



Dated: November 07, 2025

The Manager
BSE Limited
Corporate Relationship Department
Phiroze Jeejeebhoy Towers
Dalal Street
Mumbai- 400001
Scrip Code: 540750

The Manager
National Stock Exchange of India Ltd
Listing Department
Exchange Plaza, 5th Floor, Plot No. C/1
G Block, Bandra Kurla Complex
Bandra (E), Mumbai-400 051
Symbol: IEX

Sub: Transcript of the Earnings Conference call with analysts and investors held on October 31, 2025.

Dear Sir / Madam,

Pursuant to Regulation 30 of the SEBI (Listing Obligations and Disclosure Requirements) Regulations, 2015, please find the attached transcript of the earnings conference call held with analysts and investors on October 31, 2025, to discuss the financial results of the Company for the quarter ended September 30, 2025.

The above information will also be made available on the website of the Company:
www.iexindia.com

You are requested to take the above information on record.

Thanking You.

Yours faithfully,

For Indian Energy Exchange Limited

Vineet Harlalka
CFO, Company Secretary & Compliance Officer
Membership No. ACS-16264

Encl: as above

Indian Energy Exchange Ltd

Registered Office: C/o Avanta Business Centre, First Floor, Unit No. 1.14(a), D2, Southern Park, District Centre, Saket, New Delhi-110017, India

Corporate Office: 9th Floor, Max Towers, Sector 16B, Noida, Uttar Pradesh-201301, India

Tel: +91-011-3044 6511 | Tel: +91-120-4648 100 | Fax No.: +91-120-4648 115

CIN: L74999DL2007PLC277039 | Website: www.iexindia.com



“Indian Energy Exchange Limited Q2 FY '26 Investor Conference Call”

October 31, 2025



MANAGEMENT: **MR. SATYANARAYAN GOEL – CHAIRMAN AND
MANAGING DIRECTOR**
MR. ROHIT BAJAJ – JOINT MANAGING DIRECTOR
MR. VINEET HARLALKA – CHIEF FINANCIAL OFFICER
**MR. AMIT KUMAR – HEAD (OPERATIONS, NEW
PRODUCT INITIATIVES & EXCHANGE TECHNOLOGY)**
**MS. APARNA GARG – HEAD (INVESTOR RELATIONS &
CORPORATE COMMUNICATIONS)**
MR. ADITYA WALI – INVESTOR RELATIONS
MODERATOR: **MR. ROHAN GHEEWALA – AXIS CAPITAL LIMITED**

Moderator: Ladies and gentlemen, good day, and welcome to the Indian Energy Exchange Q2 FY '26 Investors Conference Call, hosted by Axis Capital Limited.

As a reminder, all participants' lines will be in the listen-only mode, and there will be an opportunity for you to ask questions after the presentation concludes. Should you need assistance during this conference call, please signal an operator by pressing “*”, then “0” on your touch-tone phone. Please note that this conference is being recorded.

I now hand the conference over to Mr. Rohan Gheewala from Axis Capital Limited. Thank you, and over to you, sir.

Rohan Gheewala: Thank you, Bhoomika. Good afternoon, ladies and gentlemen. On behalf of Axis Capital, I am pleased to welcome you all for the IEX Q2 FY '26 Earnings Conference Call.

We have with us the management team of IEX, which is represented by Mr. Rohit Bajaj – Joint Managing Director, Mr. S. N. Goel – Chairman and Managing Director, Mr. Vineet Harlalka – Chief Financial Officer, Mr. Amit Kumar – Head of Operations, New Product Initiatives and Exchange Technology, and Ms. Aparna Garg – Head (Investor Relations and Corporate Communications).

We will begin with the opening remarks from Mr. Rohit Bajaj, followed by an interactive Q&A session. Thank you, and over to you, sir.

Rohit Bajaj: Good evening, friends. I welcome you all to the IEX Earnings Call for Q2 FY '26.

With me today on this call are Mr. Satyanarayan Goel – CMD, IEX; Mr. Vineet Harlalka – CFO and Company Secretary; Mr. Amit Kumar – Head of Market Operations and Exchange Technology; Ms. Aparna Garg – Head of Investor Relations and Corporate Communications; and Mr. Aditya Wali.

At the macroeconomic level, India remains the fastest-growing major economy in the world, posting a strong GDP growth of 7.8% in the 1st Quarter of fiscal 2026. This trajectory has been powered by strong domestic demand, investment activity and a steady expansion of all major sectors, including industrial, services, agriculture and construction. The Q1 number offers optimism amidst global political uncertainty as India remains a source of stability and opportunity in the international landscape.

The Indian Metrological Department has reported 8% higher rainfall during this year's monsoon, the highest rainfall in five years. This good monsoon is likely to strengthen the agriculture sector, potentially lifting rural incomes and supporting broader consumption trends. In addition, fiscal policy measures to reduce the GST and simplify compliances are expected to further support economic activity going forward. Consequently, the RBI has revised India's FY '26 GDP growth forecast to 6.8%, up from its earlier forecast of 6.5%.

