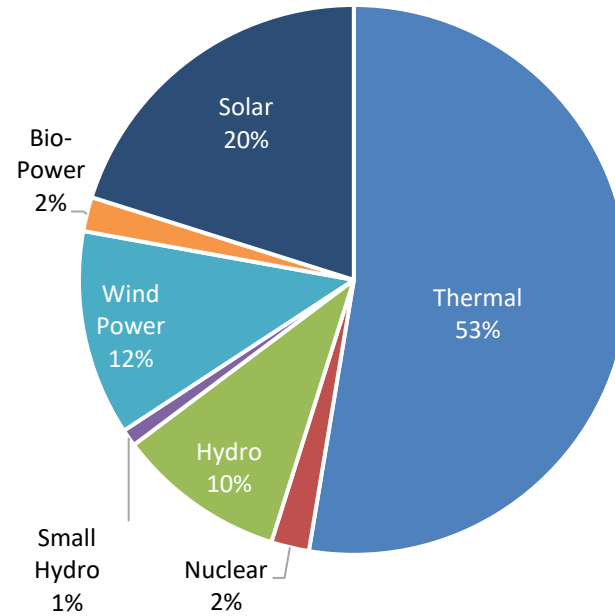
Total
Installed
Capacity >>

~370 GW



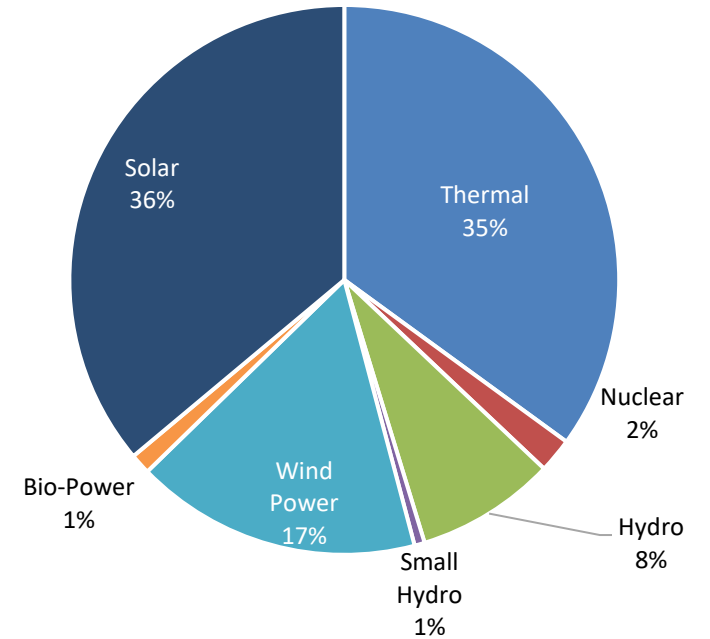
2020

~500 GW



2022

~800 GW



2030

Changing Installed Capacity Mix – Increasing reliance on RE

Sector in transformation

Electricity value chain

IEX : Who are we

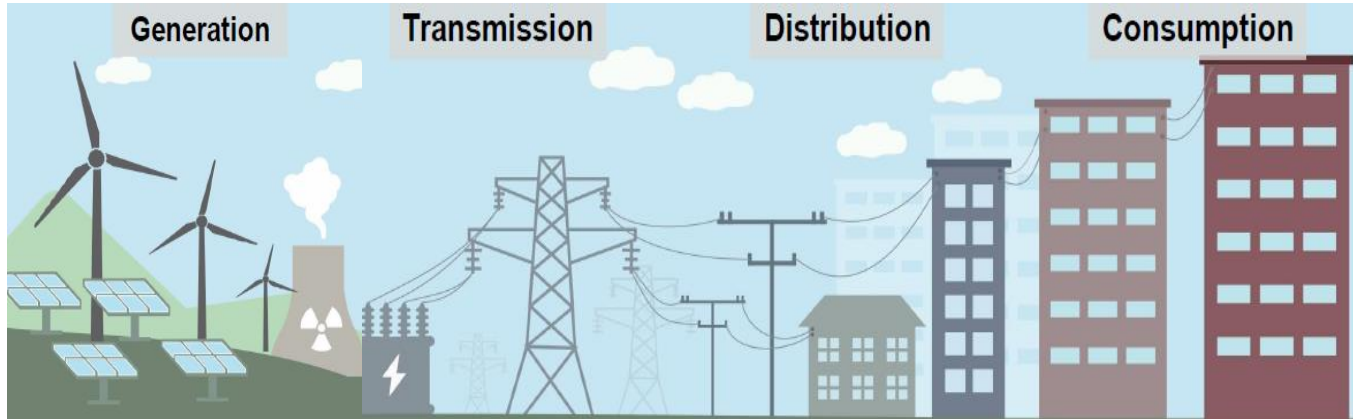
COVID - 19

Way forward



**In this
presentation**

Electricity value chain



Generation de-licensed

Transmission is licensed

Distribution licensed

Large capacity additions leading to decline in energy deficit from 10% to surplus now

