



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

256.07

Revenues
(₹ Crores)

210.50

EBIDTA
(₹ Crores)

131.68

Net profit
(₹ Crores)

46,215

Volume traded –
Electricity (Million Units)

93.29

Volume traded – REC
(Lakh certificates)

12.99

Volume traded – ESCert
(Lakh certificates)

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

The financial performance of IEX in the last five years



(₹ In Lakhs)

PARTICULARS	2017-18	2016-17	2015-16	2014-15	2013-14
A OPERATING RESULTS					
Revenue from Operations	23,045	19,865	17,503	14,478	15,257
Other Income	2,562	3,423	2,511	3,175	2,164
Total Revenue	25,607	23,287	20,014	17,653	17,421
EBITDA	21,050	17,769	15,028	13,585	13,567
PBT	20,000	17,385	14,662	13,266	13,300
PAT	13,169	11,358	10,013	9,042	9,247
Cash Profit	14,196	11,700	10,353	9,337	9,512
Dividend including Tax*	8,044	16,426	9,856	13,251	1,419
B FINANCIAL POSITION					
Fixed Assets (Net Block)					
-Intangible Assets	11,176	230	407	540	699
-Others	776	701	771	863	325
Current Investment	19,091	31,193	27,152	25,439	24,729
Other Assets	26,383	23,273	14,046	13,732	11,134
TOTAL ASSETS	57,427	55,397	42,375	40,574	36,887
Share Capital					
Equity	3,016	2,861	2,881	2,730	2,730
Instruments entirely Equity in nature('CCPS')	-	152	152	303	303
Other Equity	25,356	24,809	16,785	16,628	20,842
Net Worth	28,372	27,821	19,818	19,660	23,875
Non-Current Liabilities (other than DTL)	405	356	3,676	3,628	3,000
Deferred tax liabilities (net)	1,468	-	89	131	172
Capital Employed	30,245	28,177	23,583	23,420	27,047
C KEY RATIOS					
ROE (%) (on PAT)	46.87%	47.68%	50.73%	41.54%	46.32%
ROCE (%) (on PAT)	45.08%	43.89%	42.61%	35.83%	40.38%
Debt-Equity Ratio	0.01	0.01	0.19	0.18	0.13
EBIDTA Margin (%)	82.20%	76.30%	75.09%	76.95%	77.88%
Cash Profit Margin (%)	55.44%	50.24%	51.73%	52.89%	54.60%
D EQUITY SHARE DATA					
Basic EPS (₹)	44.61	39.06	34.2	28.52	33.65
Dividend per Share (₹)	22	45	27	37	4
Book Value per Share (₹)	94.07	92.35	65.34	64.82	78.72

Financial performance are based on I - GAAP till FY 2015-16, thereafter as per IND-AS

*Dividend including Tax included Interim and proposed final dividend for the Financial Year

This is how India's power sector has transformed in 10 years

	2008	2018
Installed generation capacity	143.06 GW	344 GW
Total power generated	7,24,401 MU	1,303,367 MU
Per capita electricity consumption (units)	717.1	1,122 units (FY 17)
Peak power shortage	16.6%	2%
AT&C losses (%)	29.24	22.5 (FY 17)
Transmission capacity (Inter-regional)	16,200 MW	86,450 MW
Thermal power plant PLF	78.61	60.72
Renewables capacity	11.13 GW	69 GW

This is how IEX has grown over the years

	FY2009	FY2018
Annual traded units (MUs) (electricity)	2,616	46,215
Total participant base	79	6,238
Average market clearing price (₹ per unit)	7.29	3.26
IEX share of total power generation	0.5%	3.8%
IEX market share of the short term market	7.2%	36.2%
IEX revenues (₹ Lakhs) (all products)	1,350	25,607

Weighted Average Price trend at IEX and compared to bilateral (Short term)

Financial Year	Bilateral	IEXL
FY09	7.46	7.16
FY10	5.32	5.33
FY11	4.74	3.58
FY12	4.23	3.47
FY13	4.34	3.73
FY14	4.27	2.89
FY15	4.30	3.46
FY16	4.13	2.71
FY17	3.54	2.49
FY18	3.61	3.41

(₹ per unit)

Total registered participants at IEX

As on 31st March of	Numbers	As on 31st March of	Numbers
2008	39	2014	4026
2009	79	2015	4519
2010	260	2016	5173
2011	977	2017	5868
2012	1448	2018	6238
2013	2992		

Product wise growth in annual volumes (DAM, TAM, REC) from inception till FY18

Product	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
DAM (MUs)	2,616	6,171	11,801	13,799	22,346	28,923	28,125	33,957	39,783	44,842
TAM (MUs)	-	43	911	616	481	345	222	330	744	1,373
REC ('000 certificates)	-	-	0.15	951	1,991	1,324	1,548	3,139	4,619	9,329
ESCert ('000 certificates)	-	-	-	-	-	-	-	-	-	1,299

Daily average cleared volume in MUs

Product	FY09	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18
DAM	9	17	32	38	61	79	77	93	109	123
TAM	-	0.2	2.5	1.7	1.3	0.9	0.6	0.9	2.0	3.8

Volume lost due to congestion trend (annual)

Financial Year	Market cleared Volume (MU)	Final Scheduled Volume (MU)	Curtailed Volume (MU)	% Curtailed
2008 - 2009	2,628	2,616	12	0.4%
2009 - 2010	6,955	6,171	784	11.3%
2010 - 2011	12,264	11,801	464	3.8%
2011 - 2012	15,561	13,799	1,762	11.3%
2012 - 2013	26,143	22,346	3,797	14.5%
2013 - 2014	34,230	28,923	5,307	15.5%
2014 - 2015	31,227	28,125	3,102	9.9%
2015 - 2016	36,210	33,957	2,253	6.2%
2016 - 2017	41,311	39,783	1,527	3.7%
2017 - 2018	45,121	44,842	279	0.6%

% curtailed calculated on final scheduled volume

The power sector in India...

344

(GW) India's installed power generation capacity as on 31st March 2018

41.48

(GW) India added in renewables capacity in the last five years

86,450

(MW) Inter-regional transmission capacity in India

1/3rd

India's per capita electricity consumption is a third of the global average, indicating large headroom for growth

5.4%

Electricity generation growth in 2017-18 vs. last year

2%

Peak power deficit in 2017-18

4.2%

India's annual energy consumption growth per annum till 2040 (expected)

60.72%

Thermal power plant PLF achieved in 2017-18

17%

Renewables purchase obligation target by India's Ministry of Power by 2019

10.6%

Proportion of total generation that comprises short-term contracts

37.4%

Proportion of short-term contracts traded on India's power exchanges

...And how IEX has performed in 10 years

~4.0%

Proportion of generated power transacted on power exchange in India

>30%

Proportion of generated power transacted on power exchange in developed countries

1st

IEX is India's first and largest power trading exchange

6,200+

Participants registered with IEX

40.8%

CAGR reported in volumes traded on the exchange in the last 10 years leading to FY18 (all products)

42.78%

Reported CAGR in revenues of IEX in the last 10 years leading to FY18

3.26

(₹ per unit in FY18) The average market clearing price on IEX in FY18 (from ₹2.41 per unit in FY17)

268

(Days) Congestion-free transmission network available during 2017-18

55

Number of state distribution company participants from all Indian States on IEX

98.4%

IEX's market share in the DAM market

64.6%

Market share of IEX in the TAM market

15%

Maximum stake held by any single investor in IEX



The biggest contribution of IEX is not that it addressed the longstanding need for a power exchange in India; the biggest contribution is that it has helped customers emerge more competitive and in doing so, helped India strengthen its position in the economic community of nations.

Dear Shareholders

During the year under review, IEX reported a growth in revenues from ₹23,287 Lakhs during FY2016-17 to ₹25,607 Lakhs during FY2017-18, strengthening our EBITDA by 18.46% (from ₹17,769 Lakhs during FY2016-17 to ₹21,050 Lakhs during FY2017-18) and increasing our net profit by 15.94%.

The Company's performance could have been much higher, however, the prices at IEX increased owing to coal scarcity in the country and thereby reducing purchase by industries.

IEX has crossed many milestones in the last decade of its operations, the trust shown by the participants and the value provided by the exchange is evident in the growth in numbers over the years. IEX started with a handful of participants and this has grown to over 6,200 today. The volumes traded on the exchange have also grown at CAGR of 26% (FY10-FY18), surpassing growth of other segments in the short-term market.

In 2017, one of the decisive decisions taken by the Company was to list on the country's premier stock exchanges. This provided a successful exit to our early investors and enhanced our visibility.

I am pleased to communicate that when the Company went public in October 2017, the strength of the business model was finally valued on a public exchange at an attractive valuation of ₹ 5,004 Crores (₹1,650 per equity share).

If IEX was able to successfully transform sectoral landscape and emerge as a preferred platform for transacting power it was due to, in no small measure, some of our differentiated strategic priorities.

At IEX, we built our company around a spirit of governance. The result is that IEX is professional-driven, navigated by an independent and competent Board comprising experienced professionals of standing.

Governance: At IEX, we built our company around a spirit of governance. The result is that IEX is professional-driven, navigated by an independent and competent Board comprising experienced achievers of standing. The Board functions directly through itself or through various committees constituted to oversee specific functions; the executive management provides the Board detailed periodic performance reports; the Company is process-driven; there is a focus on addressing the needs of all stakeholders; every single initiative is directed towards business sustainability.

Culture of humility: Even as we were the first power exchange in the country, we responded with a go-to customer humility. The result is that one of the first things that our executives were trained in was the ability to see things by standing in the customer's shoes, by designing customer-centric solutions that strengthened their business and providing a convenient trading platform.

Technology: At IEX, we recognised early on that we were essentially a technology company in the manifestation of a power exchange. The result is that the Company continued to invest in cutting-edge technologies and launch innovative products that translated into a superior customer experience. Rather than depending completely on imported technology, IEX customised the software around its specific needs. Besides, the Company now has an in-house technology team, empowering the Company to launch products around emerging customer needs, reinforcing the Company's brand as a customer-centric partner.

Lean: At IEX, we believed that our responsiveness to dynamic customer needs would be best derived from a culture of relative leanness. The result is that even as we invested in professional specialists, we focused on extensive specialization, relatively flat management structure, open-door engagement approach, anytime accessibility to the senior management, communication extending across functional lines, executives encouraged to speak their mind and empowered to take decisions, premium for extending beyond the call of usual duty and no one at the Company ever being more than a call away from customers.

Evangelism: At IEX, the one word that encapsulates our operating focus is 'evangelism'. The thread that runs through our company is that of proactive willingness to go to prospective customers rather than wait for them to come to us. Besides, our focus during the engagement is not to market our exchange as much as it is to market how we may help them benefit from a solution that could inevitably lead to the logical conclusion of their becoming active customers. As an extension, we positioned ourselves as advisors who focused on how the exchange could help customers strengthen their business profitability as opposed to merely advocating the use of our exchange.

People: At IEX, we have invested in a culture of people-driven excellence. The Company comprises a balanced team of experienced professionals drawn from various competencies. Over the years, we have reinforced our people competence through periodic role rotation resulting in a holistic understanding of the business as

well a culture of ongoing training.

Going ahead, initiatives like 'Electricity for All', Smart Cities, rising industrialization and growing urbanization are expected to drive power demand. The headroom appears large: the per capita electricity consumption in India is around 1,122 units compared with a global average of 3,125 units, indicating that as India grows, this gap could be effectively addressed. As this transpires, the role of IEX should only grow in scale and scope. Presently, only around 4 per cent of India's generated power is transacted through the power exchanges; the corresponding figure in excess of 30 per cent in a number of developed countries indicates the extent of headroom available to an exchange like IEX.

At IEX, we believe that our growth would be derived from the introduction of relevant products like longer duration electricity contracts. Besides, IEX plans to expand its coverage to cross-border markets. There is also the possibility of the Company widening its presence from electricity to alternative energy products like gas.

I am thankful to our stakeholders for their support. I can assure them that as India grows, we will play a catalytic role best encapsulated in our positioning as a company that is empowering India.

Dinesh Kumar Mehrotra
Chairman and Independent Director

 Message from the Managing Director and Chief Executive Officer

Dear shareholders,

I am proud to present the first annual report of the Company since its listing on the stock exchanges in October 2017.

I am even more proud that this report goes out to shareholders at a time when IEX has completed its first decade in business as power exchange.



Empowering markets

IEX went into business in 2008 following the enactment of the Electricity Act, 2003, that permitted open access in terms of inter-state transmission, followed by National Electricity Policy and a conducive framework put in place by CERC.

In the last ten years, IEX has not only served as a benchmark for introducing competition in the power market in India, it has facilitated capacity addition, better capacity utilisation, transparent price discovery, sound payment security mechanism and above all, the exchange has provided critical signals to the sector and policy makers. The impartial price discovery mechanism adopted by the exchange often resulted in buyers paying a lower price than what they had bid and

sellers generating a higher realization than what they expected, thereby enhancing social welfare.

Prior to the commencement of Exchanges, bottled up power from suppliers could be contracted only bilaterally which involved price negotiations that were time-consuming and mired in administrative processes. Power Exchanges enabled this power to flow to customers in a transparent, seamless and efficient manner.

Apart from providing discoms an alternative source of buying power in the short-term markets close to real time, the exchange also provides immense flexibility. Discoms can manage their daily requirement on a 15-minute basis through IEX. Evidently, the state utilities today

contribute 60-65% of the daily volume transacted on IEX.

The exchange attracted a number of participants, the markets were liquid and the discovered prices provided precious investment cues – consistently low prices indicated an excess capacity over demand and vice versa, providing a credible basis for investors/policy makers to plan or defer additional capacity.

Today, thousands of industrial consumers use the exchange flexibility in sourcing their power requirements through open access. The States which are allowing the open access option to industries are witnessing a rise in industrial growth, strengthening the 'Make in India' initiative of the Government.

Going public

In 2017, IEX Limited went public, an important milestone in our journey.

The IPO was a momentous decision for the Company for more reasons than one. It

provided an efficient exit to our investors, who grew their investments multiple times. The IPO helped diversify our shareholding mix. It helped reinforce our governance framework and transparency in working.

The Company was valued at ₹ 5,004 Crores (₹1,650 per equity share), enhancing value for all those who had invested in the Company.

Company's performance, FY2017-18

IEX reported a 9.96% increase in revenues in FY 2017-18. This translated into a 15.94% increase in profit after tax during the year under review. The growth could have been better but the shortage of coal supply to the thermal power plant, shot up spot prices on the exchanges, thereby reducing purchases by industrial consumers.

The Company reported its highest volumes traded on the exchange so far of 46.2 Billion

units (growth of 14% vis-à-vis last year) in the electricity segment, and an increase in the number of registered participants. The REC Market reported a volume growth of 102% going up from 46.19 Lakhs REC in FY 16-17 to 93.29 Lakhs REC being traded in FY 17-18. This was due to increase in RPO compliance by state discoms. IEX was the first exchange in the country to start ESCerts trading for the PAT cycle I in

September 2017 and it achieved a volume of 12.99 Lakhs.

IEX continued to lead by the power exchange market with 98.4% market share in the share of the Day Ahead Market. The total electricity market share was 97% and across all product segments, the share was over 87%.

Creating a sustainable business

At IEX, our objective is to build sustainable business momentum. We believe that this can be achieved through sensitive customer service, continuous engagement, responding to longstanding customer needs with relevant products and services and the ability to provide solutions that take their businesses ahead. At the heart of our customer engagement lies our proactive investment in technologies and capabilities. We pride in being a modern

technology-driven exchange, possessing deep resident capabilities in delivering the highest uptime, lowest transaction time, ability to handle considerably larger volumes on the existing platform and a world-class customer experience. We have established respect for operational transparency with virtually zero customer complaints or disputes.

The foundation of IEX is its people. Even as

we may be just a 116-person organization, we are driven by a distinctive passion. From a functional perspective, we are relatively flat; communication runs across levels; the senior management is accessible; there is a premium on operational urgency; there is a commitment to be completely ethical in all dealings. It is the cultural strain that convinces me that we possess the basis for a high performing organization.

Our performance ambition

At IEX, we believe that the energy trading volumes achieved in India thus far is merely the tip of the iceberg. Compared to ~30-35% in developed nations, only 4% of the generation in India is traded through exchanges. In the past, IEX has grown at a rate of over 20% and this was at a time when sector conditions were not conducive for markets. The country was in severe power deficits, transmission bottlenecks were common and poor financial health of the discoms. In the last five years, a lot of generation capacity has been added in the country and today we have supply surplus scenario. Substantial growth is also witnessed in inter-regional transmission capacity. Furthermore, with the Central Government laying a keen emphasis on rural electrification and devising a turnaround strategy for DISCOMs, things can only get better from now on and we expect power markets to grow at a faster rate in the coming years.

At IEX, we have completed the first decade

of our existence by growing from scratch to a level of 36.2% share of the total short term market. As we enter the second decade of operations, our optimism is derived from the following opportunities:

- The government is widening access to electricity across the last mile, which should continue to drive electricity demand over the foreseeable future.
- With growing impetus on renewables, the flexibility offered through our products will be best suited to help discoms to manage the associated intermittency.
- Reduction in gate closure time will allow users to trade near to real time using the exchange.
- We look forward to a positive framework for launching the longer duration contracts.
- We expect a conducive framework for exchange based transactions with cross-border nations like Bhutan, Nepal and Bangladesh.

• The phasing out of vintage plants could result in the further shift of long-term demand from distribution companies to the short-term market.

• We shall continue to provide customized offerings to customers and help them (especially discoms) optimise procurement costs.

• We intend to venture into alternative energy trading platforms (natural gas) to widen growth avenues.

Going forward, we will continue to work with dedication and strive to reach great heights and play a significant role in shaping the energy markets.

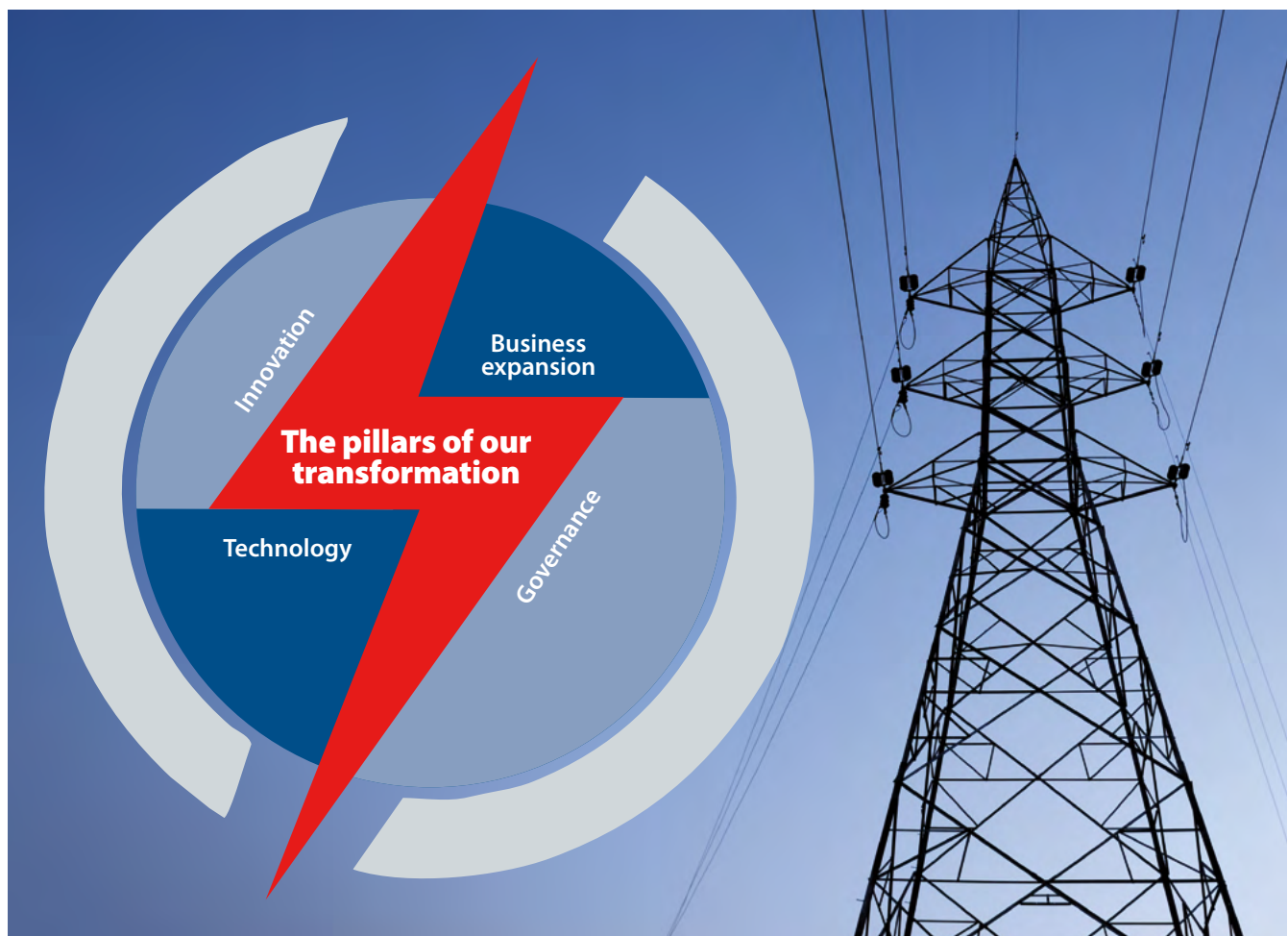
Our journey is only beginning.

Mr. S. N. Goel

Managing Director and Chief Executive Officer

Over the last decade of our existence, we continuously evolved to enhance stakeholder value

We are evolving through consistent efforts to incorporate better process efficiency and enhance customer satisfaction.



Business expansion

Engaging with major discoms to help them optimise their power procurement costs under the 'Smart Procurement' initiative

Expanding the member and client base by targeting new industry participants, offering prompt trade execution and processing capabilities

Working to offer products in Bhutan, Bangladesh and Nepal, all of which are connected at one or more points with the Indian power grid

Working with different State Governments to create conducive market development policies

Governance

A strong Board comprising professionals of integrity	Not participating as a principal in any power trading activity; not taking proprietary trading positions (members not allowed to own >5% of the Company's share capital individually or 49% of the share capital aggregated); eliminating probable interest conflicts	A professionally- managed corporate with the MD-cum-CEO possessing more than four decades of experience in the power sector	A host of committees overseeing various functions and periodically reviewing performance against pre-determined targets
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Technology

Customised technology that allows the Company to scale faster	Best-in-class platform in place capable of handling >1 Lakh transactions on a daily basis	Capable internal team as opposed to relying on outsourcing to third-party service providers	An average transaction time of a few milliseconds
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Innovation

Having started with DAM and TAM, the Company has started trading in RECs and also introduced extended TAM market and 15 minute trading in DAM and ESCerts to provide wider options	The Company leverages state-of-the-art technologies to provide customised solutions like <ul style="list-style-type: none"> • App for smart power procurement • Working on SMART Order Entry Option 	The Company is working on creating a platform to trade natural gas	The Indian Government is contemplating the introduction of forward and futures market in electricity, an opportunity for IEX
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Creating value for stakeholders

Customers and suppliers <ul style="list-style-type: none"> • Offering efficient price discovery to maximise return on investments • Allowing suppliers to evacuate surpluses and reduce losses • Reducing economic losses for buyers and sellers, resulting in higher returns 	Electricity users <ul style="list-style-type: none"> • Ensuring continuous supply of power across the country • Increasing business viability by offering the option to avail uninterrupted supply of low-cost power 	Investors <ul style="list-style-type: none"> • Creating a shock-proof business model • Moderating cost of risk • Maximising return on investment for investors 	Society <ul style="list-style-type: none"> • Reducing demand-supply mismatches • Enhancing access in power-starved regions • Minimising power wastage
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IEX Limited: Our robust business model

At India Energy Exchange Limited, we believe that the success we have achieved is derived from a relentless desire to empower India through a superior customer proposition. This has reflected in attractive growth:



The sectoral context

At India Energy Exchange Limited, we have progressively evolved our business model in line with customer needs, reinforcing our position as a market leader.

Permission: The Electricity Act, 2003 permitted open access, creating the opportunity for IEX to come into existence.

Perishable nature: The perishable nature of electricity validates the need for a marketplace where surpluses can be sold and bought.

Significant under-penetration: In India, a mere 4.0% of the power generated is traded through exchanges compared to over 30% in countries like UK, Netherlands, Germany and France.

Demand-supply skew: Demand-supply dynamics are skewed in India. While one part of the country is power-starved, another could be power-surplus, creating the need for transfer.

Growing consumption: India's electrical energy requirement is expected to grow 69% in the next 10 years; the country is estimated to need 2,047 billion units of energy in FY27 compared to energy requirement of nearly 1,213 billion units in FY18.

Infrastructural improvements: The country is investing in stronger transmission networks marked by cutting-edge technologies to reduce AT&C losses.

DISCOM health: The cash flow generation of India's power distribution companies increased during FY2017-18 and is likely to remain positive in the coming fiscal, due to lowered AT&C losses, tariff hikes and government-induced debt rationalisation

initiatives like UDAY.

Renewable energy: India is making an unprecedented investment in renewable energy; the surplus (following consumption) would need to be traded. Currently at 69 GW (as on 31st March 2018), the government is ambitious about a cumulative addition of 175 GW of renewable energy capacity by 2022.

Governance premium: Even as bilateral arrangements exist between sellers and buyers, there is a growing need to be completely transparent, creating the need for an exchange where prices can be transparently discovered.

How we are making the most of emerging opportunities

Brand: Over the years we have leveraged our first-mover status to create a recall that is synonymous with sectoral statesmanship, trust, efficiency and innovation.

Governance: IEX's relentless emphasis on credibility and transparency has created a reputation for complete fairness across all customers (large or small), reflected in a no-complaints record across the ten years of our existence. Besides, IEX is a professional organization, its Board comprising professionals of standing and impeccable integrity.

Products: IEX is in business to enhance customer convenience and empowering India. This has resulted in the creation of products customised around emerging user needs.

Consultants: At IEX, we take proactive steps in meeting prospective customers before they can approach us, analysing their power portfolio and suggesting re-balancing. This proactive approach has positioned us as trusted consultants.

Process driven: IEX created strong processes to drive organizational stability. The Company rotates professionals across

roles with the objective to enhance systemic dependability and enhance people capabilities.

Superior customer service: We created a strong systems-driven customer engagement process, including recording each customer call with the objective to enhance customer experience.

Knowledge capital: We have set up a strong team with an average age of 33 years, indicating a balance of youth and experience. A large proportion of the middle management has been associated with the Company since inception. As on 31st March 2018, IEX enjoyed a people retention of 85.07%.

Proximity: We selected to headquarter our operations out of New Delhi, closer to the central system operator (POSOCO), regulator and policy makers rather than the conventional option of operating out of Mumbai.

Fiscal discipline: IEX has established a fiscal discipline, whereby it receives advances from prospective buyers, which makes it possible to remunerate sellers without delay following the transaction,

enhancing trust.

Price discovery: IEX has provided a free, fair and transparent market where a large number of market participants can interact through appropriate products and services, at prices both determined by long-term and short-term demand considerations.

Technology investments: Our technology-intensive platform provides real-time informational access to users. The platform is accessible and scalable, allowing us to address a growing number of transactions and add new products / functions without disruption.

Redundancy: At IEX, we invested in the business to create a robust platform for the future; even as the exchange's technology platform can presently handle ~6,000 transactions a day, it was designed and built to address 100,000 transactions a day.

Caring: IEX integrated caring for the community into its operating model, reflected in a growing and widening portfolio of CSR initiatives.

Measuring the effectiveness of our distinctive business model

Volume

IEX has delivered attractive volume growth – from 12,712 million units in FY2010-11 to 56,843 million units in FY2017-18 (including renewable and energy saving certificates).

Growth

Profit after tax grew at a CAGR of 32.05% between FY2010-11 and FY2017-18 while EBITDA increased at a CAGR of 30.23% during the same period.

Profitability

IEX has reported attractive profitability – 29.70% in ROCE in FY2010-11 increasing to 45.08% in FY2017-18.

Gearing

IEX is a debt-free company with ₹28,372 Lakhs of net worth, an index of its financial strength.

Corpus

IEX possessed a corpus of ₹26,846 Lakhs as on 31 March 2018, which generated a treasury income of ₹2,506 Lakhs during the year under review.



IEX. Enhancing competitiveness through cutting-edge technologies

IEX is a technology-driven exchange, marked by high uptime, transaction convenience and the ability to provide relevant products that address market needs.

The Company's technology competence is derived from a 40-member technology team (~35% of its workforce) that designs, develops and delivers solutions ensuring dependable round-the-clock transactions. Besides, the Company established a state-of-the-art data recovery centre in Mumbai and a data centre in Delhi.

The Company's technology platform comprises the following features:

- Investment in a combination of dependable software platform and best-in-class hardware.
- The Company extended by providing daily reports, updates and alerts to users, empowering them to take informed decisions.
- The Company replaced imported software with customised variants that accelerated transactions.

The Company's order-placement-to-confirmation cycle time of 20 milliseconds has enhanced functional convenience. The Company empowered clients to 'auto create' bids by sending instructions to engage in repeat trades. By aggregating trading instructions from multiple portfolios into one folder that could then be uploaded, the Company has helped minimise cycle time. The Company provided trader workstations with a member admin terminal to enhance surveillance, moderating 'fat finger' errors at the client's end. The Company's technology team licenses and operates multiple software components equipped to support and increase the efficiency of mid- and back-office services (clearing, market data and

electronic confirmations). An integrated suite of technologies has helped develop products and services, rapidly and reliably. The trading software handles complex orders types and transmission congestions. The provision of 15-minute trading slots to customers has made it possible to address customer needs with smaller requirements. The Company's Smart Power Procurement app helps clients trade effectively, moderate costs and calculate daily savings by achieving a balanced revenue mix of long-term contracts and exchange-driven engagements.

Strengths

- Robust software handles online bidding, bid matching, trading, scheduling and settlement of trades
- Maintains bid anonymity, integrating the price discovery mechanism and implementation of risk management procedures
- Robust system capable of handling a high number of participants and volume
- Cutting-edge security framework detects and prevents intrusions using a mix of internal and external security tools
- Security framework includes intrusion prevention systems, e-mail gateways, three-tier firewalls, distributed denial of service and web applications, firewall technologies and malware and virus containment systems
- Double-sided closed auction with uniform price discovery in DAM along with the capability to derive results under the prevailing grid condition of power

transmission congestion

- Continuous trade sessions with matching based on price and time priority for intra-day, daily & day-ahead contingency contracts and weekly contracts via uniform price auction in TAM segment

Highlights, FY2017-18

- Handled the highest-ever per day volume of transactions without errors
- Received zero complaints pertaining to platform availability
- Established a state-of-the-art data recovery centre in Mumbai
- Implemented a system capable of handling 100,000 users

Outlook

The team intends to introduce the Smart Order Entry app for the Term Ahead Market to provide a range of potentially transactable options, strengthening responsiveness.

Business enablers



IEX. Committed to enhancing customer service and experience

IEX's customer service policy is simple: the Company ensures that customers feel they are valued, treated fairly and appreciated.

The Company's objective of business development is passionately driven by finding win-win solutions for the customer when they use our platform, whether it is by providing support through in-depth assessment of their power requirements and helping them optimise costs by allocating a portion of it through competitive exchange markets or by creating tools using technologies for additional transaction convenience.

In playing the role of a one-stop solution provider, IEX has helped customers manage their portfolios better, strengthening trust. This approach has been validated through an increasing number of registered participants from diversified sectors and growing transaction throughput by most.

As part of enhancing outreach and for the purpose of capacity building, the Company conducts a variety of focused workshops, seminars and meetings for industrial and commercial consumers on the one hand and distribution companies and generators on the other.

These workshops and seminars are aimed at enhancing an understanding among customers and increasing outreach to the remotest energy consumption centers. The state-level capacity building workshops are aimed to help discoms optimise their power procurement portfolios. The power procurement costs constitute about 80% of the annual revenue requirement of the discoms and any saving substantially impacts the bottom line. Therefore, the workshops also focus on cross-learning, by inviting other

discoms to share best experiences/practices for optimization of power procurement costs.

In addition to these workshops, the Company conducts multiple one-to-one meeting with discoms, consumers, to understand their specific requirements and ascertain if the products on the exchange offers a better fit for their needs. At IEX, we believe that the volumes on the exchange are merely a result of the value provided to these consumers.

IEX also continuously works towards providing new solutions for the participants either by way of suggesting to the regulator, be it a Green-Day Ahead Market or facilitating Cross Border Electricity Trade through Exchanges or upgrading internal tools and processes for a seamless experience for participants.

Over the decade, IEX's thought leadership in the country's power market was reflected in invitations from the State Electricity Regulatory Commissions for it to be a part of their State Advisory Committees. The result is that IEX has been a member of the Advisory Committee of the State Electricity Regulatory Commissions in ten states, catalysing power market development at state levels across India and contributing to policy-making and regulations, addressing the prevailing market scenario.

Highlights, FY 2017-18

- IEX introduced new features in the member admin terminals to provide better surveillance and remove 'fat finger' errors and enhance transaction integrity for the participants.
- IEX conducted six (West Bengal, Bihar, Rajasthan, Assam, Punjab) capacity building

workshops for Distribution companies to help them optimise their power procurement

- IEX conducted four (Tamil Nadu, Maharashtra, Telangana) training workshops and seminars for industries and open access consumers.
- IEX introduced and implemented a Smart Power Procurement application on a pilot basis in one State discom to help it with options to use the exchange more effectively, save costs and calculate the daily savings by following the right revenue mix of long-term contracts and exchange market, facilitating prudent decision-making.
- IEX conducted a workshop for cross-border participants in association with SAARC Energy Centre.

Outlook

- IEX will soon introduce the Smart Order Entry option for the Term Ahead Market where from a given range of 220 product options that can be potentially transacted, the Trader Work Station indicates the best volume and price for participants to choose from, strengthening trading responsiveness.
- IEX will also introduce Market Watch functionalities, allowing customisation for participants to view relevant information as per their preference.
- IEX also intends to introduce new order types in its Day Ahead Market for participants to effectively manage their power portfolio.
- IEX plans to roll out the Smart Power Procurement tool to all the major Discoms in the country.

How IEX contributes to society – beyond its business

IEX is engaged in a business which drives social welfare, enhancing the circle of prosperity. The Company not only selected to engage meaningfully in addressing socio-economic issues but went a decisive step further: it incorporated its commitment to the subject in its overall policy.



When IEX went into business, it made an important recognition: that while India addressed income inequality, food insecurity, gender discrimination and environment degradation in addition to unequal access to energy, healthcare, sanitation, water and education, IEX would not remain a dispassionate bystander. The Company would, in colloquial parlance, get its hands in the bucket as well.

The Company created a detailed policy

to drive CSR investments. It focused on outcome-oriented projects and invested in sustainable impact initiatives that were measurable. The CSR operational area comprised segments like economic empowerment, environment sustainability and social development.

The Company widened its operating area and engaged need-based projects with communities in rural, semi-urban or urban slum areas.

The interventions are aligned with national priorities and United Nations Sustainable Development Goals.

The Company forged partnership with credible grassroots non-government organisations, community organisations and social enterprises that are institutionally driven (as opposed to individuals) with a performance track record for five years and generally selected after detached due diligence to carry out the activities.



IEX has selected to work in the areas of social inequity - education, livelihood development, healthcare and financial inclusion

Education: IEX believes that imparting education to one generation has far-reaching implications. IEX funds NGOs working on educating under-privileged children in four states with low literacy rates. The project is impacting close to 20,000 students. The projects initiated by IEX comprises the development of English and numeracy skills amongst students of government schools of Chhattisgarh, holistic development of students in Mumbai (Maharashtra), providing functional education to tribal children of Rourkela (Odisha) and the provision of rural infrastructure support in Tamil Nadu (through solar PV systems, classrooms and sanitation blocks).

Health care: IEX believes that a healthy nation drives economic prosperity. Health is a trusted index of national progress. India's future can be secured through

proactive investments in the health of its children, women and people today. IEX's healthcare initiatives address requirements in locations affected by coal mining. IEX (in collaboration with HelpAge India) works in Bihar, where 40% of the population lives below the poverty line. The IEX-HAI intervention provides mobile primary healthcare services with clinical pathology investigations to needy older persons in rural and semi-urban areas.

Livelihood skilling: Sustainable livelihoods are need of the hour for transforming rural lives. IEX associated with SMILE Foundation and ISAP to address the skill gap. It partnered SMILE to skill, develop and facilitate the placement of around 100 urban unemployed youth in Delhi. IEX collaborated with ISAP to skill 175 unemployed rural youth as solar technicians in Bihar.

Sanitation: At IEX, we believe that the availability of abundant and clean drinking water represents the building block of rural prosperity. It has generally been noticed that rural pockets with adequate water availability are not only the most prosperous; they also enjoy high educational awareness, moderate crime rate, lower medical expenses, higher women's empowerment and stable family lives. In view of this, it would be imperative to see water availability from a wider holistic perspective.

IEX, as a part of the Prime Minister's call for a movement towards cleaner India, contributed funds to Swachh Bharat Kosh in 2017-18.

IEX's CSR Initiatives

Healthcare for elderly and communities etc.

- In 2017-18, IEX (with HelpAge India) provided mobile healthcare services to 3,300+ elderly and community members through Mobile Healthcare Unit (MHU) in the flood-affected districts of Bihar.
- The programme has continued into 2018-19 and mobile healthcare services are being provided in Bihar near Kanti Thermal Power Station.

Promoting decentralised renewable energy

- Installation of solar photovoltaic system of 9 KW in four rural schools in Tamil Nadu operated by Isha Vidhya Foundation. The solar PV system benefited 3,500 school children and the electricity cost savings were provided as scholarship to needy children

Support to mentally challenged through skilling

- Support in developing skills needed for the daily living of 53 mentally challenged students who are a part of Akruti School operated by Association for the Mentally Challenged in Bangalore.

Mid-day meals for children

- In 2017-18, IEX collaborated with Akshaya Patra Foundation to provide Mid-Day Meals in 124 government schools covering 5,000 children in Uttar Pradesh.

Holistic development for school children

- Developing English and numerical skills of primary school students in 170 government schools in Chhattisgarh through Sampark Smart Classes by Sampark Foundation.
- Holistic development of 35 urban under-privileged students of Shishuvihar Madhyamik Shala in Mumbai by Each One Teach One.

Skill development for youth

- Skilling 175 unemployed rural youth as solar technicians in Bihar by ISAP Foundation.
- Skilling and facilitating the placement of 100 urban unemployed youth in Delhi-NCR in collaboration with Smile Foundation.

School bus support for rural school in Erode

- Provision of a school bus to reduce the walking distance for 50-60 students of Isha Vidhya Rural School in Erode, Tamil Nadu.

Schools for tribal children

- Established 100 Ekal Rural Schools in Odisha through Friends of Tribal Society

School for rural children in Sengal

- Capital expenditure for five class rooms and one sanitation block for New Isha Rural School in Sengal village, Karur district, Tamil Nadu.

Management discussion and analysis



Indian economic overview

After registering a GDP growth of over 7% for the third year in succession in 2016-17, the Indian economy headed for somewhat slower growth, estimated to be 6.7% in 2017-18 while world GDP growth was 3.8% during the year (WEO, Apr'18). Even with this lower growth for 2017-18, GDP growth averaged 7.3% for the period from 2014-15 to 2017-18, the highest among the major economies. This was achieved on the back of lower inflation, an improved current account balance and a reduction in fiscal deficit-to-GDP ratio. The year under review was marked by various structural reforms being undertaken by the Central Government. In addition to GST introduction, the year witnessed significant steps towards resolution of problems associated with NPA levels, FDI liberalisation and bank recapitalisation. (Source: CSO, Economic Survey 2017-18)

FY2017-18 versus FY 2016-17

	2017-18*	2016-17
GDP growth	6.7%	7.1%
GVA growth	6.5%	7.1%
Farm growth	3.4%	6.3%
Manufacturing growth	5.7%	7.9%
Power and Gas growth	7.2%	9.2%
Mining growth	2.9%	13%
Construction growth	5.7%	1.3%
Trade, hotel, transport, telecom growth	8%	7.2%
Financials, realty growth	6.6%	6%
Public, admin, Defense growth	10%	10.7%
Per capita income growth	5.4%	5.7%

*Estimated

(Source: Ministry of Statistics and Programme implementation (2017-18))

Outlook

The World Bank projected India's economic growth to accelerate to 7.3% in 2018-19 and 7.5% in 2019-20. Strong private consumption and a growth in the services sector are expected to continue supporting economic activity. Private investments are expected to revive as the corporate sector adjusts to the GST. Over the medium-term, the introduction of the GST is expected to catalyse economic activity and fiscal sustainability by reducing the cost of tax compliance drawing informal activity into the formal sector and expanding the tax base. The recapitalisation package for public sector banks announced by the Government of India is expected to resolve banking sector balance sheets, enhance credit to the private sector and spur investment inflows. (Source: IMF, World Bank)

Indian power sector overview

India's power sector is one of the most diversified in the world, reconciling conventional sources (coal, lignite, natural gas, oil, hydro and nuclear power) and viable unconventional sources (wind, solar, agricultural and domestic waste). To meet increasing electricity demand, massive addition to the installed generating capacity is required. India's per capita electricity consumption increased from 671.9 kilowatts per hour in FY2006-07 to 1,122 kilowatts per hour FY2016-17. Despite this healthy increase, per capita electricity consumption continues to be significantly lower than major and developing economies.

Per capita power consumption across countries (kilowatt-hours)

Canada	15,546
United States	12,984
Germany	7,035
France	6,940
Russia	6,603
United Kingdom	5,130
Malaysia	4,596
South Africa	4,198
China	3,927
World (Average)	3,125
Brazil	2,601
India	1,122

Power generation

India has an electricity generation capacity of 344 gigawatts of which thermal power accounts for ~65% of the generation capacity, followed by renewable, hydro and nuclear at ~20%, ~13% and ~2%, respectively. The Indian power sector is undergoing a gradual transition from a fossil fuel centric approach to an energy efficient and renewable centric approach in an indeed impressive way. The Government of India has been placing significant emphasis on aspects such as: electrification of villages; power for all around the country to provide on a round-the-clock basis. The country added ~121 gigawatts of capacity during the past five years. The country's present installed capacity could have possibly generated >1,700 billion units. However due to limited availability of domestic coal, the actual generation including renewable energy in fiscal 2017-18 was 1,303 billion units. This implied that the generation assets were operating sub-optimally and there was indeed potential to generate more and meet the increasing demand. The country has conventionally faced peak demand and energy shortage, despite tremendous growth in capacity addition in the past six decades. While many states such as Punjab, Himachal Pradesh, Haryana, Jharkhand, Odisha, Telangana and Tamil Nadu indicate a near-surplus situation, peak deficit in

states in Northern India was ~3.8% as of March 2018. Jammu & Kashmir continued to experience the highest peak deficit at 20% as of March 2018. (Source: CEA)

Growing focus on renewables

In 2017-18, India added more generation capacity from renewable energy than from conventional sources. Between April 2017 and March 2018, the country added ~11,778 megawatts of renewable energy capacity - >2x of ~5,400 megawatts of capacity addition in the thermal and hydro power sectors during the same period. With ~20% share of the total generation capacity in the country coming from renewables capacity, the latter stood at 69.02 gigawatts. Lower electricity tariff from renewable sources on account of developments in technology, equipment availability at lower prices and renewable purchase obligations helped renewable energy achieve grid parity. Increased focus on reducing carbon footprints, ensuring RPO compliance, waiving off of transmission charges and growing REC trades helped attract investments in the country's renewables sector. The Power Ministry has outlined a roadmap to achieve 175 gigawatts of installed renewable power by 2022. The renewable energy sector (especially solar) is all set to dominate India's energy mix across the coming decades.

Electricity generated

Year	Production including renewables (in billion units)
FY14	1,027
FY15	1,105
FY16	1,168
FY17	1,236
FY18	1,303

[Source: CEA]

Power transmission

The growth in India's transmission capacity has been commensurate with the growing need for congestion-free transmission, resulting in reduced shortages in congestion-prone regions namely Northern and Southern India, reduced differential in area clearing prices, increased number of 'one grid, one price' days and a reduction in loss in traded volumes on the exchange due to congestion. The transmission system capacity of 765 kilovolts, 400 kilovolts, 220 kilovolts and HVDC stood at 3,90,970 kilometres and 8,26,958 megavolt-amperes of transformation capacity of sub-stations, as on 31st March 2018. The total transmission capacity of the inter-regional links stood at 86,450 megawatts as on 31st March 2018. The interregional transmission capacity grew >3x in five years (2012-17). The incremental transmission capacity during 12th Five Year Plan period helped improve the connectivity between regional corridors. India's transmission network has been demarcated into five transmission regions viz. Northern, Eastern, Western, Southern and North Eastern. Rapid economic growth and increased electrification warranted the transmission sector to move towards an integrated system as generation capacities were distributed unevenly in different regions. While thermal capacity is concentrated in the coal-rich Eastern region, hydro capacity is concentrated in the hilly North and North East, while renewable sources like wind or solar are concentrated in Western and Southern India. The integration of regional

grids that began with asynchronous inter-regional links facilitating a limited exchange of regulated power was subsequently graduated to high-capacity synchronous links between the regions. Initially, the inter-regional links were intended to exchange operational surpluses among regions. Later, larger integration among inter-regional links helped connect generation projects with beneficiaries across regional boundaries. In 2009, the National Load Dispatch Centre began supervising flows on inter-regional lines, while monitoring operations of the National Grid and cross-border transactions with neighbouring countries.

Power distribution

The power distribution system, the last leg of the electricity sector value chain, provides power to consumers. Until some time ago, State Electricity Boards owned all distributions networks, which changed following the entry of private players in the distribution segment across a few large cities. Private distribution companies are operating in Delhi, Kolkata, Mumbai, Ahmedabad and Surat. Some distribution companies in Maharashtra, Madhya Pradesh and Uttar Pradesh have adopted the input-based distribution franchisee models.

Power consumption

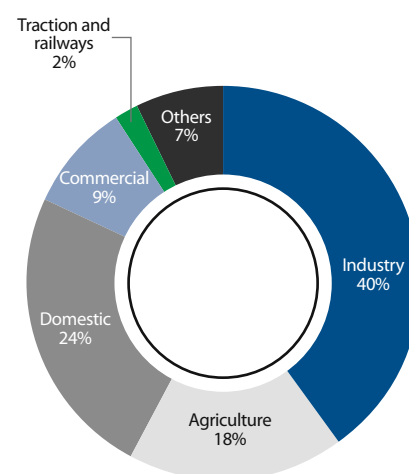
The industrial sector continues to be the primary electricity consumer in India, accounting for a 40% share in 2016-17. The electricity consumption in the country's industrial and domestic segments increased faster compared to other sectors between 2007-08 and 2016-17 at CAGRs of 8.46% and 7.93%, respectively. Distribution sector, the revenue-generating link of the power sector, remained the weakest link in the value chain. The consolidated outstanding debt of discoms was pegged at ₹3.96 Lakh Crores as on 30th September 2015, owing to accumulated financial losses as well as aggregate AT&C losses (even as there has been a decline in the last few years from 29.24% during 2007-08 to 22.5% during 2016-17 in the first nine months).

Short-term electricity market in India

The size of India's short-term power market

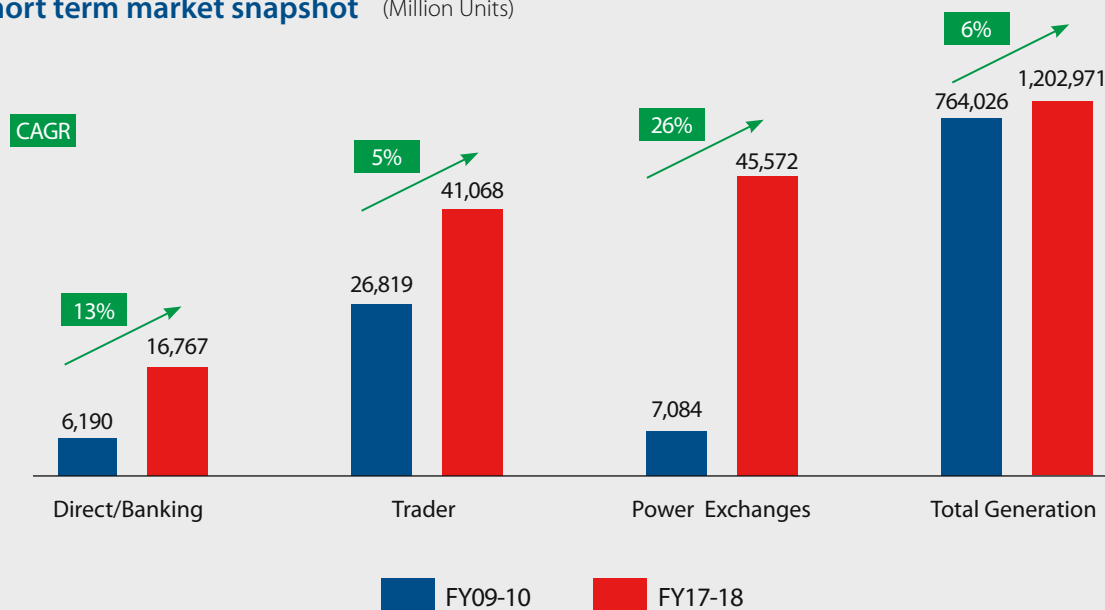
grew from 119 billion units in FY2016-17 to 128 billion units in FY2017-18. The volume of electricity transacted through traders increased from 34.6 billion units in the FY2016-17 to 41.1 billion units in FY2017-18, whereas volume transacted through power exchanges increased from 40 billion units in FY2016-17 to 45.6 billion units in the FY2017-18. Electricity traded directly between distribution companies declined from 21.4 billion units in FY2016-17 to 16.8 billion units in FY 2017-18, while the volume of electricity transacted through DSM increased from 23.2 billion units in FY2016-17 to 24.2 billion units in FY2017-18. Correspondingly, the share of traders increased from 29% of the total short-term power traded in FY2016-17 to 32% in FY2017-18. During the same period, share of direct bilateral (traded between distribution companies) declined from 17.9% to 13.1%, and that of DSM declined from 19.5% to 19%. The total volume of power traded through the exchanges have grown at a CAGR of 26% between FY2009-10 and FY2017-18. The total volume of power exchanged for FY2017-18 stood at 45.6 billion units accounting for a ~36 % share of the total short-term electricity traded in the country. There has been a growing preference for short-term power transactions, with exchanges emerging as the most organised and dominant transaction platform.

Consumption of electricity by sectors



Total consumption = 10,66,268 million units

Short term market snapshot (Million Units)



Government initiatives

Pradhan Mantri Sahaj Bijli Har Ghar Yojana (SAUBHAGYA): The Saubhagya scheme was launched on 25th September 2017 to provide free electricity connections to all households (both APL and poor families) in rural areas and economically-disadvantaged families in urban areas. India has ~4 Crores un-electrified households and the Central Government has targeted to provide them electricity connections by December 2018. The Rural Electrification Corporation (REC) has been designated as the nodal agency for the Saubhagya scheme.

Direct benefit transfer: The transfer of governmental subsidies and payments directly into the bank accounts of beneficiaries will help reduce burden on distribution companies in the power sector.

National Electricity Policy (NEP): The NITI Aayog proposed a draft of the National Energy Policy (NEP) with four key objectives: access at affordable prices, improved security and independence, greater sustainability and economic growth. The NEP proposes actions to meet the objectives in such a way that India's economy is 'energy-ready' by 2040.

