



**BUSINESS RULES
OF
INDIAN ENERGY EXCHANGE
LIMITED**

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CHAPTER- I

INTRODUCTION AND MEMBERSHIP

1. Introduction

- 1.1 These Rules shall be termed as 'the Business Rules of Indian Energy Exchange Limited' or for the sake of brevity as 'IEX Business Rules' or 'these Business Rules'.
- 1.2 These Business Rules shall be subject to the provisions of the Electricity Act, 2003 and rules and regulations made thereunder, Articles of Association, the Rules and Bye-Laws of Indian Energy Exchange Limited (IEX), as applicable to the Exchange Members, their representatives and their Clients.

2. Applicability

- 2.1 These Business Rules shall be enforceable on the Exchange Members, Clearing Banks, Clients, and all other participants operating on or through the Exchange in respect of their rights and obligations relating to trading on the Exchange. They shall be subject to jurisdiction of the Courts of New Delhi irrespective of the place of business of the Exchange Members or their Clients in India or elsewhere.

3. Business operations

- 3.1 The Exchange shall conduct trading in electricity Contracts permitted by the Central Electricity Regulatory Commission under the Electricity Act, 2003, rules and regulations made thereunder, and any other Act or any other authority as may be applicable.

4. Eligibility for trading

- 4.1 At the Exchange, only the Exchange Members, who have been admitted as such by the Exchange, are eligible to trade. Persons, who are not Exchange Members, can participate in trading only as Clients through a registered Exchange Member. Clients can also be provided direct access on the Exchange ATS, if consent is given by his Member and permitted by the Exchange.

5. Membership

- 5.1 The following categories of membership is available at the Exchange:

- a) **Proprietary Member**
- b) **Professional Member**

Both categories have been defined in the Chapter 4 of Rules of the Exchange.

- 5.2 A person who wishes to be a Member is required to submit an application as per the format prescribed under Annexure-I, along with all enclosures, fee and other documents specified therein. The Membership Committee is empowered to make rules or criteria relating to admission of membership. After taking into account report of the Membership Committee, the Exchange will make final decision relating to selection or rejection of a Member. On selection, the Member will be

required to execute and submit the relevant Undertaking as specified in Annexure-II. Further, he is also required to submit his personal details and bio data as per format prescribed under Annexure-III.

- 5.3 On selection and after complying with all the requirements stated above and other requirements prescribed in Membership forms and also after payment of admission fee, security deposit, connectivity related charges and other payments, the Member will become entitled to trade on his own account as well as on account of his Clients. The physical clearing (injection or drawal) shall be done through the Load Despatch Centers at the risk and cost of the Member.
- 5.4 The Member shall pay such fees and charges as decided by the Exchange from time to time. The Fee structure as applicable from 1st April, 2008 is as given below:

- **Membership fee details:**

(in Rupees.)

Particulars	Member
Admission fees	35,00,000
Membership Application and Processing Fees	10,000
Membership Annual Subscription Fees	5,00,000

- **Security Deposit**

(in Rupees.)

Particulars	Member
Security Deposit	25,00,000

6. Annual Client Fees

- 6.1 A Professional Member, trading for his own account or on behalf his Clients, shall pay the Exchange, Annual Client Fees of Rs. One Lac for each grid connected entity, or power purchase/sale agreement, which gives the Member or the Client the right to purchase and sell electricity, and shall receive a registration identification code from the Exchange provided that he complies with all the other requirements prescribed by the Exchange from time to time. This fees shall be payable for each financial year.

7. Admission fee

- 7.1 The admission fee paid by a Member is non refundable. The current Admission Fee is as mentioned in Business Rule 5 above.

8. Annual subscription

- 8.1 A Member is required to pay annual subscription in accordance with his category of membership as given above under the membership fees details at the latest by 30th day of April every year in advance. The annual subscription fees paid before the Exchange becomes operational, shall be reckoned as Annual Subscription for one year after the Exchange becomes operational.

9. Transfer of membership

9.1 An Exchange Member is allowed to transfer his membership after three (3) years to any other person, subject to approval of the Exchange after settlement of all pending dues. Besides, the transferor Member is also required to pay a transfer fee as that may be prescribed by the Exchange from time to time along with the application for transfer of his trading right. A transfer of membership becomes effective only upon approval thereof by the Exchange. Transfer of membership to holding, subsidiary, sister or associate company or concern before lock-in period may be allowed as prescribed by the Exchange from time to time. Member shall pay the Exchange at the time of filing of the transfer application, processing and transfer fee as prescribed by the Exchange from time to time.

10. Surrender of membership

10.1 In case of surrender of membership, admission fee is not refundable, but margin deposits and initial security deposits are refundable, subject to settlement of all pending dues, outstanding contracts and charges, fees, and other payments to the satisfaction of the Exchange. Besides, in respect of refund of initial security deposit, there is a lock-in period of three (3) years from the date of deposit or admission of the Member, whichever is later. An Exchange Member is obliged to pay annual subscription and other charges until surrender of his membership is approved by the Exchange, after which all such recurring charges are discontinued. There is no processing fee applicable in case of surrender of membership.

11. Insurance

11.1 The Members shall be required to obtain insurance cover at their own cost, so as to protect themselves from risks and hazards relating to their business operations at the Exchange.

CHAPTER- II

MARKET OPERATIONS

The Exchange will operate two market segments. The market segments have been divided on the basis of market time-frames (intra-day, day-ahead, day-ahead contingency, weekly, as approved by CERC from time to time. The membership criteria and member-client relationship for both market segments will be same as specified in Byelaws, Rules and Business Rules.

DAY AHEAD MARKET

In this market segment, contracts for one-day delivery period (24 hourly contracts) are traded on day-ahead basis in closed double-sided auction. In this segment, congestion on transmission network is managed through implicit auction or market splitting. The contracts concluded in this segment are sent for scheduling in accordance with the procedures issued by CTU for 'Scheduling of Collective Transactions'. All terms and conditions of the contracts including trading sessions, matching rules, margin requirement and delivery procedure etc, will be as per specific rules mentioned in the Part A of this chapter.

TERM AHEAD MARKET

This market segment will cover all contracts except those mentioned in the day ahead market segment. This will cover market timeframes of intra-day, day-ahead contingency, daily, weekly, The Term Ahead Market will operate in accordance with the procedures issued by CTU for 'Scheduling of Bilateral Transactions'. All terms and conditions of the contracts including trading sessions, matching rules, margin requirement and delivery procedure etc, will be as per specific rules mentioned in the Part B of this chapter.

Following are the two trading session available in term ahead market segment.

A. Term-Ahead Market Auction

The matching of orders takes place in accordance with matching rules given in subsequent sections. All trades are effected at uniform price known as Equilibrium Price (EP). All orders that have prices that are better than the equilibrium price are executed, and the ones that have a price equal to the equilibrium price are executed according to a First In First Out (FIFO) algorithm. The algorithm for determining Equilibrium Price is given in the matching rules.

B. Continuous Trade Session

The buyers and sellers will be matched on continuous basis with price-time priority. For a specific Contract, the seller with minimum quote and buyer with the maximum quote are considered as best seller and best buyer. In case, best buy order is better than or same as best sale order, they will be matched resulting into Contracts. Such matching will continue till the end of trading period. In case, best buy order is worse than the best

sale, they will continue to be available in the order book, without resulting into Contracts.

The different contracts available for trading in Term Ahead Market:

1. Intra Day Contract
2. Day-Ahead Contingency Contracts
3. Daily Contracts
4. Term Ahead Contracts i.e. other than daily contracts involving weeks as are permissible under the applicable laws and regulations from time to time.

Part A: Day-Ahead Market

12. Deposits

12.1 Initial Security Deposit

The Exchange Members are required to pay security deposit in accordance with Rule 5 “Membership” at the time of admission, which will be used as initial margin for giving exposure to the Members linked to the percentage of the Margin applicable for each Contract. This is payable only by way of demand draft drawn in favor of ‘Indian Energy Exchange Limited.’

12.2 Additional Security Deposit

Any Margins over and above the initial margin will be considered as additional deposit. The Members may remit additional security deposit in the form of minimum 50% cash and of the balance in the form of bank guarantee or fixed deposit from any of the Exchange approved banks.

The security deposit paid by the Member is interest-free refundable deposit. Security deposit, whether initial deposit and additional deposit, paid by the Members shall constitute a part of the Settlement Guarantee Fund (SGF). In case of surrender or transfer of membership, the initial deposit and/or the additional deposit is refundable subject to settlement of all pending dues, claims and charges, subject to lock-in period of 3 (three) years from the date of membership for initial deposit. There is no such lock-in period in respect of additional deposit.

13. Forms of Additional Deposit

13.1 The additional deposit and margin will be directly debited from the Members Settlement Account opened in any of the Clearing Banks or in the form of bank guarantee, fixed deposits, subject to conditions specified above.

13.2 In case the Member opts to transfer funds from his settlement account, he will have to give written intimation to the Exchange for debiting its Settlement Account towards additional deposit as per Annexure IV(a). In case a Member intends to get his additional security deposit released to it during its tenure or on its maturity, the Member shall inform the Exchange, in writing, at least one week in advance. Any request for withdrawal of the additional security deposit will be considered by the Exchange subject to clearance of Exchange dues.

13.3 Bank Guarantee: The Exchange will accept bank guarantees strictly as per the format prescribed by it in Annexure-V issued by the banks as decided by the Exchange and such bank guarantees shall be acceptable from the approved banks of the Exchange only. The list of banks is given in Annexure-VI. The tenure of bank guarantee instrument should be for a minimum period of one (1) year and a maximum period of three (3) years having an additional claim period of three (3) months. The bank guarantee must be issued by the bank on behalf of the Member. A third party bank guarantee instrument issued on behalf of person other than the Member himself will not be accepted by the Exchange.

- a. A Member will be required to renew the bank guarantee submitted by it prior to its expiry. In case of renewal of bank guarantees with a specific claim period, the Members shall furnish the renewal document strictly in the prescribed format at least seven (7) working days before the date of expiry of the bank guarantee. The format for such renewal is given at Annexure-VII.
- b. The Members may also opt to give a fresh bank guarantee in favor of “Indian Energy Exchange Limited” instead of renewing the expired bank guarantees.
- c. A bank guarantee deposited by a Member, whose validity period is over, shall be excluded for the purpose of computing the benefit provided to such Member towards exposure seven (7) working days before the date of expiry of the bank guarantee. The processing of bank guarantee instruments, its validation and upload in to the system whereby the trading limits of the respective Member will be enhanced will take at least three (3) working days.
- d. While submitting the bank guarantee, Exchange Members shall ensure that the bank guarantee instrument strictly conforms to the format specified by the Exchange and that:
 - i. No relevant portion is left blank,
 - ii. All handwritten corrections and blanks are authenticated by the bank by affixing the bank seal and stamp along with the signature of at least one authorized signatory,
 - iii. All irrelevant portions struck off on the printed format should also be authenticated by the bank by affixing the bank seal and stamp along with the signature of at least one authorized signatory,
 - iv. Each page of the bank guarantee should bear the bank guarantee number and should be signed (with bank’s seal/stamp) by at least one authorized signatory of the bank,
 - v. It is free from any discrepancy.
- e. In case the bank guarantee does not strictly conform to the above-mentioned conditions, the same shall not be accepted by the Exchange.

- 13.4 Fixed Deposit Receipts: Members may submit fixed deposit receipt (FDR) issued by the approved banks for the purpose of Additional deposit. The FDR should be issued in the favour of ‘Indian Energy Exchange Limited - A/C Member name’ by any of the approved bank(s) as per Annexure-VI.

All such fixed deposits shall be under lien of the Exchange and the bank must confirm that such lien has been recorded and that the Exchange has first charge on such fixed deposit receipts by issuing a letter along with the fixed deposit receipt as per Annexure-VIII. The Member shall submit the fixed deposit certificate along with a letter issued by the Member himself as per Annexure-IX. The processing of fixed deposit instruments, its validation and upload in the system will normally take three (3) working days and therefore, the Members should be normally entitled to get additional exposure limit after three (3) working days from receipt thereof by the Exchange. The FDR should be suitably discharged on the backside.

14. Trading Days

- 14.1 The Exchange shall operate on all days except Exchange specified holidays. A list of holidays for each calendar year will be notified by the Exchange in advance. In case of Sundays and public or bank holidays, the Exchange shall run the order books whereby a Member can put his quotes for such holidays.

15. Trading hours

- 15.1 The Exchange will have trading sessions for all trading days as under:

Session	Market Type	Monday to Sunday
I	Day ahead Contracts	10.00 am to 12.00 noon

The Exchange may extend, advance or reduce trading hours by notifying the Members as and when it deems fit and necessary. Exchange will notify trading hours for new products as and when these are launched.

16. Trading segments and parameters

The common trading parameters will be as follows:

- 16.1 The Day-Ahead Market segment shall be operated in accordance with procedures issued by CTU for 'Scheduling of Collective Transactions' as approved by CERC and in accordance with the Bye-Laws, Rules and these Business Rules.
- 16.2 **Delivery date:** All Contracts (trades) which are selected in the auction process shall be for delivery of power as per the exchange requisition submitted by the Exchange and scheduled by NLDC / RLDCs / SLDCs, on day ahead basis.
- 16.3 **Contractual liability termination:** Members can extinguish their contractual liabilities only by delivery and/or by financial settlement.
- 16.4 **Invalidation of a traded Contract:** The Exchange may invalidate a matched Contract if according to the Exchange; a Member has attempted to conclude the transaction in violation of the Bye-laws of the Exchange or with an intention of price manipulation, price rigging or price distortion.
- 16.5 **Settlement Guarantee:** Subject to the Bye-Laws, the Exchange shall guarantee the settlement of the net settlement liability of the Clearing Members for all the trades done on the Exchange in accordance with the Bye-Laws of the Exchange. The settlement guarantee of the Exchange is confined only to the extent of settlement liability in terms of daily funds pay in and pay out upto the extent of funds available in the Settlement Guarantee Fund, subject to force majeure.
- 16.6 **Governing law and jurisdiction:** Every Contract executed as per Bye-laws of the Exchange shall take effect as a Contract made in New Delhi and shall be governed by the laws of India under the jurisdiction of the Courts of New Delhi.
- 16.7 **Contract specifications:** The contract specification shall be as per Annexure X in respect of each duration of electricity supply in which trading has to commence will be notified in advance by the Exchange specifying full details of the delivery procedure and other trading and settlement parameters relating to tick size, Unit

of Trading, unit of delivery, delivery centers, minimum and maximum order size, and other relevant matters. All such contract specifications will be notified to the Members, which will form an integral part of these Business Rules and shall be binding on all Members and, Clients trading on the Exchange. Any Contract entered into in violation of these norms or not conforming to the specifications laid down by the Exchange shall be considered as void.

- 16.8 **Delivery Point:** Delivery point shall be the seam of the respective grid connected entity. However, for the purpose of the contract, the trade schedule shall be reckoned at the periphery of the regional transmission system in which the grid connected entity is located. The actual schedule at various seams including that of grid connected entities shall be worked out after incorporation of transmission losses in kind. The trade schedules shall be used for the purpose of payment of transmission charges. For example delivery point of a state embedded entity in Maharashtra will be at the seam of the intra state entity. For a trade schedule of 100 MW purchase by this entity, the schedule for this transaction at WRTS periphery would be 100 MW, at Maharashtra periphery would be 96 MW.(assuming 4% regional loss) and at the intra state entity periphery would be 91.20 MW (assuming 5% Maharashtra state loss). The transmission charges payable will be for 100 MW. Additional losses in the above example have been assumed to be nil and the same if any would be applied as per procedure for scheduling of collective transactions, issued by CTU.

Similarly, in the above example, if the State embedded entity in Maharashtra has a trade schedule of 100MW sell, then the schedule at the WRTS periphery and State periphery will be 104.17 MW and 109.65 MW respectively.

17. Order management

17.1 Order types

The Exchange Members will be able to submit the following types of orders:

- a. **Single bid:** Single bid will specify multiple sequences of price and quantity pairs in a portfolio manner. The quantity shall be assumed to vary linearly between two price pairs.
- b. **Block bid:** Block bid will specify one price and one quantity for a combination of continuous hourly time blocks. Selection criterion shall be average of MCP for the quoted block hours. It will be an all or none type of order.
- c. **Other bids:** The Exchange shall introduce other types of bids viz. flexi bid as per the requirement of the market. Details of such other possible bids shall be notified by the Exchange from time to time.

- 17.2 The Members submit the purchase bids and the sell offers through TWS. The bids and offers submitted will be at the delivery point. Transmission charges and losses will be dealt as under:

- a. **Transmission charges:** Buyers and Sellers shall be required to pay in cash for the transmission charges for their respective Regional and State transmission systems. These charges shall be payable as stipulated by the

appropriate commission. These charges shall be recovered by the Exchange and paid as per CERC (Open Access in inter State Transmission) Regulation 2008.

- b. **Transmission losses:** Buyers and Sellers shall be required to pay in kind for the transmission losses for their respective Regional and State transmission systems. These losses shall be as declared by the RLDCs / SLDCs and additional losses if any as declared by NLDC. The requisition submitted by the Exchange would be based on the trade schedule and would not reflect losses. The schedules issued by NLDC/RLDCs/SLDCs shall reflect the losses.
- c. **Scheduling and System Operation Charges:** Scheduling and System operational charges for respective LDCs shall be payable by the Exchange in accordance with the Procedures issued by CTU for 'Scheduling of Collective Transactions'. Such charges shall be recovered by the Exchange and socialized amongst all Buyers and Sellers.

17.3 **Modification and cancellation of orders**

A Member shall be permitted to modify or cancel his orders, during the trading hours.

17.4 **Order validation**

Orders and bids entered into the Trading System shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange. Orders that do not meet the validation checks will not be accepted by the Exchange. The Exchange shall specify from time to time price steps (tick size) in which orders shall be entered on the trading system of the Exchange.

18. **Matching rules**

- 18.1 All Clients shall be assigned unique client ID / Portfolio ID as per clause 17 (f) of Rules.
- 18.2 The Exchange may launch more than one order book running either parallel or at different time spans. Subject to the approval of the CERC, the Exchange is also entitled to modify or change the matching rules relevant to any market or order books any time where it is necessary to do so.
- 18.3 Without prejudice to the generality of the above, the order matching rules will have the following features. All purchase and sale bids shall be aggregated for tracing a demand supply curve. The bid and offer portfolio shall be assumed to be a sloping curve. The final traded quantity can be less than 10 MW also. Following rules shall be followed while aggregating the demand supply bids:
 - a. All purchase bids can have only non-increasing quantity for every increase in the bid price, and every sale bid will have only non-decreasing quantity for every increase in the bid price.

- b. Bid and offer quantity shall be assumed to vary linearly between consecutive prices.
- c. For single bids Member and Client must indicate quantity to buy and sale at zero (minimum) and maximum prices, else the bid shall not be accepted.
- d. In case selection is to be made out of more than one similarly placed bid then, bid will be selected based on time priority of the bids submission.
- e. All block bids shall be considered indivisible and they shall either be included or excluded in totality.
- f. Normal rounding off principle shall be applied upto two decimal points in price and quantity. When each Contract volume is rounded, the sum of rounded sale and rounded purchase will sometimes be not equal. The sales should always be equal to the purchase, hence the system will adjust the rounding off by allocating 1 (one) unit to the Contract volume having the highest value, and this process continues until the rounding deviation is eliminated.
- g. In case of transmission congestion, solution shall be worked out on the basis of market splitting. Decisions of the Exchange in this respect shall be binding on all parties concerned. The congestion revenue, which is the excess arising due to market splitting will be transferred to a separate account and shall be utilized as directed by the CERC.
- h. In case funds are insufficient in the Settlement Account of Member for the pay in, his order will be rejected. Decisions of the Exchange in this respect shall be final and binding on all parties and Members.
- i. The final MCP computed might be different from the provisional MCP or unconstrained MCP, as the case may be, due to transmission congestion or cancellation of bid due to insufficient funds in the Settlement Account of the Member/s. Final MCP shall be considered for settlement of successful trades.
- j. If the buy and sell curves do not cross each other between the price range defined by the Exchange, then in case of over supply, sell offers will be reduced proportionately so that curves cross each other at minimum price and in case of over demand, purchase bids will be reduced proportionately so that curves cross each other at maximum price.
- k. In some cases, a bid might be rejected by the system even though it would appear to be a valid bid. This can happen in a situation where inclusion of such bid and offer might result in change in MCP at which this bid cannot be accepted. Rejection of such bids is known as paradoxically rejected bids.

19. Margin requirements

- 19.1 Initial Deposit: The initial security deposit paid by a Member will be considered as his initial margin deposit, which shall be the minimum Margins required.
- 19.2 Additional Deposit: The Exchange on a daily basis will compute the minimum margin that should be available with the Member for start of trade. This will be

the average value of trades of respective Member for last seven (7) days (in case of new Members, it will be the total number of trading days if it is less than seven (7) days) of trading or the initial margins given to the Exchange by the Member. In case if the average value is more than the available initial margins with the Exchange, the Member has to bring in the difference in the form of additional deposit. However, in case of abnormal increase in the expected obligations of a Member, the Exchange can demand additional deposit from that Member. Decisions of the Exchange in this respect, shall be binding on the Member and other parties.

- 19.3 Refund of Additional Deposit: If there is a surplus deposit lying with the Exchange towards margin, it will be refunded to the Member, on receipt of a written request from the Member for refund. Refund of additional deposit, shall be made within seven (7) working days of receipt of request for refund.
- 19.4 The Member will have to bring in additional funds in case if his existing margins are less than the margins calculated as in Rule 18 (2) mentioned above. Member will be able to get information regarding additional margin requirement, through file transfer protocol (FTP) at end of the trading session. Unless the Member brings in the additional deposit required, he will not be allowed to put his order.
- 19.5 Special Margin: The Exchange may levy more margin on Member(s) or across market for covering any enhanced risk.

20. Clearing Banks

20.1 Exchange to regulate

The Exchange shall specify the processes, procedures, and operations that every Clearing Member shall be required to follow for participation in the clearing and settlement activities and operating their bank accounts with the Clearing Banks appointed by the Exchange.

20.2 Functions of Clearing Bank

The Exchange has appointed Clearing Banks for electronic transfer of funds between Clearing Members and the Exchange. The Exchange reserves right to include or exclude some of the Banks at its absolute discretion.

20.3 Members to have account with the Clearing Bank

Every Exchange Member shall have designated bank accounts known as Member Settlement Account with any of such branches of the designated Clearing Banks appointed by the Exchange. Members shall operate the Settlement Account only for the purpose of settlement of deals entered through the Exchange, for the payment of margin money and for any other purpose as may be specified by the Exchange. Every Exchange Member is required to open the following accounts with any of the Clearing Banks.

- a. Settlement Account or Clearing Account: All Exchange Members will have to open their Settlement Account with any the approved Clearing Banks. The Member will not have cheque book facility for issuing cheque to any third party or outsiders. It can only issue cheque for transfer of money from this account to its Client Account. Apart from such transfer, only the Exchange will have power to withdraw money from this account by way of direct debit

instruction. In respect of all pay in, Margins, charges and other dues payable to the Exchange, the Exchange will send direct debit instructions to the bank advising them to debit Settlement Account of the respective Member by such payable amount. Similarly, the Exchange will credit the pay out, refund of Margins to this account only. The Member will not use the Clients' funds for meeting his own obligation.

- b. **Client Account:** In addition to the Settlement Account, the Professional Member will have to open a Client Account in the same bank as that of the Settlement Account. The Member can deposit all cheques, cash, and other payments received from the Client and from this account it should issue cheque to its Clients towards their receivable amount. The Member will have cheque book facility in this account and it will also be entitled to issue transfer instructions to the bank for transferring money from this account to the Settlement account to meet its pay in or Margin obligations.

20.4 **Clearing Bank to act as per the instructions of the Exchange**

The Exchange shall instruct the Clearing Bank as to the debits and credits to be carried out for the funds settlement between the Members. For this purpose, the Members will submit an authority letter to the bank, authorizing the Exchange to issue such debit and credit based on the Exchange's instructions. The Clearing Bank shall act as per the instructions received from the Exchange for the funds movement. Instructions of the Exchange as to debits and credits to a Member's accounts shall be deemed to be irrevocable, confirmed and binding. In order to enable the Exchange to issue such instructions for debiting their account and also to authorize the Exchange in respect of freezing the account or to hold further debits or to block the funds every Member will be required to submit a written undertaking addressed to the bank to such effect. This undertaking will also authorize the bank to sweep the Client account of the respective Member for any shortfall in the Settlement Account. Besides, the Exchange will also have the power to freeze various accounts of the Member maintained with the Clearing Bank, in case of any default or shortfall in pay in or Margin account.

20.5 **Clearing Bank to inform Exchange of default in funds settlement**

If there is any funds default arising out of the instructions received from the Exchange, the Clearing Bank shall inform the Exchange immediately.

20.6 **Clearing Account(s) of Exchange in the Clearing Bank**

The Exchange will maintain its Settlement Account with the Clearing Bank and all money received from the Members towards pay in or Margin, shall be used appropriately for settlement.

21. **Clearing House**

21.1 **Regulation of Clearing House**

The Exchange and Clearing House will monitor and perform all activities relating to funds settlement, margining, managing the settlement guarantee fund, and other relevant matters.

21.2 **Functions of Clearing House**

The Clearing House will collect Margins from the Members, effect pay in and pay out and monitor delivery and settlement process. For carrying out such activities, it

may appoint various agencies as its agents and may delegate such activities and responsibilities to such agencies, as it may desire. Save as except if it is scheduled otherwise by the Exchange, the funds pay in will take place on the same days as that of the trading and funds pay out will be done on the next bank working day of pay in date.

21.3 Lien on Member's deposits and assets

A Member is liable to clear all the dues against its membership and trading liability irrespective of whether such liability is generated on its own account or on behalf of its Client Account. When a Member defaults in making such payment to the Clearing House all deposits, Margins, funds pay out and other assets of such defaulter Member lying with the Exchange shall be under lien and first charge of the Exchange, irrespective of the fact whether such assets or deposits belong to the Member or its Clients. No Client or any other person shall have any claim any charge or right on any such deposit, margin or delivery documents under any circumstances.

21.4 Clearing code and clearing forms

A Member shall be allotted a unique member specific clearing code which must appear on all forms used by the Member connected with the operation of the Clearing House.

All clearing forms shall be signed by the Member or its authorized signatory.

21.5 Specimen signatures

A Member shall file with the Clearing House specimens of his own signature and of the signatures of his authorized signatory.

21.6 Notices and directions

All Clearing Members shall comply with the instructions, resolutions, orders, notices, directions and decisions of the Executive Committee in all matters connected with the operations of the Clearing House.

