



INDIAN ENERGY EXCHANGE ANNOUNCED UNAUDITED FINANCIAL RESULTS FOR THE FIRST QUARTER ENDED 30 JUNE 2021

- Electricity volumes on the Exchange increase 42.9% YoY in Q1 FY'22.
- PAT grows 47.5% YoY with PAT margin at 60.4%; Revenues increases 26.9% YoY.
- Nepal joins as the first country commencing the Cross Border Electricity Trade at IEX.
- Indian Gas Exchange sees volume growth of 206% QoQ with 3,60,050 MMBTU traded in Q1 FY'22.
- Company announces final dividend of 150% resulting in total dividend of 400% for FY'21.

New Delhi, July 23, 2021:

The key highlights of the unaudited financial results* for the first quarter ended June 30, 2021, as declared by the Company on July 22, 2021, are as below:

Particulars	Standalone			Consolidated		
	Q1FY22	Q1FY21	YoY%	Q1FY22	Q1FY21	YoY%
Electricity Volume (MU)	21,266	14,878	42.9%	21,266	14,878	42.9%
REC Volume (in '000)	-	697	-100.0%	-	697	-100.0%
Total Revenue	102.38	80.54	27.1%	102.88	81.09	26.9%
Total Operating Expense	13.88	17.38	-20.1%	16.18	19.75	-18.1%
EBITDA	88.50	63.16	40.1%	86.70	61.34	41.3%
Finance Cost	0.55	0.54	1.9%	0.55	0.54	1.9%
Depreciation & Amortization	3.98	4.40	-9.5%	4.27	4.44	-3.8%
Income Tax Expense	20.35	15.34	32.7%	19.78	14.27	38.6%
PAT	63.62	42.88	48.4%	62.10	42.09	47.5%
PAT Attributable to:						
Owner of the Equity	63.62	42.88	48.4%	62.82	42.09	49.3%
Non-Controlling Interest	-	-	-	(0.72)	-	-
Basic EPS (Not Annualized)	2.13	1.44	47.9%	2.10	1.41	48.9%
Diluted EPS (Not Annualized)	2.13	1.44	47.9%	2.10	1.41	48.9%

*All volumes nos. are based on traded quantity.

* All amounts are represented in Crores

POWER SECTOR HIGHLIGHTS

The industrial and economic activities showed growth momentum in the early part of April 2021, while the overall quarter remained challenging due to the second wave of CoVID-19 pandemic. In April 2021, Manufacturing PMI stood at 55.5, however in June it declined to 48.1, and the Services PMI declined from 54 in April 2021 to 41.2 in June 2021.

Despite the partial lockdown during the quarter, the electricity consumption showcased significant growth through the quarter registering a growth of 17% YoY to 340BU with the revival of economic



activities. The country saw its highest ever peak demand at 191.5 GW in June 2021. The power consumption growth has soared further in July, with peak demand reaching 200 GW+, the highest ever in India's history.

As of June 2021, installed power capacity at 384 GW saw 3.5% YoY growth. The renewable energy capacity reached 97 GW from an earlier 88 GW in the fiscal year 2020 witnessing a 10.4% YoY growth. The fast-paced growth in renewable capacity underlines the gradual energy shift that has been underway and an increased impetus on building a decarbonized and sustainable energy economy.

On the policy and regulatory front, the Electricity (Amendment) Bill, 2021, that aims to de-license power supply, allowing multiple distributors in the same area and giving consumers the option to switch power suppliers is expected to be introduced in the Monsoon session of Parliament that began on 19th July 2021. The bill will promote competition among the Distribution Companies and in turn lead to competitive purchase of power from the Exchange.

Recently, the Cabinet approved a five-year-long reform-based result-linked power distribution scheme worth Rs 3.03 lakh crore. A significant part of this outlay is earmarked for replacement of existing 25 crore meters by smart prepaid meters. Smart metering system will ensure proper energy accounting, billing, and collection leading to improvement in Discom financial health. Further upgradation of distribution infrastructure will reduce the AT&C losses in the sector.

The Government has also issued the draft National Electricity Policy 2021 which stipulates intention of the Government to increase the share of spot markets to 25% by the year 2023-24. The draft NEP underlines the most pertinent issues of the power sector with key focus on areas such as promotion of clean and sustainable generation of electricity, development of adequate and efficient transmission system, revitalization of the distribution utilities, as well as the development of efficient power markets through an increased role of markets.