Solar parks: Solar parks eased hurdles for

developers to install solar power assets and now offer an attractive proposition to

The transfer of governmental subsidies and payments directly into the bank accounts of beneficiaries will help reduce burden on distribution companies in the power sector.

develop solar power generation capacities. The Solar Mission plans to develop 40 gigawatts of solar capacity through solar parks.

Green energy corridors: The Central Government has taken steps to develop a grid-connected network for the transmission of renewable energy produced from various renewable energy projects, recognising the need for transmission infrastructure to cope with increasing renewable energy capacity.

Once complete, the green energy corridors are expected to facilitate evacuation from renewable projects, strengthening the interstate sale of renewable energy.

Other initiatives: The Central Electricity Regulatory Commission (CERC) proposed several new initiatives such as: draft regulations for transmission planning, draft regulations for connectivity and general network access, constituted task force to review framework of sharing of interstate transmission charges and losses and a report from the committee outlining CERC-recommended linking of deviation settlement rates with prices determined in day-ahead market of power exchanges. Besides these initiatives, the Central Electricity Regulatory Commission also notified amendments in its IEGC Regulations 2010 and sharing of inter-state charges and losses regulations to waive off interstate transmission charges for solar and wind projects. The Central Electricity Authority issued a draft of Conduct of Business Rules for facilitating cross-border transactions and trade in electricity as per Ministry of Power, Government of India's Guidelines on Cross Border Trade of Electricity.

Growth drivers

Power procurement cost optimisation by distribution companies

The short-term market has provided distribution companies with the option to hold a mix of long-term and short-term contracts and optimise costs. Subdued demand for power in the past three years, combined with a lag in long-term capacity contracting, prompted generators to market surplus power in the short-term market. The average market clearing price discovered at the exchange was ₹2.7 per kilowatt-hour in FY2015-16, and ₹2.4 per kilowatt-hour in FY2016-17 and ₹3.3 per kilowatt-hour in FY2017-18 even as the average power procurement cost through bilateral contracts remained higher, incentivising distribution companies to optimise their power portfolios through exchange procurement. Besides, there is a greater recognition that the short-term market represents a better financial proposition over the excess contracting of long-term power purchase agreements beyond base demand, requiring the payment of fixed charges even when there is no procurement of power during the non-peak season.

Cost optimisation by large consumers

The competitive price discovered at the exchanges also benefits large industrial and other consumers (connected load >1 megawatt), provided they are permitted open access by distribution companies. The exchanges played a significant role in facilitating open access trade. Consumers opting for open access are required to pay network usage charges and losses and also open access charges such as cross-subsidies and additional surcharges. With the lower price discovered on the exchange, even after paying above charges, open access consumers can optimise their power procurement cost by purchasing power through the exchanges. The implementation of open access and removal of procedural barriers could make open access transactions attractive for consumers, benefiting the exchanges.

Adequate supply for the short-term market

Large coal-based generation capacity is operating at a plant load factor of <60%, whereas it has a potential of operating at plant load factor of >80%. A major portion of this coal-based capacity remained underutilised. About 25 gigawatts of generation capacity in the private sector does not have long-term contracts. These

capacities were selling power in the short-term market. In addition to the above installed capacity, in the 13th Five Year Plan, a capacity addition of 50 gigawatts of conventional capacity and more than 100 gigawatts of renewable capacity is planned. There is a possibility that following this medium-term capacity addition, there could be a national power surplus across the foreseeable future.

Power for all, rural electrification and Make in India

The Government of India's Power for all scheme aims at providing households and industries 24x7 access to electricity. This, along with rural electrification and Make in India campaign of GoI, aim to increase the per capita electricity consumption, which at 1,122 kilowatt-hours is one of the lowest among major economies.

Phasing out of old plants

Due to environmental, technological and commercial concerns, the Government of India intends to phase out thermal generating capacity (>25 years). This capacity stood at >40,000 megawatts with most of the capacity belonging to State and Central Government utilities and tied up with distribution companies on a long-term basis. The phasing out of these plants could shift long-term demand from distribution companies to the short-term market.

Seasonality factors

There is demand variation of state electricity distribution companies in India due to their geographical spread and varied climatic conditions. States with hydroelectric potential (Himachal Pradesh, Jammu and Kashmir, Uttarakhand and Sikkim) are power-surplus in summer and monsoons but deficit in winter. Some states like Punjab and Haryana have power requirements in the summer and monsoon seasons but are surplus in winters – a diversity that provides power trading opportunities. For managing seasonal variations, distribution companies can utilise the short-term market instead of entering long-term purchase power agreements that warrant the payment of fixed charges even when there is no non-peak power procurement.

Improvement in transmission infrastructure

Inter-regional transmission capacity grew by >3x to ~86,450 megawatts for FY2017-18 from 27,750 megawatts for FY2011-12.

Enhanced transmission capacity is expected to reduce transmission congestion, and allow unrestricted short-term transactions through exchanges.

Improving health of distribution companies through the Ujwal Distribution Companies Assurance Yojana (UDAY)

The Ujwal Distribution Companies Assurance Yojana (UDAY) was initiated by the Government of India to improve the financial health of distribution companies. UDAY allowed states to take over 85% of total debt outstanding in the books of their respective distribution companies as of September 30, 2015, and repay lenders by selling bonds. Distribution companies are expected to issue bonds for the remaining debt. With states issuing UDAY bonds worth approximately ₹2.32 Lakh Crores as of August 2017, it is expected that distribution companies' financial health will improve owing to a reduced interest burden following the transfer of debt to their respective State Governments. UDAY envisages distribution companies to reduce their AT&C losses to <15% by FY2018-19. If the financial losses of distribution companies are not reduced, the future losses of distribution companies would be taken over by the respective states in a graded manner. The Scheme is expected to encourage distribution companies and states to ensure loss reduction. Such loss reduction will bring more revenues, enhancing their ability to purchase power for meeting their requirements.

Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY)

Under Deendayal Upadhyaya Gram Jyoti Yojana (DDUGJY), a rural electrification scheme, the Central Government has achieved 100% village electrification, driving demand for power in the country.

Outlook

India's power demand is projected to grow to 1,905 billion units by FY2021-22 from 1,348.4 billion units in FY2016-17 on the back of industrial expansion, growing per capita incomes, enhanced rural electricity availability and GDP growth. The Government of India's focus on projects like Power for all and SAUBHAGYA is expected to drive demand in the power sector in the coming years.

Business review

Indian Energy Exchange Limited (IEX) is India's premier power trading platform.

The exchange provides an automated platform for physical delivery of electricity.

The exchange is marked by efficient price discovery and offers participants the opportunity to trade in a variety of energy products.

The exchange platform increases the accessibility and transparency of the power market in India and enhances the speed and efficiency of trade execution.

More than 6,200 participants are registered on the exchange and located across utilities

from 29 States, 5 Union Territories (UTs) by the close of 2017-18. These participants included 55 distribution companies, over 450 electricity generators, over 3,900 open access consumers and 1,050 renewable energy generators.

The open access beneficiaries comprised industries like metal, textile, cement, ceramic, chemicals, automobiles, information technology, food processing, institutional and commercial entities.

IEX is the largest exchange for the trading of a range of electricity products in India. The Company is professionally-managed. IEX received three ISO certifications:

ISO 9001:2008 for quality management, ISO 27001:2013 for information security management and ISO 14001:2004 for environment management.

IEX was recognized as the 'Leader in Power Market Development' by Council of Power Utilities in 2015 and awarded the Exchange of the Year Award by Power Business View in 2014. IEX was listed on the Indian stock exchanges in October 2017 (NSE: IEX, BSE:540750).

IEX has earned respect for its ability to create customized products in line with market gaps and customer needs.

Product overview

Electricity Segment

A total of 46,215 MUs were traded in the electricity segment of IEX, an increase of 14% over the last year trade volume of 40,528 MUs.

Day Ahead Market

Trading in the DAM commenced on the Exchange in June 2008. The DAM provides for trading of 96 separate electricity contracts, of 15 minutes time blocks each, for the subsequent day, commencing at midnight. IEX participants are able to participate in a uniform price double-sided closed auction process. Buyers and sellers electronically submit bids during the market session and the matching of bids is done on double-sided closed auction mechanism with uniform market clearing price. The minimum allowable quantity to be bought and sold is 0.1 MW, with a minimum increment size of 0.1 MW of electricity and minimum price increment of Re 1.0 per MWh, enhancing trading convenience.

Some 44,842 MUs were traded in DAM in 2017-18 in comparison to 39,783 MUs in 2016-17 indicating a growth of 13%. The

average daily volume was 123 MUs, nearly 13% up from 109 MUs in the previous fiscal.

Key highlights of the Day-Ahead Market of IEX are as below:

One Nation-One Grid: One price was realized on 268 days in DAM in FY2018 compared to 23 days in FY2017, implying that transmission congestion declined.

Highest volume traded in DAM: 182.99 million units were traded on September 14, 2017.

Total volume transacted in the short-term market by DAM: 35.1% as per CERC MMC reports, from April 2017 till March 2018.

Sell bids: 72,956 MUs of sell bids were received in FY 18, while sell bids of 77,141 MUs were received in FY 2017 (5% lower than previous year).

Buy bids: Buy bids of 57,133 MUs were received, almost 20% more than 47,699 MUs in FY 2017.

Market Clearing Price (MCP): The market remained a faithful reflection of the national

reality: average MCP was ₹3.26/unit in FY18, about 35% more than ₹2.41/unit in previous fiscal due to increase in buy bids and decrease in sell bids on the exchange, caused by lower availability of coal supply.

Final cleared volume: Final cleared volume was 44,842 MUs, increased 13% from the previous year.

Participants: Total registered participants increased from 5,807 in 2016-17 to 6,238 in 2017-18, reflecting a growth of 7.4%.

Congestion:

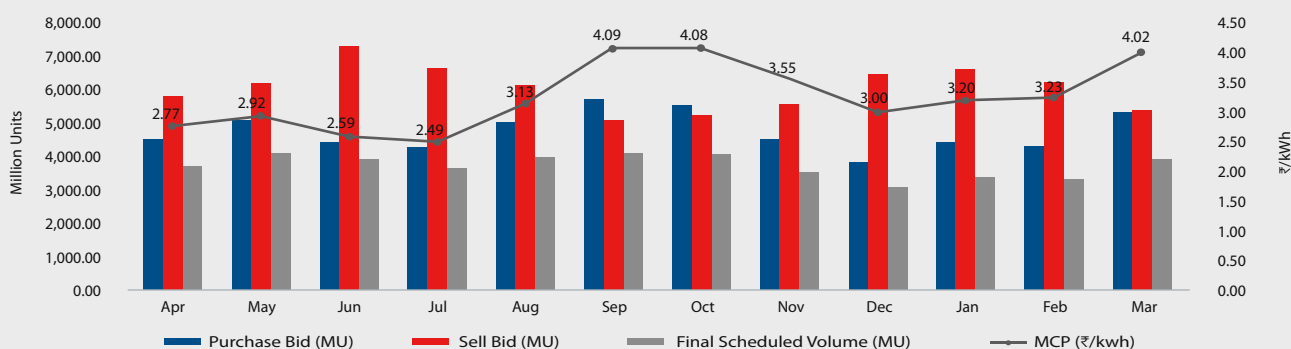
Northern and Southern States were less affected due to congestion in the Inter-State transmission corridors.

- The East -> South and West -> South corridors were congested for about 8.1% of the time

- The East -> North and West -> North corridors were congested for about 1.7% of the time

- Overall, 279 MUs could not be traded in FY'18 due to congestion while in the last fiscal 1,527 MUs were lost.

Day ahead market trend – 2017-18



Term-ahead market

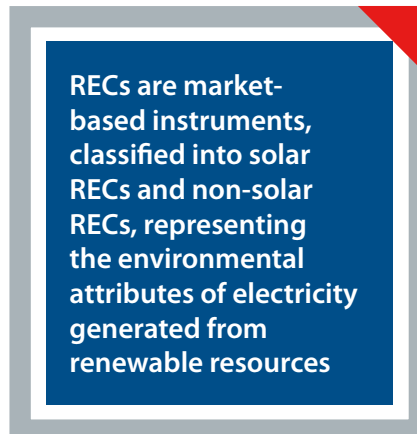
Trading in the TAM commenced on IEX in September 2009. Participants were able to trade contracts for the delivery of electricity for the time frame other than for the DAM electricity contracts, and for periods up to the subsequent week. Buyers and sellers electronically submit their bids during the market session. The TAM contracts cover a range of options for electricity for the duration of up to 11 days. It enables participants to trade electricity for the same day through intra-day contracts, for the next day through day-ahead contingency contracts, on a daily basis for rolling seven days through daily contracts and on weekly basis through weekly contracts, to manage their electricity portfolios for different durations. These contracts are region-specific and can be differentiated on a time-of-day basis, for example, for all 24 hours, peak times and off-peak times. The exchange enables trading in day-ahead contingency contracts, intra-day contracts, daily contracts through the continuous trade methodology, i.e., on a real-time basis with price and time priority as the matching criteria. The exchange enables trading in weekly contracts through a uniform price auction methodology.

TAM witnessed 1,373 MUs of power scheduled in 2017-18 compared to 744 MUs reported in 2016-17. The highest volume traded so far in this segment was achieved in Nov' 2017 when close to 317 MUs were traded.

Certificate Market

Renewable energy certificates: The trading of RECs on IEX commenced in

February 2011. RECs are market-based instruments, classified into solar RECs and non-solar RECs that represent the environmental attributes of electricity generated from renewable resources, and enable sale of such environmental attributes, separately from the electricity generated from renewable resources, in accordance with the regulations issued by the CERC. RECs are traded on the last Wednesday



of each month; they seek to address the mismatch between the availability of electricity generated through renewable resources and the requirement for certain entities to ensure that a proportion of their annual electricity consumption is addressed through renewable resources. The renewable energy generators sell electricity to distribution companies at their average power purchase cost, or utilize the same for captive consumption, or sell it to third parties, while selling the green attribute of the renewable electricity through RECs.

As per the regulations issued by the CERC, RECs are only permitted to be traded through power exchanges (like IEX). The floor and ceiling price of solar and non-solar RECs is periodically revised by the CERC and the price discovered for RECs remains between such floor and ceiling prices. The exchange reported 93.29 Lakh REC certificates traded in 2017-18, an increase of 102% from 46.19 Lakh REC certificates traded in 2016-17.

Energy saving certificates (ESCert):

IEX received regulatory approval for the commencement of trading in ESCerts. The Company commenced trading of ESCerts on September 26, 2017. This market-based instrument was created under the Perform Achieve Trade (PAT) scheme of the Ministry of Power, Government of India. Under the PAT scheme, consumers in energy-intensive industries and sectors were identified and were required to reduce their specific energy consumption for every compliance period in accordance with specified targets. Consumers achieving reductions above their targets are issued ESCerts that are tradable on IEX. Consumers unable to meet their targets in accordance with the PAT scheme are required to buy ESCerts to offset their shortfall. Consumers achieving reductions above their targets can either bank their ESCerts for the next compliance period or sell them on the Exchange. As per the regulations issued by the CERC, ESCerts are only permitted to be traded through power exchanges, such as our Exchange.

During the year under review, the Exchange traded 12.99 Lakh energy saving certificates.

Human resource management

IEX is a passion-driven organization comprising dedicated professionals with rich industry experience. As on 31st March 2018, the Company comprised a human capital of 116 people with various competences; engineers, MBAs and finance professionals. The Company is young with an average age of 33 years.

IEX is marked by an open culture, cascading from the senior levels, marked by accessibility, responsiveness, customer-orientation and a culture of urgency. The Managing Director remains accessible to all; every single email is addressed in the shortest time; all communication are solution-focused; the one word that faithfully encapsulated the IEX culture is 'Now!'.

Training programs at regular intervals are conducted to impart the necessary knowledge and skills to employees and keep them updated on latest sector developments. During the financial year 17-18, a total of 18 Trainings were organised covering technical & behavioral aspects which were related to personal, interpersonal, managerial and organizational needs.

The Company also trained employees in line with industry needs, besides deputing executives to prominent institutes like IIT and ASCI etc., to engage in technical/behavioral training, strengthening their relevance to the Company's competitiveness and direction. Training experts like Franklin R Covey, have also been engaged by the Company to train

its middle and senior employees.

IEX promoted job rotation across specific functions to minimise role monotony, enhance skill-sets, increasing job contemporariness and reinforcing employee productivity. Over the years, this strengthened the ability of executives to take informed decisions, strengthening competitiveness.

The Company provided annual health checks for employees, sports events, yoga sessions, which focused on employee fitness and encouraged get-togethers that made it possible for families to meet and inculcate a cohesive environment.

Every month, we celebrate birthday of employees and welcome new joiners with

special gift and arrange refreshments for all employees. We encourage employee engagement activities. We make sure to celebrate different occasions and festivals throughout the year such as Republic Day, Women's Day, Yoga Day, Diwali, Christmas and New Year. All this inculcates a culture of togetherness and harmony. Also, we

focus on maintaining the diversity at IEX. We have employees from different regions and religion.

Recently, we have revised all our policies which are at par with industry standards. The policies are employee friendly, flexible and they have been well accepted and

appreciated by all the employees.

The result is in the numbers: employee retention continues to be favourable compared to the industry average.

Managing risk at IEX

The Company is exposed to normal industry risk factors like Regulatory risk, IT risk, Legal Risk, Operational risk, Market risk etc. the Company takes adequate steps to monitor, measure and mitigate these risks through a systemic risk management framework.

IEX has an approved Risk Management Policy, which identified risks across the following 13 risk categories.



The major risks identified by the businesses and functions are systematically addressed through mitigating actions and on a continuous basis. The Company's internal control systems are also in place and are adequate considering the nature of its business and the complexity of its operations. IEX follows a definitive Enterprise Risk Management (ERM) framework which consists of practices relating to identification, analysis, evaluation, control, mitigation & monitoring of risks related to key business objectives. The mitigation status of the risks identified is placed before the ERM committee on periodic basis.

The brief about various major risks are provided below:

Regulatory risk: a. The restriction on open access emerges as a risk for the development of short term power market in India. Although open excess aims at making the power market more competitive and all

state regulations favour grant of open access to industries and large consumers having connected load over and above 1MW, its implementation emerges as a key challenge across several states by imposition of tariff or non tariff barriers.

Mitigation: With the government's focus on improving the financial and operational performance of discoms, this may enable them to grant open excess to large industrial customers at competitive charges. In this context, it can be expected that the restrictions on open access would be gradually removed, that will aid power exchanges in improving volumes in long run.

b. IEX is governed by Central Electricity Regulatory Commission (Power Market) Regulations, 2010 and also the Business Rules, Rules & Bye – laws approved by CERC. Any deviation from any of the provisions would be of significant risk to IEX.

Mitigation: Market surveillance committee & risk management committees are formed as mandated by CERC, and the reports are submitted at regular intervals. The state level regulations are governed by SERCs. IEX engages into regular policy advocacy with CERC and SERCs for the any change in regulation that may adversely affect our business.

Technology risk: The use of obsolete technology as well as threat to data security could affect the Company's business.

Mitigation: The Company's cutting-edge technology can address 100,000 participants against the present participation of more than 6,000. The Company's technology provides a capability to handle 30 bid areas against 13 being currently used. IEX is ISO 27001-certified for information security. The Company has a disaster recovery site in Mumbai to quickly provide backup in case of a break down.

Legal Risk: Legal risk consists of various factors like membership criteria fulfilment, incorrect member enrolment, non-compliance to tax or accounting compliances etc.

Mitigation: Mitigation measures include systematic monitoring of the risk parameters and implementation of risk mitigation strategies. The membership data are checked through a maker-checker mechanism.

Operational Risk: Operational risk consists of various risks that have the potential to

affect the regular business operation of the Company. This may include factors like margin maintenance, malfunctioning of soft wares, access to trading data etc.

Mitigation: Mitigation measures include regular surveillance of the trading mechanism and reporting any error to the CERC at periodic intervals.

Market Risk: The Company's revenues could be adversely affected if it is unable to maintain or grow electricity contract volumes.

Mitigation: The Company derives a majority

of its revenues from transaction fees and annual subscription fees. The Company's ability to maintain / increase participants and volume of electricity contracts traded resulted in increased revenues.

IEX also follows a defined Enterprise Risk Management (ERM) framework for identifying, qualifying & assessing strategic, operational and external risks that may affect the business of the Company.

The ERM framework also provides a structure for determining a response strategy, and monitoring progress.

The risk management framework in IEX consists of the following steps:



The Enterprise Risk Management Committee (ERMC) meeting is held every six months at IEX, wherein the status of risk monitoring & remediation are presented before the committee. The ERM Committee is chaired by Prof KT Chacko, Independent Director of the Company.

Finance review

Key performance metrics

Parameters	2017-18	2016-17	Growth (%)
Total revenue (₹ Lakhs)	25,607.14	23,287.18	9.96%
EBIDTA (₹ Lakhs)	21,049.51	17,768.76	18.46%
PBT (₹ Lakhs)	19,999.51	17,385.20	15.04%
PAT (₹ Lakhs)	13,168.52	11,358.13	15.94%
Earnings per share (₹) -Basic	44.61	39.06	14.21%
Earnings per share (₹) - Diluted	44.05	37.67	16.94%

Profit & Loss statement analysis

Revenue:

The Company derives its revenues from transaction fees, annual subscription fees, admission fees, interest/dividend income, gains on sale of investments, and other miscellaneous income.

During FY 2017-18, the Total Revenue of the Company increased by 9.96% from ₹23,287.18 Lakhs to ₹25,607.14 Lakhs. Out of which the Operating Revenue increased by 16.01% from ₹19,864.52 Lakhs to ₹23,044.80

Lakhs, and treasury income was lower. The treasury and other income was lower by 25.14% from ₹3,422.66 Lakhs to ₹2,562.34 Lakhs due to cash outflow on acquisition of Exchange Trading Software license, special dividend pay-out (for FY-2016-17) and lower interest rates during the year in comparison to previous year.

The Company continued to perform well during the fiscal with a net profit margin of 51.43%. During the year the Operating expenses (excluding Depreciation and

Finance Cost) decreased from ₹5,518.42 Lakhs in FY 2016-17 to ₹4,557.63 Lakhs in FY 2017-18, registering a fall of 17.41%.

The Profit before Tax (PBT) for the FY 2017-18 was at ₹19,999.51 Lakhs, as against ₹17,385.20 Lakhs in the last financial year, registering a growth of 15.04%.

During FY 2017-18, the Profit after Tax (PAT) increased by 15.94% to ₹13,168.52 Lakhs, as against ₹11,358.13 Lakhs in FY 2016-17.

Expenses:

The Company's expenditure mainly consists of employee cost, operating and other expenses, interest and depreciation / amortization charges as detailed below:

IEX's expenditure (₹ in Lakhs)

Particulars	FY 2017-18	FY 2016-17	Change %
Employee benefit	2,407.69	1,547.88	55.55%
Finance cost	22.66	41.60	(45.53)%
Depreciation and amortization	1,027.34	341.96	200.43%
Other expenses	2,149.94	3,970.54	(45.85)%
Total expenditure	5,607.63	5,901.98	(4.99)%

Other expenses mainly includes costs / charges pertaining to rent, software/hardware related costs, business promotion, communication expenses, advertisement, repairs & maintenance, legal and professional, regulatory fee and various fees, CSR expenses etc.

The total expenditures during the year was of ₹5,607.63 Lakhs, which was lower by 4.99% in comparison to ₹5,901.98 Lakhs incurred during the previous year.

During the year the employee cost increased by 55.55% from ₹1,547.88 Lakhs to ₹2,407.69 Lakhs, primarily due to increase in the number of employees (mainly hiring of software team at Technology Center at Mumbai), annual increments, and payment of one-time bonus.

The rental cost increased from ₹210.69 Lakhs to ₹301.99 Lakhs, mainly due to acquiring of new office space on lease basis at the Mumbai for setting up of Technology Centre.

During the year the Technology related expenses decreased from ₹2,342.35 Lakhs to ₹511.22 Lakhs due to acquisition and internalization of trading software.

During the year the Legal & Professional expenses decreased from ₹718.63 Lakhs to ₹391.87 Lakhs, mainly, due to reduction in legal fee for Technology acquisition of trading software and other consultancy fee.

During the year the depreciation & amortization amount increased from ₹341.96 Lakhs to ₹1,027.34 Lakhs, mainly due to amortization of new Trading Software license acquired by the Company over its useful life.

Other expenses were of ₹2,149.94 Lakhs, which was lower by 45.85% in comparison to ₹3,970.54 Lakhs during the previous year, mainly due to saving of software development and maintenance cost post acquisition of the Trading Software License.

During the year, Contribution towards corporate social responsibility has increased from ₹206.58 Lakhs to ₹304.76 Lakhs

pursuant to Section 135 of the Companies Act, 2013. Gross amount required to be spent by the Company during the year was ₹301.69 Lakhs.

Provision for taxation:

During the year the Income Tax liability (provision) was of ₹5,272.23 Lakhs, as against the tax liability (provision) of ₹6,216.37 Lakhs made during the previous year, mainly due to higher tax depreciation available on Trading Software License acquired during the year. However this has resulted in increase in Deferred Tax liability. As on March 31, 2018 the Deferred Tax liability was of ₹1,558.76 Lakhs as against the Deferred Tax Assets of ₹189.30 Lakhs as on March 31, 2017.

Earnings Per Share

Earnings per equity share [face value ₹10/- per share]	FY 2017-18	FY 2016-17
Basic (₹)	44.61	39.06
Diluted (₹)	44.05	37.67

Basic EPS of the Company increased by 14.21% to ₹44.61 for the FY 2017-18 against ₹39.06 for the FY 2016-17 whereas Diluted EPS increased by 16.94% to ₹44.05 from ₹37.67 in the same period.

Shareholders' Funds**Share capital:**

As on March 31, 2018, the Company's share capital stood at ₹3,016.00 Lakhs, i.e., 3,01,59,992* equity shares of ₹10 each. (Previous year: ₹2,861.11 Lakhs i.e. 2,86,11,061* equity shares of ₹10 each and Compulsory Convertible Preference Shares (CCPS) of ₹151.64 Lakhs i.e. 15,16,431# CCPS of ₹10 each)

*Company's share capital is net of 1,68,632 equity shares of ₹10 each (yet to be granted) held by IEX ESOP Trust (previous year: 2,01,132 equity share of ₹10 each)

#During the year the outstanding 15,16,431 CCPS were converted into the 15,16,431 equity shares. Refer note 14 of Financials on page 122.

Other equity:

The Company's other equity as on March 31, 2018 was of ₹25,356.39 Lakhs in comparison to ₹24,808.70 Lakhs as on March 31, 2017. The net worth stood at ₹28,372.39 Lakhs as on March 31, 2018 as against ₹27,821.45 Lakhs as on March 31, 2017.

Settlement Guarantee Fund

The SGF balance (non-current and current) as on March 31, 2018 was of ₹11,671.76 Lakhs, increased by ₹5,344.92 Lakhs as compared to ₹6,326.84 Lakhs as on March 31, 2017 due to increase in additional margin requirement in line with higher trading obligation.

Secured loans:

The Company had no secured loans in its books as on March 31, 2018 as well as on March 31, 2017.

Trade payable

The Company's trade payable was of ₹8,462.98 Lakhs as at March 31, 2018, as against ₹17,193.93 Lakhs as at March 31, 2017. The Trade Payable as on March 31, 2017 were including trade payable on account of trade in RECs.

Fixed assets:

The Company's fixed assets stood at ₹11,951.97 Lakhs as at March 31, 2018, as against ₹930.64 Lakhs as at March 31, 2017. It consists increases in other Intangible assets from ₹229.52 Lakhs to ₹11,176.01 Lakhs mainly due to acquisition of Trading Software License and increases in Property, plant and equipment from ₹605.07 Lakhs to ₹722.92 Lakhs for mainly purchases of computer Hardware & Servers and vehicles.

Investments:

As on March 31, 2018, the Company's investments (Non-current and Current) stood at ₹26,846.71 Lakhs, as against ₹38,309.52 Lakhs as on March 31, 2017. The reduction in investment amount mainly attributable to capex on acquisition of Trading Software License and dividend payout during the financial year 2017-18.

Corporate social responsibility

The Company's corporate social responsibility initiatives address environmental sustainability, economic empowerment and social development. Over the last two years, the Company aided communities in Uttar Pradesh, Delhi-NCR, Bihar, Chhattisgarh, Tamil Nadu, Karnataka and Maharashtra.

The Company's CSR activities promote decentralized renewable energy creation,

skill development for the youth, mid-day meals and holistic development for young school children, skilling the mentally disabled, school bus support for rural schools, health care for elderly and communities, among others - in partnership with credible non-governmental organizations. Besides these activities, the Company signed a memorandum of understanding with the Indian Institute of Technology, Kanpur, to set up the Energy

Analytical Lab to promote research in power sector efficiency, development of markets and provide support to scholars pursuing doctoral and post-doctoral fellowships in energy and power markets.

The Company's expenditure in CSR initiatives was ₹304.76 Lakhs for the financial year 2018 compared to ₹206.58 Lakhs for the financial year 2017.

Internal control

The Board has put in place various internal controls to ensure that they are adequate and are effective. The Board has also put in place state-of-the-art technology and has automated most of the key areas of operations and processes, to minimize human intervention.

The design, implementation and maintenance of adequate internal financial controls is to enable it to operate effectively and ensure the accuracy and completeness of the accounting records, and are free from material misstatement, whether due to error or omission.

The operational processes are adequately documented with comprehensive and well defined Standard Operating Procedures and policies. For more details, please refer the Directors' Report.

Director's Profile



Mr. Dinesh Kumar Mehrotra
Chairman and
Independent Director

Mr. Dinesh Kumar Mehrotra (DIN: 00142711), is the Chairman of our Board and an Independent Director. He holds a bachelor's degree of science from the University of Patna. He joined Life Insurance Corporation of India ("LIC") as a direct recruit officer in 1977 and worked with LIC for over 35 years. He has worked as the chairman of LIC and prior to taking charge as chairman of LIC, he was associated with LIC as an executive director (international operations). He has served on the board of directors of ACC Limited, ITC Limited, IL&FS Limited, Tata Steel Limited, among others. He is also associated with the National Insurance Academy and the Insurance Institute of India. He was appointed as an Independent Director of our Company with effect from March 30, 2015 and as the Chairman of Board with effect from April 23, 2015.



Mr. Satyanarayan Goel
Managing Director
and CEO

Mr. Satyanarayan Goel (DIN: 02294069), was appointed as the Managing Director and Chief Executive Officer of our Company with effect from January 21, 2014. He holds a bachelor's degree of science in electrical engineering and a master's degree of business administration from the University of Delhi, New Delhi. He has over 40 years of experience in different areas of power sector – power generation, system operation, power trading, commercial, regulatory affairs & power market development. He was also actively involved in various reform initiatives of Govt. of India which include - Enactment of Electricity Act, 2003, Tariff Based Bidding Guidelines, Tariff Policy, National Electricity Policy, Open Access, etc. Before joining our Company, he was the director of marketing and operations at PTC India Limited. Prior to it, he was associated with NTPC Limited for 29 years and retired as an executive director (fuel security). He has been associated with our Company since October 16, 2012 when he was appointed as a Nominee Director of PTC India Financial Services Limited on our Board.



Prof. Kayyalathu Thomas Chacko
Independent Director

Prof. Kayyalathu Thomas Chacko (DIN: 02446168), is an Independent Director of our Company. He is a retired Indian Administrative Services officer of the 1973 batch and has 34 years of experience in public administration. He worked for the Government of India, almost entirely in the Ministry of Commerce and Industry and closely involved in the trade and industry sectors. He holds a master's degree of economics from the University of Kerala and was awarded three gold medals for obtaining the first rank in Kerala. He also holds a master's degree in Public Administration from Harvard University, U.S.A. He held the post of director general of foreign trade during the year from 2004 to 2006. He was appointed as director of the Indian Institute of Foreign Trade for the period of 2007-2012. He was presented the Federation of Indian Exporters Organization instituted life time achievement award by the Hon'ble President of India for invaluable contribution to the exports sector. He has been associated with our Company since May 21, 2012 when he was appointed as an Additional Director on our Board in the independent category and was regularized as a Director on September 28, 2012. His appointment as an Independent Director for a term of five years pursuant to the provisions of the Companies Act, 2013 was approved by our shareholders pursuant to a resolution passed at their meeting held on March 30, 2015.



Mr. Vallabh Roopchand Bhanshali
Independent Director

Mr. Vallabh Roopchand Bhanshali (DIN: 00184775), is a well known thought leader and investment banker. He is the Co-founder of ENAM group, a reputed home grown investment banking and long term investor groups of the country.

Under his leadership ENAM executed some of the most innovative and pioneering capital market and advisory transactions in the country. ENAM has played a significant role in the development of leading business houses such as Infosys, Reliance, Sterlite, Zee, Thermax, etc. and even Govt. companies such as NTPC, PTC, PFC, etc.

Amongst his many honours is a doctorate from Teerthankar Mahavir University. He is chartered accountant and has a degree in law.

He is the founder and chief mentor of Desh Aprayen Sahayog Foundation which is focused on instilling a sense of active citizenship amongst school and college students. He is also the founder Director of FLAME University - India's innovative Liberal Arts University.

Of late, the Central Government has appointed him as member on the Western Local Area Board of RBI. He is a trustee and its former chairman of the Global Vipassana Foundation. He was a Trustee of the Bombay Stock Exchange. He has served on several policy making & advisory committees of the Central Government and other regulatory bodies, He is on the Board of Directors of many reputed companies.



Ms. Renuka Ramnath
Non-Executive Director

Ms. Renuka Ramnath (DIN: 00147182), is a Non-executive Director of our Company. She holds a bachelor's degree of textiles from V.J. Technological Institute, University of Mumbai and a master's degree of management studies from Chetna R.K. Institute of Management & Research, University of Mumbai. She has also completed the Advanced Management Program, the International Senior Managers Program from the Graduate School of Business Administration, Harvard University. She has over 30 years of experience in the Indian financial sector across private equity, investment banking and structured finance. She was associated with the ICICI Group for 23 years and also served as the managing director and chief executive officer of ICICI Venture Funds Management Company Limited. She is the managing director of Multiples Alternate Asset Management Private Limited, an investment advisory firm she founded in 2009. She was appointed as an Additional Director of our Company on March 29, 2012 and her appointment as a Non-Executive Director of our Company was regularized with effect from September 28, 2012.



Mr. Mahendra Kumar Singhi
Non-Executive Director

Mr. Mahendra Singhi (DIN: 00243835), Mr. Singhi is a Non-executive Director of our Company. He holds a bachelor's degree of science from the University of Jodhpur and a bachelor's degree of law from the Rajasthan University. He is also a member of the Institute of Chartered Accountants of India. He is the chief executive officer – cement and a whole-time director of Dalmia Cement (Bharat) Limited and also the chief executive officer and a whole-time director of OCL India Limited. He has over 35 years of experience in the cement industry. He has previously worked with Maiher Cement (a unit of Century Spinning & Engineering Company Limited), Shree Digvijay Cement Company Limited, Rajashree Cement and Shree Cement Limited. Prior to working with Dalmia Cement (Bharat) Limited, he has worked with Shree Cement Limited as its president from January 17, 1995 to April 2002 and later as an executive director from April 2002 to December 6, 2013. Shree Cement Limited was among the three companies from India to be recognized as a 'world sustainability champion' by the World Economic Forum during his tenure at Shree Cement Limited. In recognition of his leadership in combating climate change and for his contribution to the successful adoption of the Paris Agreement at the twenty-first session of the Conference of the Parties to the United Nations Framework Convention on Climate Change in Paris, France on December 12, 2015, he was invited by the Secretary General of the United Nations to attend the high-level signature ceremony for the Paris Agreement at the United Nations Headquarters in New York on April 22, 2016. He was appointed as an Additional (Non-executive) Director on our Board with effect from May 30, 2017 and was regularized at subsequently 11th Annual General Meeting held on July 25, 2017.



Mr. Gopal Srinivasan
Non-Executive Director

Mr. Gopal Srinivasan (DIN: 00177699), Gopal Srinivasan is a Non-executive Director of our Company. He holds a bachelor's degree of commerce from the University of Madras, Chennai and a master's degree of business administration from the Graduate School of Business Administration, University of Michigan U.S.A. He is the founder of TVS Capital Funds (P) Limited with the visions of supporting and nurturing India's mid-cap businesses. TVS Capital Funds manages assets of over ₹1,100 Crores of domestic capital, which makes it amongst the largest rupee funds in India. Over an entrepreneurially oriented career spanning over 30 years, he is associated with companies operating in diverse sectors including computer peripherals, technology, financial services and automobile components. He is also the founder of TVS Electronics Limited, whose board of directors he chairs. He is the Director on the Board of TVS & Sons which is the Group holding company and other companies outside of TVS Group.

Mr. Gopal is also actively involved in the promotion of entrepreneurship as an avid angel investor. He is the founder trustee of "The Chennai Angels", an angel investor network in Chennai. He has also served on the board of directors of Great Lakes Institute of Management, Chennai, Coimbatore Innovation and Business Incubator. He was appointed as an Additional (Non-executive) Director on the Board of the Company with effect from April 18, 2017 and was regularized at subsequently 11th Annual General Meeting held on July 25, 2017.



Mr. Ajeet Kumar Agarwal
Non-Executive Director

Mr. Ajeet Kumar Agarwal (DIN: 02231613), is a Non-Executive Director on our Board as the nominee of Rural Electrification Corporation Limited with effect from August 22, 2012. He has done B. Com (Hons.) from Shri Ram College of Commerce, University of Delhi. He is also a Fellow Member of the Institute of Chartered Accountants of India. Shri Agarwal has 35 years' experience in Public Sector Undertakings.

Since August 1, 2012, he is Director (Finance) of Rural Electrification Corporation Limited (REC) and responsible for formulating financial strategies and plans to enable REC in achieving its vision. He provides directions with respect to Financial Management and Operations of the organization encompassing organizational and financial planning, formulation of financial policy, financial accounting, management control systems, cash and funds management, tax planning, mobilization and management of resources, liaison with financial institutions and capital market players. He also supervises treasury functions, lending operations and advises on corporate risk management matter. Prior to joining REC in 2007, he was General Manager in Telecommunications Consultants India Limited. Presently, he is also Nominee Director on the Board of two Wholly Owned Subsidiary Companies of REC i.e. REC Transmission Projects Company Limited and REC Power Distribution Company Limited. As on March 31, 2018, Shri Ajeet Kumar Agarwal was holding "NIL" Equity Shares in the Company and has no inter-se relation with any other Director of the Company.



Mr. Bejul Somaia
Non-Executive Director

Mr. Bejul Somaia (DIN: 00059201), is a Non-executive Director of our Company. He holds a bachelors degree of science (economics) from the London School of Economics and a masters degree in business administration from Harvard Business School. He is a designated partner at Lightspeed India Partners Advisors LLP and has several years of investment banking, strategy, operations and venture capital experience in India and in U.S.A. Prior to working with Lightspeed, he was the joint managing director of UP Twiga Fiberglass Limited, a manufacturer of thermal and acoustic insulation products in India. He has also worked as an investment professional at General Catalyst Partners, a U.S. based venture capital firm and as a strategy consultant with Bain & Company Inc. He was appointed as an Additional Director of our Company on September 30, 2010 and his appointment as a Non-executive Director of our Company was regularised with effect from September 28, 2011

Directors' Report

Dear Shareholders,

The Board of Directors are pleased to present the Twelfth Annual Report of your Company along with the audited financial statements and the Auditors' Report for the financial year ended March 31, 2018. The highlights of the financial results for the year under review are given below:

1. FINANCIAL HIGHLIGHTS

(Amount in ₹ Lakhs)

Particulars	2017-18	2016-17
Operating Income	23,044.80	19,864.52
Other Income	2,562.34	3,422.66
Total Income	25,607.14	23,287.18
Less: Total Expenditure	5,607.63	5,901.98
Profit before tax	19,999.51	17,385.20
Less: Provision for Tax	6,830.99	6,027.07
Profit after tax (A)	13,168.52	11,358.13
Other comprehensive income for the year, net of income tax (B)	12.54	(1.34)
Total comprehensive income for the year (A+B)	13,181.06	11,356.79
Earnings per equity share [face value ₹10/- per share]		
Basic (₹)	44.61	39.06
Diluted (₹)	44.05	37.67

Your Company has sustained and maintained its leadership position in the power Exchange industry in India during the year.

Company Performance Highlights

- PAT increased by 16% from ₹11,358 Lakhs to ₹13,168 Lakhs
- Total volume traded across all market segments was 56,843 MU— an increase of ~26% over 45,146 MU traded in fiscal year 2016-17
- Successfully transitioned and internalized Trading Technology Platform and has set up a state-of-the-art Technology Center
- Commencement of trading for ESCerts w.e.f from September, 2017.
- One Nation, One Grid, One price was realized on 268 days i.e. 73% of the days this fiscal
- Key Market highlights during fiscal 2017-18:
 - 182.99 MU - highest volume traded in Day-Ahead Market (DAM) on 14th September 2017
 - 44,842 MU- total electricity traded in DAM, 13% more than the previous fiscal at average Market Clearing Price (MCP) at 3.26 ₹ per KWh, ~35% increase over 2.41 ₹ per KWh in previous fiscal
 - The purchase bids in the DAM increased by 20% indicating larger participation by the buyers while the sell bids

decreased about 5% primarily due to lack of availability of coal with thermal generators

- 1373 MU traded in Term-Ahead Market (TAM), ~84% increase over 744 MU in previous fiscal
- 97% Market Share in Electricity Market with total trade of 46,215 MU
- 32.39 Lakhs RECs - highest ever traded in REC in December 2017 trading session
- 93.29 Lakhs – total REC trade in this fiscal ~102% increase over 46.2 Lakhs RECs in previous fiscal
- 4.50 Lakhs ESCerts – highest trade in Energy Saving Certificates (ESCert) on Dec 19, 2017.
- 13 Lakhs ESCerts – total trade in FY18

Highlights of Company's performance are discussed in detail in the Management Discussion and Analysis Report (MDA), included in this Annual Report as required under Schedule V of the SEBI Listing Regulations.

The MDA forms part of this Annual Report, in terms of Regulation 34 of the SEBI Listing Regulations. Certain Statements in the said report may be forward looking. Many factors may affect the actual results, which could be different from what the Directors envisage in terms of the future performance and outlook.

2. DIVIDEND

In compliance with the requirement of Regulation 43A of SEBI Listing Regulations, the Company has laid down a Dividend Distribution Policy, which is annexed as **Annexure - I** and same has been also uploaded on the Company's website <https://www.ixindia.com/pdf/Dividend%20Distribution%20Policy.pdf>

Considering the financial performance of the Company for the FY17-18 and in line with the dividend policy, your Directors have recommended a final dividend of ₹22/- per equity share (i.e. 220%), on a face value of ₹10 per share aggregating to ₹6,672.30 Lakhs, subject to the approval of shareholders at the ensuing Annual General Meeting (AGM).

The total outflow on account of proposed final dividend and tax thereon aggregates to ₹8,043.81 Lakhs (including the Dividend Distribution Tax of ₹1,371.51 Lakhs), which would result in total payout of 61.08% of the profit after tax for the year ended March 31, 2018.

The final dividend, if approved at the ensuing AGM, will be paid to members whose names appear in the Register of Members as on record date and in respect of shares held in dematerialized & physical form, it will be paid to members whose names are furnished by the National Securities Depository Limited (NSDL) and Central Depository Services (India) Limited (CDSL), as beneficial owners as on that date, subject to the applicable statutory provisions.

3. LISTING OF COMPANY'S EQUITY SHARES

During the year, your Company has completed the initial public offering of 6,065,009 equity shares of face value of ₹10 each at a price of ₹1,650 per equity share, through an Offer for Sale ('OFS') of equity shares by certain selling shareholders. The equity shares of the Company were listed on BSE Limited ('BSE') and National Stock Exchange ('NSE') with effect from 23rd October 2017.

4. TRANSFER TO RESERVES

No amount has been transferred to General Reserve out of amount available for appropriation, during the year.

5. CHANGES IN SHARE CAPITAL

During the year under review, there was no change in the Authorized and Paid up Share Capital of the Company, as on March 31, 2018, the paid-up share capital of your Company stood at ₹3,032.86 Lakhs comprising 3,03,28,624 equity shares of ₹10/- each fully paid.

However, during the year pursuant to a resolutions passed by the Board of Directors, your Company has converted following Compulsory Convertible Preference Shares (CCPS) into Equity Shares of ₹10/- each in the ratio of 1:1 i.e. 1(one) equity share for each CCPS held in the Company-

- on May 30, 2017 - 3,03,287 CCPS of face value of ₹10/- each into 3,03,287 Equity Shares of ₹10/- each,
- on September 20, 2017 - 12,13,144 CCPS of face value of ₹10/- each into 12,13,144 Equity Shares of ₹10/- each.

During the year, your Company has, neither issued any equity shares with differential voting rights nor any shares (including sweat

equity shares) to any of its employees under any scheme, except as disclosed under the ESOP **Annexure - II** as part of this Annual Report.

6. SUBSIDIARIES, JOINT VENTURES OR ASSOCIATES COMPANIES

Your company does not have any subsidiary, joint venture or associate company.

7. STATUTORY AUDITORS

The Shareholders of the Company at the eighth Annual General Meeting (AGM) held on June 24, 2014, had appointed M/s BSR & Associates LLP, Chartered Accountants, (Firm Registration No. 116231W/W-100024) as the Statutory Auditors of the Company for one term of five consecutive years i.e. up to the conclusion of 13th AGM to be held in the FY 2018-19, subject to ratification of their appointment by the members at every AGM of the Company.

However, the requirement of ratifying the appointment of Auditors at every Annual General Meeting is done away with vide notification dated May 7, 2018 issued by the Ministry of Corporate Affairs, New Delhi. Accordingly, no resolution is proposed for ratification of appointment of Auditors.

The Company has received a confirmation from the Auditors that they are not disqualified from continuing as Auditors of the Company.

8. AUDITORS' REPORT

M/s. BSR & Associates, LLP, Chartered Accountants (FRN: 116231W/W-100024) has audited the accounts of your Company for the FY 2017-18 and their report is annexed together with the explanatory notes therein, which is self-explanatory and therefore, do not call for any further explanation or comments from the Board under Section 134(3) of the Companies Act, 2013. The Auditors' Report does not contain any qualification, reservation or adverse remark

9. SECRETARIAL AUDITORS

Pursuant to the provisions of Section 204 of the Act, read with Rule 9 of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, the Board of Directors of the Company has appointed M/s MNK & Associates (CP No. 8245), Company Secretary in Practice, Delhi to conduct the Secretarial Audit of the Company for the financial year ended March 31, 2018.

The Secretarial Audit report for the financial year March 31, 2018 in Form No. MR-3 is annexed as **Annexure - III** to this Report. The Secretarial Audit report does not contain any qualification, reservation or adverse remark.

During the year under review, the Company has generally complied with all the applicable provisions of the Secretarial Standards.

10. INTERNAL FINANCIAL CONTROL & ITS ADEQUACY

As per Section 134(5) (e) of the Companies Act 2013, the Directors have an overall responsibility for ensuring that the Company has implemented robust system and framework of Internal Financial Controls. This provides the Directors with reasonable assurance

regarding the adequacy and operating effectiveness of controls with regards to reporting, operational and compliance risks. The Company has devised appropriate systems and framework including proper delegation of authority, policies and procedures, defined various internal controls, risk based internal audits, risk management framework and whistle blower mechanism.

The entity level policies include anti-fraud policies (like code of conduct, conflict of interest, confidentiality and whistle blower policy) and other policies (like organization structure, HR policy, IT security policy and business continuity and disaster recovery plan). The Company has also defined Standard Operating Procedures (SOP) for each of its processes.

The design, implementation and maintenance of adequate internal financial controls are such that it operates effectively and ensures the accuracy and completeness of the accounting records and their presentation gives a true and fair view of the state of affairs of the Company and are free from material misstatements, whether due to error or fraud. The operational processes are adequately documented with comprehensive and well defined Standard Operating Procedures which, also include the financial controls in the form of maker and checker being with separate individuals.

The Audit Committee of the Company, periodically reviews and recommends the unaudited quarterly financial statements and also the annual audited financial statements of your Company to the Board for approval.

The Company maintains appropriate policies, procedures and systems to ensure orderly and efficient conduct of its business, including adherence to Company's policies, monitoring procedures, to ensure that all assets are safeguarded against loss from unauthorized use or disposition, prevention and detection of frauds and errors accuracy and completeness of accounting records, and the timely preparation of reliable financial information. The Internal control system is improved and modified on an on-going basis to meet the changes in business conditions, accounting and statutory requirements.

The external and internal auditors review the effectiveness and efficiency of these systems and procedures on regular basis to ensure that all the assets of the Company are protected against any loss and that the financial and operational information is accurate and complete in all respects. The Audits are conducted on an ongoing basis and significant deviations, if any are brought to the notice of the Audit Committee following which corrective action is recommended for implementation. All these measures facilitate timely detection of any deviations /irregularities and early remedial steps.

During the year, the defined controls were tested and no observation on reportable material weakness in design and effectiveness was found.

During the year no fraud has been reported by the Auditors to the Audit Committee or the Board of the Company.

11. WHISTLE BLOWER POLICY AND ANTI-FRAUD POLICY

Your Company has in place a "Whistle Blower and Anti-fraud Policy",

defined as per provisions of Section 177(9) of the Companies Act, 2013 read with Rule 7 of the Companies (Meetings of Board and its Powers) Rules, 2014.

Your Company believes in highest possible standards of ethical practices, moral and legal conduct of business operations and to maintain these standards, the Company encourages its Directors and employees to come forward and freely communicate their concerns about illegal or unethical practices/behavior, actual or suspected, fraud or violation of company's code of conduct or ethic policy to the appropriate authority so that timely and speedy investigations can be undertaken and corrective action could be taken if warranted.

This Policy has been framed with a view to provide a mechanism inter alia enabling all stakeholders, including Directors, individual employees of the Company to freely communicate their concerns about illegal or unethical practices and to report genuine concerns or grievance as also to report to the management concerns about unethical behavior, actual or suspected fraud or violation of the Company's Code of Conduct or ethics policy.

The Policy provides for (a) adequate safeguards against victimization of persons who use this Mechanism; and provides (b) direct access to the Chairperson of the Audit Committee of the Board of Directors of the Company.

Details of the Whistle Blower and Anti-fraud Policy are made available on the Company's website at www.iexindia.com

Your Company hereby affirms that no person has been denied access to the Chairman of the Audit Committee and no complaints were received during the year.

12. FIXED DEPOSITS

Your Company has not invited or accepted any fixed deposits under Section 73 of the Companies Act 2013 during the year and as such, no amount on account of principal or interest related thereto was outstanding as on the date of the Balance Sheet i.e. March 31, 2018.

13. HUMAN RESOURCE DEVELOPMENT

Your Company has created a favorable work environment and is focused on innovation and competencies. Your Company is future-oriented and encourages growth and development through various training and orientation programme for its stakeholders.

Your Company has in house Training Department with an aim to provide training and create awareness among Power Market Stakeholders, Exchange Members/Clients and employees of the organization. Your Company has also entered into an alliance with IIT Kanpur and Administrative Staff College of India, Hyderabad for organizing quality Trainings, serving all Power Market Stakeholders.