Private sector ~46%

World's largest network

Financial health in bad shape

Merchant capacity ~20GW

Strong transmission system, congestion free market

5 Yr CAGR (%)*

17.4%
REN

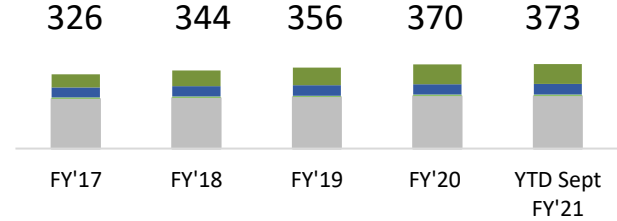
6.1%
TOTAL

20.4%
REN

4.3%
TOTAL

5.3%

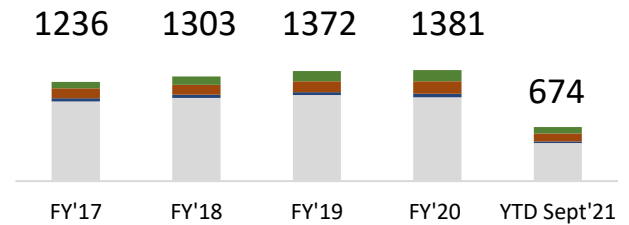
CAPACITY (GW)



24%

■ Thermal ■ Nuclear ■ Hydro ■ RES

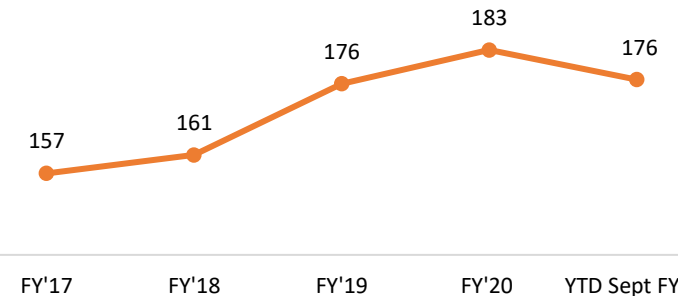
GENERATION (BU)