On the power sector front, weather continued to play a key role in this quarter as well. Electricity demand growth during the second quarter remained moderate with a power demand of 449 BUs, higher by 3.4% on year-on-year basis. In the first six months of FY '26, however, power demand has remained largely flat at 894 billion units compared with 886 billion units in H1 FY '25.

On the fuel side, ample fuel has been available at competitive prices. India's coal production reached 203 million tons in the second quarter of FY '26. At nearly 450 million tons, production in the first six months of FY '26 has also remained similar as compared with Q2 FY '25. The coal inventory as of October 2025 stood at nearly 20 days.

For the quarter, imported coal price for 4,200 GAR coal declined to \$42 per ton, a decline of nearly 19% compared with the same quarter last fiscal. For Q2 FY '26, prices of imported gas remained favorable at nearly \$12 per MMBtu compared to \$13.6 per MMBtu in Q2 FY '25. Overall, the fuel situation for the sector has remained comfortable.

Let us now talk about a few important regulatory updates and policy initiatives:

Recently, key amendments were proposed to the Draft Electricity Act Amendment 2025, wherein;

1. State Electricity Regulatory Commissions have been specifically empowered to determine tariff, suo moto, to ensure timely cost recovery and avoid delays.
2. Cross subsidies are to be progressively eliminated within five years for sectors such as manufacturing, railways, and metro operations.
3. In a push for C&I and open access consumer, DISCOM may be exempted from their obligation of supplying commercial and industrial user with 1 megawatt and above load. One of the DISCOMs in the area shall be assigned as a supplier of last resort. The proposal should open up DISCOM resources for supply, avoid tying up stranded power and enhance competitiveness of the C&I segment.
4. Draft provides for specific penalty of Rs. 0.35 to Rs. 0.45 per unit for RCO nonfulfillment.
5. Further, the draft also allows for contract for difference, CFD-based products for the development of the market.
6. In an earlier order, CERC streamlined predefined time slots for trade under TAM contract across exchanges. Public consultation for these predefined slots have been conducted and the final order has been reserved by the CERC. The regulator also proposed modification in the price discovery mechanism of the day ahead contingency segment from the current continuous matching to uniform price step auction through draft amendments in the Power Market Regulation 2021.

Stakeholder comments on these amendments have also been completed. This order will help improve liquidity in TAM and DAC segments.

7. CERC had issued draft guidelines for virtual power purchase agreement, VPPAs earlier this summer. Consultation and due proceedings with regard to this have been completed. The draft recognizes power exchanges as authorized platforms for sale of electricity by RE generators under VPPA arrangements. Renewable generators entering VPPAs may sell the electricity component in the collective segment on the power exchanges. This would help increase volume on exchanges.
8. In another development in reference to the carbon market, the CERC issued draft regulations for trading of carbon credit certificates for both obligated, as well as non-obligated entities through power exchanges. The stakeholder consultation have been completed and final regulations are likely to be issued in due course. Further Greenhouse Emission Intensity targets have been notified for 271 obligated entities across sectors such as aluminum, chlor-alkali, cement and pulp and paper. The final notification regarding this has been published by Ministry of Environment, Forest and Climate Change after conducting stakeholder consultations. This development marks an important milestone for commencement of carbon credit certificates trading on power exchanges in the near future.
9. In August, the CERC issued amendments to General Network Access (GNA) regulation, introducing network access for solar and non-solar hours for all RE-based projects. The amendment aims to tackle the inefficiencies by introducing time block-based restrictive access to ISTS system, thus aligning capacity allocation with resource generation. These provisions would improve network utilization and optimize costs going ahead.
10. During the second quarter, the MOP issued the final notification on renewable consumption obligation (RCO). The notification defined RCO fulfillment method to also include RECs acquired under VPPAs, among others, and also provided for fungibility of obligation under wind, hydro and other components. We have sought CERC's approval to align our green contracts with the revised RCO components. The order in the matter is reserved. Once aligned, the contract will provide due clarity through the market participants for RE sale or procurement, which may increase RE participation going forward.
11. CERC issued an order on implementing market coupling on 23rd July, in which regulator decided to initiate process of implementation of market coupling of the Day Ahead Market. This is to be

done by January 2026. In the same order, it is mentioned that coupling of Real-Time Market RTM will be considered at a later stage.

The order also talks about running a shadow pilot for coupling of Term Ahead Market and stakeholder consultation for RTM and SCED coupling. Further in this order, CERC has directed staff to initiate consultation with GRID India and all exchanges on the operational and procedural aspects of Day Ahead Market coupling, including identifying and proposing amendments required in various regulations. IEX has filed an appeal against this order in Appellate Tribunal for Electricity, APTEL. The next date of hearing is scheduled on 28th of November.

Now moving to the performance:

During Q2 FY '26, IEX recorded electricity trading volume of 35.2 billion units, a Y-o-Y growth of 16.1%. Revenue for the company grew by 9.2% year-on-year, increasing from Rs. 167.8 crores in Q2 FY '25 to Rs. 183.3 crores in Q2 FY '26.