21.7 Liability of the Clearing House

The only obligation of the Clearing House in this matter shall be to facilitate payment in respect of the Contracts for purchase /and sale of electricity units.

21.8 Liability of the Exchange

Notwithstanding to the provisions of the Bye-Laws, no liability shall attach either to the Exchange, its officials, or to the Executive Committee or any member of the Executive Committee by reason of anything done or omitted to be done by the Clearing House in the course of its operations nor shall the Exchange, its officials, or the Executive Committee or any member of the Executive Committee be liable to answer in any way for the title, ownership, quantity or validity of any delivery or any documents passing through the Clearing House nor shall any liability attach to the Exchange, its officials, the Executive Committee or any member of the Executive Committee in any way in respect of such delivery and any other documents.

21.9 False or misleading statements

The Exchange may fine, suspend or expel a Clearing Member who makes any false or misleading statement in the clearing forms required to be submitted in

conformity with these Business Rules or any resolutions, orders, notices, directions and decisions of the Clearing House.

21.10 Class of Contracts covered

The Clearing House shall be responsible in the manner stated above only in respect of Contracts executed on the trading system of the Exchange as per the Rules, Bye-Laws and these Business Rules.

21.11 Procedure of effecting transactions on bank holidays

In cases where the Exchange has to collect the funds pay in for trades done but there is a bank holiday, the Exchange, in consultation with the Clearing Bank, shall evolve a process where it will take a confirmation from the banks for the availability of funds and block such funds against the obligation of respective Members. If the banking system is available, the Exchange will debit the funds pay in on such holidays after finalization of the trade which shall be after taking confirmation of ATC from the RLDCs.

22. Day-Ahead Market Operations

22.1 The Day-Ahead market operations and the exact time schedule relating to pay in and pay out activities shall be adhered to by the Exchange Members in order to have smooth and orderly operations of the Exchange. These market operations shall be in accordance with the 'Procedures for scheduling of Collective Transactions' issued by CTU and are subject to approval from the CERC for activities related to NLDC/RLDCs or SLDCs shall be as follows:

- (a) **Order accumulation period (Bidding phase):** Bidding session also referred to as the Bid call period will start from 10.00 am to 12.00 pm on all seven (7) days of a week except Exchange declared holidays. Before the opening of the trading session, the Exchange will validate available Margins of the Members required as per Business Rule 18 above. If sufficient Margins are not available, then Member shall not be allowed to submit his bids, till such time sufficient Margins are brought in by the Member. During the bidding sessions on trading day, orders entered by Members in the Trading Platform shall be automatically stored in the central order book without giving rise to Contracts. Orders entered by the direct access clients shall be treated as orders entered by Members. After the end of the bidding session, bid matching will take place.
- (b) **Provisional bid matching process:** At the end of the bid session, the trading platform will seek to match orders for each Contract. During this matching process, orders can not be entered into the trading platform, and orders already entered can not be cancelled or modified. All bids and offers are aggregated and Provisional Market Clearing Price or Unconstrained MCP is determined based on the unconstrained scenario.
- (c) After the provisional market clearing price determination phase is concluded, the Members, whose orders have been partially or fully executed, will be provided all relevant trade information regarding each execution that has occurred by the trading platform.

- (d) **Provisional obligation determination process:** After end of the bid matching session, a provisional obligation report will be generated at 12.30 PM, which will provide the quantity and amount of provisional pay in / pay out and transaction fee payable etc. The information regarding Provisional Market Clearing Price shall be sent to all Members. All Buyers will have to keep funds ready as per the provisional obligation in their respective Settlement Account.
- (e) **Delivery allocation determination process:** On the basis of Provisional Solution as above, the Exchange will send to the NLDC, at 1.00 PM every day, requisition for Transfer Capabilities Verification and Reservation, across different transmission corridors for the successful bids. NLDC based on the margins available, shall indicate the ATC at different corridors for the successful trades, between 1.00 pm to 2.00 pm.
- (f) **Final bid matching process:** At 2.00 pm the Exchange shall verify funds available in the Settlement Accounts of all provisionally selected Exchange Members. Those Members who have not brought sufficient funds shall be excluded from the final bid matching process. New Members shall be included in the bid matching process, who were not selected earlier but have sufficient funds in their Settlement Account.
- (g) Based on the ATC and funds made available by the Members in their Settlement Account, the Exchange will re-run the bid matching process at 2.30pm.
- (h) On the basis of final bid matching process as in (g) above the Exchange will generate the final result. In case of congestion, in various power transmission corridors, the solution shall be determined through market splitting process, which may result into different prices for different areas. These prices are Area Clearing Price (ACP) Final obligation of Members shall be worked out on the basis of such ACP. On the basis of the ACP, final obligation report will be generated. A period of half hour from the time of issue of the final obligation will be provided to Members for raising any dispute/s in relation to their final obligation. An automated bank file for debit and credit of Settlement Accounts of the respective Members by the amount payable / receivable will be generated and sent to the respective Clearing Banks. The funds pay in from the buyer Members will be done on the same day i.e. on "T" day where the "T" stands for trade. The funds pay out to the seller Members will be given on the next bank working day. In case of trades confirmed on Sundays, the funds pay out will be done on Tuesdays, subject to bank holidays. The Bank will run the pay in file at the scheduled time and report to the Exchange regarding successful debits. After final obligation is worked out, the Exchange shall work out margin or additional margin required from the Member. This margin or additional margin will have to be brought in by the Member before the opening of the market on the next day. The TWS of the Member shall not be activated till sufficient funds are brought in by the Member.
- (i) Congestion revenue is the amount by which total funds pay in may exceed total funds pay out, this arises because of the market splitting, and the said difference shall be transferred to the congestion revenue account and shall be utilized as directed by the CERC.

The Exchange timelines are as under. They are subject to change as per 'Procedures for scheduling of Collective Transactions' issued by CTU and Central Electricity Regulatory Commission (Open Access in Inter-State Transmission) Regulations 2008.

TIME	DETAILS
10.00 AM to 12.00 PM	Bid - Call session
By 11.00 AM	<ul style="list-style-type: none"> Funds pay out pertaining to previous days transaction, margin refund request (if any) NLDC to inform list of interfaces/control areas/ regional transmission system on which unconstrained flows are required.
By 12:20 PM	<ul style="list-style-type: none"> Exchange to determine MCP /ACP & determining provisional obligations of the Members
By 1.00 PM	<ul style="list-style-type: none"> Communication of unconstrained solution to NLDC. Communication to bank to confirm & block the funds pay in from Buyer Members; settlement account. Exchange will issue to Members PROVISIONAL OBLIGATION
By 2.00 PM	<ul style="list-style-type: none"> NLDC to confirm available limit for scheduling. Exchange will receive confirmation from bank for availability & blocking of clear balance along with a note on shortages.
By 2.30 PM	<ul style="list-style-type: none"> Interaction with Members to ensure availability of funds. Exchange to determine MCP/ACP based on final funds status & final ATC
By 2.45 PM	<ul style="list-style-type: none"> Exchange will issue to Members FINAL OBLIGATION
At 3.00 PM	<ul style="list-style-type: none"> Exchange submits the requisition to the NLDC File to be sent by Exchange to banks for actual debits

The Exchange may change the above timings depending on the experience gained during the operations. It may also revise the time-line in consultation with NLDC according to market feedback.

23. Delivery procedure

- 23.1 After finalization of successful trades, the Exchange will send its requisition to the NLDC and respective State Load Dispatch Centers as per Detailed Procedure issued by the CTU.
- 23.2 NLDC will include these requisitions in their final schedules after adjusting for transmission losses as per the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 and detailed procedure issued by the CTU thereunder.
- 23.3 The quantity of power scheduled by respective NLDC/SLDCs, in respect of Exchange traded Contracts, shall be deemed to have been delivered. The scheduling procedure will be as per the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 and detailed procedure issued by the CTU thereunder.

Transmission charges and losses shall be the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008, detailed procedure issued by the CTU thereunder and rate of Transmission

Losses as determined by the NLDC for ISTS and as prescribed by the SERC / SLDC for use of intra-state network.

- 23.4 Any shortage or excess delivery of electricity from the total schedule, including schedule for Contracts traded on the Exchange of the grid connected entity will be settled by them under UI mechanism as per the procedure laid down by the CERC or any other settlement system as prescribed by concerned SERC.
- 23.5 Taxes, duties, cess and other levies: The price of all the Contracts shall be quoted on the basis of actual value of the electricity Contract excluding the transmission charges, losses, scheduling and system operation charges, taxes, duties, cess and other levies and the same shall be borne by the Buyers or Sellers as applicable.
- 23.6 Metering of electricity: Arrangement for metering shall be made by the Seller/Buyer at the point of injection and the point of off-take from the GRID should conform to the provisions of Indian Electricity Grid Code (IEGC) and Open Access Regulations 2008. The Members and the relevant authority shall be responsible to resolve the issues related to metering of electricity. The Members shall indemnify and keep indemnified the Exchange from any disputes related to metering.
- 23.7 Transmission Charges of STU or State transmission licensees and Scheduling and Operation Charges of State Load Dispatch Centre shall be recovered from the Members and shall be paid to the STU / SLDCs respectively as per CERC's / SERC's regulations by the Exchange.

24. Risk management system

- 24.1 A Member is allowed to trade only when it maintains the higher of the following margin deposit:
 - i) The margin deposited by the Member is at least or equivalent to the average value of trades done by it for last seven (7) days; or
 - ii) The initial margins prescribed by the Exchange for any Member.
- 24.2 After receiving the Available Transfer Capability (ATC) for the Exchange from the NLDC and after ensuring availability of funds in the Settlement Account of buyer Members, then the Exchange processes the final bid matching solution. During this process, the Exchange has the right to reject the bid of the Buyers, who do not have sufficient balance in their account. The Exchange has the right to impose penalty on defaulting Member as decided from time to time.
- 24.3 An Exchange Member can pay Additional Margin by depositing funds in its Settlement Account and inform the Exchange through fax or email any time during the trading session. Thereafter, based on the instruction received from the Member, the Exchange will collect the funds from the Settlement Account and increase the margin deposit of the Member. In case a Member fails to bring in any additional margin at beginning of the trading session, such Members will not be allowed to put orders till Margins are brought in or its orders would not be accepted for matching or if matched then the trades would not be scheduled. The decisions of the Exchange shall be final and binding on the Members.

- 24.4 In case a Member fails to pay to the Exchange any amount towards its final pay in, the Exchange will be at liberty and has the power and discretion to cancel the allocation of its trades and initiate appropriate action against such Member. The Exchange in such circumstances will revise the trade allocation by incorporating other bidders at lower price and who have sufficient balance in their accounts. Any loss arising out of such instructions by the Exchange shall be borne by the defaulting Member. The Exchange may also impose penalty on such defaulting member.

25. Surveillance

- 25.1 In order to ensure market integrity and to avoid market abuses, the Exchange will use various on-line and off-line surveillance tools. The Exchange shall have the right to take appropriate actions in such cases.
- 25.2 Validation of orders: Members are required to ensure that bids and offers are in conformity with relevant regulatory provisions. In order to avoid any abnormal orders being put by the Exchange Members like high bid or offer rate, bids quantity or offer quantity submitted higher than the declared capacity/demand by the Member, or the maximum quantity of purchase or sale as allowed in the Standing Clearance, the Exchange will validate such orders either through software or manually on a daily basis, wherever possible. Further, the order value of the Member will also be compared with the available limits of such Member for any over utilization.
- 25.3 Price movement: The Exchange will observe any variation in prices as compared to past data. Further, the price movement in the Exchange shall be correlated with that of the bilateral markets that is available with the Exchange.
- 25.4 Market behavior: The Exchange shall compare the trend in other national or bilateral markets with that of the Exchange. Any unwarranted change in the price pattern or order trend in this will be brought under the notice of the Exchange management.
- 25.5 Correlation with Unscheduled Interchange (U.I.): The trend in the U.I. rate and the prices in the Exchange shall be compared for any major differences. In case of individual Member its trend of trading on the Exchange shall also be compared with his U.I. obligations. Further, in case of continuous and heavy default on U.I. payment by any Member, the Exchange has authority and discretion to suspend the Member, among other things.
- 25.6 Price rigging, concentration, price manipulation and other market abuses: The Exchange will monitor concentration, price rigging, price manipulation and other market abuses and take suitable actions whenever such practices are identified.

26. Transaction fees

- 26.1 The Exchange will charge a transaction fee on the transactions registered with the Exchange. Such transaction fee will be computed on value basis or volume basis, as may be decided from time to time, which will be computed on both purchases and sales separately. This will be billed separately on periodic basis and will be recovered from the settlement account of the Member. The transaction

fee is Rs 10/MWh or as decided by the Exchange from time to time and may differ for different classes of Members.

27. Reports

- 27.1 After end of trading session, the Exchange will download the reports to the Members which consist of Trade file Report, Provisional Obligation Report, Final Obligation Report and other relevant matters.
- 27.2 Based on the Exchange's Reports, the Members can inform their Clients about their successful trades along with their obligation.

28. Dealing with Clients

- 28.1 Every Exchange Member shall enter into an agreement with each of its Clients as per Annexure-XII, before accepting or placing orders on the Client's behalf. Such agreement shall include provisions specified by the Exchange. A Member intending to trade on its own account as Client need not sign such agreement, however, the Client Registration and other documents required to be submitted by the Member will be submitted to the Exchange. The Exchange may categorize Clients into such types as may be necessary for the above purpose and specify the clauses to be included in agreements to be entered into by the Exchange Member depending on the category of such Client.
- 28.2 There are two categories of Clients.
 - i. Grid-connected Client: A Client who is eligible to buy or sell electricity and is connected to the grid. The entities including but not limited to, Distribution Licensees, Generators, and Open Access Users can become Grid-connected Clients.
 - ii. Trader Client: A Client who is eligible to trade in electricity under the Electricity Act, 2003 and has a legally valid power purchase/sale agreement, which gives the Client the right to purchase and sell electricity. A Trade Client will register each power purchase/sale agreement with the Member who will be registering the same with the Exchange and receive a separate registration identification code. The entities such as trading licensees can become Trader Clients.

Clients who have been provided direct access to the Exchange ATS shall be referred to Direct Access clients.

- 28.3 All Clients shall have a grid-connected entity for effecting the delivery of the electricity as cleared and settled by the Exchange.

A Client shall itself be a grid-connected entity or has a grid-connected entity for effecting the delivery of the electricity as cleared and settled by the Exchange. Each of such grid-connected entities shall be assigned one or more portfolio identification code on ATS, in different bid areas, depending upon their physical location on the transmission network.

- 28.4 The Member will be free to add more clauses in the specified agreement, however, no additional clause should in any way dilute the content or purpose of the clause stated in the specified agreement by the Exchange. The liability of the

Member shall not in any way be reduced due to non-execution of agreement with the Clients.

- 28.5 When establishing a relationship with a new Client, Exchange Members must take reasonable steps to assess the background, genuineness, beneficial identity, financial soundness of such person, and its trading objectives by registering the Client with them in the format prescribed as Client Registration Form, as per Annexure-XIII and self Registration Form prescribed by the Exchange. The Member shall also obtain:
- a. an approved copy of the board resolution permitting trading in electricity Contracts from all Clients other than individual Client. A Member intending to trade as Client need not submit such board resolution.
 - b. a copy of Power Purchase or Sale Agreement(s) with a grid connected entity from Trader Clients.
 - c. other relevant documents.
- 28.6 Exchange Member shall make the Client aware of particulars of Member's registration number allocated by the Exchange, an employee primarily responsible for the business of dealing in Contracts permitted by the Exchange including any limitations or liability attached thereto and the capacity in which the Member acts and the Client's liability thereon by issuing to the Client a copy of the Risk Disclosure Document as per Annexure- XIII. The Exchange Member shall furnish a copy of the Risk Disclosure Document to all its Clients and to get and maintain their acknowledgement on second copy of the same document.
- 28.7 The Exchange Member shall provide extracts of relevant provisions governing the rights and obligations of Clients as Clients of Exchange Members, relevant manuals, notifications, circulars any additions or amendments thereto of the Exchange, or of any regulatory authority, to the extent it governs the relationship between Members and Clients, to the Clients at no extra cost.
- 28.8 The Exchange Member shall also bring to the notice of its Clients, any indictments, strictures or disciplinary actions taken against the Member by the Exchange or any other regulatory authority.
- 28.9 An Exchange Member shall make adequate disclosures of relevant material information in the dealings with its/ his Clients.
- 28.10 No Exchange Member or person associated with the Member shall guarantee a Client against a loss in any transactions affected by the Exchange Member for such Client.
- 28.11 The Exchange Member shall not recommend to the Client a sale or purchase of Contracts available on the Exchange, unless it has reasonable grounds to believe that such recommendation is suitable for the Client on the basis of facts, if any, disclosed by the Client, whether in writing or orally, regarding the objectives; Client's capacity of dealing with the specific Contracts and investment. The Member shall take all possible measures to keep confidentiality of information related to its Client(s) including bids, trades.

- 28.12 The Exchange Member shall make adequate disclosures of relevant material information in its dealing with its Client including the latest UMCP and Area MCPs along with cleared quantities, proprietary orders (buy/sell), any relevant announcement from the Exchange relating to Margin, trading restrictions as to price, or quantity.
- 28.13 The Exchange Member shall not furnish any false or misleading information or advice with a view to inducing the Client to do business in particular Contract or Contracts and which shall enable the Exchange Member to profit thereby.
- 28.14 The Exchange Member shall explain the trading system and order matching process to the Client before accepting any orders from it and to a direct access client before giving consent.
- 28.15 Where the Client requires an order to be placed or any of its order to be modified after the order has entered the system but has not been traded, the Exchange Member shall ensure that it obtains order placement/modification details in writing from such Client on whose behalf such orders are placed by them. The Exchange Member shall accordingly provide the Client with the relevant order confirmation/modification slip or copy thereof, forthwith.
- 28.16 Where the Client requires any of its order to be cancelled after the order has been entered in the system before the end of trading period, the Exchange Member shall obtain the order cancellation details in writing from the Client on whose behalf such orders are placed by them. The Exchange Member shall accordingly provide the Client with the relevant order cancellation details, forthwith.
- 28.17 The Exchange Member shall not accumulate or withhold Client's order for Contracts permitted by the Exchange, if it has adequate margin of such Client with it. The Exchange Member shall place all orders forthwith.
- 28.18 The Exchange Member shall act promptly in accordance with the instructions provided by the Client unless it has discretion as to the timing relating to entering and/or execution of the order, in which case it must exercise prudently its judgment as to the best moment for entering that order in the system.
- 28.19 The Exchange Member shall provide the Client with a copy of the trade confirmation slip as generated on the ATS, forthwith on execution of the trade and with a contract note for the trade executed in the specified format as per Annexure- XIV.
- 28.20 Exchange Member shall at all times keep the money of the Client in the Member's Clients Account maintained with the Clearing Bank. The Member shall not use this money for its own transactions or for transactions of such other Client or for any purpose other than Margin and pay in relating to transactions entered into by such Client paying the margin. In case, Member is Client of its own, it does not need to maintain a separate account.
- 28.21 The Member shall collect adequate Margin from its Client before entertaining any order from it. In case of a direct access client, the Member should take sufficient

margin and also should specify trading/ obligation limits, which such direct access clients can commit on the Exchange.

28.22 It will be responsibility of the Members to inform their Clients about the successful trades and their physical and financial obligations, based on the Exchange's reports received by them.

28.23 Clients can have their own trading terminal through which they can put their orders electronically. In order to keep anonymity of bid prices, the Client may enter his bids through the terminal. Any trade undertaken by a Client via direct access will be done in the name of the Member, and the Member shall be fully responsible for all orders entered by the Client and for the conduct of all such trades as principal.

29. Professional Charges

29.1 The Professional Member shall provide a variety of services to its Clients such as transaction facilitation at Exchange platform, providing financial support and credit facilities, risk management, advisory services and capacity building. The professional charges that a Member shall charge to its Clients, for providing such services shall be on a mutually agreed terms and conditions between them.

29.2 Professional Members who are not trading licensee shall not provide any credit or financing or working capital facility to their clients.

Part B: Term Ahead Market

30. Deposits

30.1 Initial Security Deposit

The Exchange Members are required to pay security deposit in accordance with Rule 5 "Membership" at the time of admission, which will be used as initial margin for giving exposure to the Members linked to the percentage of the Margin applicable for each Contract.

30.2 Additional Security Deposit

Any Margins over and above the initial margin will be considered as additional deposits which shall be in accordance to the Margin requirements of different contracts. The Additional Security Deposit can be furnished by the Member either in cash or in the form of bank guarantee, Letter of Credit or fixed deposit from any of the Exchange approved banks as specified in the Contract Specification.

30.3 The security deposits paid by the Member are interest-free refundable deposits. Security deposits, whether initial or additional, paid by the Members shall constitute a part of the Settlement Guarantee Fund (SGF). In case of surrender or transfer of membership the security deposited will be treated in accordance with the rule 9 and 10 of Business Rules.

31. Forms of Additional Deposit

31.1 The additional deposit will be directly debited from the Members Settlement Account opened in any of the Clearing Banks or provided in the form of bank guarantee, letter of credit or fixed deposits, subject to conditions specified in the contract specification.

31.2 In case the Member opts to transfer funds from his settlement account, he will have to give written intimation to the Exchange for debiting its Settlement Account towards additional deposit as per Annexure IV(a). In case a Member intends to get his additional security deposit released to it during its tenure or on its maturity, the Member shall inform the Exchange, in writing, at least one week in advance. Any request for withdrawal of the additional security deposit will be considered by the Exchange subject to clearance of Exchange dues.

31.3 Bank Guarantee: The Exchange will accept bank guarantees strictly as per the format prescribed by it in Annexure-V(a) issued by the banks as decided by the Exchange and such bank guarantees shall be acceptable from the approved banks of the Exchange only. The list of banks is given in Annexure-VI. The tenure of bank guarantee instrument should be preferably for a period of one (1) year and a maximum period of three (3) years having an additional claim period of three (3) months. The bank guarantee must be issued by the bank on behalf of the Member. A third party bank guarantee instrument issued on behalf of person other than the Member himself will not be accepted by the Exchange.

a. A Member will be required to renew the bank guarantee submitted by it prior to its expiry. In case of renewal of bank guarantees with a specific claim period,

the Members shall furnish the renewal document strictly in the prescribed format at least seven (7) working days before the date of expiry of the bank guarantee. The format for such renewal is given at Annexure-VII (a).

- b. The Members may also opt to give a fresh bank guarantee in favor of “Indian Energy Exchange Limited” in lieu of the renewal of the expiring bank guarantee.
- c. A bank guarantee deposited by a Member, whose validity period is going to be over, shall be excluded for the purpose of computing the benefit provided to such Member towards exposure seven (7) working days before the date of expiry of the bank guarantee. The processing of bank guarantee instruments, its validation and upload in the system whereby the trading limits of the respective Member will be enhanced, will take at least three (3) working days. It may be noted that the validity of the bank guarantee should cover entire delivery period of the contract.
- d. While submitting the bank guarantee, Exchange Members shall ensure that the bank guarantee instrument strictly conforms to the format specified by the Exchange and shall be complete in all respect.
- e) In case the bank guarantee is not complete in all respect the same shall not be accepted by the Exchange.

31.4 **Letter of Credit:** The exchange will accept Letter of Credit issued by the bank as decided by the Exchange and such letter of credit shall be acceptable from the approved banks only. The list of banks is given in Annexure-VI. The tenure of letter of credit should be preferably for a period of 1 year. Exchange will communicate to its members the terms and conditions and the format for issuance of Letter of credit by the exchange members through an exchange circular.

31.5 **Fixed Deposit Receipts:** Members may submit fixed deposit receipt (FDR) issued by the approved banks for the purpose of Additional Security Deposit. The FDR should be issued in the favour of ‘Indian Energy Exchange Limited - A/C Member name’ by any of the approved bank(s) as per Annexure-VI.

All such fixed deposits shall be under lien of the Exchange and the bank must confirm that such lien has been recorded and that the Exchange has first charge on such fixed deposit receipts by issuing a letter along with the fixed deposit receipt as per Annexure-VIII. The Member shall submit the fixed deposit receipt along with a letter issued by the Member himself as per Annexure-IX. The processing of fixed deposit instruments, its validation and upload in the system will normally take three (3) working days and therefore, the Members should be normally entitled to get additional exposure limit after three (3) working days from receipt thereof by the Exchange. The FDR should be suitably discharged on the back side.

32. Trading segments and parameters

The common trading parameters will be as follows:

1. All Contracts (trades) shall be for delivery of power as per the exchange requisition submitted by the Exchange and scheduled by NLDC/RLDCs/ SLDCs as per the relevant open access regulations issued by appropriate commission.
2. Contractual liability termination: Members can extinguish their contractual liabilities only by delivery.

3. **Settlement Guarantee:** Subject to the Bye-Laws, the Exchange shall guarantee the settlement of the net settlement liability of the Clearing Members for all the trades done on the Exchange in accordance with the Bye-Laws of the Exchange. The settlement guarantee of the Exchange is confined only to the extent of settlement liability in terms of daily funds pay in and pay out upto the extent of funds available in the Settlement Guarantee Fund, subject to force majeure.
4. **Governing law and jurisdiction:** Every Contract executed as per Bye-laws of the Exchange shall take effect as a Contract made in New Delhi and shall be governed by the laws of India under the jurisdiction of the Courts of New Delhi.
5. **Contract specifications:** The contract specification shall be as per Annexure of specific contracts in respect of each duration of electricity supply in which trading has to commence and will be notified in advance by the Exchange specifying full details of the delivery procedure and other trading and settlement parameters relating to tick size, Unit of Trading, unit of delivery, delivery centers, minimum and maximum order size and other relevant matters. All such contract specifications will be notified to the Members, which will form an integral part of these Business Rules and shall be binding on all Members and, Clients trading on the Exchange. Any Contract entered into in violation of these norms or not conforming to the specifications laid down by the Exchange shall be considered as void.

33. Trading Sessions

Different possible trading sessions are explained below.

A. Term-Ahead Market Auction

In such trading session, the participants submit their orders for sale and buy during the call auction phase. Such orders are automatically stored in the order book without giving rise to Contracts. After the end of the call auction phase, there is a call auction freeze phase. Until the call auction freeze phase, members can enter new orders (or quotes) or modify their existing orders. Execution of trade takes place after the call auction freeze phase is over. The matching of orders takes place in accordance with matching rules given in subsequent sections. All trades are effected at uniform price known as Equilibrium Price (EP). All orders that have prices that are better than the equilibrium price are executed, and the ones that have a price equal to the equilibrium price are executed according to a First In First Out (FIFO) algorithm. The algorithm for determining Equilibrium Price is given in the matching rules.