12%

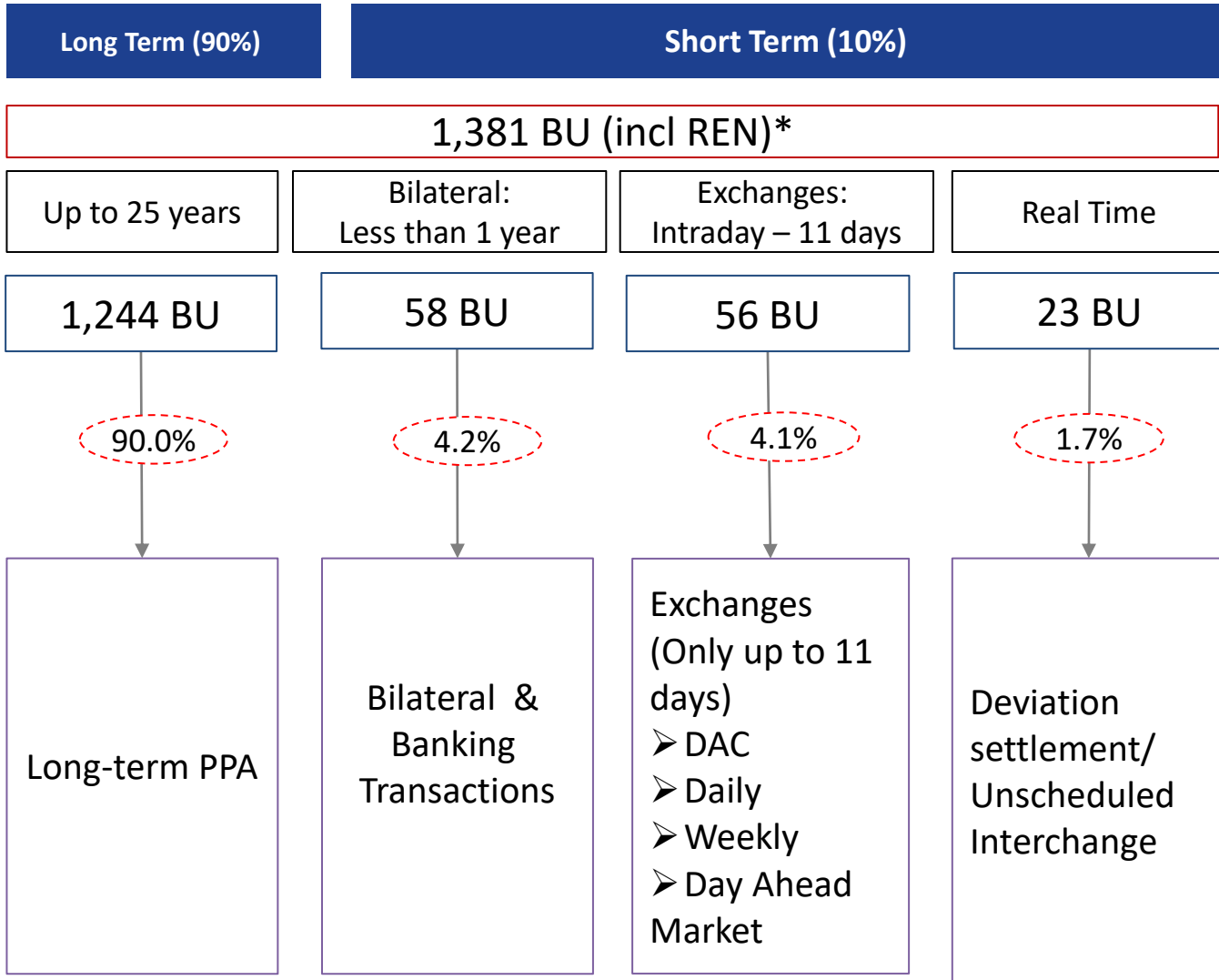
■ Thermal ■ Nuclear ■ Hydro ■ Renewables

PEAK Demand (GW)



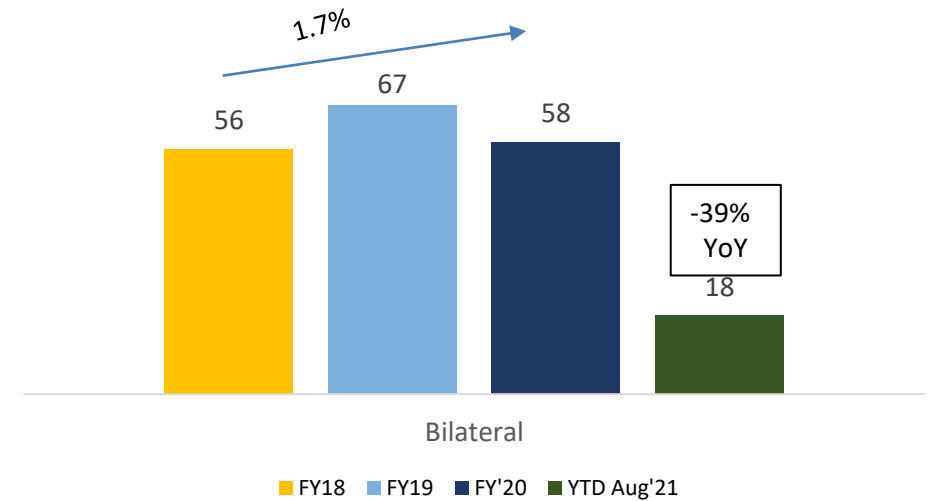
• Source: CEA; MOP 5 year vision; press, CAGR as of FY'20; Generation CAGR is for 4 years

Power sector construct

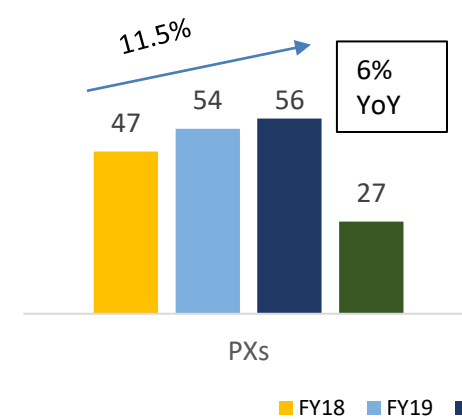


- As of FY'20
- Source: CEA, CERC

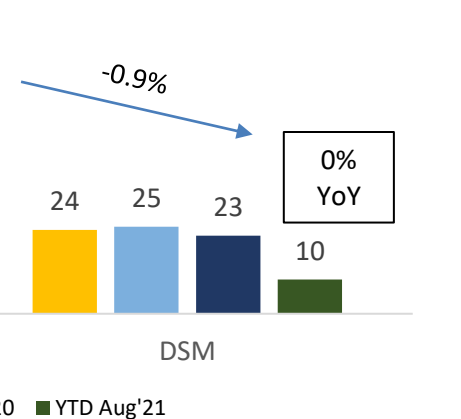
Bilateral (BU)