Profit after tax increased by 13.9%, rising from Rs. 108.3 crores in Q2 FY '25 to Rs. 123.4 crores in Q2 FY '26. In Q2 FY '26, nearly 44 lakh renewable energy certificates were traded, lower than nearly 63 lakh certificates traded over the same quarter in FY '25. The RTM segment continues to demonstrate strong growth with 36% share in volume at IEX, surpassing the share of DAM segment for the first time ever.

For Q2 FY '26, RTM volumes at nearly 15 billion units were higher by 39% on Y-o-Y basis, highlighting the segment's critical role in helping DISCOMs and open access consumers efficiently manage short-term needs. RTM's ability to offer flexibility and immediate responsiveness underlines the opportunity to efficiently integrate renewables with the grid.

Green market volume in Q2 FY '26 rose 17.7% on Y-o-Y basis to 3 billion units compared with Q2 FY '25. This segment advances integration of clean sources such as solar and wind into the grid and helps obligated entities, including DISCOMs, meet their renewable purchase obligations. With an increase in hydro, wind and sustained supply from coal-based generation, supply liquidity on power exchanges improved and led to substantial drop in prices. In Q2 FY '26, sell bids in Day-Ahead Market of IEX increased by 39.3% on a Y-o-Y basis. As a result, average Day-Ahead Market price was Rs. 3.93 per unit, down 12.5% on Y-o-Y basis, while price in the Real-Time Market averaged at Rs. 3.51 per unit, a 16% drop.

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With regards to our product in pipeline, we continue to await approval from CERC on our petition to extend term aheadmarket contracts from 3 months to 11 months. As regards to green RTM, CERC has reserved order on IEX Green RTM petition. Green RTM would provide an

opportunity to reduce deviation exposure due to weather events by providing an avenue to trade green power 1 hour in advance.

Further, to facilitate merchant storage capacity in the country, we have filed a petition with CERC for introduction of peak DAM and peak RTM segments. These segments would facilitate trading of power during high demand hours such as late evenings and early mornings. Stakeholder consultations on the same have been completed and the matter awaits further proceedings.

Moving on to IGX:

IGX traded gas volume of 16.1 million MMBtu in Q2 FY '26, a growth of nearly 37% over Q2 FY '25, led by volumes from domestic gas producers and heightened power demand during the months of August and September. For Q2 FY '26, IGX recorded a profit after tax of Rs. 9.6 crores, which was higher by 57% compared to Rs. 6.1 crores in Q2 FY '25.

As gas prices continue to remain stable and policy initiatives continue to remain positive in the sector, volumes at IGX would continue to be robust. The arrival of early and prolonged monsoon this fiscal moderated power demand. Nonetheless, with CEA's forecast of power demand at 366 gigawatt by 2032 and power consumption to reach nearly 2,500 BUs, demand growth will continue to drive exchange volume.

In response to this expected demand growth, the MoP has been regularly monitoring the road map of thermal capacity addition of 80 gigawatt by 2032. Recently, the country's leading power producers also outlined investment plans to increase their thermal capacity by over 50 gigawatt by 2032.

In addition, policy measures undertaken by government and regulators to ease supply side liquidity is expected to further rationalize power prices on the exchange. Power sector is undergoing rapid transformation with the emergence of innovative market mechanisms such as battery storage arbitrage, firm and dispatchable renewable energy (FDRE), virtual power purchase agreements (VPPAs) and electricity derivatives.

To support battery energy storage solutions, the Ministry of Power has finalized 2 tranches of the viability gap funding mechanism. Nearly 13,200 megawatt hour of BESS project have been awarded under the first tranche, while tenders for over half of the 30,000 megawatt hour projects in the second tranche under VGF have already been issued. As per the CEA, BESS based storage of 47 gigawatt is to be made available by FY '32. The reduction in battery storage cost has also accelerated the government push for BESS. As recently as October 2025, RUVNL discovered Rs. 1.78 lakhs per megawatt per month for a 1,000-megawatt two-hour two cycle tender under the VGF mechanism. This is the lowest price ever discovered for BESS under the VGF mechanism. As mentioned on an earlier occasion, BESS would be able to store surplus solar power during daytime to deliver electricity during hours of peak demand by leveraging power

exchanges. This would increase liquidity and potentially increase volume on exchanges during daytime as well as during evening hours.

These developments are poised to become key enablers in expanding and deepening the country's power market to support the successful energy transition.

Our diversification initiatives are also gradually gathering momentum. For Q2 FY '26, the International Carbon Exchange, ICX, issued 38 lakhs I-RECs, adding to a cumulative of 82 lakh I-REC issuances in the first half of FY '26, surpassing 59 lakh I-RECs issued in FY '25.

Revenue for ICX in Q2 FY '26 stood at Rs. 193 lakhs. The I-REC is a globally recognized digital certificate that serves as a transferable proof of generation of 1 megawatt of energy from renewable sources.

With regards the Coal Exchange, Ministry of Coal has been exploring options for market development in the coal sector and has created enabling provisions under the Mines and Mineral Development and Regulation Act to set up a minerals exchange. Recently, draft rules have been issued for appointing Coal Controller as a regulator for the coal exchange. IEX has been working with the stakeholders to explore setting up the first coal exchange in India.

