



Dated: August 20, 2018

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Scrip Code: BSE- 540750; NSE- IEX

Subject: Transcript of the Conference call with analysts and investors relating to Financial Results of the Company for the quarter ended June 30, 2018.

Dear Sir / Madam,

Please find enclosed herewith transcript of conference call with analysts/investors held on Friday, 10th of August 2018, at 2:00 pm (IST) to discuss the financial results of the Company for the quarter ended June 30, 2018.

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





“Indian Energy Exchange Q1 FY19 Investor Conference Call”

August 10, 2018



MANAGEMENT: **MR. S. N. GOEL – MANAGING DIRECTOR & CEO,**
INDIAN ENERGY EXCHANGE
MR. VINEET HARLALKA – CFO, INDIAN ENERGY
EXCHANGE
MR. ROHIT BAJAJ – VP, BUSINESS DEVELOPMENT,
INDIAN ENERGY EXCHANGE

MODERATOR: **MR. BHAVIN VITHLANI – AXIS CAPITAL LIMITED**

Moderator: Ladies and gentlemen good day and welcome to the Indian Energy Exchange Q1 FY19 Investor Conference Call hosted by Axis Capital. As a reminder all participant lines will be in the listen-only mode, there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during the conference call, please signal an operator by pressing ‘*’ then ‘0’ on your touchtone phone. Please note that this conference is being recorded. I now hand the conference over to Mr. Bhavin Vithlani from Axis Capital. Thank you and over to you sir.

Bhavin Vithlani: Thank you Zaid. Good afternoon everyone. We welcome you for the First Quarter of Fiscal Year 19 Earnings Conference Call of India Energy Exchange (IEX). From the management team with us we have today Mr. S N Goel, Managing Director& CEO, Mr. Vineet Harlalka, CFO and Mr. Rohit Bajaj, VP, Business Development. There will be a brief presentation by the management and the presentation has been uploaded on the exchanges. We would request everyone prefer the presentation and post which we will open the floor for questions and answers. Over to you Goel ji for your opening remarks.

S N Goel: Thank you Mr. Bhavin and good afternoon to all of you.

At the outset, I would like to share something about the Indian power sector. The total generation and peak demand in the country during the first quarter increased by 4.9% and 8% respectively as compared to last year first quarter. With Improved transmission network we operated in a congestion free market in the country. In this quarter, there was also an increase of about 13% in the domestic coal production as compared to Q-1 FY-18. All these factors had impact on the volume of the exchange.

14.43 BUs of electricity volume traded in Q-1 FY19 on IEX with an increase of 22% w.r.t. Q-1 FY18. Approximately 83% of this electricity was purchased by distribution companies and 17% by the open access consumer i.e. industrial consumers.

We traded 20 lakh RECs in this year in comparison to 4.53 lakh last year in the first quarter. Last year, REC trading happened only in the month of April. In May-17 and June -17 there was no trading because of the stay by the court orders. This quarter, subsequent to Hon’ble APTEL order trading in solar RECs commenced on 25th April, 2018. Total RECs sold were 20.09 lakhs out of which 6.8 lakhs were non solar and 13.3 lakhs were solar RECs. The average clearing price during Quarter- 1 FY 19 was Rs. 4.13/ unit which is almost about 50% more than the average trading price of last year in the first quarter which was about Rs. 2.76 per unit. The increase in the clearing price for electricity was mainly because of the less availability of domestic coal with the merchant generators, increase in the imported coal price and increased power purchase requirement due to decrease in Hydro generation by 13%. Operating revenue for the first quarter was 66.97 crores an increase of 22% with respect to first quarter last year. Other income which mainly includes treasury income was 7.22 crores so total revenue was 74.19 crores with the increase of 20% with respect to last year which was 61.91

crores. Total expenses were 15.13 crores an increase of 8% with respect to last year which was 13.97 crores in the first quarter of 18.