During the year under review, alongside the National Level Residential Programs at IIT Kanpur & ASCI Hyderabad, several refresher Trainings programme were also carried out by your Company for its Members and Clients and its employees.

Your Company believes that employees are core to competitive advantage and to keep them motivated and competitive regular training sessions are organized for the employees towards updating

their technical and behavioral knowledge & skills through internal and external faculty.

Further, to retain the employees, during the year your Company has aligned the compensation packages of its employees as per market and has also revised its HR policies to make it more employees friendly.

14. BUSINESS RESPONSIBILITY REPORT

Pursuant to Regulation 34 of the SEBI Listing Regulations the Business Responsibility Report (BRR) describing the initiatives taken by Company from an environmental, social and governance perspective is set out in this Annual Report.

15. DIRECTORS AND KEY MANAGERIAL PERSONNEL ("KMP")

A. Changes in Directors

During the financial year 2017-18, there have been following changes in the position of Directors of the Company:

Appointment of Directors

1. Mr. Gopal Srinivasan (DIN: 00177699), who was appointed as Non-executive (Additional) Director of the Company w.e.f April 18, 2017, was regularized as a Director of the Company w.e.f July 25, 2017 by the shareholders in the 11th AGM of the Company.
2. Mr. Mahendra Singhi (DIN: 00243835), who was appointed as Non-executive (Additional) Director of the Company w.e.f May 30, 2017 was regularized as a Director of the Company w.e.f July 25, 2017 by the shareholders in the 11th AGM of the Company.

Cessation of Directors

1. Mr. Puneet Yadu Dalmia (DIN: 00022633) resigned from the directorship of the Company w.e.f May 18, 2017.

The Company places on record its appreciation and gratitude for the valuable contributions made by him during his tenure as member of the Board.

In accordance with the provisions of the Companies Act, 2013 and the Articles of Association of your Company, Mr. Mahendra Singhi and Mr. Gopal Srinivasan, Directors retires by rotation at the ensuing Annual General Meeting and being eligible offer themselves for re-appointment.

Necessary resolutions for the re-appointment of the aforesaid Directors have been included in the Notice convening the ensuing AGM and details of the proposal for re-appointment are mentioned in the Explanatory Statement to the Notice.

B. Declaration by Independent Directors

Mr. Dinesh Kumar Mehrotra, Prof. Kayyalathu Thomas Chacko and Mr. Vallabh Roopchand Bhansali are the Independent Directors on the Board of your Company. Based upon the confirmation/disclosures received from the Independent Directors, the Board is of the opinion that they meet the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013 & the Rules made thereunder and the CERC (Power Market) Regulations, 2010.

C. Meetings of Board /Committees

The composition of the Board, meetings of the Board and its Committees held during the year and the attendance of the Directors thereat is set out in Corporate Governance Report, forming part of this Report.

D. Nomination and Remuneration Policy

In compliance with the requirement of Section 178 of the Companies Act, 2013 and pursuant to the provisions of Regulations 19 read with Part D of Schedule II of the of SEBI Listing Regulations, the Company has constituted a "Nomination and Remuneration Committee and has also defined a Nomination and Remuneration Policy, which is annexed as **Annexure - IV** to this Annual report.

Further, your Company has also formulated and implemented an 'IEX Employee Stock Option Scheme 2010', to motivate and instil a sense of ownership among its employees, the Company had adopted a Trust route for administrating its ESOP Scheme, which Act as per instructions of the Nomination and Remuneration Committee of the Company. The Company has allotted 606,572 equity shares of ₹10/- each to the IEX ESOP Trust during the year 2010 to manage the ESOP's as per defined ESOP Scheme.

The disclosures pursuant to SEBI (Share Based Employee Benefits) Regulations, 2014, Section 62 of the Companies Act 2013 read with Companies (Share Capital and Debenture) Rules, 2014, as at March 31, 2018 in connection with the ESOP Scheme 2010 details are set out in **Annexure - II** to this Report.

Considering, that your Company has come out with a Public Issue of its equity shares in October 2017 and therefore the aforesaid ESOP Scheme is covered by Regulation 12 of the SEBI (Share Based Employee Benefits) Regulations, 2014 ('SBEB Regulations'). As per Regulation 12 of SBEB Regulations, the said scheme is in conformity with SBEB Regulations; and same has to be ratified by the shareholders subsequent to the IPO. Necessary resolutions for seeking ratification pre IPO ESOP Scheme have been included in the Notice convening the ensuing AGM and requisite details are mentioned in the Explanatory Statement to the Notice.

E. Statement on Annual Evaluation made by the Board of Directors

In compliance with Clause (1) of Para VII to Schedule IV and other applicable provisions of the Companies Act, 2013, and SEBI Listing Regulations your Company has defined the criteria for performance evaluation of its Directors, Board Committees and the Board as a whole.

During the year the Board of the Company has carried out the evaluation of its own performance, performance of Independent Directors, executive/non-executive directors, as well as the working of the various Committees of the Board based upon the specified criteria as per the Performance Evaluation Policy of the Company.

A statement indicating the manner in which formal annual evaluation of the Directors, the Board and Board Committees has been made and the criteria for the same are set out in **Annexure - V** to this Report.

16. RISK MANAGEMENT POLICY

Your Company being an exchange has adequate risk management systems and procedures operating within the organization. The Company has a 'Risk Management Committee' which reviews the risk management framework and process of the organization on half yearly basis as per Regulation 25(ii) of the CERC (Power Market) Regulations, 2010 and submits its report to the CERC.

In addition, your Company has also devised and implemented a comprehensive 'Risk Management Policy' under which the Board has constituted an 'Enterprise Risk Management Committee' (ERMC) and ERMC reviews and analyze various internal and external risks and define risk mitigation steps to counter these risks.

In addition to above, the Audit Committee of the Board has additional oversight in the area of financial risks and controls. Major risk identified by the business and functions are systematically addressed through mitigating actions on a continuous basis.

For more detail please refer Management Discussion And Analysis of this annual report.

17. CORPORATE SOCIAL RESPONSIBILITY

The Board of Directors of your Company has constituted a Corporate Social Responsibility (CSR) Committee, required as per Section 135 of the Companies Act 2013 read with Companies (Corporate Social Responsibility Policy) Rules, 2014.

The Board of Directors of the Company has also formulated a 'Corporate Social Responsibility Policy' (CSR Policy) based upon the recommendation of the CSR Committee. Your Company has undertaken various CSR activities during the year, with an aim to address issues in the ambit of environmental sustainability, economic empowerment and social development by adopting an integrated, holistic and need-based approach.

The main focus areas of the Company's CSR Policy are:

- Promote decentralized renewable energy by creating opportunities for access and awareness.
- Support socio-economic development of underprivileged communities through improved access to livelihoods, sanitation, water, healthcare and education.
- Endeavour to integrate the cause of women empowerment while designing projects.
- Contribute to relief and rehabilitation measures in disaster-affected parts of the country.

The CSR policy of the Company is placed on the Company's website at www.ixindia.com and the Annual Report on CSR as required pursuant to Section 135 of the Companies Act, 2013 is appended as **Annexure - VI** to this annual report.

18. CONSERVATION OF ENERGY

Though the operations of your Company are not energy intensive, your Company takes adequate measures to reduce energy consumption by using energy-efficient lightning in office, computer systems and procuring energy-efficient equipment's. As an on-going process, your Company continuously evaluates new

technologies and techniques to make infrastructure more energy efficient.

19. TECHNOLOGY ABSORPTION

Technology has been the key business driver and primary facilitator for maintaining the market leadership in power exchange space and meeting business goals of your Company. In FY2017-18, your company has successfully transitioned and internalized Trading Technology Platform and has set up a state-of-the-art Technology Center in Mumbai as a part of your company's strategic vision and long-term commitment to continuously adapting to the technological advancement through innovation in the fields of digital, user experience, analytics, AI and machine learning.

Establishment of the Technology Center of your Company has successfully mitigated risks associated with the exchange platform by ensuring uninterrupted exchange operation and business continuity, and equipped your Company to extend the platform for future business needs and challenges by releasing new products and solutions as well as infuse new technology stack and new architecture concepts for enhancing performance, scalability, extensibility, usability and cost optimization. Your company is taking several initiatives in the new technology space for furthering its market leadership through developing an exchange eco-system using digital transformation, connectivity, advanced security systems and data analytics.

Your Company continues to make substantial investments in technology development for meeting the changing needs of power market scenarios and for keeping pace with the rapid technological developments and challenges. Your Company's technology platform continues to be stable, robust and flexible, and supports faster processing along with increasing transaction volumes. Your company has not only extended the exchange platform for various market and regulatory needs during this financial year, it has also released product like Smart Power Procurement for the power market.

Your Company hosts and operates all mission-critical power exchange applications and the supporting infrastructure in a leading Data Center which is supported by highly available environment, robust network, cyber security and other infrastructure. Your Company recognizes the challenge of Cyber security. While current SOC is robust, your Company has been working on plans to go beyond SOC by building capability for handling cyber intelligence for preventive security system enabling to take proactive actions. Your Company has been also working on plans to reap benefits of cloud computing for enhanced availability, scalability, cost optimization and technology sustenance.

Technology is widely used by all functions of your Company to ensure quality services to all stakeholders namely, internal as well as external participants. Keeping pace with the current trend, your company has planned several initiatives to increase operational efficiency and productivity of the internal teams by automating internal processes and system, thereby creating a digital enterprise along with augmenting analytics for faster and quicker decision making.

20. RESEARCH AND DEVELOPMENT

As your Company is a Power Exchange and not directly involved in any manufacturing activity, your Company is not directly involved in any Research and Development activities.

21. FOREIGN EXCHANGE EARNING AND OUTGO

The particulars of Foreign Exchange Earnings and outgo during the year under review are furnished hereunder:

Foreign Exchange Earning: ₹8.11 Lakhs (equivalent value of various currencies).

Foreign Exchange Outgo including dividend payout: ₹2705.58 Lakhs (equivalent value of various currencies).

In addition to above the Company has made payment to Selling shareholders for IPO (OFS): ₹38037.71 Lakhs and IPO related expenses of ₹193.35 Lakhs (equivalent value of various currencies).

22. EXTRACT OF THE ANNUAL RETURN

The extract of Annual Return as required under Section 134(3) (a) and as provided under Section 92(3) of the Companies Act, 2013 read with Rule 12(1) of the Companies (Management and Administration) Rules, 2014, is appended as **Annexure - VII** to this Report.

23. PARTICULARS OF KEY MANAGERIAL PERSONNEL AND EMPLOYEE REMUNERATION

Your Company has adopted a well-defined Nomination & Remuneration Policy for its Directors, KMPs and other employees, which forms part of this annual report for reference.

Disclosure pertaining to remuneration and other details as required under Section 197 (12) of the Companies Act, 2013 read with Rule 5(1) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014, is annexed as **Annexure - VIII**.

A statement showing the names and particulars of the employees falling within the purview of Rule 5(2) of the aforesaid Rule are provided as part of this Report as **Annexure - IX**.

24. BUY BACK OF SHARES

During the year under review, your Company has not announced any scheme for buy back of shares from its shareholders.

25. DIRECTORS' RESPONSIBILITY STATEMENT

Pursuant to Section 134 of the Companies Act, 2013, the Directors state that:

- i) In the preparation of the Annual Accounts, the applicable Accounting Standards have been followed along with proper explanation relating to material departure, if any;
- ii) Appropriate accounting policies have been selected and applied consistently and have made judgments and estimates that are reasonable and prudent so as to give a true and fair view of the state of affairs of the Company as at March 31, 2018 and of the profit of the Company for the year ended March 31, 2018;

- iii) Proper and sufficient care has been taken for the maintenance of adequate accounting records in accordance with the provisions of the Companies Act, 2013, for safeguarding the assets of the Company and for preventing and detecting fraud and other irregularities;
- iv) The annual accounts have been prepared on a going concern basis;
- v) Proper Internal Financial Controls were followed by the Company and such internal financial controls are adequate and were operating effectively;
- vi) Proper systems are devised to ensure compliance with the provisions of all applicable laws and that such systems were adequate and operating effectively.

26. RELATED PARTY TRANSACTIONS

The Board of your Company has defined Related Party Transactions Policy and the same has been hosted on the Company's website <https://www.ixindia.com/pdf/Policy%20on%20Materiality%20&%20Dealing%20With%20Related%20Party%20Transactions.pdf>.

The Policy intends to ensure that proper approval, reporting and disclosure processes are in place for all transactions between the Company and the Related Parties.

There was no related party transaction entered by the Company during the year in terms of Section 188 of the Companies Act, 2013, except as disclosed under note 39 which is provided in Notes to Financial Statement for the year ended 31 March 2018.

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under section 134(3)(h) of the Companies Act 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

A disclosure of Related Party Transaction is annexed with this Report in Form AOC-2 as **Annexure - X**.

27. MATERIAL AND SIGNIFICANT ORDERS PASSED BY THE REGULATORS OR COURTS OR TRIBUNAL

Your Company had filed for compounding application with Reserve Bank of India ("RBI") in relation to the contraventions of Section 16(3) of the FEMA to bring down the individual shareholding below the limits prescribed under Regulation 5(1) (i) read with Sr. No. F.9 of Annexure B of Schedule 1 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("TISPRO Regulations"). In reference to which the RBI imposed compounded amount of ₹6.28 Lakhs on the Company vide its compounding order vide order reference number FED.CO.CEFA No./6195/15.20.67/2017-18 dated January 23, 2018.

28. CORPORATE GOVERNANCE

Your Company is in compliance with the Corporate Governance guidelines, as laid out in the SEBI Listing Regulations. All the Directors and the Senior Management personnel have affirmed in writing

their compliance with and adherence to the Code of Conduct adopted by the Company. A detailed corporate governance report is set out in this Annual Report as **Annexure - XI**.

In terms of SEBI Listing Regulations the CEO & CFO certificate of the FY17-18 and Declaration by CEO confirming the compliance declarations received from the Directors and the Senior Management personnel. The Certificate and Declarations is appended as **Annexure-XII**.

The MNK & Associates, Practicing Company Secretary have examined the requirements of Corporate Governance with reference to SEBI Listing Regulations and have certified the compliance, as required under SEBI Listing Regulations. The Certificate in this regard is set out in this Report as **Annexure-XIII**.

29. PARTICULARS OF LOANS, GUARANTEE OR INVESTMENT

During the year under review, your Company has not given any loans, guarantees or provided any security and has not made any investments in any body corporate as specified under Section 186 of the Companies Act, 2013.

All the Investments of your Company are in Bank FDs, Tax Free Bonds, Debt based liquid and Ultra Short terms products, Fixed Maturity Products (FMPs) and Arbitrage Mutual Fund schemes only, the details of which are provided in Note 05 and 11 to the Notes to Financial Statement for the year ended 31 March 2018.

30. DISCLOSURE UNDER THE SEXUAL HARASSMENT OF WOMEN AT WORKPLACE (PREVENTION, PROHIBITION AND REDRESSAL) ACT, 2013

The Company has put in place an Anti-Sexual Harassment mechanism in line with the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013.

An Internal Complaints Committee has been set up to redress complaints received regarding sexual harassment. All employees (permanent, contractual, temporary, trainees) are covered under this policy.

During the year under review, the Company has not received any complaint pertaining to sexual harassment and hence no complaint is outstanding as on March 31, 2018.

31. MAINTENANCE OF COST RECORDS

The provision of Section 148 of the Companies Act, 2013 and Companies (Cost records and Audit) Rules, 2014 (as amended from time to time) is not applicable on the Company.

32. DEMATERIALISATION OF SHARES

The issued & fully paid-up equity shares of the Company are admitted with the National Securities Depository Limited ('NSDL') and Central Depository Services (India) Limited ('CDSL'). The International Securities Identification Number (ISIN) allotted to the equity shares of the Company under the Depository System is INE022Q01012.

Members holding shares in physical form are requested to consider converting their holding to dematerialized form to eliminate

all risk associated with physical shares and for ease in portfolio management. Members can contact M/s. Karvy Computershare Private Limited (Karvy), Registrar and Share Transfer Agent of the Company for assistance in this regard. The contact detail for the benefit of shareholders is as follows:

Karvy Computershare Private Limited

Karvy Selenium Tower B,
Plot 31-32, Gachibowli,
Financial District, Nanakramguda, Serilingampally
Hyderabad, Telangana – 500 032.
Ph: 040-67162222, Fax: 040-23001153
Toll Free no.: 1800-345-4001
Email: einward.ris@karvy.com

The bifurcation of the category of shares in physical and electronic mode and distributing of shareholding as on March 31, 2018 is given below:

Category	No. of shareholders	% of shareholders	Total shares	% of equity
PHYSICAL	7	00.00606	2,06,902	00.6822
DEMAT				
- CDSL	52,677	45.61925	8,91,480	2.9394
- NSDL	62,787	54.37469	2,92,30,242	96.3784
Sub total	1,15,464	99.99394	3,01,21,722	99.3178
Total	1,15,471	100.0000	3,03,28,624	100.0000

33. MATERIAL CHANGES AND COMMITMENTS, IF ANY, WHICH AFFECT FINANCIAL POSITION OF THE COMPANY IN BETWEEN THE YEAR END AND THE DATE OF DIRECTORS' REPORT.

There are no material changes and commitments, which could affect the financial position of the Company in between the year end and the date of directors' report.

34. ACKNOWLEDGMENT

Your Directors would like to place on record their sincere gratitude to the Ministry of Power, Central Electricity Regulatory Commission (CERC) Members, State Electricity Regulatory Commissions (SERCs) Members and Staff, Central Electricity Authority (CEA), National Load Dispatch Centre (NLDC), Regional Load Dispatch Centers (RLDCs), State Load Dispatch Centers (SLDCs), State Electricity Regulatory Commissions (SERCs), Power Grid Corporation Ltd. (PGCL), Stock Exchanges (NSE & BSE), Financial Institutions, Shareholders, Bankers, depositories, Registrar and Transfer Agents (RTA), Members of the Exchange and, Business Associates and for their continued support.

Your Directors also wish to place on record their appreciation for the contribution made by the employees of the organization at all levels.

For and on behalf of the Board of Directors
Indian Energy Exchange Limited

Sd/-

Mr. Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Place: New Delhi
Dated: 09 August 2018

Annexure I

Dividend Distribution Policy

This Policy will regulate the process of dividend declaration and its pay-out by the Company in accordance with the provisions of Companies Act, 2013 read with the applicable Rules framed thereunder, as may be in force for the time being ("Companies Act").

Preamble

Dividend is the payment made by a Company to its shareholders, usually in the form of distribution of its profits. The profits earned by the Company can either be retained in business and used for acquisitions, expansion or diversification, or it can be distributed to the shareholders. The Company may choose to retain a part of its profits and distribute the balance among its shareholders as dividend. This Policy aims to reconcile between all these divergent needs. The dividend pay-out of a Company is driven by several factors.

The objective of our policy is to ensure a balance between these apparently conflicting and divergent approaches and ensure that while the Company recommends a regular dividend income for the shareholders, it also ensures the long-term capital appreciation for all its stakeholders. The Company would seek to strike the right balance between the quantum of dividend paid and amount of profits retained in the business for various purposes.

The Board of Directors will refer to the policy while declaring/recommending dividends on behalf of the Company. Through this policy, the Company would endeavour to maintain a consistent approach to dividend pay-out plans. The Company believes that it operates in the fast growing on-line power trading segment which is expected to witness new developments and offers investment opportunities, therefore the retention of surplus funds for future growth will equally be important as that of distribution of surplus by way of dividend to shareholders. However, considering the consistent and impressive generation of profits year on year, there is a need to provide greater clarity on the dividend pay-out philosophy of the Company.

The following financial parameters shall be considered while declaring dividend

- i. Financial Performance and Profitability
- ii. Liquidity
- iii. Financial metrics (i.e. Financial Ratios)
- iv. Retained earnings
- v. Capital commitments going forward.

Utilisation of retained earnings

Where the Company predicts, based on appropriate analysis, that the Company can put retained earnings to better use and increase the earnings substantially or has the ability to increase earnings at a higher than market rate, the Board may utilize the retained earnings for the following purposes:

- i. To Secure a durable competitive advantage in the Power market;

- ii. To invest in research and development of the products/ contracts in Power, Energy & related sectors;
- iii. To expand business by potential acquisition opportunities, as permissible by law;
- iv. To invest in technology / modernisation plan so as to avoid technological obsolescence risks
- v. To consider buy back of shares
- vi. To expand capacity / facilities utilising internal accruals to capitalize upon new opportunities in view of regulatory changes.
- vii. Such other purposes, as the Board may think appropriate from time to time to maintain / enhance its competitive advantage.

Factors (internal and external) to be considered while declaring Dividend

The decision regarding dividend pay-out is a crucial decision as it determines the amount of profit to be distributed among shareholders and amount of profit to be retained in business. The Board of Directors will endeavour to take a decision with an objective to enhance shareholders wealth and market value of the shares. However, the decision regarding pay-out is subject to several factors and hence, an optimal balance needs to be arrived at considering the interest of shareholders and that of the Company.

The dividend pay-out decision of any company depends upon certain external and internal factors.

External Factors:

State of Economy

In case of uncertain or recessionary economic and business conditions, Board will endeavor to retain larger part of profits to build up reserves to absorb future shocks.

Capital Markets

When the markets are favourable, dividend pay-out can be liberal. However, in case of unfavourable market conditions, the Board may resort to a conservative dividend pay-out in order to conserve cash outflows.

Statutory Restrictions

The Board will keep in mind the restrictions imposed by Companies Act with regard to declaration of dividend.

Internal Factors:

Apart from the various external factors aforementioned, the Board will take into account various internal factors while declaring dividend, which inter alia will include

- a. Profits earned during the year;
- b. Present & future capital requirements of the existing businesses;

- c. Brand/business acquisitions;
- d. Expansion/modernization of existing businesses;
- e. Additional investments in subsidiaries/associates of the Company;
- f. Fresh investments into external businesses;
- g. Any other factor as deemed fit by the Board.

Category of Dividends

The Companies Act provides for two forms of Dividend- Final & Interim. The Board of Directors shall have the power to recommend final dividend to the shareholders for their approval in the general meeting of the Company. The Board of Directors shall have the absolute power to declare interim dividend during the financial year, as and when they consider it fit.

Final Dividend

The Final dividend is paid once for the financial year after the annual accounts are prepared. The Board of Directors of the Company has the power to recommend the payment of Final Dividend to the shareholders in a general meeting. The declaration of Final dividend shall be included in the ordinary business items that are required to be transacted at the Annual General Meeting.

Process for approval of Payment of Final Dividend

Board to recommend quantum of final dividend payable to shareholder in its meeting in line with this Policy, based on the profits arrived at as per the audited financial statements. Shareholders to approve in Annual General Meeting - once in a financial year;

Interim Dividend

This dividend can be declared by the Board of Directors one or more times in a financial year as may be deemed fit by it. The Board of Directors of the Company would declare an interim dividend, as and when considered appropriate, in line with this policy. Normally, the Board could consider declaring an interim dividend after finalization of quarterly (or half yearly) financial accounts.

Declaration of Dividend

Subject to the provisions of Section 123 (reproduced below) of the Companies Act dividend shall be declared or paid only out of:

- i. Current financial year's profit after (a) providing for depreciation in accordance with law and (b) transferring to reserves such amount as may be prescribed or as may be otherwise considered appropriate by the Board at its discretion, or
- ii. The profits for any previous financial year(s) (a) after providing

for depreciation in accordance with law; (b) remaining undistributed; or

- iii. Out of (i) and (ii) both.

Dividend Distribution Range

The Company stands committed to deliver sustainable value to all its stakeholders. The Company will strive to distribute an optimal and appropriate level of the profits earned by it in its business and investing activity, with the shareholders, in the form of dividend. As explained in the earlier part of this Policy, determining the dividend pay-out is dependent upon several factors, both internal to a business and external to it. Taking into consideration the aforementioned factors, the Board will endeavour to maintain a dividend pay-out (interim, if any, and final, put together) of about 50 per cent of profits after tax (PAT) every financial year on a standalone financials. However, the Board may amend the pay-out range, whenever considered appropriate by it, keeping in mind the aforesaid factors having a bearing on the dividend pay-out decision.

The Board may, after taking into consideration of the matters such as the financial position, investments plans economic conditions and liquidity, declare or recommending dividend.

Circumstances under which shareholders of the Company may not expect dividend

The Board of Directors of the Company may abstain from declaring any dividend / lower percentage of dividend in a particular financial year, if they are of the view that the retained earnings / funds through internal accruals can be better utilised for the following purposes:

- a. Expansion / modernisation of the existing business operations,
- b. Seeking inorganic growth through acquisitions opportunities, within and outside India
- c. Investment in Subsidiary and Associate Companies,
- d. Embark upon new product / line of business,
- e. Buyback of shares etc.
- f. Such other purposes, as the Board may think appropriate from time to time to maintain / enhance its competitive advantage.

In case the Board of Directors abstains from declaring dividend, a justification thereof shall be provided to the shareholders in the Directors Report.

Review

This Policy is subject to review / revision by the Board of Directors whenever felt necessary

Annexure II

Disclosure related to the Employee Stock Option Scheme -ESOP 2010 of IEX

S. No.	Particulars	Details																																				
1.	Source of shares	Primary																																				
2.	Shares allotted to IEX ESOP Trust	The shareholders of the Company at the EGM, held on March 26, 2010 approved the issuance of ESOP. The Company is following a Trust route for managing its ESOP Scheme. Accordingly, 606,572 shares of ₹10/- each were allotted to IEX ESOP Trust in 2010 under the “IEX ESOP Scheme 2010”.																																				
3.	Options granted by IEX ESOP Trust to Employees	<table><tr><th colspan="2">Details of options granted</th><th>No. of options granted[#]</th></tr><tr><td colspan="2">options granted upto 31st of March, 2017</td><td>585,800</td></tr><tr><td colspan="2">options granted during financial year 2017-2018</td><td>64,100</td></tr><tr><td colspan="2">total options granted by the Company upto 31st of March, 2018</td><td>649,900</td></tr></table> <p>#This include the lapsed options which are regranted.</p>	Details of options granted		No. of options granted [#]	options granted upto 31st of March, 2017		585,800	options granted during financial year 2017-2018		64,100	total options granted by the Company upto 31st of March, 2018		649,900																								
Details of options granted		No. of options granted [#]																																				
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total options granted by the Company upto 31st of March, 2018		649,900																																				
4.	Pricing Formula	For options granted on July 08, 2010, September 07, 2010, December 16, 2011, January 21, 2014 and June 24, 2014, April 15, 2017, June 19, 2017, August 16, 2017 the pricing was on the basis of Valuation Reports obtained from an Independent Valuer/SEBI Registered Category I Merchant Banker as applicable. and post listing on BSE & NSE on October 23, 2017, the pricing for options granted thereafter was at the latest available closing price at BSE prior to the date of respective grants.																																				
5.	Exercise price per option	<table><tr><th>Sr. No.</th><th>No. of Options</th><th>Granted on</th><th>Exercise Price Per Option (in ₹)</th></tr><tr><td>1.</td><td>307,100</td><td>July 08, 2010</td><td>10/-</td></tr><tr><td>2.</td><td>17,600</td><td>September 07, 2010</td><td>10/-</td></tr><tr><td>3.</td><td>206,100</td><td>December 16, 2011</td><td>53/-</td></tr><tr><td>4.</td><td>45,000</td><td>January 21, 2014</td><td>150/-</td></tr><tr><td>5.</td><td>10,000</td><td>June 24, 2014</td><td>535/-</td></tr><tr><td>6.</td><td>10,000</td><td>April 17, 2017</td><td>750/-</td></tr><tr><td>7.</td><td>19,000</td><td>June 19, 2017</td><td>750/-</td></tr><tr><td>8.</td><td>35,100</td><td>August 16, 2017</td><td>750/-</td></tr></table>	Sr. No.	No. of Options	Granted on	Exercise Price Per Option (in ₹)	1.	307,100	July 08, 2010	10/-	2.	17,600	September 07, 2010	10/-	3.	206,100	December 16, 2011	53/-	4.	45,000	January 21, 2014	150/-	5.	10,000	June 24, 2014	535/-	6.	10,000	April 17, 2017	750/-	7.	19,000	June 19, 2017	750/-	8.	35,100	August 16, 2017	750/-
Sr. No.	No. of Options	Granted on	Exercise Price Per Option (in ₹)																																			
1.	307,100	July 08, 2010	10/-																																			
2.	17,600	September 07, 2010	10/-																																			
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6.	10,000	April 17, 2017	750/-																																			
7.	19,000	June 19, 2017	750/-																																			
8.	35,100	August 16, 2017	750/-																																			
6.	Maximum terms of options granted and the vesting requirement	<p>The options granted can be exercised by eligible employees subject to vesting conditions. The following grants are subsisting during the year ended March 31, 2018, with the following vesting schedule:</p> <table><tr><th>Date of Grant</th><th>Vest Months</th><th>Vest %</th><th>Maximum period of Exercise</th></tr><tr><td rowspan="4">21-Jan-14</td><td>24*</td><td>25</td><td>12 months from the date of vesting</td></tr><tr><td>36*</td><td>25</td><td>12 months from the date of vesting</td></tr><tr><td>48*</td><td>25</td><td>12 months from the date of vesting</td></tr><tr><td>60</td><td>25</td><td>12 months from the date of vesting</td></tr></table> <table><tr><th>Date of Grant</th><th>Vest Months</th><th>Vest %</th><th>Maximum period of Exercise</th></tr><tr><td>24-Jun-14</td><td>100% on completion of one year and successful completion of the IPO and listing of the Company’s equity shares at Stock Exchange[#]</td><td>100</td><td>12 months from the date of vesting</td></tr></table> <p>* already vested. # vested on December 18,2017</p>	Date of Grant	Vest Months	Vest %	Maximum period of Exercise	21-Jan-14	24*	25	12 months from the date of vesting	36*	25	12 months from the date of vesting	48*	25	12 months from the date of vesting	60	25	12 months from the date of vesting	Date of Grant	Vest Months	Vest %	Maximum period of Exercise	24-Jun-14	100% on completion of one year and successful completion of the IPO and listing of the Company’s equity shares at Stock Exchange [#]	100	12 months from the date of vesting											
Date of Grant	Vest Months	Vest %	Maximum period of Exercise																																			
21-Jan-14	24*	25	12 months from the date of vesting																																			
	36*	25	12 months from the date of vesting																																			
	48*	25	12 months from the date of vesting																																			
	60	25	12 months from the date of vesting																																			
Date of Grant	Vest Months	Vest %	Maximum period of Exercise																																			
24-Jun-14	100% on completion of one year and successful completion of the IPO and listing of the Company’s equity shares at Stock Exchange [#]	100	12 months from the date of vesting																																			

S. No.	Particulars	Details			
		Date of Grant	Vest Months	Vest %	Maximum period of Exercise
		17-Apr-17	12	33	12 months from the date of vesting
			24	33	12 months from the date of vesting
			36	34	12 months from the date of vesting
		Date of Grant	Vest Months	Vest %	Maximum period of Exercise
		19-Jun-17	12	33	12 months from the date of vesting
			24	33	12 months from the date of vesting
			36	34	12 months from the date of vesting
		Date of Grant	Vest Months	Vest %	Maximum period of Exercise
		16-Aug-17	17	33	12 months from the date of vesting
			29	33	12 months from the date of vesting
			41	34	12 months from the date of vesting
7.	Total number of options in force/ outstanding at the beginning of FY 2017-18	32,500			
8.	Options vested during the year	21,250			
9.	Options exercised during the year	32,500			
10.	Total number of shares arising as a result of exercise of option during the year	32,500			
11.	Total number of options lapsed during the year	Nil			
12.	Variations in the terms of options during the year	No Variation in terms of options			
13.	Money realized on exercise of options during the year	₹87.25 Lakhs			
14.	Total number of options in force/ outstanding at the end of FY 2017-18	75,350			
15.	Number of option exercisable at the end of FY 2017-18	Nil			
16.	Employee-wise details of options granted				
	Directors/Key Managerial Personnel/Senior Managerial Personnel	Refer table Person-wise details of options granted to Directors/Key Managerial Personnel/Senior Managerial Personnel under ESOP 2010 as at March 31, 2018			
	Employees who have received a grant in any one year of option amounting to 5% or more of options granted during that year.	Nil			
	Employees who were granted options, during any one year, equal to or exceeding 1% of the issued capital of the Company at the time of grant.	Nil			
17.	Diluted EPS	44.05			
18.	Method used to account for Options	Fair Value Method			

S. No.	Particulars	Details																		
19.	Description of the method and significant assumptions used during the year to estimate the fair values of the options, including the following weighted average information:	<p>The intrinsic value of each option granted on July 08, 2010, September 07, 2010, December 16, 2011, January 21, 2014, June 24, 2014, April 15, 2017, June 19, 2017 and August 16, 2017 is ₹ Nil.</p> <p>The estimated fair value of each option granted on July 08, 2010, September 07, 2010, December 16, 2011, January 21, 2014, June 24, 2014, April 15, 2017, June 19, 2017 and August 16, 2017 is 10, 10, 51, 148,148,555,647 and 647 respectively.</p> <p>The weighted average fair values have been determined using the Black Scholes Formula considering the following parameters</p>																		
	a) Exercise price	<table><tr><th>08-Jul-10</th><th>07-Sep-10</th><th>16-Dec-11</th><th>21-Jan-14</th><th>24-Jun-14</th><th>15-Apr-17</th><th>19-Jun-17</th><th>16-Aug-17</th></tr><tr><td>10</td><td>10</td><td>53</td><td>150</td><td>535</td><td>750</td><td>750</td><td>750</td></tr></table>	08-Jul-10	07-Sep-10	16-Dec-11	21-Jan-14	24-Jun-14	15-Apr-17	19-Jun-17	16-Aug-17	10	10	53	150	535	750	750	750		
08-Jul-10	07-Sep-10	16-Dec-11	21-Jan-14	24-Jun-14	15-Apr-17	19-Jun-17	16-Aug-17													
10	10	53	150	535	750	750	750													
	b) Expected volatility	<table><tr><td>0.00%</td><td>0.00%</td><td>0.00%</td><td>0.00%</td><td>0.00%</td><td>0.00%</td><td>25.54%</td><td>25.54%</td></tr></table>	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.54%	25.54%										
0.00%	0.00%	0.00%	0.00%	0.00%	0.00%	25.54%	25.54%													
	c) Determination of expected volatility and the extent to which it was based on historical volatility	<p>The measure of volatility used is the annualized standard deviation of the continuously compounded rates of return on the stock over a period of time. The Guidance note on Accounting for Employee Share-based Payments issued by the Institute of Chartered Accountants of India permitted a non-public entity to omit expected volatility in determining fair value of its options. It also states that if a newly listed enterprise does not have sufficient information on historical volatility, it should nevertheless compute historical volatility for the longest period for which trading activity is available and recommends including the historical volatility of the stock over the most recent period that is generally commensurate with the expected life of the option being valued. The volatility in each of the case has been considered based on these recommendations.</p>																		
	d) Option life (in years)	<table><tr><th>08-Jul-10</th><th>07-Sep-10</th><th>16-Dec-11</th><th>21-Jan-14</th><th>24-Jun-14</th><th>15-Apr-17</th><th>19-Jun-17</th><th>16-Aug-17</th></tr><tr><td>3.50</td><td>3.50</td><td>2.51</td><td>1.50-4.50</td><td>1.50</td><td>1.50-3.50</td><td>1.50-3.50</td><td>1.50-3.88</td></tr></table>	08-Jul-10	07-Sep-10	16-Dec-11	21-Jan-14	24-Jun-14	15-Apr-17	19-Jun-17	16-Aug-17	3.50	3.50	2.51	1.50-4.50	1.50	1.50-3.50	1.50-3.50	1.50-3.88		
08-Jul-10	07-Sep-10	16-Dec-11	21-Jan-14	24-Jun-14	15-Apr-17	19-Jun-17	16-Aug-17													
3.50	3.50	2.51	1.50-4.50	1.50	1.50-3.50	1.50-3.50	1.50-3.88													
	e) Expected dividends	Based on dividend declared prior to the date of Grant																		
	f) Risk free interest rate (%)	<table><tr><td>6.94%</td><td>7.46%</td><td>8.25%</td><td>8.52%</td><td>8.83%</td><td>7.35%</td><td>6.34%</td><td>6.32%</td></tr></table>	6.94%	7.46%	8.25%	8.52%	8.83%	7.35%	6.34%	6.32%										
6.94%	7.46%	8.25%	8.52%	8.83%	7.35%	6.34%	6.32%													
	g) Dividend yield (%)	<table><tr><td>30%</td><td>30%</td><td>7.84%</td><td>2.70%</td><td>0.75%</td><td>5.41%</td><td>3.67%</td><td>-</td></tr></table>	30%	30%	7.84%	2.70%	0.75%	5.41%	3.67%	-										
30%	30%	7.84%	2.70%	0.75%	5.41%	3.67%	-													
	h) To allow for the effects of an early exercise, it is assumed that the employee would exercise the options after vesting date.	<table><tr><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td><td>-</td></tr></table>	-	-	-	-	-	-	-	-										
-	-	-	-	-	-	-	-													
20.	Weighted average exercise prices and weighted-average fair values of options for options whose exercise price either equals or exceeds or is less than market price of the stock	<table><tr><th>Grant Date</th><th>Weighted average exercise prices of Options (₹)</th><th>Weighted average fair value of options (₹)</th></tr><tr><td>21-Jan-14</td><td>150</td><td>21.24</td></tr><tr><td>24-Jun-14</td><td>535</td><td>58.86</td></tr><tr><td>17-Apr-17</td><td>750</td><td>NIL</td></tr><tr><td>19-Jun-17</td><td>750</td><td>75.25</td></tr><tr><td>16-Aug-17</td><td>750</td><td>83.73</td></tr></table>	Grant Date	Weighted average exercise prices of Options (₹)	Weighted average fair value of options (₹)	21-Jan-14	150	21.24	24-Jun-14	535	58.86	17-Apr-17	750	NIL	19-Jun-17	750	75.25	16-Aug-17	750	83.73
Grant Date	Weighted average exercise prices of Options (₹)	Weighted average fair value of options (₹)																		
21-Jan-14	150	21.24																		
24-Jun-14	535	58.86																		
17-Apr-17	750	NIL																		
19-Jun-17	750	75.25																		
16-Aug-17	750	83.73																		

Details related to Trust**(i) General Information**

Sl. No.	Particulars	Details
1	Name of the Trust	IEX ESOP Trust
2	Details of the Trustee(s)	Present Trustee of the trust 1. Mr. Rajesh Kumar Mediratta 2. Mr. Akhilesh Awasthy 3. Mr. Prasanna Rao
3	Amount of loan disbursed by Company / any company in the group, during the year	Nil
4	Amount of loan outstanding (repayable to Company / any company in the group) as at the end of the year	Nil
5	Amount of loan, if any, taken from any other source for which Company / any company in the group has provided any security or guarantee	Nil
6	Any other contribution made to the Trust during the year	Nil

(ii) Brief details of transactions in shares by the Trust

Sl. No.	Particulars	Details
1	Number of shares held at the beginning of the year (as on 01.04.2017)	201,132
2	Number of shares acquired during the year through (i) primary issuance (ii) secondary acquisition, also as a percentage of paid up equity capital as at the end of the previous financial year, along with information on weighted average cost of acquisition per share	Nil
3	Number of shares transferred to the employees / sold along with the purpose Thereof	32,500
4	Number of shares held at the end of the year (as at 31.03.2018)	168,632

(iii) Secondary acquisition of shares by the Trust - N.A.

For and on behalf of the Board of Directors
Indian Energy Exchange Limited

Sd/-
Mr. Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Place: New Delhi
Dated: 09 August 2018

Person-wise details of options granted to Directors/Key Managerial Personnel/Senior Managerial Personnel under ESOP 2010 as at March 31, 2018:

Name	Designation	Options Granted On 16-August -17	Exercise Price (in ₹)	Options Granted On 19-June -17	Exercise Price (in ₹)	Options Granted On 15-Apr-17	Exercise Price (in ₹)	Options Granted On 24-June 14	Exercise Price (in ₹)	Options Granted On 21-Jan-14	Exercise Price (in ₹)	Options Granted On 16-Dec-11	Exercise Price (in ₹)	Options Granted On 8-Jul-10	Exercise Price (in ₹)
Directors/KMP															
Mr. S.N Goel	MD & CEO	-	-	-	-	-	-	-	-	45,000	150	-	-	-	-
Mr. Vineet Harlalka	CFO & CS	-	-	-	-	-	-	-	-	-	-	10,000	53	10,000	10
Senior Managerial Personnel other than above															
Mr. Akhilesh Awasthy	Director - Market Operation (Non-Board)	-	-	-	-	-	-	-	-	-	-	20,000	53	30,000	10
Mr. Rajesh Kumar Mediratta	Director - Business Development (Non-Board)	-	-	-	-	-	-	-	-	-	-	20,000	53	30,000	10
Mr. Sanjay Mehrotra*	VP - Investor Relations	-	-	-	-	-	-	10,000	535	-	-	-	-	-	-
Dr. Pareshnath Paul	Chief Technology Officer	-	-	-	-	10,000	750	-	-	-	-	-	-	-	-
Mr. Vaibhav Aggarwal	VP - Product Engg.	-	-	5,000	750	-	-	-	-	-	-	-	-	-	-
Mr. Jainam Vora	VP - Technology	-	-	5,000	750	-	-	-	-	-	-	-	-	-	-
Mr. Indranil Chatterjee	VP - Chief Risk Officer	3,000	750	-	-	-	-	-	-	-	-	-	-	-	-
Mr. Rohit Bajaj	VP - 'Business Development	10,000	750	-	-	-	-	-	-	-	-	-	-	-	-
Ms. Shruti Bhatia	VP - 'Regulatory Affairs, Communications & CSR	6,000	750	-	-	-	-	-	-	-	-	-	-	-	-
TOTAL		19,000		10,000		10,000		10,000		45,000		50,000		70,000	

* Resigned during the FY 2017-18

For and on behalf of the Board of Directors

Sd/-
Mr. Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Place: New Delhi
Dated: 09 August 2018

FORM NO. MR-3 SECRETARIAL AUDIT REPORT

From April 01, 2017 to March 31, 2018

[Pursuant to section 204(1) of the Companies Act, 2013 and rule No.9 of the Companies
(Appointment and Remuneration Personnel) Rules, 2014]

To
The Members
Indian Energy Exchange Limited
Unit No. 3, 4, 5 & 6, Fourth Floor
TDI Centre Plot No. 7, District Centre
Jasola, New Delhi- 110025, India

We have conducted the secretarial audit of the compliance of applicable statutory provisions and the adherence to good corporate practices by Indian Energy Exchange Limited (hereinafter called the Company). Secretarial Audit was conducted in a manner that provided us a reasonable basis for evaluating the corporate conducts/statutory compliances and expressing our opinion thereon.

Based on our verification of the books, papers, minutes, books, forms and returns filed and other records maintained by the Company and also the information provided by the Company, its officers, agents and authorized representatives during the conduct of secretarial audit, we hereby report that in our opinion, the Company has, during the audit period covering the financial year started from April 01, 2017 to March 31, 2018 complied with the statutory provisions listed hereunder and also that the Company has proper Board-processes and compliance-mechanism in place to the extent, in the manner and subject to the reporting made hereinafter.

We have examined the books, papers, minute books, forms and returns filed and other records maintained by the Company for the financial year ended on 31st March 2018 according to the provisions of:

- i. The Companies Act, 2013 (the Act) and the rules made thereunder;
- ii. The Securities Contracts (Regulation) Act, 1956 ('SCRA') and the rules made thereunder;
- iii. The Depositories Act, 1996 and the Regulations and Bye-laws framed thereunder;
- iv. Foreign Exchange Management Act, 1999 and the rules and regulations made thereunder to the extent of Foreign Direct Investment, Overseas Direct Investment and External Commercial Borrowings;
- v. The following Regulations and Guidelines prescribed under the Securities and Exchange Board of India Act, 1992 ('SEBI Act'):-
 - a. The Securities and Exchange Board of India (Substantial Acquisition of Shares and Takeovers) Regulations, 2011;

- b. The Securities and Exchange Board of India (Prohibition of Insider Trading) Regulations, 1992;
- c. The Securities and Exchange Board of India (Issue of Capital and Disclosure Requirements) Regulations, 2009;
- d. The Securities and Exchange Board of India (Employee Stock Option Scheme and Employee Stock Purchase Scheme) Guidelines, 1999;
- e. The Securities and Exchange Board of India (Issue and Listing of Debt Securities) Regulations, 2008; (Not Applicable)
- f. The Securities and Exchange Board of India (Registrars to an Issue and Share Transfer Agents) Regulations, 1993 regarding the Companies Act and dealing with client;
- g. The Securities and Exchange Board of India (Delisting of Equity Shares) Regulations, 2009; and (Not Applicable)
- h. The Securities and Exchange Board of India (Buyback of Securities) Regulations, 1998; (Not Applicable)
- vi. Specifically Applicable Laws:
 1. Central Electricity Regulatory Commission (Power Market) Regulations, 2010 (PMR)
- vii. Other Applicable Laws:
 1. Shops and Commercial Establishments Act, 1958 read with Shops and Commercial Establishments Rules with respect to offices situated at:
 - a. Unit No. 3, 4, 5 & 6, Fourth Floor, TDI Centre Plot No. 7, District Centre, Jasola, New Delhi-110025, India; and
 - b. 904, Meadows, Sahar Plaza, Andheri-Kurla Road, JB Nagar, Mumbai-400059, India
 2. Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 and Rules framed thereunder; and
 3. Maternity Benefit Act, 1961 and Rules made thereunder.

We have also examined compliance with the applicable clauses of the following:

- i. The Secretarial Standards issued by the Institute of Company Secretaries of India as amended from time to time; and
- ii. The Listing Agreements entered into by the Company with National Stock Exchange (NSE) and Bombay Stock Exchange (BSE) dated October 23, 2017.

During the period under review, the Company has complied with the provisions of the Act, Rules, Regulations, Guidelines mentioned above subject to the following facts and observations:

1. UNDER THE COMPANIES ACT 2013:

- a. In terms of Section 135 of the Act and Rules made thereunder, the Company was required to spend INR 301.69 Lakhs on Corporate Social Responsibility ("CSR") expenses. The total amount spent by the Company on CSR was INR 304.76 Lakhs for the Financial Year 2017-18.

2. UNDER THE FOREIGN EXCHANGE MANAGEMENT ACT 1999 (FEMA):

- a. The Company had filed a compounding application related to the contraventions of Section 16(3) of the FEMA to bring down the individual shareholding below the limits prescribed under Regulation 5(1) (i) read with Sr. No. F.9 of Annexure B of Schedule 1 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("TISPRO Regulations"). In reference to which the Reserve Bank of India imposed compounded amount of ₹6,28,145/- vide its compounding order vide order reference number FED.

CO.CEFA No./6195/15.20.67/2017-18 dated January 23, 2018.

We further report that

The Board of Directors of the Company is duly constituted with proper balance of Executive Directors, Non Executives Directors Independent Directors, and the Women Director. The changes in the composition of the Board of Directors that took place during the period under review were carried out in compliance with the provisions of the Act.

Adequate notice along with detailed agenda is given to all directors to Schedule the Board Meetings and a system exists for seeking and obtaining further information and clarification on agenda items before the meeting and for meaningful participation at the meeting.

As per the minutes maintained by the Company for the Board/Committee and Shareholders, we noticed that none of the decisions were approved by the respective Board/Committee and Shareholders without any dissent note.

We further report that there are adequate systems and processes in the Company commensurate with the size and operations of the Company to monitor and ensure compliance with applicable laws, rules, regulations and guidelines. However, the compliances of other applicable laws, as listed in Para (vii) above, are based on the documents presented and management certifications reported to the Board through agenda papers with respect to the office located at New Delhi and Mumbai.

We further report that during the audit period, The Company has made Initial Public Offer by Offer for Sale of 6,065,009 Equity Shares, which were listed on BSE and NSE on October 23, 2017.

For MNK & Associates
Company Secretaries

Sd/-

Mohd. Nazim Khan
Company Secretary
FCS: 6529; CP-8245

Place: New Delhi
Date: 13 July 2018

Note: This report is to be read with our letter of even date which is annexed as **Annexure-A** and forms an integral part of this report.

To
The Board of Directors
Indian Energy Exchange Limited
Unit No. 3, 4, 5 & 6, Fourth Floor
TDI Centre Plot No. 7, District Centre
Jasola, New Delhi- 110025, India

(For the period from April 01, 2017 to March 31, 2018)

1. Maintenance of secretarial record is the responsibility of the management of the Company. Our responsibility is to express an opinion on these secretarial records based on our audit.
2. We have followed the audit practices and processes as were appropriate to obtain reasonable assurance about the correctness of the contents of the secretarial records. The verification goes done on the random test basis to ensure the correct facts are reflected in secretarial records. We believe that the processes and practices, we followed provide a reasonable basis for our opinion.
3. We have not verified the correctness and appropriateness of financial records and Books of Accounts of the Company.
4. Where ever required, we have obtained the Management representation about the compliance of laws, rules, regulations and happening of events etc.
5. The compliance of the provisions of Corporate and other applicable laws, rules, standards is the responsibility of the management. Our examination was limited to the verification of procedures on random test basis.
6. The Secretarial Audit report is neither an assurance as to the future viability of the Company nor of the efficacy or effectiveness with which the management has conducted the affairs of the Company.

For MNK & Associates
Company Secretaries

Place: New Delhi
Date: 13 July 2018

Sd/-
Mohd. Nazim Khan
Company Secretary
FCS: 6529; CP-8245

Annexure IV

Nomination and Remuneration Policy of Directors, Key Managerial Personnel and other employees of Indian Energy Exchange Limited

PRINCIPLE AND RATIONALE

As per the requirements of Section 178 of the Companies Act, 2013 and the Rules framed thereunder, the Board of Directors of the Company has constituted a Nomination and Remuneration Committee. The Committee's role is to be supported by a policy for nomination of Directors and Senior Management Personnel including Key Managerial Personnel as also for remuneration of Directors, Key Managerial Personnel (KMP) and other Employees.

In line with the Company philosophy towards nurturing its human resources, the Nomination and Remuneration Committee of the Board of Directors of the Company recommends to the Board of Directors for its adoption the Nomination and Remuneration Policy for the Directors, Key Managerial Personnel and other employees of the Company as set out below:

1. DEFINITIONS:

1.1. 'Board' shall mean Board of Directors of Indian Energy Exchange Limited.

1.2. 'Independent Director' shall mean a director referred to in Section 149 (6) of the Companies Act, 2013.

1.3. 'Key Managerial Personnel' or KMP means key managerial personnel as defined under the Companies Act, 2013 & includes:

- (i) Chief Executive Officer or the Managing Director or the Manager;
- (ii) Company Secretary;
- (iii) Whole-time Director;
- (iv) Chief Financial Officer; and
- (v) Such other officer as may be prescribed.

1.4. 'Nomination and Remuneration Committee' the Committee under this policy shall mean a Committee of Board of Directors of the Company, constituted in accordance with the provisions of Section 178 of the Companies Act, 2013 and the Rules framed thereunder.

1.5. 'Other employees' means all employees other than the Directors and KMPs.

1.6. 'Policy or This Policy' means, "Nomination and Remuneration Policy."

1.7. 'Remuneration' means any money or its equivalent given or passed to any person for services rendered by him and includes perquisites as defined under the Income-tax Act, 1961.

1.8. 'Senior Management' means personnel of the Company who are members of its core management team excluding Board of Directors. This would include all members of management one level

below the executive directors, including the functional heads.