As India advances towards its net zero goals, energy exchanges are expected to play increasingly significant role in shaping the nation's energy ecosystem.

Thank you. And now we can have questions and answers.

Moderator: Thank you very much. We will now begin the question-and-answer session. The first question comes from the line of Ketan Jain from Avendus Spark. Please go ahead.

Ketan Jain: Good Afternoon. Sir, my first question is on the status of implementation of market coupling. What is the progress on the ground in terms of operational details. Were you guys asked to make a software or what has been the progress? And is it on time to get implemented by Jan 2026?

Satyanarayan Goel: **Good Afternoon.** With regard to status of market coupling, we are not aware about any developments which have taken place so far. Because what we understand is that for working out details for implementing market coupling, there will be discussions which will be required with the exchanges, with Grid India and procedures will be worked out and regulations amendment will be done. Maybe those drafts will be issued for public consultation. So, to the best of our knowledge, so far, nothing like that has happened.

Ketan Jain: So, we were not contacted by the regulator or Grid India for developing any software. It's still no contact from them.

- Satyanarayan Goel:** See, we are not aware of any such, program about how they want to implement it and when they want to implement it.
- Ketan Jain:** Understood. Sir, also if you could provide us with how IEX will play a role in the coal exchange and in the carbon exchange, if there is any development in that?
- Satyanarayan Goel:** See, as far as carbon trading is concerned, as per the regulations, CERC is the regulator for the carbon credits. And the trading of carbon credits will happen on all the 3 exchanges, which are regulated by CERC. So that means the existing exchanges, IEX, PXIL and HPX will be able to do the trading of carbon credits. Coal exchange, yes, Ministry of Coal is in the process of issuing the rules for this, and they will make Coal Controller of India as the regulator for this thing. Then they will have to draft regulations and do public consultations and finalize the regulations. Thereafter, interested parties can apply for the license of coal exchange. So, as we told in the past also, we are definitely interested in this area. And we are doing necessary preparatory work. As and when regulations are notified, we will apply for this also.
- Ketan Jain:** Understood. Sir, my last question is on the volume growth, sir. We have been doing 16% electricity volumes growth until now. What is your guidance on FY '26? How will we end and next year, what's your volume guidance for electricity volumes?
- Satyanarayan Goel:** So far in the first half of the year, the demand in the country has been practically flat. In spite of that, we have done a volume growth of almost about 16%. So, for the remaining period also, we expect reasonably good growth. We should be able to maintain a growth of 15% to 20%.
- Ketan Jain:** And for FY '27, sir, any view on that?
- Satyanarayan Goel:** It will be difficult to say at this stage. It all depends on the sector, how will the demand work out, weather conditions, what those will be. But, we are saying that we have been achieving a growth of, on an average, almost about 20% in the last five years. So, we should be able to achieve that. India is a growing economy, developing economy. So, if we have to grow at a rate of 6% to 7% in the GDP, definitely, the electricity demand is also going to grow. And as far as electricity is concerned, the whole electrification of economy is happening. A lot of things are happening in the electricity sector - EVs and data centers. Now the batteries are also becoming commercially viable. So, a lot of storage is happening. If that happens, then the daytime surplus power can be stored and evening hours, the power can be used from the batteries. And Exchange will definitely play a very critical role in all these activities. So, I am sure growth potential what we have achieved in the past, we should be able to sustain in the future also.
- Ketan Jain:** Understood. Thank you and all the best, Sir.
- Moderator:** Thank you. The next question comes from the line of Sumit Kishore from Axis Capital. Please go ahead.

Sumit Kishore: Good Afternoon, Sir. This is Sumit here from Axis Capital. My first question is on the power, so last fiscal power demand growth was 4.2%, 4.3%. This year, first half has been flattish. So, how much of this is really attributable to weather? And in your opinion, is there a slowdown versus what was expected for the C&I power segment also? What is your impression?

Satyanarayan Goel: It was mainly because of the weather because right from April till October, we are seeing very good rains this time in the country, and there is a surplus rainfall in the country. As a result of that, the agricultural demand has crashed. And also, the summer domestic demand also was much lower than what was expected. So, Grid India's estimate was a peak demand of 277 gigawatt against that only about 250 gigawatt was the peak demand. So I think looking at all these things, it was mainly because of the weather conditions. C&I side, we do not see any reduction in demand, rather there is an increase in demand. But I do not have the data about what is the actual increase in industrial consumption.

Sumit Kishore: Right. The second question is that basically, over this period where power demand growth has been muted over the last one year, installed capacity has grown by almost 9%, 10%. And during solar hour, say, in the DAM segment also the sell bids are far, far exceeding the purchase bid volume and what is finally cleared and the exchange prices are lower. So I mean, to what extent can this continue? Because would there be curtailment of or what kind of curtailment of power is happening, what can exchanges do to reduce this? You also spoke about capacities coming up for virtual power purchase agreements. There would be even more sell bids on the exchanges. Why aren't customers taking benefit of the lower tariffs during the solar hours and why isn't more power getting cleared on the exchanges?