Profit before tax was 59.06 crores an increase of 22% with respect to first quarter of last year. PAT was 41.89 crores up by 33% year-on-year basis on account of strong business growth and for the company registered robust PAT margin of 56%. Our profit from the core business that is the trading activities only was up by almost about 36% which is excluding treasury income. The applicable tax rate is 25% instead of 30% and then including the surcharge and other cess which effectively becomes about 29% against about 35% last year. So we had a saving of almost about 6% in the tax rate so which amounted to about 10% increase in the profit.

Now we can have question answers please.

Moderator: Thankyou sir. Ladies and gentleman, we will now begin the question and answer session. The first question is from the line of Mohit Kumar from IDFC Securities. Please go ahead.

Mohit Kumar: The couple of questions mostly on the PAT. With increase in clearing price almost at the 83% of cleared volume is from DISCOMs while the open access customer mostly has gone out of exchange. In case the prices go back to lower again how quickly the customer can come back, is it sticky or non-sticky that's what I'm trying to figure out?

S N Goel: In fact, every day open access consumers submit their bids for purchase of power. So, return of open access customer is not sticky. Whenever the price goes down, there is sudden increase in clearance of open access buy volume. Recently, on one particular day when electricity average clearing price went below Rs. 3/unit the open access buy volume increased from 20 MUs to approximately 45MUs. So this pickup is instantaneous and take place within a day or two.

Mohit Kumar: How do you see the volume panning out in Q2 especially in the day-ahead market and REC market?

S N Goel: In REC market there is strong demand. In the month of July also we saw good purchase of REC because there is a better RPO compliance. All the captive consumers are buying RECs. The open access consumers are not getting NOC without complying with the RPO obligations and even state DISCOMs are also quite active in REC market for fulfilling their RPO obligations. So there is going to be a strong demand. However, on sale side, there is good solar inventory but non-solar side inventory is slightly lower. We should be able to do REC transaction same as last year.

Mohit Kumar: What are the cash balance at the end of June quarter?

S N Goel: It was about Rs. 500 crores and as total cash but shareholder's money was about Rs. 207 crores.

Moderator: Next question is from the line of Ravi Shrikant from Muthoot Family Office. Please go ahead.

Ravi Shrikant: Could you just mention the percentage of the short-term power market as a percentage of the overall market for both this current quarter and the same quarter last year?

S N Goel: The CERC report has come out only for two months April and May. Total short term market is around 11% of the total generation and last year was also it is about 10.6%. So there is no significant increase in the size of the short-term market in % terms. But within short-term market, exchange volumes have increased significantly higher than the other components of the short term market.

Ravi Shrikant: Going forward do you see the similar trend continuing that the exchange volumes as a percentage of the short the market goes up rather than the short-term market as a whole going up with respect to the overall market.

S N Goel: As far as exchange is concerned, exchange share is definitely going to increase over the years. Now most of the distribution companies have the comfort that there is no congestion and there is enough liquidity on the sales side. So they are preferring procurement of power through exchange market over bilateral transactions. Further prices discovered on deep platform were quite high, in fact, in many of the cases it was around Rs. 5/ unit. So that is why many of the distribution companies did not enter into contract under the bilateral transactions. Banking transactions are also going down now because they don't see much merit in it. Transactions under the DSM, which are overdrawn under the UI mechanism, is down by 32% and additionally CERC has now come out with a discussion paper linking the DSM price with the exchange clearing price. Today UI rate is much lower than the exchange clearing price, so if UI rates gets linked with exchange clearing price at 50 Hertz then distribution companies will be forced to plan and purchase power and exchange is the next best real-time option available. So I am sure good part of the DSM transactions will also shift to the exchange's platform. Hence, exchange volume as a percentage of the short-term market exchange volume is definitely going to increase. I'm sure in the coming time short-term market percentage will also increase because we have started seeing the impact of the high renewable. States which have high renewable have started selling power during the daytime and buying power in the evening hours and morning hours; typically states like Andhra Pradesh, Telangana, Karnataka are selling during the daytime when they have high solar generation and buying during the morning and evening.

Ravi Shrikant: What is the total capacity of power plants in gigawatts that are registered on the exchange?