Exchange (BU)



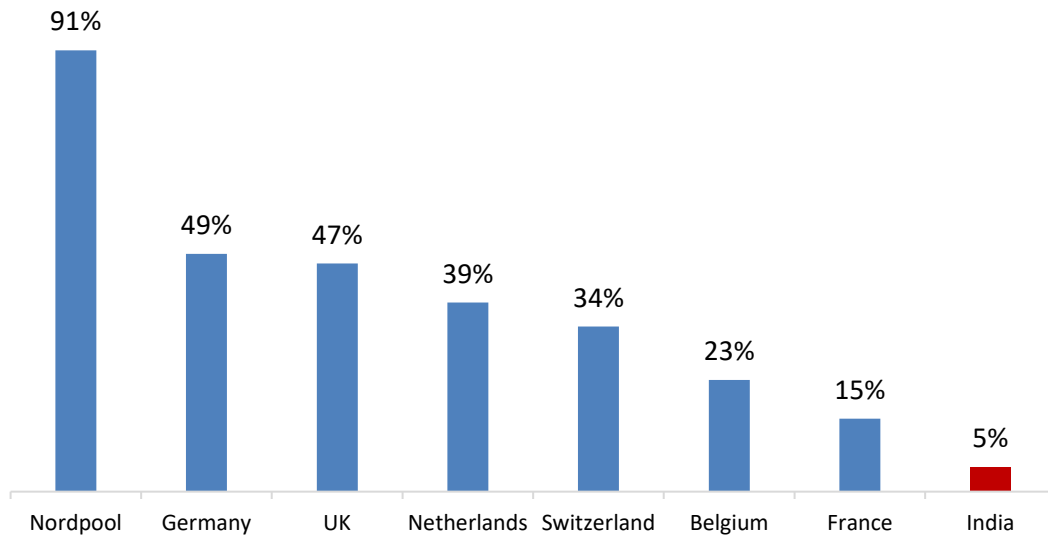
DSM (BU)