Satyanarayan Goel: I agree with your view. I mean capacity addition is happening and daytime prices are coming down. But this stability in the system will need some time. Today, need of the hour is capacity addition that is happening. Solar power is cheaper. It is cheaper than even variable cost of the coal-based power plants. So we need to do solar capacity addition. And when the exchange clearing prices are lower during the daytime, we are seeing lot of demand shifting during the daytime. So, if you see the demand curve of the country as a whole, earlier, the peak hour used to be in the evening hours, now the peak hour is during the daytime. So the demand shifting is also happening now, not that demand shifting is not happening. People are making use of this daytime cheaper power.

And to make use of this now in the last one year, lot many battery tenders were also awarded so that batteries can use this cheaper power during the daytime and sell in the evening hours. So all these kind of things are happening now. I mean, these things will need some time to balance out and make use of the daytime cheaper power. In the short run, yes, lower power during the daytime may continue. And that's good for the market. That's good for the market and exchange. Our volumes are more during the daytime than in the evening hours.

- Sumit Kishore:** And Sir, you mentioned that for the first time, RTM volumes have surpassed DAM in the first half of the fiscal. So is this going to be a sustainable trend? And in case of RTM, the implementation of MC (Market Coupling) will happen later depending on the experience from DAM. That's what the market coupling order said. So what % can in the Collective market transactions can RTM share can go up even from here?
- Satyanarayan Goel:** See, RTM volumes this year are higher than the DAM market, mainly because the availability of power on the sell side was much higher. The liquidity was much higher, the price clearing prices were lower. And RTM prices are practically 10% to 12% lower than the Day-Ahead Market price. So many of the distribution companies are taking advantage of this lower RTM prices and purchasing power in the RTM market. So as long as the RTM prices are lower, yes, definitely, RTM volumes will be higher.
- And with regard to your question on coupling of RTM, if you look at the order, commission has not taken any view regarding implementation of RTM. So they have said that looking at the time constraints and based on the experience, it will be considered. So they will take a view separately on that if required.
- Sumit Kishore:** Got it. Just one last clarification. On the IGX equity stake that you have, 47.5%, what is the time line over which this has to be reduced to 26%? And what are your thoughts and what are your plans there?
- Satyanarayan Goel:** Can you repeat the question, please?
- Sumit Kishore:** I believe IEX stake in IGX equity stake, which is around 47.5% needs to come down over a certain time frame, I believe, to below 26%. Can you please refresh our understanding on how we are going to go about it?
- Satyanarayan Goel:** Yes. As per the PNGRB regulations, we have to bring down the equity to 25% by December 2025. That is the provision. We have applied to PNGRB for extension of this time because in the past, there were huge challenges in the gas market and gas exchange. The business ramp-up has not happened at the rate at which we were expecting it. So we have applied to PNGRB and the regulator was quite supportive, and they have assured that they will give time extension. And we are also working out options, we are considering different options for divestment and complying with the regulatory provisions.
- Sumit Kishore:** Okay. So it's only two months away, so they will give extension for one year?
- Satyanarayan Goel:** Yes, yes. I mean we have requested for one and a half years. Let's see.
- Sumit Kishore:** Thank you, Sir.

Moderator: Thank you. The next question comes from the line of Anand B from Seema Wealth Private Limited.

Anand B: Hey, good afternoon. So just a couple of questions. First is the transition of the segment from DAM to RTMs. So, in this quarter, and especially in this half, you have seen, compared to the first half of the previous year, the percentage volumes of DAM has reduced from 41% to 35% in this half of the current financial year. RTMs (volume) went up from 30% to 36% as well. But TAM market has remained the same. Can you just give a light on why TAM market volumes share has remained the same and where do you see that going forward?

Satyanarayan Goel: First thing, the main product for the exchanges are the collective transactions, which is the DAM and RTM. So, significantly higher volumes happen only in these segments. And as you can see this year also, the share of collective transactions, which is DAM, RTM and (Green-DAM) G-DAM, the total share is more than 85% for these three products. And it will continue to remain like this. Term Ahead Market transactions, these are bilateral transactions. And these transactions happen mainly when there is a shortage of power and some of the distribution companies want to tie up power to ensure availability of power under the deficit conditions. Fortunately, this year, we had good rains. So that is why there is no growth in the TAM transactions.

Anand B: Okay. So even in the RTM segment also, would you say going forward now considering the market coupling you said that, okay, the CERC is considered coupling for RTM. Let's say if RTM coupling is not going to happen, would you say that the RTM channel will only increase more and more where the DAM segment would decrease in growth?

Satyanarayan Goel: Looking at the market energy transition, which is taking place, a lot of renewable capacity is getting added, and there is a large variation in the renewable power generation. So, distribution companies also have to, make good of these variations on a real-time basis. And even generators, renewable generators, they also many a times sell the surplus power because of the good weather conditions if there is excess generation. So, real-time market volumes under these conditions will continue to increase. Government of India also has mandated that all thermal generators will have to sell their un-requisitioned power in the DAM and RTM market. And these generators are able to assess the surplus URS power more accurately in the RTM market. So, a lot of bids are coming in the RTM market for sale of power from these generators also. Considering all that, I personally believe that, yes, RTM volume will continue to increase in the future.