In such auction, the transmission network constraints are not considered implicitly while matching the orders.

¹[One of the following two auction methodologies will be adopted at any point of time.

1. **Closed uniform auction price:** In closed auction, the orders are not disclosed to market participants and information regarding the equilibrium price and surplus are informed to market participants only after the call auction phase.
2. **Open uniform price auction:** In the open auction, the participants submit their order for sale and buy during the auction phase. Complete list of order prices and aggregated quantities of buy and sale bids will be displayed to market participants maintaining bidder's anonymity. The participants can modify, delete or enter new orders during call auction period.]

¹ Amendment as per CERC order dated 2nd December 2009 in Petition No.199/2009.

B. Continuous Trade Session

In such trading session, the participants shall submit buy and sale offers on a continuous basis during the trading period. The buyers and sellers will be matched on continuous basis with price-time priority. For a specific Contract, the seller with minimum quote and buyer with the maximum quote are considered as best seller and best buyer. In case, best buy order is better than or same as best sale order, they will be matched resulting into Contracts. Such matching will continue till the end of trading period. In case, best buy order is worse than the best sale, they will continue to be available in the order book, without resulting into Contracts.

34. Order Management

The Exchange may launch more than one order book running either parallel or at different time spans.

All Clients shall be assigned unique client ID / Portfolio ID code which may be same or different for different market segments.

The types of order available in different trading sessions are mentioned below.

i. Term–Ahead Market Auction Session (TAMA)

Following orders are available in this auction session.

a) Timing Constraints

a. Rest of day

The order will be valid till the end of trading hours of that trading day.

b. Good until expiry

The order will be valid till the expiry of the contract.

c. Timed Order

The order will remain valid till the time specified (while putting the order) by the User.

d. Good until date

The order will be valid till the date specified (while putting the order) by the user.

b) Execution Constraints

Call Auction order

Valid for auction session only.

c) Besides above mentioned orders, a user can also put a stop loss and a local order.

i) Local order

Local order is a order lying in the order book of a member and which can be activated as and when need.

ii) Exchange Can also define any other type of order as per trade requirement.

ii. Continuous Trade Session

Following orders are available in the Continuous Trade Session.

1. Timing Constraints

I. Rest of day

The order will be valid till the end of trading hours of that trading day.

II. Good until expiry

The order will be valid till the expiry of the contract.

III. Timed Order

The order will remain valid till the time specified (while putting the order) by the User.

IV. Good until date

The order will be valid till the date specified (while putting the order) by the user.

2. Execution constraints

I. Fill and Kill (FaK)

This order will match as much as possible AND delete the rest of the order.

II. Fill or Kill (FoK)

This order will match the whole order OR delete the whole order.

3. Besides above mentioned orders, a user can also put a stop loss and a local order.

i) Stop loss order

Gets activated at a particular price, before which it remains local order.

ii) Local order

Local order is a order lying in the order book of a member and which can be activated as and when need.

35. Matching Rules

Only with prior approval of CERC, the Exchange may modify or change the matching rules relevant to any market or order books. The matching rules for different trading sessions are mentioned below.

A) Term Ahead Market Auction (TAMA)

Terminologies used under this section:-

Candidate Price Levels (CP): Candidate price levels are the exclusive price levels being tendered (bid / offer) by the market participants. A candidate price may or may not be an equilibrium price.

Unbalance (UB): Difference of cumulative buy and cumulative sell at every candidate price level, which can be positive, negative or zero.

Positive Unbalance: Cumulative buy > Cumulative sell at every candidate price.

Negative Unbalance: Cumulative buy < Cumulative sell at every candidate price.

Zero Unbalance: Cumulative buy = Cumulative sell at every candidate price.

Tradable Volume (TV): Minimum of cumulative buy and cumulative sell at every candidate price.

A Matching of the auction will only take place if there are crossing prices (buy price \geq Sell Price) in the order book, that is, if the best bid price is equal to or higher than the best ask price. In that case, the equilibrium price is determined according to the following criteria:

1. Maximum tradable volume: The Equilibrium Price will be the price at which there is maximum tradable volume.
2. Minimum unbalance: If there is more than one price with equal value for maximum tradable volume, the price that leaves the least volume untraded at its level is chosen as Equilibrium Price.

In price determination process, the volume is cumulated at every candidate price level, and the difference between cumulative buy and cumulative sell is calculated at every candidate price level. This gives two values at every candidate price levels i.e. Tradable Volume (minimum of cumulative buy and cumulative sell) and Unbalance (Difference of cumulative buy and cumulative sell, which can be positive, negative or zero. This gives rise to four rules for calculating Equilibrium Price.

Rule 1: If a candidate price level with maximum tradable volume exists, this price is an Equilibrium Price. This rule gives us one or more price levels:

If the maximum tradable volume is zero (no crossing prices), no equilibrium price (EP) is determined.

- If there is only one price level, this is the equilibrium price.
- If there are multiple levels, rule 2 is applied.

Rule 2: If there are several price levels for maximum tradable volume, the levels with minimum Unbalance are singled out as **candidate price levels**.

This rule gives us one or more price levels:

- If there is only one price level, this is the equilibrium price (EP).
- If there are multiple price levels, and the unbalance is not zero, rule 3 is applied.
- If there are multiple price levels, and the unbalance is zero, rule 4 is applied.

Rule 3a: If the sign(+/-) of unbalance is same for all candidate price levels, the price closest to the price at which sign of unbalance has changed (from positive to negative or negative to positive, as the case may be) , is chosen as equilibrium price (EP).

Rule 3b: If the unbalances at candidate price levels have different signs, the highest candidate price level with positive unbalance and the lowest candidate price level with negative unbalance are identified. The equilibrium price is then chosen randomly between these two levels.

Rule 4: If there are two candidate price levels with unbalance = 0, then one of them is chosen randomly as Equilibrium Price.

Examples:

CB Cumulative Buy
B Buy Volume

CP Candidate Price
 S Sell Volume
 CS Cumulative Sell
 TV Maximum Tradable Volume
 UB Unbalance

Rule 0: No Match, since none of the aforementioned cases is getting satisfied.

CB	B	CP	S	CS	TV	UB	1	2	3a	3b	4	Result
0	0	5000	100	100	0	-100						No match
100	100	4000	0	0	0	100						

Rule 1: Candidate price level, 4000 has the maximum tradable volume. Therefore candidate price level of 4000 shall be regarded as Market Clearing Volume.

CB	B	CP	S	CS	TV	UB	1	2	3a	3b	4	Result
0	0	5000	100	200	0	-200						
100	100	4000	50	100	100	0						Max volume at single price
100	0	3500	50	50	50	50						

Rule 2: Candidate price levels, 4000 and 3500 have the maximum tradable volume (i.e. 100) but only 3500 has least (0) unbalance volume, so 3500 shall be regarded as Equilibrium Price.

CB	B	CP	S	CS	TV	UB	1	2	3a	3b	4	Result
0	0	5000	100	250	0	-250						
100	100	4000	50	150	100	-50						
100	0	3500	50	100	100	0						Minimum unbalance
100		3000	50	50	50	50						

Rule 3a: Candidate price levels, 5000, 4000 and 3000 have maximum tradable volume (100) and all the unbalances have same sign (positive in this case) i.e. 50,250 and 350 respectively, so the CP with minimum unbalance volume i.e. 50 shall be regarded as Equilibrium Price.

CB	B	CP	S	CS	TV	UB	1	2	3a	3b	4	Result
150	150	5000	0	100	100	50						TV is same, all the UB have the same sign. So min UB rate (5000) will be selected.
350	200	4000	0	100	100	250						
450	100	3000	100	100	100	350						

Rule 3b: Candidate price levels, 4500, 4000, 3500 and 3000 have maximum tradable volume of 100 and all the unbalance volume at these CPs have different sign i.e. -50, 50,100 and 200 respectively, so the system will randomly select between highest CP with positive unbalance volume (i.e. 4000) and lowest CP with negative unbalance (i.e. 4500) as Equilibrium Price.

CB	B	CP	S	CS	TV	UB	1	2	3a	3b	4	Result
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- a) **Initial Margin (Operational limit):** Initial Margins have to be submitted to the Exchange by the Member before start of their trading. Initial Margins will be computed on the total order value. The percentage of the order value required as initial margins shall be defined in the Contract Specification. This initial margin will be blocked automatically from the total available deposits. The trading system will automatically reject orders in case the initial margin exceeds the balance deposits available. Initial Margins will be released only after such time as defined in the Contract Specification. The release of Margin Funds shall be based on Members request and after adhering to the risk management procedures of the exchange.
- b) **Additional Margin (Basis Margin):** Additional Margin will be computed as a percentage of the traded value as per the risk curve defined and will be collected in different trenches as per the contract specifications. Only the buyer Members will have to pay the Additional Margin to the exchange based on their trade confirmation. Member will have to make available the Additional Margin before the end of the trading day or as may be specified in respective Contract Specification. Unlike Initial Margin which is a pre trade margining system, Additional Margins will be computed on the traded value at client level. This margin will be blocked from the available cash or non cash collaterals and will be released progressively as per the risk curve defined by the exchange. In case if the Member fails to bring in the additional margin within the specified period then the trades will be cancelled and penalty will be levied to the member. All other forms of margin collected by the exchange till such time may also be impounded.
- c) **Variation Margin:** The Exchange on a pre decided day will compute the Variation Margin of members based on their trades (open position). Variation Margin is levied member wise and computed at client level. It is the difference (loss) between the Settlement price and the traded price where the Settlement price is the average price of the last 'N' number of trades on the trading day or the last traded price of the contract having the same underlying delivery period or as decided by the exchange from time to time. In case if there is a profit for a particular client then it will not be credited to the member, neither will it be adjusted against any other losses at client level or at member level. In case if the Member fails to bring in the variation margin till the next working day then the trades may be cancelled and the Exchange at its own discretion impose penalty on the member. All other forms of margin collected by the Exchange till such time, may also be impounded.
- d) **Extreme loss Margin:** The Exchange may collect any ad hoc margins from time to time in case if it feels that the available margins collected by the exchange are inadequate due to variation in the prices in the Market. Prior intimation of the same will be provided to the Members.
- e) Each of the above namely initial margin, additional margin, variation margin and extreme loss margin as the case may be shall be payable and be paid in cash or such non cash security or collateral as the Exchange may notify from time to time. Refund of Additional Deposit: If there is a surplus deposit lying with the Exchange towards margin, will be refunded to the Member, on receipt of a written request from the Member for refund.
- f) Member will get information regarding additional margin requirement, through file transfer protocol (FTP) at end of the trading session. In case the Member does not

have adequate Cash / Non-cash collaterals, the Member, at the entire discretion of the Exchange, can be barred from further trading on the Exchange.

- g) The Exchange automatically on its own may not adjust the unutilized additional margin in the DAM segment against the margins applied in TAM segment and vice versa.

37. Risk Management System

- a) At the time of submission of the order, exchange will verify the availability of Initial Margin and the order would be accepted only if sufficient funds are available under this head. Initial Margin shall be in form of cash. Further the orders will not be accepted if earlier calls for additional, variation and extra-ordinary margins, have not been fulfilled. Members will be allowed to take exposure on the initial security deposit as decided by the exchange. Thereby a member can put an order to buy or sell in a contract as per his available exposure with the Exchange.
- b) Additional Margins in the form of cash / non cash collaterals has to be paid by the buyer member to the exchange as per the Contract Specification and as per the Trading and Delivery Calendar. In case if the member fails to bring in the required Additional Margin as per the schedule mentioned, then the Exchange can cancel the trade and may impound the available Initial Margin and Additional Margin and also recover penalty from the member.
- c) During the entire tenure of the contract, Exchange will monitor traded price of a contract with that of the price of the contract with same underlying traded earlier and in case of change in the Prices between two trading sessions, Variation Margins will be worked out and recovered from the members. Exchange will have the right to collect from its members an ad hoc margin during the tenure of the contract to cover any additional risk arising out of Price Movement in the Market.
- d) Types of Financial and delivery defaults and penalties levied thereof:
 - i. Financial defaults can be of two types:
 - i. Margin default
 - ii. Funds pay in default

i. Margin default: In case if the seller member fails to bring in the initial margin after the trade for the difference between the order value and the trade value on the traded day, the exchange will withhold the initial margin available with the exchange and impose penalty for amount equivalent to such difference from the other available margins of the member. Similarly, the exchange will cancel the trade in case if the member fails to pay Basis margin or Variation margin as per the schedule. All the margins collected from such member will be withheld. The non cash collateral will be liquidated and passed on to the counter party. Apart from the above, exchange will also collect difference between the higher of the traded price or the settlement price for that contract on its platform. Similarly in case if a member fails to pay Extreme loss margins demanded by the exchange, the exchange will have the right to take all the above mentioned actions against the member.

ii. Funds pay in default: In case if the buyer member fails to make good the funds pay in on any of the pay in day, the Exchange will be at liberty and has the power and discretion to cancel the allocation of its trades and initiate appropriate action against such Member. The total margins collected till that period will be withheld and sent for liquidation. Apart from the above, exchange will also collect difference between higher of the traded price or the settlement price for that contract on its platform.

ii. Delivery defaults can be of following types:

Failure to receive SLDC clearance: In case, the exchange does not receive the SLDC clearance as per the scheduled time from the seller member, then 5% of the total trade value or the total settlement value (trade quantity * settlement price), whichever is higher will be collected from the defaulting member. Penalty so collected shall be passed on to the counter party after deducting administrative charges for the exchange which will be 5% of the penalty amount. In case if the member fails to make good the penalty amount in his settlement account, the non cash collateral available with the exchange shall be liquidated.

Failure in Seller's ability to deliver: In case of failure in delivery by Seller, the difference between the traded quantity and actual delivery is settled under UI.

Revision of Schedule: Once the trade has taken place normally no revision of trade shall be allowed. However, if exchange is satisfied that the revision of schedule is necessary because of reasons beyond control and there is no commercial consideration motivating the party requesting for revision, then the following procedure will be adopted:

In case if, a party wants to exit the contract, than he has to deposit amount in cash to the exchange which shall be sum of following elements.

- (i) 125% of the difference between the trade price and the last settlement price of the same underlying.
- (ii) The transmission charges paid by the counter party for the quantum requested for revision.
- (iii) 5% of (i) above, as administrative charges for the exchange subject to minimum of Rs.10,000/- (Rupees Ten Thousand Only).

The affected counter party will be credited the difference and the transmission charges.

Exchange will debit the amount from member's settlement account: The effected counter party will be credited the difference and the transmission charges. The exchange, on receipt of amount based on above formula, shall send request for revision of schedule. In the next trading session when same underlying is traded again, the exchange will check the new settlement price with the amount worked out as at (i) above and make suitable adjustments as under.

Adjustment of amount collected for rescheduling from sellers: In case new settlement price is higher than the previous settlement price and the difference between the earlier collected amount and amount worked out on new settlement price works out to be more than the amount collected as above, and the difference between the earlier collected amount and amount worked out on new settlement price works out to be more than the amount collected as above seller. However, if, the difference works out to be less than the 125 % collected then any excess will be refunded to the seller. But, if the new settlement price is lower than the traded price then entire amount as above will be refunded to the seller. No refund of transmission charges shall be done to the seller will be allowed due to above adjustments.

Adjustment of amount collected for rescheduling from buyers: In case new Settlement Price is lower than previous Settlement Price and is more and the difference between the earlier collected amount and amount worked out on new settlement price works out to be more than the amount collected, then the difference would be additionally collected from the buyer. However if difference works out to be less the 125% collected then any excess will be refunded to the buyer. But, if the new settlement price is higher than the traded price then entire amount will be refunded to the buyer. No refund of transmission charges to the seller will be allowed due to above adjustments.

In case there is no trading session remaining in that underlying before start of delivery then such working shall be based on the prices of daily contracts which are corresponding to days of such weekly contract. Further, in case no daily contract is available for trading before start of delivery then the working shall be done on the basis of average of hourly prices in the day ahead market (collective transactions). Similarly for working out rescheduling charges for Daily Contracts reference would be taken from the same underlying and in absence of this, basis of working shall be hourly prices in the day ahead market (collective transactions).

The Settlement Prices mentioned above shall be for the regions in which the requesting party is located.

- e) Amount for everyday Pay-in and Pay-out shall be on net basis and the member will be responsible for settling funds obligation between its client's pay-in and pay-out.

38. Surveillance

In order to ensure market integrity and to avoid market abuses, the Exchange will use various on-line and off-line surveillance tools. The Exchange shall have the right to take appropriate actions in such cases, which are discussed as under.

- a) Validation of orders: Members are required to ensure that bids and offers are in conformity with relevant regulatory provisions. In order to avoid any abnormal orders being put by the Exchange Members like high bid price or bid quantity, the Exchange will validate such orders either through software or manually on a daily basis, wherever possible. Further, the order value of the Member will also be compared with the available limits of such Member for any over utilization. Members are required to ensure that the bids are for the quantity registered with the Exchange for trading which shall be on the basis of their capacity to arrange open access from their respective SLDC. In case the quantity is beyond the above limits, then Exchange will have right to cancel or modify one or more order.

- b) **Price movement:** The Exchange will observe any variation in prices as compared to past data. Further, the price movement in the Exchange shall be correlated with that of the bilateral markets that is available with the Exchange.
- c) **Market behavior:** The Exchange shall compare the trend in other national or bilateral markets with that of the Exchange. Any unwarranted change in the price pattern or order trend in this will be brought under the notice of the Exchange management.
- d) **Correlation with Unscheduled Interchange (UI):** The trend in the UI rate and the prices in the Exchange shall be compared for any major differences. In case of individual Member its trend of trading on the Exchange shall also be compared with his UI obligations.
- e) **Price rigging, concentration, price manipulation and other market abuses:** The Exchange will monitor concentration, price rigging, price manipulation and other market abuses and take suitable actions whenever such practices are identified.

39. Delivery procedure

Delivery procedure will be different for National, Regional and Intra-State Contracts.

12.1. National and Regional Contracts

- i. All Contracts (trades) shall be for delivery of power as per the requisition submitted by the Exchange and scheduled by NLDC / RLDCs / SLDCs.
- ii. Delivery Point: Delivery point shall be at seller's state periphery i.e. the interconnection point of seller's state and regional transmission system. In case, the seller is directly connected to a Regional transmission system, then the delivery point shall be the seller's interface with regional transmission system.
- iii. After finalization of successful trades, the exchange will send details to both the counter parties to obtain concurrence from their respective SLDC. The participants would be required to submit these concurrences in the prescribed Format in accordance with the 'Procedure for Scheduling of Bilateral Transactions' and as specified in the Calendar. Exchange will make application for transmission capacity reservation and advance scheduling as per the schedule mentioned in the Calendar. In case if the "Concurrence from SLDC" received from both the parties does not match with each other, the Exchange will consider the minimum of the quantity mentioned for sending the application for scheduling only if the quantity is same for all the traded hours. In all other cases where there is mismatch in hours and / or in quantity cleared in the SLDC concurrences, the contract will be liable to made void.
- iv. The Buyer shall accept the decision on routes that may be available to carry the power without any reservation. Buyer will be deemed to have consented for all possible routes for delivery of the power, however, they can give preference amongst the possible routes along with the concurrence. In absence of any preference from the buyer, the Exchange at its absolute discretion, can decide the route through which application is to be made and also the alternate routes to be mentioned in such application.
- v. Nodal RLDC's acceptance for scheduling will be binding on both buyers and sellers. In case of anticipated congestion in one or more transmission corridor, the Exchange will have the right to participate in the electronic bid on behalf of the Members as per the guidelines laid down in the 'Procedure for Scheduling of Bilateral Transactions'. Trade once executed shall not be revised except as provided in the Contract Specification and shall be sent for reservation of transmission capacity and advance scheduling as per the Trading and Delivery Calendar. The

- schedule shall not be revised during the delivery period except as provided in the Contract Specification.
- vi. Any shortage or excess delivery of electricity from the total schedule will be settled by the respective participants under UI mechanism as per the procedure laid down by the CERC or any other settlement system as prescribed by concerned SERC.
 - vii. Taxes, duties, cess and other levies: The price of all the Contracts shall be quoted at delivery point excluding the transmission charges, losses, scheduling and system operation charges, taxes, duties, cess, surcharge and other levies and the same shall be borne by the Buyers or Sellers as applicable.
 - viii. Metering of electricity: Arrangement for metering shall be made by the Seller/Buyer as per the requirements of respective SLDC / RLDC. Members and the relevant authority shall be responsible to resolve the issues related to metering of electricity. Members shall indemnify and keep indemnified the Exchange from any disputes related to metering.
 - ix. Transmission Losses: Seller shall bear in kind the transmission/ distribution losses from its own interface up to the delivery point. Buyer shall be required to bear in kind all the transmission/ distribution losses from the delivery point up to its own interface. Transmission loss percentage for the respective transmission system as applicable at the time of actual delivery shall be applied for deriving scheduled quantities at various points in the transmission route.
 - x. Transmission Charges: All the transmission charges shall be calculated on the total quantity at the seller's interface with the State grid and in case of a regional entity it will be seller's interface with the regional grid. Seller shall pay for the transmission charges and Wheeling Charges (wherever applicable) up-to the point of delivery and Buyer shall bear all the charges for enroute regional transmission system and also the transmission and wheeling charges (wherever applicable) for its respective State grid.
 - xi. Scheduling and Operating charges: Seller will pay for the Scheduling and Operating charges upto delivery point i.e. for its respective State's SLDC and ALDC (wherever applicable). Buyer will bear all the Scheduling and Operating charges from its interface upto delivery point i.e. for the concerned RLDCs /SLDCs /ALDCs involved in transaction. Application fees for the Nodal RLDC will be paid by the buyer.
 - xii. All Transmission, Wheeling charges, Scheduling, Operating charges and application fees will be paid to the Nodal RLDC as per advice received from them and the same will be recovered from the buyers and sellers.
 - xiii. The Application fee for processing the 'Concurrence from SLDC' shall be paid by Buyer and Seller for their respective SLDCs.
 - xiv. **E bidding consent:** In the event, it is reiterated that the implementation of the contract finalized between the Buyer and the Seller through Power Exchange shall be subject to the availability of the transmission capacity and constraints in the system. In the event of anticipated congestion in one or more transmission corridor and a need for participating in the e-bidding for securing transmission corridor as per the guidelines laid down in the procedure for scheduling of bilateral transaction, the following shall apply:
 - a) The Exchange will have the right to participate in the e-bidding on behalf of the Members as per the above guidelines for bilateral transactions;
 - b) In case of more than one transaction contracted through the Exchange, the Exchange will have the right to participate in the e-bidding for both the transactions;

- c) Each of the Buyer participating in the transaction through the Exchange shall notify to the Exchange the maximum transmission charges for which the Exchange can bid on his behalf.
- d) In case any of the Buyer participating in the Exchange is not willing to give consent for e-bidding, there will be an automatic reduction in the contracted quantity for such Buyer and the schedule for dispatch of the related quantum affected by the anticipated congestion may not be implemented, although the Exchange will forward to the concerned RLDC the request for scheduling subject to the availability of the transmission capacity;
- e) In case the Buyer notifies the maximum transmission charges to which they are agreeing to pay, the Exchange will participate on behalf of the respective Buyer in the e-bidding up to the same limit;
- f) The decision on the person entitled to the transmission corridor based on e-bidding taken by the concerned RLDC shall be binding on the parties.

40. Contracts

The Exchange shall make the contracts as specified in this section available for trading as per the trading calendar. These contracts will be traded in accordance with provisions of trading as specified in the respective Contract Specification. The trade sessions, matching rules applied in each trade session for concluding the contracts, risk management and settlement for such contracts will be as per provisions in Part B of this chapter and contract specifications. The delivery of such contracts will be in accordance with CERC (Open Access in Inter-State Transmission) Regulations, 2008, as amended from time to time and relevant procedures issued by CTU and by Open Access Regulations of concerned State. The Exchange holds the right to modify all other parameters except delivery of the contract or the parameters as specified by CERC

These contracts will be further differentiated on time of day basis (Peak and Off-Peak basis), day-of-the week basis (weekday, week-end and holiday).

Following contracts shall be available for trading in Term-Ahead Market:

1) Day-Ahead Contingency Contracts

The Exchange shall make the 24-hourly contracts available for trading on day-ahead basis for 00:00 hours to 24:00 hours of next day. The Exchange will carry out trading in such contracts either through 'TAM Auction' or 'Continuous Trade' sessions or a combination of both depending on market feedback. The timeline for trade matching sessions will be specified in Contract Specifications. They will be sent for scheduling in accordance with CERC (Open Access in Inter-State Transmission) Regulation, 2008, as amended from time to time and relevant procedures issued by CTU as specified in the contract specifications. The Exchange holds the right to modify parameters as specified by CERC. The contract specifications are given at Annexure- X (a).

2) Intra-Day Contracts

The Exchange shall make the Intra Day contracts available for trading hourly contracts on same day or previous day on rolling hour basis till some hour prior to the delivery of electricity as specified in the contract specification. The Exchange will carry out trading in such contracts through 'Continuous Trade' The timeline for trade matching sessions will be specified in Contract Specifications. They will be sent for scheduling in accordance with CERC (Open Access in Inter-State Transmission) Regulation, 2008, as amended from time to time and relevant procedures issued by CTU as specified in the contract specifications. The Exchange holds the right to modify parameters as specified by CERC. The contract specifications are given at Annexure- X (b).

3) Daily Contracts

The Exchange shall make the daily contracts available for trading maximum upto 3 months in advance or upto a period specified by CERC for delivery of electricity for defined blocks of hours of the day. The Exchange will carry out trading in such contracts either through 'TAM Auction' or 'Continuous Trade' sessions or a combination of both depending on market feedback. The timeline for trade matching sessions will be specified in Contract Specifications. They will be sent for scheduling in accordance with CERC (Open Access in Inter-State Transmission) Regulation, 2008, as amended from time to time and relevant procedures issued by CTU as specified in the contract specifications. The contracts may contain provisions allowing quantity variation in delivery. The Exchange holds the right to modify parameters as specified by CERC.. The contract specifications are given at Annexure- X(c).

4) Weekly Contracts

The Exchange shall make the weekly contracts available for trading maximum upto 3 month in advance or upto a period specified by CERC for delivery of electricity for defined blocks of hours on all defined week-days and/or weekends of the week. The Exchange will carry out trading in such contracts through 'TAM Auction' or 'Continuous Trade' sessions or a combination of both as approved by CERC. The timeline for trade matching sessions will be specified in Contract Specifications. They will be sent for scheduling in accordance with CERC (Open Access in Inter-State Transmission) Regulation, 2008 and relevant procedures issued by CTU as specified in the contract specifications. The contracts may contain provisions allowing quantity variation in delivery. The Exchange holds the right to modify parameters as specified by CERC. The contract specifications are given at Annexure- X (d).