S N Goel: As far as exchange is concerned except state generating companies all power plants including all power plants of NTPC, NLC, NEPCO, NHPC, DVC are registered on IEX. They sell the surplus power available with them. NTPC Singrauli's 2000 MW is registered with us but they are selling approximately 30 to 50 MW on exchange under URS. Similarly, all IPPs and most of the CPPs are registered on the exchange. So as far as the generation capacity is concerned we have large generation capacity registered with us. But out of that the participation depends on availability of coal with them.

- Ravi Shrikant:** Is it fair to assume that all those power plants which do not have a PPA are registered on the exchange?
- S N Goel:** All power plants which don't have PPA they are definitely registered, all power plants who have PPA they are also registered because whenever they have un-requisitioned power they sell their power on the exchange platform.
- Moderator:** Next question is from the line of Apoorva Bahadur from ICICI Securities. Please go ahead.
- Apoorva Bahadur:** Wanted to understand basically that what we said a 13 solar generators have been selling power in the day ahead market. So if you could throw some clarity on this like what type of generators? Are they located in parks, basically because my understanding is that solar power renewable for that is a must run. So in that case what's the rationale of selling in the day-ahead market because anything that they generate will get actually be scheduled by the DSICOMs?
- S N Goel:** Most of the solar generation capacity is tied under PPA. There are few cases where PPAs are under dispute. Since the disputed capacity is commissioned, the solar generators are utilizing exchange platform for selling power till the PPA issue is resolved. Further in case of PPA, they sell power before COD for example in case of 250 MW solar park the PPA comes into enforcement when the entire 250 MW is commissioned and the commissioning happens in batches, maybe 50 MW, 100 MW. So whenever the part capacity is commissioned they utilize the exchange platform for selling it and when in the next 2-3 months full capacity is commissioned then they switch back to the PPA route. So this is how they are utilizing the exchange platform for the intervening period.
- Apoorva Bahadur:** Currently the developers are creating lot of margins on declared capacity wherein they are actually commissioning more capacity to ensure that the peak is flattened. So is that capacity which normally would have been clipped by inverters that is being sold in the exchange market is that the case?
- S N Goel:** No, nothing as of now. But we are now interacting with all the renewable generators, telling them that exchange is a viable and competing option for sale of power because the rate on the exchange platform is in fact more than the PPA rates. So whatever surplus capacity they have they can make use of the exchange platform for selling that capacity. So maybe there are issues in getting NOCs from the distribution companies but now generators are aware and they are working out how to utilize this platform for maximizing their revenue.
- Apoorva Bahadur:** The peak and base demand as you would have noticed there is an increasing divergence between both of these. So what exactly is driving this, why is peak demand actually outgrowing base demand quite handsomely?
- S N Goel:** The variation between the peak demand and base demand is during summer month, mainly because of the air-conditioning load during the evening hours for the commercial establishments and domestic load. Otherwise rest of the period you will not see much variation

in that. For the first 3-4 months invariably there is a variation and that used to be there in earlier years also.

Apoorva Bahadur: In post the Hydro season again we will see sometimes in September around September October?

S N Goel: Post Hydro September-October yes, up to October we see this but November-December again since the temperature moderates and this variation is not happening. What you're saying is variation on the exchange platform?

Apoorva Bahadur: Right.

S N Goel: Yes, on the exchange platform the rates are higher during the evening hours but less during the rest of the time mainly because during the daytime earlier the rates used to be higher but this year because of the high solar generation capacity the sell quantum during the daytime has increased. That is why the rates during the daytime are lower these days and evening hours solar is not available so there is high demand and sell is slightly lower because solar is not available at that time. The states like Telangana, Andhra Pradesh, Karnataka who have the solar the states are selling excess power to other exchange platforms in the daytime. So that is why there is variation in the evening rate and the daytime rate.

Apoorva Bahadur: On the solar merchant side, if we see this is not picking up as more and more so the capacity is coming in PPA route, will this negatively impact the REC market?

