

Twitter Thread by Value Educator

Value Educator

@ValueEducator



#IGX (Indian Gas Exchange) Revenue Calculation

Watch this video to understand #IEX(Indian Energy Exchange) Business model

Link : <https://t.co/rqll7Ct9Cn>

Like, retweet & share with your friends !

IGX Revenue Calculation



- Total gas market in India = 166 MMSCD
- Till 2030 it is expected to be = 600 MMSCD
- 30% of 166 MMSCD is spot trading which IGX can cater
- Addressable market for IGX = 49.8 MMSCD
- With 50% market IGX can trade 24.9 MMSCD and 90 MMSCD till 2030
- 1 MMBTU = 25.2 SCM so 1 SCM = 0.0396 MMBTU
- 24.9 MMSCD = 35.9 Cr MMBTU and 90 MMSCD = 130 Cr MMBTU
- IGX Fees : 4 Rs Per MMBTU and 6 Rs Per MMBTU (Delivery)
- Revenue with 24.9 MMSCD (4 Rs) = 143.6 Cr. With 70% margin PAT = **100 Cr**
- Revenue with 90 MMSCD (4 Rs) = 520 Cr. With 70% margin PAT = **365 Cr (2030)**
- But IEX have to divest 75% stake in 5 years.
- Actual PAT = $364/4 = 91 \text{ Cr}$ (till 2030).
- If IGX gains 75 % market share in spot market PAT = **136 Cr**
- If Spot market increases to 50% and IGX gets 75% share then Pat = **227 Cr (2030)**