Anand B: Okay. That was one part. Second, I want to touch upon the Virtual PPAs front. I just want to know the current scenario of how much of that is going forward? And what would be the share of the exchanges or what potential the exchanges can have a share of the Virtual PPAs?

Satyanarayan Goel: See, Virtual PPAs are normally done by the industries or multinationals when they want to comply with the RPO obligations or their sustainability targets. And under that, what they do is they get into a contract with the generator and they commit them a fixed price. The generator sells power in the market. And difference between this market clearing price and his contracted price is to the account of the multinational who has contracted this. In turn, the green attribute goes to the multinational.

Now under this kind of a contract, what we understand is that, yes, a couple of VPPAs have been signed. And I think almost about 2,000 megawatts of VPPAs are under operation or under execution. And that power is coming to the market for sales.

Anand B: 2,000 megawatts of virtual PPAs?

Satyanarayan Goel: Yes. And in any case, most of these VPPAs are for the solar power. And during solar time, in any case, we have a lot of sell available. We have sell available to the extent of more than 50,000 megawatts. So if there are more Virtual PPAs, there will be more sell during this hour.

Anand B: Okay. And you are saying in the 2,000 megawatts Virtual PPAs, how much or the entire share is coming to the Exchange or only a certain portion of it?

Satyanarayan Goel: Entire is coming to the market.

Anand B: Okay. Any estimates of how much can come to IEX specifically?

Satyanarayan Goel: Can you repeat, please?

Anand B: Any idea how much of that can come to IEX specifically?

Satyanarayan Goel: In fact, entire is coming to the IEX because they are mostly selling in the day ahead market.

Anand B: Thank you, sir.

Moderator: Thank you. The next question comes from the line of Vikas Kasturi from Focus Capital. Please go ahead.

Vikas Kasturi: Good afternoon, sir. I had a couple of questions. So, the first one is, when I see the gas exchange prices, I think these are US numbers, we are somewhere close to about \$4 per MMBtu, whereas our GIXI prices are somewhere closer to about \$11. So why is there so much of a difference between the prices? That is one. And the second question was on the carbon exchange. Are there any business development initiatives that we are doing to scale it up, sir? Could you just speak about that?

Satyanarayan Goel: Yes. In case of the gas market, US prices are based on the Henry Hub. And Henry Hub is an index, which is basically determining the gas price in USA. It is not international gas trading exchange. It is basically for the transactions happening in USA. And since USA has surplus gas available, their trading price is around \$4, \$3.5 to \$4. If that gas has to come to India, then that gas will have to be liquefied, transported and re-gasified.

The rate for that gas also will work out to be something around \$10 to \$12, which is the rate of the GIXI. But mostly in India, the gas is coming from the Middle East side and because that is nearer to India, transportation cost is lower. And the rate of that gas today is almost about \$10 to about \$11, and it was about \$12, \$13 a couple of months back. Is this clear?

Moderator: Mr. Vikas, you are not audible. Mr. Vikas, please unmute your line.

Satyanarayan Goel: Let me answer his second question. And second question was regarding market development activities about carbon trading. Regarding carbon trading, CERC has issued draft regulations, public hearing was held, order is reserved on the carbon trading regulations. And Ministry of Environment has recently issued guidelines for greenhouse gas emissions for 4 industries. And after that, these industries will have to comply with this. There will be an audit for that. And thereafter the industries who are overachieving the targets, they will be issued carbon credits and industries which are not achieving it, they will have to buy the carbon credits. So, I think all this process will need another one and a half, maybe one to one and a half year. And thereafter, the carbon trading will happen. And we are regularly in touch with the different authorities. And we are also in touch with the different industries for the trading of carbon credits. So, we are doing all necessary preparative work for this. Thank you.

Vikas Kasturi: Thank you.

Moderator: Thank you. The next question comes from the line of Yashodhan Nerurkar from Ionic Wealth. Please go ahead.

Yash Nerurkar: Thanks for the opportunity. So I just had two questions. The first is, I mean, I just wanted a clarification. In the event of market coupling, say, the entire volumes are split in the ratio of, say, 70% and the balance to Exchange is like 15-15. So, will IEX be responsible for clearing the 70% of the volumes as in even if the price is discovered by, say, third entity like the market company operator, would IEX be responsible for clearing the 70%? So, would they be getting paid for all the buys and sells that they have got in the exchange? So that's first question.

And second question is, you always, in every call, talk about the different developments and draft amendments that the regulator has been looking to sort of implement. I mean, what is the progress of all these developments? And how soon can we expect some of the key developments

to actually materialize? And what sort of benefits would IEX actually accrue from these developments is the second question.

Satyanarayan Goel:

Your first question was, yes, clearing of the volumes. See, whatever buy bids and sell bids will come on the IEX platform and whatever is cleared after the market coupling, we will settle those bids. I suppose I got sell bid of 500 million units, buy bids of 200 million units. Out of that, after the price discovery happened at the centralized location, out of that, my 200 million units of sell bids are cleared and 150 million units of buy bids are cleared. So that means I will get from this 200 million units buyers money, I will get from them. I will get from 150 million unit buyers. And this money, I will pay to the sellers who have sold 200 million units. In addition, I will also get money from the other exchanges whose buyers are cleared against the sell from my sellers. So, there will be interexchange settlement also. So whatever volumes are cleared on IEX platform, we will do a settlement for that.