Unless the context otherwise requires, words and expressions used in this policy and not defined herein but defined in the Companies Act, 2013 as may be amended from time to time shall have the meaning respectively assigned to them therein.

2. FUNCTIONS:

- To guide the Board in relation to the appointment and removal of Directors, Key Managerial Personnel and Senior Management.
- To lay down criteria and terms and conditions with regard to identifying persons who are qualified to become Director (Executive & Non-Executive/ Independent) and persons who may be appointed in Senior Management Personnel.
- To evaluate the performance of the members of the Board and provide necessary report to the Board for further evaluation.
- To attract, retain and motivate the Directors and evaluation of their performance.
- To ensure that the relationship of remuneration with performance is clear and meets appropriate performance benchmarks.
- To recommend to the Board a Policy relating to the Remuneration for the Directors, Key Managerial Personnel and other Employees.
- To determine the remuneration based on the Company's size and financial position and practices in the industry.

3. APPLICABILITY:

This Policy shall apply to all Directors, KMPs, and other employees of the Company.

4. APPOINTMENT, REMOVAL AND RETIREMENT OF DIRECTOR, KMP AND SENIOR MANAGEMENT:

4.1. Appointment criteria and qualifications:

- The Committee shall identify and ascertain the integrity, qualification, expertise and experience of the person for appointment as Director, KMP or at Senior Management level and recommend to the Board his / her appointment.
- A potential candidate being considered for appointment to a position should possess adequate qualification, expertise and experience for the position. The Committee has discretion to decide whether qualification, expertise and experience possessed by a person are sufficient / satisfactory for the concerned position.
- The Committee shall determine the suitability of appointment

of a person to the Board of Directors of the Company by ascertaining whether he satisfies the criteria as prescribed by the Central Electricity Regulatory Commission (CERC) for appointment and disqualification as Director in the Power Exchange.

- The Committee may recommend appropriate induction & training programme for any or all the appointees.
- The Committee shall make recommendations to the Board concerning any matters relating to the continuation in office of any director at any time including the suspension or termination of service of a director subject to the provisions of law and the respective service contract.

4.2. Term / Tenure:

4.2.1. Managing Director/Whole-time Director/Manager (Managerial Person):

- The Company shall appoint or re-appoint any person as its Managerial Person as per section 196, 197 or any other applicable provisions of the Companies Act 2013 read with Schedule- V.

4.2.2. Independent Director:

- An Independent Director shall hold office in Company for such term as prescribed under the Companies Act, 2013 and the Rules framed thereunder and other applicable statutory provisions.
- The appointment including the terms and conditions of appointment of Independent Director shall be recommended by the Committee and approved by the Board of Directors of the Company subject to the approval of the Shareholders in the General Meeting.
- No Independent Director shall hold office for more than two consecutive terms, but such Independent Director shall be eligible for appointment after expiry of three years of ceasing to become an Independent Director of the Company.

Provided that an Independent Director shall not, during the said period of three years, be appointed in or be associated with the Company in any other capacity, either directly or indirectly.

4.2.3. The Terms/ Tenure of the KMP and other employees shall be as per the Company's prevailing policy.

4.3. Evaluation:

The Committee shall carry out evaluation of performance of Directors yearly or at such intervals as may be considered necessary.

4.4. Removal:

Due to reasons for any disqualification mentioned in the Companies Act, 2013, rules made thereunder or under any other applicable Act, rules and regulations, the Committee may recommend, to the Board with reasons recorded in writing, removal of a Director, KMP or Senior Management Personnel subject to the provisions and compliance of the said Act, rules and regulations.

4.5. Retirement:

The Director, KMP and Senior Management shall retire as per the applicable provisions of the Companies Act, 2013 along with the Rules framed thereunder and the prevailing policy of the Company. The Board will have the discretion to retain the Director, KMP or the Senior Management Personnel, in the same position / remuneration or otherwise even after attaining the retirement age, for the benefit of the Company.

5. PROVISIONS RELATING TO REMUNERATION OF MANAGERIAL PERSON, KMP AND OTHER EMPLOYEES:

5.1.1. General Criteria:

- The Committee will recommend to the Board the policy on remuneration payable to Directors, KMP and Other employees for approval. While recommending the policy the Committee shall ensure that, the level and composition of remuneration/ Compensation/Commission etc. to be paid is reasonable and sufficient to attract, retain and motivate them in the Company.
- The Policy shall also ensure that the relationship of remuneration to the performance should be clear and should encourage meeting of appropriate performance benchmarks. The remuneration should also involve a balance between fixed and incentive / performance related pay reflecting achievement of short and long-term performance objectives appropriate to the working of the Company and meeting its goals.
- Revision to the existing remuneration / compensation structure may be recommended by the Committee to the Board which should be within the limits approved by the Shareholders in the case of Managerial Persons.
- The remuneration shall be subject to the prior/post approval of the shareholders of the Company and Central Government, wherever required.
- Where any insurance is taken by the Company on behalf of its Managerial Person, KMPs, and/or any other employees for indemnifying them against any liability, the premium paid on such insurance shall not be treated as part of the remuneration payable to any such personnel, unless such person(s) is/are proved to be guilty.

5.1.2. Remuneration to Managerial Person and KMPs:

- The Remuneration to be paid to Managerial Persons and/ or KMPs shall be governed as per the provisions of the Companies Act, 2013 and rules made thereunder or any other enactment for the time being in force as also by Company policy.

5.1.3. Remuneration to Non-Executive Directors/ Independent Directors:

- The Non- Executive / Independent Director may receive remuneration by way of fees for attending meetings of the Board or Committee thereof and General Meeting of the Company.

Provided that the amount of such fees shall be such as

determined by the Board of Directors of the Company from time to time and shall be within the maximum permissible limit as defined under the Companies Act, 2013 and the Rules framed thereunder.

- The remuneration / commission payable, if any, shall be in accordance with the statutory provisions of the Companies Act, 2013, and the rules made thereunder for the time being in force.
- An Independent Director shall not be entitled to any stock option of the Company.

5.1.4. Remuneration to other Employees:

- The Remuneration to be paid to other employees shall be based upon the role and position of the individual employee, including professional experience, responsibility, job complexity and market conditions, qualification and seniority.
- The structure of remuneration for other employees has been designed in the prevailing policy of the Company and implementation of the same is to be ensured by Managing Director & CEO of the Company or any other personnel that the Managing Director & CEO may deem fit to delegate.

The annual increments to the remuneration paid to the other employees shall be based on the appraisal carried out by the respective HODs of various departments.

- The various remuneration components, basic salary, allowances,

perquisites etc. may be combined to ensure an appropriate and balanced remuneration package.

5.1.5. Stock Options:

In addition to the normal/ regular remuneration package, Employee Stock Option Schemes are also in place for the Managerial Person, KMPs and other employees of the Company. To attract & retain talent, reward for performance and for creating long term shareholder value, the Committee may from time to time determine the stock options and other share based payments to be made to Managerial Person, KMPs, and other employees of the Company.

6. DISCLOSURE OF THIS POLICY:

This Nomination & Remuneration policy shall be disclosed in the Board's report as required under the Companies Act, 2013.

7. DEVIATIONS FROM THIS POLICY:

Deviations on elements of this policy in extraordinary circumstances, when deemed necessary in the interests of the Company, will be made if there are specific reasons to do so in an individual case.

8. REVIEW AND AMENDMENT:

The Nomination and Remuneration Committee or the Board may review the Policy as and when it deems necessary. This Policy may be amended or substituted by the Nomination and Remuneration Committee or by the Board as and when required and also where there is any statutory changes necessitating the change in the policy.

Performance Evaluation of the Board

The Board of Directors has carried out an annual evaluation of its own performance, Board Committees and Individual Directors pursuant to the provisions of the Companies Act, 2013 and the Corporate Governance requirements as prescribed by SEBI Listing Regulations.

The annual evaluation process involved assessment of Individual Directors, Chairman of the Board and the Chairman of the respective Board Committees. Further, the Independent Directors Committee evaluated the performance of all the Non-Independent Directors, Chairman of the Board, Board Committees and the Board as a whole. Thereafter, the Board evaluated the performance of each Independent Director, excluding the Director being evaluated.

The criteria for performance evaluation, inter alia, include the following:

i. Individual Director's Performance Evaluation

Compliance with Articles of Association, Companies Act & other Laws, Attendance at meetings, being informed and the extent of preparedness for meetings, participation and contribution, independence of judgment, Leadership initiative and advisory role, Interpersonal relationships with other directors and management, knowledge updation, displaying initiative, , expressing views, understanding of the Company and the external environment,, Safeguarding stakeholders' interest and balancing the conflict of interest of Stakeholders, confidentiality, Financial and Risk awareness.

ii. Evaluation of the Board as a Whole

Proper mix of competencies, experience and qualification, adoption of proper, clear and transparent procedure to appoint directors,

conducting meeting(s) on a regular basis, confirming agenda with all relevant information, providing entrepreneurial leadership to the Company, understanding of business, strategy and growth, responsibility towards stakeholders, risk management and financial controls and Audits, Compliances, discussions through healthy debate, quality of decision making, monitoring performance of management, Reviewing the CSR initiatives, grievance redressal mechanism, analyse and examines governance and compliances related issues, maintaining high standards of integrity and probity, etc.

iii. Chairman's Performance Evaluation

Providing effective leadership, setting effective strategic agenda of the Board, encouraging active engagement by the Board members, open-minded, decisive, courteous, displays professionalism, impartial, providing guidance and motivation to the MD & CEO, impartiality in conducting discussions, establishing effective communication with all stakeholders, etc.

iv. Performance Evaluation of Board Committees

Sufficiency in the scope for addressing the objectives, effectiveness in performing the key responsibilities, adequacy in composition and frequency of meetings, quality of relationship of the committee with the board and the management, clarity of agenda discussed, discussion on critical issues, clarity of role and responsibilities, etc.

For and on behalf of the Board of Directors
Indian Energy Exchange Limited

Sd/-
Mr. Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Place: New Delhi
Dated: 09 August 2018

Annexure VI

Annual Report on CSR Activities

(Pursuant to Section 135 of the Companies Act, 2013 & Rules made thereunder)

1	A brief outline of the Company's CSR policy, including overview of the projects or programmes proposed to be undertaken and reference to the web-link to the CSR Policy and projects or programmes.	<p>IEX CSR Policy aims to address issues in the ambit of environmental sustainability, economic empowerment and social development by adopting an integrated, holistic and need-based approach. The main focus areas of the Company's CSR Policy are:</p> <ul style="list-style-type: none"> • Support socio-economic development of underprivileged communities through improved access to livelihoods, sanitation, water, healthcare and education. • Promote decentralized renewable energy by creating opportunities for access and awareness. • Endeavour to integrate the cause of women empowerment while designing projects. • Contribute to relief and rehabilitation measures in disaster-affected parts of the country. <p>The complete CSR policy of the Company is available on the Company's website https://www.iexindia.com/pdf/Corporate%20Social%20Responsibility%20Policy.pdf</p>
2	Composition of the CSR Committee	<p>In accordance with Section 135 of the Companies Act, 2013 read with the Companies (Corporate Social Responsibility Policy) Rules, 2014, members of the CSR Committee are:</p> <ol style="list-style-type: none"> 1. Prof. KT Chacko, Independent Non-Executive Director (as the Chairman), 2. Ms. Renuka Ramnath, Non-Executive Director, and 3. Mr. Satyanarayan Goel, Managing Director & CEO of the Company
3	Average Net Profit of the Company for last 3 financial years	₹15084.71 Lakhs
4	Prescribed CSR expenditure (two percent of the amount as in item 3 above)	₹301.69 Lakhs
5		
	(a) Total amount to be spent for the financial year;	₹301.69 Lakhs
	(b) Amount un-spent, if any;	Nil
	(c) Manner in which the amount spent during financial year.	Attached as Annexure-A
6	In case the Company has failed to spend the 2% of the average net profit of the last 3 financial years or any part thereof, reasons for not spending the amount in its Board Report:	Complied
7	Responsibility Statement	The CSR Committee re-affirms that the implementation and monitoring of the CSR projects is being done in compliance with objectives outlined in the CSR policy of the Company

For and on behalf of the Board of Directors
Indian Energy Exchange Limited

Sd/-
Satyanarayan Goel
(Managing Director & CEO)
DIN: 02294069

Sd/-
KT Chacko
(Chairman, CSR Committee)
DIN: 02446168

Manner in which the CSR amount was spent during financial year ending March 31, 2018

Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1.Local area/ others- 2.Specify the state /district (Name of the District/s, State/s where Project/ programme was undertaken	Amount outlay (budget) project/ programme wise (₹ in Lakhs)	Amount spent on the project/ programme Sub-heads: 1.Direct expenditure on project/ programme, 2.Overheads: (In ₹ Lakhs)	Cumulative spend upto to the reporting period (₹ in Lakhs)	Amount spent: Direct/ through implementing agency*
1	Promoting Renewable Energy by Installing Solar Systems	Ensuring Environment Sustainability	Others Tamil Nadu (Isha Rural Schools in Cuddalore, Villupuram, Tuticorin and Nagercoil)	21.60	10.80	10.80	Isha Vidhya Foundation
2	Holistic Development of Urban Under-privileged children (9th STD)	Promoting education	Others Mumbai, Maharashtra	7.50	3.75	3.75	Each One Teach One
3	Development of Life skills for Mentally Challenged Students	Promoting education and enhancing vocational skills among differently abled	Others Bangalore, Karnataka	10.00	5.00	5.00	Association for the Mentally Challenged
4	Developing English and Numeric Skills among government school children	Promoting education	Others Raigarh, Chhattisgarh	30.00	15.00	15.00	Sampark Foundation
5	Skill Development for unemployed Urban Youth	Employment enhancing vocational skills	Local Delhi	25.42	12.71	12.71	SMILE Foundation
6	Provision of healthcare services to Elderly disabled and Community	Promoting Healthcare including preventive Health	Others Muzzafarpur in Bihar	29.44	10.00	10.00	HelpAge India (Program is being continued in 2018-19)
7	Provisions of Mid-Day Meals to government school children	Eradicating hunger, poverty and malnourishment	Others Mathura, Uttar Pradesh	70.00	50.00	50.00	AkshayaPatra Foundation (Program is being continued in 2018-19)
8	Establishing Ekal Vidyalayas	Promoting education	Others Rourkela, Odisha	20.00	10.00	10.00	Friends of Tribal Society (Program is being continued in 2018-19)
9	Infrastructural Support to Isha Rural School in Karur District, TN	Promoting education	Others Tamil Nadu (Isha Rural Schools in Karur, TN)	62.09	31.04	31.05	IshaVidhya Foundation (Program is being continued in 2018-19)

Sr. No.	CSR project/ activity identified	Sector in which the Project is covered	Projects/ Programmes 1.Local area/ others- 2.Specify the state /district (Name of the District/s, State/s where Project/ programme was undertaken	Amount outlay (budget) project/ programme wise (₹ in Lakhs)	Amount spent on the project/ programme Sub-heads: 1.Direct expenditure on project/ programme, 2.Overheads: (In ₹ Lakhs)	Cumulative spend upto to the reporting period (₹ in Lakhs)	Amount spent: Direct/ through implementing agency*
10	Development of Life skills for Mentally Challenged Students	Promoting education and enhancing vocational skills among differently abled	Others Bangalore, Karnataka	17.16	10.00	10.00	Association for the Mentally Challenged (Program is being continued in 2018-19)
11	Holistic Development of Urban Under-privileged children (Std. 10th)	Promoting education	Others Mumbai, Maharashtra	11.00	5.43	5.44	Each One Teach One (Program is being continued in 2018-19)
12	Swachh Bharat Abhiyan	Promoting preventive healthcare and sanitation	Others Delhi	15.00	15.00	15.00	Swachh Bharat Kosh
13	Prime Minister National Relief Fund	Contribution to Prime Minister Relief Fund	Others Delhi	30.00	30.00	30.00	Prime Minister National Relief Fund
14	Establishing Energy Analytics Lab	Promoting Research and Education	Others Kanpur, Uttar Pradesh	379.37	63.75	63.75	IIT-Kanpur (Program is being continued in 2018-19)
15	Next Gen*	CSR Consulting	Local Delhi	-	17.04	17.04	NextGen implementing agency.
16.	CSR Salary and other administrative overheads#	CSR Administrative overheads	Local Delhi	15.24	15.24	15.24	
	TOTAL CSR COST			743.81	304.76	304.76	

These are part of CSR expenses incurred by the Company during the financial year ending on 31-Mar-2018

FORM NO. MGT - 9

EXTRACT OF ANNUAL RETURN

As on the financial year ended March 31, 2018

[Pursuant to Section 92(3) of the Companies Act, 2013, and Rule 12(1) of the Companies (Management and Administration) Rules, 2014]

I. REGISTRATION AND OTHER DETAILS:

Corporate Identity Number (CIN)	L74999DL2007PLC277039
Registration Date	March 26, 2007
Name of the Company	Indian Energy Exchange Limited
Category / Sub-Category of the Company	Listed Company/Company Limited by Shares/Indian Non-Government Company
Address of the Registered Office and contact details	Unit No. 3-6, Fourth Floor, Plot No. 7, TDI Centre, District Centre, Jasola, New Delhi – 110025, India Tel. No. +91-11-4300 4000; Fax: +91-11-4300 4015 Email id – iexsecretarial@iexindia.com
Whether listed company	Yes, Listed on BSE Limited with effect from October 23, 2017 vide Notice No. 20171018-14 Dated 18-Oct-2017 Equity Shares of Company listed and admitted to dealings on the Exchange and NSE Limited vide Circular Ref. No. 1049/2017 dated 18-Oct-2017 notified that with effect from October 23, 2017 the Company's equity shares were permitted to be traded and admitted to dealings on exchange.
Name, Address and Contact details of Registrar and Transfer Agent, if any	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally Hyderabad, Telangana – 500 032. Ph: 040-67162222, Fax: 040-23001153 Toll Free no.: 1800-345-4001 Email: einward.ris@karvy.com

II. PRINCIPAL BUSINESS ACTIVITIES OF THE COMPANY:

All business activities contributing 10 % or more of the total turnover of the Company shall be stated:

Sl. No.	Name and Description of main products/ services	NIC Code of the Product/service	% to total turnover of the Company
1	Power Exchange	66110	100%

III. PARTICULARS OF HOLDING, SUBSIDIARY AND ASSOCIATE COMPANIES:

Sl. No.	Name and Address of the Company	CIN/GLN	Holding/Subsidiary/ Associate	% of Shares held	Applicable Section
Nil					

IV. SHAREHOLDING PATTERN (Equity Share Capital Breakup as percentage of Total Equity)

i) Category-wise Share Holding: Between 31/03/2017 and 31/03/2018

Category Code	Category of Shareholder	No. of shares held at the beginning of the year 31/03/2017				No. of shares held at the end of the year 31/03/2018				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
(I)	(II)	(III)	(IV)	(V)	(VI)	(VII)	(VIII)	(IX)	(X)	(XI)
(A)	PROMOTER AND PROMOTER GROUP									
(1)	INDIAN									
(a)	Individual /HUF	-	-	-	-	-	-	-	-	-
(b)	Central Government/State Government(s)	-	-	-	-	-	-	-	-	-
(c)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(d)	Financial Institutions / Banks	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(1) :	-	-	-	-	-	-	-	-	-
(2)	FOREIGN	-	-	-	-	-	-	-	-	-
(a)	Individuals (NRIs/Foreign Individuals)	-	-	-	-	-	-	-	-	-
(b)	Bodies Corporate	-	-	-	-	-	-	-	-	-
(c)	Institutions	-	-	-	-	-	-	-	-	-
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(e)	Others	-	-	-	-	-	-	-	-	-
	Sub-Total A(2) :	-	-	-	-	-	-	-	-	-
	Total A=A(1)+A(2)	-	-	-	-	-	-	-	-	-
(B)	PUBLIC SHAREHOLDING									
(1)	INSTITUTIONS									
(a)	Mutual Funds /UTI	-	-	-	-	1687913	-	1687913	5.57	5.57
(b)	Financial Institutions /Banks	-	-	-	-	2874	-	2874	0.01	0.01
(c)	Central Government / State Government(s)	-	-	-	-	-	-	-	-	-
(d)	Venture Capital Funds	-	-	-	-	-	-	-	-	-
(e)	Insurance Companies	-	-	-	-	-	-	-	-	-
(f)	Foreign Institutional Investors /FPI	1364787	-	1364787	4.74	2218868	-	2218868	7.32	2.58
(g)	Foreign Venture Capital Investors	-	-	-	-	-	-	-	-	-
(h)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
(i)	Alternate Investment Fund	-	-	-	-	1998184	-	1998184	6.59	6.59
	Sub-Total B(1) :	1364787	-	1364787	4.74	5907839	-	5907839	19.48	14.74
(2)	NON-INSTITUTIONS									
(a)	Bodies Corporate	17268060	-	17268060	59.93	13547063	-	13547063	44.67	-15.27
(b)	Individuals									
	(i) Individuals holding nominal share capital upto ₹1 Lakh	65050	15710	80760	0.28	1897684	8270	1905954	6.28	6.00
	(ii) Individuals holding nominal share capital in excess of ₹1 Lakh	452851	231132	683983	2.37	544672	30000	574672	1.89	-0.48
(c)	Others									
	CLEARING MEMBERS	-	-	-	-	22269	-	22269	0.07	0.07
	FOREIGN BODIES	8455412	-	8455412	29.35	6946343	-	6946343	22.90	-6.44
	NON RESIDENT INDIANS	-	-	-	-	67225	-	67225	0.22	0.22

Category Code	Category of Shareholder	No. of shares held at the beginning of the year 31/03/2017				No. of shares held at the end of the year 31/03/2018				% change during the year
		Demat	Physical	Total	% of Total Shares	Demat	Physical	Total	% of Total Shares	
	NRI NON-REPATRIATION	-	-	-	-	12739	-	12739	0.04	0.04
	TRUSTS	959191	-	959191	3.33	1152750	168632	1321382	4.36	1.03
	NBFC	-	-	-	-	23138	-	23138	0.08	0.08
(d)	Qualified Foreign Investor	-	-	-	-	-	-	-	-	-
	Sub-Total B(2) :	27200564	246842	27447406	95.26	24213883	206902	24420785	80.52	-14.74
	Total B=B(1)+B(2) :	28565351	246842	28812193	100.00	30121722	206902	30328624	100.00	-
	Total (A+B) :	28565351	246842	28812193	100.00	30121722	206902	30328624	100.00	-
(C)	Shares held by custodians, against which depository Receipts have been issued									
(1)	Promoter and Promoter Group									
(2)	Public	-	-	-	-	-	-	-	-	-
	GRAND TOTAL (A+B+C) :	28565351	246842	28812193	100.00	30121722	206902	30328624	100.00	-

ii) Shareholding of Promoters

Sl. No.	Shareholder's Name	Shareholding at the beginning of the year			Shareholding at the end of the year			% change in shareholding during the year
		No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	No. of Shares	% of total shares of the Company	% of Shares Pledged / encumbered to total shares	
Not Applicable								

iii) Change in Promoters' Shareholding (please specify, if there is no change)

Sl. No.	Particulars	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	Not Applicable			
2	Date wise Increase/Decrease in Promoters Shareholding during the year:				
3	At the end of the year				

iv) Shareholding Pattern of Top Ten Shareholders (other than Directors, promoters and Holders of GDRs and ADRs):

S. No.	Name of Shareholder	Shareholding at the beginning of the year		Date of Transaction	Number of Shares		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		Increase	Decrease	No. of Shares	% of total shares of the Company
1	DCB Power Ventures Limited	4,549,294	15.00	29-09-2017	-	(1,516,431)	3,032,863	10.00
2	TVS Shriram Growth Fund 1B LLP	3,032,862	10.00	29-09-2017	1,516,431	-	4,549,293	15.00
3	Agri Power and Engineering Solutions Private Limited	1,655,557	5.45	08-12-2017	-	(142,159)	1,513,398	4.99
4	Westbridge Crossover Fund, LLC	1,440,609	4.75	14-07-2017	1,440,609	(1,440,609)	1,440,609	4.75
5	Rimco (Mauritius) Limited	-	-	21-04-2017	1,363,575	-	1,363,575	4.50
6	Rural Electrification Corporation Ltd	1,250,000	4.12	-	-	-	1,250,000	4.12
7	Adani Tradex LLP	1,250,000	4.12	-	-	-	1,250,000	4.12
8	Siguler Guff Njdm Investment Holdings Ltd	916,485	3.02	-	-	-	916,485	3.02

S. No.	Name of Shareholder	Shareholding at the beginning of the year		Date of Transaction	Number of Shares		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company		Increase	Decrease	No. of Shares	% of total shares of the Company
9	Lightspeed Venture Partners VIII Mauritius	1,363,575	4.50	21-04-2017	-	(1,363,575)	909,858	3.00
				30-05-2017	303,287	-		
				30-06-2017	-	(303,286)		
				20-09-2017	1,213,144	-		
				06-10-2017	-	(303,286)		
10	SBI Magnum Taxgain Scheme	-	-	20-10-2017	482,797	-	814,892	2.69
				27-10-2017	251,516	-		
				31-10-2017	1,188	-		
				03-11-2017	47,296	-		
				16-03-2018	10,860	-		
				30-3-2018	21,235	-		

v) Shareholding of Directors and Key Managerial Personnel:

Sl. No.	Mr. Satyanarayan Goel, Managing Director & CEO	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	11,250	0.04	11,250	0.04
2	Date wise Increase/Decrease in shareholding during the year: ESOP Transfer: 25.04.2017	11,250	0.04	22,500	0.07
		11,250	0.04	33,750	0.11
3	At the end of the year			33,750	0.11

Sl. No.	Mr. Vineet Harlalka, CFO & Company Secretary	Shareholding at the beginning of the year		Cumulative Shareholding during the year	
		No. of Shares	% of total shares of the Company	No. of Shares	% of total shares of the Company
1	At the beginning of the year	20,000	0.07	20,000	0.07
2	Date wise Increase/Decrease in shareholding during the year):	-	-	-	-
3	At the end of the year			20,000	0.07

V. INDEBTEDNESS

Indebtedness of the Company including interest outstanding/ accrued but not due for payment

(₹ in Lakhs)

Particulars	Secured Loans excluding deposits*	Unsecured Loans	Deposits	Total Indebtedness
Indebtedness at the beginning of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ ii+ iii)	Nil	Nil	Nil	Nil
Change in Indebtedness during the financial year				
Addition	Nil	Nil	Nil	Nil
Reduction	Nil	Nil	Nil	Nil
Net Change	Nil	Nil	Nil	Nil
Indebtedness at the end of the financial year				
i) Principal Amount	Nil	Nil	Nil	Nil
ii) Interest due but not paid	Nil	Nil	Nil	Nil
iii) Interest accrued but not due	Nil	Nil	Nil	Nil
Total (i+ ii+ iii)	Nil	Nil	Nil	Nil

VI. REMUNERATION OF DIRECTORS AND KEY MANAGERIAL PERSONNEL

A. Remuneration to Managing Director, Whole-time Directors and/or Manager:

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Mr. Satyanarayan Goel Managing Director & CEO
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	149.24
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	Nil
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission	
	- as % of profit	Nil
	- others, specify	Nil
5	others	
	Company contribution towards PF	7.68
	Reimbursement of expenses	Nil
	Variable Pay & Bonus	67.83
	Leave encashment	2.67
6	Total (A)	227.42
7	Ceiling as per the Act	988.74

*This excludes gratuity

B. Remuneration to other directors:

1. Independent Directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Name of Director's			Total Amount
		Mr. Dinesh Kumar Mehrotra	Mr. Vallabh Roopchand Bhanshali	Prof. Kayyalathu Thomas Chacko	
(a)	Fee for attending board /committee meetings	3,060,000	390,000	2,250,000	5,700,000
(b)	Commission	Nil	Nil	Nil	Nil
(c)	Others, please specify	Nil	Nil	Nil	Nil
	Total (1)	3,060,000	390,000	2,250,000	5,700,000

2. Other Non-Executive Directors:

(Amount in ₹)

Sl. No.	Particulars of Remuneration	Mr. Ajeet Kumar Agarwal*	Total Amount
(a)	Fee for attending board /committee meetings	90,000	90,000
(b)	Commission	Nil	Nil
(c)	Others, please specify	Nil	Nil
	Total (2)	90,000	90,000
	Total (B)=(1+2)	5,790,000	5,790,000
	Total Managerial Remuneration	N.A.	N.A.
	Overall Ceiling as per the Act	N.A.	N.A.

*Mr. Ajeet Kumar Agarwal being a Nominee Director of REC Limited, Sitting fees was paid to REC Limited.

C. Remuneration to Key Managerial Personnel other than MD/ Manager/ WTD

(₹ in Lakhs)

Sl. No.	Particulars of Remuneration	Mr. Vineet Harlalka CFO & Company Secretary
1	Gross Salary	
	(a) Salary as per provisions contained in Section 17(1) of the Income Tax Act, 1961	55.84
	(b) Value of perquisites under Section 17(2) Income Tax Act, 1961	Nil
	(c) Profits in lieu of salary under Section 17(3) Income Tax Act, 1961	Nil
2	Stock Option	Nil
3	Sweat Equity	Nil
4	Commission	
	- as % of profit	Nil
	- others, specify	Nil
5	others	
	Company contribution towards PF	3.12
	Reimbursement of expenses	3.58
	Variable Pay & Bonus	27.47
	Leave encashment	1.63
6	Total (A)	91.64
7	Ceiling as per the Act	Not Applicable

*This excludes gratuity

VII. PENALTIES/ PUNISHMENT/ COMPOUNDING OF OFFENCES :

Type	Section of the Companies Act	Brief Description	Details of Penalty / Punishment / Compounding fees imposed	Authority [RD / NCLT / COURT]	Appeal made, if any
A. Company					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
B. Directors					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					
C. Other Officers in default					
Penalty	No Penalties, Punishments or Compounding of Offences				
Punishment					
Compounding					

For and on behalf of the Board of Directors
Indian Energy Exchange Limited

Sd/-
Mr. Dinesh Kumar Mehrotra
 Chairman
 DIN: 00142711

Place: New Delhi
 Dated: 09 August 2018

Disclosure pursuant to Rule 5 of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Requirements	Disclosure
I	The ratio of the remuneration of each Director to the median remuneration of the employees of the Company for the financial year 2017-18	MD &CEO – 25.44X
II	The percentage increase in remuneration of each Director, Chief Financial Officer, Chief Executive Officer, Company Secretary or Manager, if any, in the financial year	MD & CEO – 7% CFO & CS – 7% Director MO – 7% Director BD – 7% CTO* - NA VP IR** - 7% CRO# - 5%
III	The percentage increase in the median remuneration of employees in the financial year	The median remuneration of the employees in the financial year was increased by 14.93%. The calculation of % increase in Median Remuneration is done based on comparable employees.
IV	The number of permanent employees on the rolls of Company	There were 116 employees as on March 31, 2018
V	Average percentile increase already made in the salaries of employees other than the managerial personnel in the last financial year and its comparison with the percentile increase in the managerial remuneration and justification thereof and point out if there are any exceptional circumstances for increase in the managerial remuneration	The average percentile increase made in the salaries of employees other than the managerial personnel in the last financial year is 10.81% as compared to 7% increase in salary of managerial personnel. The calculation of % increase in Average percentile increase is done based on comparable employees.
VI	Affirmation that the remuneration is as per the remuneration policy of the Company	Yes. It is confirmed.

The details in the above table are on CTC basis.

* CTO has joined the Company in April 2017.

** VP IR has resigned in January 2018

CRO has joined the Company in December 2016

For and on behalf of the Board of Directors
Indian Energy Exchange Limited

Sd/-
Mr. Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Place: New Delhi
Dated: 09 August 2018

Annexure IX

Statement pursuant to Section 197(12) of the Companies Act, 2013 read with Rule (2) of the Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014

Sl. No.	Name of the employee	Age	Qualification	Designation	Total Remuneration (₹ in Lakhs)	Approx. experience (in years)	Date of commencement of employment	Last Employment
A. Employed throughout the Financial Year								
1	Satyanarayan Goel	63	MBA, B.TECH	Managing Director and Chief Executive Officer	227.42	39	21-Jan-14	PTC India Limited, Director (Marketing & Operations)
2	Rajesh Kumar Mediratta	54	MBA, B.E	Director, Business Development (Non-Board)	140.95	30	01-Sep-07	Chief Manager, Powergrid Corporation of India Limited
3	Akhilesh Awasthy	54	ICWAI, ME, BE	Director - Market Operations (Non-Board)	144.50	32	01-Sep-07	Madhya Pradesh Electricity Board, Joint Director
4	Vineet Harlalka	44	CA,CS	Chief Financial Officer & Company Secretary	91.64	17.04	16-Jan-10	New Holland Fiat (India) Private Limited, Senior Manager Finance & Co. Secy
5	Rohit Bajaj	46	PGDBM, B.E	Vice President (Business Development)	64.95	24	12-May-14	National Energy Trading and Services Limited, Head of Business
6	Prasanna Rao	46	MBA, B.COM	Vice President (Market Operations)	53.25	25.10	01-Apr-10	Multi Commodity Exchange of India Limited, Senior Manager
7	Shruti Bhatia	44	M.Sc, B.SC	Vice President (Regulatory Affairs and Communications)	61.37	21	09-Jan-13	Vestas Wind Technology India Private Limited, General Manager
8	Indranil Chatterjee	41	MBA,B.E	Chief Risk Officer	39.49	17.01	20-Dec-16	Indus Towers Limited, Deputy General Manager
B. Employed for part of the Financial Year								
1	Sanjay Mehrotra #	52	MMS, B.COM	Vice President-Head (Investor Relations)	120.10	25	14-May-14	ICICI Venture Funds Management Company Limited, Director
2	Pareshnath Paul	51	PhD, M.TECH, B.E	Chief Technological Officer	62.84	24	17-Apr-17	NSEIT Limited, Chief Delivery Officer
3	Vaibhav Pramod Aggarwal	45	B.Com	Vice President (Exchange Technology)	42.20	13	23-May-17	63 Moons, Vice-President
4	Jainam Rajenkumar Vora	35	MCA, BCA	Vice President (Exchange Technology)	32.53	13	01-Jun-17	63 Moons as Assistant Vice-President

#Mr. Sanjay Mehrotra Vice President-Head (Investor Relations) has resigned from the Company w.e.f 15th January 2018.

Notes:

- Remuneration includes salary, reimbursement etc. excluding gratuity.
- All other employees mentioned above are in permanent employment of the Company, governed by employment terms & service rules.
- None of the above employee is a relative of any Director of the Company within the meaning of relative under Companies Act, 2013.
- None of the employee was drawing salary in excess of that drawn by Managing Director/ Whole Time Director.
- As at March 31, 2018, none of the above employee by himself or along with his spouse and dependent children, held 2% or more of the equity shares in the Company as referred to in sub-clause(iii) of Rule 5(2) of Companies (Appointment and Remuneration of Managerial Personnel) Rules, 2014.
- As at 31st March, 2018 none of the employees of the Company are posted and working in a country outside India.

For and on behalf of the Board of Directors
Indian Energy Exchange Limited

Sd/-
Mr. Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Place: New Delhi
Dated: 09 August 2018

FORM NO. AOC-2

(Pursuant to clause (h) of sub-section (3) of section 134 of the Act and Rule 8(2) of the Companies (Accounts) Rules, 2014)

Form for disclosure of particulars of contracts/ arrangements entered into by the Company with related parties referred to in sub-section (1) of section 188 of the Companies Act, 2013 including certain arm's length transactions under third proviso thereto

1. Details of contracts or arrangements or transactions not at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/ arrangements/ transactions Not Applicable	
(c)	Duration of the contracts/ arrangements/ transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any	
(e)	Justification for entering into such contracts or arrangements or transactions	
(f)	Date(s) of approval by the Board	
(g)	Amount paid as advances, if any:	
(h)	Date on which the special resolution was passed in general meeting as required under first proviso to section 188	

2. Details of material contracts or arrangement or transactions at arm's length basis:

(a)	Name(s) of the related party and nature of relationship	Not Applicable
(b)	Nature of contracts/ arrangements/ transactions	
(c)	Duration of the contracts/ arrangements/ transactions	
(d)	Salient terms of the contracts or arrangements or transactions including the value, if any:	
(e)	Date(s) of approval by the Board, if any:	
(f)	Amount paid as advances, if any:	

For and on behalf of the Board of Directors
Indian Energy Exchange Limited

Sd/-
Mr. Dinesh Kumar Mehrotra
Chairman
DIN: 00142711

Place: New Delhi
Dated: 09 August 2018

Corporate Governance Report (Part C Of Schedule V)

The Company is in compliance with the requirements stipulated under regulation 17 to 27 read with Schedule V and clauses (b) to (i) of sub-regulation (2) of regulation 46 of SEBI Listing Regulations, as applicable, with regard to corporate governance. The detailed report on Corporate Governance for the financial year 2017-18 demonstrating the Company's accountability to its stakeholders is set out hereunder.

1. Company's Philosophy on Corporate Governance:

In IEX, Corporate Governance philosophy stems from our belief that corporate governance is a key element in improving efficiency, growth, enhancing investor's confidence and return on investments to the shareholders.

Corporate Governance is about promoting corporate fairness, transparency and accountability in the best interest of various stakeholders in a Company. It is a system by which business corporations are directed and controlled. IEX believes that good governance should entail trusteeship, empowerment and accountability of the management while remaining proactive to the Government policies.

The Corporate Governance philosophy has been scripted as under:

"As a good corporate citizen, our Company is committed to sound corporate practices based on conscience, openness, fairness, professionalism and accountability besides building confidence in its various stakeholders, thereby paving the way for long term success."

Our Company is committed to creating value that is not only profitable to the business but sustainable in the long-term interests of all stakeholders. In pursuit of same, we consider it our inherent responsibility to disclose timely and accurate information regarding our financials and performance as well as the leadership and governance in the Company.

The Corporate Governance of IEX is geared by the following:

- i. To meet the short term, medium term & long term objectives and specific targets every year set by the Government of India and the persons at the helm of its affairs, i.e. the Board, by empowering people at the most appropriate levels keeping the job profile/ functions in view.
- ii. To respond to the challenges and the emerging opportunities and to play a pivotal role in the economic development of the country.
- iv. The corporate governance structure specifies the distribution of rights, responsibilities and powers among different participants

in the corporation. All strategic decisions regarding investment, diversification, major decisions regarding procurement, commercial and finance are preceded ahead after approval by the Board.

2. Board of Directors:

(A) Composition of the Board:

The Company has an optimum combination of Executive and Non-Executive Directors with a woman Director on the Board, comprising of expert professionals having experience in diverse areas such as management, technical, finance and legal.

As at March 31, 2018, the Board comprised of 9 Directors, of which 3 (three) were Independent Non-Executive Director, 5 (five) were Non-Executive Directors and 1 (one) Managing Director & CEO.

In compliance with the requirement of Regulation 17(1) (b) of the SEBI Listing Regulations, the chairperson of the board is a non-executive director hence, one-third of the Board members are Independent Directors, Mr. Dinesh Kumar Mehrotra, is a Chairman of the Board.

For details of board composition, please next page

(B) Number of Board Meetings held, the dates thereof, and the information provided to the Board:

Except in case of emergent meetings, inter alia, to take care of exigencies of business, the Company gives adequate notice of meetings to the Board of Directors. The meetings held at a shorter notice were attended by adequate number of Independent Directors and were in compliance with the Companies Act, 2013. During the financial year 2017-18, twelve (12) meetings of the Board were held and the gap between any two meetings did not exceed one hundred and twenty days (120 days). The said Board Meetings were held on, April 18, 2017, May 12, 2017, May 30, 2017, June 12, 2017, July 11, 2017, September 05, 2017, September 20, 2017, September 26, 2017, October 12, 2017, November 08, 2017, February 02, 2018, March 14, 2018.

In certain cases, the Board's approval was taken by passing resolutions through circulation, as permitted by law, which were confirmed in the subsequent meeting of the Board of Directors.

During the year under review, the Minimum information required to be placed before the Board of directors as specified in Part A of the Schedule II of SEBI Listing Regulations, to the extent applicable and deemed appropriate by the Management, was periodically placed before the Board for their consideration. These informations were made available either as a part of the agenda papers or tabled before the Board Meeting at the time of meeting.

The Board's composition, and in respect of each Director, the nature of directorship, the number of meetings attended, directorship(s) in other companies, chairmanship(s) and membership(s) of committees of the Board of other companies are given below:

Sr. no.	Name and DIN Number of the Director	Nature of Directorship	Number of Board Meetings (in no.)		Attendance at the last AGM held on 25-Jul-2017	Directorship(s) in other companies as on March 31, 2018#	Chairmanship(s) and Membership(s) of Board Committee in Companies (**) including this company as on March 31, 2018	
			Held	Attended			Chairman	Member
1.	Mr. Dinesh Kumar Mehrotra (DIN: 00142711)	Chairman Independent Non-Executive	12	12	No	9	1	3
2.	Mr. Satyanarayan Goel (DIN: 02294069)	Managing Director & CEO	12	12	Yes	Nil	Nil	1
3.	Prof. Kayyalathu Thomas Chacko (DIN: 02446168)	Independent Non-Executive	12	11	Yes	1	1	1
4.	Mr. Vallabh Roopchand Bhansali (DIN: 00184775)	Independent Non-Executive	12	3	No	8	Nil	Nil
5.	Ms. Renuka Ramnath (DIN: 00147182)	Non-Executive Director	12	5	No	13	2	3
6.	Mr. Bejul Somaia ⁽¹⁾ (DIN: 00059201)	Non-Executive Director	12	9	No	6	Nil	1
7.	Mr. Gopal Srinivasan (appointed wef April 18, 2017)	Non-Executive Director	11	9	No	14	Nil	2
8.	Mr. Ajeet Kumar Agarwal (DIN: 02231613)	Non-Executive Nominee Director	12	1	No	3	Nil	1
9.	Mr. Mahendra Singhi (appointed wef May 30, 2017) (DIN: 00243835)	Non-Executive Director	9	7	No	2	Nil	1
10.	Mr. Puneet Yadu Dalmia (DIN: 00022633) ⁽²⁾	Non-Executive Director	2	1	No	N.A	N.A	N.A

(1) Mr. Bejul Somaia (DIN: 00059201) Non-Executive Director had ceased to be director wef July 17, 2018

(2) Mr. Puneet Yadu Dalmia (DIN: 00022633) Non-Executive Director had ceased to be director wef May 18, 2017

Note:- There are no inter-se relationships between the Board Members.

#Excludes directorship(s) in Indian Energy Exchange, foreign companies, alternate directorships, section-8 companies and One person Companies.

**Only audit committee and stakeholders' relationship committee of Indian public limited companies have been considered.

-Leave of absence was granted on request to those directors who could not attend the meeting(s).

(C) Independent Directors

Your Company appoints Independent Directors on the Board who are having expertise/experience in their respective field/ profession. Every Independent Director, at the first meeting of the Board in which he participates as a Director and thereafter at the first meeting of the Board in every financial year, gives a declaration that he meets the criteria of independence as laid down under Section 149(6) of the Companies Act, 2013, CERC (Power Market) Regulations 2010 and Listing Agreement/ Regulation 16(1)(b) of the SEBI Listing Regulations, as applicable. All Independent Directors maintain their limit of directorships as required under Regulation 25(1) of the SEBI Listing Regulations. The Company has issued a formal letter of appointment to all Independent Directors and the terms and conditions of their appointment have been disclosed on the Company's website. The Independent Directors met once during the year, the meeting was held on December 15, 2017, at Mumbai and, inter alia:

- Reviewed the performance of Non-Independent Directors and the Board as a whole;

- Reviewed the performance of the Chairperson of the Company, taking into account the views of Executive Director and Non-Executive Directors;
- Assessed the quality, quantity and timeliness of flow of information between the Company management and the Board that is necessary to effectively and reasonably perform their duties;
- Noted the status of compliance with SEBI letters/circulars and reviewed the functioning of the regulatory departments;

(D) Familiarization Programme for Independent Directors

The Board Members are provided with the documents sought by them that enable them to have a good understanding of the Company, its operations, procedures and practices. Periodic presentations are made at the Board/Committee Meetings on business development plan and performance, risk management, technology, etc. Also, updates on relevant statutory changes and

letters received from CERC, as applicable, are regularly circulated to the Directors at the Board Meetings. The appointment letter issued to the Independent Directors, inter alia, sets out the expectation of the Board from the Directors so appointed, their fiduciary duties and the accompanying liabilities. The Independent Directors are also apprised about their role at their separate meeting. Further, all Directors annually affirm adherence to the Code of Conduct of the Company and Code of Ethics which, inter alia, sets out their role, responsibilities, etc.

The details of familiarization programme for Independent Directors have been posted on the Company's website under the weblink <https://www.ixindia.com/pdf/Familiarisation%20Programme%20for%20Independent%20Director.pdf>

(E) Compliance reports of applicable laws

The Board periodically reviews compliance reports pertaining to all laws applicable to the Company, prepared by the Company as well as steps taken by it to rectify instances of non-compliances, if any.

(F) Code of Conduct

The Company has formulated and implemented a comprehensive Code of Conduct for the Board of Directors and Senior Management of the Company which is available on the Company's website under the weblink <https://www.ixindia.com/pdf/Code%20of%20Conduct%20For%20Board%20Members%20And%20Senior%20Management%20Personnel.pdf>.

The Board Members and the Senior Management Personnels affirm compliance with the Code of Conduct on an annual basis.

The necessary declaration by the MD & CEO as required under Regulation 34(3) read with Schedule V(D) of the SEBI Listing Regulations regarding adherence to the Code of Conduct has been obtained for the financial year 2017- 18 and forms part of this Annual Report. Further, all the employees are required to affirm compliance with the Code of Ethics of the Company at the time of joining.

(G) Code of Conduct for Prevention of Insider Trading and Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information

The Company has adopted a Code of Conduct for Prevention of Insider Trading in accordance with requirements of the SEBI (Prohibition of Insider Trading) Regulations, 2015 and Companies Act, 2013, with a view to regulate trading in securities by the designated persons of the Company.

Further, the Company has also adopted the Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information under the aforesaid SEBI Regulations for preserving the confidentiality of unpublished price sensitive information and preventing misuse of such information and also ensuring timely, fair and adequate disclosure of events and occurrences that could impact price discovery in the market for the Company's securities.

(H) Directors' Remuneration and Shareholding:

i. Remuneration of the Executive Directors and their Shareholding

The aggregate value of salary and perquisites paid/payable for the year ended March 31, 2018 and the outstanding stock options along with the shareholding as at March 31, 2018 is as below:

(₹ in Lakhs)

Particulars	Mr. Satyanarayan Goel (Managing Director and Chief Executive Officer)
Remuneration	
Fixed Component:	
Salary and allowances	149.24
Monetary value of perquisites	Nil
Retiral Benefits –PF	7.68
Variable Component:	
Bonus/Variable pay	67.83
Total	224.75
Leave Encashment -	2.67
Gross Total	227.42
Outstanding Stock options (ESOP 2010) (in Nos.) as at March 31,2018	11,250
Shareholding as at March 31, 2018 (in Nos.)	33,750

ii. Remuneration paid to the Non-Executive Directors for attending the Board and Committee meetings during the year ended March 31, 2018, outstanding stock options and their shareholding as at March 31, 2018 is as below:

Name of the Director	Sitting Fees (Amount in ₹)		Outstanding Stock options (ESOP 2010) (in Nos.)	Shareholding in the Company as at March 31, 2018 (in Nos.)
	Board Meetings	Committee Meetings		
Mr. Dinesh Kumar Mehrotra	1,080,000	1,980,000	N.A	Nil
Prof. Kayyalathu Thomas Chacko	990,000	1,260,000	N.A	Nil
Mr. Vallabh Roopchand Bhanshali	270,000	120,000	N.A	Nil
Ms. Renuka Ramnath	Nil	Nil	N.A	Nil
Mr. Gopal Srinivasan	Nil	Nil	N.A	Nil
Mr. Ajeet Kumar Agarwal*	90000	Nil	N.A	Nil
Mr. Mahendra Singhi	Nil	Nil	N.A	Nil
Mr. Puneet Yadu Dalmia ⁽¹⁾	Nil	Nil	N.A	N.A.

(1) Mr. Puneet Yadu Dalmia (DIN: 00022633) Non-Executive Director had ceased to be director wef May18, 2017

* Sitting fees towards attendance of meetings by Mr. Ajeet Kumar Agarwal were paid to REC LTD, organization in which they were employed, as per instructions received by the Company to this effect:

There were no pecuniary relationships or transactions between the Non-Executive Directors and the Company during FY 2017-18, except for sitting fees paid to the Non-Executive Directors.

ESOP details are more particularly mentioned in **Annexure - II** to the Directors' Report and Note 42 of the Notes to Financial Statement for the year ended 31 March 2018.

During FY 2017-18, the Non-Executive Directors were entitled to sitting fees of ₹90,000/- per meeting for attending the Meetings of the Board and ₹60,000/- per meeting for attending the Meetings of the Committees of the Board.

The sitting fees paid to the Non-Executive Directors and / or Independent Directors is within the limits prescribed under the Companies Act, 2013.

3. BOARD COMMITTEES:

The Board has constituted various Committees to take informed decisions in the best interest of the Company. Such Committees are constituted in accordance with the provisions of the Companies Act, 2013, the SEBI Listing Regulations, CERC Power Market Regulations 2010 and Exchange Business Rules and Bye Laws, as applicable, in order to ensure effective oversight on the functioning of Exchange and to facilitate cohesive decision making.

The Committees monitor the activities falling within their terms of reference. During the year, the Committees were reconstituted, wherever required, inter-alia, to provide for appropriate representation of the members of the Board in terms of the regulatory requirements and to ensure smooth functioning.

The Chairman of the Board / Chairman of the respective Committees, in consultation with the Company Secretary and the MD & CEO, determine the schedule for the Committee Meetings. The minutes of all the Committee Meetings are placed at the respective subsequent Meetings and also before the Board for its noting. The recommendations of Committees are submitted to the Board for approval, wherever required.

The details w.r.t. composition, terms of reference, meetings and

attendance for Audit Committee, Nomination and Remuneration Committee, CSR Committee and the Stakeholders' Relationship Committee are given below:

i. AUDIT COMMITTEE

As required under Section 177 of the Companies Act, 2013 (the 'Act') and as per Regulation 18 of SEBI Listing Regulations, your Board has constituted a competent Audit Committee consisting of majority of Independent Directors as its members. During the year the members of the Audit Committee were Mr. D K Mehrotra– Non-executive Independent Director (as the Chairman), Prof. K.T. Chacko –Non-executive Independent Director and Mr. Bejul Somaia–Non-executive Director.

All the Members of the Committee has requisite qualification for appointment on the Committee and possess sound knowledge of finance, accounting practices and internal controls.

(A) Terms of Reference:

The 'terms of reference' of the Audit Committee are in conformity with the provisions of Section 177 of the Companies Act, 2013 read with Companies (Meetings of Board and its Powers) Rules, 2014 and as per applicable Clauses of SEBI Listing Regulations.