41. Clearing Banks

The provisions of clause 20 in part A of this chapter dealing with Day Ahead Market shall mutatis mutandi apply to part B dealing with other market

42. Clearing House

The provisions of clause 21 in part A of this chapter dealing with Day Ahead Market shall mutatis mutandi apply to part B dealing with other market.

43. Transaction fees

The Exchange will charge a transaction fee on the transactions registered with the Exchange. Such transaction fee will be computed on value basis or volume basis, as may be decided from time to time, which will be computed on both purchases and sales separately. Transaction fee will be payable at Rs 10/MWh or as decided by the Exchange from time to time.

44. Reports

- I. After end of trading session, the Exchange will download the reports to the Members which consist of Trade file Report, Provisional Obligation Report, Final Obligation Report and other relevant matters.
- II. Based on the Exchange's Reports, the Members can inform their Clients about their successful trades along with their obligation.

45. Dealing with Clients

The provisions of clause 28 in part A of this chapter dealing with Day Ahead Market shall mutatis mutandi apply to part B dealing with other market.

46. Professional Charges

The provisions of clause 29 in part A of this chapter dealing with Day Ahead Market shall mutatis mutandi apply to part B dealing with other market.

CHAPTER- III
TRADING SYSTEM

47. Trading System

- 47.1 The entire trading operation at the Exchange shall be conducted under the Automated Screen based Trading system, which is also called as 'TWS'. The Exchange will provide such Automated Trading facility in all Contracts permitted to the Exchange by the CERC.
- 47.2 Trading on the Exchange shall be allowed only through approved workstation(s) located at approved locations for the office(s) of a Member. If an approved workstation of a Member is connected by LAN or any other way to other workstations at any other place it shall require a prior approval of the Exchange. For every TWS, a Member shall be required to obtain a specific permission from the Exchange and obtain user id in advance.
- 47.3 Each Member shall have a unique identification number which shall be provided by the Exchange and which shall be used to log on (sign on) to the system.
- 47.4 A Member shall have a non-exclusive permission to use the TWS as provided by the Exchange in the ordinary course of business as an Exchange Member.
- 47.5 A Member shall not have any title, rights or interest with respect to TWS, its facilities, software and the information provided by the Exchange. The permission to use the TWS shall be subject to payment of such charges as the Exchange may from time to time prescribe in this regard.
- 47.6 A Member shall not, permit itself or any other person(s) to:
- use the software provided by the Exchange for any purpose other than the purpose as approved and specified by the Exchange,
 - use the software provided by the Exchange on any equipment other than the workstation approved by the Exchange,
 - copy, alter, modify or make available to any other person the software provided by the Exchange,
 - use the software in any manner other than the manner as specified by the Exchange,
 - attempt directly or indirectly to decompile, disassemble or reverse engineer the same.
- 47.7 A Member shall not, by itself or through any other persons on its behalf, publish, supply, show or make available to any other person or reprocess, retransmit, store or use the facilities of the TWS or the information provided by the TWS except with the written approval of the Exchange.
- 47.8 The Exchange will provide the application software for installation of TWS. However, the Member has to arrange at its own cost the system software personnel required for installation of trading application. Besides, it has to arrange for installation of trading application software at his TWS at its own cost.

48. Approved Users

- 48.1 For every TWS to be used by a Member, it shall be required to obtain registration of the Approved User in the specified format as per Annexure XV, who will be responsible for such TWS. Such Approved Users can be its own employees responsible for such TWS or branch. Before termination of any of such Approved Users, the Member shall be required to obtain prior written approval of the Exchange. In case it is found that a Member has allotted a TWS to any user not registered with the Exchange, such Member will be suspended by the Exchange forthwith.
- 48.2 In case of lease line connection, the Member will get registration up to two (2) Approved User without any cost, but any Approved User over and above such Users will be permitted by the Exchange on payment of Rs. 1500/- per month per user id.

49. Connectivity

- 49.1 In order to connect the TWS of the Members with the IEX server, the Members will have option to connect with IEX using the MPLS (Lease Line) provided by the vendor approved by IEX .

a. Lease Line Connectivity

Members can connect trading workstation through leased line. The service provider will provide nation-wide Leased Line network for Members using Multi Protocol Label Switching (MPLS) based VPN solution. The data reaches to the trading system through the node located at Mumbai.

The MPLS is one of the most sophisticated and latest VPN technologies available as on date. MPLS can provide secure, most cost effective, high performance, scalable and managed end-to-end network connectivity. It allows label switching, due to this it offers fastest mode of data transfer, making it most suitable for real time trading application like ours. Due to the features like 'Bandwidth on Demand' and 'Committed Bandwidth' it has overcome all shortfalls of conventional point-to-point leased line network. The BSNL MPLS network nodes are mesh connected on STM 1 (155 mbps) links. This ensures congestion free data transfer on the network. The network has multiple ring redundancy, ensuring high uptime to the end users.

b. Application procedure

All applications to BSNL and co-ordination with BSNL will be taken care by the IEX Systems Department. Interested Members may send the necessary details in the specified format – enclosed as per Annexure-XVII.

c. Equipment requirement:

A Member has to procure one router, dedicated for the IEX connectivity. The details of the router are as under:

- (i) The router should have one serial interface, one ISDN (optional) and one Ethernet Interface.
- (ii) **Leased line modems:** In case the service providers (like MTNL or TATA Tele) do not provide leased line modems, Members have to procure one pair of leased line modems separately.

d. Recurring charges

Members are requested to pay the necessary charges towards installation, equipment rental, leased line etc. payable to the service provider (MTNL or TATA Tele) directly. Members may also have to pay any additional charges raised by the service providers / Govt. agencies as and when applicable.

e. Back-up link

Members having Leased Line connectivity are required to obtain ISDN BRI line from their local telecom service provider. For automatic switch over, in case of leased line failure, ISDN backup line is required to be terminated on the same router on which leased line is connected. In order to avoid usage during non-trading hours because of automatic dialing, Members are advised to disconnect the ISDN line after trading hours and re-connect before the next trading session.

All Members having leased line are requested to avail the ISDN backup facility to avoid disruption in trading due to problems in leased line connectivity.

Members should note that installation/ STD/ usage charges/ any other charges related to the ISDN link is to be paid by Members to their respective telecom service provider.

f. Router configuration

The Exchange will provide necessary step-by-step router configuration to the Member once the leased line is commissioned. However, the configuration and testing of the router at the Member end will be the responsibility of the respective users. All Members are obliged to co-ordinate with the IEX System Department for any assistance

g. Payment

Members have to pay towards port charges, local loop charges (considering 7 km distance), one time modem installation charges and inclusive of service tax applicable. Such charges are payable on an annual basis except the modem installation charges. The payment shall be made by way of demand draft favouring 'AO (F&A) BSNL Mumbai' payable at Mumbai. Member may send the demand draft along with the application form to the Exchange, Mumbai Office in advance to start the LL application process. The prices are uniform across the country except Mumbai and Navi Mumbai. In case of non-availability of BSNL network in a particular city, the payment would be refunded to the Member. In case of transfer of the facility to some other location, the Member has to pay the necessary charges to be decided by BSNL.

h. Number of terminals

In case a Member wants to install more terminals, they may request for additional leased lines. As such there is no limitation on number of leased lines that one Member can opt for. Separate user IDs would be allocated for LL connectivity, which cannot be used for Internet, VSAT or other media. For ensuring additional security, the User IDs will be tagged with IP addresses.

i. Crisis management

The complete MPLS network is monitored 24x7 from a centralized Network Operating Centre (NOC) of BSNL. This NOC is managed by highly skilled engineers which engineers, which can give all assistance to all Members. The NOC can be accessed on toll free number –16004 41957. For any further assistance any Member can also get in touch with respective Nodal Officer of BSNL which will be informed to you shortly.

j. Undertaking

All Members are obliged to provide the Exchange with an undertaking on company's letterhead in the enclosed format given in Annexure-XVIII.

On receipt of the application along with the undertaking and payment, the application will be forwarded immediately to BSNL for further processing. It may

take four (4) to (6) weeks for BSNL to complete the process of providing Leased Line Network to the Member.

Following are the prerequisites at client's end to connect to IEX through lease line:

- PC with PIV processor, 512 MB RAM, 80 GB HDD
- Operating system - Windows 2000 professional / Windows XP
- Dedicated Internet connection (Non proxy based connection)
- Check point VPN Secure Remote Software, provided by IEX, kept on IEXFTP server
- TWS software for Trading, provided by IEX, kept on IEXFTP server

List of the Cities where VPN Nodes are available

S. No.	Name of the BSNL Circles	Stations
1.	Kolkata Districts	Kolkatta
2.	NTR	Delhi / New Delhi
3.	Chennai District	Chennai
4.	WTR	Mumbai
5.	Assam	Guwahati, Silchar, Jorhat, Dibrugarh, Tejpur, Bongaigaon, Nagaon
6.	Andaman & Nicobar Islands	Port Blair
7.	Andhra Pradesh	Hyderabad, Vishakhapatnam, Vijayawada, Guntur, Tirupati, Anantapur, Warangle, Nellore, Rajamudary, Karimnagar, Khambam, Nizamabad, Sangarreddy, Elure, Kakinada, Tanukh, Bhimavaram, Patancheru, Kothagudem, Ramagundam
8.	Bihar	Patna, Bhagalpur, Begusrai, Gaya, Hajipur, Darbhanga, Samastipur, Sasaram, Katihar, Muzaffarpur
9.	Chattisgarh	Raipur, Durg, Bilaspur, Rajagarh, Jagdalpur
10.	Gujarat	Ahmedabad, Surat, Gandhinagar, Vadodara, Rajkot, Valsad, Mehsana, Patan, Kalol, Bharuch, Ankleshwar, Jambusar
11.	Haryana	Ambala, Faridabad, Karnal, Hissar, Rewari, Rohtak
12.	Himachal Pradesh	Shimla, Solan, Dharmshala, Mandi
13.	J&K	Jammu, Srinagar, Udhampur, Rajouri, Leh
14.	Jharkhand	Ranchi, Jamshedpur, Dhanbad
15.	Karnataka	Bangalore, Mangalore, Belgaum, Hubli, Mysore, Gulbarga, Davangere, Bidar, Bijapur, Bellarey, Hassan, Mandeya, Raichur, Shimoga, Tumkur, Kolar
16.	Kerala	Thiruvanthapuram, Ernakulam, Kozhikode, Kottayam, Allappuzha, Thrissur, Palakkad, Kannur, Kollam, Pathanamthitta
17.	Kolkata Telephones	Kolkata
18.	Maharashtra	Goa, Pune, Nagpur, Nasik, Raigarh, Kolhapur, Kalyan, Solapur, Aurangabad
19.	Madhya Pradesh	Bhopal, Indore, Jabalpur, Gwalior, Chattarpur, Dewas, Dhar, Guna, Hoshangabad, Mandsaur, Ratlam, Rewa, Sagar, Satna, Shahdol, Sidhi, Ujjain
20.	Orissa	Bhubaneswar, Cuttack, Rourkela, Sambhalpur, Behrampur, Puri, Koraput, Nalco Nagar

21.	Punjab	Chandigarh, Amritsar, Jalandhar, Ludhina, Bhatinda, Ferozpur, Hoshiarpur, Pathankot, Patiala, Sangrur, Ropar
22.	Rajasthan	Jaipur, Ajmer, Alwar, Jodhpur, Kota, Udaipur, Bikaner, Shri Ganganagar, Bhilwara, Jaisalmer, Jhunjhunu, Sawai, Madhopur, Sikar, Sirohi
23.	Tamilnadu	Coimbatore, Madhurai, Pondicherry, Trichy, Salem, Tirupur, Vellor, Cuddalore, Erode, Nagarcoil, Thanjavur, Karur, Tuticorin, Thirunelveli, Sivakasi, Virudhunagar
24.	Uttar Pradesh (East)	Lucknow, Allahabad, Gorakhpur, Kanpur, Varanasi
25.	Uttar Pradesh (West)	Agra, Meerut, Aligarh, Mathura, Bareilly, Ghaziabad, Muzaffarnagar, Muradabad, Etah, Budaun, Pilibhat, Bulandshahar, Saharanpur, Bijnore, Rampur
26.	Uttarranchal	Dehradun, Haridwar, Nainital
27.	West Bengal	Asansole, Kharagpur, Siliguri

The required Router configuration for Lease line

Make & model: CISCO 1800 modular router, 2 WAN slots 32 MB flash Memory & 128 MB DRAM.

Interfaces: 1-port serial WAN interface card, 1 port ISDN BRI card

(Incase the local telephone exchange does not have ISDN facility, a Member has to go for one port Async card)

Cables: V.35 cable, DTE Male to smart serial – 10 feet

IOS version: CISCO 1800 IOS IP Version 12.3 or above

LAN infrastructure

(a) Switch/Hub: 8/12 port switch from leading manufacturers like Cisco, Nortel or 3Com.

(b) LAN cabling: CAT 5 (structured cabling)

Modems (optional)

For MLDN & MLLN type of links (only select telephone exchanges have this facility), the Modem is provided by MTNL/BSNL, which is billed in the demand note. Other wise Member has to procure the following leased line modems,

Make: RAD

Model number: ASM 20 or ASM 31 (depend on Telephone Exchange requirement)

Interfaces: V.35

50. Expansion of trading terminals

50.1 With every Lease line installation, a Member will be entitled to have up to five (5) trading terminals at the same location. All classes of Members are entitled to expand their trading terminals. A Member can set up multiple terminals either in the same city, where he is located or in multiple cities within India except the state of Jammu & Kashmir, either by way of opening branch offices or by appointing their franchise/approved users, but in such cases, all its obligations will be netted out at the Member level, and he shall be required to settle all such trades, in respect of margin, pay in as well as final settlement as any other trade settlement procedure of the Exchange , irrespective of the fact whether the trades are done by it or through its other terminals.

50.2 Terms relating to expansion of terminals

A Member shall be entitled to expand its trading terminals by virtue of opening up branches, tying up with Approved Users. For setting up such terminals, it will be

required to apply to the Exchange in the prescribed format specifying name of the Approved User in charge of such terminal, giving details of the location where the additional terminal is to be installed and also to undertake responsibility relating to all trades done through such terminal. The Exchange will not charge any additional fee or deposit for setting up such additional terminals except the cost of Lease line installation and deposit, software installation and out of pocket expenses relating thereto. There can be various models of expansion of terminals, such as:

- (a) **Direct connectivity to IEX system:** The Member can install terminals at various places, which can be linked to the IEX system through Lease line directly. In such cases also, the Member will be able to set trading limits for all such terminals from his office using the Member administrator terminal.
- (b) **Private network of a Member:** If a Member is already having a private network or he proposes to put in place a private network of leased line or ISDN connectivity for expanding his terminals, such private networks could be connected to IEX system by way of installing one lease line at Member's central office. However, if the number of terminals is large, the Member may be required to get a leased line (which would be decided by the Exchange on case to case basis) with adequate bandwidth between his central office and the Exchange office so as to support the interactive traffic of all such terminals. In respect of performance and maintenance of such private network, the Member has to bear all costs and assume all responsibilities and the Exchange will not be responsible in any manner. This is subject to the Member obtaining relevant approvals from the relevant statutory agency.

51. Force majeure

- 51.1 Notwithstanding the provisions of the Bye-Laws on force majeure, in case of the settlement of power contracts, the injection and drawal by the power generators and consumers depend upon the transmission corridors available with regional grids. In case of non availability of transmission corridors because of system constraints on the day of delivery, the outstanding Contracts will be settled on pro-rata basis.
- 51.2 In case of any natural calamity like flood, earthquake, strikes etc., which has such a substantial bearing on the power market that the availability of electricity in the country is expected to reduce at least by 50%, making delivery of the electricity virtually impossible, then the Exchange will have the power to settle the Contract independently and/or in consultation with CERC.
- 51.3 In case of trading system related problems, while the Exchange will attempt to rectify the problem at the earliest, however, it will not be responsible for the consequential losses, if any.
- 51.4 In the event of disruption in the office or administrative services of the Exchange or the designated Clearing Bank due to technical reasons including Computer System break-down or due to absence, non-attendance and/or strike by the employees or due to any unforeseen circumstances or due to natural or other calamities such as earthquake, out-break of war, general strike or any such circumstance of a force majeure nature, the daily clearing shall be suspended for such days and period till normalcy is restored. The Exchange shall immediately notify all the Members about the suspension and/or postponement of daily clearing settlement as also about the restoration or return of normalcy and resumption of daily clearing and settlement work. If the circumstances so demand, the Exchange may order closure of the market in accordance with relevant Bye-laws and call an emergency meeting of the Board of the Exchange to deal with the abnormal situation.

- 51.5 Any restriction imposed by NLDC/RLDCs on account of transmission bottlenecks and otherwise will be treated as force majeure without any liability on the Exchange.

52. Contingency management

- 52.1 In the event of failure of a Member's workstation and/or the loss of access to the trading system, the Exchange may assist the Member in placing the order on best effort basis. For this purpose, the Member must forward a valid request in writing in a clear and precise manner to the Exchange as per Annexure-XVI. The Exchange will execute such orders on behalf of the Member subject to such terms and conditions, which the Exchange may deem necessary to be imposed. The Member shall be accountable for the trades executed by the Exchange on their behalf and shall indemnify the Exchange against any losses or costs arising out of the above situation.
- 52.2 In case of any mismatch between scheduling request issued by the Exchange at 15:00 hrs and final schedule issued by NLDC at 18:00 hrs, the final schedule issued by the NLDC shall be considered for adjustments in the obligations and the trades shall be reversed to the extent of such mismatch. Similarly, in case of subsequent changes on account of curtailment of transmission capacity by the Load Dispatch Centre (s), the trades shall be reversed to the extent of such curtailment. Reversal of trade shall be done at the respective Area Clearing Prices. The difference in the amount payable and recoverable due to such reversal, shall be adjusted from the Congestion Revenue Account.

53. Major breakdown of the system or failure of communication link

- 53.1 In the event of a major breakdown of the system or failure of communication link, the Exchange may decide to extend the trading hours or to operate a separate trading session on the same day after end of usual trading session. Such decisions will be taken considering the overall interests of the market.
- 53.2 Provided that if the breakdown of the system or communication link is so severe that at least 75 % of the active Members are not able to trade, the market will be halted and a separate trading session will be commenced after fixing the problem.
- 53.3 In such cases, the Exchange will take appropriate decision, as may be expedient to do so under those circumstances.

CHAPTER- IV

INSPECTION AND DISCIPLINARY ACTIONS

54. Records, Books of accounts and Inspection

54.1 The Exchange will conduct inspection of books of accounts of the Members periodically. The scope of such inspection will, in normal circumstances, be limited to the operations of the Member at the Exchange and its off-market deals, but in special circumstances the Exchange may decide for extending the scope of such inspection. The Exchange, directly or through empanelled Chartered Accountant Firms, will conduct such inspection. All Exchange Members shall be required to maintain Books of Accounts, documents, counterfoil of contract notes and other details for such period, as may be directed by the Exchange. They shall produce such records before the inspection team as per directions issued by the inspection team and extend their full co-operation in terms of providing information so as to carry out inspection smoothly. In addition to the normal inspection of the Books of Accounts, audit of statutory compliance and adherence to the Articles, Bye-laws, Rules, Business Rules, circulars and notifications issued by the Exchange from time to time, the Exchange may take suitable action based on the inspection report, if it deems proper.

Generally the inspection may cover the following aspects:

- a) Failure to follow the norms as prescribed by the Exchange for Client accounts, know-your-client scheme, improper / non execution of the Member-Client Agreement, and other relevant matters.
- b) Unauthorized use or / misuse of the TWS, software and other facilities provided by the Exchange.
- c) Improper maintenance of books and records.
- d) Violations in the issue of contract notes (not having pre-printed serial nos., signatory not authorized, contract note not in proper format, (e.g. contract price and brokerage not appearing on the contract notes separately, proper rates not given or any information on the contract note tampered with in comparison to the data available with the Exchange, unauthorized change of Client codes against the Trade nos., printing of Order number on the contract note, and similar matters).
- e) Failure to abide by or respond to the circulars, communications, notices issued by the Exchange.
- f) Unfair trade practices and market misconduct including insider dealing.
- g) Attempt to forge or indulged in forging of signatures or authorizations of officials (or any other regulatory body),
- h) Suppression of material facts and not taking prior approval of the Exchange regarding change in shareholding pattern, nature of organization, activities, change in memorandum and articles of association, change of address, change of telephone / fax numbers, or such things which are likely to affect his operations on the Exchange, including information about himself being convicted, declared insolvent, and other similar matters.
- i) Coercing, attempting or indulging in influencing another Member.
- j) Dealing with black listed Clients or persons.
- k) Other relevant matters which may affect the efficient and transparent operations of the markets.

55. Fines and penalties

- 55.1 Without prejudice to the Bye-Laws, and Rules, in case if there is shortage of funds in the Settlement Account of the buyer Members selected by the Exchange under provisional obligation, then the Exchange has authority to levy penalty on such Members. Further, in case of persistent default in delivery / drawal by the Seller or Buyer, the Exchange can impose penalty on the Member.
- 55.2 In case a Member or Client is disconnected from the grid by the distribution company or the STU or if permission of open access is withdrawn by the SLDC, and the Member fails to notify such event to the Exchange, then the Exchange can impose penalty on such Members.
- 55.3 In addition to this, the Exchange will also enumerate such fines, penalties and other disciplinary actions that will be initiated for the violations under the Electricity Act, 2003, and the Electricity Rules 2005 and the Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008 the directions of CERC, and the Bye-laws, Rules and Business Rules of the Exchange.

56. Mechanism for redressal of grievances

- 56.1 If any complaint received with regard to the claim, differences or disputes between the Exchange Members inter se or between an Exchange Member and a Client or arising out of or in relation to trades, Contracts and transactions executed on the Exchange and made subject to the Bye-Laws, Rules and Business Rules of the Exchange or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation or fulfillment and/or the rights, obligations and liabilities of the parties thereto and including any question of whether such trades, contracts and transactions have been entered into or not shall be addressed by the Exchange through a grievance redressal mechanism on receipt of a written complaint from the aggrieved party by the Exchange. Such complaint shall be resolved through the administrative mechanism under the supervision of the Executive Committee within such days as may be fixed by the Exchange. In case of non-redressal of such grievances through the administrative process, the same shall be dealt as per the Arbitration and Conciliation procedure of the Exchange as specified under the Bye-laws of the Exchange.

57. Arbitration

- 57.1 A Member or Client can file reference to arbitration in accordance with the provisions of the Bye-Laws in the prescribed format along with a fee of Rs. 5,000 or such other fee as may be decided by the Exchange.
- 57.2 Each arbitrator will receive a sitting fee as decided by the Exchange per meeting for participation in arbitration proceedings.

- 57.3 The total cost of arbitration, cost of conducting proceedings, sitting fee, documentation, cost of obtaining legal or expert opinion, cost of litigation, cost of hiring of professional for resolving a dispute, will be shared by both the parties to the dispute equally during the course of proceedings pending final adjustment and for that matter, the Exchange will demand adequate deposits from the concerned Members and Clients periodically for meeting such costs on ad-hoc basis. On declaration of award, the entire cost of the proceedings will be borne by the parties in the manner as may be decided by the arbitrators and documented in the award and the Exchange shall ensure final adjustment of accounts between the parties.
- 57.4 Any dispute involving claim upto Rs. 1 lakh shall be decided by the Exchange administratively and claims involving more than Rs. 1 lakh shall only be filed with Arbitration Panel.

Application for Proprietary Membership

Indian Energy Exchange Limited

10th Floor, B Wing, Statesman House, Barakhamba Road,
Connaught Place, New Delhi 110 001, India.

Tel: +91-11-4300 4000, Fax: +91-11-4300 4015

email: membership@iexindia.com, Website: www.iexindia.com

Terms and conditions for seeking Proprietary Membership of IEX

1. An applicant shall be an Indian national.
2. The applicant shall submit the application form (Part-A) along with an amount as specified in Fee and Deposit structure attached as Annexure with the form. Fees and Deposit structure will include the following:
 - Admission Fees
 - Interest free Security Deposit
 - Annual Subscription Fees
 - Processing Fees
3. This amount has to be remitted to our office by way of demand draft favoring '**Indian Energy Exchange Ltd.**' along with the following documents, (duly attested by the applicant), which are a part of the membership eligibility criteria:

a) In case of Corporates:-

- i. Board Resolution seeking membership of the Exchange and for appointment of authorized signatories and authorized persons.
- ii. Copy of PAN card of the applicant
- iii. Certified copy of Memorandum and Articles of Association
- iv. Shareholding pattern
- v. Latest Annual Report/Auditors Report
- vi. Bio data of the Managing Partners / Designated Directors who have signed the Membership application form
- vii. Net worth Certificate as on after 31-03-2008 along with statement issued by Chartered Accountant. Net worth criteria is as mentioned in the Annexure attached.

b) In case of a Partnership firm:-

- i. Copy of Firm Registration Certificate,

- ii. Copy of PAN card of the applicant
 - iii. Copy of registered Partnership Agreement, undertaking from all partners authorizing the Managing Partner and
 - iv. Sharing Pattern
 - v. Brief history of Applicant
- c) In case of Government owned distribution licensees and generating companies need to submit only following documents along with the application form.
- i. Copy of PAN card of the applicant.
 - ii. Board Resolution seeking membership of the Exchange and for appointment of authorized signatories and authorized persons.
 - iii. Certified copy of Memorandum and Articles of Association.
 - iv. Copy of Latest Annual Report.
 - v. Net worth Certificate as on after 31-03-2008 along with statement issued by Chartered Accountant. Net worth criteria is as mentioned in the Annexure attached.
- d) Any other document as specified by the Exchange from time to time
4. On confirmation by the Exchange, the applicant shall remit the balance amount, if any, within 15 days from the date of intimation about the decision of the Exchange, appointing the said person as a Member of the Exchange. The payment shall be made by way of demand draft favoring '**Indian Energy Exchange Ltd.**' payable at Delhi.
5. The applicant shall submit the following documents with IEX after the Exchange has intimated the applicant about his selection. These documents would be required before commencement of the operations:
- a) Proprietary Membership Undertaking
 - b) Standing Clearance for Trading on IEX from RLDC / SLDC as the case may be.
 - c) Intimation of Compliance officer
 - d) Any other document, as may be specified by the exchange from time to time.
6. The Exchange reserves the right to accept or reject any application or amend the terms and conditions without assigning any reason whatsoever.
7. In case the amount is not paid as per schedule provided by the Exchange, then the Exchange reserves the right to reject/ terminate the membership and forfeit the money paid to IEX
8. Application once submitted cannot be withdrawn as the application are being processed on first-cum-first serve basis

Note:

- i. Membership is transferable after THREE years
- ii. Admission Fees is non refundable.
- iii. Interest free Security Deposit is refundable after THREE years surrender of the membership.