Yash Nerurkar:

Okay. Perfect. Perfect. That answers my question. And secondly, about the developments and how material would they be? And how soon can we expect the progress to happen in those?

Satyanarayan Goel:

See, if you look at the government and regulators, everybody is basically interested in development of the market. And there are many such initiatives which are being taken by the government. In the past also, if you see the Late Payment Surcharge, which came streamlining the payments for the generating companies, that brought in financial discipline in the sector. And as a result of that, the capacity addition is happening in the country now.

Then there was an amendment in that, that all generators will have to sell their URS power on the exchange platform. As a result of that, we are getting lot of sell bids on the exchange platform. I mean in a few days, what we see is in the Day Ahead Market, we can sell volumes of almost about 150 million units to 200 million units. Similar in the RTM market, also 200 million to 250 million units kind of sell bids are coming.

And now Government of India has proposed amendment in the Electricity Act. And as per this, again, this is basically for bringing viability in the power sector, improving performance of the distribution companies. So, if that happens, definitely, the demand for power is going to increase, and this will definitely help exchanges to grow business. Same thing from the regulator also. I mean, VPPA provisions were approved. And I think two years back when the GNA was implemented, that has also streamlined all this network connectivity and charges for short-term transactions. So I think all this streamlining is happening. This is keeping in view how to develop the market in the country.

Now we are talking about the capacity market that if a distribution company does not have adequate capacity, which is required for meeting the demand, how can they buy that capacity, how to develop the capacity market. So these things are happening. So, these things do not

happen every day, but it's a continuous process and the government and regulator both are working in the direction of developing the market in the country.

Yash Nerurkar: Okay, fair. That answers my questions. Thank you.

Moderator: Thank you. The next question comes from the line of Faisal Zubair Hawa from H.G. Hawa & Company. Please go ahead.

Faisal Hawa: Sir, as far as the legal cases are concerned, what kind of forum are now we have been represented on this coupling matter? And when is the next hearing?

Satyanarayan Goel: I am not clear about your first question. The next hearing is on 28th of November.

Faisal Hawa: And this is with CERC?

Satyanarayan Goel: Next hearing is in APTEL, Appellate Tribunal for Electricity.

Faisal Hawa: Okay. And sir, what is the kind of, I mean, technology changes that we can bring in so that we do not lose much volume even if coupling does happen?

Satyanarayan Goel: See we are working in the company, and, what kind of changes in the system we have to do, what kind of technology support we need to provide to our customers to create customer loyalty, so all those things are being worked out. I do not think on this call, it will be possible to elaborate on those things. So, we are definitely going to take technology intervention to ensure our customers share.

Faisal Hawa: Okay, sir. Thank you very much.

Moderator: Thank you. The next question comes from the line of Archit Agarwal from Steptrade Capital. Please go ahead.

Archit Agarwal: Yes. Sir, my question is what steps is IEX taking to diversify the revenue stream after like market coupling will happen, so the revenue will decrease.

Satyanarayan Goel: No, why are you saying the after market coupling the revenue will decrease? We are making all efforts to ensure that we retain our market share and volumes are increasing every year. So, I am sure --

Archit Agarwal: Sir, if you look at the result, right, so volume has not significantly increased, right? So after this market decoupling, actually, it seems monopoly is not there, right? So what I am asking --

- Satyanarayan Goel:** Gentlemen, please hold the line, coupling has not happened, okay? So, for coupling only order has been issued, coupling has not happened. So, there is no change in that. And volumes have increased by 16%.
- Moderator:** Thank you. The next question comes from the line of Aditya Raval from Exencial Research Partners. Please go ahead.
- Aditya Raval:** Good afternoon. My question is regarding in the quarter two result, electricity traded volume grew by 16.1% year-on-year, but the revenue from operations grew at a slower rate of 10.42% year-on-year, indicating the divergence. Could you please explain the reason behind this gap? Is it mainly due to the lower realization or unfavorable product mix? And what steps is the company taking to address this issue going forward?
- Satyanarayan Goel:** See, electricity volume grew by 16%, and then there is a certificate also. So my colleague, Mr. Vineet Harlalka, who is CFO of the company, he will explain you in detail about this.
- Vineet Harlalka:** So, when we look at the total volume, the electricity volume increased by 16% during the quarter on year-on-year basis, but the REC certificates volume was a bit lower. And secondly, if you can recall, last year in the month of August, we reduced our transaction fee on the certificate from Rs. 40 to Rs. 20. So, during the previous year quarter, the full Rs. 40 fees was being charged. And this quarter, it was Rs. 20. So, it's a mix of both, slightly lower certificate volume and the lower the transaction fee, which has resulted in the overall operating revenue lower than the increase in the electricity volume. I hope this clarifies?
- Aditya Raval:** Yes, sir.
- Satyanarayan Goel:** On the electricity side, the increase in the revenue is 16%. On the certificate side, the increase in revenue is minus 53%. So, as a result of that, total revenue increase was only 10%.
- Aditya Raval:** Yes, sir.
- Moderator:** Thank you. The next question comes from the line of from Neeth from Alembic. Please go ahead.
- Neeth:** Hello. My all the questions have been answered.
- Moderator:** Thank you. The next question comes from the line of Chirag from Keynote Capitals. Please go ahead.
- Chirag Maroo:** Thank you for the opportunity. My first question is, what is the settlement obligation payable as of H1 FY '26?