(B) Composition and attendance:

During the financial year 2017-18, 6 (Six) Audit Committee Meetings were held and the gap between any two meetings did not exceed one hundred and twenty days. The said meetings were held on April 18, 2017, June 12, 2017, September 05, 2017, November 08, 2017, February 02, 2018, and March 14, 2018. The constitution and the number of meetings attended with respect to the Audit Committee are as under:

Member	Category	No. of Meetings Held#	No. of Meetings Attended
Mr. Dinesh Kumar Mehrotra (Chairman)	Independent Non-Executive Director	6	6
Prof. Kayyalathu Thomas Chacko	Independent Non-Executive Director	6	5
Mr. Bejul Somaia	Non-independent Non-Executive Director	6	5

ii. NOMINATION AND REMUNERATION COMMITTEE:

As required under Section 178 of the Companies Act, 2013 (the 'Act') and as per Regulation 19 of SEBI Listing Regulations your Company has a competent Nomination and Remuneration Committee consisting of 50% of Independent Directors as its members. The members of Nomination and Remuneration Committee are Prof. K.T. Chacko – Non-executive Independent Director (as the Chairman), Mr. D K Mehrotra – Non-executive Independent Director, Ms. Renuka Ramnath – Non-executive Director and Mr. Mahendra Singhi, Non-Executive Director.

The Company's Nomination & Remuneration Policy for Directors, Key Managerial Personnel and other employees is annexed as "Annexure - IV" to this Report. The said Policy is directed towards rewarding performance based on periodic review of achievements. Further, the Company has formulated the criteria for performance evaluation of individual Directors, Board Committees and the Board as a whole.

A) Terms of Reference:

The Terms of Reference of the Nomination and Remuneration Committee are in conformity with Section 178 of the Companies Act, 2013 SEBI Listing Regulations.

(B) Composition and attendance:

During the financial year 2017-18, 6 (Six) meetings of the Nomination and Remuneration Committee were held. The said meetings were held on June 12, 2017, June 13, 2017, August 16, 2017, October 12, 2017, February 02, 2018, and February 23, 2018. The constitution and the number of meetings attended with respect to the Nomination and Remuneration Committee are as under:

Member	Category	No. of Meetings Held#	No. of Meetings Attended
Prof. Kayyalathu Thomas Chacko (Chairman)	Independent Non-Executive Director	6	6
Mr. Dinesh Kumar Mehrotra	Independent Non-Executive Director	6	6

Ms. Renuka Ramnath	Non-Independent - Non-executive	6	4
Mr. Mahendra Singhi ¹	Non-Independent - Non-executive	5	5
Mr. Bejul Somaia ²	Non-independent Non-Executive Director	Nil	NA
Mr. Puneet Yadu Dalmia ^{3 & 4}	Non-Independent - Non-executive	Nil	NA

1. Admitted as Member w.e.f. 12-June-2017.

2. Ceased to be Member w.e.f. 18-Apr-2017,

3. Admitted as Member w.e.f. 18-Apr-2017

4. Ceased to be Director w.e.f. 18-May-2017

#No. of meetings held during the tenure of the director on the committee.

The Company Secretary of the Company was the Secretary of the Committee.

iii. STAKEHOLDERS RELATIONSHIP COMMITTEE (SRC):

The Company has Stakeholders Relationship Committee pursuant to Section 178(5) of the Companies Act, 2013 and Regulation 20 of the SEBI Listing Regulations. The Stakeholders' Relationship Committee is constituted primarily with the objective of redressing shareholders' complaints /grievances.

(A) Terms of reference:

The Terms of Reference of the Stakeholders Relationship Committee are in conformity with Section 178 of the Companies Act, 2013 and Clause 20 of the SEBI Listing Regulations.

(B) Composition and attendance:

During the financial year 2017-18, 1 (one) meetings of the Stakeholder Relationship Committee were held. The said meetings were held on February 02, 2018. The constitution and the number of meetings attended with respect to the Stakeholder Relationship Committee are as under:

The Committee comprises of Prof. KT Chacko (Chairman), Mr. Satyanarayan Goel, and Mr. Gopal Srinivasan as the members of the committee.

Member	Category	No. of Meetings Held	No. of Meetings Attended
Prof. Kayyalathu Thomas Chacko (Chairman)	Independent -Non - Executive Director	1	1
Mr. Gopal Srinivasan	Independent -Non - Executive Director	1	1
Mr. Satyanarayan Goel	Managing Director & CEO	1	1

The Company Secretary of the Company was the Secretary of the Committee.

Name of Compliance Officer: Mr. Vineet Harlalka

Designation: CFO & Company Secretary

The Company Secretary & Compliance Officer can be reached at the registered & corporate office of the Company.

Email: compliance@iexindia.com

Tel: +91-11-43004000

Details of the number of complaints received from shareholders and attended during the financial year.

Opening balance	Number of complaints received during the year 2017-2018 (From 23rd October, 2017 to 31st of march, 2018)	Number of complaints resolved during the year 2017-2018 (From 23rd October, 2017 to 31st of march, 2018)	Number of pending complaints on 31st of march, 2018
0(NIL)	50(fifty)	50(fifty)	0(NIL)

The complaints were attended to the satisfaction of shareholders by the Company and / or its Registrar & Share Transfer Agent – Karvy Computershare Private Limited, and no complaints remained pending to be attended as at March 31, 2018.

Details of shares lying in the suspense account as at March 31, 2018 (Pursuant to Regulation 34(3) and Schedule V Part F of the SEBI Listing Regulations):

Sr. No.	Particulars	No. of shareholders	No. of shares
1.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as at * October 23, 2017	21	189
2.	Number of shareholders who approached the issuer for transfer of shares from suspense account during the year	18	162
3.	Number of shareholders to whom shares were transferred from suspense account during the year	18	162
4.	Aggregate number of shareholders and the outstanding shares in the suspense account lying as at March 31, 2018	3	27

* Company Shares were listed on stock exchanges on October 23, 2017.

Note: The voting rights on these shares shall remain frozen till the rightful owner of such shares claims the shares.

iv. CORPORATE SOCIAL RESPONSIBILITY COMMITTEE (CSR)

Your Company has a competent Corporate Social Responsibility Committee as per the Corporate Social Responsibility Policy as required under Section 135 of the Companies Act, 2013, which shall indicate the activities to be undertaken by the Company on Corporate Social Responsibility and Recommend the amount of expenditure to be incurred. The members of CSR Committee are Prof. K.T. Chacko– Non-executive Independent Director (as the Chairman), Ms. Renuka Ramnath –Non-executive Director and Mr. S N Goel Managing Director & CEO.

(A) Terms of reference:

The Terms of Reference of the Corporate Social Responsibility Committee are in conformity with Section 135 of the Companies Act, 2013.

(B) Composition and attendance

The CSR Committee met four times during the year 2017-2018,

4 (four) meetings were held on following dates: June 13, 2017, November 01, 2017, February 03, 2018 & March 15, 2018

Member	Category	No. of Meetings Held	Meetings Attended
Prof. Kayyalathu Thomas Chacko (Chairman)	Independent -Non - Executive Director	4	4
Mr. Satyanarayan Goel	Managing Director & CEO	4	4
Ms. Renuka Ramnath	Non-Independent - Non-executive	4	1

Other Board Committees

i. **Strategic Committee:** The Strategic Committee, inter-alia, explores and identifies development of new products for launching at exchange platform and studies and gives advice on the strategic plans for the long-term development of the Company. The committee comprises following members:

- Mr. Vallabh Bhanshali (Chairman)
- Ms. Renuka Ramanth
- Mr. Mahendra Singhi (Admitted w.e.f 12 June, 2017)
- Mr. Gopal Srinivasan (Admitted w.e.f 12 May, 2017)
- Mr. Bejul Somaia (Ceased w.e.f July 17, 2018)
- Mr. Satyanarayan Goel

ii. **IPO Committee:** the said committee, inter-alia to, evaluates the capital market scenario, formulates the strategy for bringing the IPO of the Company and to facilitate other related activities of the Company. The committee comprises following members:

- Mr. Dinesh Kumar Mehrotra (Chairman)
- Ms. Renuka Ramnath
- Mr. Bejul Somaia (Ceased w.e.f July 17, 2018)
- Mr. Satyanarayan Goel
- Mr. Mahendra Singhi (Admitted w.e.f. Sep 05,17)

iii. **Technology Advisory Committee:** the said committee, inter-alia, reviews, advises management and decides on technological advancement requirements in the Company with the aim of new product and having a cutting edge exchange technology and it also gives recommendations to the Board on the technological needs of the Company. The committee comprises following members:

- Mr. Mahendra Singhi (Chairman)
- Mr. Gopal Srinivasan
- Mr. Bejul Somaia (Ceased w.e.f July 17, 2018)

iv. **Investment Committee:** The Investment Committee approves the overall investment policy of the Company as well as any subsequent changes therein within the overall scope and framework of the policy and oversees the implementation of the policy. The committee comprises following members:

- Mr. Dinesh Kumar Mehrotra (Chairman)
- Mr. Ajeet Kumar Agarwal
- Mr. Satyanarayan Goel

v. **Enterprise Risk Management Committee:** The said Committee, inter-alia, monitors implementation of the risk management

policy, oversees Exchange's integrated risk measurement system and risk and control measures that are needed to be built into the system. The committee comprises following members:

- Prof. Kayyalathu Thomas Chacko (Chairman)
- Mr. Mahendra Singhi (Admitted w.e.f 08-Nov-2017)
- Mr. Satyanarayan Goel

Committees formed as per CERC (Power Market) Regulations 2010

(i) Risk Management Committee: The Board has constituted Risk Management Committee as per clause (ii) of Regulation 25 of CERC (Power Market) Regulation, 2010. The said committee reviews that the Power Exchange is adopting the best practices while formulating prudent and dynamic risk management processes based on changing risk profiles of the market and reviews the Risk Management framework process of the Exchange on half yearly basis (in January and July) each year. The committee comprises following members:

- Prof. Kayyalathu Thomas Chacko (Chairman)
- Mr. Satyanarayan Goel
- Mr. Rajesh Kumar Mediratta
- Mr. Akhilesh Awasthy
- Mr. Vineet Harlalka (Admitted w.e.f 08-Nov-2017)
- Dr. Pareshnath Paul (Admitted w.e.f 08-Nov-2017)
- Mr. Indranil Chatterjee (Admitted w.e.f 08-Nov-2017)
- Mr. Prasanna Rao

(ii) Market Surveillance Committee: The board has constituted Market Surveillance Committee as per clause (iii) of Regulation 25 of CERC (Power Market) Regulations, 2010. The said committee ensures the fair, transparent and unbiased market platforms to members and ensures that the interests of generators and consumers are safeguarded and also the movement in prices and volume are monitored closely and efficiently. The committee comprises following members:

- Mr. Dinesh Kumar Mehrotra (Chairman)
- Mr. Satyanarayan Goel
- Mr. Akhilesh Awasthy
- Mr. Vineet Harlalka
- Dr. Pareshnath Paul (Admitted w.e.f 08-Nov-2017)
- Mr. Indranil Chatterjee (Admitted w.e.f 08-Nov-2017)
- Mr. Prasanna Rao

(iii) SGF Management Committee: The Board has constituted SGF Management Committee as per Clause (iv) of Regulation, 25 of CERC (Power Market) Regulations, 2010. The said Committee, inter-alia, monitors the adherence of regulatory directions in respect of Settlement Guarantee Fund (SGF), contribution of Members to the SGF, its investment, utilization and recoupment of SGF in case it is utilized to meet residual defaults, subject to the provisions of the Bye laws, Rules and Regulations of the Exchange. The committee comprises following members:

- Mr. Dinesh Kumar Mehrotra (Chairman)
- Mr. Satyanarayan Goel
- Mr. Rajesh Kumar Mediratta
- Mr. Akhilesh Awasthy

- Mr. Vineet Harlalka
- Mr. Abhishek Ranjan, BRPL
- Mr. MN Ravi Shankar, Jindal Power Limited
- Mr. Satish Jindal, CEO, JSWPTC
- Mr. Vallabh Bhanshali (Ceased to be member w.e.f. 2nd Feb, 2018)

Other Committees

i. Internal Complaints Committee: The Board has constituted Internal Complaints committee as required under the Sexual Harassment of Women at Workplace (Prevention, Prohibition and Redressal) Act, 2013 for providing protection to the women against the Sexual harassment at the Workplace and for the prevention and Redressal of complaints of sexual harassment and for other connected/ incidental matters. The said Committee, inter-alia, ensures that the Company is in compliance with the statutory requirements in this regard and a detailed Prevention and redressal of Sexual Harassment policy is put in place for the Company. The committee comprises following members:

- Ms. Shruti Bhatia (Chairperson)
- Mr. Akhilesh Awasthy
- Ms. Sonia Sharma (Admitted w.e.f 05-Sep-2017)
- Ms. Shubra Mendiratta

ii. Membership Admission Committee: The said Committee, inter-alia, evaluates the applications for the membership of the Exchange, makes recommendations of their acceptance/rejection and frames Rules/criteria relating to admission for membership. The committee comprises following members:

- Mr. Satyanarayan Goel (Chairman)
- Mr. Rajesh Kumar Mediratta
- Mr. Akhilesh Awasthy
- Mr. Vineet Harlalka (Admitted w.e.f 08-Nov-2017)
- Mr. Indranil Chatterjee (Admitted w.e.f 08-Nov-2017)
- Mr. Rohit Bajaj

iii. Disciplinary Action Committee: The Disciplinary Action Committee, inter-alia, formulates the policy for regulatory actions to be taken for various violations by the members of the Exchange and is responsible to set out the procedure relating to checks, inspections, enquiries and investigations in order to discover and to prevent and monitor, as the case may be, price manipulation, price distortion and trading malpractices. The committee comprises following members:

- Mr. R.V.Shahi (Chairman)
- Prof. Kayyalathu Thomas Chacko
- Mr. H L Bajaj

xii. Default Committee: The Default Committee, inter-alia, identifies and notifies a member as defaulter and realizes all the assets/deposits of the defaulter/expelled member and appropriate the same amongst various dues and claims against the defaulter/expelled member in accordance with the Rules, Byelaws and Business Rules of the Exchange. The committee comprises following members:

- Mr. Dinesh Kumar Mehrotra (Chairman)
- Prof. Kayyalathu Thomas Chacko
- Mr. Satyanarayan Goel (Admitted w.e.f 08-Nov-2017)

4. General Body Meetings:

(A) Details of the last three Annual General Meetings (AGMs) held:

Financial Year	Date	Time	Venue of the Meeting
2017-18 (11th)	25-07-2017	02:00 P.M	Fourth floor, TDI
2016-17 (10th)	21-09-2016	02:00 P.M	Centre, District
2015-16 (9th)	12-09-2015	12:30 P.M	Centre, Jasola, New Delhi - 110025

(B) Particulars of the Special Resolution passed in the last three AGMs:

Date	Particulars
12-09-2015	Acquisition of perpetual technology license for the exchange trading software from M/s Financial technologies (India) Limited (FTIL) and entering into perpetual license agreement with FTIL.

(C) Extra-ordinary General Meeting:

During the financial year 2017-18, only one extra-ordinary general meeting was held. The particulars of that EGM are given below:

- Date of EGM: May 16, 2017
- Venue: At Board Room of Indian Energy Exchange Limited at fourth floor, TDI center, district center, Jasola, New Delhi-110025.

Special resolutions passed at EGM:

- Adoption of New Articles of Association as per New Companies Act 2013.
- To align ESOP Scheme of the Company as per applicable provisions of the Companies Act, 2013, to the extent notified, read with Rule 12 of the Companies (Share Capital and Debentures) Rules, 2014 and the Securities and Exchange Board of India (Share Based Employee Benefits) Regulations, 2014.

(D) Postal Ballot:

During the financial year 2017-2018, no special resolution was passed through postal ballot.

5. Disclosures:

A) Disclosures on materially significant related party transactions

There was no related party transaction entered by the Company during the year in terms of Section 188 of the Companies Act, 2013, except as disclosed under note 39 which is provided in Notes to Financial Statement for the year ended 31 March 2018.

There are no material related party transactions which are not in ordinary course of business or which are not on arm's length basis and hence there is no information to be provided as required under section 134(3)(h) of the Companies Act 2013 read with Rule 8(2) of the Companies (Accounts) Rules, 2014.

The policy on dealing with Related party transactions is disclosed

on the Company's website under the weblink <https://www.iexindia.com/pdf/Policy%20on%20Materiality%20&%20Dealing%20With%20Related%20Party%20Transactions.pdf>

(B) Details of Non Compliance by the Listed Entity Penalties or strictures imposed on the listed entity by Stock Exchanges, SEBI or any statutory authority, on any matter related to the capital markets during the last three years.

Your Company had filed a compounding application with the Reserve Bank of India (RBI) related to the contraventions of Section 16(3) of the FEMA to bring down the individual shareholding below the limits prescribed under Regulation 5(1) (i) read with Sr. No. F.9 of Annexure B of Schedule 1 of the Foreign Exchange Management (Transfer or Issue of Security by a Person Resident Outside India) Regulations, 2000 ("TISPRO Regulations"). In reference to which the RBI imposed compounded amount of ₹6.28 Lakhs vide its compounding order vide order reference number FED.CO.CEFA No./6195/15.20.67/2017-18 dated January 23, 2018.

C) Whistle Blower Policy:

As required under Regulation 22 of the Listing Regulations & Section 177 (10) of the Companies Act 2013, your Company has an established Vigil Mechanism/ Whistle Blower Policy to enable Directors and the employees of the Company to report, illegal or unethical practices/behavior, actual or suspected, fraud or violation of the Company's Code of Conduct or Ethics Policy. The said mechanism ensures that the whistle blowers are protected against victimization/any adverse action and/ or discrimination as a result of such a reporting. This Policy, inter-alia, provides a direct access to the Chairman of the Audit Committee. Your Company hereby affirms that no personnel of the Company have been denied access to the Audit Committee and that no complaints were received during the year. The Whistle Blower Policy has been disclosed on the Company's website under the weblink <https://www.iexindia.com/pdf/Whistle%20Blower%20Anti%20Fraud%20Policy.pdf>

D) Management Discussion & Analysis:

The Management's Discussion and Analysis is covered elsewhere in this Annual Report

6. CEO/CFO Certification:

The certificate signed by the CEO and CFO was placed before the Board of Directors at the meeting held on April 26, 2018. This certificate is attached as **Annexure - XII** in this Annual Report. Declaration by CEO regarding compliance with the Code of Conduct is attached with this Annual Report.

7. Practicing Company Secretary's certificate on Corporate Governance:

The Practicing Company Secretary's certificate regarding the compliance of conditions of Corporate Governance is attached as **Annexure - XIII** in this Annual Report.

8. Compliance with Regulation 34(3) read with Schedule V of the SEBI Listing Regulations:

Mandatory Requirements:

The Company has complied with all mandatory requirements of corporate governance report as mentioned in sub para (2) to (10) of Schedule V(C) of the SEBI Listing Regulations.

Discretionary Requirements: (Part E of Schedule II)

- (A) Shareholder Rights: Quarterly financial results as well as including the summary of significant events disseminated to stock exchanges and are uploaded on the Company's website and are available to all the shareholders.
- (B) Modified opinion(s) in audit report - The auditors' report on statutory financial statements of the Company are unqualified.
- (C) Separate posts of Chairman and CEO
The Company has separate posts of the Chairman and CEO.
- (D) Reporting of Internal Auditor
The Internal auditor's reports directly to the Audit Committee.

9. Subsidiaries:

The Company does not have any subsidiary.

10. Means of Communication:

The quarterly, half yearly, annual results of the Company are published in the newspapers, viz. Business Standard (all edition) an English daily newspaper with circulation in the whole or substantially

the whole of India and in Business Standard (all edition) a Hindi daily newspaper. The financial results, shareholding pattern, press releases, stock information, Annual Reports, Investor presentations are uploaded on the Company's website www.ixindia.com.

The financial results, Investors Presentation and other information are also disseminated to the Stock Exchanges (i.e. BSE Limited and NSE Limited) where the securities of the Company are listed, as required/prescribed under SEBI Listing Regulations.

Significant events, if any, during the financial year, are filed with the Stock exchange and also posted on the Company's website www.ixindia.com from time-to-time. The Company's website gives information on trading, clearing & settlement, circulars issued by the Exchange, market data, Exchange rules, bye-laws, business rules, products, contract specifications of products and membership related information etc.

Go Green Initiative:

As a part of its green initiative, the Company has taken necessary steps to send documents viz. notice of the general meeting, Annual Report, etc. at the registered email addresses of shareholders. Those who have not yet registered their email ids are requested to register the same with the Registrar & Share Transfer Agents/ Depository, to enable the Company to send the documents by the electronic mode. Physical copies shall be sent to all those members whose email addresses are not registered with the Company and to those who have requested the Company that they wish to receive the documents in physical mode.

11. General Shareholder Information: Pursuant to Sch. V(C)(9)

1.	Day, Date, Time and Venue of Annual General Meeting (F.Y. 2017-18)	Tuesday, September 18, 2018 at 11:00 A.M. at Dr. S R KVS Auditorium, Kendriya Vidyalaya No. 2, APS Colony, Delhi-Gurgaon Road, Delhi Cantt, New Delhi- 110010, India
2.	Financial year	April 1, 2017 to March 31, 2018
3.	Book Closure date	September 12, 2018 to September 18, 2018 (both days inclusive)
4.	Dividend payment date	The dividend of 220% i.e. ₹22 per equity share as recommended by the Board and if declared by the shareholders, shall be paid / credited within 30 days after the AGM.
5.	Listing on Stock Exchanges	The equity shares of the Company are listed on BSE Ltd and on NSE Ltd. (w.e.f. 23-Oct-2017) The annual listing fee for the years 2017-2018 and 2018-2019 has been paid by the Company to the respective Stock Exchanges.
6.	Stock Market Code:	BSE Scrip Code: 540750 NSE Symbol: IEX
7.	Registrar & Transfer Agents	Karvy Computershare Private Limited Karvy Selenium Tower B, Plot 31-32, Gachibowli, Financial District, Nanakramguda, Serilingampally, Hyderabad, Telangana – 500 032. Ph: 040-67162222, Fax: 040-23001153 Toll Free no.: 1800-345-4001, Email: einward.ris@karvy.com
8.	Share Transfer system	99.3178% of the equity shares of the Company are in electronic form. Transfer of these shares is done through the depositories with no involvement of the Company. Shares sent in physical form are generally registered and returned within a period of 15 days from the date of lodgement, provided the documents are in order in all respects.
9.	Outstanding GDRs / ADRs / Warrants or any Convertible instruments, conversion date and likely impact on equity	As at March 31, 2018, the Company did not have any outstanding GDRs/ ADRs / Warrants or any convertible instruments.

10.	Commodity price risk or foreign exchange risk and hedging activities	Not Applicable
11.	Exchange operations are located at	Unit no. 3,4,5 & 6, fourth floor TDI Centre, Plot No. 7, Jasola, New Delhi- 110025
12.	Address for Correspondence	Registered & Corporate office: Indian energy exchange limited(IEEX) Unit no. 3,4,5 & 6, fourth floor TDI Centre, plot no. 7, Jasola, New Delhi- 110025 Tel: +91-11-4300 400 Fax: +91-11-4300 4015
13.	Depository for equity shares	National Securities Depository Limited (NSDL) Central Depository Services (India) Limited (CDSL)
14.	Demat International Securities Identification Number (ISIN) allotted to the equity shares of the Company under the Depository System	INE022Q01012
15.	Corporate Identification Number (CIN) of the Company	L74999DL2007PLC277039

Unclaimed dividend:

As per the provisions of companies Act, 2013 and Investor Education and Protection Fund Authority (Accounting, Audit, Transfer and Refund) Rules, 2016, dividends which are unpaid/unclaimed for a period of seven years from the date of transfer to unpaid dividend Account shall be transferred to the investor Education and Protection Fund (IEPF) established by the central Government. Further, the shares in respect of which dividend has not been paid or claimed by the shareholders for consecutive seven years or more shall also be transferred to the Demat account created by the IEPF Authority.

Shareholders who have not yet encashed/claimed their dividend are requested to encash/claim the same from the Company/RTA of the Company before it is transferred to the IEPF.

Shareholders whose dividend/shares are transferred to the IEPF Authority can now claim the same from the Authority following the Refund Procedure as detailed on the website of IEPF Authority.

Dematerialization of shares and Liquidity:

The shares of the Company are tradable compulsorily in dematerialized (electronic) form, and through Karvy Computershare private limited, Registrar and share transfer agent, we have established connectivity with both the depositories viz. NSDL and CDSL. The bifurcation of the category of shares in physical and electronic mode as on 31st of March, 2018 is given below:

Category	No. of shareholders	% of shareholders	Total shares	% of equity
PHYSICAL	7	0.00606	206,902	0.6822
DEMAT				
- CDSL	52,677	45.61925	891,480	2.9394
- NSDL	62,787	54.37469	29,230,242	96.3784
Sub total	115,464	99.99394	30,121,722	99.3178
Total	115,471	100	30,328,624	100

12. Reconciliation of share capital audit:

As stipulated by SEBI, a qualified company secretary carries out, on quarterly basis, reconciliation of share capital Audit to reconcile the total admitted capital with NSDL and CDSL and the total issued and listed capital and report thereon is submitted to BSE Ltd. and NSE Ltd., where the Company's shares are listed. Based on the Audit Report, it is certified that the total listed and issued/ paid-up capital is in agreement with the aggregate of the total number of shares in physical form and the total number of dematerialized shares held with NSDL and CDSL.

13. Month wise Stock Market data:

High, low during each month and trading volumes of the Company's Equity shares during the last financial year at BSE & NSE are given below:

Period	NSE			BSE		
	Month's High (In ₹)	Month's Price (In ₹)	No. of Shares Traded	Month's High (In ₹)	Month's Price (In ₹)	No. of Shares Traded
Oct-17	1,660.00	1,500.00	3,891,773	1,658.00	1,500.00	764,448
Nov-17	1,620.00	1,490.00	676,033	1,617.65	1,488.05	215,853
Dec-17	1,650.00	1,494.05	922,252	1,645.00	1,500.00	479,544
Jan-18	1,677.00	1,575.00	708,380	1,674.40	1,577.00	614,874
Feb-18	1,620.00	1,439.95	280,537	1,612.75	1,440.00	26,323
Mar-18	1,645.05	1,402.00	304,474	1,607.00	1,405.00	168,838

14. Share price performance in comparison to broad based indices:

Performance of the Company's closing price of shares vis-à-vis the Sensex and Nifty at common base of 100 is given below:



15. Distribution of Shareholding & Shareholding pattern as on March 31, 2018:

Distribution of shareholding:

S. No.	Category (Shares)	No. of holder	% to holders	No. of Shares	% to Equity
1	1 - 500	115012	99.60	1466264	4.83
2	501 - 1000	202	0.17	147378	0.49
3	1001 - 2000	89	0.08	125463	0.41
4	2001 - 3000	24	0.02	58514	0.19
5	3001 - 4000	18	0.02	60367	0.20
6	4001 - 5000	9	0.01	41684	0.14
7	5001 - 10000	32	0.03	232127	0.77
8	10001 - 20000	23	0.02	357380	1.18
9	20001 - 30000	8	0.01	195853	0.65
10	30001 - 40000	4	-	128149	0.42
11	40001 - 50000	1	-	49100	0.16
12	50001 - 100000	6	0.01	419609	1.38
13	100001 & Above	43	0.04	27046736	89.18
	TOTAL	115471	100.00	30328624	100.00

Shareholding pattern:

INDIAN ENERGY EXCHANGE LIMITED SHARE HOLDING PATTERN AS ON 31/03/2018

S. No.	Description	Cases	Shares	% Equity
1	BODIES CORPORATES	308	13,293,286	43.83
2	FOREIGN CORPORATE BODIES	8	6,946,343	22.90
3	RESIDENT INDIVIDUALS	108,408	2,403,743	7.93
4	FOREIGN PORTFOLIO INVESTORS	16	2,218,868	7.32
5	ALTERNATIVE INVESTMENT FUND	17	1,998,184	6.59
6	MUTUAL FUNDS	12	1,687,913	5.57
7	TRUSTS	6	1,152,750	3.80
8	BENEFICIAL HOLDINGS UNDER MGT-4	2	253,777	0.84
9	EMPLOYEE TRUSTS	1	168,632	0.56
10	H U F	5,794	76,883	0.25
11	NON RESIDENT INDIANS	508	67,225	0.22
12	NBFC	5	23,138	0.08
13	CLEARING MEMBERS	177	22,269	0.07
14	NON RESIDENT INDIAN NON REPATRIABLE	207	12,739	0.04
15	INDIAN FINANCIAL INSTITUTIONS	1	2,718	0.01
16	BANKS	1	156	-
	Total	115,471	30,328,624	100.00

Chief Executive Officer & Chief Financial Officer Certificate

(Regulation 33(2) & Regulation 17(8) read with Part B of Schedule-II of SEBI Listing Regulations)

To,
The Board of Directors
Indian Energy Exchange Limited
Fourth Floor, TDI Centre
District Centre, Jasola, New Delhi-110 025

We, Satyanaryan Goel, Chief Executive Officer and Vineet Harlalka, Chief Financial Officer of Indian Energy Exchange Limited, certify that: –

1. We have reviewed financial statements and the cash flow statement for the financial year ended March 31, 2018 and that to the best of our knowledge and belief and certify that :
 - these statements do not contain any materially untrue statement or omit any material fact or contain statements that might be misleading;
 - these statements together present a true and fair view of the Company's affairs and are in compliance with existing accounting standards, applicable laws and regulations.
2. There are, to the best of our knowledge and belief, no transactions entered into by the Company during the financial year 2017-18, which are fraudulent, illegal or violative of the Company's code of conduct.
3. We accept responsibility for establishing and maintaining internal controls and we have evaluated the effectiveness of internal control systems of the Company pertaining to financial reporting and have disclosed to the Statutory Auditors and the Audit Committee, deficiencies in the design or operation of such internal controls any, of which they are aware and the steps they have taken or propose to take to rectify these deficiencies.
4. We have indicated to the Statutory Auditors and the Audit Committee :
 - significant changes in internal control over financial reporting during the year;
 - significant changes in accounting policies during the year and that the same have been disclosed in the notes to the financial statements; and
 - instances of significant fraud of which they have become aware and the involvement therein, if any, of the management or an employee having a significant role in the listed entity's internal control system over financial reporting.

Yours Sincerely

Sd/-
Satyanarayan Goel
Managing Director & Chief Executive Officer
Place: New Delhi
Date: 26 April 2018

Sd/-
Vineet Harlalka
Chief Financial Officer & Company Secretary
Place: New Delhi
Date: 26 April 2018

Declaration by Chief Executive Officer under Regulation 34(3) read with Schedule V of SEBI Listing Regulations in respect of compliance with the Company's Code of Conduct

This is to confirm that the members of Board of Directors and Senior Management Personnel of the Company have affirmed compliance with the Code of Conduct of Indian Energy Exchange Limited, as applicable to them, for the Financial Year ended March 31, 2018.

Place: New Delhi
Date: 09 August 2018

Sd/-
Satyanarayan Goel
Managing Director & Chief Executive Officer

Annexure XIII

Certificate of Compliance with the Corporate Governance

To
The Members of Indian Energy Exchange Limited
Unit No. 3, 4, 5 & 6, Fourth Floor
TDI Centre Plot No. 7,
District Centre, Jasola,
New Delhi 110025, India

We have examined the compliance of conditions of Corporate Governance by Indian Energy Exchange Limited (the Company), for the year ended March 31, 2018 as stipulated in Regulation 17 to 27 of the Securities and Exchange Board of India (Listing Obligations and Disclosure Requirements) Regulation, 2015 (the Regulations) of the Company with stock exchange(s).

The compliance of conditions of Corporate Governance is the responsibility of the management. Our examination was limited to the procedure and implementation thereof, adopted by the Company for ensuring the compliance of the condition of the corporate governance. It is neither an audit nor an expression of opinion on the financial statements of the Company.

In our opinion and to the best of our information and according to the explanations given to us, we certify that the Company has complied with conditions of Corporate Governance as stipulated in the Regulations.

We further state that such compliance is neither an assurance as to the future viability of the Company nor the efficiency or effectiveness with which the management has conducted the affairs of the Company.

For MNK & Associates
Company Secretaries

Place: New Delhi
Date: 13 July 2018

Sd/-
Mohd. Nazim Khan
Company Secretary
FCS: 6529; CP-8245

Business Responsibility Report

SECTION A: GENERAL INFORMATION ABOUT THE COMPANY

S. No.	Particulars	Details		
1.	Corporate Identification Number (CIN) of the Company:	L74999DL2007PLC277039		
2.	Name of the Company:	Indian Energy Exchange Limited		
3.	Registered Address :	Unit No. 3, 4, 5 & 6, Fourth Floor, TDI Centre Plot No. 7, District Centre, Jasola, New Delhi-110025 India		
4.	Website:	www.iexindia.com		
5.	Email Id. :	iexsecretarial@iexindia.com		
6.	Financial Year Reported :	2017-18		
7.	Sector that the Company is engaged in (industrial Activity code wise): Financial and insurance Service	Indian Energy Exchange Limited is a Power Exchange, regulated by the Central Electricity Regulatory Commission (CERC), provides an automated platform for trading of electricity and related products. Section K: Financial and Insurance Activities, Division 66: Other Financial Activities, Administration of Financial Markets, NIC Code – 66110		
8.	List three key products/services that the Company manufactures/provides (as in balance sheet) : The Company has only one Business Power Exchange	The Company in engaged in Business of Power Exchange and provide following services- The Company enables price discovery and trading of electricity and related products with risk management for participants of the electricity market.		
9.	Total number of locations where business activity is undertaken by the Company:			
	(a) Number of International Locations (Provide details of major 5)	(a) Not Applicable, the Company serves only in India.		
	(b) Number of National Locations:	(b) Two		
		(1) Registered & Corporate Office Unit No. 3, 4, 5 & 6, Fourth Floor, TDI Centre Plot No. 7, District Centre, Jasola, New Delhi-110025 India		
		(2) Mumbai Office Unit no -904, 905, 906 & 911, 912, 9th Floor, Meadows, Sahar Plaza Complex, J B Nagar, Andheri Kurla Road, Andheri (E), Mumbai 400059		
10	Markets served by the Company			
	Local	State	National	International
	√	√	√	X

SECTION B: FINANCIAL DETAILS OF THE COMPANY (AS PER THE FINANCIAL STATEMENT FOR THE FY 2017-18)

S. No.	Particulars	Details
1.	Paid up Capital (INR) :	3,032.86 Lakhs
2.	Total Turnover (INR) :	25,607.14 Lakhs
3.	Total profit after taxes (INR) :	13,168.52 Lakhs
4.	Total Spending on Corporate Social Responsibility (CSR) as percentage of profit after tax (%) :	2.31%
5.	List of activities in which expenditure in 4 above has been incurred:-	(a) Eradicating hunger, poverty and malnourishment (b) Promoting education (c) Employment enhancing vocational skills (d) Promoting Renewable electricity generation (e) Others

SECTION C: OTHER DETAILS

- Does the Company have any Subsidiary Company/ Companies : No
- Do the Subsidiary Company/Companies participate in the BR Initiatives of the parent company? If yes, then indicate the number of such subsidiary company(s): Not Applicable
- Do any other entity/entities (e.g. suppliers, distributors etc.) that the Company does business with, participate in the BR initiatives of the Company? If yes, then indicate the percentage of such entity/entities? [Less than 30%, 30-60%, More than 60%]: No

SECTION D: BR INFORMATION

1. Details of Director/Directors responsible for BR

- a) Details of the Director/Directors responsible for implementation of the BR policy/policies :

DIN	02294069
Name	Satyanarayan Goel
Designation	MD & CEO

- b) Details of the BR head

No.	Particulars	Details
1.	DIN Number	02294069
2.	Name	Satyanarayan Goel
3.	Designation	MD & CEO
4.	Telephone Number	011-43004000
5.	E mail ID	sngoel@iexindia.com

2. Principle-wise (as per NVGs) BR Policy/policies

- (a) Details of compliance (Reply in Y/N)

Sl. No.	Questions	P 1	P 2	P 3	P 4	P 5	P 6	P 7	P 8	P 9
1.	Do you have a policy/ policies for...	Y	Y	Y	Y	Y	Y	N	Y	Y
2.	Has the policy being formulated in consultation with the relevant stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
3.	Does the policy conform to any national / international standards? If yes, specify? (50 words)	Y	Y	Y	Y	Y	Y	NA	Y	Y
4.	Has the policy being approved by the Board? Is yes, has it been signed by MD/ owner/ CEO/ appropriate Board Director?	Y	Y	Y	Y	Y	Y	NA	Y	Y
5.	Does the Company have a specified committee of the Board/ Director/ Official to oversee the implementation of the policy?	Y	Y	Y	Y	Y	Y	NA	Y	Y
6.	Indicate the link for the policy to be viewed online?	Y	Y	Y	Y	Y	Y	NA	Y	Y
7.	Has the policy been formally communicated to all relevant internal and external stakeholders?	Y	Y	Y	Y	Y	Y	NA	Y	Y
8.	Does the Company have in-house structure to implement the policy/ policies	Y	Y	Y	Y	Y	Y	NA	Y	Y
9.	Does the Company have a grievance redressal mechanism related to the policy/ policies to address stakeholders' grievances related to the policy/ policies?	Y	Y	Y	Y	Y	Y	NA	Y	Y
10.	Has the Company carried out independent audit/ evaluation of the working of this policy by an internal or external agency?	Y	Y	Y	Y	Y	Y	NA	Y	Y

- All the policies have been formulated in accordance with guidelines issued by the Ministry of Corporate Affairs and the legal stipulations governing them and/or in consultation with the Management of the Company.
- Policies are formulated ensuring adherence to the applicable laws of the country. Further, IEX Environment Policy also conforms to ISO 14001 and the Standard Operating Procedure conforms to ISO – 9001, ISO- 27001.

3. The policy(ies) are approved by the Board of Directors/Committee of the Board of Directors/Senior Management of the Exchange.
4. The Board has appointed Mr. S N Goel, MD & CEO, to oversee the implementation of various policy(ies) formulated by the Company.
5. These policies are either available on the Company's website/on the intranet (available to employees).

The web-links of the policies as available on the Company's website are as follows:

Code of Conduct for Board of Directors and Senior Management Personnel	https://www.iexindia.com/Code_of_Conduct.aspx?id=75&mid=1
Rules, Business Rules & Bye laws of the Company	https://www.iexindia.com/bussinessrules.aspx?id=5&mid=2
	https://www.iexindia.com/rules.aspx?id=6&mid=2
	https://www.iexindia.com/bylaws.aspx?id=7&mid=2
Code of Practices & Procedures for Fair Disclosure of Unpublished Price Sensitive Information	https://www.iexindia.com/Polices.aspx?id=73&mid=1
Code of Conduct for Prohibition of Insider Trading Whistle Blower Policy	https://www.iexindia.com/Code_of_Conduct.aspx?id=75&mid=1
Whistle Blower Policy	https://www.iexindia.com/Polices.aspx?id=73&mid=1
Policy Disclosure of Material Events and Information	https://www.iexindia.com/Polices.aspx?id=73&mid=1
Corporate Social Responsibility Policy	https://www.iexindia.com/Polices.aspx?id=73&mid=1

6. The policies have been uploaded on the website/intranet etc. These policies have also been formally communicated to relevant key stakeholders.
7. Presently the evaluation of the working of policies is generally done through internal mechanism. Further, current year being the first year when the BR policy becomes statutorily applicable to the Company, accordingly going forward, the Company would consider to get an independent evaluation for working of these policies.
8. Regarding Principle- 7 on 'Policy Advocacy', it is planned to be defined and put in place within next six months.

3. Governance related to BR

- a) Indicate the frequency with which the Board of Directors, Committee of the Board or CEO to assess the BR performance of the Company. Within 3 months, 3-6 months, Annually, More than 1 year :

Current year being the first year when the BR policy becomes statutorily applicable to the Company, going forward the Company proposes to assess its BR performance annually.

- b) Does the Company publish a BR or a Sustainability Report? What is the hyperlink for viewing this report? How frequently it is published?

The BRR forms part of Annual Report for the Financial year 2018-19, which can be viewed at the Company's website www.iexindia.com

SECTION E: PRINCIPLE-WISE PERFORMANCE

Principle 1: Ethics, Transparency and Accountability

1. Does the policy relating to ethics, bribery and corruption cover only the Company? Yes/ No. Does it extend to the Group/Joint Ventures/ Suppliers/Contractors/NGOs /Others?

Yes, the policies covering ethics, corruption, bribery etc are in place, which focus on foundation of ethics, policies, processes and practices that ensures high standards of accountability and transparency.

2. How many stakeholder complaints have been received in the past financial year and what percentage was satisfactorily resolved by the management? If so, provide details thereof, in about 50 words or so.

Stakeholder Complaints			
Complaints	No. of Complaints received	No. of Complaints resolved	% of Complaints resolved
Shareholders Complaints*	50	50	100

* All the complaints were related to IPO issues like non receipt of Refund, Shares in demat account, annual report etc.

Principle 2: Safety and Sustainability of Goods and Services

1. List up to 3 of your products or services whose design has incorporated social or environmental concerns, risks and/or opportunities.

1. Renewable Energy Certificates (RECs)

The exchange provided an opportunity to trade renewable energy certificates (1 MW-hour of power produced from a renewable energy source).

RECs addressed a growing customer need for transacting a renewable energy. These market-based instruments are classified into solar RECs and non-solar RECs, represented the environmental attributes of electricity generated from renewable resources. They enabled the sale of environmental attributes, separately from the electricity generated from renewable resources, in accordance with the regulations issued by the CERC.

These certificates are issued to eligible entities for generation of electricity based on solar and non solar renewable energy sources.

This contract made it possible for members to buy renewable energy through certificates if they had not been able to meet their renewable energy mandated obligation, RECs sought to address the mismatch between the availability of renewable energy and the requirement of entities that a proportion of their annual electricity consumption be met from renewable resources. REC enhanced convenience and made it possible for people to turn 'green' through the click of a button, circumventing power scheduling issues.

States or utilities unable to fulfil their renewable energy purchase obligations can buy these certificates to plug the shortfall in renewable power in their total energy mix.

2. Energy Saving Certificates (ESCs)

The exchange launched Energy Saving Certificates for trading in September 2017. This market-based instrument was created under the Perform Achieve Trade (PAT) scheme of the Bureau of Energy Efficiency (BEE) under Ministry of Power, Government of India. Under the PAT scheme, consumers in energy-intensive industries and sectors were identified and were required to reduce their specific energy consumption for every compliance period in accordance with specified targets. Consumers doing better than their targets are issued ESCerts (tradable on the Exchange) and consumers unable to meet their targets are required to buy ESCerts. ESCerts are only permitted to be traded through power exchanges. This model has incentivized carbon footprint reduction in India.

In the ESCerts Market segment, the Member transacting on behalf of others can have Designated Consumer willing to trade ESCerts as Client. Such Client are known as DC Client. ESCert Market operates in accordance with the procedures issued by Central Agency/Commission for trading of ESCerts. This market segment will typically cover Energy Savings certificates, distinguished by their vintage as issued by the concerned authority and will have validity for specific cycle. All terms and conditions of the contracts including trading sessions, matching rules, margin requirement and delivery procedure are as per the rules and procedures mentioned in our Business Rules. Currently the trading is stopped in ESCerts since PAT Cycle 1 has already culminated.

2. For each such product, provide the following details in respect of resource use (energy, water, raw material etc.) per unit of product(optional):

- a) Reduction during sourcing/production/ distribution achieved since the previous year throughout the value chain?
N. A.
- b) Reduction during usage by consumers (energy, water) has been achieved since the previous year?
N.A.

However,

- I. Exchange has clearly defined the types of contracts under different market segments of Day Ahead Market (DAM), Term Ahead Market Segment (TAM), Renewable Energy Certificate (REC) and Energy Saving Certificates (ESCs) in its Business Rules which has been approved by the Regulator and also in exchange circulars. IEX has created a market place for its products with sustained product lifecycle.
- II. IEX as a platform for optimizing sourcing of power has helped its customers in optimising & efficient utilisation of power resources.

III. In creating a market, IEX has helped transfer power from an area of surplus to an area of deficit. The exchange of power addresses natural resource security. IEX has created a possibility that henceforth deficits may not need to result in outages and could be addressed with timely purchases that would also enhance national interest.

IV. IEX helps its customer to address their needs and utilising whatever has been generated, need not be wasted (as electricity could not be stored) but transacted, this would ensure that finite resources that had gone into the generation would be completely used, the basis of any responsible society.

3. Does the Company have procedures in place for sustainable sourcing (including transportation)?

Not Applicable, as Exchange is providing a trading platform that facilitates online trading of power and environmental & efficiency attributes. As such, it is providing service and not physical products.

a) If yes, what percentage of your inputs was sourced sustainably? Also, provide details thereof, in about 50 words or so-

N.A.

4. Has the Company taken any steps to procure goods and services from local & small producers, including communities surrounding their place of work?

N.A.

a) If yes, what steps have been taken to improve their capacity and capability of local and small vendors?

5. Does the Company have a mechanism to recycle products and waste? If yes what is the percentage of recycling of products and waste (separately as <5%, 5-10%, >10%). Also, provide details thereof, in about 50 words or so.

N.A.

Principle 3 : Well Being Of All Employees :

1. Please indicate the Total number of employees.

As at March 31, 2018 – 116 (including Trainees & Probationary employees)

2. Please indicate the Total number of employees hired on temporary/contractual/casual basis.

As at March 31, 2018 – 07 (Seven)

3. Please indicate the Number of permanent women employees.

As at March 31, 2018 – 19 (Nineteen)

4. Please indicate the Number of permanent employees with disabilities

As at March 31, 2018 – 1 (One)

5. Do you have an employee association that is recognized by management.

No

6. What percentage of your permanent employees is members of this recognized employee association?

N/A

7. Please indicate the Number of complaints relating to child labour, forced labour, involuntary labour, sexual harassment in the last financial year and pending, as on the end of the financial year.

No.	Category	No of complaints filed during the financial year	No of complaints pending as on end of the financial year
1	Child labour/forced labour/involuntary labour	NIL	NIL
2	Sexual harassment	NIL	NIL
3	Discriminatory employment	NIL	NIL

8. What percentage of your under mentioned employees were given safety & skill up-gradation training in the last year?

a. Permanent Employees : 73%

b. Permanent Women Employees : 74%

c. Casual/Temporary/Contractual Employees : 17%

d. Employees with Disabilities : 100%

Principle 4 : Protection Of Stakeholders' Interest:

1. Has the Company mapped its internal and external stakeholders? Yes/No

Yes, the exchange regularly interact with its stakeholders and has mapped its key stakeholders i.e. Members, employees, market participants that include electricity generators, electricity distribution companies and large electricity consumers, shareholders and investors, electricity regulatory authorities, suppliers and vendors etc.

2. Out of the above, has the Company identified the disadvantaged, vulnerable & marginalized stakeholders?

Yes

3. Are there any special initiatives taken by the Company to engage with the disadvantaged, vulnerable and marginalized stakeholders. If so, provide details thereof, in about 50 words or so.

The Company had carried out various CSR activities like Development of Life skills for Mentally Challenged Students by promoting education and enhancing vocational skills among differently abled, Skill Development for unemployed Urban Youth, Provision of healthcare services to Elderly disabled and Community, Holistic Development of Urban Underprivileged children etc.

Principle 5 : Respecting and Promoting Human Rights

1. Does the policy of the Company on human rights cover only the Company or extend to the Group/Joint Ventures/Suppliers/Contractors/NGOs/Others?

Yes, the exchange adheres to all the defined human right laws and guidelines and respects the human rights of all its

members/clients, employees etc. and upholding the dignity of the individual. Regarding extending such policies to our suppliers, contractors, NGOs and other stakeholder, we have so far not explicitly provided in our communications. We, henceforth will pursue the same.

- How many stakeholder complaints have been received in the past financial year and what percent was satisfactorily resolved by the management?

Stakeholder Complaints			
Complaints	No. of Complaints received	No. of Complaints resolved	% of Complaints resolved
Nil	Nil	Nil	Nil

Principle 6 : Respecting and Protecting the Environment

- Does the policy related to Principle 6 cover only the Company or extends to the Group/Joint Ventures/Suppliers/Contractors/NGOs/others.

The policy covers all the stakeholders.

- Does the Company have strategies/ initiatives to address global environmental issues such as climate change, global warming, etc? Y/N. If yes, please give hyperlink for webpage etc.

N.A.

- Does the Company identify and assess potential environmental risks? Y/N

Yes.

- Does the Company have any project related to Clean Development Mechanism? If so, provide details thereof, in about 50 words or so. Also, if Yes, whether any environmental compliance report is filed?

No.

- Has the Company undertaken any other initiatives on – clean technology, energy efficiency, renewable energy, etc. Y/N. If yes, please give hyperlink for web page etc.

Promoting of Renewable Energy Certificates (RECs) and Energy Saving Certificates (ESCerts)

Digitization: IEX promotes digitization initiatives, these initiatives help to save paper.

- Are the Emissions/Waste generated by the Company within the permissible limits given by CPCB/SPCB for the financial year being reported?

N.A.

- Number of show cause/ legal notices received from CPCB/SPCB which are pending (i.e. not resolved to satisfaction) as on end of Financial Year.

N.A.

Principle 7: Public and Regulatory Policy

- Is your company a member of any trade and chamber or association? If Yes, Name only those major ones that your business deals with:

Yes, your Exchange is member of the following trade and

chambers or associations:

- APEX(Association of Power Exchanges- an association of power exchanges worldwide)
- FICCI
- CII
- ASSOCHAM
- PHD Chambers of Commerce
- Bangalore Chamber of Industrial Commerce

- Have you advocated/lobbied through above associations for the advancement or improvement of public good? Yes/ No; if yes specify the broad areas (drop box: Governance and Administration, Economic Reforms, Inclusive Development Policies, Energy security, Water, Food Security, Sustainable Business Principles, Others)

Yes, the Exchange has advocated/lobbied through above mentioned associations for the policy advocacy related to reforms in the Power Market, particularly better Electricity, REC and Escert trading.

Principle 8: Inclusive Growth And Equitable Development

- Does the Company have specified programmes/initiatives/projects in pursuit of the policy related to Principle 8? If yes details thereof.

Yes, as any responsible corporate citizen, the Exchange contributes to the society beyond our core business. The Exchange is committed to empowering the weaker socio economic strata of society through an integrated, holistic and need based CSR approach in the areas of healthcare, education, livelihood, women empowerment, decentralized renewable energy etc. Towards this objective, the Exchange has undertaken several CSR interventions such as: solar electrification of four Isha Vidhya rural schools in Tamil Nadu; skill development training to 175 solar technicians in Bihar; healthcare for elderly and community at large across 82 villages covering 4 districts in States of Bihar and Madhya Pradesh; mid-day meals for 7000 Primary Government School Children in Uttar Pradesh; program for holistic development and learning enhancement of appx 23,000 school children across Maharashtra, Karnataka, Chhattisgarh, Tamil Nadu and Odisha; skill development and employment for 109 youth in NCR covering 16 districts in 9 States in India. Besides the various social intervention, the Exchange as a part of the CSR, has entered into five years collaboration with Indian Institute of Technology, Kanpur – a premier academic Institution, to set up Energy Analytical Lab (EAL) which will promote research and analytics in power sector as well as power markets and provide support to scholars keen on doing Doctoral and Post-Doctoral Fellowship in energy and power market. EAL will work towards developing learning and visualization tools for better understanding of power sector. More details are covered under CSR section of Annual Report.

- Are the programmes/projects undertaken through in-house team/own foundation/external NGO/government structures/any other organization?