Indian Energy Exchange Limited

10th Floor, B Wing, Statesman House, Barakhamba Road,
Connaught Place, New Delhi 110 001, India.

Tel: +91-11-4300 4000, Fax: +91-11-4300 4015

email: membership@iexindia.com, Website: www.iexindia.com

APPLICATION FOR PROPRIETARY MEMBERSHIP**(Part-A)****The Director****Indian Energy Exchange Ltd.**

Dear Sir,

I/We am/are desirous of becoming a Proprietary Member of Indian Energy Exchange Limited (IEX). I/we, hereby apply for said membership and, undertake, to conform to and to abide by the Memorandum & Articles of Association and the Rules, Bye-Laws, Regulations, Business Rules, Circulars, Notifications and Office Orders, issued by the Exchange, from time to time. I/We shall be liable for all contracts and transactions in the Exchange entered into by us or by our authorized persons and I/We shall comply with all the requirements of the Exchange relating to settlement thereof. I/We shall also abide by all decisions of the Exchange with respect to the operations of the Exchange and would perform accordingly in meeting my/our financial, regulatory and operational responsibility as decided by the Exchange from time to time. I/We agree to be responsible for all non-compliance and the Exchange shall reserve all rights of disciplinary action for any non-compliance by me/us.

Pursuant to above, I/we submit below the details of my/our candidature:

1.	Name of the Applicant (Full)	
2.	Registered Office Address City: State: Pin code: Telephone No.: Fax No: (with STD Code): Email: Name of the contact person(s): Mobile No.:	

3.	Address for Correspondence City: State: Pin code: Telephone No.: Fax No: (with STD Code):	
4.	Name of the contact person(s): Mobile No.: Email:	
5.	Grid Connection details: a) Region and State b) Status of Entity (e.g.; State Utility/CPP/IPP/Discom etc.) c) Max MW ceiling allowed for sale d) Max MW ceiling allowed for Purchase e)Voltage Level f) Point of Connection (Name of EHV station of ISTS/InSTS) g)Single Line Diagram of Point of Connection h) Applicable transmission charges (*) i) Applicable transmission losses (*)	STU..... DISCOM..... Any other (Specify)..... STU..... DISCOM..... Any other (Specify).....
6.	Nationality	
7.	Constitution	Individual/Registered Partnership Firm/Private Ltd Co./HUF/Public Ltd Co/Institution/PSU/Others
8	Date of Incorporation/Registration	
9	Details of Chief Executive / Proprietor / Partner / Director Name: Designation: Tel.No: Fax No: (with STD Code) Mobile No: Email ID:	

(*) If there are more than one grid connections please specify the same details in separate sheet.

10	Income Tax Permanent Account No.	
11	<p>Details of your Existing Bank Name and Branch Address:</p> <p>Account No:</p> <p>Account is Operational since:</p>	
12	Present Business/Occupation	
13	Present Net worth	Rslakh as on
14	<p>Please give following details of the applicant: Strike out which is not applicable (Yes/No)</p> <p>a) Have you been declared/rendered incompetent to enter into the contract under any law in force in India?</p> <p>b) Have you ever been declared a defaulter by any Regulator/ Association or Exchange recognized by the Government under any law</p> <p>c) Whether any court case is pending against applicant/ directors/ partners?</p> <p>d) Have you ever been pronounced guilty of a criminal offence involving moral turpitude?</p> <p>e) Has any disciplinary action been taken by any commodity/stock exchange against you or any of the partners/ promoters/ directors/ shareholders/ employees of yours?</p> <p>f) Have you ever been adjudged bankrupt or have been proved to be insolvent at any time?</p> <p>g) Have you ever been involved in litigations, suits or proceedings or have been involved in any financial liability of contingent or unascertained nature?</p> <p>h) Have you ever been at any time convicted of an offence involving fraud or dishonesty or financial irregularities?</p> <p>i) Have you ever been associated with or a trading member of or subscriber to or a shareholder or debenture holder of any other commodity /Stock exchange?</p> <p>j) Have you ever been denied / rejected membership of any commodity / stock exchange or commercial organization? If yes, when?</p> <p>k) Have you committed any act which may render you liable to be wound up?</p> <p>l) Have you ever been suspended/expelled/declared a defaulter on any other commodity/stock exchange or have been debarred from trading in commodities/securities by any Regulatory Authorities like FMC/RBI/SEBI etc?</p> <p>m) Have you ever had a provisional liquidator or receiver or official liquidator appointed by a competent court against you?</p> <p>n) Have you ever been punished for contravention of any of the provisions of Electricity Act, 2003 or any rules or regulations made there under</p> <p>(In case answers to any of the above questions is yes, then please provide relevant details enclosing a separate sheet)</p>	<p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p>

APPLICATION FOR PROPRIETARY MEMBERSHIP

We undertake that any misstatement or misrepresentation or suppression of facts in connection with this application for membership or breach of any undertaking or condition of admission to membership may entail rejection of our application or expulsion of our membership.

I/We hereby state that the above-mentioned particulars are true, correct and complete to the best of my/our knowledge and information. I/We also state that no relevant material fact has been suppressed while applying for the Proprietary Membership of IEX.

I/We shall appear for interview, whenever called by the Exchange for my/our seeking the proprietary membership of the Exchange.

I/We shall pay the required fee and deposit to the Exchange and submit the necessary documents as stated in the terms and conditions and any other document as required by the Exchange for my/our seeking the proprietary membership of the Exchange.

Date:

Place:

Authorized Signatories:

Signature(s):

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(Names of the signatories)

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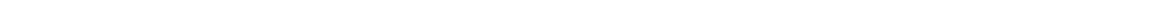
(Designation of the signatories)

.....

(Names of the organization)

.....

Photographs:



Affix photograph and sign across the photograph

Affix photograph and sign across the photograph

IEX MEMBERSHIP FORM GUIDELINES

1. Signature and photo: Authorized signatory, as detailed below, shall sign the application, paste his recent passport size photo and sign across the photo:

Corporate	Two directors, authorized by the Board of Directors and supported by the Resolution
Individual	Individual
Partnership firm	Managing Partner, as authorized by the Registered Partnership Deed

Please write/call to IEX at the following address for further clarification

Head – Membership

Indian Energy Exchange Limited

10th Floor, B Wing, Statesman House, Barakhamba Road,

Connaught Place, New Delhi 110 001, India.

Tel: +91-11-4300 4000, Fax: +91-11-4300 4015

Email: membership@iexindia.com, Website: www.iexindia.com

Application for Professional Membership

Indian Energy Exchange Limited

10th Floor, B Wing, Statesman House, Barakhamba Road,
Connaught Place, New Delhi 110 001, India.

Tel: +91-11-4300 4000, Fax: +91-11-4300 4015

Email: membership@iexindia.com, Website: www.iexindia.com

Membership Application

- Please read the terms and conditions, and guidelines carefully before filling-up the application form.
- Please attach all relevant documents along with this application.
- Please use additional sheets to furnish information, wherever necessary.
- Indian Energy Exchange or The Exchange or IEX has been used interchangeably unless otherwise specified.

Terms and conditions for seeking Professional Membership of IEX

1. An applicant shall be an Indian national.
2. The applicant shall submit the application form (Part-A) along with an amount as specified in Fee and Deposit structure attached as Annexure with the form. Fees and Deposit structure will include the following:
 - Admission Fees
 - Interest free Security Deposit
 - Annual Subscription Fees
 - Processing Fees
3. This amount has to be remitted to our office by way of demand draft favoring '**Indian Energy Exchange Ltd.**' along with the following documents, (duly attested by the applicant), which are a part of the membership eligibility criteria:
 - a) In case of Corporates:-
 - i. Board Resolution seeking membership of the Exchange and for appointment of authorized signatories and authorized persons.
 - ii. Copy of PAN card of the applicant
 - iii. Certified copy of Memorandum and Articles of Association
 - iv. Shareholding pattern
 - v. Latest Annual Report / Auditors Report
 - vi. Bio data of the Managing Partners / Designated Directors who have signed the Membership application form
 - vii. Net worth Certificate as on after 31-03-2008 along with statement issued by Chartered Accountant. Net worth criteria is as mentioned in the Annexure attached

- b) In case of a Partnership firm:-
 - i. Copy of Firm Registration Certificate,
 - ii. Copy of PAN card of the applicant
 - iii. Copy of registered Partnership Agreement, undertaking from all partners authorizing the Managing Partner and
 - iv. Sharing pattern
 - v. Brief history of Applicant
- c) In case of Government owned distribution licensees, trading companies and generating companies need to submit only following documents along with the application form.
 - i. Copy of PAN card of the applicant.
 - ii. Board Resolution seeking membership of the Exchange and for appointment of authorized signatories and authorized persons.
 - iii. Certified copy of Memorandum and Articles of Association.
 - iv. Copy of Latest Annual Report.
 - v. Net worth Certificate as on after 31-03-2008 along with statement issued by Chartered Accountant. Net worth criteria is as mentioned in the Annexure attached
- d) Trading Licensees shall submit only following documents along with the application form
 - i. Copy of Valid Trading License,
 - ii. Board Resolution seeking membership of the Exchange and for appointment of authorized signatories and authorized persons
 - iii. Copy of PAN card of the applicant
- e) Any other document as specified by the Exchange from time to time
- 4. On confirmation by the Exchange, the applicant shall remit the balance amount, if any, within 15 days from the date of intimation about the decision of the Exchange, appointing the said person as a Member of the Exchange. The payment shall be made by way of demand draft favoring '**Indian Energy Exchange Ltd.**' payable at Delhi.
- 5. The applicant shall submit the following documents with IEX after the Exchange has intimated the applicant about his selection. These documents would be required before commencement of the operations:
 - a) Professional Membership Undertaking
 - b) Know Your Client – Client Registration Form (In case of Member having Client)
 - c) Intimation of Compliance officer

- d) Any other document, as may be specified by the exchange from time to time
 - e) In case Professional Member intends to transact on its own behalf, he will also need to submit Standing Clearance from RLDC/SLDC, as the case may be.
6. The Exchange reserves the right to accept or reject any application or amend the terms and conditions without assigning any reason whatsoever.
 7. In case the amount is not paid as per schedule provided by the Exchange, then the Exchange reserves the right to reject/ terminate the membership and forfeit the money paid to IEX
 8. Application once submitted cannot be withdrawn as the application are being processed on first-cum-first serve basis

Note:

- i) The main objects of the company, who wish to trade on behalf of clients, should include the business of trading or transacting in electricity.
- ii) Membership is transferable after THREE years
- iii) Admission Fees is non refundable
- iv) Interest free Security Deposit is refundable after THREE years on surrender of the membership.

Indian Energy Exchange Limited

10th Floor, B Wing, Statesman House, Barakhamba Road,
Connaught Place, New Delhi 110 001, India.

Tel: +91-11-4300 4000, Fax: +91-11-4300 4015

Email: membership@iexindia.com, Website: www.iexindia.com

APPLICATION FOR PROFESSIONAL MEMBERSHIP

(Part-A)

The Director

Indian Energy Exchange Ltd.

Dear Sir,

I/We am/are desirous of becoming a Professional Member of Indian Energy Exchange Limited (IEX). I/we, hereby apply for said membership and, undertake, to conform to and to abide by the Memorandum & Articles of Association and the Rules, Bye-Laws, Regulations, Business Rules, Circulars, Notifications and Office Orders, issued by the Exchange, from time to time. I/We shall be liable for all contracts and transactions in the Exchange entered into by us or by our authorized persons and I/We shall comply with all the requirements of the Exchange relating to settlement thereof. I/We shall also abide by all decisions of the Exchange with respect to the operations of the Exchange and would perform accordingly in meeting my/our financial, regulatory and operational responsibility as decided by the Exchange from time to time. I/We agree to be responsible for all non-compliance and the Exchange shall reserve all rights of disciplinary action for any non-compliance by me/us.

Pursuant to above, I/we submit below the details of my/our candidature:

1	Name of the Applicant (Full)	
2	Registered Office Address	
	City:	
	State:	
	Pin code:	
	Telephone No.:	
	Fax No: (with STD Code):	
	Email:	
	Name of the contact person(s):	
	Mobile No.:	

3	Address for Correspondence City: State: Pin code: Telephone No.: Fax No: (with STD Code): Email: Name of the contact person(s): Mobile No.:	
4	Name of the Region in which you are operating or propose to operate	
5	System details (For member trading on his own behalf) a) Maximum Capacity to Inject b) Maximum Capacity of Drawl c) Voltage Level d) Point of Connection (Name of EHV station of ISTS/InSTS) e) Single Line Diagram of Point of Connection f) If applicant is embedded in DISCOM • Name of DISCOM • State	
6	Nationality	
7	Constitution	Individual/Registered Partnership Firm/Private Ltd Co./HUF/Public Ltd Co/Institution/PSU/Others
8	Date of Incorporation/Registration	
9	Details of Chief Executive / Proprietor / Partner / Director Name: Designation: Tel.No: Fax No: (with STD Code) Mobile No: Email ID:	
10	Income Tax Permanent Account No.	
11	Details of your Existing Bank Name and Branch Address: Account No: Account is Operational since:	
12	Present Business/Occupation	

13	Present Net worth	Rslakh as on
14	<p>Please give following details of the applicant: Strike out which is not applicable (Yes/No)</p> <p>a) Have you been declared/rendered incompetent to enter into the contract under any law in force in India?</p> <p>b) Have you ever been declared a defaulter by any Regulator/Association or Exchange recognized by the Government under any law</p> <p>c) Whether any court case is pending against applicant/directors/partners?</p> <p>d) Have you ever been pronounced guilty of a criminal offence involving moral turpitude?</p> <p>e) Has any disciplinary action been taken by any commodity/stock exchange against you or any of the partners/ promoters/ directors/ shareholders/ employees of yours?</p> <p>f) Have you ever been adjudged bankrupt or have been proved to be insolvent at any time?</p> <p>g) Have you ever been involved in litigations, suits or proceedings or have been involved in any financial liability of contingent or unascertained nature?</p> <p>h) Have you ever been at any time convicted of an offence involving fraud or dishonesty or financial irregularities?</p> <p>i) Have you ever been associated with or a trading member of or subscriber to or a shareholder or debenture holder of any other commodity/ Stock exchange?</p> <p>j) Have you ever been denied / rejected membership of any commodity / stock exchange or commercial organization? If yes, when?</p> <p>k) Have you committed any act which may render you liable to be wound up?</p> <p>l) Have you ever been suspended/ expelled/ declared a defaulter on any other commodity/ stock exchange or have been debarred from trading in commodities/securities by any Regulatory Authorities like FMC/ RBI/ SEBI etc?</p> <p>m) Have you ever had a provisional liquidator or receiver or official liquidator appointed by a competent court against you?</p> <p>n) Have you ever been punished for contravention of any of the provisions of Electricity Act, 2003 or any rules or regulations made there under (In case answers to any of the above questions is yes, then please provide relevant details enclosing a separate sheet)</p>	<p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p> <p>Yes/No</p>

APPLICATION FOR PROFESSIONAL MEMBERSHIP

We undertake that any misstatement or misrepresentation or suppression of facts in connection with this application for membership or breach of any undertaking or condition of admission to membership may entail rejection of our application or expulsion of our membership.

I/We hereby state that the above-mentioned particulars are true, correct and complete to the best of my/our knowledge and information. I/We also state that no relevant material fact has been suppressed while applying for the Professional Membership of IEX.

I/We shall appear for interview, whenever called by the Exchange for my/our seeking the professional membership of the Exchange.

I/We shall pay the required fee and deposit to the Exchange and submit the necessary documents as stated in the terms and conditions and any other document as required by the Exchange for my/our seeking the professional membership of the Exchange.

Date:

Place:

Authorized Signatories:

Signature(s): [Signature Box 1] [Signature Box 2]

(Names of the signatories)

.....

(Designation of the signatories)

.....

(Names of the organization)

.....

Photographs:



IEX MEMBERSHIP FORM GUIDELINES

2. Signature and photo: Authorized signatory, as detailed below, shall sign the application, paste his recent passport size photo and sign across the photo:

Corporate	Two directors, authorized by the Board of Directors and supported by the Resolution
Individual	Individual
Partnership firm	Managing Partner, as authorized by the Registered Partnership Deed

Please write/call to IEX at the following address for further clarification

Head – Membership

Indian Energy Exchange Limited

10th Floor, B Wing, Statesman House, Barakhamba Road,
Connaught Place, New Delhi 110 001, India.

Tel: +91-11-4300 4000, Fax: +91-11-4300 4015

email: membership@iexindia.com, Website: www.iexindia.com

INSTRUCTIONS TO FILL PROPRIETARY MEMBERSHIP UNDERTAKING

1. The **PROPRIETARY MEMBERSHIP UNDERTAKING** has to be executed on a Non-Judicial Stamp Paper of the value prevailing in the state.
2. Please ensure that each and every blank in the Undertaking is duly filled.
3. Please ensure that each and every handwritten detail filled is to be countersigned by the authorized signatories and to be rubber stamp at the place shown as _____
4. Members are requested to obtain the signature of the authorized signatories and rubber stamp on each and every page of the Undertaking.
5. Obtain signature of two witnesses on the last page of Undertaking.
6. In case of a corporate entity affix the common seal of the Company on the last page of the Undertaking.
7. The Undertaking is to be Notarized.
8. Please type the following on the Stamp Paper (as the first page).

PROPRIETARY MEMBERSHIP UNDERTAKING

This Non-Judicial Stamp paper of Rs 300 forms part and parcel of this Undertaking submitted to Indian Energy Exchange Limited executed by

Mr./Mrs./M/s. _____ on
_____ day of _____, 20 ____.

Signature (1).....
Rubber Stamp

Signature (2).....
Rubber Stamp

Notary(Stamp & Seal)

Notary(Stamp & Seal)

This undertaking is given at ____ this day of, 20....

To

Indian Energy Exchange Limited
New Delhi
India

Hereinafter called "IEX" (which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include their successors and assigns)

BY

.....

Registered Office:

.....

Hereinafter called "the Undersigned" (which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns).

WHEREAS IEX has agreed to admit the Undersigned as a Proprietary Member on IEX in accordance with the Bye-Laws, Rules and Business Rules of IEX in force from time to time.

AND WHEREAS IEX, as a pre-condition to the Undersigned being admitted as a Proprietary Member, requires the Undersigned to furnish the Undertaking in the manner and on the terms specified herein below:

NOW, THEREFORE in consideration of IEX admitting the Undersigned as a Proprietary Member of IEX, the Undersigned hereby undertakes and agrees that:

1. The Undersigned shall comply with all such requirements, existing and future, with regard to and in connection with appointment and continuance as a Proprietary Member.
- 2.

Signature (1).....
Rubber Stamp

Signature (2).....
Rubber Stamp

Notary (Stamp & Seal)

Notary (Stamp & Seal)

On being admitted as a Proprietary, the Undersigned shall be active participant of IEX.

3. The Undersigned shall abide by, comply with and be bound by the Bye- Laws, Rules and Business Rules of IEX, as amended, as in existence or in force from time to time and any modification through any circular, order, direction, notice, instruction issued and in force from time to time.
4. The Undersigned shall abide by the code of conduct as laid down by IEX from time to time.
5. The Undersigned agrees that IEX shall be entitled to amend its Bye-laws, Rules and Business Rules unilaterally and the Undersigned shall be deemed to have consented to them, and accordingly be bound by the Bye-laws, Rules and Business Rules prevailing from time to time and IEX shall be entitled to all powers vested in them under its Rules, Business Rules and Bye-laws, by which the Undersigned unconditionally agrees to be bound.
6. The Undersigned shall maintain and preserve such information, records, books and documents pertaining to the working of the Undersigned as a Proprietary Member for such period as may be specified by IEX from time to time.
7. The Undersigned shall permit IEX or any other authority appointed by it for inspection, access to all records, books, information, documents and its offices as may be required.
8. The Undersigned shall submit periodic reports, statements, certificates and such other documents as may be required by IEX, and shall comply with such audit requirements as may be prescribed by IEX from time to time.
9. The Undersigned shall follow and comply with such orders or instructions, whether being in the nature of a penalty, fine or otherwise, as may be issued by IEX or any committee of IEX duly constituted for the purpose, in the event of the Undersigned committing any violation of any Bye-Laws, Rules, Business Rules or practice or code of conduct prescribed by IEX in respect of conduct of the business on IEX.
10. The Undersigned shall conduct business at IEX prudently and shall ensure that it will not be prejudicial or detrimental to public interest in general, and to IEX in particular.
11. If any difference or dispute shall arise as to the interpretation, meaning or effect of this Undertaking or as to the rights and liabilities of the parties to this Undertaking or in respect of any other matter relating to IEX operations, the decision of IEX shall be final, conclusive and binding on the Undersigned.

Signature (1).....
Rubber Stamp

Signature (2).....
Rubber Stamp

Notary(Stamp & Seal)

Notary(Stamp & Seal)

12. The Undersigned shall abide by and adopt the Bye-Laws, Rules and Business Rules of the clearing and settlement systems of IEX and any other agencies appointed by IEX for this purpose and any amendments made thereto from time to time.
13. The Undersigned shall pay the costs and expenses including fees prescribed by IEX from time to time, as communicated by IEX forthwith on receipt of notice to the effect.
14. The Undersigned shall use IEX infrastructure facilities and equipment only for the purpose for which they are permitted to be used so.
15. The Undersigned shall furnish security deposits, pledge of securities, hypothecation of movables, lien on bank accounts or such other security as may be required by IEX from time to time and to do all acts, deeds and things to enable IEX to exercise all or part of the above mentioned securities to secure recovery of default in payment and other incidental charges relating to default and other dues of IEX and clearing house, if any.
16. The Undersigned shall bring in additional margin deposits and funds as and when required as decided from time to time to participate in the trading and clearing operations on IEX.
17. The Undersigned are aware that the Undersigned would be/is admitted as a Proprietary Member of IEX on paying the prescribed membership fee and security deposit and that the membership is not transferable for a minimum period of 3 (three) years or any minimum period as may be stipulated from time to time by IEX and the Undersigned do unequivocally undertake that the Undersigned shall not be entitled to make any claim for refund of the security deposit for a minimum period of 3 (three) years even if the Undersigned intend to cease or to discontinue to trade on IEX.
18. Without prejudice to the foregoing, IEX shall be entitled to forfeit any property, funds, amounts, deposits or other sums due to the Undersigned or to the credit of the Undersigned in such events or contingencies as may be stipulated in its Rules, Business Rules and Bye-laws of IEX in force from time to time.
19. IEX shall not be held responsible or liable for any failure of computer systems, telecommunication network and other equipment installed at the offices of the Undersigned and IEX shall also not be held responsible for any misuse, mishandling, damage, loss, defect or injury and IEX has the right to inspect and supervise all computer systems, software programmes, telecommunications equipment, VSAT and the like, which are provided by IEX at the office of the Undersigned and the Undersigned shall not make any alterations, modifications and changes without prior written consent of IEX.

Signature (1).....
Rubber Stamp

Signature (2).....
Rubber Stamp

Notary (Stamp & Seal)

Notary (Stamp & Seal)

20. The Undersigned shall not disclose, reveal, publish and advertise any material information relating to operations, membership, software, hardware, and the like of IEX without prior written consent of IEX except and to the extent as may be required in the normal course of its business. Similarly, the Undersigned hereby agrees not to use without prior written approval of IEX, the name of IEX to directly or indirectly promote its business.
21. Where in the opinion of IEX any change in the composition of the board of directors of the Undersigned has resulted or is likely to result due to any direct or indirect transfer of shares or securities in the share capital of the Undersigned, IEX will be entitled to review continuation of the Undersigned as a Proprietary Member of IEX and, the Undersigned shall be bound by any decision taken by IEX in this regard which shall be final.
22. The Undersigned hereby confirms and undertakes that he is competent in all respects to become a Proprietary Member of IEX and participate in electricity trading. The Undersigned further confirms that in case of any doubt or reference in future regarding validity of his candidature to become a Proprietary Member, the onus to prove the same shall lie on the Undersigned himself and IEX shall not be liable for any matter in case of such eventuality.
23. The Undersigned hereby confirms that in case of default of the Undersigned, he shall be liable to pay the dues of IEX out of his or their personal assets.
24. The Undersigned shall execute, sign, and subscribe to such other documents, papers, agreement, covenants, bonds, and/or undertakings as may be prescribed or required by IEX from time to time.
25. The Undersigned undertakes to make such contributions to Settlement Guarantee Fund or any other fund pertaining to IEX as and when required by IEX and also comply with all requirements of IEX in respect thereof.
26. The Undersigned shall arrange to get itself registered with respective relevant authorities under the law of land for the purpose of participating in the trading and clearing operations of IEX.
27. The Undersigned has received consent from respective DISCOM/STU/SLDC/RLDC, whichever applicable, to trade electricity on IEX.
28. The Undersigned shall abide by provisions of the Electricity Act, 2003 or any rules or regulations made thereunder or Grid Code or any other applicable Act or any rules or regulations made thereunder.

Signature (1).....
Rubber Stamp

Signature (2).....
Rubber Stamp

Notary (Stamp & Seal)

Notary (Stamp & Seal)

29. The Undersigned undertakes to subscribe to at his/its cost the mandatory centralized insurance cover as required by IEX for the Proprietary Members at IEX to pay the insurance premium as may be required by IEX and also to comply with all requirements of IEX in respect thereof.
30. That the Undersigned shall forthwith notify IEX in writing as and when any notice is received by any one or more of the Undersigned in connection with any institution of insolvency proceedings against any one or more of the Undersigned and that it shall also inform IEX in writing before any one or more of the Undersigned initiate(s) any insolvency proceedings to be declared to be insolvent(s). The Undersigned further undertakes that it shall forthwith inform IEX in writing on the onset of any circumstance which is likely to or may render any one or more of the Undersigned to be declared to be insolvent(s) or which is likely to or may render any one or more of the Undersigned liable to be subject to insolvency proceedings.
31. That the fees, security deposits, other monies and any additional deposits paid, whether in the form of cash, bank guarantee, securities or otherwise, with IEX, by the Undersigned from time to time, shall be subject to a first and paramount lien for any sum due to IEX and all other claims against the Undersigned for due fulfillment of engagements, obligations and liabilities of the Undersigned arising out of or incidental to any dealings made subject to the Bye-Laws, Rules and Business Rules of IEX. IEX shall be entitled to adjust or appropriate such fees, deposits and other monies for such dues and claims, to the exclusion of other claims against the Undersigned, without any reference to the Undersigned.
32. That without prejudice to the rights, remedies whether legal or otherwise available to IEX upon the Undersigned's non-compliance with this Undertaking, the Undersigned shall indemnify and keep indemnified IEX against any loss, injury or damage suffered by it whether legal or otherwise arising due to its non-compliance with the provisions of this Undertaking.
33. That this Undertaking shall be binding upon the heirs, legal representatives, successors and assigns of the Undersigned.
34. The Undersigned further agrees that IEX reserves the right to terminate the membership of the applicant, at its absolute discretion and at any time, in the event of non-compliance of any clause of this Undertaking.