- Vineet Harlalka:** The settlement payable keeps on changing depending upon the volume and price. If you look at the balance, the closing balance as on 30th of September, the total payable amount was near about Rs. 500 crores.
- Chirag Maroo:** Okay. My second question is related to product-wise market share. Is it possible for you to share that?
- Satyanarayan Goel:** Yes. Mr. Rohit will respond to this question, JMD of the company.
- Rohit Bajaj:** If I talk about Q2, so our electricity market share is 84% and certificate market share is a little above 50%. So overall is about 75%. But what we have seen in the past couple of years, product-wise, IDM and RTM is 100%, 99% precisely. And in the other TAM segments, it is 35%. Overall, as I said, electricity is 84%.
- Chirag Maroo:** Got it. Sir, just one thing I wanted to understand, if market coupling goes forward, apart from the tech, are we willing to go into price wars also if that takes place?
- Satyanarayan Goel:** Let the coupling happen. We will look at the market conditions and take a call based on that. I do not think we need to decide that thing today itself. I can tell you one thing, in the Term Ahead Market, all three exchanges are active. And there also, the price war is not there. So, I do not see any such situation that after coupling, there will be a price war in the DAM market. Why should we talk about war? Let us talk about peace.
- Chirag Maroo:** Fair enough. And as to you, sir, you have been focusing a lot on retention of customers, as you rightly mentioned earlier. So apart from technology, what is the USP that IEX has?
- Satyanarayan Goel:** It is hard work of last 17 years because of which we have been able to build this market and the kind of connectivity we have, the understanding we have with our customers- the kind of understanding which we have developed about the requirements of our customers and the value which we provide to them, the market development activities which we have done. I think all these things are our USP, and we will continue to do all these things. And I am sure this will definitely give us good market share in future.
- Chirag Maroo:** Perfect. Sir, just last question from my side. As there is a new thing that is happening in the market, the electricity derivative market, right, just wanted to understand what will be the revenue model for IEX from here?
- Satyanarayan Goel:** We have an agreement with MCX that they will share a part of their revenue with us because they are doing the settlement based on our clearing price. But if you look at the volumes which are happening in the derivative market for the month of August, September, October, these are negligible. So, I do not think at the moment there is any point in talking about the revenue model out of that.

- Chirag Maroo:** Fair enough, sir. And sir, if you have this clarity, are nodal-based electricity derivatives taking place? Or is there any clarification to that?
- Satyanarayan Goel:** I could not get your question.
- Chirag Maroo:** So, in US electricity derivative market stakes has flourished because of the nodal-based electricity derivative. So, if there is a node in Los Angeles per se, derivatives are traded based on that node. So just wanted to understand, is such kind of development in --
- Satyanarayan Goel:** US electricity market is different, and that is why derivatives are also based on the nodes. In India, we have sort of uniform transmission price within a state. And the derivatives are also based on that. These are basically zonal. US and India markets are quite different. So, in India, the derivatives are based on the market clearing price of the Day Ahead Market. And that is one price, you can say.
- Chirag Maroo:** Fair enough, sir. Thank you for the answers.
- Moderator:** Thank you. The next question comes from the line of Krishna Sateja from Smart Sync Services.
- Krishna Sateja:** Good Afternoon, sir. So, all my major questions have been answered, but a small query, like once the carbon trading certificate gets yes nod from all regulations , like you expect one and a half years from now. So how significant volume can we expect from that? How significantly can they affect the financials?
- Satyanarayan Goel:** It's difficult to say that because it depends on to what an extent industries are able to comply with the GHG gas emissions norms. If everybody is complying, then there's no trading. If few are complying, over complying and if few are under or not complying, then yes, the trading will happen. So, it all depends on that. But looking at the trend in the past for the ESCerts and RECs, we believe that the market could be as big as the REC market.
- Krishna Sateja:** Okay. That's all from my side. Thank you.
- Moderator:** Thank you. We will take that as the last question for today's call. I would now like to hand the conference over to the management for closing comments.
- Rohit Bajaj:** Thank you, friends. I would like to thank each one of you for being part of today's call. Throughout the second quarter, we witnessed efforts from the government and regulators to establish a favorable policy and regulatory climate to develop the energy sector. We at IEX remain committed to contribute to the development of a sustainable and energy-efficient future for India. Thank you so much. Have a great evening. Thank you.
- Moderator:** On behalf of Axis Capital Limited, that concludes this conference. Thank you for joining us. And you may now disconnect your lines. Thank you.