S N Goel: It is very difficult to say about the new REC market I mean new capacity getting registered under the REC, because the mechanism of REC was introduced when the rate for the renewable energy was higher so they wanted to incentivize that. You sell power in the market at market rate and you will get one additional REC and you can make money by selling that REC. But now since the renewable energy rates are competing with the conventional energy so government is now thinking that whether there is a case for giving REC to the new generators. In fact, government is now saying that renewable generators can sell power on the exchange platform directly. About a year one-and-half year back we had filed a petition with the regulatory commission for allowing us the green DAM market, which was not allowed by the regulator at that time. Now we are working out another mechanism of TAM market and we will approach the regulatory commission maybe in next 1 or 2 months for approval of this product. Now with the decrease in the renewable power rate many of the generators will find this as a competing option and it will promote renewable capacity addition under the merchant route also.

Moderator: Next question is from the line of Dhruv Muchhal from Motilal Oswal Securities. Please go ahead.

Dhruv Muchhal: I was looking at the volumes split by region and we have seen a significant improvement in volumes from the E1 and E2 region I believe its Eastern region. So any particular trend and

this has been happening for the last probably 7-8 months, so any specific trend we have seen there and this can continue probably Orissa or some other states changing their buying pattern?

S N Goel: Un-electrified villages' number was highest in the Eastern region and because of the government initiative under the Saubhagya Scheme the electrification is happening in these states and demand is increasing. I will give you one example in case of Bihar if you look at their supply pattern 2 years back, it was just about 2000 to 2500 MW. Today it is almost about 4500 MW. That is increased by almost 100%. So that is why more demand is coming from the Eastern region. Bihar, West Bengal, Orissa, Assam. Further, long-term PPA is not happening in that because distribution companies know that they can buy power whenever they want from the exchange platform so they don't want to get into the long-term PPAs and take those liabilities forever.

Dhruv Muchhal: In a way the Eastern demand is coming incrementally more on the exchange platform rather than going through long-term PPAs because the demand there probably is growing at a fast rate.

S N Goel: Yes.

Dhruv Muchhal: CERC has come out with a draft regulation on real-time electricity market where they are probably talking about gate closures and stuff like that. So does it significantly benefit us in terms of the URS market will see a significant boost or how do you look at it?

S N Goel: Definitely that will have a positive only but how much positive will depend on the participation of the distribution companies. Further, linking exchange price with the DSM price and introducing real-time market both happening together will have definitely a positive effect. For example, in case of a particular distribution company a 500 MW unit trips, then to make it good DISCOM will come to the real-time market to buy the power. Now the generators will be able to sell their URS in the real-time market because the gate closure time is now reduced to 2.5 hours. So with the URS available in the market, the distribution companies will have the opportunity of making good their deficits and even in case of renewable variations also they will have option of buying power from this market. I am sure there will be a positive effect on the volumes but to what extent we will see only with time.

Dhruv Muchhal: URS market currently has not grown as much as we should have expected because for instance NTPC power plants are low-cost power plants and run at 80%-85% PLF, probably they can run higher PLF but probably because the states are not giving them the URS approval. So if this comes in probably this should benefit us significantly.

S N Goel: Yes, Under the present mechanism a state can recall that URS capacity whenever they want it, so that is why generator is not able to sell that power in the market. Now with this new mechanism there is a gate closure 2.5 hours in advance so that means the generator is now sure that during this state will not be able to call back that power. So whatever URS is available he

can sell on the exchange platform and this they can do every hour. So I think utilization of URS will be much better with this mechanism.

Dhruv Muchhal: Lastly about the national merit order, this is a document probably given by the Ministry of Power where they want to make a national—merit order operation so how do you see this, how does exchange play in this or how does exchange benefit for get impacted because of this?

S N Goel: I think this is neutral to exchange because today also distribution companies are buying most of power under the long-term PPA route. Today we have regional merit order dispatch that will become central merit order dispatch. I don't think there will be any negative effect on the exchange.

Moderator: Next question is from the line of Pranjal Jain from Axis Capital. Please go ahead.

Pranjal Jain: Vineet sir was some time back talking about new products in the F&O segment has there been any more progress or any update from your side on that?

