



Empowering  
Power  
Market



Annual Report  
**2017/18**

#### Forward-looking statement

In this Annual Report we have disclosed forward-looking information to enable investors to comprehend our prospects and take informed investment decisions. This report and other statements - written and oral - that we periodically make contain forward-looking statements that set out anticipated results based on the management's plans and assumptions. We have tried wherever possible to identify such statements by using words such as 'anticipates', 'estimates', 'expects', 'projects', 'intends', 'plans', 'believes', and words of similar substance in connection with any discussion of future performance.

We cannot guarantee that these forward looking statements will be realized, although we believe we have been prudent in assumptions.

The achievement of results is subject to risks, uncertainties and even inaccurate assumptions. Should known or unknown risks or uncertainties materialise, or should underlying assumptions prove inaccurate, actual results could vary materially from those anticipated, estimated or projected.

Readers should bear this in mind.

We undertake no obligation to publicly update any forward-looking statements, whether as a result of new information, future events or otherwise.

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Performance snapshot,  
FY2017-18

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**256.07**

Revenues  
(₹ Crores)

---

**210.50**

EBIDTA  
(₹ Crores)

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**131.68**

Net profit  
(₹ Crores)

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**46,215**

Volume traded –  
Electricity (Million Units)

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**93.29**

Volume traded – REC  
(Lakh certificates)

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**12.99**

Volume traded – ESCert  
(Lakh certificates)

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**205.59**

Value transaction  
fees (₹ Crores )









# IEX Limited: Empowering market

*A successful decade  
in business*

**In** 2008, IEX Limited went into business amid apprehensions, with a number of people questioning the role of an exchange in power deficit.

**At** IEX, we were convinced that irrespective of the overall supply deficit, what India needed was choice: a platform on which power could be bought or sold efficiently, providing the convenience of a supermarket.

**In** the face of questions, IEX continued to focus on technology advancement, transparency, improving transaction ease and superior service.

**The** more doubters shook their heads, the more passionately IEX evangelized.

**The** result is that in the last ten years, IEX has transformed from a power exchange platform into an institution.

*From a company facilitating customers to an exchange, that is empowering markets.*

# 10 things you need to know about IEX Limited, India's largest exchange for the trading of a range of electricity products.

## 01

### **Vision**

Create marketplaces for efficient use of the energy resources.

## 02

### **Mission**

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

## 03

### **Position**

Indian Energy Exchange Limited (IEX) is India's pioneering and premier power trading platform (commissioned in 2008). The exchange provides an automated platform for the physical delivery of electricity. The exchange is respected for efficient price discovery while offering participants the opportunity to trade a variety of energy products. IEX has increased the accessibility and transparency of the power market in India through speed, liquidity, wide participation and efficiency in trade execution.

## 04

### **Leadership**

The exchange accounts for 98.4% share of India's Day Ahead Market, validating its undisputed leadership. More than 6,200 participants were registered on the exchange and located across utilities from 29 States, 5 Union Territories (UTs) by the close of 2017-18. These participants include 55 distribution companies, over 450 electricity generators, over 3,900 open access consumers and 1,050 renewable energy generators.

## 05

### **Beneficiaries**

IEX's open access beneficiaries belong to various industries such as metal, textiles, cement, ceramic, chemicals, automobiles, information technology, food processing and commercial entities. Distribution companies also represent a critical mass on buy and sell side along with power generators on sell side. Such diverse participation in the exchange has helped reduce costs (for buyers) and generate revenues (for sellers), strengthening their respective business.



06

**Trusted**

IEX is process-driven and quality-respecting: it was accredited with ISO 9001:2008 for quality management, ISO 27001:2013 for information security management and ISO 14001:2004 for environment management.

08

**People**

IEX's Board of Directors comprises some of the most respected names from industry, finance and professional services. The Company's day to day operations are headed by Mr. Satyanarayan Goel, Managing Director and CEO, along with a team of qualified and competent professionals. The Company employed 116 professionals (March 2018): Comprising of engineers, MBAs and Chartered Accountants. The average age of the Company was 33 at the close of 2017-18.

09

**Listing**

IEX was listed on the Indian stock exchanges in October 2017 (NSE: IEX, BSE:540750). The exchange enjoyed a market capitalization of ₹ 4,861 Crores as on 31 March 2018. Nearly 99.44% of the Company's equity capital was owned by the public.