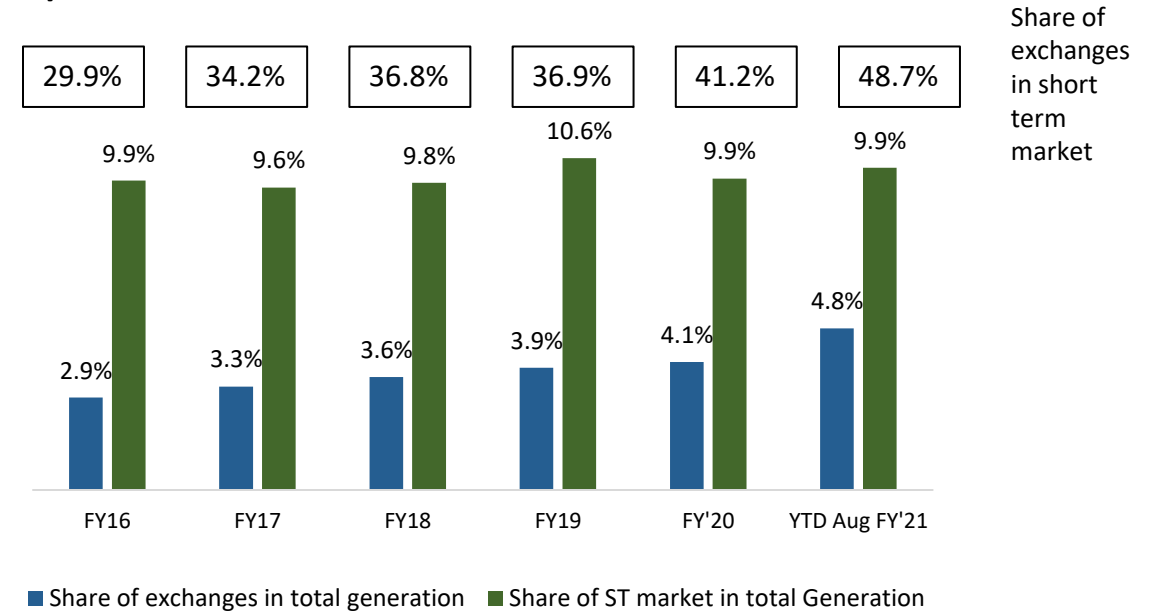
- FY18
- FY19
- FY'20
- YTD Aug'21

Share of power exchanges globally

Exchange market as a % of total demand – Global¹



Exchange market and ST market a % of total generation (incl Ren) – India²



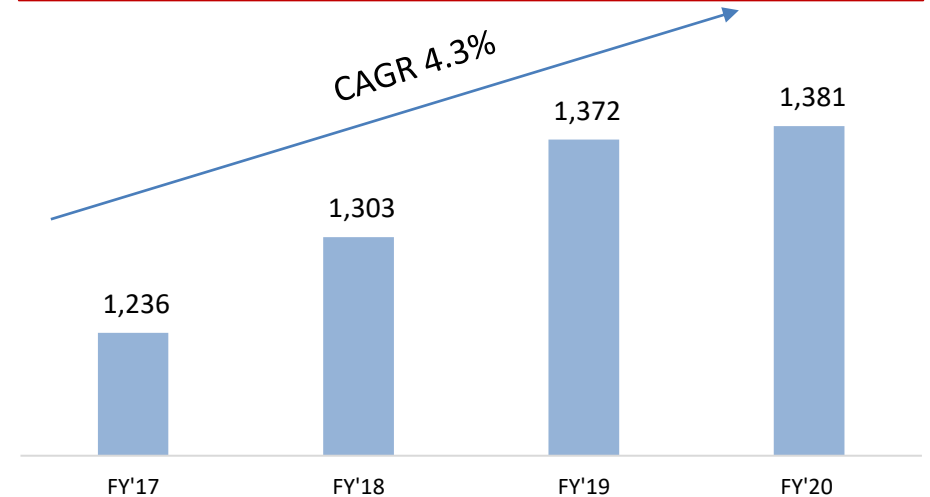
Power markets in developed economies are in the range of 30-80% of total power demand vis a vis ~5% in India

Source: 1. CRISIL Study 2. CERC; CEA

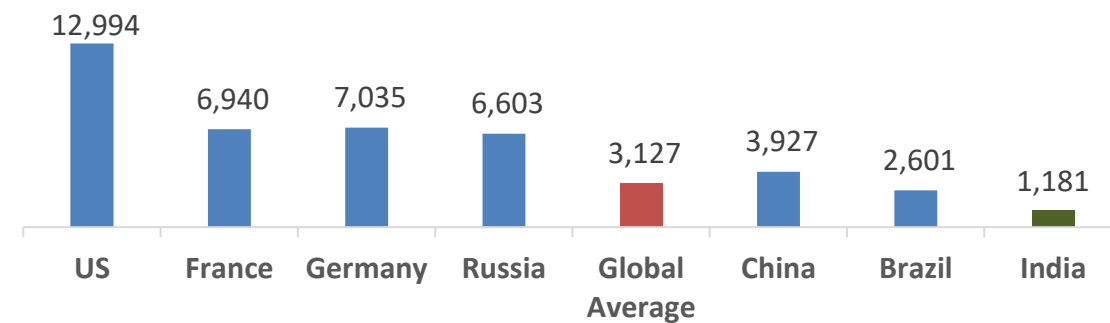
Electricity consumption bound to increase

- **Per capita consumption in India is 1/3rd of global average**
 - Per capita consumption expected to double in the next 5-6 years
- **Economic activity will accelerate**
 - Government envisions India as an industrial hub
 - 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

Total Electricity Demand (BU)¹



Per Capital Electricity Consumption (KWh)²



Source: 1. CERC; 2. World Bank; 3. CEA



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Way forward

Who we are

- India's leading power exchange – Nation wide, Automated and transparent platform for physical delivery of electricity
- Commenced operations in 2008, Market Share: **95%** (DAM & RTM >**99%**)
- Electricity CAGR 32%, CERC regulated
- Average daily trade **7000+ MW**
- Record day volume : 308 MU's (12,900 MW)
- Our customer base
 - 4000+** Industries | **55+** Discoms (all) | **100+** ESCert Entities
 - 500+** Generators | **1500+** RE Generators & Obligated entities
- *Publicly listed company (NSE and BSE)*
- *ISO 9001:2015, ISO 27001:2013, ISO 14001:2015*

OUR VISION

To be the architect of next-generation solutions for sustainable energy ensuring competitive, transparent and reliable access.