The in-house team of the Exchange undertakes CSR

projects through external NGOs and further supported by a CSR consulting firm who provides assistance in project identification, design, formulation, implementation, monitoring and evaluation. The external NGOs identified for partnerships are credible grass roots-level organisations, selected for partnership only after a thorough due diligence process involving credibility assessment, resources and project delivering capabilities. IEX and the CSR Partner enter into a well-defined MOU that clearly underlines the project budget, objectives, deliverables, timelines, monitoring parameters with well identified resources and responsibilities.

3. Have you done any impact assessment of your initiative?

The CSR projects undertaken by the Company are rigorously reviewed, monitored and assessed by the exchange, under the guidance of Board Level CSR Committee and through its own team together with a professional CSR consulting firm, who has deployed technology platform to ensure that all the programs are implemented in accordance with assigned deliverables in the MOU. The technology platform provides updates on automated basis at regular intervals (weekly, monthly, quarterly etc.) about the progress and impact analysis each operational project.

4. What is your company's direct contribution to community development projects- Amount in INR and the details of the projects undertaken?

Manner in which the CSR amount was spent during financial year ending March 31, 2018-

Sr. No.	Particulars	Amount (₹ in Lakhs)
1	Supported in establishing Energy Analytics Lab, by IIT Kanpur	63.75
2	Donation to - Prime Minister National Relief Fund	30.00
3	Donation to - Swachh Bharat Kosh towards Swachh Bharat Abhiyan	15.00
4	Mid-Day Meals to government school children- through AkshayaPatra Foundation, Mathura (UP)	50.00
5	Infrastructural Support to Isha Rural School in Karur District, TN	31.04
6	Developing English and Numeric Skills among government school children- through Sampark Foundation, at Raigarh	15.00
7	Development of Life skills for Mentally Challenged Students- through Association for the Mentally Challenged, at Bangalore	15.00
8	Skill Development for unemployed Urban Youth- through SMILE Foundation, at Delhi	12.71
9	Promoting Renewable Energy by Installing Solar Systems-Tamil Nadu (Isha Rural Schools in Cuddalore, Villupuram, Tuticorin and Nagercoil)	10.80

Sr. No.	Particulars	Amount (₹ in Lakhs)
10	Provision of healthcare services to Elderly disabled and Community-through HelpAge India at Muzzafarpur in Bihar	10.00
11	Establishing Ekal Vidyalayas-Rourkela, through Friends of Tribal Society, Odisha	10.00
12	Holistic Development of Urban Under-privileged children- through Each One Teach One, at Mumbai	9.18
	Total	272.48

5. Have you taken steps to ensure that this community development initiative is successfully adopted by the community? Please explain in 50 words, or so.

The various CSR initiatives undertaken by the Exchange have indeed been successfully adopted by the community. For instance, the solar electrification of four Isha Vidhya rural schools in Tamil Nadu generated substantial savings for the School which in turn have been deployed towards providing scholarships to the meritorious students; of the 109 urban youth in NCR several are successfully employed in commercial malls and retail establishments; the mobile healthcare unit in Bihar has been providing timely and regular healthcare needs of elderly and community at large across 42 villages covering 3 districts; the mid-day meals program for 7000 primary Government School Children in Mathura, Uttar Pradesh for over last two years has successfully increased school enrolment as well as attendance and concentration in the schools; various programs to improve learning, and enhance numerical, English and computer skills for in appx 23,000 school children across Maharashtra, Karnataka, Chhattisgarh, Tamil Nadu and Odisha for over last two years have had a positive impact on the scores of the student.

Principle 9: Engaging and Enriching Customer Value:

1. What percentage of customer complaints/consumer cases are pending as on the end of financial year.

Nil

2. Does the Company display product information on the product label, over and above what is mandated as per local laws? Yes/No/N.A. /Remarks(additional information)

NA

3. Is there any case filed by any stakeholder against the Company regarding unfair trade practices, irresponsible advertising and/or anti-competitive behaviour during the last five years and pending as on end of financial year. If so, provide details thereof, in about 50 words or so.

No

4. Did your company carry out any consumer survey/ consumer satisfaction trends?

Yes we interact with our clients on regular basis across multiple platforms and periodically do customer survey.

FINANCIAL SECTION

Independent Auditor's Report

To
The Members of
Indian Energy Exchange Limited

Report on the Audit of the Ind AS Financial Statements

We have audited the accompanying Ind AS financial statements of Indian Energy Exchange Limited ("the Company" or "IEX"), which comprise the Balance sheet as at 31 March 2018, the Statement of Profit and Loss, the Statement of Changes in Equity and the Statement of Cash Flows for the year then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

The Company's Board of Directors is responsible for the matters stated in Section 134(5) of the Companies Act, 2013 ("the Act") with respect to the preparation of these Ind AS financial statements that give a true and fair view of the state of affairs, profit (including other comprehensive income), changes in equity and cash flows of the Company in accordance with the accounting principles generally accepted in India, including the Indian Accounting Standards (Ind AS) prescribed under section 133 of the Act.

This responsibility also includes maintenance of adequate accounting records in accordance with the provisions of the Act for safeguarding the assets of the Company and for preventing and detecting frauds and other irregularities; selection and application of appropriate accounting policies; making judgments and estimates that are reasonable and prudent; and design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the accuracy and completeness of the accounting records, relevant to the preparation and presentation of the Ind AS financial statements that give a true and fair view and are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Company or to cease operations, or has no realistic alternative but to do so.

Auditor's Responsibility

Our responsibility is to express an opinion on these Ind AS financial statements based on our audit.

We have taken into account the provisions of the Act, the accounting and auditing standards and matters which are required to be included in the audit report under the provisions of the Act and the Rules made thereunder.

We conducted our audit of the Ind AS financial statements in accordance with the Standards on Auditing specified under Section 143(10) of the Act. Those Standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the Ind AS financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and the disclosures in the Ind AS financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the Ind AS financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal financial control relevant to the Company's preparation of the Ind AS financial statements that give a true and fair view in order to design audit procedures that are appropriate in the circumstances. An audit also includes evaluating the appropriateness of the accounting policies used and the reasonableness of the accounting estimates made by the Company's Directors, as well as evaluating the overall presentation of the Ind AS financial statements.

We are also responsible to conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the entity's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in the auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify the opinion. Our conclusions are based on the audit evidence obtained up to the date of the auditor's report. However, future events or conditions may cause an entity to cease to continue as a going concern.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Ind AS financial statements.

Opinion

In our opinion and to the best of our information and according to the explanations given to us, the aforesaid Ind AS financial statements give the information required by the Act in the manner so required and give a true and fair view in conformity with the accounting principles generally accepted in India of the state of affairs of the Company as at 31 March 2018, its profit (including

other comprehensive income), changes in equity and its cash flows for the year ended on that date.

Report on Other Legal and Regulatory Requirements

1. As required by the Companies (Auditor's Report) Order, 2016 ("the Order") issued by the Central Government in terms of Section 143(11) of the Act, we give in "Annexure A" a statement on the matters specified in paragraphs 3 and 4 of the Order.
2. As required by section 143 (3) of the Act, we report that:
 - (a) We have sought and obtained all the information and explanations which to the best of our knowledge and belief were necessary for the purpose of our audit;
 - (b) In our opinion, proper books of account as required by law have been kept by the Company so far as it appears from our examination of those books;
 - (c) The Balance Sheet, the Statement of Profit and Loss, the Cash Flow Statement and Statement of Changes in Equity dealt with by this Report are in agreement with the books of account;
 - (d) In our opinion, the aforesaid financial statements comply with the Accounting Standards specified under Section 133 of the Act;
 - (e) On the basis of written representations received from the directors as on 31 March 2018 and taken on record by the Board of Directors, none of the directors is disqualified as on 31 March 2018, from being appointed as a director in terms of Section 164(2) of the Act;
- (f) With respect to the adequacy of the internal financial controls with reference to Ind AS financial statements of the Company and the operating effectiveness of such controls, refer to our separate Report in "Annexure B; and
- (g) With respect to the other matters to be included in the Auditor's Report in accordance with Rule 11 of the Companies (Audit and Auditors) Rules, 2014, in our opinion and to the best of our information and according to the explanations given to us:
 - i. The Company has disclosed the impact of pending litigations on its financial position in its Ind AS financial statements – Refer Note 31 and 32 of the Ind AS financial statements.
 - ii. The Company did not have any long-term contracts including derivative contracts for which there were any material foreseeable losses.
 - iii. There were no amounts which were required to be transferred to the Investor Education and Protection Fund.
 - iv. The disclosures in the Ind AS financial statements regarding holdings as well as dealings in specified bank notes during the period from 8 November 2016 to 30 December 2016 have not been made since they do not pertain to the financial year ended 31 March 2018. However, disclosures as appearing in the audited financial statements for the year ended 31 March 2017 have been given.

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W /W-100024

Sd/-

Manish Gupta

Partner

Membership No.: 095037

Place: New Delhi

Date: 26 April 2018

Annexure A to the Auditor's report to the members of Indian Energy Exchange Limited on the Ind AS financial statements for the year ended 31 March 2018

- (i) (a) The Company has maintained proper records showing full particulars, including quantitative details and situation of fixed assets.
- (b) The Company has a regular programme of physical verification of its fixed assets by which all fixed assets are verified at least once every year. In our opinion, this periodicity of physical verification is reasonable having regard to the size of the Company and the nature of its fixed assets. As informed to us, the discrepancies noticed on such verification were not material.
- (c) According to the information and explanations given to us, the Company does not hold any immovable property in its name. Accordingly, para 3(i)(c) of the Order is not applicable to the Company.
- (ii) The Company is a service company and is a registered national level power exchange. Accordingly, it does not hold any physical inventories. Thus, paragraph 3(ii) of the Order is not applicable.
- (iii) According to the information and explanations given to us, the Company has not granted any loans, secured or unsecured, to companies, firms or other parties covered in the register maintained under Section 189 of the Companies Act, 2013. Thus, paragraph 3(iii) of the Order is not applicable.
- (iv) In our opinion and according to the information and explanation given to us, investments made by the Company does not attract provisions of section 185 and 186 of the Act, hence, paragraph 3(iv) of the Order is not applicable to the Company.
- (v) According to the information and explanations given to us, the Company has not accepted any deposits as mentioned in the directives issued by the Reserve Bank of India and the provisions of section 73 to 76 or any other relevant provisions of the Act and the rules framed there under. Accordingly, para 3(v) of the Order is not applicable to the Company.
- (vi) The Central Government has not prescribed the maintenance of cost records under section 148(1) of the Act, for any of the service rendered by the Company. Accordingly, para 3(vi) of the Order is not applicable.
- (vii) (a) According to the information and explanations given to us and on the basis of our examination of the records of the Company, amounts deducted/accrued in the books of account in respect of undisputed statutory dues including Provident Fund, Income-tax, Goods and Service tax, Service tax, Cess and other material statutory dues have been generally been regularly deposited during the year by the Company with the appropriate authorities. As explained to us, the provisions of Employees' State Insurance, Sales-tax, Value added tax, Duty of customs and Duty of excise are not applicable to the Company.
- (b) According to the information and explanations given to us, there are no amounts in respect of dues of Income tax, Service tax, Goods and Service tax and Cess which have not been deposited with the appropriate authorities on account of any dispute. As explained to us, the provisions Sales-tax, Value added tax, Duty of customs and Duty of excise are not applicable to the Company.
- (viii) The Company did not defaulted in repayment of borrowings (overdraft) or loans to banks during the year. The Company did not have any outstanding dues to financial institution, Government and debenture holder during the year.
- (ix) The Company has completed an initial public offering through an Offer for sale of equity shares by certain selling shareholders only during the year. The Company did not raise any money itself by way of initial public offer or further public offer (including debt instrument) and term loans during the year. Accordingly, paragraph 3(ix) of the Order is not applicable.
- (x) According to the information and explanations provided to us, no material fraud by the Company or on the Company by its officers or employees has been noticed or reported during the course of our audit.
- (xi) According to the information and explanation given to us and based on our examination of the records of the Company, the Company has paid/provided for managerial remuneration in accordance with the requisite approvals mandated by the provisions of section 197 read with Schedule V to the Act.
- (xii) In our opinion and according to the information and explanations given to us, the Company is not a nidhi company. Accordingly, paragraph 3(xii) of the Order is not applicable.
- (xiii) According to the information and explanations given to us and based on our examination of the records of the Company, transactions with the related parties are in compliance with sections 177 and 188 of the Act where applicable and details of such transactions have been disclosed in the financial statements as required by the applicable accounting standards.
- (xiv) According to the information and explanations give to us and based on our examination of the records of the Company, the Company has not made any preferential allotment or private placement of shares or fully or partly convertible debentures during the year. Accordingly, para 3(xiv) of the Order is not applicable to the Company.
- (xv) According to the information and explanations given to us and based on our examination of the records of the Company, the Company has not entered into non-cash transactions with directors or persons connected with him. Accordingly, paragraph 3(xv) of the Order is not applicable.
- (xvi) The Company is not required to be registered under section 45-IA of the Reserve Bank of India Act 1934.

According to the information and explanations given to us, no undisputed amounts payable in respect of Provident Fund, Income-tax, Service tax, Goods and Service tax, Cess and other material statutory dues were in arrears as at 31 March 2018 for a period of more than six months from the date they became payable.

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W /W-100024

Sd/-

Manish Gupta

Partner

Place: New Delhi

Date: 26 April 2018

Membership No.: 095037

Annexure B to the Independent Auditor's Report of even date on the Ind AS financial statements of Indian Energy Exchange Limited for the year ended 31 March 2018

Report on the Internal financial controls with reference to financial statements under Clause (i) of Sub-section 3 of Section 143 of the Companies Act, 2013 ("the Act")

We have audited the internal financial controls with reference to financial statements of Indian Energy Exchange Limited ("the Company" or "IEX") as of 31 March 2018 in conjunction with our audit of the Ind AS financial statements of the Company for the year ended on that date.

Management's Responsibility for Internal Financial Controls

The Company's management is responsible for establishing and maintaining internal financial controls based on the internal control over financial reporting criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls over Financial Reporting issued by the Institute of Chartered Accountants of India ('ICAI'). These responsibilities include the design, implementation and maintenance of adequate internal financial controls that were operating effectively for ensuring the orderly and efficient conduct of its business, including adherence to Company's policies, the safeguarding of its assets, the prevention and detection of frauds and errors, the accuracy and completeness of the accounting records, and the timely preparation of reliable financial information, as required under the Companies Act, 2013.

Auditors' Responsibility

Our responsibility is to express an opinion on the Company's internal financial controls with reference to financial statements based on our audit. We conducted our audit in accordance with the Guidance Note on Audit of Internal Financial Controls over Financial Reporting (the "Guidance Note") and the Standards on Auditing, issued by ICAI and deemed to be prescribed under section 143(10) of the Companies Act, 2013, to the extent applicable to an audit of internal financial controls with reference to financial statements, both applicable to an audit of Internal Financial Controls and, both issued by the Institute of Chartered Accountants of India. Those Standards and the Guidance Note require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether adequate internal financial controls with reference to financial statements was established and maintained and if such controls operated effectively in all material respects.

Our audit involves performing procedures to obtain audit evidence about the adequacy of the internal financial controls with reference to financial statements and their operating effectiveness. Our audit of internal financial controls with reference to financial statements included obtaining an understanding of internal financial controls with reference to financial statements, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion on the Company's internal financial controls with reference to Ind AS financial statements.

Meaning of Internal Financial Controls with reference to Financial Statements

A company's internal financial controls with reference to financial statements is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal financial controls with reference to financial statements includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorisations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorised acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Inherent Limitations of Internal Financial Controls with reference to Financial Statements

Because of the inherent limitations of internal financial controls with reference to financial statements, including the possibility of collusion or improper management override of controls, material misstatements due to error or fraud may occur and not be detected. Also, projections of any evaluation of the internal financial controls with reference to financial statements to future periods are subject to the risk that the internal financial controls with reference to financial statements may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Opinion

In our opinion, the Company has, in all material respects, an adequate internal financial controls with reference to Ind AS financial statements and such internal financial controls with reference to Ind AS financial statements were operating effectively as at 31 March 2018, based on the internal financial controls with reference to Ind AS financial statements criteria established by the Company considering the essential components of internal control stated in the Guidance Note on Audit of Internal Financial Controls Over Financial Reporting issued by the Institute of Chartered Accountants of India.

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W /W-100024

Sd/-

Manish Gupta

Partner

Membership No.: 095037

Place: New Delhi

Date: 26 April 2018

Balance Sheet as at 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

	Note No.	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
ASSETS				
Non-current assets				
Property, plant and equipment	4 a	722.92	605.07	697.48
Capital work-in progress	4 a	28.77	33.28	-
Other intangible assets	4 b	11,176.01	229.52	407.28
Intangible assets under development	4 b	24.27	62.77	40.24
Financial Assets				
Investments	5	7,755.55	7,116.79	1,051.50
Loans	6	138.00	88.13	79.84
Other financial assets- Bank deposits	7	-	2,582.69	2,659.90
Deferred tax assets (net)	8	-	97.87	-
Non-current tax assets (net)	9	101.74	120.28	153.55
Other non-current assets	10	126.89	63.91	68.97
Total non-current assets		20,074.15	11,000.31	5,158.76
Current assets				
Financial assets				
Investments	11	19,091.16	31,192.73	27,178.55
Trade receivables	12	21.59	20.86	77.11
Cash and cash equivalent	13	5,310.31	8,164.04	597.52
Bank balances other than cash and cash equivalent	13A	6,126.07	4,681.05	9,339.00
Loans	6	2.94	3.67	2.49
Other financial assets- Other recoverable	7	6,700.99	170.80	3.35
Other current assets	10	99.29	163.12	194.84
Total current assets		37,352.35	44,396.27	37,392.86
TOTAL ASSETS		57,426.50	55,396.58	42,551.62
EQUITY AND LIABILITIES				
Equity				
Equity share capital	14	3,016.00	2,861.11	2,861.11
Instruments entirely equity in nature	15	-	151.64	151.64
Other equity	16	25,356.39	24,808.70	24,340.99
Total equity		28,372.39	27,821.45	27,353.74
Liabilities				
Non-current liabilities				
Financial liabilities				
Other financial liabilities	17	128.28	118.93	155.98
Provisions	18	262.80	227.19	172.96
Deferred tax liabilities (net)	8	1,467.51	-	92.13
Other non-current liabilities	19	14.29	9.59	14.08
Total non-current liabilities		1,872.88	355.71	435.15
Current liabilities				
Financial liabilities				
Trade payables	20	8,462.98	17,193.93	5,901.90
Other financial liabilities	17	16,559.70	8,130.96	7,136.74
Current tax liabilities (net)	9	522.90	436.39	357.30
Provisions	18	16.95	14.16	12.79
Other current liabilities	19	1,618.70	1,443.98	1,354.00
Total current liabilities		27,181.23	27,219.42	14,762.73
TOTAL EQUITY AND LIABILITIES		57,426.50	55,396.58	42,551.62

Significant accounting policies

3

The accompanying notes referred to form an integral part of these Ind AS financial statements

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W /W-100024

For and on behalf of the Board of Directors of
Indian Energy Exchange LimitedSd/-
Manish Gupta

Partner

Membership No.: 095037

Sd/-
S. N. Goel
Managing Director & CEO
DIN-02294069Sd/-
Vineet Harlalka
Chief Financial Officer, Compliance Officer &
Company SecretarySd/-
K. T. Chacko
Independent Director
DIN-02446168Place : New Delhi
Date : 26 April 2018Place : New Delhi
Date : 26 April 2018

Statement of Profit and Loss for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

	Note No.	For the year ended 31 March 2018	For the year ended 31 March 2017
Revenue			
Revenue from operations	21	23,044.80	19,864.52
Other income	22	2,562.34	3,422.66
Total revenue		25,607.14	23,287.18
Expenses			
Employee benefits	23	2,407.69	1,547.88
Finance costs	24	22.66	41.60
Depreciation and amortisation	25	1,027.34	341.96
Other expenses	26	2,149.94	3,970.54
Total expenses		5,607.63	5,901.98
Profit before tax		19,999.51	17,385.20
Tax expense	27		
Current tax		5,396.00	6,111.29
Current tax for earlier periods		(123.77)	105.08
Deferred tax (credit) / charge		1,558.76	(189.30)
Total income tax expense		6,830.99	6,027.07
Profit for the year (A)		13,168.52	11,358.13
Other comprehensive income			
Items that will not be reclassified to profit or loss (net of tax)			
- Re-measurement gain/(loss) on defined benefit obligations		19.17	(2.05)
- Income tax relating to above		(6.63)	0.71
Other comprehensive income for the year, net of income tax (B)		12.54	(1.34)
Total comprehensive income for the year (A+B)		13,181.06	11,356.79
Earnings per equity share [face value ₹10/- per share]	28		
Basic (₹)		44.61	39.06
Diluted (₹)		44.05	37.67

Significant accounting policies

3

The accompanying notes referred to form an integral part of these Ind AS financial statements

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W /W-100024

For and on behalf of the Board of Directors of

Indian Energy Exchange Limited

Sd/-

Manish Gupta

Partner

Membership No.: 095037

Sd/-

S. N. Goel

Managing Director & CEO

DIN-02294069

Sd/-

K. T. Chacko

Independent Director

DIN-02446168

Sd/-

Vineet Harlalka

Chief Financial Officer, Compliance Officer &

Company Secretary

Place : New Delhi

Date : 26 April 2018

Place : New Delhi

Date : 26 April 2018

Cash Flow Statement for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
A. Cash flows from operating activities		
Profit before tax	19,999.51	17,385.20
Adjustments for:		
Depreciation and amortisation	1,027.34	341.96
Interest expense on financial liabilities (settlement guarantee fund) measured at amortised cost	18.15	28.51
Interest expenses on overdraft and others	4.51	13.09
Amortisation of deferred rent on security deposit	14.30	10.41
Property, plant and equipment written off	0.42	-
Employee stock option scheme expense	9.16	1.43
Interest income from bank deposits	(470.23)	(744.76)
Interest income from financial assets at amortised cost	(12.54)	(8.29)
Amortisation of deferred Settlement Guarantee fund	(17.68)	(26.95)
Dividend Income	(2.88)	(273.37)
Mark-to- market gain on investments	(453.30)	(41.85)
Net gain on sale of investments	(1,482.08)	(2,216.42)
Other interest income	(85.38)	(80.65)
Bad debts	-	0.15
Operating profit before working capital changes	18,549.30	14,388.46
Adjustments for:		
(Increase)/decrease in trade receivables	(0.73)	56.10
(Increase) in loans, other financial assets, and other assets	(149.63)	(136.80)
Increase / (decrease) in trade payables, other financial liabilities, provisions and other liabilities	(99.25)	12,386.67
Cash generated from operating activities	18,299.69	26,694.43
Income tax paid	(5,184.18)	(6,104.01)
Net cash generated from operating activities	13,115.51	20,590.42
B. Cash flows from investing activities		
Purchase of Property, plant and equipment and other intangible assets	(12,041.91)	(133.03)
Redemption of bank deposits including unpaid dividend (net)	1,271.54	4,242.00
Proceeds from redemption/ (purchase) of investments (net)	7,053.13	(7,773.58)
Interest received on bank deposits	336.36	1,237.92
Interest income from investments	35.55	33.02
Dividend income from investments	2.88	273.37
Net cash flow from/ (used in) investing activities	(3,342.45)	(2,120.30)
C. Cash flows from financing activities		
Interest paid	(4.51)	(13.09)
Proceeds from profit earned by ESOP trust on exercise of stock option by the employees	84.00	-
Proceeds from issue of shares on exercise of stock option	3.25	-
Dividend paid (net of dividend received by ESOP trust)	(10,548.56)	(9,038.25)
Corporate dividend tax paid	(2,160.97)	(1,852.26)
Net cash used in financing activities	(12,626.79)	(10,903.60)

Cash Flow Statement for the year ended 31 March 2018 (Contd.)

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

	For the year ended 31 March 2018	For the year ended 31 March 2017
D. Net (decrease) / increase in cash and cash equivalents during the year (A+B+C)	(2,853.73)	7,566.52
E. Cash and cash equivalents at the beginning of the year	8,164.04	597.52
F. Cash and cash equivalents as at the end of the year (D+E)	5,310.31	8,164.04
Notes:		
(i) Cash and cash equivalents consists of the following		
Cash and cash equivalents as at the end of the year		
Balance with banks		
In current accounts	870.24	720.63
In settlement accounts	4,440.07	7,443.41
	5,310.31	8,164.04

- (ii) As per section 135 of the Companies Act, 2013, a Corporate Social Responsibility ("CSR") committee has been constituted by the Company and during the year an amount of ₹304.76 (31 March 2017: ₹206.58) has been spent by the Company on CSR activities.
- (iii) The Cash Flow Statement has been prepared in accordance with 'Indirect method' as set out in Ind AS - 7 on 'Statement of Cash Flows', as notified under Section 133 of the Companies Act 2013, read with the relevant rules thereunder.

The accompanying notes referred to form an integral part of these Ind AS financial statements.

As per our report of even date attached

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W /W-100024

Sd/-

Manish Gupta

Partner

Membership No.: 095037

For and on behalf of the Board of Directors of
Indian Energy Exchange Limited

Sd/-

S. N. Goel

Managing Director & CEO

DIN-02294069

Sd/-

Vineet Harlalka

Chief Financial Officer, Compliance Officer &
Company Secretary

Sd/-

K. T. Chacko

Independent Director

DIN-02446168

Place : New Delhi

Date : 26 April 2018

Place : New Delhi

Date : 26 April 2018

Statement of Changes in Equity for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

(A) Equity share capital

Particulars	Note No.	Number of shares	Amount
Balance as at 01 April 2016		28,611,061	2,861.11
Changes in equity share capital during 2016-17		-	-
Balance as at 31 March 2017		28,611,061	2,861.11
Add: Conversion of CCPS into equity shares	14 (g)	1,516,431	151.64
Add: Option exercised during the year	14 (i)	32,500	3.25
Balance as at 31 March 2018		30,159,992	3,016.00

(B) Instrument entirely equity in nature

Compulsory Convertible Preference Shares (CCPS)

Particulars	Note No.	Number of shares	Amount
Balance as at 01 April 2016		1,516,431	151.64
Changes in CCPS during 2016-17		-	-
Balance as at 31 March 2017		1,516,431	151.64
Converted into equity share capital	14 (g)	(1,516,431)	(151.64)
Balance as at 31 March 2018		-	-

(C) Other equity

Particulars	Note No.	Securities premium	General reserve	Retained earnings	Employee stock options outstanding account	ESOP Trust reserve #	Other comprehensive income**	Total
Balance as at 1 April 2016		3,196.94	3,018.72	17,909.49	9.03	206.81	-	24,340.99
Profit for the year		-	-	11,358.13	-	-	-	11,358.13
Other comprehensive income (net of tax)**	16 (e)	-	-	-	-	-	(1.34)	(1.34)
Total comprehensive income for the year		-	-	11,358.13	-	-	(1.34)	11,356.79
Transactions with owners in their capacity as owners:								
Employee stock options expense	16 (c)	-	-	-	1.43	-	-	1.43
Final dividend paid on equity shares/ transfer of dividend on shares held by ESOP trust #	16 (g) & 16 (f)	-	-	(5,762.44)	-	40.17	-	(5,722.27)
Dividend distribution tax on dividend on equity shares	16 (d)	-	-	(1,173.10)	-	-	-	(1,173.10)
Final dividend paid on CCPS	16 (g)	-	-	(303.29)	-	-	-	(303.29)
Dividend distribution tax on dividend on CCPS	16 (d)	-	-	(61.74)	-	-	-	(61.74)
Interim dividend paid on equity shares/transfer of dividend on shares held by ESOP trust #	16 (g) & 16 (f)	-	-	(2,881.21)	-	20.16	-	(2,861.05)
Dividend distribution tax on dividend on equity shares	16 (d)	-	-	(586.55)	-	-	-	(586.55)
Interim dividend paid on CCPS	16 (g)	-	-	(151.64)	-	-	-	(151.64)
Dividend distribution tax on dividend on CCPS	16 (d)	-	-	(30.87)	-	-	-	(30.87)
Transfer to ESOP trust reserve #	16 (f)	-	-	(11.08)	-	11.08	-	-
Balance as at 31 March 2017		3,196.94	3,018.72	18,305.70	10.46	278.22	(1.34)	24,808.70
Profit for the year		-	-	13,168.52	-	-	-	13,168.52
Other comprehensive income (net of tax)**	16 (e)	-	-	-	-	-	12.54	12.54
Total comprehensive income for the year		-	-	13,168.52	-	-	12.54	13,181.06
Transactions with owners in their capacity as owners:								
Employee stock options expense	16 (c)	-	-	-	9.16	-	-	9.16
Profit/ Loss on issue of shares to employees (net of tax of ₹17) #	16 (f)	-	-	-	-	67.00	-	67.00

Statement of Changes in Equity for the year ended 31 March 2018 (Contd.)

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

(C) Other equity

Particulars	Note No.	Securities premium	General reserve	Retained earnings	Employee stock options outstanding account	ESOP Trust reserve #	Other comprehensive income**	Total
Final dividend paid on equity shares/ transfer of dividend on shares held by ESOP trust #	16 (g)	-	-	(10,190.42)	-	66.46	-	(10,123.96)
Dividend distribution tax on dividend on equity shares	16 (d)	-	-	(2,074.53)	-	-	-	(2,074.53)
Final dividend paid on CCPS	16 (g)	-	-	(424.60)	-	-	-	(424.60)
Dividend distribution tax on dividend on CCPS	16 (d)	-	-	(86.44)	-	-	-	(86.44)
Transfer to ESOP trust reserve #	16 (f)	-	-	(11.21)	-	11.21	-	-
Balance as at 31 March 2018		3,196.94	3,018.72	18,687.02	19.62	422.89	11.19	25,356.39

**Other comprehensive income represents remeasurement of defined benefit plans (net of tax).

ESOP trust reserve represents the surplus arising in the books of ESOP trust from profit on the issue of shares to employees, dividend earned by the trust and other income/ expenses included in the statement of profit and loss

The accompanying notes referred to form an integral part of these Ind AS financial statements

As per our report of even date attached

For **B S R & Associates LLP**

Chartered Accountants

ICAI Firm Registration Number: 116231W /W-100024

Sd/-

Manish Gupta

Partner

Membership No.: 095037

For and on behalf of the Board of Directors of

Indian Energy Exchange Limited

Sd/-

S. N. Goel

Managing Director & CEO

DIN-02294069

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Chief Financial Officer, Compliance Officer &

Company Secretary

Sd/-

K. T. Chacko

Independent Director

DIN-02446168

Place : New Delhi

Date : 26 April 2018

Place : New Delhi

Date : 26 April 2018

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

1. Company Information

Indian Energy Exchange Limited (the "Company") was incorporated on March 26, 2007 and domiciled in India as a public limited company and limited by shares (CIN: L74999DL2007PLC277039). The address of the Company's registered office is Unit No. 3,4,5 and 6, Fourth Floor, TDI Centre Plot No 7, District Centre, Jasola, New Delhi-110025.

The Company is a registered national level power exchange. The Company enables price discovery and price risk management for participants of the electricity market, including industries eligible for open access.

During the year, the Company has completed the initial public offering of 6,065,009 equity shares of face value of ₹10 each at a price of ₹1,650 per equity share, through an Offer For Sale ('OFS') of equity shares by certain selling shareholders. The equity shares of the Company were listed on BSE Limited ('BSE') and National Stock Exchange ('NSE') with effect from 23 October 2017.

These separate financial statements were authorized by the Board of Directors for issue on 26 April 2018.

2. Basis

2.1 Statement of compliance

These Ind AS financial statements have been prepared in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') and other relevant provisions of the Act.

The financial statements up to and for the year ended 31 March 2017 were prepared in accordance with the Accounting Standards notified under Companies (Accounting Standards) Rules, 2006 (previous GAAP), notified under Section 133 of the Act and other relevant provisions of the Act.

As these Ind AS financial statements are the first financial statements under Ind AS, Ind AS 101, First-time Adoption of Indian Accounting Standards, has been applied. Refer note 40 explaining the transition of financial position, financial performance and cash flows from previous GAAP to Ind AS.

The financial statements comprise the financial statements of the Company and its controlled employee benefit trust.

2.2 Basis of measurement

These Ind AS financial statements have been prepared on the historical cost basis except for certain financial assets (mutual funds) that are measured at fair value (refer to accounting policy on financial instruments) and share-based payments. The methods used to measure fair values are discussed further in notes to financial statements.

2.3 Functional and presentation currency

These Ind AS financial statements are presented in Indian Rupees (INR), which is the Company's functional currency. All financial information presented in INR has been rounded to the nearest Lakhs (upto two decimals), except as stated otherwise.

2.4 Current and non-current classification

The Company presents assets and liabilities in the balance sheet based on current/non-current classification.

An asset is current when it is:

- Expected to be realized or intended to be sold or consumed in normal operating cycle;
- Held primarily for the purpose of trading;
- Expected to be realized within twelve months after the reporting period; or
- Cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least twelve months after the reporting period.

All other assets are classified as non-current.

A liability is current when:

- It is expected to be settled in normal operating cycle;
- It is held primarily for the purpose of trading;
- It is due to be settled within twelve months after the reporting period; or
- There is no unconditional right to defer settlement of the liability for at least twelve months after the reporting period.

All other liabilities are classified as non-current.

Deferred tax assets/liabilities are classified as non-current.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

2.5 Use of estimates and judgements

In preparing these Ind AS financial statements, management has made judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates. Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised prospectively.

Assumptions and estimation uncertainties

Information about assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment in the year ending 31 March 2018 is included in the following notes:

This note provides an overview of the areas that involved a higher degree of judgement or complexity, and of item which are more likely to be materially adjusted due to estimates and assumptions turning out to be different than those originally assessed. Detailed information about each of these estimates and judgements is included in relevant notes together with information about the basis of calculation for each affected line item in the financial statements.

i). Recognition of deferred tax assets/ (liabilities) – note 8

The Company has recognized deferred tax assets/ (liabilities) and concluded that the deferred tax assets will be recoverable using the estimated future taxable income based on the experience and future projections. The Company is expected to generate adequate taxable income for liquidating these assets in due course of time.

ii) Provision for employee benefits - note 18 & note 29

The measurement of obligations and assets related to defined benefit plans makes it necessary to use several statistical and other factors that attempt to anticipate future events. These factors include assumptions about the discount rate, the rate of future compensation increases, withdrawal, mortality rates etc. The management has used the past trends and future expectations in determining the assumptions which are used in measurements of obligations.

There are no assumptions and estimation uncertainties that have a significant risk of resulting in a material adjustment within the next financial year.

2.6 Measurement of fair values

The Company's accounting policies and disclosures require/ may require measurement of fair values, for both financial and non-financial assets and liabilities. The Company has an established control framework with respect to the measurement of fair values. This includes a team that has overall responsibility for overseeing all significant fair value measurements, including Level 3 fair values.

The team regularly reviews significant unobservable inputs and valuation adjustments. If third party information, such as broker quotes or pricing services, is used to measure fair values, then the team assesses the evidence obtained from the third parties to support the conclusion that these valuations meet the requirements of Ind AS, including the level in the fair value hierarchy in which the valuations should be classified.

Fair values are categorised into different levels in a fair value hierarchy based on the inputs used in the valuation techniques as follows.

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities.
- Level 2: inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices).
- Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).

When measuring the fair value of an asset or a liability, the Company uses observable market data as far as possible. If the inputs used to measure the fair value of an asset or a liability fall into different levels of the fair value hierarchy, then the fair value measurement is categorised in its entirety in the same level of the fair value hierarchy as the lowest level input that is significant to the entire measurement.

The Company measures financial instruments, such as, investments, at fair value at each reporting date. Also, fair value of financial instruments measured at amortized cost and FVTPL is disclosed in Note 34.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

3. Significant accounting policies

3.1 Property, plant and equipment and depreciation

3.1.1. Initial recognition and measurement

Items of property, plant and equipment are measured at cost less accumulated depreciation/ amortization and accumulated impairment losses. Cost includes expenditure that is directly attributable to bringing the asset to the location and condition necessary for it to be capable of operating in the manner intended by management.

Cost of an item of property, plant and equipment comprises its purchase price, including import duties and non-refundable purchase taxes, after deducting trade discounts and rebates, any directly attributable cost of bringing the item to its working condition for its intended use and estimated costs of dismantling and removing the item and restoring the site on which it is located.

If significant parts of an item of property, plant and equipment have different useful lives, then they are accounted for as separate items (major components) of property, plant and equipment.

3.1.2. Subsequent costs

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

3.1.3 Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its property, plant and equipment recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such property, plant and equipment (refer to note 40).

3.1.4 Derecognition

Property, plant and equipment is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of property, plant and equipment are determined by comparing the proceeds from disposal with the carrying amount of property, plant and equipment, and are recognized in the statement of profit and loss.

3.1.5 Depreciation

Depreciation is calculated on cost of items of property, plant and equipment less their estimated residual values over their estimated useful lives using the straight-line method, and is generally recognised in the statement of profit and loss. Assets acquired under finance leases are depreciated over the shorter of the lease term and their useful lives unless it is reasonably certain that the Company will obtain ownership by the end of the lease term. Freehold land is not depreciated.

Depreciation on the following assets is provided on their estimated useful life ascertained on technical evaluation:

Category of assets	Estimated useful life of assets	Useful life as per schedule II
Furniture and Fixtures	10 Years	10 Years
Office Equipment		
Mobile Phones	2 Years	5 Years
Others	5 Years	5 Years
Computers		
Servers	6 Years	6 Years
Others	3 Years	3 Years
Electrical Installation	10 Years	10 years
Vehicles	5 Years	8 Years

During the financial year 2017-18, the Company has changed the estimate of useful life of vehicles from 8 years to 5 years resulting in current year depreciation increase by ₹16.55.

Leasehold Improvements are amortized over the lease period or the remaining useful life, whichever is shorter.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

Depreciation on additions to/deductions from property, plant & equipment during the year is charged on pro-rata basis from/up to the date in which the asset is available for use/disposed.

Depreciation method, useful lives and residual values are reviewed at each financial year-end and adjusted if appropriate. Based on technical evaluation and consequent advice, the management believes that its estimates of useful lives as given above best represent the period over which management expects to use these assets.

Where it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably, subsequent expenditure on a PPE along-with its unamortized depreciable amount is charged off prospectively over the revised useful life determined by technical assessment.

3.2 Intangible assets and intangible assets under development and amortization

3.2.1 Recognition and measurement

Intangible assets that are acquired by the Company, which have finite useful lives, are measured at cost less accumulated amortization and accumulated impairment losses. Cost includes any directly attributable incidental expenses necessary to make the assets ready for its intended use.

Subsequent expenditure is recognized as an increase in the carrying amount of the asset when it is probable that future economic benefits deriving from the cost incurred will flow to the enterprise and the cost of the item can be measured reliably.

Expenditure incurred which are eligible for capitalizations under intangible assets are carried as intangible assets under development till they are ready for their intended use.

3.2.2. Transition to Ind AS

On transition to Ind AS, the Company has elected to continue with the carrying value of all of its intangible assets recognised as at 1 April 2016, measured as per the previous GAAP, and use that carrying value as the deemed cost of such intangible assets (refer to note 40)

3.2.3 Derecognition

An intangible asset is derecognized when no future economic benefits are expected from their use or upon their disposal. Gains and losses on disposal of an item of intangible assets are determined by comparing the proceeds from disposal with the carrying amount of intangible assets and are recognized in the statement of profit and loss.

3.2.4. Amortization

Amortisation is computed to write off the cost of intangible assets less their estimated residual value over their estimated useful lives using the straight-line method, and is included in amortisation in Statement of Profit and Loss.

Software license is amortised over fifteen years and Computer software are amortised over six & fifteen years considering their related useful lives.

Amortisation method, useful lives and residual values are reviewed at the end of each financial year and adjusted if appropriate.

3.3. Cash and cash equivalents

Cash and cash equivalents in the balance sheet comprise cash at banks and on hand and short-term deposits with an original maturity of months or less, which are subject to an insignificant risk of changes in value.

3.4 Financial instruments

A financial instrument is any contract that gives rise to a financial asset of one entity and a financial liability or equity instrument of another.

3.4.1. Financial assets

Initial recognition and measurement

All financial assets are recognized initially at fair value plus, in the case of financial assets not recorded at fair value through profit or loss, transaction costs that are attributable to the acquisition or issue of the financial asset.

Subsequent measurement

a. Debt instruments at amortized cost

A 'debt instrument' is measured at the amortized cost if both the following conditions are met:

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

- (a) The asset is held within a business model whose objective is to hold assets for collecting contractual cash flows, and
- (b) Contractual terms of the asset give rise on specified dates to cash flows that are solely payments of principal and interest ('SPPI') on the principal amount outstanding.

After initial measurement, such financial assets are subsequently measured at amortized cost using the effective interest rate ('EIR') method. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance income in the profit or loss. The losses arising from impairment are recognized in the profit or loss. This category generally applies to trade and other receivables.

b. Debt instrument at FVTOCI (Fair Value through OCI)

A 'debt instrument' is classified as at the FVTOCI if both of the following criteria are met:

- (a) The objective of the business model is achieved both by collecting contractual cash flows and selling the financial assets, and
- (b) The asset's contractual cash flows represent SPPI.

Debt instruments included within the FVTOCI category are measured initially as well as at each reporting date at fair value. Fair value movements are recognized in the OCI. However, the Company recognizes interest income, impairment losses & reversals and foreign exchange gain or loss in the profit and loss. On derecognition of the asset, cumulative gain or loss previously recognized in OCI is reclassified from the equity to profit and loss. Interest earned whilst holding FVTOCI debt instrument is reported as interest income using the EIR method.

c. Debt instrument at FVTPL (Fair value through profit or loss)

FVTPL is a residual category for debt instruments. Any debt instrument, which does not meet the criteria for categorization as at amortized cost or as FVTOCI, is classified as at FVTPL.

In addition, the Company may elect to classify a debt instrument, which otherwise meets amortized cost or FVTOCI criteria, as at FVTPL. However, such election is allowed only if doing so reduces or eliminates a measurement or recognition inconsistency (referred to as 'accounting mismatch'). Debt instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

d. Equity Investments

All equity investments in entities other than tax free bonds and fixed deposits are measured at fair value. Equity

instruments which are held for trading are classified as at FVTPL. For all other equity instruments, the Company decides to classify the same either as at FVTOCI or FVTPL. The Company makes such election on an instrument by instrument basis. The classification is made on initial recognition and is irrevocable.

If the Company decides to classify an equity instrument as at FVTOCI, then all fair value changes on the instrument, excluding dividends, are recognized in the OCI. There is no recycling of the amounts from OCI to P&L, even on sale of investment. However, the Company may transfer the cumulative gain or loss within equity.

Equity instruments included within the FVTPL category are measured at fair value with all changes recognized in the profit and loss.

Investments in tax free bonds and fixed deposits are measured at amortised cost.

e. Derecognition

A financial asset (or, where applicable, a part of a financial asset or part of a Company of similar financial assets) is primarily derecognized (i.e. removed from the Company's balance sheet) when:

- The rights to receive cash flows from the asset have expired, or
- The Company has transferred its rights to receive cash flows from the asset or has assumed an obligation to pay the received cash flows in full without material delay to a third party under a 'pass-through' arrangement; and either (a) the Company has transferred substantially all the risks and rewards of the asset, or (b) the Company has neither transferred nor retained substantially all the risks and rewards of the asset, but has transferred control of the asset.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

f. Impairment of financial assets

In accordance with Ind AS 109, the Company applies expected credit loss (ECL) model for measurement and recognition of impairment loss on the following financial assets and credit risk exposure:

a) Financial assets that are debt instruments, and are measured at amortized cost e.g., loans, debt securities, deposits, trade receivables and bank balance.

b) Trade receivables under Ind AS 18.

For recognition of impairment loss on other financial assets and risk exposure, the Company determines that whether there has been a significant increase in the credit risk since initial recognition. If credit risk has not increased significantly, 12-month ECL is used to provide for impairment loss. However, if credit risk has increased significantly, lifetime ECL is used. If, in a subsequent period, credit quality of the instrument improves such that there is no longer a significant increase in credit risk since initial recognition, then the entity reverts to recognizing impairment loss allowance based on 12-month ECL.

3.4.2. Financial liabilities

Initial recognition and measurement

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. All financial liabilities are recognized initially at fair value and, in the case of borrowings and payables, net of directly attributable transaction costs. The Company's financial liabilities include trade and other payables.

Subsequent measurement

The measurement of financial liabilities depends on their classification, as described below:

a. Financial liabilities at amortized cost

After initial measurement, such financial liabilities are subsequently measured at amortized cost using the EIR method. Gains and losses are in profit or loss when the liabilities are derecognized as well as through the EIR amortization process. Amortized cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the EIR. The EIR amortization is included in finance costs in the profit or loss. This category generally applies to trade payables and other contractual liabilities.

b. Financial liabilities at fair value through profit or loss

Financial liabilities at fair value through profit or loss include financial liabilities held for trading and financial liabilities designated upon initial recognition as at fair value through profit or loss. Financial liabilities are classified as held for trading if they are incurred for the purpose of repurchasing in the near term. This category also includes derivative financial instruments entered into by the Company that are not designated as hedging instruments in hedge relationships as defined by Ind-AS 109.

Gains or losses on liabilities held for trading are recognized in the profit or loss.

Financial liabilities designated upon initial recognition at fair value through profit or loss are designated at the initial date of recognition, and only if the criteria in Ind AS 109 are satisfied. For liabilities designated as FVTPL, fair value gains/losses attributable to changes in own credit risk are recognized in OCI. These gains/losses are not subsequently transferred to profit and loss. However, the Company may transfer the cumulative gain or loss within equity. All other changes in fair value of such liability are recognized in the statement of profit or loss. The Company has not designated any financial liability as at fair value through profit and loss.

c. Derecognition

A financial liability is derecognized when the obligation under the liability is discharged or cancelled or expires. When an existing financial liability is replaced by another from the same lender on substantially different terms, or the terms of an existing liability are substantially modified, such an exchange or modification is treated as the derecognition of the original liability and the recognition of a new liability. The difference in the respective carrying amounts is recognized in the statement of profit or loss.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

3.5. Offsetting financial instruments

Financial assets and liabilities are offset and the net amount is reported in the balance sheet where there is a legally enforceable right to offset the recognised amounts and there is an intention to settle on a net basis or realise the asset and settle the liability simultaneously. The legally enforceable right must not be contingent on future events and must be enforceable in the normal course of business and in the event of default, insolvency or bankruptcy of the Company or the counterparty.

3.6. Provisions and contingent liabilities

A provision is recognized if, as a result of a past event, the Company has a present legal or constructive obligation that can be estimated reliably, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect of the time value of money is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market assessments of the time value of money and the risks specific to the liability. When discounting is used, the increase in the provision due to the passage of time is recognized as a finance cost.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received and the amount of the receivable can be measured reliably. The expense relating to a provision is presented in the statement of profit and loss net of any reimbursement.

Contingent liabilities are possible obligations that arise from past events and whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events not wholly within the control of the Company. Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow of economic benefits is remote. Contingent liabilities are disclosed on the basis of judgment of the management/independent experts. These are reviewed at each balance sheet date and are adjusted to reflect the current management estimate.

3.7 Revenue

Revenue is measured at the fair value of the consideration received or receivable and amounts receivable for services provided in the normal course of business. The Company recognises revenue when the amount of revenue and related cost can be reliably measured and it is probable that the collectability of the related receivables is reasonably assured.

Transaction fee is charged based on the volume of transactions entered into by the respective member or client of trader/ professional member through the exchange. Fee charged in relation to transactions under the Day Ahead Market and the Renewal Energy Certificate segment, is accrued when the orders placed on the network are matched and confirmed by National Load Dispatch Centre. Fee charged in relation to transactions under the Term Ahead Market segment is accrued when orders placed on the network are matched, confirmed by Regional Load Dispatch Centre and delivered.

Admission fees and Processing fees charged from a prospective member of the exchange at the time of his joining, is recognised when the membership has been approved by the membership committee.

Annual subscription fee, in the year when the member/ client is registered for the first time, is recognised on commencement of trading that coincides with the registration of trader member/ client of trader/professional member on a pro-rata basis. Annual subscription fee, in any year subsequent to the year of registration, is recognised on an accrual basis on a pro-rata basis.

Interest income is recognized, when no significant uncertainty as to measurability or collectability exists, on a time proportion basis taking into account the amount outstanding and the applicable interest rate, using the effective interest rate method (EIR).

Dividend income is recognized in profit or loss on the date that the Company's right to receive payment is established, which in the case of quoted securities is the ex-dividend date.

3.8 Employee Benefits

3.8.1 Short term employee benefits

All employee benefits payable wholly within twelve months of rendering the services are classified as short term employee benefits. Benefits such as salaries, wages, bonus, etc. are recognized in the Statement of Profit and Loss in the period in which the employee renders the related services. Such obligations are measured on an undiscounted basis.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

3.8.2 Defined contribution plan

A defined contribution plan is a post-employment benefit plan under which an entity pays fixed contributions into separate entities and will have no legal or constructive obligation to pay further amounts. Obligations for contributions to defined contribution plans are recognized as an employee benefits expense in profit or loss in the period during which services are rendered by employees.

The Company pays fixed contribution to Provident Fund at predetermined rates to regional provident fund commissioner. The contributions to the fund for the year are recognized as expense and are charged to the profit or loss.

3.8.3 Defined benefit plan

A defined benefit plan is a post-employment benefit plan other than a defined contribution plan. The Company's liability towards gratuity is in the nature of defined benefit plans.

The Company's net obligation in respect of defined benefit plan is calculated separately by estimating the amount of future benefit that employees have earned in return for their service in the current and prior periods; that benefit is discounted to determine its present value. Any unrecognized past service costs and the fair value of any plan assets are deducted. The discount rate is based on the prevailing market yields of Indian government securities as at the reporting date that have maturity dates approximating the terms of the Company's obligations and that are denominated in the same currency in which the benefits are expected to be paid.

The calculation is performed annually by a qualified actuary using the projected unit credit method. When the calculation results in a benefit to the Company, the recognised asset is limited to the total of any unrecognised past service costs. Any actuarial gains or losses are recognised in OCI in the period in which they arise.

3.8.4 Other long term employee benefits

Benefits under the Company's compensated absences constitute other long term employee benefit.

Cost of long-term benefit by way of accumulating compensated absences arising during the tenure of the service is calculated taking into account the pattern of avilment of leave. In respect of encashment of leave, the defined benefit is calculated taking into account all types of decrements and qualifying salary projected up to the assumed date of encashment. The present value of obligations under such long-term benefit plan is determined based on actuarial valuation carried out by an independent actuary using the Projected Unit Credit Method as at period end.

3.8.5 Share based payment transactions

The grant date fair value of equity settled share-based payment awards granted to employees is recognised as an employee expense, with a corresponding increase in other equity, over the period that the employees unconditionally become entitled to the awards. The amount recognised as expense is based on the estimate of the number of awards for which the related service and non-market vesting conditions are expected to be met, such that the amount ultimately recognised as an expense is based on the number of awards that do meet the related service and non-market vesting conditions at the vesting date. For share-based payment awards with non-vesting conditions, the grant date fair value of the share-based payment is measured to reflect such conditions and there is no true-up for differences between expected and actual outcome

3.9 Impairment of non-financial assets

The Company's non-financial assets, other than deferred tax assets, are reviewed at each reporting date to determine whether there is any indication of impairment. If any such indication exists, then the asset's recoverable amount is estimated.

For assets that are not yet available for use, the recoverable amount is estimated at each reporting date.

