

Why PXIL and HPX are in Demand in Unlisted Market

A focused analysis on the evolving demand for Power Exchange India Limited and Hindustan Power Exchange in India's unlisted power exchange market

September 2025

Power Exchanges in India: Context & Role

Power Exchange Landscape

- India has **3 power exchanges**: IEX (listed), PXIL (unlisted), HPX (unlisted)
- Power generated (FY25): **1,829.7 BU**; Short term trades: **13% (238 BU)**
- Power exchanges contributed **143 BU** of short-term volumes
- Market share: IEX (123 BU), PXIL (14 BU), HPX (7 BU)

Exchange Trading Products

- **DAM** (Day Ahead Market) - Next day delivery
- **RTM** (Real Time Market) - Immediate delivery
- **TAM** (Term Ahead Market) - For 1-12 months ahead

Power Supply Chain

- DISCOMs secure **long-term contracts** with NTPC, Tata Power, Adani, etc.
- Power sources include Coal, Nuclear, Solar, Wind, Hydro, Gas
- DISCOMs use exchanges for **incremental/short-term demand** during peak needs

Certificate Trading

- **RECs** (Renewable Energy Certificates): 1 REC = 1 MWh renewable electricity
- Helps DISCOMs meet **Renewable Purchase Obligation** (RPO)
- **Escerts** (Energy Saving Certificates): For energy efficiency compliance

Financial Performance Overview (FY25)

IEX (Listed)

Revenue	₹535 cr
PAT	₹415 cr
Valuation	₹13,000 cr
P/E Ratio	30x
Current Price	₹148
Market Share	86%
Volume	123 BU

PXIL (Unlisted)

Revenue	₹77 cr
PAT	₹34 cr
Valuation	₹3,888 cr
P/E Ratio	114x
Current Price	₹665
Market Share	~10%
Volume	14 BU

HPX (Unlisted)

Revenue	₹31 cr
PAT	₹11 cr
Valuation	₹2,200 cr
P/E Ratio	200x
Current Price	₹40
Market Share	~5%
Volume	7 BU

Market Analysis

- IEX dominates with 86% market share but faces regulatory challenges
- PXIL & HPX show **high P/E ratios** indicating strong growth expectations
- IEX's share price fell from ₹240 to ₹148 due to market coupling fears
- Unlisted players gaining traction as market monopoly breaking

Shareholding Patterns & Share Price Movements

Major Shareholders

PXIL (₹665)

- NSE Investments Ltd (25%), NCDEX (17.06%)
- GMR Energy (6.84%), PFC (5.51%), WBSEDCL (5%), NVVN (5%)

HPX (₹40)

- PTC India Ltd (22.62%), BSE Investments (22.62%)
- ICICI Bank (9.04%), Others (45.72%)

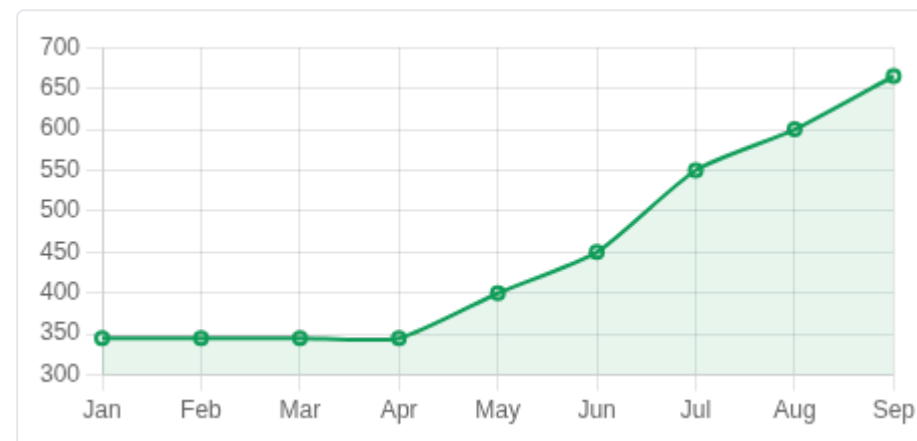
Recently started trading in unlisted market

IEX (₹148)

- FIIs (16.13%), DIIs (34.15%) as of Mar 2025
- Public (49.47%), Others (0.27%)

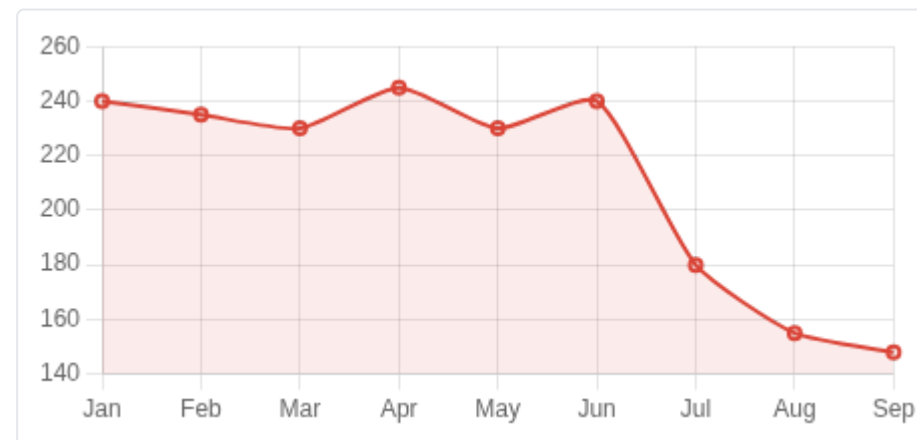
6-Month Share Price Movement

PXIL: ₹665 (+92.75%)



Sharp rally since July 2025 after market coupling announcement

IEX: ₹148 (-38% from ₹240)



Significant drop after CERC order on market coupling (July 2025)

Market Coupling: The Game Changer

Regulatory Revolution

- **CERC order (July 23, 2025):** Implementation of market coupling in Day Ahead Market (DAM)
- Previously, **IEX** had nearly **100% market share** in DAM segment (approx. 80 BU)
- Market coupling will **pool all bids** from different exchanges and match them universally
- This ends IEX's monopoly and creates **level playing field** for all exchanges

Revenue Implications

- DAM trading volume: **~80 BU annually**
- Trading margin: **₹0.04 per unit**
- Total revenue potential: **₹240 crore per year**
- Previously monopolized by IEX, now **up for competition**

Competitive Advantage Factors

- **Service quality** to clients will determine market share
- **Client relationships** and network effects become crucial
- **Technology platform** efficiency and user experience
- PXIL & HPX poised to capture **significant market share** from IEX

Investment Opportunity

- IEX share price dropped from **₹240 to ₹150** on market coupling news
- PXIL & HPX showing **strong price action** in unlisted market
- Growth trajectory for PXIL & HPX is **only upward** from zero DAM market share
- Potential for **significant valuation growth** as market share increases

Disclaimer



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Data as per disclosures provided up to FY25. The information contained in this presentation has been prepared based on data and materials available at the time of writing.

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