Transparency

Liquidity

Competition

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 (~20 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

Market Segments

Day-Ahead Market since June,08	<ul style="list-style-type: none"> • <i>Delivery <u>for next day</u></i> • <i>Price discovery: Closed , Double-sided Auction</i> 	
Intraday Market & Day-Ahead Contingency Round the clock since Jul'15	<ul style="list-style-type: none"> • <i>Intraday: For Delivery <u>within the same day</u></i> • <i>DAC: <u>Another window for next day</u>, Gate closure : 3.5 hours</i> 	 Continuous
Term-Ahead Contracts since Sep,09	<ul style="list-style-type: none"> • <i>For delivery <u>up to 11 days</u></i> • <i>Daily Contracts, Weekly Contracts</i> 	 Auction
Renewable Energy Certificates since Feb,11	<ul style="list-style-type: none"> • <i>Green Attributes as Certificates. Sellers : RE generators not under feed in tariffs Buyers: Obligated entities; 1MWh equivalent to 1 REC</i> 	
Energy Saving Certificates since 27 Sep'17	<ul style="list-style-type: none"> • <i>1 Escert= 1 Mtoe(Metric Tonne Oil Equivalent)</i> • <i>Trading Session every Tues of Week, Trading time 1300 hrs to 1500 hrs</i> 	
Real-Time Market since 1 Jun'20	<ul style="list-style-type: none"> • <i>Delivery <u>within an hour</u></i> • <i>Price discovery: Closed , Double-sided Auction</i> 	
Green Term Ahead Market since 21 Aug ,2020	<ul style="list-style-type: none"> • <i><u>Intraday, DAC (commenced) Daily and Weekly (starting soon)</u></i> 	

- **India is seeing rapid transformation of energy ecosystem**
 - Signatory to Paris Climate Agreement 2016
 - 40% of RE energy by 2030
 - 450 GW installed RE Capacity
 - Consumer preference shifting towards green energy

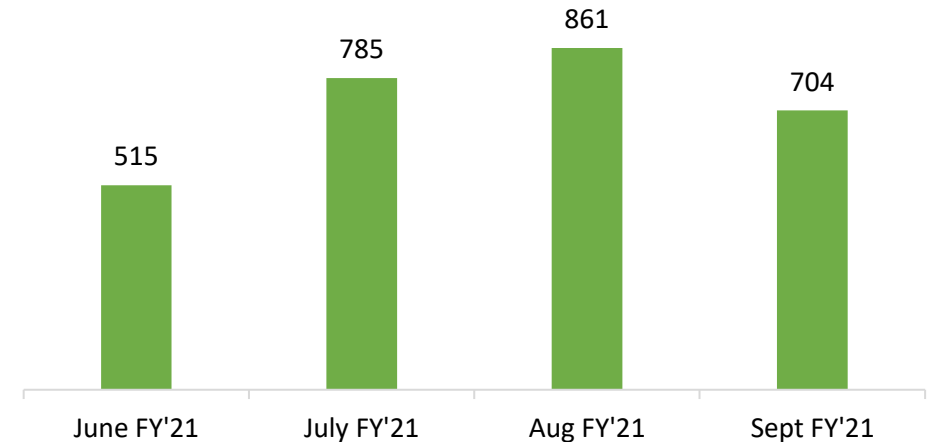


- Introduced a new market segment – Green Term Ahead Market
- Trading commenced on 21st August 2020
- Green market contracts – Day Ahead Contingency, Intra Day, Daily and Weekly – In pipeline
- **Benefits**
 - Achieving national green aspirations
 - Access to pan India market
 - Integrated approach to energy + RPO
 - Most competitive prices
 - G-TAM + RTM to support RE integration
- **Way Forward**
 - Comprehensive green solution to buyers and sellers through launch of GDAM
 - Working with government to promote investments in renewable energy through market-based system (feed in premium)