S N Goel: No, nothing so far.

Pranjal Jain: One book keeping question; what will be the ideal tax rate that we should model for FY19?

S N Goel: For FY19 it is 25% tax rate., For FY 19-20 you will have to wait for the budget.

Moderator: Next question is from the line of Abhilasha Satale from Dalal & Broacha. Please go ahead.

Abhilasha Satale: Other expenses have gone up like almost 36% year-on-year so what is the reason for that?

Vineet Harlalka: Other expenses are higher if we on year to year i.e. from June 17 to June 18 but on overall basis the expenses are more or less flat. The main reason for the increase in other expenses is we incurred some cost on the 10-year celebration of the company and the company acquired the technology during last year, which resulted in increase in infrastructure cost, but also reduced technology cost. But if you look at the numbers on the total basis on the year to year it will be same.

Abhilasha Satale: So like this 5 crores average run rate will remain for the quarter?

S N Goel: Yes, it should be almost same.

Abhilasha Satale: We are also trying to introduce Gas Exchange so is there any progress on the same? There were some presentations made to CERC so what is the progress on that front?

S N Goel: Gas Exchange will be regulated by PNGRB. We are in fact interacting with PNGRB, with Ministry of Petroleum and Natural Gas also other stakeholders in the sector. We are working with them. But before we start the Gas Exchanged there are few enablers which needs to be put

in place and that is something which government and the regulator will have to do. PNGRB will have to come out with regulations for setting up the exchange. The rules of the game have to be laid down. So PNGRB is working on that once that happens then only we can apply for gas exchange. Further there has to be a system operator who will transparently carry out scheduling and accounting for the transactions which are happening through the gas pipeline. These gas pipelines are also owned by multiple operators like GAIL, Reliance, GSPL etc. So maybe we will also need a single operator coordinating with all the agencies so there are no disputes in the contracts. We are working with the government and the regulators to create these enablers. As and when these enablers are put in place I'm sure then we will apply for the Gas Exchange and start working on that.

Moderator: Next question is from the line of Salil Desai from Premji Invest. Please go ahead.

Salil Desai: My question is regarding the state selling the solar power generation, is this case where the day time load demand in the states is weak temporarily and that is why they are selling or do you think this is more structural change the way the planning is being done, because selling during the day and then buying more expensive power in the evening doesn't really make too much sense?

S N Goel: Number one, they are not selling solar power. In case of states they buy power from the different sources, it is the pooled power and out of that whatever is surplus they are selling that. The states which are high in solar are selling in the daytime because the capacity additions have increased at a faster rate than the increase in the daytime demand so that is why they have become surplus in the daytime and they are selling power in the daytime.

Salil Desai: And this will continue for some time till the time demand catches up.

S N Goel: Yes, till the demand catches up.

Salil Desai: Would you have any idea on how long can they sustain about a year or so or it's going to be a...

S N Goel: The addition of solar generation capacity is at a much faster rate than the increase in the day demand so this phenomenon of high sell volume during the daytime will continue.

Salil Desai: The solar generators who have started selling on the exchange like you said temporarily till the time the PPAs come into force. From a practice point of view how are they scheduling this, have you seen any changes in the or any concerns in predictability of next day's generation....

S N Goel: We did some research on this; a particular generator sold power for almost about 3-4 months on exchange and in the first month for the initial 5-6 days we found that forecasting was correct to the extent of maybe 85%. But then within 10-12 days the forecasting improved and then for the rest of the 3 months we found that the forecasting was up to 97% correct and UI impact was marginal. So if the exchange clearing price was Rs. 3.50 after UI mechanism the

impact was only about 15 paisa on the total price, it got still Rs. 3.35 paisa. So the forecasting has improved a lot at least in case of solar.

Moderator: Next question is a follow up from the line of Dhruv Muchhal from Motilal Oswal Securities. Please go ahead.