The recoverable amount of an asset or cash-generating unit is the higher of its fair value less costs to disposal and its value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. For the purpose of impairment testing, assets that cannot be tested individually are grouped together into the smallest group of assets that generates cash inflows from continuing use that are largely independent of the cash inflows of other assets or groups of assets (the "cash-generating unit", or "CGU").

An impairment loss is recognized if the carrying amount of an asset or its CGU exceeds its estimated recoverable amount. Impairment losses are recognized in profit or loss. Impairment losses recognized in respect of CGUs are reduced from the carrying amounts of the assets of the CGU.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

Impairment losses recognized in prior periods are assessed at each reporting date for any indications that the loss has decreased or no longer exists. An impairment loss is reversed if there has been a change in the estimates used to determine the recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortization, if no impairment loss had been recognized.

3.10 Foreign currency transactions and translation

Transactions in foreign currencies are translated at the functional currency of the Company at the exchange rates at the dates of the transactions or an average rate if the average rate approximates the actual rate at the date of the transaction.

Monetary assets and liabilities denominated in foreign currencies are translated into the functional currency at the exchange rate at the reporting date. Non-monetary assets and liabilities that are measured at fair value in a foreign currency are translated into the functional currency at the exchange rate when the fair value was determined. Non-monetary assets and liabilities that are measured based on historical cost in a foreign currency are translated at the exchange rate at the date of the transaction. Exchange differences are recognised in profit or loss, except exchange differences arising from the translation of equity investments at fair value through OCI (FVOCI), which are recognised in OCI.

3.11 Lease

3.11.1 Accounting for operating leases- As a lessee

Leases in which a significant portion of the risks and rewards of ownership are not transferred to the Company as lessee are classified as operating lease. Payments made under operating leases are recognized as an expense over the lease term unless the payments are structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Initial direct costs incurred specifically for an operating lease are deferred and charged to the Statement of Profit and Loss over the lease term.

The Company has taken office premises under operating lease arrangements. The lease period for office premises taken under non-cancellable lease agreement is 9 years with lock-in-period of 3 years, thereafter the same can be cancelled by lessee by giving notice of three months to the lessor.

3.12 Income Tax

Income tax expense comprises current and deferred tax. Current tax expense is recognized in profit or loss except to the extent that it relates to items recognized directly in other comprehensive income or equity, in which case it is recognized in OCI or equity.

Current tax is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted and as applicable at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax is recognized using the balance sheet method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes. Deferred tax is measured at the tax rates that are expected to be applied to temporary differences when they reverse, based on the laws that have been enacted or substantively enacted by the reporting date. Deferred tax assets and liabilities are offset if there is a legally enforceable right to offset current tax liabilities and assets, and they relate to income taxes levied by the same tax authority.

Deferred tax is recognized in profit or loss except to the extent that it relates to items recognized directly in OCI or equity, in which case it is recognized in OCI or equity.

A deferred tax asset is recognized to the extent that it is probable that future taxable profits will be available against which the temporary difference can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Additional income taxes that arise from the distribution of dividends are recognized at the same time that the liability to pay the related dividend is recognized.

Minimum Alternative Tax (MAT) under the provisions of Income Tax Act, 1961 is recognized as current tax in the Statement of Profit and Loss. The credit available under the Act in respect of MAT paid is recognized as deferred tax assets only to the extent it is probable that the company will pay normal income tax during the period for which the MAT credit can be carried forward for set off against the normal tax liability. MAT credit recognized as deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

3.13 Earning per share

Basic earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares outstanding during the financial year.

Diluted earnings per equity share is computed by dividing the net profit or loss attributable to equity shareholders of the Company by the weighted average number of equity shares considered for deriving basic earnings per equity share and also the weighted average number of equity shares that could have been issued upon conversion of all dilutive potential equity shares.

3.14 Operating segment

An operating segment is a component of the Company that engages in business activities from which it may earn revenues and incur expenses, including revenues and expenses that relate to transactions with any of the Company's other components, and for which discrete financial information is available. In accordance with Ind AS 108, the operating segments used to present segment information are identified on the basis of internal reports used by the Company's management to allocate resources to the segments and assess their performance.

The Managing Director along with the Board of Directors is collectively the Company's 'Chief Operating Decision Maker' or 'CODM' within the meaning of Ind AS 108. The indicators used for internal reporting purposes may evolve in connection with performance assessment measures put in place.

3.15 ESOP Trust

The ESOP trust has been treated as an extension of the Company, and accordingly, shares held by ESOP Trust are netted off from the total share capital. Consequently, all the assets, liabilities, income and expenses of the trust are accounted for as assets, liabilities, income and expenses of the Company, except for profit / loss on issue of shares to the employees and the dividend earned by the trust which are directly taken to the ESOP Trust reserve.

4 a. Property, plant and equipment and Capital work-in-progress

Assets	Leasehold improvements	Office equipment	Electrical Equipment	Computer hardware/equipment	Furniture and fixtures	Vehicles	Total	Capital work-in-progress
Year ended 31 March 2017								
Gross Carrying amount								
Deemed cost as at 1 April 2016 (refer note below)	201.54	38.44	121.70	235.15	49.30	51.35	697.48	-
Additions	-	2.40	-	57.47	0.48	-	60.35	33.28
Deductions/ adjustments	-	-	-	-	-	-	-	-
Closing gross carrying amount	201.54	40.84	121.70	292.62	49.78	51.35	757.83	33.28
Accumulated Depreciation								
Depreciation charge during the year	26.74	13.00	16.15	81.78	5.82	9.27	152.76	-
Closing accumulated depreciation	26.74	13.00	16.15	81.78	5.82	9.27	152.76	-
Net carrying amount	174.80	27.84	105.55	210.84	43.96	42.08	605.07	33.28
Year ended 31 March 2018								
Gross Carrying amount								
Opening gross carrying amount	201.54	40.84	121.70	292.62	49.78	51.35	757.83	33.28
Additions	59.45	25.45	12.09	98.10	15.50	111.67	322.26	53.69
Deductions/ adjustments	-	0.30	-	25.47	0.25	12.94	38.96	-
Transfers	-	-	-	-	-	-	-	58.20
Closing gross carrying amount	260.99	65.99	133.79	365.25	65.03	150.08	1,041.13	28.77
Accumulated Depreciation								
Opening accumulated depreciation	26.74	13.00	16.15	81.78	5.82	9.27	152.76	-
Depreciation charge during the year	31.10	15.56	16.71	98.05	6.40	36.06	203.88	-
Disposals/ adjustments	-	0.18	-	25.21	0.10	12.94	38.43	-
Closing accumulated depreciation	57.84	28.38	32.86	154.62	12.12	32.39	318.21	-
Net carrying amount	203.15	37.61	100.93	210.63	52.91	117.69	722.92	28.77

Notes:

- The Company has elected Ind AS 101 exemption and continued with the carrying value for all of its property, plant and equipment as its deemed cost as at the date of transition (refer note 40)

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

4 b. Other intangible assets and intangibles under development

Assets	Computer Software	Software License	Total	Intangible assets under development
Year ended 31 March 2017				
Gross Carrying amount				
Deemed cost as at 1 April 2016 (refer note below)	407.28	-	407.28	40.24
Additions	11.44	-	11.44	22.53
Deductions / adjustments	-	-	-	-
Closing gross carrying amount	418.72	-	418.72	62.77
Amortisation				
Amortisation charge during the year	189.20	-	189.20	-
Closing accumulated amortisation	189.20	-	189.20	-
Net carrying amount	229.52	-	229.52	62.77
Year ended 31 March 2018				
Gross Carrying amount				
Opening gross carrying amount	418.72	-	418.72	62.77
Additions	226.95	11,543.00	11,769.95	56.82
Deductions/ Adjustments	-	-	-	-
Transfers	-	-	-	95.32
Closing gross carrying amount	645.67	11,543.00	12,188.67	24.27
Amortisation				
Opening accumulated amortisation	189.20	-	189.20	-
Amortisation charge during the year	186.74	636.72	823.46	-
Disposals/ Adjustments	-	-	-	-
Closing accumulated amortisation	375.94	636.72	1,012.66	-
Net Carrying amount	269.73	10,906.28	11,176.01	24.27

Notes:

(i) The Company has elected Ind AS 101 exemption and continued with the carrying value for intangible assets as its deemed cost as at the date of transition, refer note 40.

5. Investments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current investments			
Investments measured at amortised cost			
Bonds (Quoted)			
7.11% Tax Free Bonds Power Finance Corporation Ltd.			
5,134 (31 March, 2017: 5,134, 01 April, 2016: 5,134) units of face value of ₹1,000 each.	52.98	52.98	52.98
7.04% Tax Free Bonds Housing and Urban Development Corporation Ltd.			
15,058 (31 March, 2017: 15,058 , 01 April, 2016: 15,058) units of face value of ₹1,000 each.	153.69	153.69	151.07
7.04% Tax Free Bonds Indian Railway Finance Corporation Ltd.			

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

5. Investments (Contd.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
11,757 (31 March, 2017: 11,757 , 01 April, 2016: 11,757) units of face value of ₹1,000 each.	121.36	121.38	117.80
7.04% Tax Bonds National Bank for Agriculture and Rural Development			
10,020 (31 March, 2017: 10,020 , 01 April, 2016: 10,020) units of face value of ₹1,000 each.	100.37	100.37	100.37
Fixed deposits (Unquoted)			
PNB Housing Finance Limited	-	586.66	545.23
Investments measured at fair value through profit and loss			
Mutual funds (quoted)			
HDFC FMP 1143D March 2018 (1) - Direct - Growth -Series -39			
12,000,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	1,208.24	-	-
Aditya Birla Sun Life Fixed Term Plan - Series PJ (1135 days) -Direct Growth			
12,000,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	1,208.92	-	-
UTI-Fixed Term Income Fund —Series XXVIII—XII (1154 DAYS)-Direct Growth Plan			
10,000,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	1,006.11	-	-
ICICI Prudential Fixed Maturity Plan Series 82 - 1175 Days Plan Q Direct Plan Cumulative			
10,000,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	1,005.86	-	-
SBI Debt Fund Series - C - 12 (1122 Days) - Direct Growth			
10,000,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	1,005.38	-	-
IDFC Fixed Term Plan Series 142 Direct Plan -Growth (1139 Days)			
10,000,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	1,006.62	-	-
HDFC FMP 1132D February 2016 (1) - Direct - Growth -Series-35			
170,000 (31 March, 2017: 170,000, 01 April, 2016: 170,000) units of face value of ₹10 each.	20.18	18.71	17.21
HDFC FMP 1155D February 2016 (1) - Direct - Growth -Series-35			
160,000 (31 March, 2017: 160,000, 01 April, 2016: 160,000) units of face value of ₹10 each.	19.06	17.66	16.27
HDFC FMP 1183D January 2016 (1) - Direct - Growth -Series-35			
160,000 (31 March, 2017: 160,000, 01 April, 2016: 160,000) units of face value of ₹10 each.	19.16	17.75	16.31
HDFC FMP 1128D March 2015 (1) - Direct - Growth -Series-33			
Nil (31 March, 2017: 1,50,000, 01 April, 2016: 1,50,000) units of face value of ₹10 each.	-	17.70	16.34
HDFC FMP 369D-Direct Growth			
Nil (31 March, 2017: 1,50,000, 01 April, 2016: 1,50,000) units of face value of ₹10 each.	-	19.30	17.92
HDFC FMP 1166D MAY 2017 (1) - Direct - Growth - Series-38			
200,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	21.42	-	-

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

5. Investments (Contd.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
HDFC FMP 1165D April 2017 (1) - Direct - Growth - Series-38 130,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	13.86	-	-
Mutual funds (unquoted)			
HDFC Arbitrage Fund-Wholesale Plan- Growth-Direct Plan Nil (31 March, 2017: 14,529,669.301, 01 April, 2016: Nil) units of face value of ₹10 each.	-	1,802.84	-
Aditya Birla Sun Life Enhanced Arbitrage Fund - Growth-Direct Plan 2,723,192.889 (31 March, 2017: 8,133,056.809, 01 April, 2016: Nil) units of face value of ₹10 each.	500.28	1,402.61	-
ICICI Prudential Equity Arbitrage Fund- Direct Plan -Growth Nil (31 March, 2017: 8,106,464.906, 01 April, 2016: Nil) units of face value of ₹10 each.	-	1,803.32	-
Kotak Equity Arbitrage Fund- Direct Plan -Growth Nil (31 March, 2017: 2,094,074.189, 01 April, 2016: Nil) units of face value of ₹10 each.	-	500.95	-
Reliance Arbitrage Advantage Fund- Direct Growth Plan-Growth option Nil (31 March, 2017: 2,924,455.466, 01 April, 2016: Nil) units of face value of ₹10 each.	-	500.87	-
HDFC Arbitrage Fund - Wholesale Plan - Growth - Direct Plan 2,217,484.473 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.	292.06	-	-
Total	7,755.55	7,116.79	1,051.50
Aggregate value of quoted investments in bonds	428.40	428.42	422.22
Market value of quoted investments in bonds	433.75	428.42	422.22
Aggregate market value of quoted investments in mutual funds	6,534.81	91.12	84.05
Aggregate value of unquoted investments	792.34	6,597.25	545.23

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 35.

6. Loans

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
<i>Unsecured, considered good, unless otherwise stated</i>						
Security deposits	138.00	1.76	88.13	2.73	79.84	2.28
Loans and advances to employees	-	1.18	-	0.94	-	0.21
Total	138.00	2.94	88.13	3.67	79.84	2.49

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

7. Other financial assets

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
<i>Unsecured, considered good, unless otherwise stated</i>						
Bank deposits due for maturity after twelve months from the reporting date*	-	-	2,582.69	-	2,659.90	-
Other recoverables	-	-	-	169.91	-	-
Other advances	-	305.42	-	0.89	-	3.35
Amount recoverable from mutual fund house	-	6,395.57	-	-	-	-
Total	-	6,700.99	2,582.69	170.80	2,659.90	3.35

*Bank deposits includes ₹ Nil (31 March 2017: ₹1,140.00; 1 April 2016: ₹1,893.00) under lien with banks for overdraft facilities.

8. Deferred tax assets/ (Deferred tax liabilities) (net)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Deferred tax assets rising on timing differences on account of:			
Provisions for employee benefits	90.89	191.84	64.28
Fair valuation of financial assets/ liabilities	3.31	2.86	1.08
Deferred tax liabilities rising on timing differences on account of:			
Deferred tax liabilities on account of difference between WDV of property, plant and equipment and intangible assets as per books and under Income Tax Act, 1961.	1,410.17	86.14	147.14
Investments at fair value through profit or loss	151.54	10.69	10.35
Total	(1,467.51)	97.87	(92.13)

a) Deferred tax assets and deferred tax liabilities have been offset as they relate to the same governing laws.

Movement in deferred tax assets/(liabilities)

As at 31 March 2018

Particulars	Net balance 1 April 2017	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2018
Deferred tax liability				
Deferred tax liabilities on account of difference between WDV of property, plant and equipment and intangible assets as per books and under Income Tax Act, 1961.	86.14	1,324.03	-	1,410.17
Investments at fair value through profit or loss	10.69	140.85	-	151.54
Less: Deferred tax assets				
Provisions for employee benefits	191.84	(94.32)	(6.63)	90.89
Fair valuation of financial assets/ liabilities	2.86	0.45	-	3.31
Deferred tax assets/(liabilities)	97.87	(1,558.76)	(6.63)	(1,467.51)

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

8. Deferred tax assets/ (Deferred tax liabilities) (net) (Contd.)

As at 31 March 2017

Particulars	Net balance 1 April 2016	Recognised in profit or loss	Recognised in OCI	Net balance 31 March 2017
Deferred tax liability				
Deferred tax liabilities on account of difference between WDV of property, plant and equipment and intangible assets as per books and under Income Tax Act, 1961.	147.14	(61.00)	-	86.14
Investments at fair value through profit or loss	10.35	0.34	-	10.69
Less: Deferred tax assets				
Provisions for employee benefits	64.28	126.85	0.71	191.84
Fair valuation of financial assets/ liabilities	1.08	1.78	-	2.86
Deferred tax assets/(liabilities)	(92.13)	189.30	0.71	97.87

9. Non-current tax assets (net) / Current tax liabilities (net)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Non-current tax assets (net) [Net of provision for tax of ₹14,324.37, (31 March 2017: ₹8,331.19; 1 April 2016: ₹9,837.85)]	101.74	120.28	153.55
Current tax liabilities(net) [net of advance tax ₹13,974.81 (31 March 2017: ₹14,765.27 ; 1 April 2016 ₹7,126.60)]	522.90	436.39	357.30

10. Other assets

Particulars	As at 31 March 2018		As at 31 March 2017		As at 1 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
<i>Unsecured, considered good, unless otherwise stated</i>						
Capital advances	41.30	-	6.09	-	0.66	-
Prepaid expenses	26.31	64.83	0.24	80.71	0.32	88.92
Balance with government authorities	-	19.27	-	72.00	-	95.51
Deferred rent	59.28	15.19	57.58	10.41	67.99	10.41
Total	126.89	99.29	63.91	163.12	68.97	194.84

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

11. Current investments

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
A) Investments measured at fair value through profit and loss			
Mutual funds			
Quoted			
UTI QIP III - Direct -Scheme Code 257- Growth	-	-	2,522.65
Nil (31 March, 2017: Nil, 01 April, 2016: 12,381,938) units of face value of ₹10 each.			
HDFC FMP 1128D March 2015 (1) - Direct - Growth -Series-33	19.12	-	-
150,000 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.			
Unquoted			
Birla Sun Life Cash Plus - Direct Plan - DDR	-	-	2,402.62
Nil (31 March, 2017: Nil, 01 April, 2016: 2,397,947) units of face value of ₹1,000 each.			
Kotak Floater - STP- Direct Plan-Growth	-	2,301.34	-
Nil (31 March, 2017: 86,212.6863, 01 April, 2016: Nil) units of face value of ₹1,000 each.			
SBI Magnum - Insta Cash Fund -Liquid Floater - Direct Plan - DDR	-	-	2,465.35
Nil (31 March, 2017: Nil, 01 April, 2016: 244,138) units of face value of ₹1,000 each.			
Sbi Premier Liquid Fund - Direct - DDR	-	-	1,000.88
Nil (31 March, 2017: Nil, 01 April, 2016: 99,778) units of face value of ₹1,000 each.			
Axis Treasury Advantage Fund - Direct Plan DDR	-	-	2,558.56
Nil (31 March, 2017: Nil, 01 April, 2016: 254,586) units of face value of ₹1,000 each.			
Axis Liquid Fund -Direct Growth- CFDG	2,067.00	1,228.09	-
107,235.5860 (31 March, 2017: 68,105, 01 April, 2016: Nil) units of face value of ₹1,000 each.			
Birla Sun Life Floating Rate Fund - LTP- Direct Plan - DDR	-	-	2,484.32
Nil (31 March, 2017: Nil, 01 April, 2016: 2,472,763) units of face value of ₹100 each.			
Birla Sun Life Floating Rate Fund - LTP- Direct Plan - Growth	-	2,403.12	-
Nil (31 March, 2017: 1,197,682, 01 April, 2016: Nil) units of face value of ₹100 each.			
Birla Sun Life Savings Fund - Direct Plan DDR	-	-	518.48
Nil (31 March, 2017: Nil, 01 April, 2016: 516,946) units of face value of ₹100 each.			
Aditya Birla Sun Life Savings Fund - Growth-Direct Plan	2,600.36	2,618.65	-
756,083.591 (31 March, 2017: 81,8044, 01 April, 2016: Nil) units of face value of ₹100 each.			
HDFC Floating Rate Income Fund - STP - Wholesale Plan - Direct DDR	-	-	2,531.81
Nil (31 March, 2017: Nil, 01 April, 2016: 25,114,957) units of face value of ₹100 each.			
HDFC Floating Rate Income Fund - STP - Wholesale Plan - Direct Growth	-	2,590.14	-
Nil (31 March, 2017: 9,133,219, 01 April, 2016: Nil) units of face value of ₹10 each.			
HDFC Cash Management Fund - Treasury Advantage - Direct - DDR	-	-	2,025.33

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

11. Current investments (Contd.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Nil (31 March, 2017: Nil, 01 April, 2016: 20,189,732) units of face value of ₹10 each.			
HDFC Cash Management Fund - Treasury Advantage - Direct - Growth	-	2,642.75	-
Nil (31 March, 2017: 7,459,691, 01 April, 2016: Nil) units of face value of ₹10 each.			
ICICI Ultra Short Term Fund - Direct Plan Growth	-	2,684.83	-
Nil (31 March, 2017: 15,689,374.537, 01 April, 2016: Nil) units of face value of ₹10 each.			
Axis Treasury Advantage Fund - Direct Growth- TADG	2,479.80	-	-
125,188.19 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.			
Kotak Treasury Advantage Fund - Direct Plan Growth	2,436.12	-	-
8629370.583 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.			
ICICI Prudential Flexible Income - Direct Plan - Growth	1,143.26	2,094.95	-
341,190.123 (31 March, 2017: 670,227.496, 01 April, 2016: Nil) units of face value of ₹100 each.			
IDFC Money Manager Treasury Plan - Direct Plan Growth	-	307.13	-
Nil (31 March, 2017: 1,172,849.236, 01 April, 2016: Nil) units of face value of ₹10 each.			
IDFC Ultra Short Term Fund Direct Plan DDR	-	-	2,267.84
Nil (31 March, 2017: Nil, 01 April, 2016: 22,554,173) units of face value of ₹10 each.			
IDFC Ultra Short Term Fund-Growth-(Direct Plan)	2,427.37	2,447.88	-
9,789,046.057 (31 March, 2017: 10,572,729.366, 01 April, 2016: Nil) units of face value of ₹10 each.			
Reliance Medium Term-Direct Plan Growth	-	2,458.88	-
Nil (31 March, 2017: 7,088,200.592, 01 April, 2016: Nil) units of face value of ₹10 each.			
Reliance Liquid Fund - Treasury Plan - Direct Plan Growth Plan Growth Option	1,502.27	1,000.50	-
35,431.4820 (31 March, 2017: 25,218.256, 01 April, 2016: Nil) units of face value of ₹1,000 each.			
Tata Treasury Manager - Direct Plan - DDR	-	-	1,353.40
Nil (31 March, 2017: Nil, 01 April, 2016: 134,215) units of face value of ₹1,000 each.			
TATA Floater Direct Plan DDR	-	-	2,657.34
Nil (31 March, 2017: Nil, 01 April, 2016: 264,835) units of face value of ₹1,000 each.			
TATA Money Market Fund-Direct Plan Growth	-	2,000.89	-
Nil (31 March, 2017: 78,052.876, 01 April, 2016: Nil) units of face value of ₹1,000 each.			
UTI Floating Rate - STP Direct Growth	1,032.46	2,690.80	-

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

11. Current investments (Contd.)

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
35,467.516 (31 March, 2017: 98,995.878, 01 April, 2016: Nil) units of face value of ₹1,000 each.			
UTI Treasury Advantage Fund - Direct Plan - DDR	-	-	2,389.97
Nil (31 March, 2017: Nil, 01 April, 2016: 238,435) units of face value of ₹1,000 each.			
UTI-Treasury Advantage Fund - IP -Direct Growth	1,011.52	1,559.73	-
41,909.98 (31 March, 2017: 69,155.706, 01 April, 2016: Nil) units of face value of ₹1,000 each.			
UTI-Money Market Fund -IP -Direct Growth	1,722.78	-	-
88,359.052 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.			
HDFC Cash Management Fund	-	163.05	-
Nil (31 March, 2017: 460,267.44, 01 April, 2016: Nil) units of face value of ₹10 each.			
HDFC Cash Management Fund - Savings Plan - Direct Plan -Growth Option	12.59	-	-
347.296 (31 March, 2017: Nil, 01 April, 2016: Nil) units of face value of ₹10 each.			
B) Investments measured at amortised cost			
In Fixed Deposits: (unquoted)			
PNB Housing Finance Limited	636.51	-	-
Total	19,091.16	31,192.73	27,178.55
Aggregate market value of quoted investments	19.12	-	2,522.65
Aggregate value of unquoted investments	19,072.04	31,192.73	24,655.90

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 35.

12. Trade receivables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Trade receivables			
Secured, considered good	21.59	18.05	70.87
Unsecured, considered good	-	2.81	6.24
Total	21.59	20.86	77.11

Information about the Company's exposure to credit and market risks, and fair value measurement, is included in Note 35.

13. Cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Balances with banks			
- in current accounts	870.24	720.63	435.79
- in settlement accounts	4,440.07	7,443.41	161.73
Total	5,310.31	8,164.04	597.52

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

13A. Bank balance other than cash and cash equivalents

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Bank deposits having maturity of more than three months but less than twelve months from the reporting date*	6,120.61	4,681.05	9,339.00
In earmarked accounts			
-Current Accounts (unpaid dividend)#	5.46	-	-
Total	6,126.07	4,681.05	9,339.00

*Bank deposits includes ₹4,606.00 (31 March 2017: ₹3,219.00 ; 01 April 2016: ₹2,588.00) under lien with banks for overdraft facilities.

#The above mentioned cash and bank balances are restricted cash and bank balances which are to be used for specified purposes.

14. Equity share capital

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised equity share capital			
36,250,000 (31 March 2017: 36,250,000; 01 April 2016: 36,250,000) Equity shares of face value of ₹10 each	3,625.00	3,625.00	3,625.00
	3,625.00	3,625.00	3,625.00
Issued, subscribed and fully paid up equity share capital			
30,328,624 (31 March 2017: 28,812,193; 01 April 2016: 28,812,193) Equity shares of face value of ₹10 each	3,032.86	2,881.22	2,881.22
Less: 168,632 (31 March 2017: 201,132; 01 April 2016: 201,132) equity shares held by IEX ESOP Trust of face value of ₹10 each	(16.86)	(20.11)	(20.11)
	3,016.00	2,861.11	2,861.11

a. Movements in equity share capital outstanding at the beginning and at the end of the year:

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Equity shares				
Outstanding at the beginning of the year	28,611,061	2,861.11	28,611,061	2,861.11
Add: Conversion of CCPS of ₹10 each into Equity Shares of ₹10 each (refer note 14 (g))	1,516,431	151.64	-	-
Add: Option vested and exercised during the year (refer note 14 (i))	32,500	3.25	-	-
Outstanding at the end of the year	30,159,992	3,016.00	28,611,061	2,861.11

b) Rights, preferences and restrictions attached to equity shares

The Company has only one class of equity shares having a par value of ₹10 per share. Each holder of equity shares is entitled to one vote per share. The Company declares and pays dividends in Indian Rupees. The dividend proposed by the board of directors is subject to the

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

14. Equity share capital (Contd.)

approval of shareholders in the ensuing Annual general meeting.

c) Details of shareholders holding more than 5% shares in the Company:

Particulars	31 March 2018		31 March 2017		1 April 2016	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Equity Shares of ₹10 each fully paid up held by:						
DCB Power Ventures Limited	3,032,863	10.00	4,549,294	15.79	3,109,863	10.79
TVS Shriram Growth Fund 1B LLP	4,549,293	15.00	3,032,862	10.53	-	-
Multiples Private Equity Fund, India	1,31,361	0.43	2,429,878	8.43	2,429,878	8.43
Agri Power and Engineering Solutions Private Limited	1,513,398	4.99	1,655,557	5.75	1,655,557	5.75
Aditya Birla Private Equity Trust	25,639	0.08	1,516,853	5.27	1,516,853	5.27
Multiples Private Equity Fund I Limited	-	-	1,440,607	5.00	1,819,717	6.32
Westbridge Crossover Fund, LLC	1,440,609	4.75	1,440,609	5.00	-	-
Vistra ITCL India Limited (formerly known as IL and FS Trust Company Limited)	30,000	0.10	30,000	0.10	1,546,431	5.37
PTC India Financial Services Limited	-	-	-	-	1,516,431	5.26

d) Details of shares issued for consideration other than cash / bonus shares / bought back.

There are no shares issued by way of bonus shares or issued for consideration other than cash and no shares were bought back during the period of 5 years immediately preceding the reporting date.

e) Shares reserved for issue under options and contracts / commitments for the sale of shares / disinvestment

Particulars	31 March 2018		31 March 2017		1 April 2016	
	No. of shares	Amount	No. of shares	Amount	No. of shares	Amount
For compulsorily convertible preference shares ('CCPS')	-	-	1,516,431	151.64	1,516,431	151.64

f) Employee stock options

Terms attached to stock options granted to employees are described in Note 42 regarding employee share based payments issued under the Employee Stock Option Scheme 2010.

- g) As per terms of issuance of CCPS, the Company has converted 1,516,431 CCPS of face value of ₹10 each into 1,516,431 equity shares of ₹10/- each, in the ratio of 1:1 i.e. 1 equity shares for each CCPS held in the Company. (303,287 CCPS converted on 30 May 2017 and 1,213,144 CCPS converted on 20 September 2017).
- h) During the year, the Company has completed the initial public offering of 6,065,009 equity shares of face value of ₹10 each at a price of ₹1,650 per equity share, through an Offer For Sale of equity shares by certain selling shareholders. The equity shares of the Company were listed on BSE Limited ('BSE') and National Stock Exchange ('NSE') with effect from 23 October 2017.
- i) 32,500 options, from the options granted earlier, have been vested by the employees of the Company during the current financial year.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

15. Instruments entirely equity in nature

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Authorised share capital			
3,500,000 (31 March 2017: 3,500,000; 01 April 2016: 3,500,000) Compulsory convertible preference shares (CCPS) of face value of ₹10 each	350.00	350.00	350.00
500,000 (31 March 2017: 500,000; 01 April 2016: 500,000) Preference shares of face value of ₹10 each	50.00	50.00	50.00
	400.00	400.00	400.00
Issued, subscribed and fully paid up Compulsory convertible preference shares			
Nil (31 March 2017: 1,516,431; 01 April 2016: 1,516,431) Compulsory convertible preference shares ('CCPS') of face value of ₹10 each	-	151.64	151.64
	-	151.64	151.64

a) Movements in Compulsory convertible preference shares outstanding at the beginning and at the end of the reporting year:

Particulars	As at 31 March 2018		As at 31 March 2017	
	No. of shares	Amount	No. of shares	Amount
Compulsory convertible preference shares				
Outstanding at the beginning of the year	1,516,431	151.64	1,516,431	151.64
Less: Conversion of CCPS of ₹10 each into Equity Shares of ₹10 each (refer note 14 (g))	(1,516,431)	(151.64)	-	-
Outstanding at the end of the year	-	-	1,516,431	151.64

b) Rights, preferences and restrictions attached to Compulsory Convertible Preference Shares ('CCPS')

- Terms of conversion / redemption of CCPS

Nil (31 March 2017: 1,516,431 ; 01 April 2016: 1,516,431) CCPS with face value of ₹10 each are outstanding as on the date of the Balance sheet. These CCPS have the following important rights/ restrictions attached to them-

The conversion ratio for the CCPS shall be 1:1 i.e. 1 equity share of ₹10 each for each CCPS held.

Subject to the applicable laws, each of the CCPS shall be entitled to a dividend at the rate of 0.0001% per annum or the rate equal to the dividend paid on equity shares, whichever is higher, till the Conversion date. The dividend on CCPS would be non-cumulative.

CCPS shall be converted into equity shares by the Company upon the happening of (a) a Qualified IPO, or (b) upon being required to convert under law, or (c) upon the expiry of a period of 20 years from the date of their issuance, whichever is earlier ("Maturity Date").

In case of optional conversion, subject to applicable laws, CCPS (all or part, at the instance of the Investors) shall, prior to the Maturity Date, be convertible into Equity Shares in the Conversion Ratio defined above.

The CCPS shall in case of liquidation of the Company, if permitted by applicable Law and subject to terms hereof, rank senior to all kinds and classes of the Company's outstanding Equity Shares currently existing or established hereafter.

c) Details of shareholders holding more than 5% shares in the Company:

Particulars	31 March 2018		31 March 2017		1 April 2016	
	No. of shares	% holding	No. of shares	% holding	No. of shares	% holding
Compulsory convertible preference shares of ₹10 each fully paid up held by:						
Lightspeed Venture Partners VIII Mauritius	-	-	1,516,431	100.00	1,516,431	100.00

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

16. Other equity

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Securities premium account	3,196.94	3,196.94	3,196.94
General reserves	3,018.72	3,018.72	3,018.72
Employee stock options outstanding account	19.62	10.46	9.03
Retained earnings	18,687.02	18,305.70	17,909.49
ESOP trust reserve	422.89	278.22	206.81
Other comprehensive income (measurements of defined benefit plan obligation, (net of tax))	11.20	(1.34)	-
Total	25,356.39	24,808.70	24,340.99

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(a) Securities premium account		
Opening balance	3,196.94	3,196.94
Add: received during the year	-	-
Closing balance	3,196.94	3,196.94
(b) General reserve		
Opening balance	3,018.72	3,018.72
Add: created during the year	-	-
Closing balance	3,018.72	3,018.72
(c) Employee stock options outstanding account		
Opening balance	10.46	9.03
Add: employee stock option expense (refer note 42)	9.16	1.43
Closing balance	19.62	10.46
(d) Retained earnings		
Opening balance	18,305.70	17,909.49
Add: Profit for the year	13,168.52	11,358.13
Less: Interim dividend on CCPS	-	(151.64)
Dividend distribution tax on CCPS (Refer note 16 (g))	-	(30.87)
Interim dividend on equity shares (Refer note 16 (g)) *	-	(2,881.21)
Dividend distribution tax on equity dividend	-	(586.55)
Final equity dividend paid (Refer note 16 (g)) *	(10,190.42)	(5,762.44)
Dividend distribution tax paid on equity dividend	(2,074.53)	(1,173.10)
Final dividend paid on CCPS (Refer note 16 (g))	(424.60)	(303.29)
Dividend distribution tax paid on CCPS	(86.44)	(61.74)
Transfer to ESOP trust reserve	(11.21)	(11.08)
	18,687.02	18,305.70
* includes dividend paid on shares held by ESOP trust		
(e) Other comprehensive income		
Opening balance	(1.34)	-
Add: actuarial gain/(loss) on defined benefit plan for the year(net of tax) (Refer note 29)	12.54	(1.34)
Closing balance	11.20	(1.34)
(f) ESOP trust reserve		
Opening balance	278.22	206.81
Add: Addition during the year	11.21	11.08
Add: Profit earned on sale of shares to employees by ESOP trust (net of tax of ₹17)	67.00	-
Add: Transfer of dividend on shares held by the ESOP trust from retained earnings	66.46	60.33
	422.89	278.22

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

16. Other equity (Contd.)

Nature of reserves:

Securities premium reserve:

Securities premium account is used to record the premium on issue of shares/securities. This amount is utilized in accordance with the provisions of the Act.

General reserve:

Free reserve to be utilized as per provision of the Act.

Employee stock options outstanding account

Employee stock options outstanding account is used to record the impact of employee stock option scheme. Refer note 42 for further details of this plans.

ESOP trust reserve

ESOP trust reserve represents the surplus arising in the books of ESOP trust from profit on the issue of shares to employees, dividend earned by the trust and other income/ expenses included in the statement of profit and loss.

(g) Following dividend has been declared and paid by the Company

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(i) Equity shares		
Final dividend for the year ended 31 March 2017 of ₹35 (31 March 2016 is ₹20 per share)	10,190.42	5,762.44
Interim dividend for the year ended 31 March 2018 of ₹ Nil (31 March 2017 is ₹10 per share)	-	2,881.21
(ii) Instruments entirely equity in nature (CCPS)		
Final dividend for the year ended 31 March 2017 of ₹35 (31 March 2016 is ₹20 per share)	424.60	303.29
Interim dividend for the year ended 31 March 2018 of ₹ Nil (31 March 2017 is ₹10 per share)	-	151.64

After the reporting dates the following dividends were proposed by the Board of Directors subject to the approval of shareholders at Annual General Meeting; Accordingly, the dividends have not been recognised as liabilities. Dividends would attract corporate dividend tax when declared.

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
(i) Equity shares		
Final dividend for the year ended 31 March 2018 of ₹22*** (31 March 2017 of ₹35*)	6,672.30	10,190.42
Dividend distribution tax paid on Equity shares	1,371.51	2,074.53
(ii) Instruments entirely equity in nature (CCPS)		
Final dividend for the year ended 31 March 2018 of ₹ Nil (31 March 2017 of ₹35**)	-	424.60
Dividend distribution tax paid on CCPS	-	86.44

* On 12 June 2017, the Board of Directors has recommended a final dividend on equity shares of ₹35 per share for the financial year ended 31 March 2017 and the same was approved by the shareholders at the Annual General Meeting held on 25 July 2017.

** On 12 June 2017, the Board of Directors has recommended a final dividend on CCPS of ₹35 per CCPS for the financial year ended 31 March 2017 and the same was approved by the shareholders at the Annual General Meeting held on 25 July 2017.

*** On 26 April 2018, the Board of Directors has recommended a final dividend on equity shares of ₹22 per share for the financial year ended 31 March 2018 and the same is yet to be approved by the shareholders in the Annual General Meeting.

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(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

17. Other financial liabilities

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Deposits towards settlement guarantee fund	115.97	11,555.79	113.29	6,213.55	149.80	5,328.03
Deposit from employees	12.31	4.81	5.64	0.99	6.18	0.44
Creditors for capital goods	-	42.92	-	-	-	-
Advance from customers	-	310.67	-	-	-	-
Unpaid dividends	-	5.46	-	-	-	-
Other deposits	-	2,619.92	-	-	-	-
Employee related payables	-	420.13	-	316.42	-	208.27
Deposit from clearing and settlement bankers	-	1,600.00	-	1,600.00	-	1,600.00
Total	128.28	16,559.70	118.93	8,130.96	155.98	7,136.74

18. Provisions

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Provision for employee benefits (Refer Note 29)						
Gratuity	165.77	2.31	145.91	1.95	112.84	1.98
Compensated absences	97.03	14.64	81.28	12.21	60.12	10.81
	262.80	16.95	227.19	14.16	172.96	12.79

19. Other liabilities

Particulars	As at 31 March 2018		As at 31 March 2017		As at 01 April 2016	
	Non-current	Current	Non-current	Current	Non-current	Current
Deferred income settlement guarantee fund	14.29	15.38	9.59	14.76	14.08	24.79
Unamortised subscription fee income	-	1,038.82	-	1,277.76	-	1,164.39
Other advances	-	13.25	-	14.30	-	49.20
Statutory dues payables						
- Tax deducted at source payable	-	83.09	-	125.26	-	105.46
- Works contract tax payable	-	-	-	0.02	-	-
- Professional tax payable	-	0.06	-	-	-	-
- GST payable	-	453.45	-	-	-	-
- Provident fund payable	-	14.65	-	11.88	-	10.16
Total	14.29	1,618.70	9.59	1,443.98	14.08	1,354.00

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

20. Trade Payables

Particulars	As at 31 March 2018	As at 31 March 2017	As at 01 April 2016
Due to micro and small enterprises *	-	-	-
Due to others	8,462.98	17,093.55	5,533.35
Liability towards congestion revenue	-	100.38	368.55
	8,462.98	17,193.93	5,901.90

*The Ministry of Micro, Small and Medium Enterprises has issued an Office Memorandum dated 26 August 2008 which recommends that Micro and Small Enterprises should mention in their correspondence with their customers the Entrepreneurs Memorandum number as allocated after filing of the Memorandum. Based on information available with the Company, there are no amounts required to be disclosed in relation to Micro and Small Enterprises as at 31 March 2018, 31 March 2017 and 1 April 2016.

21. Revenue from operations

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Sale of services		
Transaction fees	20,558.74	17,221.99
Annual subscription fees	2,371.58	2,520.38
Admission, processing and transfer fees	96.80	95.20
	23,027.12	19,837.57
Other operating revenues		
Amortisation of deferred Settlement Guarantee fund	17.68	26.95
Total	23,044.80	19,864.52

22. Other income

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest income from bank deposits	470.23	744.76
Interest income from financial assets at amortised cost (security deposits)	12.54	8.29
Other interest income	85.38	80.65
Dividend income	2.88	273.37
Net gain on sale of investments	1,482.08	2,216.42
Mark-to- market gain on investments	453.30	41.85
Miscellaneous income	55.93	57.32
Total	2,562.34	3,422.66

23. Employee benefits expense

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Salaries, wages and bonus	2,200.67	1,403.34
Contribution to provident funds*	62.41	45.73
Gratuity*	42.05	35.39
Compensated absences*	37.40	32.34
Employee stock options expense (refer Note 42)	9.16	1.43
Staff welfare expense	56.00	29.65
Total	2,407.69	1,547.88

*Disclosures as per Ind AS 19 in respect of provision made towards various employee benefits are made in Note 29.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

24. Finance Costs

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Interest expense on financial liabilities (settlement guarantee fund) measured at amortised cost	18.15	28.51
Interest		
- on bank overdraft	2.16	2.09
- on others	2.35	11.00
Total	22.66	41.60

25. Depreciation and amortisation

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Depreciation of property, plant and equipments	203.88	152.76
Amortisation of intangible assets	823.46	189.20
Total	1,027.34	341.96

26. Other expenses

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Rent	301.99	210.69
Technology	511.22	2,342.35
Business promotion/ development	86.49	55.46
Training and coaching	42.51	54.37
Legal and professional *	391.87	718.63
Travelling and conveyance expenses	93.90	64.34
Advertisement	15.44	15.76
Insurance	9.18	11.74
Communication	56.87	56.17
CERC regulatory fee	55.28	56.27
Printing and stationery	17.69	11.20
Directors sitting fees	57.99	47.64
Repairs and maintenance - building	70.23	52.11
Repairs and maintenance - others	7.62	9.94
Electricity	34.91	22.94
Fixed assets written off	0.42	-
Bad debts	-	0.15
Contribution towards corporate social responsibility (Refer note 33)	304.76	206.58
Miscellaneous	91.57	34.20
Total	2,149.94	3,970.54

a) Details in respect of payment to auditors:

* Include payment to auditors as follows :

-Audit fee	16.00	13.00
-Other services #	15.45	6.00
-Reimbursement of expenses	2.30	2.72
Total	33.75	21.72

Net of IPO related fees recovered from the shareholder amounting to ₹124.18 (previous year ₹12.00)

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

27. Income taxes

This note provides an analysis of the company's income tax expense, and how the tax expense is affected by non-assessable and non-deductible items. It also explains significant estimates made in relation to the company's tax positions.

(a) Income tax expense

i) Income tax recognised in Statement of Profit and Loss

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Current tax expense		
Current tax	5,396.00	6,111.29
Current tax for earlier years	(123.77)	105.08
Total current tax expense	5,272.23	6,216.37
Deferred tax expense		
Origination and reversal of temporary differences	1,558.76	(189.30)
	1,558.76	(189.30)
Total income tax expense	6,830.99	6,027.07

ii) Income tax recognised in other comprehensive income

Particulars	31 March 2018			31 March 2017		
	Before tax	Tax expense/ (benefit)	Net of tax	Before tax	Tax expense/ (benefit)	Net of tax
Remeasurement of defined benefit plans	19.17	(6.63)	12.54	(2.05)	0.71	(1.34)
	19.17	(6.63)	12.54	(2.05)	0.71	(1.34)

iii) Reconciliation of tax expense and the accounting profit multiplied by India's domestic tax rate

Particulars	31 March 2018	31 March 2017
Profit before income tax expense	19,999.51	17,385.20
Enacted tax rates in India	34.6080%	34.6080%
Computed expected tax (expenses)/credit	6,921.43	6,016.67
Tax effect of amounts which are not deductible (taxable) in calculating taxable income:		
Non-deductible tax expenses	61.20	206.15
Tax-exempt income	(148.13)	(104.85)
Others	(3.51)	(90.90)
Income tax expense	6,830.99	6,027.07

b) Dividend distribution tax on proposed dividend not recognised at the end of the reporting period

Since at year end, the Board of Directors of the Company in the meeting held on 26 April 2018 (previous year 12 June 2017) have recommended the payment of final dividend to equity shareholders amounting to ₹6,672.30 (31 March 2017: ₹10,190.42). The dividend distribution tax on this proposed dividend amounting to 1,371.51 (31 March 2017: ₹2,074.53) has not been recognised since this proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Similarly, the Board of Directors of the Company, had recommended the payment of final dividend to preference shareholders amounting to Nil (31 March 2017: ₹424.60). The dividend distribution tax on this proposed dividend amounting to Nil (31 March 2017: ₹86.44) has not been recognised since this proposed dividend is subject to the approval of shareholders in the ensuing annual general meeting.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

28. Earnings per Share

(a) Basic and diluted earnings per share (in ₹)

Particulars	31 March 2018	31 March 2017
Basic earnings per share	44.61	39.06
Diluted earnings per share	44.05	37.67
Nominal value per share	10.00	10.00

(b) Profit attributable to equity shareholders (used as numerator)

Particulars	31 March 2018	31 March 2017
Profit attributable to equity holders for basic earnings	13,168.52	11,358.13
Less: Dividend on compulsory convertible preference shares	-	151.64
Less: Dividend distribution tax on compulsory convertible preference shares	-	30.87
Profit attributable to equity holders	13,168.52	11,175.62

(c) Weighted average number of equity shares (used as denominator) (in Nos.)

Particulars	31 March 2018	31 March 2017
Opening balance of issued equity shares	28,611,061	28,611,061
Weighted average number of equity shares outstanding at the end of year for calculation of Basic earnings per share	29,521,161	28,611,061
Add: Number of potential equity shares in respect of Compulsory Convertible Preference shares and stock option	372,327	1,541,420
Weighted average number of equity shares for calculation of diluted earnings per share	29,893,488	30,152,481

29. Employee benefits

(i) Defined contribution plans:

Provident fund

The Company makes contributions, determined as a specified percentage of employee's salaries, in respect of qualifying employees towards provident fund which is a defined contribution plan. The Company has no obligations other than to make the specified contributions. The contributions are charged to the Statement of Profit and Loss as they accrue. The amount recognized as expense towards such contribution to provident fund for the year aggregated to ₹62.41 (31 March 2017 ₹45.73).

(ii) Defined benefit plans:

A. Gratuity

The Company has a defined benefit plan that provide gratuity. The gratuity plan entitles all eligible employees who has completed five years or more of service to receive one half month's salary for each year of completed service at the time of retirement, superannuation, death or permanent disablement, in terms of the provisions of the payment of Gratuity Act or as per company's scheme whichever is more beneficial. The following table summarizes the position of assets and obligations:

Based on the actuarial valuation obtained in this respect, the following table sets out the status of the gratuity and the amounts recognised in the Company's financial statements as at balance sheet date:

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
a) Net defined benefit liability:			
Gratuity (unfunded)	168.08	147.86	114.82
	168.08	147.86	114.82
b) Classification of defined benefit liability in current and non-current:			
Non-current	165.77	145.91	112.84
Current	2.31	1.95	1.98

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

29. Employee benefits (Contd.)

c) Reconciliation of present value of defined benefit obligation:

Particulars	Defined benefit obligation	
	31 March 2018	31 March 2017
Balance at the beginning of the year	147.86	114.82
Benefits paid	(2.67)	(4.39)
Current service cost	31.18	26.32
Interest cost	10.87	9.07
Actuarial (gain)/ loss recognised in other comprehensive income		
-Demographic assumptions	-	-
-Financial assumptions	(7.15)	9.57
-Experience adjustment	(12.02)	(7.52)
Balance at the end of the year	168.08	147.86

d) Expense recognised in profit or loss:

Particulars	31 March 2018	31 March 2017
Current service cost	31.18	26.32
Interest Cost	10.87	9.07
	42.05	35.39

e) Remeasurement recognised in other comprehensive income:

Particulars	31 March 2018	31 March 2017
Actuarial (gain)/ loss on defined benefit obligation	(19.17)	2.05
	(19.17)	2.05

f) Actuarial assumptions

The following were the principal actuarial assumptions at the reporting date:

Particulars	31 March 2018	31 March 2017	1 April 2016
Discount rate	7.71%	7.35%	7.90%
Salary escalation rate	8.00%	8.00%	8.00%
Retirement age (years)	60	60	60
Mortality rates inclusive of provision for disability	IALM(2006-08)	IALM(2006-08)	IALM(2006-08)
Ages	Withdrawal Rate (%)	Withdrawal Rate (%)	Withdrawal Rate (%)
Up to 30 Years	3	3	3
From 31 to 44 years	2	2	2
Above 44 years	1	1	1

The discount rate is based on the prevailing market yields of Indian government securities as at the balance sheet date for the estimated term of the obligations.

The estimates of future salary increases considered in actuarial valuation, take account of inflation, seniority, promotion and other relevant factors, such as supply and demand in the employment market.

g) Sensitivity analysis:

Reasonably possible changes at the reporting date to one of the relevant actuarial assumptions, holding other assumptions constant, would have affected the defined benefit obligation by the amounts shown below.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

29. Employee benefits (Contd.)

Particulars	31 March 2018		31 March 2017	
	Increase	Decrease	Increase	Decrease
Discount rate (0.5% movement)	(9.70)	10.65	(8.92)	9.81
Salary escalation rate (0.5% movement)	10.57	(9.72)	9.70	(8.90)

The sensitivity analysis is based on a change in above assumption while holding all other assumptions constant. The changes in some of the assumptions may be correlated. When calculating the sensitivity of the defined benefit obligation to significant actuarial assumptions, the same method (present value of the defined benefit obligation calculated with the projected unit credit method at the end of the reporting year) has been applied, as has been applied when calculating the provision for defined benefit plan recognised in the Balance Sheet.

Sensitivities due to mortality & withdrawals are not material & hence impact of change due to these not calculated.

The methods and types of assumptions used in preparing the sensitivity analysis did not change compared to the prior years.

h) Risk exposure:

i) Changes in discount rate

A decrease in discount yield will increase plan liabilities.

ii) Mortality table

The gratuity plan obligations are to provide benefits for the life of the member, so increases in life expectancy will result in an increase in plan liabilities.

Expected maturity analysis of gratuity in future years

Particulars	Less than 1 year	Between 1-2 years	Between 2-5 years	Over 5 years	Total
As at 31 March 2018	2.31	2.45	8.04	155.28	168.08
As at 31 March 2017	1.95	2.05	16.01	127.85	147.86
As at 1 April 2016	1.98	7.52	5.63	99.69	114.82

Expected contributions to post-employment benefit plans for the year ending 31 March 2019 are ₹47.28 (31 March 2018: ₹39.33, 1 April 2017: ₹31.80).

The weighted average duration of the defined benefit plan obligation at the end of the reporting period is 20.12 years (31 March 2017: 20.15 years, 1 April 2016: 20.10 years).

(iii) Other long term employee benefit plans

Other long term employee benefit plans comprises of compensated absences.

The Company operates compensated absences plan (earned leaves), where in every employee is entitled to the benefit equivalent to 21 days salary for every completed year of service which is subject to maximum of 60 days accumulation of leaves. The same is payable during early retirement, withdrawal of scheme, resignation by employee and upon death of employee.

The Company also recognises sick leave provision, where in every employee is entitled to the benefit equivalent to 10 days salary for every completed year of service which is subject to maximum of 60 days accumulation of leaves. The salary for calculation of earned leave & sick leaves are last drawn basic salary.