88 MU cleared in
Q2 FY'21

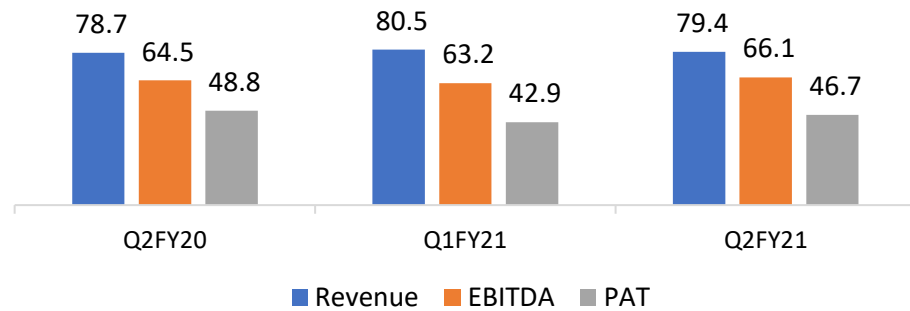
- Introduced a new market segment on 1st June 2020 - Real Time Markets
- Market Features
 - 48 bid sessions during the day; Each bid session for a duration of 15 minutes
 - Double-sided anonymous auction bidding process
 - Exchange manages risk management
- Benefits
 - Manage power demand-supply variation
 - Provide an opportunity to generators to sell their surplus power/un-requisitioned capacity
 - Help grid operators to enhance overall safety and security of the grid

RTM Volumes (MU)



Robust financial performance

Standalone Financials Rs Cr

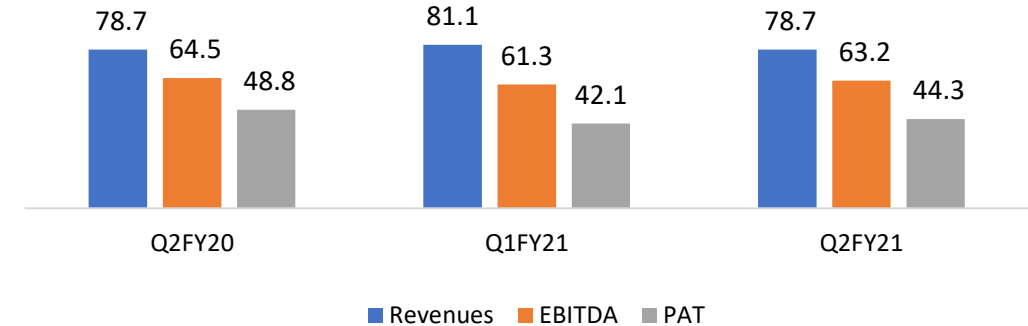


Breakup of standalone revenues (%)	Q2 FY 2020	FY 2019	Q2 FY 2021	FY 2020
Transaction Fees	80%	80%	84%	80%
Admission and Annual Fees	6%	6%	6%	6%
Other Income	14%	14%	11%	14%

Source: Company

Q1 FY21 includes Rs 5 Cr contribution towards PM Cares Fund. Q2 FY20 includes a tax benefit of Rs 3.7 cr due to a change in corporate tax rate.

Consolidated Financials Rs Cr



Robust business model and financial strength



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Way forward

IEX extending support during the crisis

- Enabling replacement of costly PPAs through buying on exchange
- Supporting distribution companies in supplying 24*7 uninterrupted power
- 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

Providing significant savings to DISCOMs



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

“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

“Power utilities turn to cheaper exchange power as prices crash” – Live Mint – May 28, 2020

“We’ve been doing this for 6-7 months at APTransco, and we managed to save ₹500 crore in FY20. We were well placed to maximise this benefit when spot prices fell on the exchange during the lockdown in March and April. We saved ₹56 crore and ₹132 crore in those two months. We were able to buy power for as low as ₹1.8 a unit at one point.”





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Way forward

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 (eg. - gas) basket of India
- Energy efficiency technology solutions



Drivers of growth

Demand for electricity

Per capita electricity consumption is expected to double in the next 5-6 years.

Phasing out of old plants

~17GW of thermal capacity likely to retire by FY'22 and another ~26GW likely to retire by FY'27.

No new PPA's

No new long term PPAs have been signed in the last 5 years in thermal power.

Merchant Capacity

~20GW of untied merchant capacity in the country will increase the supply side liquidity on exchange

Declining input costs

Coal and Gas prices expected to remain sub-dued due to cheaper global supply and thrust on renewable energy leading to lower prices on exchange

New Regulations

Sharing of ISTS Charges & Losses Regulations 2020 will further increase viability of exchanges

Launch of new products

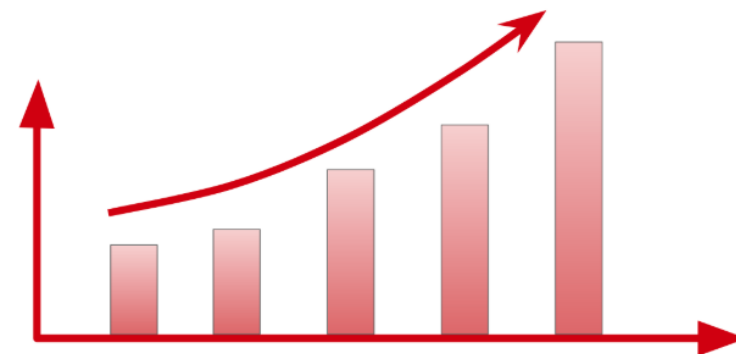
Launch of Longer Duration, Cross Border and Green Day Ahead Market Products along with tech-based products & Indian Gas Exchange will further drive company's growth