Dhruv Muchhal: I was just looking at the data for Eastern region, the demand growth so it has been almost in line with India's growth in terms of 5%-6% so is it the case that the states have already utilized the existing PPAs and that's the reason they are coming from the IEX because the prices are low and this becomes an interesting deal across for the other states as they also get utilized in the existing PPAs they too will probably come on exchanges.

S N Goel: Yes definitely this is the case. In case of demand increase they did not sign long-term PPAs, they have long-term PPAs for limited capacity so when the demand is increased beyond PPA capacity they are coming on the exchange platform. In case of West Bengal also we saw that whenever the demand increases beyond a particular point they come to the market. This phenomenon you will see with all other states also when the capacity utilization under the long-term PPA is reached. They will come to the market for increased demand. In the last five years virtually no long-term PPAs have been signed.

Dhruv Muchhal: Earlier there were relatively surplus in the existing PPAs so if the existing PPAs start getting utilized for the incremental demand and maybe prices on exchanges are low so effectively a tighter market in net-net benefits us as the market gets tighter at least from your existing PPA perspective.

S N Goel: Yes.

Moderator: Next question is a follow up from the line of Mohit Kumar from IDFC Securities. Please go ahead.

Mohit Kumar: The transaction fee that the client substantially in Q1 FY19 they also Q-o-Q declined and they also YOY declined so how do we model this number for FY19 and is that with number of participants should it raise substantially because of lower open access volumes?

S N Goel: No, as far as transaction fee is concerned that is 4 paisa in case of electricity, 2 paisa from buyer and 2 paisa from seller.

Mohit Kumar: My mistake annual subscription fee.

S N Goel: When the exchange clearing price is higher then open access is not viable and clients don't get themselves renewe their activation and don't pay the annual fees. They start paying the annual fees only when the exchange clearing price goes down and in states like Punjab where the open access charges were increased and the breakeven there is less than Rs. 2 then unfortunately all the clients are now inactive. They have got deactivated. But on the other hand in case of Tamil

Nadu with the reduction in cost subsidy surcharge the clients have become active. This is a continuous phenomenon. This year we had almost about 400 clients getting deactivated on net basis so that is why the annual fees was lower. Annual fees of about Rs. 25 crores per year is a reasonable assumption which we think will work out. We don't expect increase in this but I'm sure we will be able to maintain the same number of last year.

Mohit Kumar:

Have you heard from CERC on the approval of amendment of bylaws?

S N Goel:

Not so far. Hearings are complete and I think order is expected shortly.

Moderator:

Next question is a follow up from the line of Apoorva Bahadur from ICICI Securities. Please go ahead.

Apoorva Bahadur:

Continuing on the volume question Sir, just wanted to know if lower Hydro generation this year has also led to larger demand on the exchange.

S N Goel:

Yes definitely in the month of April & May when the Hydro generation was lower in comparison to last year there was large demand on the exchange platform. States like Himachal Pradesh, J&K and Uttarakhand who have Hydro resources they were also buying on the exchange platform. In fact today also they are buying on the exchange platform.

Apoorva Bahadur:

And that has actually hiked the prices as well YOY.

S N Goel:

Naturally yes, if the Hydro generation is lower so the sell is lower and demand increases, prices is a function of demand and supply.

Apoorva Bahadur:

Coming back on the national MOD part so while I understand it's neutral to the exchanges from a transmission capacity utilization or availability point of view how will that be impacted because as per my understanding long-term PPAs will gain precedence over the short-term agreements. So in that case will such happen that it will lead to more and more of market splitting?

S N Goel:

I don't think so because what I have seen in the last one-year there is virtually no congestion. We are operating in a congestion free market and congestions have happened only when a particular line was under outage. In the month of June there was tripping of lines because of the storms, in case of Eastern region also one particular line was out because of the high wind, one conductor got snapped. Otherwise when the lines are available there is virtually no congestion now.

Apoorva Bahadur:

That document also notes the higher requirement for basically national MOD letting to a better and more efficient spinning reserve so that's also is neutral to us. It shouldn't affect.

