

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 (ESCerts) 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.ixindia.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 Bhanshali 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 lighting 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