The amount of the provision of ₹14.64 (31 March 2017: ₹12.21, 01 April 2016: ₹10.81) is presented as current liability as per the actuarial report.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

30. Leases

Operating leases

Leases as lessee

The Company has taken office premises under operating lease arrangements. The lease period for office premises taken under non-cancellable lease agreement is 9 years with lock-in-period of 3 years, thereafter the same can be cancelled by lessee by giving notice of three months to the lessor. Lease rental expenses recognised in the Statement of Profit and Loss for the year ended 31 March 2018 is ₹301.99 (31 March 2017: ₹210.69)

Total future minimum lease payments due under non-cancellable operating leases are as follows:

Particulars	31 March 2018	31 March 2017	1 April 2016
Less than one year	335.64	202.17	188.85
Between one and five years	1,205.52	916.59	869.01
More than five years	269.43	382.01	631.76
	1,810.59	1,500.77	1,689.62

31. Contingent liabilities and commitments

- Estimated amount of contracts remaining to be executed on capital account and not provided for ₹19.90 (previous year ₹10,815.80)
- The Company is directly or indirectly (through its members/other parties) involved in other lawsuits, claims, and proceedings, which arise in the ordinary course of business. The Company or its members/other parties have challenged these litigation with respective authorities. Based on the facts currently available, management believes that likelihood of outflow of resources is remote.

32. Provision for pending litigations

The Company's pending litigations comprise proceedings pending with Income Tax authorities. The Company has reviewed all its pending litigations and proceedings and has adequately provided for where provisions are required. Based on current knowledge of applicable laws, the Company carries a provision of ₹22.00 (previous year ₹22) in its financial statements which is pertaining to various assessment years.

33. Corporate social responsibility

Pursuant to section 135 of the Companies Act, 2013, the Company has incurred expenditure in respect of eradication of hunger and malnutrition, promoting education, healthcare, art & culture, environment sustainability, diasater relief, skill development etc. Details of expenses incurred are given below:-

31 March 2018

- Gross amount required to be spent by the Company during the year was ₹301.69.
- Amount spent during the year on

Particulars	In cash	Yet to be paid	Total
Construction/acquisition of any assets	-	-	-
On purpose other than (i) above	301.91	2.85	304.76
Total	301.91	2.85	304.76

31 March 2017

- Gross amount required to be spent by the Company during the year was ₹274.90.
- Amount spent during the year on

Particulars	In cash	Yet to be paid	Total
Construction/acquisition of any assets	-	-	-
On purpose other than (i) above	204.43	2.15	206.58
Total	204.43	2.15	206.58

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

34. Fair Value Measurements

(a) Financial instruments by category and fair values hierarchy

The following table shows the carrying amounts and fair value of financial assets and financial liabilities, including their levels in the fair value hierarchy.

As at 31 March 2018

Particulars	Carrying amount			Fair value		
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets						
Non-current						
Investments (bonds)	-	428.40	428.40	-	-	428.40
Mutual fund	7,327.15	-	7,327.15	-	7,327.15	-
Loans (security deposits)#	-	138.00	138.00	-	-	138.00
Current						
Investments						
- Mutual funds	18,454.65	-	18,454.65	-	18,454.65	-
- Fixed deposits (PNB Housing Finance)*	-	636.51	636.51	-	-	-
Trade receivables*	-	21.59	21.59	-	-	-
Loans (current security deposit and advances to employees)*	-	2.94	2.94	-	-	-
Cash and cash equivalents*	-	5,310.31	5,310.31	-	-	-
Bank balances other than cash and cash equivalent*	-	6,126.07	6,126.07	-	-	-
Other financial assets-others recoverable*	-	6,700.99	6,700.99	-	-	6,700.99
	25,781.80	19,364.81	45,146.61	-	25,781.80	7,267.40
Financial liabilities						
Non-current						
Other financial liabilities						
- Settlement guarantee fund #	-	115.97	115.97	-	-	115.97
-Deposits from employees	-	12.31	12.31	-	-	-
Current						
Trade payables*	-	8,462.98	8,462.98	-	-	-
Other financial liabilities						
- Settlement guarantee fund #	-	11,555.79	11,555.79	-	-	11,555.79
-Others (excluding settlement guarantee fund)*	-	5,003.91	5,003.91	-	-	-
	-	25,150.96	25,150.96	-	-	11,671.76

As at 31 March 2017

Particulars	Carrying amount			Fair value		
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets						
Non-current						
Investments (bonds)	-	428.42	428.42	-	-	428.42
Mutual fund	6,101.71	-	6,101.71	-	6,101.71	-
Fixed deposits (PNB Housing Finance)*	-	586.66	586.66	-	-	-
Loans (security deposits)#	-	88.13	88.13	-	-	88.13
Bank deposits*	-	2,582.69	2,582.69	-	-	-
Current						
Investments						

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

34. Fair Value Measurements (Contd.)

As at 31 March 2017

Particulars	Carrying amount			Fair value		
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
- Mutual funds	31,192.73	-	31,192.73	-	31,192.73	-
Trade receivables*	-	20.86	20.86	-	-	-
Loans (current security deposit and advances to employees)*	-	3.67	3.67	-	-	-
Cash and cash equivalents*	-	8,164.04	8,164.04	-	-	-
Bank balances other than cash and cash equivalent*	-	4,681.05	4,681.05	-	-	-
Other financial assets- other recoverable*	-	170.80	170.80	-	-	170.80
	37,294.44	16,726.32	54,020.76	-	37,294.44	687.35
Financial liabilities						
Non-current						
Other financial liabilities						
- Settlement guarantee fund #	-	113.29	113.29	-	-	113.29
-Deposits from employees	-	5.64	5.64	-	-	5.64
Current						
Trade payables*	-	17,193.93	17,193.93	-	-	-
Other financial liabilities						
- Settlement guarantee fund #	-	6,213.55	6,213.55	-	-	6,213.55
-Others (excluding settlement guarantee fund)* *	-	1,917.41	1,917.41	-	-	-
	-	25,443.82	25,443.82	-	-	6,332.48

As at 1 April 2016

Particulars	Carrying amount			Fair value		
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
Financial assets						
Non-current						
Investments (bonds)	-	422.22	422.22	-	-	422.22
Mutual fund	84.05	-	84.05	-	84.05	-
Fixed deposits (PNB Housing Finance)*	-	545.23	545.23	-	-	-
Loans (security deposits)#	-	79.84	79.84	-	-	79.84
Bank deposits*	-	2,659.90	2,659.90	-	-	-
Current						
Investments						
- Mutual funds	27,178.55	-	27,178.55	-	27,178.55	-
Trade receivables*	-	77.11	77.11	-	-	-
Loans (current security deposit and advances to employees)*	-	2.49	2.49	-	-	-
Cash and cash equivalents*	-	597.52	597.52	-	-	-
Bank balances other than cash and cash equivalent*	-	9,339.00	9,339.00	-	-	-
Other financial assets- other recoverable*	-	3.35	3.35	-	-	-
	27,262.60	13,726.66	40,989.26	-	27,262.60	502.06

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

34. Fair Value Measurements (Contd.)

As at 1 April 2016

Particulars	Carrying amount			Fair value		
	FVTPL	Amortised cost	Total	Level 1	Level 2	Level 3
Financial liabilities						
Non-current						
Other financial liabilities						
- Settlement guarantee fund #	-	149.80	149.80	-	-	149.80
-Deposits from employees*	-	6.18	6.18	-	-	6.18
Current						
Trade payables*	-	5,901.90	5,901.90	-	-	-
Other financial liabilities						
- Settlement guarantee fund #	-	5,328.03	5,328.03	-	-	5,328.03
-Others (excluding settlement guarantee fund)* *	-	1,808.71	1,808.71	-	-	-
	-	13,194.62	13,194.62	-	-	5,484.01

*The carrying amounts of trade receivables, trade payables, other current financial liabilities, cash and cash equivalent, bank balances other cash and cash equivalents, loans (security deposits) and other current financial assets, approximates the fair values, due to their short-term nature. In case of the non current bank deposits (due to maturity after twelve months from reporting date) and interest accrued but not due on bank deposits, and fixed deposit (in PNB Housing Finance) and interest accrued on the same, again the carrying value approximates the fair values as on the date.

#The fair values for security deposits given and deposit for settlement guarantee fund were calculated based on cash flows discounted using effective interest rate ('EIR') method. They are classified as level 3 fair values in the fair value hierarchy due to the inclusion of unobservable inputs including counterparty credit risk/own credit risk.

Valuation technique used to determine fair value:

Specific valuation techniques used to fair value of financial instruments include:

- the use of quoted market prices for quoted mutual funds
- the use of NAV for unquoted mutual funds
- the fair value of the remaining financial instruments are discounted at appropriate discounting rate

There have been no transfers in either direction for the year ended 31 March 2018 and year ended 31 March 2017.

35. Financial Risk Management

The Company activities expose it to the followings risks arising from the financial instruments:

- Credit risk
- Liquidity risk
- Market risk

This note presents information about the Company's exposure to each of the above risks, the Company's objectives, policies and processes for measuring and managing risk.

Risk Management framework

The Company's board of directors has overall responsibility for the establishment and oversight of the Company's risk management framework. The Company's risk management policies are established to identify and analysis the risk faced by the Company, to set appropriate risk limits and controls and to monitor risks and adherence to limits. The board provides written principles for overall risk management, as well as policies

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

35. Financial Risk Management (Contd.)

covering specific areas, such as regulatory risk, compliance risk, technology related risk, IT risk, interest rate risk, credit risk, use of derivative financial instruments and non-derivative financial instruments, and investment of excess liquidity. The Company's risk management is carried out by an enterprise risk management committee under policies approved by the board of directors.

The Company's audit committee oversees how management monitors compliance with Company's risk management policies and procedures, and reviews the adequacy of the risk management framework in relation to risk faced by the Company.

Credit risk

Credit risk is the risk of financial loss to the Company if a customer or counterparty to a financial instrument fails to meet its contractual obligations. Credit risk arises principally from trade receivables, investments, loans and advances, cash and cash equivalents and deposits with banks and other financial assets. The carrying amount of the financial assets represents maximum credit exposure.

Credit risks on cash and cash equivalents and bank deposits is limited as the Company generally invest in deposits with banks with High credit ratings assigned by domestic credit agencies. Investments primarily include investments in liquid mutual fund units and investment in bonds with fixed interest income. The management actively monitors the net asset value of investments in mutual funds, interest rate and maturity period of these investments. The Company does not expect the counterparty to fail to meet its obligations. Further also, the Company has not experienced any significant impairment losses in respect of any of the investments. The loans primarily represents security deposits given for facilities taken on rent. Such security deposit will be returned to the Company at the end of lease term. Hence, the credit risk associated with such deposits is relatively low. Accordingly, no provision for expected credit loss has been provided on these financial assets.

Credit risk on trade receivable is also very limited. The Company mitigates its exposure to risks relating to trade receivables from its members / clients by requiring them to comply with the Company's established financial requirements and criteria for admission as members / clients. As a process, the Company collects the amounts from buyer for purchase of power, including transmission and other charges and exchange fees on the day of trade and pay out the amount to seller for sale of power on the second day from the day of trade (one day after actual delivery). Further, transmission charges etc. are paid to system operator on the next day from the day of trade. Further, the Company also holds and maintain settlement guarantee funds for settlement of defaults by any of the members/ clients.

(i) Exposure to credit risk

The carrying amount of financial assets represents the maximum credit exposure. The maximum exposure to credit risk at the reporting date was:

Particulars	31 March 2018	31 March 2017	01 April 2016
Financial assets for which loss allowance is measured using 12 months Expected Credit Losses (ECL)			
Investments (Non current and current)	26,846.71	38,309.52	28,230.05
Non-current loans	138.00	88.13	79.84
Other non-current financial assets - bank deposits	-	2,582.69	2,659.90
Cash and cash equivalents	5,310.31	8,164.04	597.52
Bank balance other than cash and cash equivalent	6,126.07	4,681.05	9,339.00
Current loans	2.94	3.67	2.49
Other current financial assets - other recoverables	6,700.99	170.80	3.35
	45,125.02	53,999.90	40,912.15
Financial assets for which loss allowance is measured using Life time Expected Credit Losses (ECL)			
Trade receivables	21.59	20.86	77.11
	21.59	20.86	77.11

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

35. Financial Risk Management *Contd.*

(ii) Provision for expected credit losses

(a) Financial assets for which loss allowance is measured using 12 month expected credit losses

The Company has assets where the counter- parties have sufficient capacity to meet the obligations and where the risk of default is very low. Hence, no impairment loss has been recognised during the reporting periods in respect of these assets.

(b) Financial assets for which loss allowance is measured using life time expected credit losses

The Company has customers with strong capacity to meet the obligations and therefore the risk of default is negligible or nil. Further, management believes that the unimpaired amounts that are past due by more than 30 days are still collectible in full, based on historical payment behavior and extensive analysis of customer credit risk, no impairment loss has been recognised during the reporting years in respect of trade receivables.

(iii) Ageing analysis of trade receivables

The ageing analysis of the trade receivables is as below:

Ageing	Not due	0-30 days past due	31-60 days past due	61-90 days past due	91-120 days past due	More than 120 days past due	Total
Gross carrying amount as 31 March 2018	-	15.70	-	-	-	5.89	21.59
Gross carrying amount as 31 March 2017	-	13.60	1.15	-	1.75	4.36	20.86
Gross carrying amount as 01 April 2016	-	59.86	3.43	-	10.45	3.37	77.11

36. Financial Risk Management

Liquidity risk

Liquidity risk is the risk that the Company will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Company's approach to managing liquidity is to ensure, as far as possible, that it will always have sufficient liquidity to meet its liabilities when due, under both normal and stressed conditions, without incurring unacceptable losses or risking damage to the Company's reputation.

The Company believes that its liquidity position, including total cash (including bank deposits under lien) and short-term investments of ₹30,527.54 as at 31 March 2018 (31 March 2017: ₹44,037.82 ; 1 April 2016 ₹37,115.07) and anticipated future internally generated funds from operations, will enable it to meet its future known obligations in the ordinary course of business. However, liquidity needs were to arise, the Company believes it has access to financing arrangements which would enable it to meet its ongoing capital, operating and other liquidity requirements.

(i) Financing arrangements

The Company had access to the following undrawn borrowing facilities at the end of the reporting period

Particulars	31 March 2018	31 March 2017	01 April 2016
Floating-rate borrowings			
Overdraft facilities from banks*	3,579.20	4,000.00	4,000.00
Total	3,579.20	4,000.00	4,000.00

* the overdraft facilities may be drawn at any time

(ii) Maturities of financial liabilities

The following are the contractual maturities of financial liabilities at the reporting date. The contractual cash flow amount are gross and undiscounted.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

36. Financial Risk Management *Contd.*

31 March 2018

Contractual maturities of financial liabilities	Carrying amount	Contractual cash flows					
		3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Trade payables	8,462.98	8,462.98	-	-	-	-	8,462.98
Deposits towards settlement guarantee fund- Non current	115.97			50.00	92.50	-	142.50
Deposits towards settlement guarantee fund- Current	11,555.79	11,502.60	60.00	-	-	-	11,562.60
Deposit from employees- Non Current	12.31			1.39	10.92	-	12.31
Deposit from employees- Current	4.81	0.56	4.25	-	-	-	4.81
Employee related payables	420.13	420.13	-	-	-	-	420.13
Deposit from clearing and settlement bankers	1,600.00	1,600.00	-	-	-	-	1,600.00
Creditors for capital goods	42.92	42.92	-	-	-	-	42.92
Advance from customers	310.67	310.67	-	-	-	-	310.67
Unpaid dividend	5.46	5.46	-	-	-	-	5.46
Other deposits	2,619.92	2,619.92	-	-	-	-	2,619.92
	25,150.96	24,965.24	64.25	51.39	103.42	-	25,184.30

31 March 2017

Contractual maturities of financial liabilities	Carrying amount	Contractual cash flows					
		3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Trade payables	17,193.93	17,193.93	-	-	-	-	17,193.93
Deposits towards settlement guarantee fund- Non current	113.29			85.00	50.00	-	135.00
Deposits towards settlement guarantee fund- Current	6,213.55	6,146.92	70.00	-	-	-	6,216.92
Deposit from employees- Non Current	5.64	-		4.25	1.39	-	5.64
Deposit from employees- Current	0.99	0.44	0.55	-	-	-	0.99
Employee related payables	316.42	316.42	-	-	-	-	316.42
Deposit from clearing and settlement bankers	1,600.00	1,600.00	-	-	-	-	1,600.00
	25,443.82	25,257.71	70.55	89.25	51.39	-	25,468.90

01 April 2016

Contractual maturities of financial liabilities	Carrying amount	Contractual cash flows					
		3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Trade payables	5,901.90	5,901.90	-	-	-	-	5,901.90
Deposits towards settlement guarantee fund- Non current	149.80			95.00	85.00	-	180.00

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

36. Financial Risk Management *Contd.*

01 April 2016

Contractual maturities of financial liabilities	Carrying amount	Contractual cash flows					
		3 months or less	3-12 months	1-2 years	2-5 years	More than 5 years	Total
Deposits towards settlement guarantee fund- Current	5,328.03	5,153.99	185.00	-	-	-	5,338.99
Deposit from employees- Non Current	6.18	-	-	0.55	5.64	-	6.19
Deposit from employees- Current	0.44	-	0.44	-	-	-	0.44
Employee related payables	208.27	208.27	-	-	-	-	208.27
Deposit from clearing and settlement bankers	1,600.00	1,600.00	-	-	-	-	1,600.00
	13,194.62	12,864.16	185.44	95.55	90.64	-	13,235.79

Market risk

Market risk is the risk that future cash flows of a financial instruments will fluctuate because of change in market price. Market comprises two types of risk namely: currency risk and interest rate risk. The objective of market risk management is to manage and control market risk exposures within acceptable parameters, while optimizing the return.

A. Currency risk

Currency is the risk that the future cash flows of a financial instrument will fluctuate because of change in foreign exchange rates. The Company is not exposed to the effects of fluctuations in the prevailing foreign exchange rates on its financial position and cash flows since all financial assets / liabilities are receivable / payable in Indian currency.

B. Interest rate risk

Interest rate risk is the risk that future cash flows of financial instruments will fluctuate because of change in market interest risks. The interest rate profile of the Company's interest bearing financial instruments as reported to the management of the Company is as follows:

Particulars	31 March 2018	31 March 2017	01 April 2016
Financial Assets			
Fixed-rate instruments			
Investments in bonds	428.40	428.42	422.22
Fixed deposits	6,757.12	7,850.40	12,544.13
	7,185.52	8,278.82	12,966.35

Fair value sensitivity analysis for fixed-rate instruments

The company's fixed rate instruments are carried at amortised cost. They are therefore not subject to interest rate risk, since neither the carrying amount nor the future cash flows will fluctuate because of a change in market interest rates.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

37. Capital Management

The Company's objectives when managing capital are to safeguard their ability to continue as a going concern, so that they can continue to provide returns for shareholders and benefits for other stakeholders. For the purpose of the Company's capital management, the Company monitors capital using a ratio of 'adjusted net debt' to 'adjusted equity'. For this purpose, adjusted net debt is defined as total liabilities less cash and cash equivalents & bank balance other than cash and cash equivalents. Adjusted equity includes issued equity share capital, Instruments entirely equity in nature and other equity comprises share premium, retained earnings etc..

Particulars	As at 31 March 2018	As at 31 March 2017	As at 1 April 2016
Adjusted net debt	29,054.11	27,575.12	15,197.88
Less : Cash and cash equivalent & bank balance other than cash and cash equivalents	11,436.38	12,845.09	9,936.52
Adjusted net debt (A)	17,617.73	14,730.03	5,261.36
Adjusted equity (B)	28,372.39	27,821.45	27,353.74
Adjusted net debt to adjusted equity ratio (A/B)	62.09%	52.94%	19.23%

38. Operating segments

The Company is a power exchange. The entire operations are governed by the similar set risk and returns. Accordingly, the Company's activities/ business is reviewed regularly by the Company's Managing Director alongwith the Board of Directors of the Company, from an overall business perspective, rather than reviewing its activities as individual standalone components. Thus, the Company has only one operating segment, and no reportable segments in accordance with Ind AS 108 - Operating Segments.

39. Related Party Disclosures

a) List of Related parties:

i) Key Managerial Personnel (KMP):

Name	Relationship
Satyanarayan Goel	Managing director & CEO
Dinesh Kumar Mehrotra	Independent director
Kayyalathu Thomas Chacko	Independent director
Vallabh Bhanshali	Independent director
Ajeet Kumar Agarwal (REC representative)	Non executive director (Nominee)

b) Transactions with the related parties are as follows:

Transactions during the year	For the year ended 31 March 2018	For the year ended 31 March 2017
i. Compensation to Key managerial personnel (S.N. Goel)		
Short term employee benefits	231.42	196.80
Post employment benefits #	-	-
Share based payment	2.20	1.43
Other long term benefits #	-	-
Sitting fees *		
Dinesh Kumar Mehrotra	24.00	19.50
K.T.Chacko	15.90	21.30
Vallabh Bhanshali	2.40	4.80
Ajeet Kumar Agarwal (REC representative)	0.90	1.80

* Amount is exclusive of tax.

Does not include gratuity and compensated absences as these are provided based on the Company as whole.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

39. Related Party Disclosures *Contd.*

c) Outstanding balances with related parties are as follows:

Particulars	31 March 2018	31 March 2017	01 April 2016
Payable to key management personnel			
Mr. S.N. Goel @	54.00	50.00	40.00

@ Provision towards variable pay as per his terms of appointment

40. First-time Adoption of Ind AS

With effect from 1 April 2017, the Company is required to prepare its financial statements in accordance with Indian Accounting Standards (Ind AS) as per the Companies (Indian Accounting Standards) Rules, 2015 notified under Section 133 of Companies Act, 2013, (the 'Act') (including subsequent amendments thereto) and other relevant provisions of the Act. Accordingly, the Company's management has now prepared the Ind AS financial statements.

In preparing these Ind AS Financial Statements, the Company's Opening balance sheet was prepared as at 1 April 2016, the Company's date of transition to Ind AS.

According to Ind AS 101, the first Ind AS financial statements must use recognition and measurement principles that are based on standards and interpretations that are effective at 31 March 2018, the date of first-time preparation of Financial Statements according to Ind AS. These accounting principles and measurement principles must be applied retrospectively to the date of transition to Ind AS and for all periods presented within the first Ind AS Financial Statements.

Any resulting differences between carrying amounts of assets and liabilities according to Ind AS 101 as of 1 April 2016 compared with those presented in the Indian GAAP Balance Sheet as of 31 March 2016, were recognized in equity under retained earnings within the Ind AS Balance Sheet.

Following notes explain the principal adjustments made by the Company in restating Indian GAAP financial statements, including the balance sheet as at 1 April 2016 and the financial statements as at and for the year ended 31 March 2017.

Optional exemptions availed and mandatory exceptions

In the Ind AS Opening Balance Sheet as at 1 April 2016, the carrying amounts of assets and liabilities from the Indian GAAP as at 31 March 2016 are generally recognized and measured according to Ind AS in effect. For certain individual cases, however, Ind AS 101 provides for optional exemptions and mandatory exceptions to the general principles of retrospective application of Ind AS. The Company has made use of the following exemptions and exceptions in preparing its Ind AS Opening Balance Sheet:

i. Property, plant and equipment and other intangible assets

Ind AS 101 permits a first-time adopter to elect to continue with the carrying value for all of its property, plant and equipment and other intangible assets as recognised in the financial statements as at the date of transition to Ind AS, measured as per the previous GAAP and use that as its deemed cost as at the date of transition after making necessary adjustments for de-commissioning liabilities. Accordingly, the Company has elected to measure all of its property, plant and equipment and other intangible assets at their previous GAAP carrying value.

ii. Estimates

An entity's estimates in accordance with Ind AS at the date of transition to Ind AS shall be consistent with estimates made for the same date in accordance with previous GAAP (after adjustments to reflect any difference in accounting policies), unless there is objective evidence that those estimates were in error.

Ind AS estimates as at 1 April 2016 are consistent with the estimates as at the same date made in conformity with previous GAAP. Key estimates considered in preparation of financial statements that one not required under the previous GAAP are listed below :

-Fair valuation of financial instruments carried at FVTPL.

-Determination of discounted value of financial instruments carried at amortised cost.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

40. First-time Adoption of Ind AS *Contd.*

iii. Classification and measurement of financial assets

Ind AS 101 requires an entity to assess classification of financial assets on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial assets accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial assets based on facts and circumstances that exist on the date of transition. Measurement of the financial assets accounted at amortised cost has been done retrospectively except where the same is impracticable.

iv. Classification and measurement of financial liabilities

Ind AS 101 requires an entity to assess classification of financial liabilities on the basis of facts and circumstances existing as on the date of transition. Further, the standard permits measurement of financial liabilities accounted at amortised cost based on facts and circumstances existing at the date of transition if retrospective application is impracticable.

Accordingly, the Company has determined the classification of financial liabilities based on facts and circumstances that exist on the date of transition. Measurement of the financial liabilities accounted at amortised cost has been done retrospectively except where the same is impracticable.

Reconciliation of equity as at 1 April 2016 and as at 31 March 2017

Particulars	Note	1 April 2016			31 March 2017		
		Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
ASSETS							
Non-current assets							
Property, plant and equipment	g	730.51	(33.03)	697.48	633.72	(28.65)	605.07
Capital work-in progress		-	-	-	33.28	-	33.28
Other intangible assets		407.28	-	407.28	229.52	-	229.52
Intangible assets under development		40.24	-	40.24	62.77	-	62.77
Financial Assets				-	-		
Investments	c,h	967.45	84.05	1,051.50	7,015.07	101.72	7,116.79
Loans	a	163.67	(83.83)	79.84	163.66	(75.53)	88.13
Other financial assets- Bank deposits		2,659.90	-	2,659.90	2,582.69	-	2,582.69
Deferred tax assets (net)	d	-	-	-	128.38	(30.51)	97.87
Non-current tax assets (net)	h	149.84	3.71	153.55	117.98	2.30	120.28
Other non-current assets	a	0.97	68.00	68.97	6.32	57.59	63.91
		5,119.86	38.90	5,158.76	10,973.39	26.92	11,000.31
Current Assets							
Financial assets							
Investments	c,h	27,151.62	26.93	27,178.55	31,010.54	182.19	31,192.73
Trade receivables		77.11	-	77.11	20.86	-	20.86
Cash and cash equivalent	h	597.50	0.02	597.52	8,163.21	0.83	8,164.04
Bank balances other than cash and cash equivalent	h	9,239.00	100.00	9,339.00	4,676.05	5.00	4,681.05
Loans		2.49	-	2.49	3.67	-	3.67
Other financial assets- Other recoverables		3.35	-	3.35	170.80	-	170.80
Other current assets	a	184.43	10.41	194.84	152.71	10.41	163.12
		37,255.50	137.36	37,392.86	44,197.84	198.43	44,396.27
Total Assets		42,375.36	176.26	42,551.62	55,171.23	225.35	55,396.58

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

40. First-time Adoption of Ind AS *Contd.*

Reconciliation of equity as at 1 April 2016 and as at 31 March 2017

Particulars	Note	1 April 2016			31 March 2017		
		Previous GAAP*	Adjustments	Ind ASs	Previous GAAP*	Adjustments	Ind ASs
EQUITY & LIABILITIES							
Equity							
Equity share capital	h	2,881.22	(20.11)	2,861.11	2,881.22	(20.11)	2,861.11
Instruments entirely equity in nature		151.64	-	151.64	151.64	-	151.64
Other equity	h	16,784.94	7,556.05	24,340.99	24,466.28	342.42	24,808.70
		19,817.80	7,535.94	27,353.74	27,499.14	322.31	27,821.45
Liabilities							
Non-current liabilities							
Financial liabilities							
Other financial liabilities	b	186.18	(30.20)	155.98	140.63	(21.70)	118.93
Provisions	f	164.60	8.36	172.96	227.19	-	227.19
Deferred tax liabilities (net)	d	88.50	3.63	92.13	-	-	-
Other non-current liabilities	b,g	70.01	(55.93)	14.08	95.36	(85.77)	9.59
		509.29	(74.14)	435.15	463.18	(107.47)	355.71
Current liabilities							
Financial liabilities							
Trade payables		5,901.90	-	5,901.90	17,193.93	-	17,193.93
Other financial liabilities		7,147.70	(10.96)	7,136.74	8,134.33	(3.37)	8,130.96
Other current liabilities	g	1,329.21	24.79	1,354.00	1,430.09	13.89	1,443.98
Provisions	e	7,312.20	(7,299.41)	12.79	14.16	-	14.16
Current tax liabilities (net)		357.26	0.04	357.30	436.39	-	436.39
		22,048.27	(7,285.54)	14,762.73	27,208.90	10.52	27,219.42
Total equity and liabilities		42,375.36	176.26	42,551.62	55,171.23	225.35	55,396.58

* The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Note	Previous GAAP*	Adjustments	Ind ASs
INCOME				
Revenue from operations	b	19,837.57	26.95	19,864.52
Other income	a, b, c, h	3,391.02	31.64	3,422.66
Total Income		23,228.59	58.59	23,287.18
EXPENDITURE				
Employee benefits	f	1,557.16	(9.28)	1,547.88
Finance costs	a, b, h	13.08	28.52	41.60
Depreciation and amortisation	g	346.35	(4.39)	341.96
Other expenses	a, b	3,986.19	(15.65)	3,970.54
Total Expenses		5,902.78	(0.80)	5,901.98
Profit before tax		17,325.81	59.39	17,385.20
Current tax				
Current year	h	6,106.00	5.29	6,111.29
Earlier years		105.08	-	105.08
Deferred tax				
Current year	d	(216.88)	27.58	(189.30)
		5,994.20	32.87	6,027.07

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

40. First-time Adoption of Ind AS *Contd.*

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Note	Previous GAAP*	Adjustments	Ind ASs
Profit after tax		11,331.61	26.52	11,358.13
Other comprehensive income				
Items that will not be reclassified to profit or loss (net of tax)				
- Net actuarial gains/(losses) on defined benefit plans	f	-	(1.34)	(1.34)
Other comprehensive income for the year, net of income tax		-	(1.34)	(1.34)
Total comprehensive income for the year		11,331.61	25.18	11,356.79

*The previous GAAP figures have been reclassified to conform to Ind AS presentation requirements for the purposes of this note.

Reconciliation of total equity as at 31 March 2017 and 1 April 2016

Particulars	Note	As at 31 March 2017	As as 1 April 2016
Total equity (shareholder's funds) as per previous GAAP		27,499.14	19,817.80
Adjustments:			
Dividend on equity shares and corporate tax on dividend on equity shares	e	-	6,935.53
Dividend on preference shares and corporate dividend tax on preference shares	e	-	365.02
Recognition of financial assets (security deposit given)/ liabilities (settlement guarantee fund) at amortised cost	a,b	(6.80)	(3.13)
Derecognition of lease equalisation reserve	g	57.91	31.69
Recognition of investments at fair value	c	46.91	31.98
Reversal of depreciation charged on lease equalisation capitalized under the head leasehold	g	9.67	5.29
Recognition of employee stock compensation expense		(10.46)	(9.03)
Recognition of employee stock options outstanding account		10.46	9.03
Reversal of employee benefit expense on account of remeasurement of defined benefit liability	f	2.05	-
Actuarial loss on defined benefit plans recognised in other comprehensive income (net of tax)	l, i	(1.34)	-
Leave encashment		-	(9.50)
Deferred tax on Ind AS adjustments	d	(30.51)	(3.63)
Reserve arising out of inclusion of ESOP trust in these financial statements	h	244.42	182.69
Total adjustments		322.31	7,535.94
Total equity as per Ind AS		27,821.45	27,353.74

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Note	31 March 2017
Profit after tax as per previous GAAP		11,331.61
Adjustments:		
Derecognition of rent in respect of lease equalisation reserve	g	26.22
Reversal of employee benefit expense on account of remeasurement of defined benefit liability	f	2.05
Recognition of financial assets/ liabilities at amortised cost	a, b	(3.67)
Gain on revaluation of investments	c	14.93
Reversal of depreciation charged on lease equalisation capitalized under the head leasehold improvement	g	4.38
Deferred tax on temporary differences	d	(26.88)
Leave encashment	f	9.50
Employee stock option compensation expenses	l	(1.43)

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

40. First-time Adoption of Ind AS *Contd.*

Reconciliation of total comprehensive income for the year ended 31 March 2017

Particulars	Note	31 March 2017
Impact of inclusion of ESOP Trust financial statements	h	1.42
Total adjustments		26.52
Profit after tax as per Ind AS		11,358.13
Other comprehensive income (net of tax):		
Actuarial loss on defined benefit plans	i	(1.34)
Total comprehensive income as per Ind AS		11,356.79

Notes to first-time adoption:

(a) Financial assets (Loans): Security deposits

Under Indian GAAP, interest free security deposits (that are refundable in cash on completion of the term as per the contract) are recorded at their transaction value. Under Ind AS, such financial assets are required to be recognised initially at their fair value and subsequently at amortised cost. Difference between the fair value and transaction value of the security deposit has been recognised as deferred rent. Consequent to this change the amount of security deposit as on 31 March 2017 has decreased by ₹75.53 (1 April 2016: ₹83.83) with a creation of deferred rent (included in other non-current and current assets) of ₹68 (1 April 2016: ₹78.41). The other equity (net) decreased by ₹5.42 as at 1 April 2016. The unwinding of security deposit happens by recognition of a notional interest income in Statement of Profit and Loss at effective interest rate. The deferred rent gets amortised on a straight line basis over the term of the security deposits. The profit and other equity for the year ended 31 March 2017 decreased by ₹2.11 due to amortisation of deferred rent by ₹10.41 (included in other expenses), and increase in notional interest income of ₹8.3 recognised on security deposits (included in other income).

(b) Financial liabilities

Under Indian GAAP, interest free long term liabilities for which the Company has contractual obligation to deliver cash or another financial asset to another entity such as settlement guarantee fund (SGF) are recorded at their transaction value. Under Ind AS, such financial liabilities are required to be recognised initially at their fair value and subsequently at amortised cost. Difference between the fair value and transaction value of the SGF has been recognised as deferred income. Consequent to this change the amount of SGF as on 31 March 2017 has decreased by ₹25.06 (1 April 2016: ₹41.16) with a creation of deferred income (included in other non-current and current liability) of ₹24.34 (1 April 2016: ₹38.87). The other equity increased by ₹2.29 as at 1 April 2016. The unwinding of SGF happens by recognition of a notional interest expense in Statement of Profit and Loss at effective interest rate. The deferred income gets recognized on a straight line basis over the term of the security deposits. The profit and other equity for the year ended 31 March 2017 decreased by ₹1.56 due to recognition of deferred income by ₹26.95 (included in revenue from operation), and increase in notional interest expense of ₹28.51 recognised on SGF (included in finance cost).

(c) Fair valuation of Investments

Under Indian GAAP, investments in mutual funds were classified as current investments and non-current investments, respectively, based on intended holding period and realisability. The current investments were carried at lower of cost or fair value. Under Ind AS, these investments are required to be measured at fair value, the resulting fair value changes of these investments amounting to ₹31.98 have been recognised in retained earnings as at the date of transition (i.e 1 April 2016) and subsequently in the profit and loss for the year ended 31 March 2017. This has increased the profit by ₹14.93 as at 31 March 2017.

(d) Deferred taxes

Under Indian GAAP accounting for deferred tax, using the income statement approach, which focuses on differences between taxable profits and accounting profits for the year. Ind AS requires entities to account for deferred taxes using the balance sheet approach, which focuses on temporary differences between the carrying amount of an asset or liability in the balance sheet and its tax base.

In addition, the various transitional adjustments lead to temporary differences. On the date of transition (i.e 1 April 2016), the net impact on deferred tax liabilities is of ₹(3.63) [31 March 2017: ₹(30.51)]. The profit and other equity for the year ended 31 March 2017 have decreased by ₹26.88 due to differences in temporary differences.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

40. First-time Adoption of Ind AS *Contd.*

(e) Provisions : Proposed dividend

Under Indian GAAP upto 31 March 2016, dividend proposed by the Board of Directors after the reporting period but before the approval of the financial statements were considered as adjusting events. Accordingly, the provision for proposed dividend was recognised as liability. Under Ind AS such dividends are recognised when the same is approved by the shareholders in the annual general meeting. Accordingly, the total liability recorded for proposed dividend and corporate dividend tax of ₹7,300.55 as at 1 April 2016 included in the provisions has been reversed with corresponding adjustment to reserves and surplus. Consequently, the other equity increased by ₹7,300.55 as at 1 April 2016.

The Ministry of Corporate Affairs, Government of India, vide Notification No. G.S.R. 739(E), dated 7th December, 2006, notified Companies (Accounting Standards) Rules 2006, Amended the AS 4 (effective from 1 April 2016), stating that dividends declared after the balance sheet date but before the financial statements are approved for issue, are not recognised as a liability at the balance sheet date because no obligation exists at that time unless a statute requires otherwise, therefore, for the year ended 31 March 2017 no provision was considered in the books of accounts in relation to the proposed dividend as per Indian GAAP also.

(f) Employee benefits :

Under Ind AS, remeasurements i.e. actuarial gains and losses on the net defined benefit liability are recognised in other comprehensive income instead of statement of profit and loss. Under Indian GAAP these were forming part of the statement of profit and loss for the year. As a result of this change, the employee benefit expense to the extent of actuarial loss amounting to ₹2.05 for the year ended 31 March 2017 has been reduced with corresponding impact on Other Comprehensive Income. There is no impact on the other equity as at 31 March 2016.

During the year ended 31 March 2017, compensated absences for sick leaves had been provided for the first time. Accordingly expenses for the prior period have been adjusted in the opening provision amounting ₹9.50.

(g) Lease equalisation reserves

Under Indian GAAP, operating lease charges are recognised as an expense in the Statement of Profit and Loss on a straight line basis over the lease term and lease equalisation reserve ('LER') is to be amortized over the lease term. In case operating lease charges are related to pre-construction period then the same should be capitalized as part of leasehold improvement and to be depreciated over the lease term.

However, under Ind AS, Lease payments under an operating lease shall be recognised as an expense on a straight line basis over lease term only if the payments to the lessor are not structured to increase in line with expected general inflation to compensate for the lessor's expected inflationary cost increases. Since, escalation allowed in lease arrangement in respect of office premises taken by the Company represents general inflation. Hence, lease payments under an operating lease shall not be required to be recognised on a straight line basis over lease term.

The effect of the adjustments resulted in reversal in the value of lease equalisation reserves of ₹70.01 (31 March 2017: ₹96.24) with corresponding decrease in leasehold improvements by ₹33.03 (31 March 2017: ₹28.65) comprises of depreciation charged of ₹5.29 (31 March 2017: ₹9.67) and increase in retained earnings by ₹36.98 on transition date.

During the year ended 31 March 2017, reversal of the value of lease equalisation reserves of ₹26.23 with corresponding decrease in rent expenses and reversal of accumulated depreciation on leasehold improvement with corresponding decrease in depreciation of ₹4.38 resulted in increase in profit and loss by ₹30.61.

(h) ESOP trust

Under IND AS, the ESOP trust has been treated as an extension of the Company and accordingly shares held by ESOP Trust are treated as treasury shares. Consequently, all the assets, liabilities, income and expenses of the trust area accounted for as assets, liabilities, income and expenses of the Company, except for profit / loss on issue of shares to the employees and dividend paid on the shares held by ESOP trust which are directly taken to the ESOP Trust Reserve.

(i) Other equity :

Retained earnings as at 1 April 2016 has been adjusted consequent to the above Ind AS transition adjustments. Refer 'Reconciliation of total equity as at 31 March 2017 and 1 April 2016' as given above for details.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

40. First-time Adoption of Ind AS *Contd.*

(j) Other comprehensive income

Under Indian GAAP, the Company has not presented other comprehensive income (OCI) separately. Items that have been reclassified from statement of profit and loss to other comprehensive income includes remeasurement of defined benefit plans net of tax. Hence, on overall basis, Indian GAAP profit or loss is reconciled to total comprehensive income as per Ind AS.

(k) Statement of cash flows

The impact of transition from Indian GAAP to Ind AS on the statement of cash flow is due to reclassification adjustments recorded under Ind AS balance sheet and statement of profit and loss. The transition from Indian GAAP to Ind AS does not have a material impact of the statement of cash flow of the Company.

(l) Employee stock option compensation expenses

Under Indian GAAP, employee stock options compensation expenses was recorded at intrinsic value method. However according to Ind AS, employee stock options compensation expenses have to be recorded at fair value.

41. Details of Specified Bank Notes (SBN) held and transacted during the period 08 November 2016 to 31 December 2016:

Particulars	Specified Bank Notes	Other denomination notes	Total
Closing cash in hand as on 08 November 2016	Nil	Nil	Nil
Add: Permitted receipts	Nil	Nil	Nil
Less: Permitted payments	Nil	Nil	Nil
Less: Amount deposited in Banks	Nil	Nil	Nil
Closing cash in hand as on 31 December 2016	Nil	Nil	Nil

@ For the purpose of this disclosure, the term 'Specified Bank Notes' shall have the same meaning provided in the notification of the Government of India, in the Ministry of Finance, Department of Economic Affairs number S.O. 3407(E), dated 8 November 2016.

42. Share based payment arrangements:

a. Description of share-based payment arrangements

During the financial year 2010-2011, the Company had framed an Employee Stock Option Scheme - 2010 ("ESOP 2010"), which was duly approved by the Shareholders and Board of Directors of the Company. Accordingly, the Company allotted 606,572 number of equity shares of ₹10 each to IEX ESOP Trust ("ESOP Trust") who will administer ESOP 2010 on behalf of the Company. Subsequently, ESOP 2010 has been amended by special resolution passed at the Extra-ordinary General Meeting held on 16 May 2017 by the shareholders of the Company.

Further, the Shareholders of the Company vide their special resolution passed at the Annual General Meeting held on 27 September 2013 had authorised the Board of Directors/ Compensation Committee of the Company to vary the terms of ESOP's including the vesting period for selective/specific eligible employees in respect of the options which have yet not been granted or granted but which have not been vested yet, subject to a minimum vesting period of one year from the date of grant under ESOP 2010.

Out of total shares allotted to IEX ESOP Trust, ESOP Trust has granted 513,290 (net of 136,610 option lapsed) number of options to employees. Details of options granted by the IEX ESOP Trust ("ESOP Trust") is as under:

S.No	Grant Date	No. of Options	Exercise Price	Vesting Conditions	Vesting Period	Contractual period
1	08-Jul-10	307,100	10	-33% on completion of first year	-33% on completion of first year	12 months from the date of vesting
				-33% on completion of second year	-33% on completion of second year	
				-34% on completion of third year	-34% on completion of third year	
2	07-Sep-10	17,600	10	-33% on completion of first year	-33% on completion of first year	12 months from the date of vesting
				-33% on completion of second year	-33% on completion of second year	
				-34% on completion of third year	-34% on completion of third year	

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

42. Share based payment arrangements: *Contd.*

S.No	Grant Date	No. of Options	Exercise Price	Vesting Conditions	Vesting Period	Contractual period
3	16-Dec-11	106,100	53	-33% on completion of first year	-33% on completion of first year	12 months from the date of vesting
				-33% on completion of second year	-33% on completion of second year	
				-34% on completion of third year	-34% on completion of third year	
4	16-Dec-11	100,000	53	-55% on completion of first year	-55% on completion of first year	12 months from the date of vesting
				-45% on completion of second year	-45% on completion of second year	
5	21-Jan-14	45,000	150	- 25% on completion of second year	-25% on completion of second year	12 months from the date of vesting
				- 25% on completion of third year	-25% on completion of third year	
				- 25% on completion of fourth year	-25% on completion of fourth year	
				- 25% on completion of fifth year	-25% on completion of fifth year	
6	24-Jun-14	10,000	535	100% on completion of one year and successful completion of the IPO and listing of the Company's equity shares at Stock Exchange	100% on completion of one year and successful completion of the IPO and listing of the Company's equity shares at Stock Exchange	12 months from the date of vesting
7	17-Apr-17	10,000	750	33% on completion of first year	33% on completion of first year	12 months from the date of vesting
				33% on completion of second year	33% on completion of second year	
				34% on completion of third year	34% on completion of third year	
8	19-Jun-17	19,000	750	33% on completion of first year	33% on completion of first year	12 months from the date of vesting
				33% on completion of second year	33% on completion of second year	
				34% on completion of third year	34% on completion of third year	
9	16-Aug-17	35,100	750	33% on completion of 17 months	33% on completion of 17 months	12 months from the date of vesting
				33% on completion of 29 months	33% on completion of 29 months	
				34% on completion of 41 months	34% on completion of 41 months	
	Total	649,900				

No employee has been issued options entitling such person to subscribe to more than 1% of Equity Share Capital of the Company.

b. Measurement of fair values

The weighted average fair value of stock options as on grant date

Particulars	Method of Valuation	Weighted average fair value as on the grant date (₹)
Employee stock option plan -2010		
21-Jan-14	Black Scholes option pricing model	21.24
24-Jun-14	Black Scholes option pricing model	58.86
17-Apr-17	Black Scholes option pricing model	Nil
19-Jun-17	Black Scholes option pricing model	75.25
16-Aug-17	Black Scholes option pricing model	83.73

The inputs used in the measurement of grant date fair value are as follows:

Particulars	Share Price (₹)	Exercise Price (₹)	Expected Volatility	Expected Life (in years)	Expected Dividend	Risk free Interest Rate
Employee stock option plan -2010						
21-Jan-14	148	150	0.00%	1.5 to 4.5 years	Based on dividend declared prior to the date of grant	8.52%
24-Jun-14	148	535	0.00%	1.50 years	Based on dividend declared prior to the date of grant	8.83%
17-Apr-17	555	750	0.00%	1.5 to 3.5 years	Based on dividend declared prior to the date of grant	6.49%
19-Jun-17	647	750	25.54%	1.5 to 3.5 years	Based on dividend declared prior to the date of grant	6.34%
16-Aug-17	647	750	25.54%	1.5 to 3.88 Years	Based on dividend declared prior to the date of grant	6.32%

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

42. Share based payment arrangements: *Contd.*

The risk-free interest rate being considered for the calculation is the interest rate applicable for maturity equal to the expected life of the options based on the zero-yield curve for Government Securities. Expected volatility calculation is based on historical net asset method of valuation.

c. Effect of employee stock option scheme on the Statement of Profit and loss:

Particulars	For the year ended 31 March 2018	For the year ended 31 March 2017
Employee stock option expenses	9.16	1.43
Total	9.16	1.43

d. Reconciliation of outstanding share options

The number and weighted-average exercise prices of share options under the share option programs were as follows

Particulars	31 March 2018		31 March 2017	
	Number of options	Weighted average exercise price (₹)	Number of options	Weighted average exercise price (₹)
Options outstanding as at the beginning of the year	22,500	150	33,750	150
	10,000	535	10,000	535
Exercisable at the beginning of the year	11,250	150		
Add: Options granted during the year	64,100	750	-	-
Less: Options forfeited and expired during the year	-	-	-	-
Less: Options exercised during the year	10,000	535	-	-
	22,500	150	-	-
Options outstanding as at the year end	64,100	750	22,500	150
	11,250	150	10,000	535
Exercisable at the end of the year	-	-	11,250	150

The options outstanding at 31 March 2018 have an exercise price in the range of ₹150 to ₹750 (31 March 2017: ₹150 to ₹535) and a weighted average remaining contractual life of 2.38 years (31 March 2017: 1.75 years)

The weighted average share price at the date of exercise for share options exercised in 2017-18 was ₹268.46 for 32,500 shares (2016-17: no options exercised).

43. The Company had constituted a separate 'Settlement Guarantee Fund' ('SGF') in respect of the activities carried out in various contracts being traded at the exchange platform. The members are required to contribute to the fund in the form of interest free margin money, which forms part of the SGF. The margin money is refundable, subject to adjustments, if any. Such fund is also termed as Settlement Guarantee Fund. The Cash Margin Money forming part of SGF was ₹11,671.76 (previous year ₹6,326.84) disclosed under note 17 - Other current financial liabilities ₹11,555.79 (previous year ₹6,213.55) under Security Deposits towards Settlement Guarantee Fund and note 17 - Other non current financial liabilities - Deposits towards Settlement Guarantee Fund ₹115.97 (previous year ₹113.29). The Company had also collected non cash portion of the Settlement Fund comprising collateral such as bank guarantees, received from the members amounting to ₹800.00 (previous year ₹820.00) which does not form part of the Balance Sheet. These balances have been accounted for on amortised cost basis.

44. Recent accounting pronouncements

Standards issued but not yet effective:

Appendix B to Ind AS 21, Foreign currency transactions and advance consideration:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Companies (Indian Accounting Standards) Amendment Rules, 2018 containing Appendix B to Ind AS 21, Foreign currency transactions and advance consideration which clarifies the date of the transaction for the purpose of determining the exchange rate to use on initial recognition of the related asset, expense or income, when an entity has received or paid advance consideration in a foreign currency.

Notes to Financial Statements for the year ended 31 March 2018

(All amounts in Rupees Lakhs, except share data and unless otherwise stated)

The amendment will come into force from 01 April 2018. The Company has evaluated the effect of this on the financial statements and the impact is not significant.

Ind AS 115- Revenue from Contract with Customers:

On 28 March 2018, Ministry of Corporate Affairs ("MCA") has notified the Ind AS 115, Revenue from Contract with Customers. The core principle of the new standard is that an entity should recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. Further the new standard requires enhanced disclosures about the nature, amount, timing and uncertainty of revenue and cash flows arising from the entity's contracts with customers.

The Company will adopt the standard on 01 April 2018 by using the cumulative catch-up transition method and accordingly comparatives for the year ending or ended 31 March 2018 will not be retrospectively adjusted. The effect on adoption of Ind AS 115 is expected to be insignificant.

The notes from Note 1 to Note 44 form an integral part of these financial statements.

As per our report of even date attached

For B S R & Associates LLP

Chartered Accountants

ICAI Firm Registration Number: 116231W /W-100024

Sd/-

Manish Gupta

Partner

Membership No.: 095037

For and on behalf of the Board of Directors of
Indian Energy Exchange Limited

Sd/-

S. N. Goel

Managing Director & CEO

DIN-02294069

Sd/-

Vineet Harlalka

*Chief Financial Officer, Compliance Officer &
Company Secretary*

Sd/-

K. T. Chacko

Independent Director

DIN-02446168

Place : New Delhi

Date : 26 April 2018

Place : New Delhi

Date : 26 April 2018

Corporate Information

Board of Directors

Mr. Dinesh Kumar Mehrotra

Chairman, Independent Director

Mr. Satyanarayan Goel

Managing Director and Chief Executive Officer

Prof. Kayyalathu Thomas Chacko

Independent Director

Mr. Vallabh Roopchand Bhansali

Independent Director

Mr. Mahendra Singhi

Non-Executive Director

Mr. Gopal Srinivasan

Non-Executive Director

Ms. Renuka Ramnath

Non-Executive Director

Mr. Ajeet Kumar Agarwal

Non-Executive Nominee Director

Mr. Bejul Somaia

Non-Executive Director

CFO, Compliance Officer & Company Secretary

Mr. Vineet Harlalka

Statutory Auditors

M/s. BSR & Associates LLP,

Chartered Accountants

(FRN: 116231W/W-100024)

Secretarial Auditor

M/s MNK & Associates

Company Secretary

(CP No. 8245)

Clearing Banks

HDFC Bank

State Bank of India

ICICI Bank

Yes Bank

IndusInd Bank Limited

Registrar and Transfer Agent

Karvy Computershare Private Limited

Depository

National Securities Depository Limited

Central Depository Services (India) Limited

Registered & Corporate Office

Indian Energy Exchange Limited

Unit No. 3, 4, 5 & 6, Fourth Floor, TDI Centre Plot

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