New Product Launches

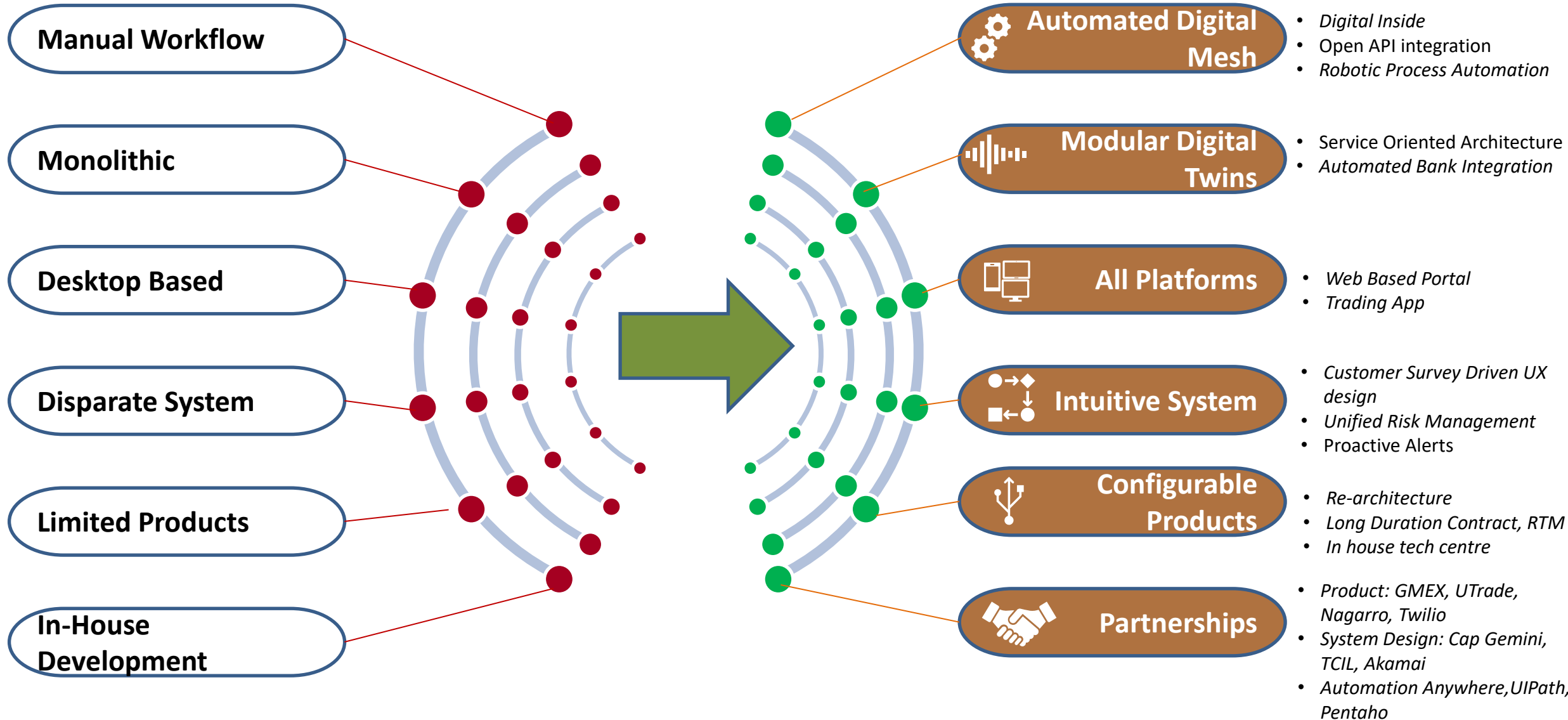
- Cross Border Trade
- Longer Duration Contracts
- Green Day Ahead Markets

Tech based

- Smart Power Procurement
- Analytics
- Integration of RE with conventional power through exchange



Technology in transformation



Smart Product/Bids



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

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, set up a Gas Exchange - Physical hubs near Dahej, Hazira and Oduru.
- 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

Thank You