10

**Awards and accolades**

IEX is respected as an industry leader and statesman, reflected in growing recognition.

**Best E-Enabled Consumer Platform – 2009**

Council of Power Utilities

**Best Performing Power Trading Company/ Exchange – 2012, 2013**

Power line

**Best Power Exchange in India – 2012, 2013 and 2014**

Enertia Foundation

**Innovators in Product and Technology – 2013**

Inc. India

**Exchange of the Year – 2014**

Power Business View

**Best Power Exchange – 2014**

India Power Award  
(Council of Power Utilities)

**Leaders in Power Market Development – 2015**

Council of Power Utilities

**Best IPO Award (Midcap Category) – 2018**

Investor Relations Society  
(Partnered with BNY Mellon & Bloomberg)

**Best CFO Award in 100-500 turnover category – 2018**

The Financial Express

07

**Ownership**

The Company is professionally managed with diversified shareholding. As on 31st March 2018, the Company's shareholders comprised non-institutional investors (56.22%), Foreign Portfolio Investors (7.32%), mutual funds (5.57%) and other domestic institutional investors (30.33%).



# Our first decade in business (2008-2018)

- IEX Commenced operations with Launch of Day Ahead Market (DAM)
- 38 registered participants (Dec' 08)
- Daily cleared volume in DAM crossed 20 Million Units

- Launch of Term Ahead Market (TAM)
- First industrial OA consumer traded in DAM

2008

2009

2013

2014

2015

- MoU signed with EPEX SPOT (France)
- Total registered participants at IEX crossed 3,000
- Number of registered open access consumer crossed 2,000
- Daily cleared volume in DAM crossed 100 Million Units
- Sell bid in DAM crossed 200 Million Units

- Registered participants crossed 3,700
- Buy bid in DAM crossed 200 Million Units
- Daily cleared volume in DAM crossed 130 Million Units

- Launch of round-the-clock Term Ahead Market
- Number of registered open access consumers crossed 3,000
- Total registered participants at IEX crossed 4,000



- Daily cleared volume in DAM crosses 50 Million Units
- Sell bid in DAM crossed 100 Million Units
- Registered participants in DAM crossed 500
- Number of registered open access consumers crossed 500

- Launch of Renewable Energy Certificate market (REC)
- First non-solar REC traded
- Total registered participants at IEX crossed 1,000
- Daily Participation in DAM crossed 500
- Buy bid in DAM crossed 100 Million Units

- DAM trading shifted to 15 min contracts from hourly contracts
- Total Registered participants at IEX crossed 2,000
- Daily participation in DAM crossed 1,000
- No of registered open access consumer crossed 1,000
- First solar REC traded
- MoU signed with PJM Technologies (USA)

2010

2011

2012

2016

2017

2018

- First energy exchange to get all three ISO Certification: 9001:2008 | 27001:2013 | 14001:2004
- Total registered participants at IEX crossed 5,000

- IEX goes public
- Launch of Energy Savings Certificate (ESCert)
- Highest sell bid in DAM: 301 Million Units
- First solar generator traded in DAM
- Highest number of REC traded and buy bid in single session: 3,239,142
- Highest number of ESCerts volume traded in single session. Cleared: 449,818

- MoU signed with JEPX (Japan)
- Daily Cleared Volume crossed 200 Million Units



# IEX. What we have achieved in our first decade in business



## Products

Day-ahead market (DAM)	Term-ahead market (TAM)	Renewable energy certificates (RECs)	Energy saving certificates (ESCs)
<ul style="list-style-type: none"> <li>Trading of 96 separate electricity contracts of 15-minute-long blocks each for the next day</li> <li>Price discovery via double-sided bidding with uniform clearing price to ensure pricing uniformity for buyers and sellers</li> </ul>	<ul style="list-style-type: none"> <li>Covers range of option for electricity for duration up to 11 days</li> <li>Participants can trade through intra-day, day ahead contingency, daily and weekly contracts</li> </ul>	<ul style="list-style-type: none"> <li>Solar and non-solar RECs</li> <li>Provides obligated entities option to ensure compliance with renewable power consumption requirements on an annual basis</li> </ul>	<ul style="list-style-type: none"> <li>ESCs are issued on achieving reductions in consumption of energy above specified targets, which can be traded on the exchange</li> </ul>