Signature (1).....
Rubber Stamp

Signature (2).....
Rubber Stamp

Notary (Stamp & Seal)

Notary (Stamp & Seal)

35. That the Undersigned shall forthwith notify, in writing, IEX of any change in its constitution or articles of association.

The Undersigned do hereby confirm that the information provided in the application form of the Undersigned for the Proprietary Member of IEX is true and correct to the best of the knowledge and belief of the Undersigned and that the above Undertakings will be binding on the successors, heirs, legal representatives and permitted assigns of the Undersigned.

Signed and delivered by the within named Proprietary Member.

Name of the Proprietary Member.....

Signature (1).....
Rubber Stamp

Signature (2).....
Rubber Stamp

.....

Address:

.....
.....

Name: **Signature:**

Address:

.....
.....

The common seal of _____

_____ was hereunto affixed pursuant to a resolution passed at a meeting of the Board of Directors of the Company held on _____ day of _____ 20____ in the presence of * _____

COMMON SEAL:

Signature (1).....

Signature (2).....

Rubber Stamp:

Rubber Stamp:

Common seal:

* As required by the Articles of Association of the Company

Notary (Stamp & Seal)

INSTRUCTIONS TO FILL PROFESSIONAL MEMBERSHIP UNDERTAKING

1. The PROFESSIONAL MEMBERSHIP UNDERTAKING has to be executed on a Non-Judicial Stamp Paper of the value prevailing in the state.
2. Please ensure that each and every blank in the Undertaking is duly filled.
3. Please ensure that each and every handwritten detail filled is to be countersigned by the authorized signatories and to be rubber stamp at the place shown as _____
4. Members are requested to obtain the signature of the authorized signatories and rubber stamp on each and every page of the Undertaking.
5. Obtain signature of two witnesses on the last page of Undertaking.
6. In case of a corporate entity affix the common seal of the Company on the last page of the Undertaking.
7. The Undertaking is to be Notarized.
8. Please type the following on the Stamp Paper (as the first page).

PROFESSIONAL MEMBERSHIP UNDERTAKING

This Non-Judicial Stamp paper of Rs. 300 forms part and parcel of this Undertaking submitted to Indian Energy Exchange Limited executed by

Mr./Mrs./M/s. _____ on
_____ day of _____, 20 ____.

Signature (1).....
Rubber Stamp

Signature (2).....
Rubber Stamp

Notary (Stamp & Seal)

Notary (Stamp & Seal)

This undertaking is given at this day of, 20....

To

Indian Energy Exchange Limited
New Delhi
India

Hereinafter called "IEX" (which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include their successors and assigns)

BY

.....

Registered Office:

.....

Hereinafter called "the Undersigned" (which expression shall unless repugnant to the context or meaning thereof be deemed to include its successors and permitted assigns).

WHEREAS IEX has agreed to admit the Undersigned as a Professional Member on IEX in accordance with the Bye-Laws, Rules and Business Rules of IEX in force from time to time.

AND WHEREAS IEX, as a pre-condition to the Undersigned being admitted as a Professional Member, requires the Undersigned to furnish the Undertaking in the manner and on the terms specified herein below:

NOW THEREFORE in consideration of IEX admitting the Undersigned as a Professional Member of IEX, the Undersigned hereby undertakes and agrees that:

1. The Undersigned shall comply with all such requirements, existing and future, with regard to and in connection with appointment and continuance as a Professional Member.
2. On being admitted as a Professional member, the Undersigned shall be active participant of IEX.

Signature (1).....
Rubber Stamp

Signature (2).....
Rubber Stamp

Notary (Stamp & Seal)

Notary (Stamp & Seal)

3. The Undersigned shall abide by, comply with and be bound by the Bye- Laws, Rules and Business Rules of IEX, as amended, as in existence or in force from time to time and any modification through any circular, order, direction, notice, instruction issued and in force from time to time.
4. The Undersigned shall abide by the code of conduct as laid down by IEX from time to time.
5. The Undersigned agrees that IEX shall be entitled to amend its Bye-laws, Rules and Business Rules unilaterally and the Undersigned shall be deemed to have consented to them, and accordingly be bound by the Bye-laws, Rules and Business Rules prevailing from time to time and IEX shall be entitled to all powers vested in them under its Rules, Business Rules and Bye-laws, by which the Undersigned unconditionally agrees to be bound.
6. The Undersigned shall maintain and preserve such information, records, books and documents pertaining to the working of the Undersigned as a Professional Member for such period as may be specified by IEX from time to time.
7. The Undersigned shall permit IEX or any other authority appointed by it for inspection, access to all records, books, information, documents and its offices as may be required.
8. The Undersigned shall submit periodic reports, statements, certificates and such other documents as may be required by IEX, and shall comply with such audit requirements as may be prescribed by IEX from time to time.
9. The Undersigned shall follow and comply with such orders or instructions, whether being in the nature of a penalty, fine or otherwise, as may be issued by IEX or any committee of IEX duly constituted for the purpose, in the event of the Undersigned committing any violation of any Bye-Laws, Rules, Business Rules or practice or code of conduct prescribed by IEX in respect of conduct of the business on IEX.
10. The Undersigned shall conduct business at IEX prudently and shall ensure that it will not be prejudicial or detrimental to public interest in general, and to IEX in particular.
11. If any difference or dispute shall arise as to the interpretation, meaning or effect of this Undertaking or as to the rights and liabilities of the parties to this Undertaking or in respect of any other matter relating to IEX operations, the decision of IEX shall be final, conclusive and binding on the Undersigned.

Signature (1).....
Rubber Stamp

Signature (2).....
Rubber Stamp

Notary (Stamp & Seal)

Notary (Stamp & Seal)

12. The Undersigned shall abide by and adopt the Bye-Laws, Rules and Business Rules of the clearing and settlement systems of IEX and any other agencies appointed by IEX for this purpose and any amendments made thereto from time to time.
13. The Undersigned shall pay the costs and expenses including fees prescribed by IEX from time to time, as communicated by IEX forthwith on receipt of notice to the effect.
14. The Undersigned shall use IEX infrastructure facilities and equipment only for the purpose for which they are permitted to be used so.
15. The Undersigned shall furnish security deposits, pledge of securities, hypothecation of movables, lien on bank accounts or such other security as may be required by IEX from time to time and to do all acts, deeds and things to enable IEX to exercise all or part of the above mentioned securities to secure recovery of default in payment and other incidental charges relating to default and other dues of IEX and clearing house, if any.
16. The Undersigned shall bring in additional margin deposits and funds as and when required as decided from time to time to participate in the trading and clearing operations on IEX.
17. The Undersigned are aware that the Undersigned would be/is admitted as a Professional Member of IEX on paying the prescribed membership fee and security deposit and that the membership is not transferable for a minimum period of 3 (three) years or any minimum period as may be stipulated from time to time by IEX and the Undersigned do unequivocally undertake that the Undersigned shall not be entitled to make any claim for refund of the security deposit for a minimum period of 3 (three) years even if the Undersigned intend to cease or to discontinue to trade on IEX.
18. Without prejudice to the foregoing, IEX shall be entitled to forfeit any property, funds, amounts, deposits or other sums due to the Undersigned or to the credit of the Undersigned in such events or contingencies as may be stipulated in its Rules, Business Rules and Bye-laws of IEX in force from time to time.
19. IEX shall not be held responsible or liable for any failure of computer systems, telecommunication network and other equipment installed at the offices of the Undersigned and IEX shall also not be held responsible for any misuse, mishandling, damage, loss, defect or injury and IEX has the right to inspect and supervise all computer systems, software programs, telecommunications equipment, VSAT and the like, which are provided by IEX at the office of the Undersigned and the Undersigned shall not make any alterations, modifications and changes without prior written consent of IEX.

Signature (1).....
Rubber Stamp

Signature (2).....
Rubber Stamp

Notary (Stamp & Seal)

Notary (Stamp & Seal)

20. The Undersigned shall not disclose, reveal, publish and advertise any material information relating to operations, membership, software, hardware, and the like of IEX without prior written consent of IEX except and to the extent as may be required in the normal course of its business. Similarly, the Undersigned hereby agrees not to use without prior written approval of IEX, the name of IEX to directly or indirectly promote its business.
21. Where in the opinion of IEX any change in the composition of the board of directors of the Undersigned has resulted or is likely to result due to any direct or indirect transfer of shares or securities in the share capital of the Undersigned, IEX will be entitled to review continuation of the Undersigned as a Professional Member of IEX and, the Undersigned shall be bound by any decision taken by IEX in this regard which shall be final.
22. The Undersigned hereby confirms and undertakes that he is competent in all respects to become a Professional Member of IEX and participate in electricity trading. The Undersigned further confirms that in case of any doubt or reference in future regarding validity of his candidature to become a Professional Member, the onus to prove the same shall lie on the Undersigned himself and IEX shall not be liable for any matter in case of such eventuality.
23. The Undersigned hereby confirms that in case of default of the Undersigned, he shall be liable to pay the dues of IEX out of his or their personal assets.
24. The Undersigned shall execute, sign, and subscribe to such other documents, papers, agreement, covenants, bonds, and/or undertakings as may be prescribed or required by IEX from time to time.
25. The Undersigned undertakes to make such contributions to Settlement Guarantee Fund or any other fund pertaining to IEX as and when required by IEX and also comply with all requirements of IEX in respect thereof.
26. The Undersigned shall arrange to get itself registered with respective relevant authorities under the law of land for the purpose of participating in the trading and clearing operations of IEX.
27. The Undersigned has received consent from respective DISCOM/STU/SLDC/RLDC, whichever applicable, to trade electricity on IEX.
28. The Undersigned shall abide by provisions of the Electricity Act, 2003 or any rules or regulations made there under or Grid Code or any other applicable Act or any rules or regulations made there under.

Signature (1).....
Rubber Stamp

Signature (2).....
Rubber Stamp

Notary (Stamp & Seal)

Notary (Stamp & Seal)

29. The Undersigned undertakes to subscribe to at his/its cost the mandatory centralized insurance cover as required by IEX for the Professional Members at IEX to pay the insurance premium as may be required by IEX and also to comply with all requirements of IEX in respect thereof.
30. That the Undersigned shall forthwith notify IEX in writing as and when any notice is received by any one or more of the Undersigned in connection with any institution of insolvency proceedings against any one or more of the Undersigned and that it shall also inform IEX in writing before any one or more of the Undersigned initiate(s) any insolvency proceedings to be declared to be insolvent(s). The Undersigned further undertakes that it shall forthwith inform IEX in writing on the onset of any circumstance which is likely to or may render any one or more of the Undersigned to be declared to be insolvent(s) or which is likely to or may render any one or more of the Undersigned liable to be subject to insolvency proceedings.
31. That the fees, security deposits, other monies and any additional deposits paid, whether in the form of cash, bank guarantee, securities or otherwise, with IEX, by the Undersigned from time to time, shall be subject to a first and paramount lien for any sum due to IEX and all other claims against the Undersigned for due fulfillment of engagements, obligations and liabilities of the Undersigned arising out of or incidental to any dealings made subject to the Bye-Laws, Rules and Business Rules of IEX. IEX shall be entitled to adjust or appropriate such fees, deposits and other monies for such dues and claims, to the exclusion of other claims against the Undersigned, without any reference to the Undersigned.
32. That without prejudice to the rights, remedies whether legal or otherwise available to IEX upon the Undersigned's non-compliance with this Undertaking, the Undersigned shall indemnify and keep indemnified IEX against any loss, injury or damage suffered by it whether legal or otherwise arising due to its non-compliance with the provisions of this Undertaking.
33. That this Undertaking shall be binding upon the heirs, legal representatives, successors and assigns of the Undersigned.
34. The Undersigned further agrees that IEX reserves the right to terminate the membership of the applicant, at its absolute discretion and at any time, in the event of non-compliance of any clause of this Undertaking.

Signature (1).....
Rubber Stamp

Signature (2).....
Rubber Stamp

Notary (Stamp & Seal)

Notary (Stamp & Seal)

35. That the Undersigned shall forthwith notify, in writing, IEX of any change in its constitution or articles of association.

The Undersigned do hereby confirm that the information provided in the application form of the Undersigned for the Professional Member of IEX is true and correct to the best of the knowledge and belief of the Undersigned and that the above Undertakings will be binding on the successors, heirs, legal representatives and permitted assigns of the Undersigned.

Signed and delivered by the within named Professional Member.

Name of the Professional Member.....

Signature (1).....
Rubber Stamp

Signature (2).....
Rubber Stamp

Witnesses

Name: **Signature:**

Address:
.....
.....

Name: **Signature:**

Address:
.....
.....

The common seal of _____
_____ was hereunto affixed pursuant to a resolution
passed at a meeting of the Board of Directors of the Company held on ____ day of
_____ 20__ in the presence of * _____

COMMON SEAL:

Signature (1).....

Signature (2).....

Rubber Stamp:

Rubber Stamp:

Common seal:

* As required by the Articles of Association of the Company

Notary (Stamp & Seal)

BIO DATA

Name in full with expansion of initials (First Name-Middle Name-Surname)	
Fathers /Husbands name in full (with expansion of initials)	
Date of birth (DD-MM-YYYY)	
Address: Office : Residence :	
Tel. No (with STD Code) : Office Residence	
Email	
Mobile No.	
Fax No.	
Pan No.	
Qualification	
Work Experience (in detail)	

Signature:

(Bio data has to be filled by each person, who has signed the Application form).

For increasing margin deposits by debiting settlement account
(On the letter head of the member)

Date: _____

The Clearing and Settlement Department
Indian Energy Exchange Ltd.
10th floor, B Wing, Statesman House,
Barakhamba Road, Connaught Place,
New Delhi, 110 001
Fax no.: 011 – 43004015

Dear Sir,

Sub.: Increase additional deposit / margin by debiting our settlement account

Bank details		
Member ID	Clearing bank	Settlement account no.

You are requested to **debit** my abovementioned settlement account with the amount as mentioned below in **(a)**. Accordingly, my margin deposits available with the Exchange may be increased as under:

	Description	Amount (Rs. in figures)	Amount (Rs. in words)
(a)	Debit my settlement account with:		
(b)	Previous debits on the same day:		
(c)	Total amount debited today (c=a+b):		

We have taken into consideration the ratio of cash and non-cash collaterals as specified in the Business Rules of the Exchange. We also understand that our margin limits shall increase accordingly and that the said amount shall be withheld with the Exchange, as additional deposit/ margin, until further instructions given by us.

Thanking you.

Yours faithfully

For _____

Signature of authorized signatory

Name: _____

Designation: _____

For releasing margin deposits by crediting settlement account
(On the letter head of the member)

Date: _____

The Clearing and Settlement Department
Indian Energy Exchange Ltd.
10th floor, B Wing, Statesman House,
Barakhamba Road, Connaught Place,
New Delhi, 110 001
Fax no.: 011 – 43004015

Dear Sir,

Sub: Release part amount of additional deposit / Margin available with the Exchange

Bank details		
Member ID	Clearing bank	Settlement account no.

You are requested to release the amount, as mentioned below from my margin deposits available with the Exchange and **Credit** my above-mentioned settlement account.

Description	Amount (Rs. in figures)	Amount (Rs. in words)
Amount to be released from additional deposit / margin and credit my settlement account by:		

We have taken into consideration ratio of cash and non-cash collaterals as mentioned in the Business Rules of the Exchange and understand that our margin limits shall be reduced accordingly. Also, we are aware that, if by this reduction the initial margin required to be maintained with the Exchange in cash is breached, the Exchange will not entertain the said request.

Thanking you.

Yours faithfully
For _____

Signature of authorized signatory

Name: _____

Designation: _____

INSTRUCTIONS TO SUBMIT THE BANK GUARANTEE

1. Enclosed Bank Guarantee should be stamped on a Non-Judicial stamp paper of Rs. 300 or the value prevailing in the State where executed, whichever is higher.
2. The following is required to be typed on the Stamp Paper as the First Page and duly signed:

This Non-Judicial Stamp paper of Rs. 300 forms part and parcel of this Bank Guarantee number..... dated.....issued in favour of Indian Energy Exchange Ltd. by us for M/s.

FOR..... (BANK)

..... (BRANCH)

AUTHORISED SIGNATORIES

SEAL OF THE BANK:

3. All the blanks in the format are required to be duly filled by the issuing bank along with their stamp and signature against each blank if filled separately.
4. **Each page** of the bank guarantee should bear the **bank guarantee number** and should be signed **by two authorized signatories of the bank.**
5. The bank guarantee can be obtained only from the Approved Banks

Format of the Bank Guarantee for Margin/Additional Deposit

GUARANTEE

This guarantee is issued by..... (bank), a body corporate constituted under the Act 19....., having its Head Office at (hereinafter referred to as the "Bank" which term shall wherever the context so permits, includes its successors and assigns) in favour of Indian Energy Exchange Ltd., a company established under the Companies Act, 1956 and having its registered office at 1ST floor, Malkani Chambers, Off. Nehru Road, Vile Parle (E), Mumbai 400 099 (hereinafter referred to as "IEX" which expression shall include its successors and assigns),

WHEREAS

1. M/s Limited, incorporated as a company under the Companies Act, 1956 and having its registered office at (Complete Address), (hereinafter referred to as the "Member", which expression shall include its successors and assigns) * is/are a Member of IEX.

2. One of the conditions of Membership of IEX is that the Member maintains with IEX a security deposit in the form of cash deposit of Rs.....(Rupeesonly) along with shares and other securities of a value not less than Rs. (Rupees..... only) after applying suitable margins as prescribed by IEX.

3. At the request of the Member, IEX has agreed to accept a bank guarantee in lieu of security deposit in the form of shares and other securities in favour of IEX from an approved commercial bank for an equivalent amount of Rs.....(Rupeesonly).

4. The Member has requested the Bank to furnish to IEX a guarantee for Rs..... (Rupeesonly).

Bank Guarantee number:
Signature of 2 Authorized Signatories of the Bank
Sign.....

Sign.....

NOW IN CONSIDERATION OF THE FOREGOING

1. We, the.....(Name of Bank) having a branch at
.....(Complete Address of Branch) at the request and desire of the Member do hereby irrevocably and unconditionally guarantee to pay a sum of Rs....., (Rupees only) to IEX as a security for due performance and fulfillment by the Member of his/her/its engagements, commitments, operations, obligations or liabilities as a Member of IEX including any sums due by the Member to IEX or any other party as decided by IEX arising out of or incidental to any contracts made, executed, undertaken, carried on or entered into or purported so to be, by the Member. The Bank agrees and confirms that the said guarantee shall be available as a security for meeting, satisfying, discharging or fulfilling all or any obligation or liability of the Member as directed and decided by IEX, with no reference to the Member.

2. The Bank hereby agrees that if in the opinion of IEX, the Member has been or may become unable to meet, satisfy, discharge or fulfill any obligations, liability or commitments or any part thereof to IEX, or its Clearing and Settlement mechanism / arrangement or to any other party as decided by IEX, then without prejudice to the rights of IEX under its Rules, Bye-Laws or Regulations or otherwise, IEX may at any time thereafter and without giving any notice to the Member invoke this guarantee to meet the aforesaid obligations, liabilities or commitments of the Member.

3. The Bank undertakes that it shall, on first demand of IEX, without any demur, protest or contestation and without any reference to the Member and notwithstanding any contestation by the Member, pay to IEX such sums not exceeding Rs..... (Rupees only) as may be demanded by IEX. The decision of IEX as to the obligations or liabilities or commitments of the Member and the amount claimed shall be final and binding on the Bank, and any demand made on the Bank shall be conclusive as regards the amount due and payable by the Bank under this guarantee.

4. The guarantee shall be a continuing guarantee and remain operative in respect of each of the obligations, liabilities or commitments of the Member severally and may be enforced as such in the discretion of IEX, as if each of the obligations, liabilities or commitments had been separately guaranteed by the Bank. The guarantee shall not be considered as cancelled or in any way affected on any demand being raised by IEX but shall continue and remain in operation in respect of all subsequent obligations, liabilities or commitments of the Member. However the maximum aggregate liability of the Bank during the validity of the guarantee shall be restricted to an aggregate sum of Rs..... (Rupees only).

Bank Guarantee number:

Signature of 2 Authorized Signatories of the Bank

Signature.....

Signature.....

4a. Notwithstanding the above, the Bank notes that the nature of operations of the Member is such that the obligations, liabilities or commitments of the Member are of a continuing nature and as such, Bank agrees that this guarantee can be invoked by IEX even in respect of the obligations, liabilities or commitments of the Member towards IEX which might have arisen prior to the execution of this guarantee.

5. This guarantee shall not be prejudiced by the failure of the Member to comply with the Rules or Bye Laws or Regulations of IEX or any terms and conditions attendant to the Membership of IEX. IEX shall be at liberty to vary, amend, change or alter any terms or conditions or its Rules or Bye Laws or Regulations of Membership to IEX in general or as applicable to the Member in particular from time to time, without thereby affecting its rights against the Member or the Bank or any other security belonging to Member now or hereafter held or taken by IEX at any time. The discretion to make demands under this guarantee shall exclusively be that of IEX and IEX is entitled to demand hereunder notwithstanding being in possession of any deposits or other securities of the Member.

6. The validity of this guarantee shall not be affected in any manner whatsoever if IEX takes any action against the Member including DECLARATION OF A DEFAULTER, SUSPENSION or EXPULSION of the Member from the membership of IEX.

7. This guarantee shall not be affected by any change to the constitution of IEX or the Member or the Bank and it shall remain in force notwithstanding any forbearance or indulgence that may be shown by IEX to Member.

8. The Bank undertakes to pay to IEX, the amount hereby guaranteed within 24 hours of being served with a written notice requiring the payment of the amount either by hand delivery or by Registered Post or by Speed Post.

9. This guarantee may be invoked by IEX in part(s) without affecting its rights to invoke this guarantee for any liabilities that may devolve later.

10. The Bank undertakes not to revoke this guarantee during its currency except with the previous consent of IEX in writing and this guarantee shall be a continuous and irrevocable guarantee upto a sum of Rs..... (Rupees only).

11. Notwithstanding anything mentioned herein above,

a) the liability of the Bank under this guarantee shall not exceed Rs..... (Rupees only)

b) This guarantee shall be valid for a period of thirty six months i.e. upto

Bank Guarantee number:.....

Signature of 2 Authorized Signatories of the Bank

Sign.

Sign.

c) The bank is liable to pay the guaranteed amount only if IEX serves upon the Bank a written claim or demand on or before (i.e. within three months after the date of expiry of the bank guarantee as mentioned in clause 11 b above).

Executed this.....day of at(place).

FOR (BANK)
..... (BRANCH)

AUTHORIZED SIGNATORIES

SEAL OF THE BANK

List of approved banks

S. No.	Public Sector Banks
1.	Allahabad Bank
2.	Andhra Bank
3.	Bank of Baroda
4.	Bank of India
5.	Bank of Maharashtra
6.	Canara Bank
7.	Central Bank of India
8.	Corporation Bank
9.	Dena Bank
10.	Indian Bank
11.	Indian Overseas Bank
12.	Oriental Bank of Commerce
13.	Punjab and Sind Bank
14.	Punjab National Bank
15.	State Bank of Bikaner and Jaipur
16.	State Bank of Hyderabad
17.	State Bank of India
18.	State Bank of Indore
19.	State Bank of Mysore
20.	State Bank of Patiala
21.	State Bank of Saurashtra
22.	State Bank of Travancore
23.	Syndicate Bank
24.	Union Bank Of India
25.	United Bank Of India
26.	Vijaya Bank
27.	UCO Bank

S. No.	Private Banks
1.	The Bank of Rajasthan Ltd.
2.	Centurion Bank of Punjab Ltd
3.	Federal Bank Ltd.
4.	HDFC Bank Ltd.
5.	ICICI Bank Ltd.
6.	IDBI Bank Ltd.
7.	ING Vyasa Bank Ltd
8.	IndusInd Bank Ltd.
9.	Jammu & Kashmir Bank Ltd.
10.	Kotak Mahindra Bank Ltd.
11.	The Karnataka Bank Ltd.
12.	The Karur Vyasa Bank Ltd.
13.	The South Indian Bank Ltd.
14.	The United Western Bank Ltd.
15.	The Catholic Syrian Bank Ltd.
16.	Tamilnad Mercantile Bank Ltd.
17.	UTI Bank Ltd.
18.	Yes Bank Ltd.
S. No.	Foreign Banks
1.	ABN Amro Bank N.V.
2.	Citibank N.A.
3.	Deutsche Bank A G
4.	Hong Kong and Shanghai Bank Ltd.
5.	Standard Chartered Bank

INSTRUCTIONS TO RENEW BANK GUARANTEE

1. The following is required to be typed on a non-judicial stamp paper of Rs. 300 or the value prevailing in the State where executed, whichever is higher.
2. Type the following on the stamp paper:

This non-judicial stamp paper of Rs 300/- forms part and parcel of this extension letter dated.....for Bank guarantee bearing no dated issued in favour of Indian Energy Exchange Ltd. by us for M/s/ Mr./ Ms.

FOR.....(BANK)
.....(BRANCH)

AUTHORIZED SIGNATORIES

SEAL OF THE BANK

3. All the blanks in the format are required to be duly filled by the issuing bank.
4. Each page of the bank guarantee should bear the bank guarantee number and should be signed by two authorized signatories of the bank.

Format for Renewal of Bank Guarantee for Additional Bank Guarantee

To,
Indian Energy Exchange Ltd.
4th Floor, Boston House,
Suren Road, Chakala
Andheri (East),
Mumbai- 400093.

We, (Bank) having our registered office at
..... and our branch office at
..... refer to the Bank Guarantee number:
..... executed by us on the.....day of 200..... at
..... (hereinafter referred to as "Said Guarantee") on account of Mr. / Ms./ M/s.
.....having his/her/ its/registered office
at.....

.....
(hereinafter referred to as a 'Clearing/Member') for a sum of Rs..... (Rupees
.....only) in your favour.

