



INDIAN ENERGY EXCHANGE ANNOUNCES UNAUDITED FINANCIAL RESULTS FOR THE THIRD QUARTER ENDED 31 DECEMBER 2021

- IEX achieves 37% YoY volume growth in Q3 FY'22.
- Profit after tax grows 39% YoY.
- Exchange announces interim dividend of 100%.
- Subsidiary company - IGX, achieves breakeven in Q3 FY'22, within one year of authorization.

New Delhi, Tuesday, 25 January 2022:

The key highlights of the unaudited financial results* for the third quarter ended December 31, 2021, as declared by the Company on 24 January 2022, are as below:

Particulars	Standalone			Consolidated		
	Q3FY21	Q3FY22	YoY%	Q3FY21	Q3FY22	YoY%
Electricity Volume (MU)	20,175	23,539	16.7%	20,175	23,539	16.7%
REC Volume (in '000)	-	3,828	100.0%	-	3,828	100.0%
ESCerts Volume (in '000)	-	286	100.0%	-	286	100.0%
Total Revenue	95.68	126.68	32.4%	96.09	130.78	36.1%
Total Operating Expense	12.89	16.05	24.5%	15.64	18.72	19.7%
EBITDA	82.79	110.63	33.6%	80.45	112.06	39.3%
Finance Cost	0.52	0.49	-5.8%	0.52	0.50	-3.8%
Depreciation & Amortization	3.99	4.13	3.5%	4.19	4.42	5.5%
Income Tax Expense	18.20	26.10	43.4%	17.60	26.41	50.1%
PAT	60.08	79.91	33.0%	58.14	80.73	38.9%

* All amounts are represented in Crores

POWER SECTOR HIGHLIGHTS

In the third quarter of the fiscal year 2022, India has seen good growth in economic and industrial activities. This increase in activity also spurred the demand for electricity. The national electricity consumption stood at 321 BU during the quarter, registering a 5% CAGR growth over last 2 years.

In December 2021, India's installed power generation capacity reached 393 GW seeing 4.8% YoY growth. The renewable energy capacity including large hydro reached 151 GW from 137 GW in the fiscal year 2020, achieving 10.5% YoY growth. The share of renewables in India's total capacity base has increased to 38% aligned to India's commitment at COP26 Summit in Glasgow, where an ambitious target of achieving 500GW of renewable energy by 2030 was announced.

BUSINESS AND FINANCIAL PERFORMANCE HIGHLIGHTS

On a standalone basis, revenue for the quarter increased by 32.4%, from Rs. 95.7 Cr. in Q3FY'21 to Rs. 126.7 Cr. in Q3FY'22. The PAT grew by 33% YoY from Rs 60.1 Cr in Q3FY'21



to Rs 79.9cr in Q3FY'22, with a margin of 63.1%. The company has announced an interim dividend of 100% per equity share.

During the quarter, volumes on the Exchange grew by 37% YoY with 27.6 BU volumes traded versus 20.1BU in Q3 FY'21. The growth in volumes was driven by substantial increase in electricity consumption as well as resurgence of trading in REC's and ESCERT's.

The Real-Time Market continues to be one of the fastest-growing electricity market segments on the Exchange, achieving a growth of 70% YoY with 4.8 BU of volumes traded during the quarter.

The green market, including the day ahead and term ahead market, cumulatively traded 1.2 BU during the quarter, and contributed 5% to overall electricity volumes.

On the REC front, a total of 38.28 lakh certificates, and a total of 2.86 lakh Energy Saving Certificates traded during the quarter.

On 9-month basis, total volumes on the Exchange grew by 43.4% YoY with 74.9 BU volumes traded in 9M FY'22 versus 52.2BU in 9M FY'21. On a standalone basis, revenue for the 9M FY'22 increased by 37%, from Rs. 255.6 Cr. in 9M FY'21 to Rs. 350.1 Cr. in 9M FY'22. PAT grew by 48.1% YoY from Rs 149.7 Cr in 9MFY'21 to Rs 221.6 Cr in 9MFY'22, with a margin of 63.3%.

The Exchange is now gearing to launch the Longer Duration delivery contracts in electricity and renewable segment.

On the gas market front, the Indian Gas Exchange IGX has been achieving consistent growth in terms of volumes as well as the eco-system development. During the quarter, IGX achieved break even, within one year of securing PNGRB authorisation in December'20. In Q3 2021, IGX recorded trade volumes of 3.6 million MMBtu. Cumulatively 5 million MMBtu was traded through IGX during the year. More recently, IOCL has joined IGX as its new strategic partner. With the increasing volumes and participants, IGX is well on its way to substantially contributing towards the Government's goal of achieving a 15 % share of the country's overall energy mix for natural gas by 2030.

POLICY AND REGULATORY UPDATES

From the policy and regulatory perspective, on 16 December 2021, CERC issued the draft Connectivity and General Network Access (GNA) to the inter-State Transmission System Regulations, 2021. This initiative is expected to simplify the transmission access availability for the participants on the Exchange. Implementation of GNA is also expected to ease the participation on Exchange platform as decision to participate will no longer be contingent upon transmission access and charges. GNA will promote development of power market in the country.

Further, the resolution of the decade long-pending jurisdictional conflict between the CERC and SEBI in respect of jurisdiction of long duration forwards paved way for the introduction of much awaited long-duration delivery contracts on the Power Exchanges under regulatory jurisdiction of CERC and also the introduction of the electricity derivatives on the commodity exchanges under jurisdiction of SEBI. Electricity derivatives will smoothen out the price volatility and also buyers will be able to hedge their positions and take delivery in spot markets. This will lead to an increase in the Exchange transactions. Following this development, IEX has already applied for approval of longer duration contracts to CERC.



The Central Electricity Regulatory Commission also issued the draft Deviation Settlement Mechanism (DSM) and Related Matters Regulations, 2021, linking the DSM charges to the time block-wise price discovered on the Exchange. Implementation of this initiative will help to further deepen the real-time market.

The National Open Access Registry (NOAR) is also likely to be implemented in fiscal year 2022. NOAR will automate processing of open access and considerably reduce the lead time taken in the various procedures. This will also make the transmission allocation more transparent and efficient.

Going forward, IEX stands committed to facilitate India's power sector transformation driven by the energy markets which play a pivotal role in building India's sustainable and efficient energy future working in collaboration with government, regulators, customers, and other stakeholders.

ABOUT IEX

IEX is India's premier energy exchange providing a nationwide, automated trading platform for physical delivery of electricity, renewable power, renewable energy certificates and energy saving certificates. The exchange platform enables efficient price discovery and increases the accessibility and transparency of the power market in India while also enhancing the speed and efficiency of trade execution. The Exchange is ISO Certified for quality management, Information security management and environment management since August 2016. The Exchange is a publicly listed company with NSE and BSE since October 2017 and is approved and regulated by Central Electricity Regulatory Commission since 27 June 2008. For further details, log on to: www.iexindia.com

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