Twitter Thread by Smart Sync Services

Smart Sync Services
@SmartSyncServ

Indian Energy Exchange, like a toll bridge, connects power generators with power consumers & distributors. The alternative to IEX like alternatives to toll bridges is more expensive bilateral agreements.

Fasten your seatbelts as we'll take you through the 19-20 AR of IEX.

IEX

ANNUAL REPORT 2019-2020



LEADING *the* FUTURE
of ENERGY

1/

Megatrends for Energy

~Decarbonization
~Decentralization
~Digitization
~Democratization

DECARBONIZATION

2030 will be a milestone year for India as it strives to achieve two significant commitments: the 2030 Agenda for Sustainable Development Goals and the Paris Agreement to ensure 40 percent of installed power capacity in the form of non-fossil sources. India's energy sector accounts for a sizeable percentage of global greenhouse gas emissions (GHG). If not addressed with urgency, this will lead to a severe economic and humanitarian crisis.

Renewable Energy (RE) will occupy a central role in the evolving energy dynamics in India, both from an energy security and sustainability perspective. The Government has set aggressive RE targets of 175 GW by 2022 and 450 GW by 2030. The National Renewable Energy Policy as highlighted in the Electricity Act 2003 amendments, is a step in the right direction. New hybrid energy solutions will lead the future. Energy storage will also play a crucial role in facilitating large-scale integration of RE generation without compromising grid security. The Government is already working to address this with efforts to improve storage technologies in conjunction with renewable energy investments.

2/

Transformation in the energy sector

~Benchmark prices for all electricity transactions

~Transparent mechanism for price discovery

~High liquidity on exchange to ensure the lowest cost and assured supply



3/

Key points

~Customer Centricity driven by intuitive, secure, & responsive design

~Efficiency through efficient matching algorithms, automation, & low latency
~State-of-the-Art analytics-based solutions that are future-ready.



4/

IGX
~ Launched on 15th June 2020
~ India’s 1st nation-wide automated gas trading platform
~ Govt plans to increase the share of natural gas from 6% to 15% by 2022
~Enabler in making India transition towards a gas-based economy.



5/

Products Offering
~Day Ahead Markets
~Term Ahead Markets
~Real Time Market
~Renewabe Energy Certificates
~Energy Saving Certificates

6/

All Stakeholders
~Ecosystem
~Customers
~Share-ownership
~Active/Registered Participants

IEX Ecosystem

6700+ Registered Participants

50+ Distribution companies

500 + Electricity generators

Customers

4200+ Industries

50+ Discoms

1700+ RE Generators & Obligated entities

100+ ESCert Entities

Active industrial participants in FY'20

Textile **397**

Automobiles **141**

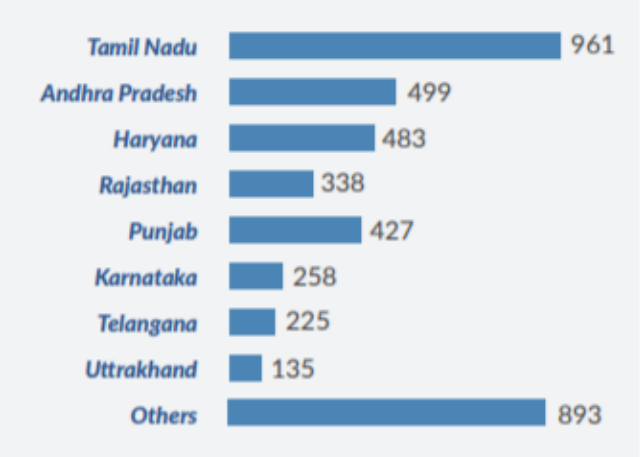
Metal **196**

Cement **84**

Chemical **138**

Others **299**

Registered OA Participants in FY'20



Ownership

The Company is owned through diversified shareholding, and at the end of fiscal year 2020