S N Goel: Today also there is ancillary market and that ancillary market is by the URS power. So now also the stations which are having long-term PPA but not dispatched under the merit order provide the spinning reserves. Spinning reserve is a real-time phenomenon.

Moderator: Next question is from the line of Bhavin Vithlani from Axis Capital. Please go ahead.

Bhavin Vithlani: Last time we spoke about CERC wanting to reduce the gate closure time and wherein we had highlighted the bottleneck actually lies within the load dispatch centers wherein they need bit more automation and once that goes through it can be a big boost on the volumes on the exchanges, any update on that will be helpful.

S N Goel: In fact yesterday only CERC has come out with the discussion paper to start open access registry and CERC is serious about this because without open access registry it will be difficult to introduce the real-time market also. So one is the open access registry happens then it will be possible to reduce the gate closure time.

Bhavin Vithlani: You mentioned about some software upgrades and technology upgrades that are required by the RLDCs.

S N Goel: That's what I'm saying now CERC has come out with the discussion paper in discussion with NLDC and RLDCs and RLDCs are now geared up to take up this open access registry. This is basically a draft amendment to the open access regulations so it is nothing new, in the existing regulations only they will do amendment and I don't think it will take much time. So CERC order and thereafter implementation should take not more than 3-4 months time.

Bhavin Vithlani: Maybe in the second half of this fiscal we should see some rub-out impact on the volumes because of this?

S N Goel: Yes. But all these things depend upon participation of distribution companies. When we started round-the-clock market in 2015 at that time also we were expecting that maybe distribution companies' participation will increase but unfortunately that has not happened. But with this gate closure concept, it will be possible to sell URS power and if you have good quantum on the sell side, buy also should come.

Bhavin Vithlani: You did mention about the volume breakup between the DISCOMs and the open access for this quarter if you could help us breakup same quarter last year and also if you could give us some color on the key states where we have seen a growth in terms of volume that you gave some breakup last quarter, similar type would be helpful.

S N Goel: In fact, most of the states were active on the exchange platform and we saw large volume growth in case of Gujarat, Maharashtra, Bihar, West Bengal, Uttarakhand, J&K.

Bhavin Vithlani: Any volume growth number if you could share for these states?

S N Goel: In case of Gujarat the volume growth was almost about 130%, last year the volume was 1.7 BU, this year the volume was 3.8 BU. Maharashtra last year was 1 BU, this year was 1.5 BU. Bihar last year was 0.7 BU, this year was 1.5 BU. J&K last year was 0.05BU this year was 1 BU. So in most of the states the volume growth was quite significant. In fact the buy by the distribution companies was more aggressive.

Bhavin Vithlani: What was the share of the open access and DISCOMs last year same quarter?

S N Goel: Last year I don't have the numbers right now but I think it was about 40% by the open access consumers 60% by the DISCOMs. Last year the clearing price was quite low, it was 2.57 and with this kind of clearing price open access was viable and we had open access 40% and DISCOM was 60%.

Bhavin Vithlani: That number is now 83% for DISCOMs, right?

S N Goel: Yes 60 has become 83 and 40 has become 17 now. Open access consumers are price sensitive, distribution companies are not price sensitive in most of the cases, they want power.

Bhavin Vithlani: My questions have been answered and as we understand there are no further questions in the queue. On behalf of Axis Capital they would like to thank the management of IEX to give us an opportunity to host the call. Before we end the call I would like to hand over the call to you Goel ji for your closing remarks.

S N Goel: Bhavin we see this year is going to be a good year particularly because government has given lot of thrust on the coal production. If the coal production continues to improve at this rate I'm sure IPPs with merchant generating capacity will be able to get coal at a reasonable rate. And demand in any case is increasing with the initiative of the Government of India under the Saubhagya Scheme and 24X7 power supply. In fact we are seeing effect of these things in Eastern region states, UP and other states. The power supply position is improving now. So that should bring more demand to the market so we expect to have a good year. Thank you. Thank you all.

Moderator: Thank you very much members of management. Ladies and gentleman, on behalf of Axis Capital that concludes today's conference call. Thank you for joining us and you may now disconnect your lines.