The validity of the Said Guarantee was upto

We now at the request of the Clearing/Member further extend the period of validity of the Said Guarantee upto..... and unless a demand under this guarantee is made on us in writing by you within three months after the date of expiry of this guarantee i.e., on or before all your rights under this guarantee shall cease and the bank shall be relieved and discharged from all liabilities there under.

The Said Guarantee may be invoked by Indian Energy Exchange Ltd. (the Exchange) in part(s) without affecting its rights to invoke the Said Guarantee for any liabilities that may devolve later.

We hereby affirm and confirm that save and except to the extent as provided for herein above, the Said Guarantee together with all other terms and conditions therein shall remain operational and in full force and effect till.....

Bank Guarantee Number.....

Signed for and on behalf of _____ on this
_____ day of _____ at _____.

FOR _____ BANK)

Signature of Authorized representatives of Bank:and

Seal of Bank:

Letter from the Bank confirming the Lien on Fixed Deposit

To,

The Clearing and Settlement Department
Indian Energy Exchange Ltd.
10th floor, B Wing, Statesman House,
Barakhamba Road, Connaught Place,
New Delhi, 110 001
Fax no.: 011 – 43004015

Dear Sir,

We refer to the fixed deposit receipt (FDR) bearing no.....issued for Rs..... in your name (A/c Clearing/Member's name)

We hereby confirm that

- i) there is no lock in period for encashment of the said FDR.
- ii) the amount under the said FDR would be paid to you on demand, without demur, on or before the maturity of the said FDR without any reference to the(name of Clearing/Member).
- iii) encashment whether premature or otherwise would not require any clearance from any other authority / person.
- iv) we agree that on the encashment of FDR, the interest accrued will also be released to you.
- v) we agree that the FDR will be renewed for such periods as you may instruct.

Yours faithfully,

Authorized Signatory
Name of the signatory
(Name of the Bank)

Annexure - IX

Letter from the Member regarding Lien on Fixed Deposit
(On Member letter-Head)

To,

The Clearing and Settlement Department
Indian Energy Exchange Ltd.
10th floor, B Wing, Statesman House,
Barakhamba Road, Connaught Place,
New Delhi, 110 001
Fax no.: 011 – 43004015

FDR No : _____

Maturity Date : _____

Dear Sir,

As per the requirement of Indian Energy Exchange Ltd. and in compliance of the prescribed norms of Indian Energy Exchange Ltd., we have to furnish you security deposit and accordingly, have furnished you the same in the form of FDR placed with _____ Bank, issued as Indian Energy Exchange Ltd. A/c _____ (name of the Clearing/ Member) for Rs. _____/- (Rupees _____ only)

I/We hereby agree and consent that you shall have an irrevocable authority to encash the said FDR and to withdraw the said FDR amount at any time, even prior to maturity, without notice to me/us for recovery/adjustment of Indian Energy Exchange Ltd. dues and we have no objections whatsoever for the same.

I/We agree that you may renew the FDR for period of one year each time till the FDR is released by you.

I/we agree that on the encashment of FDR, you will be entitled to the interest accrued on the said FDR and you are hereby authorized to receive the accrued interest from the Bank along with the principal amount (FDR amount) payable.

Yours faithfully,

Authorized Signatory
Name of the signatory

(Member Name)

Member Stamp.

Characteristics of hourly DAM contracts

Day-Ahead Market hourly contract specifications

Product definition	24 separate hour periods throughout the following delivery day (D).
Trading system	IEX (Leased Line)
When to place orders	10:00 AM to 12:00 PM of previous day (D-1)
Fixing times	15:00 hrs of D-1 (dispute settlement period: 30 min.)
Minimum volume	1 MW (Maximum allowable quantity for buy/ sell in the standing clearance, it should not be less than this quantity)
Minimum volume step	0.1 MW
Minimum quotation step	Rs. 1 per MWh
Quotation method	Closed auction (Market Clearing Price and Market Clearing Volume calculation) by linear interpolation
Order wording	Trader's ID, instrument, quantity/price combination
Delivery point	Periphery of Regional Transmission System in which the grid-connected exchange entity , is located.
Settlement	Daily settlement at ACP* volume traded. Final settlement adjusted for any force majeure deviations.
Transmission charges	a) Regional Transmission System: As Per Central Electricity Regulatory Commission (Open Access in inter-State Transmission) Regulations, 2008. b) State Transmission System: As per the concerned State Electricity Regulatory Commission's Regulations/ CERC (Open access) Regulations, 2008.
Transmission losses	Payable in kind from delivery point to its grid connection point.

Contract Specification: - Regional Day Ahead Contingency Contracts (RDACC)

Annexure X (a)

Sr No.	Item	Details
1	Contract Name*	Region wise Day-Ahead Contingency Contracts
2	Contract Code*	“Month Year-‘H’ Hour-‘D’ Delivery Day-Region” (e.g.SEP09-H01-D16-NR) Where, Month: Month of delivery day. Year: Year of delivery day Hour: Hour of delivery Delivery Day : Delivery Day Region: Region of seller's delivery point. One contract for each region will be available.
3	Contract Type	Delivery Option - Firm Delivery
4	Regions	Regional contracts one each for each electrical region will be available for trading i.e. for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (AR)
5	Contract available for Trading	Hourly contracts from 1 st Hour to 24 th Hour i.e. 24 contracts of one hour each.
6	Trading day*	A day before delivery day or as per trading calendar declared in advance.
7	Trading Session*	On each trading day, one continuous trading session will be made available to the members for bidding.
8	Bidding process	Seller will submit bid for the contract of that region to which he belongs. Whereas a buyer can buy any regional contract. Netting off (square off) of positions will not be allowed.
9	Matching of Bids	Continuous trade session. Details in clause 33 (B) of Business Rules. Each trade will be sent for scheduling, on trade to trade basis.
10	Trading Hours*	Continuous trade session: 03.00 PM to 05.00 PM on trading day i.e. one day before delivery date or as per trading calendar
11	Minimum Volume quotation*	1 MW
12	Minimum Volume Step*	1MW
13	Lot size	1 MW * 1 Hour
14	Maximum bid size*	Bids should not be more than the allowed MW in any of Concurrence/Clearance issued by its SLDC to the Members/Clients at any time. It will be the responsibility of the Member to adhere to this rule.
15	Price Quote Basis	Rs. per MWh (excluding all fees,charges, taxes, if applicable)
16	Price Tick*	Rs. 1 per MWh
17	Volume Tick size	1 MWh/h
18	Quantity Variation	Zero quantity variation allowed.
19	Settlement	Traded price * Quantity scheduled by RLDC at delivery point.

20	Initial Margins (Operational Limit)*	5% margin from buyers and sellers of the total order value should be available in cash/non cash collaterals with the exchange at the time of bidding for continuous trading sessions.
21	Additional Margin*	100% from Buyer
22	Variation Margin*	NA
23	Extreme Loss Margin*	NA
24	Transaction Fees*	Rs. 20 per MWh subject to minimum Rs 1000/- per day for all such contracts. Fees payable by buyer and seller to Exchange for the quantity approved by nodal RLDC at delivery point.

Trading Cycle*

	Time	Details
24	15:00 – 17:00	Continuous Trade Session (Daily)
25	18:00	Publish results and call for SLDC clearance
26	18:30	Funds blocked including Application, Transmission & Operating charges.
27	Upto 3 hrs. before start of delivery	Submission of SLDC Clearance to the Exchange by the Member
28	22:00	Submission of Application to Nodal RLDC ⁽¹⁾
29	22:30	Approval from nodal RLDC
	11:00	Payin on T+1 basis where T is the trading day
	12:00 noon	Payout on T+2 basis where T is the trading day
	15:00	Payment of charges to Nodal RLDC on T+2 basis.
	⁽¹⁾ Application for Scheduling will be sent only when the SLDC Clearances from buyer and seller are received by the Exchange. In case, the SLDC approval is not received from SLDCs of buyer/ seller up to 3 hrs, before start of delivery then it will be considered as default.	

Delivery Procedure

31	Delivery	Trade once executed shall not be revised and shall be sent for scheduling, and at no point of time during the contract period shall be allowed to be revised. The quantity scheduled by RLDC of the seller's region at Delivery point shall be considered for settlement. .
32	Delivery period	Delivery for each hour.
33	Delivery point	The delivery point shall be at State periphery to which the seller belongs. In case of a seller being Regional Entity, delivery point shall be at its periphery.
34	Application for Scheduling	Application for Scheduling will be Submitted to Nodal RLDC on Contingency basis as per the "Procedure for Scheduling of bilateral transactions".
35	SLDC Clearance	After trading on the exchange, the buyer and seller will have to take a concurrence from their respective SLDCs. This concurrence has to be submitted to the Exchange within 1 hour of end of trading session.
36	Application fees, Operating	Seller will bear all operating charges, transmission charges application fees and transmission losses (in kind) upto delivery

	and Transmission Charges and Losses	point and Buyer shall bear all above fees, charges including application fee and transmission losses from delivery point upto their point of drawl . The charges shall be applicable on the quantum of power scheduled at seller's interface i.e. charges will be applicable on the traded quantity adjusted with losses up to the point of injection.
37	Alternate route	Unless preference is specified by the buyer, he will be deemed to have consented for all possible transmission corridors from seller's injection point till drawal point.
38	Force majeure	In case of force majeure, the Exchange will settle the contract as per final schedule issued by RLDCs.
39	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.

Settlement procedure*

40	Payment of Application fees, Transmission & Operating Charges by Members	Application fees will be collected from buyer on date of application to Nodal RLDC. Transmission and Operating Charges as applicable on quantum scheduled at seller's periphery and payable to the Nodal RLDC, will be recovered from the buyer and seller members on the next day of receiving the acceptance from the nodal RLDC.
41	Funds pay in by Members	Exchange will debit the funds pay-in on each delivery day at 11.00 am from buyer's member's settlement account.
42	Funds pay out to Members	Exchange will credit the funds pay out in seller's member's settlement account on D+1 basis at 12.00 noon for each delivery day subject to confirmation of delivery pay in by the seller.

* Exchange may modify these parameters from time to time with prior intimation to its Members.

Sr No.	Topic	Details
1	Contract Name*	Region wise Intra Day Contracts
2	Contract Code*	Month Year-'H'Hour-'I'Delivery Day-Region (e.g. SEP09-H19-I15-NR) Where, Month: Month of delivery day. Year: Year of delivery day Hour: Hour of delivery Delivery Day : Delivery Day Region: Region of seller's delivery point. One contract for each region will be available
3	Contract Type	Delivery Option - Firm Delivery
4	Regions	Regional contracts will be available for trading for the five regions i.e. for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (AR)
5	Contract available for Trading	Hourly contracts of one hour each for consecutive hours on same day or next day will be available for trading (presently hourly contracts from 18:00 hrs to 24:00 hrs are available for trading).
6	Trading day*	Every calendar day of the year for same delivery date.
7	Trading Session*	One Continuous Trading session will be made available to the members for bidding.
8	Bidding process	Seller will submit bid for the contract of that region to which he belongs. Whereas a buyer can buy any regional contract. Netting off (square off) of positions will not be allowed.
9	Matching of Bids	Continuous trade session: Details in clause no. 33(b) of Business Rules. Each trade will be sent for scheduling, on trade to trade basis.
10	Trading Hours*	Continuous trade session: 12:00 hrs to 17:00 hrs on trading days
11	Minimum Volume Quotation*	1 MW
12	Minimum Volume Step*	1 MW
13	Lot size	1 MWh
14	Maximum bid size*	Bids should not be more than the allowed MW in any of Concurrence/clearance issued by its SLDC to the members/clients at any time. It will be the responsibility of the member to adhere to this rule.
15	Price Quote Basis	Rs. per MWh (excluding all fees, charges, taxes, if applicable)
16	Price Tick*	Rs. 1 per MWh
17	Quantity Variation	Zero quantity variation allowed.
18	Settlement	Traded price * Quantity scheduled by RLDC at delivery point.
19	Initial Margins (Operational Limit)*	5% margin from buyers and sellers of the total order value should be available in cash/non cash with the exchange at the time of bidding for continuous trading

		sessions.
20	Additional Margin	100% from buyer
21	Variation Margin*	NA
22	Transaction Fees*	Rs. 20 per MWh subject to minimum of Rs. 1000/per day for all such contracts. Fees payable by buyer and seller to Exchange for the quantity approved by nodal RLDC at delivery point.

Trading Cycle*

	Time	Details
24	12:00 – 17:00	Continuous Trade Session (Daily)
25	18:00	Publish results and call for SLDC clearance
26	18.30	Funds blocked including Application, Transmission & Operating charges.
27	Upto 3 hrs. before start of delivery	Submission of SLDC Clearance to the Exchange by the Member
28	22:00	Submission of Application to Nodal RLDC ⁽¹⁾
29	22:30	Approval from nodal RLDC
30	11:00	Payin on T+1 basis where T is the trading day
31		Payout on T+2 basis where T is the trading day
	12:00 noon	
32	15:00	Payment of charges to Nodal RLDC on T+2 basis
	⁽¹⁾ Application for Scheduling will be sent only when the SLDC Clearances from buyer and seller are received by the Exchange. In case, the SLDC approval is not received from SLDCs of buyer/ seller up to three hrs before start of delivery, then it will be treated as default.	

Delivery Procedure

30	Delivery	Trade once executed shall not be revised and shall be sent for scheduling, and at no point of time during the contract period shall be allowed to be revised. The quantity shall be deliverable as per the schedule issued by the respective RLDC.
31	Delivery period	Delivery for each hour.
32	Delivery point	The delivery point shall be at state/regional entities periphery to which the seller belongs. In case of a Seller, which is a Regional Entity, delivery point shall be on its periphery.
33	Application for Scheduling	Application for Scheduling will be Submitted to Nodal RLDC on Contingency basis as per the “Procedure for Scheduling of bilateral transactions”.
34	SLDC Clearance	After trading on the exchange, the buyer and seller will have to take a concurrence of their respective SLDCs. This concurrence has to be submitted to the Exchange upto three hours before start of delivery.
35	Application fees, Operating and Transmission	Sellers will bear for operating and transmission charges, application fees as well as transmission losses upto delivery point and Buyers shall bear all charges including

	Charges and Losses	application fee and transmission losses from delivery point upto their point of drawl from the delivery point. The charges shall be applicable on the quantum of power scheduled at sellers interface i.e. charges will be applicable on the traded quantity adjusted with losses up to the point of injection.
36	Alternate route	The buyer will be deemed to have consented for all possible routes; however, they can give preference amongst the possible routes.
37	Force majeure	In case of force majeure, the Exchange will settle the contract as per final schedule issued by RLDCs.
38	Fines & penalties	As decided by the Exchange from time to time and informed through circular.

Settlement procedure*

39	Payment of Application fees, Transmission & Operating Charges by Members	Application fees will be collected from buyer on date of application to Nodal RLDC. Transmission and Operating Charges as applicable on quantum scheduled at seller's periphery and payable to the Nodal RLDC, will be recovered from the buyer and seller members on the next day of receiving the acceptance from the nodal RLDC.
40	Blocking of funds for pay-in	The exchange on closure of the trading hours will block the funds for pay-in for all the buy trades on that day from the buyer member's settlement account i.e. on "D" basis where "D" stands for the delivery day. The member will ensure that sufficient funds are available in its accounts.
41	Funds pay in by Members	Amount equivalent to total obligation will be debited from buyers account at 11.00 am, on the T+1 basis.(where T stands for Trading day.)
42	Funds pay out to Members	Amount equivalent to total obligation will be credited at 12.00 noon on T+2 basis (where T stands for Trading day.)

* Exchange may modify these parameters from time to time with prior intimation to its Members.

Contract Specification: Region wise Daily Contracts
Annexure X(c)

Sr. No.	Item	Details
1	Contract Name*	Region wise Daily Contracts
2	Contract Code*	<p>“Month Year-Block of Hours-Delivery Day-Region” Where, Month: Month of delivery day. Year: Year of delivery day Block of Hour: FBA : Firm base load power for the entire 24 hours FNT : Firm night power of 8 hours time block starting from 00.00 hrs in night till 07.00 hrs and from 23.00 hrs till 24.00 hrs. FDY : Firm day power for 11 hours time block starting 07.00 till 18.00 hrs. FPK : Firm evening power for 5 hours time block starting 18.00 hrs till 23.00 hrs. Delivery Day : Delivery Day Region: Region of seller’s delivery point. One contract for each region will be available. For example: SEP09-FBA-D16-NR SEP09-FNT-D16-NR SEP09-FDY-D16-NR SEP09-FPK-D16-NR</p>
3	Contract Type	Delivery Option - Firm Delivery
4	Regions	Regional contracts one each for each electrical region will be available for trading i.e. for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (AR)
5	Firm Daily Contract	The daily contracts for trading will be available on a rolling basis i.e. everyday seven daily contracts of the following week.
6	Trading day*	Trading will be available on all days or as per trading calendar declared in advance
7	Trading Session*	On each trading day, one continuous trading session will be made available to the members for bidding.
8	Order Management*	The Exchange Members will be able to submit orders as per Clause No. 34 of Business Rules. A Member shall be permitted to modify or cancel his orders, during the trading hours. Orders and bids entered into the Trading System shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange. Orders that do not meet the validation checks will not be accepted by the Exchange. The Exchange shall specify from time to time price steps (tick size) in which orders shall be entered on the trading system of the Exchange.
9	Bidding process	Seller will submit bid for Regional entities periphery to which he belongs to.

		Whereas a buyer can buy any regional contract. Netting off (square off) of positions will not be allowed.
10	Matching of Bids	Continuous trade session: Details as per clause no. 33 (B) of Business Rules. Each trade will be sent for scheduling, on trade to trade basis.
11	Trading Hours*	Continuous trade session: 12.00 noon to 3.00 PM on trading days
12	Minimum Volume Quotation*	1 MW
13	Minimum Volume Step*	1 MW
14	Lot size	Base or RTC Contract (FBA): 1 lot = 1 MW * 24 Hours Night Off-peak Contract (FNT) : 1 lot = 1MW * 8 Hours Day Contract (FDY) : 1 lot = 1MW * 11 Hours Day Peak Contract (FPK) : 1 lot = 1 MW * 5 Hours
15	Maximum bid size*	Bids should not be more than the allowed MW in any of Concurrence/Clearance issued by its SLDC to the members/clients at any time. It will be the responsibility of the member to adhere to this rule.
16	Price Quote Basis	Rs. per MWh (excluding all fees, charges and taxes, if applicable)
17	Price Tick*	Rs. 1 per MWh
18	Quantity Variation	Zero quantity variation allowed.
19	Settlement	Traded price * Quantity scheduled by RLDC at delivery point.
20	Initial Margins (Operational Limit)*	5% margin of the total order value should be available in cash/non cash with the exchange at the time of bidding for continuous trading sessions.
21	Additional Margins (Basis Margin)*	.Additional Margin will be based on a risk curve defined by the Exchange for each contract. Exchange will have the right to define and modify the risk curves from time to time. Additional Margin could be in the form of collaterals (Bank Guarantee or FDR) or bank limit.
22	Variation Margin*	Variation Margin may be collected from buyer Members only. Variation Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less then the trade price, the difference in the value is collected from the buyers however at any point the sum of Basis Margin collected upto that day and Variation Margin will not exceed the trade value. Variation Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. Variation Margin will be applied at client level.
23	Extreme Loss Margin*	Exchange can impose Extreme Loss Margin, which the exchange can apply any time during the life of the contract.
24	Transaction Fees*	Rs. 10 per MWh. Fees payable by buyer and seller to Exchange for the quantity approved by nodal RLDC at delivery point.

Trading Cycle.*

Sr. No.	Time	Details
25	12:00 – 15:00	Continuous Trade Session
	16:00	Publish results and call for SLDC clearance.
	16:00	Declaration form sent to Members thru FTP
	16.30	Calculation of Additional Margin of the buyer's member
26	17:00	Blocking of the Additional Margin from the available cash/non cash collateral of the buyer's Member provided to the exchange. In case if there is any deficit, call for the deficit additional margins.
27	As per the Trading & Delivery Calendar	SLDC Clearance from Members and fulfillment of additional margin requirement call, if any.
		On completion of formality and receipt of adequate additional margin, application for 'Advance' or 'First Come First Serve' Scheduling will be sent to Nodal RLDC.
		Application for revision in case of Congestion sent to Nodal RLDC.
		Acceptance for Scheduling from Nodal RLDC.
		Receipt of Transmission/Operating Charges and Application Fees from the members.
		Payment of Charges to Nodal RLDC.
		Payin ; equivalent to one day's obligation collected on D-1 basis , where D=Delivery day.
		Payout; Equivalent to one day's obligation credited on D+1 basis, till the contract delivery ends

Delivery Procedure

28	Delivery	Trade once executed shall not be revised and shall be sent for scheduling, The quantity shall be deliverable as per the schedule issued by the RLDC of seller's region.
29	Delivery period	As mentioned under item no.2
30	Delivery point	The delivery point shall be at State periphery to which the seller belongs. In case of a Seller being a Regional Entity, delivery point shall be on its periphery.
31	SLDC Clearance	After trading on the exchange, the buyer and seller will have to take a concurrence of their respective SLDCs. This concurrence has to be submitted to the exchange as per the date specified in the trading and delivery calendar.
32	Application for Scheduling	Application for Scheduling will be Submitted to Nodal RLDC as specified in the Trading Calendar and as per the "Procedure for scheduling of bilateral transactions".
33	Delivery Process	Application for Scheduling, as specified in the trading and delivery Calendar, shall be sent to the Nodal RLDC, on FCFS basis as per the "Procedure for scheduling of bilateral transactions".
34	Application fees, Operating and Transmission Charges and Losses	Seller will bear all operating charges, transmission charges application fees and transmission losses (in kind) up-to delivery point and Buyer shall bear all above fees, charges including application fee and transmission losses from delivery point up-to their point of drawl. The charges shall

		be applicable on the quantum of power scheduled at seller's interface i.e. charges will be applicable on the traded quantity adjusted with losses up to the point of injection.
35	Alternate route	Unless preference is specified by the buyer, it will be deemed to have consented for all possible transmission corridors from seller's injection point till drawal point.
36	Force majeure	In case of force majeure the Exchange will settle the contract as per final schedule issued by RLDCs.
37	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.

Settlement procedure*

38	Payment of Application fees, Transmission & Operating Charges by Members	Application fees will be collected from buyer on date of application to Nodal RLDC. Transmission and Operating Charges as applicable on quantum scheduled at seller's periphery and payable to the Nodal RLDC, will be recovered from the buyer and seller members on the next day of receiving the acceptance from the nodal RLDC.
39	Funds pay in by Members	Exchange will debit the funds pay-in on each D-1 basis at 11.00 am from buyer's member's settlement account.
40	Funds pay out to Members	Exchange will credit the funds pay-out in seller's member's settlement account on D+1 basis at 12.00 noon subject to confirmation of delivery pay in by the seller.

* Exchange may modify these parameters from time to time with prior intimation to its Members.

Contract Specification:- Region wise Weekly Contracts**Annexure X(d)**

Sr. No.	Item	Details
1	Contract Name*	Region wise Weekly Contracts
2	Contract Code*	<p>“Month Year-Block of Hours-Delivery Week-Region” Where, Month: Month of delivery day. Year: Year of delivery day Block of Hour: FBA : Firm base load power for the entire 24 hours FNT : Firm night power of 8 hours time block starting from 00.00 hrs in night till 07.00 hrs and from 23.00 hrs till 24.00 hrs. FDY : Firm day power for 11 hours time block starting 07.00 till 18.00 hrs. FPK : Firm evening power for 5 hours time block starting 18.00 hrs till 23.00 hrs. Delivery Week : Week of delivery Region: Region of seller’s injection point. One contract for each region will be available. For example: SEP09-FBA-W39-NR SEP09-FNT-W39-NR SEP09-FDY-W39-NR SEP09-FPK-W39-NR</p>
3	Contract Type	Delivery Option – Firm Delivery
4	Regions	Regional contracts will be available for trading for the five regions i.e. for Northern Region (NR), Eastern Region (ER), Western Region (WR), Southern Region (SR) and North East Region (AR)
5	Firm Weekly Contract	The weekly contracts for trading will be available as per the trading and settlement calendar for various calendar weeks starting on Monday and ending on Sunday.
6	Trading day*	Trading will normally be available every Monday and on 15 days prior to close of every month if these days are not holidays. Please refer to trading and settlement calendar for more details. Exchange can also hold multiple trading sessions on specified trading days or other days to minimize unmatched volume.
7	Trading session*	<p>On each trading day, one session will be made available to the members for bidding</p> <p>a) Call Auction session</p> <p>Details of trading session are given in trading cycle.</p>
8	Order Management	The Exchange Members will be able to submit orders as per Clause no. 34 of Business Rules. A Member shall be permitted to modify or cancel his orders, during the trading hours. Orders and bids entered into the Trading System shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange. Orders that do not meet the validation checks will not be accepted by the Exchange. The Exchange shall specify from time to time price steps (tick size) in which orders shall be entered on the

		trading system of the Exchange.
9	Bidding process	Seller will submit bid for Regional entities periphery to which he belongs to. Whereas a buyer can buy any regional contract. Netting off (square off) of positions will not be allowed.
10	Matching of Bids	Term Ahead Market Auction can be closed or open as specified in Exchange circular issued from time to time. Details of closed or open auction is mentioned in Clause no. 33(A) of Business Rules.
	Trading Hours*	As specified in Exchange circular from time to time.
12	Minimum Volume quotation*	1 MW
13	Minimum Volume Step*	1MW
14	Lot size	Base or RTC Contract (FBA): 1 lot =1 MW*24*7 Hours Night Off-peak Contract (FNT): 1 lot= 1MW*8*7 Hours Day Contract (FDY): 1 lot = 1MW *11*7 Hours Day Peak Contract (FPK): 1 lot = 1 MW*5*7 Hours
15	Maximum bid size*	Bids should not be more than the allowed MW in any of Concurrence/Clearance issued by its SLDC to the members/clients at any time. It will be the responsibility of the member to adhere to this rule.
16	Price Quote Basis	Rs. per MWH (excluding all fees ,charges, taxes etc)
17	Tick size*	Rs. 1 per MWH
18	Quantity Variation	Zero quantity variation allowed.
19	Settlement	Traded price * Quantity scheduled by RLDC at delivery point.
20	Initial Margins (Operational Limit)*	5% margin of the total order value should be available in cash/non cash with the exchange at the time of bidding in continuous trading sessions.
21	Additional Margins (Basis Margin)*	Where the difference between the trading day and the start of delivery day is as follows: <ul style="list-style-type: none"> ➤ >17 days: 10% (on trading day) + 20% (16 days before start of delivery) + 20% (9 days before start of delivery). 5% of the last trench of will be collected in cash. ➤ ≤ 17 days but > 10 days: 30% (on trading day) + 20% (9 days before start of delivery). 5% of the last trench of will be collected in cash. ➤ ≤ 10 days: 50% (on trading day). 5% of the last trench of will be collected in cash.
22	Variation Margin*	Variation Margin may be collected from buyer Members only. Variation Margin is the difference in the Value of the contract based on the Trade price and the Settlement price. In case the Settlement price is less then the trade price, the difference in the value is collected from the buyers however at any point the sum of Basis Margin collected upto that day and Variation Margin will not exceed the trade value. Variation Margin will be computed at the end of each available trading day for a specific contract and will be collected from the member on the same day in the form of collaterals. Variation Margin will be applied at client level.
23	Extreme Loss Margin*	Exchange can impose Extreme Loss Margin, which the exchange can apply any time during the life of the contract.