36.3% Non-institutional investors

11.7% Foreign Corporate Bodies

7.2% Other domestic institutional investors

12.3% Mutual Funds

31.9% Foreign Portfolio Investors

IEX Over the Years

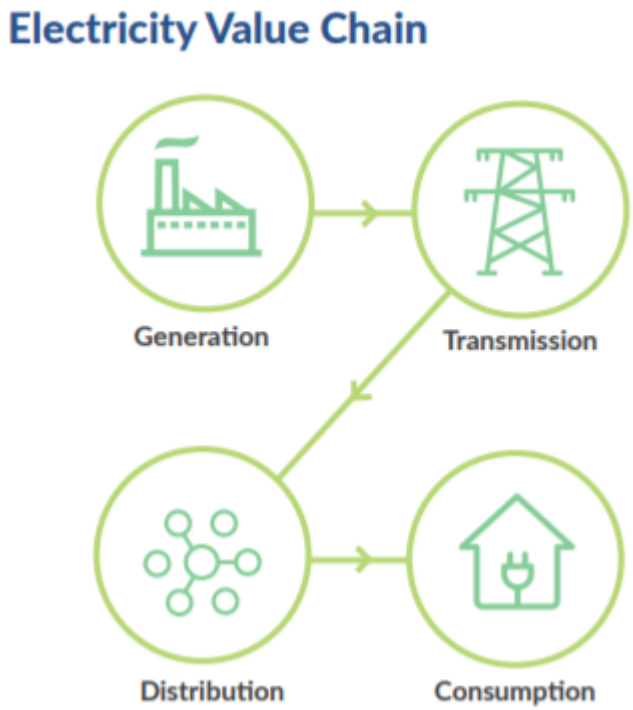


Factors Driving Growth in Consumption

~Core Sector Growth

~Rapid Urbanization

~Growth in Consumer Demand



9/

Govt Initiatives

~Demand Augmentation
~PSM for Generating Companies
~Smart Prepaid Metering to improve Distribution Efficiency
~Deepening of the Market
~REC Addition and Grid Integration through REMCs
~Cost Optimization through National level Merit Order Dispatch

10/

Core Business Growth by

~DISCOM Maximization
~Open Access Maximization
~New Market Products and Segments

11/

Extensive Risk Management Policy Framework

The extensive Risk Management Policy Framework identifies operational risks across the following 14 risk categories



12/

Financials

~Balance Sheet
~Profit& Loss
~Cash Flow Statement

CONSOLIDATED BALANCE SHEET

As at 31 March 2020 (All amounts in Rupees lakhs, unless otherwise stated)

Particulars	Note No.	As at 31 March 2020	As at 31 March 2019
ASSETS			
Non-current assets			
Property, plant and equipment	4 a	2,180.37	716.42
Capital work-in progress	4 a	2.55	35.00
Other intangible assets	4 b	9,717.91	10,420.90
Intangible assets under development	4 b	380.64	89.90
Financial Assets			
Investments	5	19,674.94	20,221.87
Loans	6	46.08	170.88
Other financial assets- bank deposits	7	202.50	-
Non-current tax assets (net)	9	21.16	98.84
Other non-current assets	10	39.19	63.81
Total non-current assets		**32,265.34**	**31,817.62**
Current assets			
Financial assets			
Investments	11	31,182.12	27,243.52
Trade receivables	12	18.54	4,588.65
Cash and cash equivalent	13	1,285.88	5,081.51
Other Bank balance	13A.	1,478.24	1,680.02
Loans	6	208.16	3.24
Other financial assets- Other recoverable	7	29.79	13.12
Other current assets	10	257.70	128.53
Total current assets		**34,460.43**	**38,738.59**
Total Assets		66,725.77	70,556.21
EQUITY AND LIABILITIES			
Equity			
Equity share capital	14	2,983.24	3,019.19
Other equity	15	35,811.92	34,007.71
Total equity		38,795.16	37,026.90
Liabilities			
Non-current liabilities			
Financial liabilities			
Other financial liabilities	16	1,361.19	171.60
Provisions	17	570.88	365.23
Deferred tax liabilities (net)	8	2,442.97	2,441.28
Other non-current liabilities	18	17.57	16.90
Total non-current liabilities		4,392.61	2,995.01
Current liabilities			
Financial liabilities			
Trade payables	19		
(a) total outstanding dues of micro enterprises and small enterprises			
(b) total outstanding dues of creditors other than micro enterprises and small enterprises		7,657.25	13,382.63
Other financial liabilities	16	13,941.72	15,355.67
Current tax liabilities (net)	9	264.53	272.63
Provisions	17	8.93	35.74
Other current liabilities	18	1,665.57	1,487.63
Total current liabilities		23,538.00	30,534.30
TOTAL EQUITY AND LIABILITIES		66,725.77	70,556.21

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What Uber did to the highly inefficient passenger taxi market in the world, IEX has the potential to do something similar in the highly inefficient power market in India.

~Liquidity (Available on Demand)
~Cheap Energy Prices
~Network effects to kick in as users increase

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To deep dive, check

@Dhruvapandey Posts
~https://t.co/xPKOban4oi

~https://t.co/g9mK5v78LF

You may also check SSS resource on IEX:
5 Min Stock Idea https://t.co/FYBkI8xKdo
Infographic https://t.co/jxFQcz2ihR
Concall Notes: https://t.co/qrB3bRM46d

L&R for wider reach■