Additionally, the Government continued to focus on initiatives to further deepen the power markets. In its draft regulation, Central Electricity Regulatory Commission (CERC) has proposed a mechanism which allows load dispatch centres to procure a part of power to be used for 'ancillary services' through electricity exchanges for overall grid stability.

The Ministry of Power (MoP) issued a discussion paper on MBED with a proposal to go live through Exchanges from 1 April 2022 with NTPC generation capacity. MoP also issued the Waiver of ISTS Charges for Green Market for trading through the Exchange in GTAM/GDAM till 30th June 2023. This will make trading of Green Power more competitive and further deepen Green Markets. MoP also issued an order on PPA Relinquishment allowing Discoms to relinquish their PPAs on completion of 25 years or the period specified in the PPA. This will lead to the demand which was served by PPA to be met at Exchange. Even the generation companies will sell their power post PPA at the market and further deepen the markets.

BUSINESS AND FINANCIAL PERFORMANCE HIGHLIGHTS

On a standalone basis, the revenues for the quarter grew by 27.1% YoY from Rs 80.54 Cr. in Q1FY'21 to Rs. 102.38 Cr. in Q1 FY'22. The PAT grew by 48.4% with PAT margin at 62.1%. Despite fresh



lockdowns imposed in several states due to the second wave of the pandemic in India, electricity volumes on the Exchange grew by 42.9% YoY with 21,266 MU. This growth was largely driven by competitive power prices on the Exchange, growing electricity consumption, and vibrant performance of new market segments. The Company announced a final dividend of 150% resulting in total dividend of 400% for FY'21.

Completing a year on June 01, 2021, real time markets emerged as one of the fastest growing market segments on the Exchange. With an exceptional performance throughout the quarter, the market traded the highest ever volume of 1726 MU in the month of June 2021. Overall, the market did a cumulative trade of 4635 MU with an average price of Rs 3.01 per unit in Q1 FY'22. The market also recorded the highest ever single day trade volume of 80 MU on June 22, 2021.

The quarter also saw green term-ahead market recording the highest ever monthly volume of 414 MU in June 2021. The market cumulatively traded 937 MU, already surpassing the total green volumes achieved in FY'21 which stood at 785 MU. Furthermore, the market recorded the highest ever single day trade volume of 30 MU on July 13, 2021.

Further, the Indian Gas Exchange has also been seeing great enthusiasm and uptake in volumes as well as participation. During the quarter, the volumes achieved by IGX far surpassed the total volumes of last year. With growing momentum, appreciation among market participants, and several key policy & regulatory initiatives such as the discussion on the constitution of an independent Transmission System Operator picking up traction, we are geared towards developing a vibrant gas Market in India.

Despite the challenges of the Covid 19 pandemic on the economy, the future of energy markets looks promising. With India's GDP projected to grow at 9.5% in FY 2022, electricity consumption is expected to rise correspondingly. Furthermore, favourable policy initiatives, declining costs of fuel and green power, continuous collaboration with all stakeholders and launch of new market segments will bolster growth of electricity exchange markets.

As India moves rapidly towards energy sector transformation, IEX is committed to extending its support to the Indian economy, and to the development of the power sector underpinned by the value proposition of efficiency, competitiveness, flexibility, and customer choice. The company will continue the customer outreach efforts and capacity building initiatives and introduce new market segments like Longer Duration Contracts, Green Day Ahead Markets, Integrated Green Day Ahead Market, and Ancillary markets in the future. IEX will also continue to work in collaboration with government, regulators, customers, and other stakeholders to develop the energy market as well as leverage new growth opportunities for IEX.

ABOUT IEX

IEX is India's premier energy exchange providing a nationwide, automated trading platform for physical delivery of electricity, renewable power, renewable energy certificates and energy saving certificates. The exchange platform enables efficient price discovery and increases the accessibility



and transparency of the power market in India while also enhancing the speed and efficiency of trade execution. The Exchange is ISO Certified for quality management, Information security management and environment management since August 2016. The Exchange is a publicly listed company with NSE and BSE since October 2017 and is approved and regulated by Central Electricity Regulatory Commission since 27 June 2008. For further details, log on to: www.iexindia.com

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