24	Transaction Fees*	Rs. 10 per MWh payable by buyer and seller to Exchange for the quantity approved by nodal RLDC at delivery point.
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Trading Cycle*

Sr No.	Time	Details
25	12:00 – 14:00	Auction Trade Session
	16:00	Publish results and call for SLDC clearance.
	16.30	Calculation of Additional Margin of the buyer members
26	17:00	Blocking of the Additional Margin from the available cash/non cash collateral of the Buyer Member provided to the exchange. In case if there is any deficit, call for the deficit additional margins.
	16:00	Declaration form sent to Members thru FTP
27	As per the Trading & Delivery Calendar	SLDC Clearance from Members and fulfillment of additional margin requirement call, if any.
		On completion of formality and receipt of adequate additional margin, application for Advance or First come first serve Scheduling will be sent to Nodal RLDC.
		Application for revision in case of Congestion sent to Nodal RLDC.
		Acceptance for Scheduling from Nodal RLDC.
		Receipt of Transmission/Operating Charges and Application Fees from the members.
		Payment of Charges to Nodal RLDC.
		Pay-in ; equivalent to one day's obligation collected on D-1 basis , till the contract delivery ends
		Pay-out; Equivalent to one day's obligation credited on D+1 basis, till the contract delivery ends

D = Delivery Day

Delivery Procedure

28	Delivery	Trade once executed shall not be revised and shall be sent for scheduling. The quantity shall be deliverable as per the schedule issued by the seller RLDC.
29	Delivery period	As mentioned under point no. 2
30	Delivery point	The delivery point shall be at state/regional entities periphery to which the seller belongs. In case of a Seller, which is a Regional Entity, delivery point shall be on its periphery.
31	Application for Scheduling	Application for Scheduling will be submitted to nodal RLDC as specified in the Trading and Delivery Calendar and as per the "Procedure for Scheduling of bilateral transactions".
32	SLDC Clearance	After trading on the exchange, the buyer and seller will have to take a concurrence of their respective SLDCs. This concurrence has to be submitted to the exchange as per the date and time specified in the trading and delivery calendar.
33	Delivery Process	Application for Scheduling, as specified in the trading and delivery Calendar, shall be sent to the Nodal RLDC, on the first available date after trading, as per the "Procedure for

		scheduling of bilateral transactions”.
34	Application fees, Operating and Transmission Charges and Losses	Seller will bear all operating charges, transmission charges application fees and transmission losses (in kind) upto delivery point and Buyer shall bear all above fees, charges including application fee and transmission losses from delivery point upto their point of drawl. The charges shall be applicable on the quantum of power scheduled at seller’s interface i.e. charges will be applicable on the traded quantity adjusted with losses up to the point of injection.
35	E- bidding consent	In case the Application is sent on Advance Reservation basis to Nodal RLDC and there is Congestion in all possible routes, exchange will follow the process of e bidding as per the guidelines laid down in the “Procedure for scheduling of bilateral transaction”, for which it shall separately take concurrence from the buyer for the transmission charges that can be quoted in the e-bidding process.
36	Alternate route	Unless preference is specified by the buyer, he will be deemed to have consented for all possible transmission corridors from seller’s injection point till drawal point.
37	Force majeure	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange.
38	Fines & penalties*	As decided by the Exchange from time to time and informed through circular.

Settlement procedure*

39	Payment of Application Fees by Members	Application fees will be collected from buyer on date of application to Nodal RLDC. Transmission and Operating Charges as applicable on quantum scheduled at seller’s periphery and payable to the Nodal RLDC, will be recovered from the buyer and seller members on the next day of receiving the acceptance from the nodal RLDC.
40	Funds pay in by Members	Exchange will debit the funds pay-in on D-1 basis at 11.00 am from buyer’s member’s settlement account.
41	Funds pay out to Members	Exchange will credit the funds pay out in seller’s member’s settlement account on D+1 basis at 12.00 noon for each delivery day subject to confirmation of delivery pay in by the seller.

* Exchange may modify these parameters from time to time with prior intimation to its Members.

Member - Client Agreement

This agreement is made at this day of.....20.....by and between....., a company/ firm/ individual or any other body duly formed and registered under the Relevant Act, hereinafter called MEMBER OF THE EXCHANGE, having its registered office address at, and, a company / firm / individual or any other body duly formed and registered under the Relevant Act, hereinafter called CLIENT, having its registered office address at

Witnessth:

Whereas the member is registered as MEMBER OF THE EXCHANGE of INDIAN ENERGY EXCHANGE INDIA LIMITED (hereinafter called IEX).

Whereas the CLIENT is desirous of trading in those contracts admitted for dealing on the IEX as defined in the Bye – Laws, Rules and Business Rules of IEX.

Whereas the CLIENT has satisfied itself of the capability of the MEMBER OF THE EXCHANGE to deal in those contracts admitted for dealing on the IEX and wishes to execute his orders through him and the CLIENT shall continue to satisfy him of such capability of the MEMBER OF THE EXCHANGE before executing any orders through him.

Whereas the MEMBER OF THE EXCHANGE has satisfied and shall continuously satisfy himself about the genuineness and financial soundness of the CLIENT and trading objectives relevant to the services to be provided.

Whereas the MEMBER OF THE EXCHANGE has taken steps and shall take steps to make the CLIENT aware of the precise nature of the MEMBER liability for business to be conducted, including any limitations on that liability and the capacity in which it acts.

In consideration of your handling transactions carried out on the IEX, I agree that

1. I have read the Risk Disclosure Document appended hereto and understand the trading & risks involved in the trading these instruments and am fully responsible for my dealings in these instruments.
2. I shall be bound by the Bye-Laws, Rules, Business Rules, and Customs of the INDIAN ENERGY EXCHANGE INDIA LIMITED and the Clearing House of the Exchange.
3. I shall deposit with you monies, which may be required to open and/or maintain my account or maintain my position.
4. I shall not exercise a long or short position where, acting alone or in concert with others, directly or indirectly I will have exercised in excess of the number of permitted futures contracts as may be fixed from time to time by the Exchange.
5. I shall abide by provisions of Electricity Act, 2003, Grid Code or any Rules or Regulations made thereunder or any other applicable Act or any Rules or Regulations made thereunder.

Now, THEREFORE, in consideration of the mutual understanding as set forth in this agreement, the parties thereto have agreed to the terms and conditions, as follows:

- 1 The agreement entered into between the Member and the CLIENT shall stand

terminated by mutual consent of the parties by giving at least one-month notice to each other. Such termination shall not have any effect on the transactions executed before the date of notice of termination and the parties shall enjoy same rights and shall have same obligations in respect of such transactions.

- 2 In the event of the death or insolvency of the CLIENT or his otherwise becoming incapable of receiving and paying for or delivering or transferring Commodities which the CLIENT has ordered to be bought or sold, the Member may with the approval of the Exchange, close out the transaction of the CLIENT and the CLIENT or his legal representative shall be liable for any losses, costs and be entitled to any surplus which may result therefrom.
- 3 All trades, transactions and contracts are subject to the Rules, Bye Laws and Business Rules of the Exchange and shall be deemed to be and shall take effect as wholly made, entered into and to be performed in the city of New Delhi for the purpose of giving effect to the provisions of the Rules, Bye - Laws and Business Rules of the Exchange.

In WITNESS THEREOF, the parties to agreement have caused these presents to be executed as of the day and year first above written.

SIGNED for and on behalf of

THE Member:

By :.....

Signature :.....

Title :.....

Witness :.....

SIGNED for and on behalf of

THE Client:

By :.....

Signature :.....

Title :.....

Witness :.....

Client – Registration Form (Client to Member)

²

.....

.....

.....

Dear Sir,

We request you to register us as your client. The details of Registration are as under:

Client Category: **A:** **Grid Connected Client** **B:** **Trader Client**

1	Name of the Applicant (Full)	
2	Registered Office Address City: State: Pin code: Telephone No.: Fax No: (with STD Code): Email: Name of the contact person(s): Mobile No.:	
3	Address for Correspondence City: State: Pin code: Telephone No.: Fax No: (with STD Code): Email: Name of the contact person(s): Mobile No.:	
4	(A) Grid Connected Client Details I. Grid Connection details : a) Maximum Capacity to Inject b) Maximum Capacity of Drawl	

² Details to be given include Name of Member, Membership Registration No and Address
IEX Business Rules

	<p>c) Voltage Level d) Point of Connection (Name of EHV station of ISTS/InSTS) e) Single Line Diagram of Point of Connection (enclosed) f) If applicant is embedded in DISCOM</p> <ul style="list-style-type: none"> • Name of DISCOM • State <p>g) In case of Open Access Standing Clearance</p> <ul style="list-style-type: none"> • Open Access Permission Valid upto (Copy Enclosed) <p>II. Copy of Power Purchase/Sale Agreement</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
	<p>(B) Trader Client Details</p> <p>I. Entity on whose behalf power is being purchased/sold II. Grid Connection details :</p> <p>a) Maximum Capacity to Inject b) Maximum Capacity of Drawl c) Voltage Level d) Point of Connection (Name of EHV station of ISTS/InSTS) e) Single Line Diagram of Point of Connection (enclosed) f) If applicant is embedded in DISCOM</p> <ul style="list-style-type: none"> • Name of DISCOM • State <p>g) In case of Open Access Standing Clearance</p> <ul style="list-style-type: none"> • Open Access Permission Valid upto (Copy Enclosed) <p>III. Copy of Power Purchase/Sale Agreement</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
5	Nationality	
6	Constitution	Individual/Registered Partnership Firm/Private Ltd Co./HUF/Public Ltd Co/Institution/PSU/Others
7	Date of Incorporation/Registration	
8	Income Tax Permanent Account No.	
9	<p>Details of your Existing Bank Name and Branch Address:</p> <p>Account No: Account is Operational since:</p>	

10	Present Business/Occupation	
11	Present Net worth	Rslakh as on
12	Name of your Authorized Person(s), who shall be responsible to the Exchange to ensure compliance of different provisions of the law and procedures	

The information furnished above is true to the best of my knowledge and belief.

I undertake to inform changes in any of the above details in writing immediately to the member and to the Exchange.

I enter into agreement to abide by all the terms and conditions of the Exchange and further undertake that to and for the benefit of the Exchange, I shall be bound by the Bye-Laws, Rules and Business Rules of the Exchange, as amended from time to time, and further understand and agree that my registration with the Exchange shall be terminated if I fail to comply with any of these Bye-Laws, Rules and Business Rules, as amended or my Member's membership is cancelled or terminated for any reason.

Date:

Place:

Authorized Signatories:

Signature(s):

--	--

(Names of the signatories)

.....

(Designation of the signatories)

.....

Affix photograph and sign across the photograph

Affix photograph and sign across the photograph

For Office Purpose (To be completed, signed and authorized by the member)

Client Code:

Verified by: Authorized by:
(Name) (Name)

Documents to be submitted along with Client Registration Form

- a. Certified true copy of the Latest Annual Report/Auditors Report.
- b. Certified true Copy of PAN card of the applicant
- c. In case of Corporates:-
 - Board Resolution seeking membership of the Exchange and for appointment of authorized signatories and authorized persons,
 - Certified copy of Memorandum and Articles of Association (**The company should include the business of Buying/Selling or Trading of Electricity**)
- d. In case of a Partnership firm:-
 - Certified true copy of Firm Registration Certificate
 - Certified true copy of Registered Partnership Agreement, undertaking from all partners authorizing the Managing Partner
- e. Proof of Address
- f. Certified true copy of Trading License (applicable for Trade Client)
- g. Certified true copy of Standing Clearance from respective SLDC/RLDC in the prescribed format

Client – Registration Form (Member to Exchange)

To

Indian Energy Exchange Limited,
 B-Wing, 10th Floor,
 Statesman House,
 Connaught Place,
 Delhi – 110 001.

Dear Sir,

We request you to register the following entity as our client. The details of Registration are as under:

Client Category: **A:** **Grid Connected Client** **B:** **Trader Client**

1	Name of the Client (Full)	
2	Office Address City: State: Pin code: Telephone No.: Fax No: (with STD Code): Email: Name of the contact person(s): Mobile No.:	
3	(A) Grid Connected Client Details I. Grid Connection details : a) Maximum Capacity to Inject b) Maximum Capacity of Drawl c) Voltage Level d) Point of Connection (Name of EHV station of ISTS/InSTS) e) Single Line Diagram of Point of Connection (enclosed) f) If applicant is embedded in DISCOM <ul style="list-style-type: none"> • Name of DISCOM • State g) In case of Standing Clearance <ul style="list-style-type: none"> • Standing Clearance valid upto (Copy Enclosed) 	<input type="checkbox"/> Yes <input type="checkbox"/> No

	<p>(C) Trader Client Details</p> <p>III. Entity on whose behalf power is being purchased/sold</p> <p>IV. Grid Connection details :</p> <p>a) Maximum Capacity to Inject</p> <p>b) Maximum Capacity of Drawl</p> <p>c) Voltage Level</p> <p>d) Point of Connection (Name of EHV station of ISTS/InSTS)</p> <p>e) Single Line Diagram of Point of Connection (enclosed)</p> <p>f) If applicant is embedded in DISCOM</p> <ul style="list-style-type: none"> • Name of DISCOM • State <p>g) In case of Open Access Standing Clearance</p> <ul style="list-style-type: none"> • Open Access Permission Valid upto (Copy Enclosed) <p>IV. Copy of Power Purchase/Sale Agreement</p>	<p><input type="checkbox"/> Yes <input type="checkbox"/> No</p>
4	Nationality	
5	Constitution	Individual/Registered Partnership Firm/ Private Ltd Co./ HUF/ Public Ltd Co/ Institution/PSU/Others
6	Date of Incorporation/Registration	
7	Income Tax Permanent Account No.	

The information furnished above is true to the best of my knowledge and belief.

I undertake to inform changes in any of the above in writing immediately to the exchange and further undertake that to and for the benefit of the Exchange, I shall be bound by the Bye-Laws, Rules and Business Rules of the Exchange, as amended from time to time, and shall maintain with the Exchange details of an individual whom the Exchange may contact in connection with any matter whatsoever relating to my activities, and further understand and agree that my registration with the Exchange shall be terminated if I fail to comply with any of these Bye-Laws, Rules and Business Rules, as amended or the membership is cancelled or terminated for any reason.

Date:

Place:

Signature:

(Name of the Authorised signatory)

(Designation of the Authorised signatory)

Enclosure:

1. Copy of Standing Clearance from SLDC/RLDC
2. Copy of Power Purchase/Sale Agreement (For Trader Client Only)
3. Single Line Diagram of Point of Connection

Risk Disclosure Document

[THIS DOCUMENT SHOULD BE READ BY EACH AND EVERY PROSPECTIVE CLIENT BEFORE ENTERING INTO POWER TRADING AND SHOULD BE READ IN CONJUNCTION WITH THE REGULATIONS OF INDIAN ENERGY EXCHANGE LIMITED (IEX)]

IEX has not passed the merits of participating on the Exchange but has passed the adequacy or accuracy of this disclosure document. This brief statement does not disclose all of the risks and other significant aspects of trading. In light of the risks, you should undertake such transactions only if you understand the nature of the contracts (and contractual relationships) into which you are entering and the extent of your exposure to risk. You should carefully consider whether trading is appropriate for you in light of your experience, objectives, financial resources and other relevant circumstances. Power trading requires not only the necessary financial resources but also adequate knowledge of Electricity Act 2003, Open Access Regulations, Grid Code etc. In case of any consequences or loss in trading on the Exchange, the Client shall be solely responsible for such loss and the Exchange or any regulatory authority shall not be responsible for the same and it will not be open for any Client to take the plea that no adequate disclosure was made or he was not explained the full risk involved by the member. The Client will be solely responsible for the consequences and no contract can be rescinded on that account. The client must ask the member of the Exchange to provide full details of the contract i.e., the contract specifications and the associated obligations.

Deposited cash and property

You should familiarize yourself with the protections accorded to the money or other property you deposit particularly in the event of a firm insolvency or bankruptcy. The extent to which you may recover your money or property may be governed by specific legislation or local rules. In some jurisdictions, property, which has been specifically identifiable as your own, will be pro-rated in the same manner as cash for purposes of distribution in the event of a shortfall. In case of any dispute with the Member of the Exchange, the same shall be subject to arbitration as per the Bye Laws and Regulations of the Exchange.

Commission and other charges

Before you begin to trade, you should obtain a clear explanation of all commission, fees and other charges for which you will be liable. These charges will affect your net profit (if any) or increase your loss.

Trading facilities

The Exchange offers electronic trading facilities, which are computer-based systems for order-routing, execution, matching, registration or clearing of trades. As with all facilities and systems, they are vulnerable to temporary disruption or failure. Your ability to recover certain losses may be subject to limits on liability imposed by the system provider, the market, the Clearing House and/or Member of the Exchange firms. Such limits may vary; you should ask the firm with which you deal for details in this respect.

This document does not disclose all of the risks and other significant aspects involved in trading on a electricity market. The Client should therefore study electricity trading carefully before becoming involved in it. I hereby acknowledge that I have received and understood this risk disclosure statement.

Customer Signature (If Partner, Corporate, or other Signatory, then attest with company seal.)

Date :.....(DDMMYYYY)

CONTRACT NOTE

Tel. no..... Fax no.

(Subject to exclusive jurisdiction of the courts in New Delhi only)

Name of the
Member.....

Authorized Signatory

Dealing Office address/ Tel no. / Fax no.

Name of the Member

Address of the Member

To, Client Name/ Code No./ Order Ref. No. Sir/
Madam, I/ We have this day done by order and on
your account the following transactions:

Contract No:.....

To be stamped as per the provisions applicable under the relevant Stamp Act

Date:

Order No.	Trade No.	Trade Time	Contract	Bought for you				Amount (Rs.)	Sold for you					
				Quantity	Price	Value (Rs.)	Brokerage (Total)		Contract	Quantity	Price (Rs.)	Value	Brokerage (Total)	Amount (Rs.)

OTHER LEVIES, IF ANY:

Brokerage has been charged as stated and has been at rates not exceeding the official scale of brokerage and indicated separately.

This contract is subject to the Rules, Bye- Laws and Regulations and usages of Indian Energy Exchange Limited, New Delhi.

Yours faithfully

Date: For.....

Authorized Signatory

EXTRACTS FROM THE BYE-LAWS & BUSINESS RULES TO ARBITRATION

All claims, differences or disputes between the TCMs inter se and between TCMs and Clients arising out of or in relation to dealings, contracts and transactions made subject to the Bye-Laws, Rules and Business Rules of the Exchange or with reference to anything incidental thereto or in pursuance thereof or relating to their validity, construction, interpretation, fulfillment or the rights, obligations and liabilities of the parties thereto and including any question of whether such dealings, transactions and contracts have been entered into or not shall be submitted to arbitration in accordance with the provisions of these Bye-Laws.

In all dealings, contracts and transactions, which are made or deemed to be made subject to the Bye-Laws, Rules and Business Rules of the Exchange, the provisions relating to arbitration as provided in these Bye-Laws and Business Rules shall form and shall be deemed to form part of the dealings, contracts and transactions and the parties shall be deemed to have entered into an arbitration agreement in writing by which all claims, differences or disputes of the nature referred to in clause (1) above shall be submitted to arbitration as per the provisions of these Bye-Laws and Business Rules.

All claims, differences or disputes referred to in clause (1) above shall be submitted to arbitration within six months from the date on which the claim, difference or dispute arose or shall be deemed to have arisen. The time taken in conciliation proceedings, if any, initiated and conducted as per the provisions of the Act and the time taken by the Relevant Authority to administratively resolve the claims, differences or disputes shall be excluded for the purpose of determining the period of six months.

Save as otherwise specified by the Exchange, the seat of ARBITRATION shall be at New Delhi.

(For more details please refer the Bye-Laws of INDIAN ENERGY EXCHANGE LIMITED.)

(On Members Letter-Head)

Application for approval as Approved User

Member ID No.: _____

To,
 The Clearing and Settlement Department
Indian Energy Exchange Ltd.
 10th floor, B Wing, Statesman House,
 Barakhamba Road, Connaught Place,
 New Delhi, 110 001
 Fax no.: 011 – 43004015

Dear Sir,

Sub: Allocation of new User ID

I/We (*Trade name of Member*) hereby apply for the approval of Mr./Ms..... (*Name of the User*) to act as our Approved User for trading on my/our behalf through Leased Line terminals or any other mode (plz. Specify)

1. Status & Address of the office where terminal is to be located.	<input type="checkbox"/> Regd. Office <input type="checkbox"/> Head Office <input type="checkbox"/> Dealing Office Address		
	Address:		
	City		Pin Code
	State		Phone No
	Fax No		Mobile No
	E-Mail ID:		
2. Name of the person for whom this application for allotment of user ID is made (expand all initials)			
3. Age of approved user			
4. Father's name of Approved user			
5. Address of the Approved user	Address :		
	City		Pin Code
	State		Phone No
	Fax No		Mobile No
	E-Mail ID:		
6. Qualification of Approved user			

7. PAN of Approved user or Copy of Application for PAN	
8. Nationality of Approved user	
9. Relationship of the proposed User with the Member i.e. an employee, agent on commission basis, client or others.(Pls. specify)	
10. Mode of connectivity for trading from the office where terminal is located.(from where the proposed User would operate)	<ul style="list-style-type: none"> • Lease Line ID • Internet • Any other
11. Leased Line IP Address	
12. User ID to be used on Internet (In case of Application for Leased Line)	YES / NO (Strikeout whichever is not applicable)
13. No. of Existing User IDs at the above Leased line	

I/We hereby agree and bind myself/ourselves to be responsible for all acts, quotations made and transactions done or effected by the said Mr. / Ms. as our Approved User on the Trading System of the Indian Energy Exchange Limited (IEX).

In case of the said Mr./Ms. ceasing to be associated with me/ us, I/we shall communicate to you the same along with related details and seek change/ cancellation in the user ID so allotted against this application, as prescribed. I/ We certify that I/we have not applied for any other user ID in the name of the said Mr. / Ms.

The User ID so allotted would be used by the said Mr./Ms. _____ only to access the IEX trading system.

I/We certify that approved user shall clear the Certification as prescribed by IEX.

I/We further certify that Mr. / Ms. _____ is not suspended/debarred by any recognized Exchange.

Name & Signature of Approved User:

For (Name of Member)

Approved Signatory

(Designated Director / Managing Partner / Proprietor / Karta)

Date:

Place:

Note: User ID's shall be allotted after the Exchange is satisfied that the same can be allotted and at the discretion of the Exchange.

Letter from Member authorizing IEX for making transactions on his behalf

(To be submitted on Member's letter head)

Date:

To,

The Clearing and Settlement Department
Indian Energy Exchange Ltd.
10th floor, B Wing, Statesman House,
Barakhamba Road, Connaught Place,
New Delhi, 110 001
Fax no.: 011 – 43004015

Dear Sir,

Sub.: Order execution

We are not able to place any order in the Trader Workstation due to the following reason:

- a. Connectivity failure
- b. Power failure
- c. Deactivation / Suspension.
- d. Any Other

It is, therefore, requested that you may please do the order entry in the system on our behalf, as detailed below, for which we will be responsible for clearing and settlement.

Thanking you.

Yours faithfully

For

Authorized Signatory

On Company's letterhead

Date:

To

The Clearing and Settlement Department
Indian Energy Exchange Ltd.
10th floor, B Wing, Statesman House,
Barakhamba Road, Connaught Place,
New Delhi, 110 001
Fax no.: 011 – 43004015

Dear Sir,

Application for leased circuit

This has reference to your circular no. dated..... for the propose of leased line connectivity through BSNL (MPLS VPN) for IEX trading. We would like to apply for the same. Please find herewith the details of the locations, contact persons and site telephone numbers where the circuits have to be terminated,

Name of Trading Member	:
Dealing Office Address	:
City & Pin code	:
District	:
State	:
Contact Person at site	:
Site phone No (BSNL) with STD code	:
Fax No.	:

(Please provide the other locations details in the above format)

A demand draft amounting to Rs. 52,103/- (Rupees fifty two thousand one hundred and three only) in favor of 'AO (F&A) BSNL Mumbai' drawn on dated towards leased line charges is enclosed herewith. Kindly do the needful.

(in case of multiple circuits, please enclose demand draft accordingly).

Thanking you.

Yours faithfully

For

(Name and signature of the authorized signatory)
Company Stamp

On Company's letterhead

Undertaking

I/we _____ do hereby undertake the following:

1. I/We agree that the circuit will be used purely for IEX trading purpose only.
2. I/We agree that this circuit will not be interconnected to any of the Leased Line/ Data Circuit/ Network/ PSTN/EPABX etc of BSNL or any other service providers which is not permitted by the rules of Telegraph Authority/BSNL. I/We further agree to extend facility to the Telegraph authority/BSNL in order to enable monitoring of the purpose, performance and operation of the circuit, as and when required.
3. I/we hereby agree to abide by the provisions of Indian Telegraph Rules in force and as modified from time to time and such other terms and conditions prescribed by the telegraph Authority/BSNL.
4. I/We agree that necessary charges for registration/ installation/ Advance annual rental/ Arrears, if any will be paid to the controlling/ billing authority of BSNL & IEX, as and when we receive demand note/advice from BSNL / IEX and when such charges become due.
5. I/We agree that I/We shall pay the cancellation charges and other expenses incurred to establish the circuit as requested by me/us that may become payable, in the event of cancellation of the application/closure of the circuit at a later date.
6. I/We do hereby agree to indemnify the Govt. of India/ DoT/ BSNL and keep them indemnified against any loss damage claim, cost, charges, expenditure incurred by or made against them in respect of loss of rent/ call charges, violation of C.U.G. norms due to misuse of the circuit or otherwise whatsoever in the matter.
7. In case BSNL provides us MLLN modems, it will be our responsibility to maintain the same safely. Incase of any physical damage or theft we will bear the charges specified by BSNL.

Stamp & Signature of the Authorized Signatory

Date:

Place: