

**CENTRAL ELECTRICITY REGULATORY COMMISSION
NEW DELHI**

Petition No. 139/MP/2011

**Coram: Dr Pramod Deo, Chairperson
Shri S Jayaraman, Member
Shri V S Verma, Member
Shri M Deena Dayalan, Member**

Date of Order: 24.4.2012

In the matter of

Approval of the Rules, Bye-laws and Business Rules of National Power Exchange Limited for setting up and operation of Power Exchange

And in the matter of

National Power Exchange Limited, New Delhi

.....Petitioner

ORDER

The Commission in its order dated 1.7.2009 in Petition No. 91/2007 had accorded permission to National Power Exchange Limited (hereinafter "NPEX") for setting up and operation of a power exchange in accordance with the Guidelines for grant of permission for setting up Power Exchange issued on 6.2.2007 in Petition No. 155/2006 (suo motu). While according approval, NPEX was directed to revise its business model, Bye laws, Rules and Business Rules keeping in view the guidelines and the observations made in the said order dated 1.7.2009.

2. NPEX has submitted a set of documents, containing the draft Rules, Bye-laws and Business Rules of the power exchange for approval of the Commission. The draft Rules primarily deal with preamble, definitions, and different aspects of management and

qualifications etc. for membership of the exchange. The draft Bye-laws cover power exchange's functions in relation to contracts, trading system with procedure, membership, margins, clearing and settlement of contracts, Settlement Guarantee Fund (SGF), defaults/ failure to meet obligations, records, annual accounts, audit and inspection, market watch and surveillance, and grievance redressal and dispute resolution. The draft Business Rules deal with the market operation, contract specifications of Day Ahead Market and the matching rules for Day Ahead Market auction.

3. After perusing the documents submitted by NPEX, the staff of the Commission sought the following clarifications vide letter dated 20.5.2011:

- a) NPEX should make a presentation before the Commission on their Business model and Business plans including their Governance structure (shareholding pattern and composition of board of directors) and its operation processes (bidding process, clearing and settlement).
- b) Mode through which its shareholders/promoters will raise its networth to fulfill the prescribed networth criteria of ₹25 crores.
- c) NPEX's contribution towards SGF should be intimated to the Commission.
- d) Time line for implementing the disaster recovery site has to be declared before commencing operations.
- e) Exit Scheme should be furnished for the approval of the Commission.

f) Test results of the trading software testing under various scenarios shall be submitted to the Commission before commencing the operations.

4. NPEX has submitted the revised documents on 7.6.2011 through an affidavit. NPEX has also submitted its response to the queries as under:

- a) NPEX is in the process of further raising paid up share capital for implementing the trading platform and to meet the networth requirement of ₹ 25 crores.
- b) NPEX is in the process of selecting/appointing the Managing Director, other employees as well as Independent Directors in accordance with the Regulation 22 of Power Market Regulations, 2010.
- c) The contribution towards SGF will be informed to the Commission as and when it is made.
- d) The estimated time for the commencement of operations is 12-18 months after approval of contract specifications and Rules, Bye-laws and Business Rules.
- e) A common SGF account will be maintained as in the proposed Rules, Bye-Laws and Business Rules of NPEX. All categories of trading members (other than advisory members) can trade in any or all segments of the market.
- f) Exit Scheme for the Day Ahead Market is being submitted but for other segments of market it will be submitted before commencing the operations in the respective segment.
- g) Results of Trading Software Testing will be submitted by the NPEX before commencing the operations.

h) NPEX has submitted the copy of the annual report for the FY 2009-10 and audited accounts for the FY 2010-11. Also the annual report for the FY 2010-11 would be submitted by 30.9.2011.

5. NPEX made a detailed presentation to the staff of the Commission on 27.7.2011 and covered various important issues on bidding process and price discovery methods in different markets, margining and risk management, clearing and settlement processes (financial and physical), Settlement Guarantee Fund and default handling mechanism, membership of the exchange, issues on corridor allocation between three power exchanges, various products proposed to be introduced on the exchange and IT trading system/ technology to be used by the NPEX.

6. Consequent to the discussion with the staff of the Commission, NPEX has submitted the modifications to the Business Rules on 30.09.2011. Broadly, the modifications to the Business Rules cover the following:

- a) A trader member can undertake transactions on Renewable Energy Certificates including Clearing and Settlement on his own account as well as on behalf of his clients.
- b) Advisory member shall not be required to contribute towards SGF.
- c) A pure REC member shall have a limited right to trade and clear on his own account only, and not behalf of any clients.

- d) Bidder cannot submit Block bids for both sell and buy orders during the same interval.
- e) Certain matching rules for matching demand supply curves in special cases have been prescribed.
- f) Margin (Collateral) requirement shall be calculated as 100% of any outstanding net 'pay-in', maximum open position based on the current buy order (highest of bid price multiplied by bid volume) and various fees and charges and levies as applicable.
- g) Business Rules will comply the Central Electricity Regulatory Commission (Sharing of inter-State Transmission Charges and Losses) Regulations, 2010 and Commission's order dated 24.5.2011 in Suo Motu Petition No. 127/2011 regarding 15 minute bidding time block for Day Ahead Market.
- h) NPEX has also attached the Annual Report for the FY 2010-11.

7. In reply to the Suo Motu Petition No. 127/2011, NPEX vide its affidavit dated 25.11.011 has submitted that in compliance with the directions of the Commission in orders dated 24.5.2011 and 27.9.2011, the exchange will commence its operations with 15 minutes time block in Day Ahead Market. It has also come to the notice of the Commission that the process of appointment of the Managing Director of NPEX has been completed.

8. We have perused the revised Rules, Bye-laws, Business Rules submitted by NPEX on 30.03.2011 and subsequent modifications to the Business Rules on 30.9.2011. We have also noted the submissions NPEX in its affidavit date 7.6.2011. We have made our observations on

the specific provisions of the revised Rules, Bye laws, Business Rules, in the Appendix to this order. That apart, following observations which are general in nature, shall be complied with by NPEX at all times:

- (a) The power exchange shall operate in compliance with Central Electricity Regulatory Commission (Power Market) Regulations, 2010.
- (b) The Rules and Bye-laws approved by the Commission are applicable to the power exchange in general. However the Business Rules approved by the Commission are specific to the Day Ahead Market. In case NPEX intends to commence trading on any other type of contract or any other type of market segment like Term Ahead Market, REC market etc. it shall submit revised Business Rules for approval of the Commission.
- (c) Two generating companies namely National Thermal Power Corporation and National Hydro Power Corporation are the major shareholders in NPEX. Being grid connected entities, they are also possible participants in the power exchange. NPEX shall ensure that the day to day operational information like bid price of various participants and other market surveillance data is kept completely confidential at all the times and not in any way available to the shareholders. The CEO and the management of the NPEX shall be responsible to ensure proper ring fencing between the shareholders and the management and submit the details of processes implemented for checks and balances to adhere to this requirement before commencement of operations.

- (d) NPEX shall submit a panel of independent directors for approval by the Commission in accordance with Regulation 22(2) of Power Market Regulations. The Independent directors should head the Market Surveillance Committee and Risk Management Committee as per Regulation 25 of Power Market Regulations.
- (e) The operation of the power exchange will commence only after fulfilling the networth requirement of ₹25 crores. NPEX shall submit a special audited balance sheet in this regard to demonstrate compliance of this mandatory requirement.
- (f) The shareholding pattern of NPEX should be in alignment with the provisions of Regulation 19 of the Power Market Regulations by 21.3.2013.
- (g) NPEX shall inform the Commission about its contribution towards Settlement Guarantee Fund (SGF) before commencement of operations.
- (h) The SGF committee shall be constituted with adequate representation from the members admitted on the power exchange.
- (i) NPEX has submitted the Exit Scheme only for the Day Ahead Market segment. It shall be required to submit the Exit Scheme for the products other than Day Ahead Market at the time seeking approval for introduction of such products.
- (j) NPEX shall incorporate a pre-bid validation check for availability of funds and availability of open access with the bidder before acceptance of bids in the day ahead auction session.
- (k) NPEX shall establish a system to monitor the member service charge of its

professional members on a regular basis.

- (l) NPEX shall ensure that the Clearing and Settlement process, data communication with clearing banks and NLDC are electronic in nature.
- (m) NPEX shall ensure that the Market Splitting Congestion revenue is maintained in a separate account and transferred to NLDC on the next working day.
- (n) NPEX shall conduct mock tests through a qualified and independent expert on trading software and submit the test results to the Commission before the commencement of operation.
- (o) NPEX shall submit the test results covering various real life scenarios of the trading software application installed by NPEX through a qualified and independent expert before commencement of operations of the exchange.
- (p) NPEX shall inform the Commission about the details of planned disaster recovery site location and timeline for its implementation.
- (q) The pay-in and pay-out time schedules for buyers and sellers in the clearing and settlement process should be clearly stipulated as part of the chapter on “Clearing and Settlement of Funds” in the Business Rules.
- (r) The modification to the Business Rules submitted on 30.09.2011 provides for “matching rules to be adopted where supply and demand curves do not intersect”. A cursory mention has been made about “pro rata methodology” to be used. This methodology needs to be explained with example as part of the matching rules.

- (s) NPEX shall also comply with any other directions in the order dated 1.7.2009 under which it was granted in principle approval for setting up and operation of power exchange.
- (t) The approved Rules and Bye-laws along with all orders of the Commission on the subject shall be kept posted on the home page of the website of the Power Exchange for information of all concerned.
- (u) The terminologies such as “Trading member” and “Trader member” used in Chapter 5 of Bye laws and Chapter 3 of Business Rules respectively are very similar and may create confusion. Nomenclatures should be suitably modified for the sake of clarity.

9. NPEX shall submit to the Commission the revised and consolidated Rules, Bye-laws and Business Rules after incorporating our observations and directions mentioned in this order by 18.5.2012. Subject to compliance of our observations and directions, approval is hereby accorded to the Rules, Bye-laws and Business Rules submitted by NPEX. We permit NPEX to start operation of the power exchange from a date to be announced by it in advance under intimation to the Commission.

10. This disposes of Petition No. 139/MP/2011.

sd/-	sd/-	sd/-	sd/-
(M. DEENA DAYALAN) MEMBER	(V.S.VERMA) MEMBER	(S.JAYARAMAN) MEMBER	(DR.PRAMOD DEO) CHAIRPERSON

APPENDIX

Sr No.	Page No.	Clause No.	Comments
Rules of National Power Exchange			
1.		Statutory Disclaimer	The following words shall be added:- <i>“The Commission may at any time issue directions to the Exchange, vary or amend these Rules, Bye laws and Business Rules, and subject the Exchange to such regulatory oversight as may be deemed fit by the Commission.”</i>
2.	1	1.5	The following shall be added at the end of the sentence:- <i>“In case of any inconsistency between the contents of these Rules on the one part, and any of the provisions of the Electricity Act, 2003, the Rules made thereunder by the Central Government and Regulations, Codes, and directives issued thereunder by the Central Commission including and in particular the Central Electricity Regulatory Commission (Power Market) Regulations, 2010 ; CERC (Terms and Conditions for recognition and issuance of Renewable Energy Certificate for Renewable Energy Generation) Regulations, 2010, on the other part, the latter shall prevail to the exclusion of the former.”</i>
3.	2	1.13	In case of a conflict, the Memorandum and Articles of Association cannot prevail over the Rules, Bye Laws and the Business Rules of the Exchange which come into operation after approval by the Commission in terms of the provisions of the Power Market Regulations. Hence, the words “, <i>the latter shall prevail to the exclusion of the former</i> ” should be replaced by the words “the matter shall be referred to the Commission for its decision”.
4.	6	2.3(33)	An astrix shall be added on the definition of “Derivative Contract” with a footnote which shall read as follows:-

			<i>*Held to be inoperative vide judgment and order dated 7th February 2011 passed by the Hon'ble High Court of Bombay in Writ Petition No.1197 of 2010 with Notice of Motion No.100 of 2010 with Writ Petition No.1604 of 2009 with Notice of Motion No.71 of 2010. CERC SLP pending.*</i>
5.	8	2.3 (47)	As per the judgement of the Appellate Tribunal for Electricity in Appeal No. /2010, Members other than electricity traders, distribution licensees or grid connected entities cannot take trading risk on behalf of their clients. Hence clients of such members would be dealing with the power exchange directly with regard to risk management. To make the provisions of the Rules aligned with the prevailing law, the words "or the Clients, as applicable" shall be inserted after the word "Members"
6.	8	2.3 (51)	The words "of the exchange" be inserted after the words "or the web site".
7.	11	2.3 (77)	The word "Regulations" appearing after the words "be permitted by the" be replaced with the words "Central Electricity Regulatory Commission (Power Market) Regulations, 2010 as amended from time to time".
8.	11	2.3 (78)	An astrix shall be added on the words "monthly/yearly or more" with a footnote which shall read as follows:- <i>*Held to be inoperative vide judgment and order dated 7th February 2011 passed by the Hon'ble High Court of Bombay in Writ Petition No.1197 of 2010 with Notice of Motion No.100 of 2010 with Writ Petition No.1604 of 2009 with Notice of Motion No.71 of 2010. CERC SLP pending.*</i>
9.	13	3.4	The following shall be inserted at the end of the sentence: <i>"Any amendments in the approved Rules, Bye laws, Business Rules shall be made only with the prior</i>

			<i>approval of the Central Commission. At the time of according approval, the Central Commission may specify any condition or modify any of the present stipulations, in the light of the experience gained and to meet the needs of the future.”</i>
10	13	3.6	As per the Power Market Regulations, Exchange Members are not eligible to be members of certain committees. Therefore, the following may be added at the end of the sentence: “subject to the restrictions/limitations imposed by the Power Market Regulations”.
11	15	3.19	In view of the observation pertaining to clause 3.6, this clause needs to be clarified keeping in view the restrictions/limitations imposed by the Power Market Regulations.
12	17	4.1	The words “as applicable and amended from time to time” shall be inserted at the end of the sentence.
13		Chapter4 (general)	The grounds of defaults as specified in sub-clauses (1) to (7) of clause (i) of Regulation 30 of Power Market Regulations be incorporated verbatim under clause 4 of the Rules for the convenience of the members of the exchange.
14		Chapter4(general)	Default Remedy Mechanism as specified in Regulation 30(ii) of Power Market Regulations be incorporated under clause 4 of the Rules.
Bye-Laws of National Power Exchange			
15		Statutory Disclaimer	The following words shall be added:- <i>“The Commission may at any time issue directions to the Exchange, vary or amend these Rules, Bye laws and Business Rules, and subject the Exchange</i>

			<i>to such regulatory oversight as may be deemed fit by the Commission.</i> "
16	2	1.12	The words "subject to any decision of the Commission" shall be inserted at the end of the para after the words "shall be binding". The words "Rules and Business Rules" be inserted after the words "confusion with regard to any of the provisions of Bye laws".
17	2	1.13	In case of a conflict, the Memorandum and Articles of Association cannot prevail over the Rules, Bye Laws and the Business Rules of the Exchange which come into operation after approval by the Commission in terms of the provisions of the Power Market Regulations. Hence, the words " <i>, the latter shall prevail to the exclusion of the former</i> " should be replaced by the words "the matter shall be referred to the Commission for its decision".
18	4	3.2	"6 and" shall be inserted after the words "compliance of regulations" and before "7 of CERC (Power Market) Regulations, 2010"
19	4	3.3	The line mentioned below shall be incorporated after the end of sentence. "In addition, the Clients of Professional/Advisory Members shall sign an undertaking in favour of the Exchange in the form provided under the Business Rules."
20	4	3.4	The line mentioned below shall be incorporated after the end of sentence. "Only Clearing Members or the Client, as applicable, shall be eligible and qualified to obtain directly the clearing, settlement and guaranteeing services of the Exchange/ Clearing House."
21	4	3.7	The words "or the Clients, as applicable" shall be inserted after the word "Members"

22	4	3.8	The line mentioned below shall be incorporated after the end of sentence. “The limits and exception rules will be specified in the contract specifications specific to each contract.”
23	4	3.9	The words “or the Clients, as applicable” shall be inserted after the word “Members”
24	5	3.10 & 3.11	The phrase “trading fee” shall be replaced by “transaction fee”.
25	5	3.10	The words “or the Client, as applicable” shall be inserted after the word “Member”
26	5	3.11	The words “or the Client, as applicable” shall be inserted after the word “Member”
27	5	3.12 (New Clause)	The following clause shall be incorporated as clause 3.12: <i>“Exchange Members shall maintain a record of all the transactions in all Contracts admitted to trading on the Exchange. Members shall have separate records of each of their Clients, including orders for execution of transactions in Contracts. Members shall preserve the records of clients’ orders for transactions for each Client separately with the time and date of receipt of order, details of executed transactions for each Client and books of accounts relating to the same, for a period of three years for production whenever required by the Exchange/ Commission/ any competent Authority.”</i>
28	5	3.13 (New Clause)	The following clause shall be incorporated as clause 3.13: <i>“The Exchange may on the basis of any direction or order of the Commission may, suspend transaction on any contract for the period specified in the order or withdraw any contract from the Exchange, as the case may be.”</i>
29	6	4.8	The words “required under the Regulations” shall stand deleted and replaced with the words “as provided in Regulation 31 (vii) of Power Market Regulations.” Further the line mentioned below shall be incorporated at

			<p>the end of the sentence:</p> <p>“The Exchange shall further develop the procedures for shifting the trade to alternate trading facility and keep the members informed about such procedures.”</p>
30	7	4.14	<p>Clause 4.14 be replaced with the following provisions in the Bye Laws:-</p> <p>“4.14 Trading Days</p> <p>(i) The Exchange shall be open on all days except on such Exchange holidays as the Exchange may, at its discretion, declare in advance, at any time. The days on which the ATS or any other trading system of the Exchange shall be available for trading in Contracts admitted on the Exchange shall be called as "Trading Days". The Exchange has the right to cancel such Trading Days.</p> <p>However, the Exchange shall carry out trading for each day of the year for Day Ahead market.</p> <p>(ii) The ATS of the Exchange shall however be available for trading on such holidays as the Exchange may, at its discretion, decide from time to time.”</p>
31	8	4.19	<p>Parameter terminology “Extent of contracts” is not clear - whether it means period when the contracts shall be running or duration of delivery in the contracts or any other time based parameter. This needs to be clarified.</p>
32	10	4.23	<p>In this clause the following words be added:</p> <p>“Provided that prior notice shall be given to all members about the suspension of trading alongwith the reasons and</p>

			the period of suspension, under intimation to the Commission.”
33	10	4.24	This shall be deleted as the contract performance cannot be altered in normal circumstances
34	10	4.25	(ii) The words “or the Client, as applicable” shall be inserted after the word “Member”. (iii) The following words “ as provided in these Bye Laws, the Rules and the Business Rules relating to Contracts and trading on the Exchange in the interest of the market and risk management ” be added at the end of the sentence.
35	11	4.32	The price discovery algorithm can only be changed with prior approval of the Commission. Clause to be modified accordingly.
36	11	4.34	(i) The words “or the Client, as applicable” shall be inserted after the word “Member”.
37	12	4.36	The words “However, annulment of contracts cannot be done due to insufficient funds.” shall be inserted after the word “LDC.”.
38	12	4.38	The words “or the Client, as applicable” shall be inserted after the word “Member”.
39	12	4.39	The following line be inserted at the end of the Clause 4.39 of the Bye Laws: “Members shall not issue contract note for any transaction, which has not been executed through the trading system of the Exchange.”
40		4 (New Clause)	The following clause be inserted under Clause 4 and numbered accordingly: “Segments The Exchange may constitute different segments for each

			group of instruments depending on the nature of the underlying (for example: Electricity, Renewable Energy Certificates) or duration of delivery (day ahead or term ahead) as may be decided by the Exchange and/or as may be specified in the relevant Rules and Business Rules from time to time.”
41	24	6.4	The words “other than the Advisory Member(s)” shall be added at the end of the sentence.
42	25	6.12	The words “or the Clients, as applicable” shall be inserted after the word “Members”.
43	25	6.13	The words “or the Client, as applicable” shall be inserted after the word “Member”.
44	25	6.15 (New Clause)	The following clause be incorporated as a new clause “Members shall be subject to margins on a gross basis across clients by the Power Exchange. There shall be no offsetting of positions of different clients of a member in the same market.”
45	26	7.6	This clause be replaced as follows: “The Exchange has to mandatorily clear all contracts undertaken on its platform. The Exchange can clear other contracts by taking prior permission from the Commission.”
46	28	7.13	This clause needs to be clarified. A clearing member can clear all trades for himself and others whereas a trading member can trade but cannot clear his trades as per definitions in clauses 5.3 and 5.4.
47	29	7.20 a	This clause needs to be clarified. Exchange members would have prudential norms for admission. It is not clear why separate networth and capital adequacy norms are again being stipulated as clearing for all members should be similar after being admitted as members of the

			exchange.
48	29	7.20 b	The words “clearing limits” to replace the word “limits”.
49	29	7.21	The words “or the Clients, as applicable” shall be inserted after the word “Members” wherever appearing in Clause 7.21 of the draft Bye Laws.
50	30	7.23	The words “or the Client, as applicable” shall be inserted after the word “Member”.
51	30	7.26	The words “or the Client, as applicable” shall be inserted after the word “Member” wherever appearing in Clause 7.26 of the draft Bye Laws.
52	30	7.27	The words “or the Client, as applicable” shall be inserted after the word “Member” wherever appearing in Clause 7.27 of the draft Bye Laws.
53	30	7.28	The words “or the Clients, as applicable” shall be inserted after the word “Members” wherever appearing in Clause 7.28 of the draft Bye Laws.
54	33	7.39	The words “or the Clients, as applicable” shall be inserted after the word “Members” wherever appearing in Clause 7.39 of the draft Bye Laws.
55	34	8 (New Clause)	The following clause shall be incorporated under the heading “Contributions to and deposits with Settlement Guarantee Fund” : “The amount deposited by Professional Members and REC Members shall also form part of SGF. There will be a common SGF for all market segments operated by the Exchange.”
56	35	8.7 & 8.8	The words “or client as applicable” shall be inserted after the word “member”.
57	35	8.8	The words “Clearing Corporation” be inserted in the second last line of Clause 8.8 of draft Bye Laws after the

			words “as may be approved by the Exchange”.
58	35	8.9 and 8.10	The clauses shall be replaced with the following- “Investment of Settlement Guarantee Fund As specified in Central Electricity Regulatory Commission (Power Market) Regulations, 2010, the Exchange shall invest the contribution of the Exchange Members towards Settlement Guarantee Fund in safe investments and ensure that the principal amount is not at risk. Fifty Percent (50%) of Settlement Guarantee Fund contribution shall be kept in safe liquid investments. In case of hiving off the Clearing Corporation, the Settlement Guarantee Fund investment returns shall be retained by the Clearing Corporation.”
59	36	8.12	The words “or client as applicable” shall be inserted after the word “member”.
60	36	8.13	The words “arising out of his clearing and settlement operations in respect of his transactions, as may be provided in these Bye-Laws, the Rules and Business Rules” shall be inserted after the words “settlement obligations to the Exchange” appearing the first line of the said clause.
61	38	8.17 & 8.18	The words “or client as applicable” shall be inserted after the word “member”.
62	38	8.18	The words “, which may, inter alia, include the minimum amount to be provided by each Clearing Member.” be inserted at the end of the first line of Clause 8.18 of the draft Bye Laws.
63	39	8.23	The word “Clearing” shall be deleted from the heading appearing above Clause 8.23 of the draft Bye laws.
64	51	10.28 and 10.29	The words “may at its discretion” be replaced with the words “as and when required under law”.
65	52	Chapter 11	Apart from the code of conduct it is suggested that the

			section should also include “Disciplinary action”. The specific disciplinary action like expulsion / suspension and imposition of fine may be added in the section along with the reason for the same like misconduct, insider trading , not complying with the rules of exchange/ any applicable laws in force.
66	55	12.5	Electronic Record of Audio and Video is to be archived for a pre-defined period. The archiving period is to be specified in this clause.
67	55	12.5	All telephonic conversations in the Surveillance Department shall be recorded and all the records of telephonic conversations shall be preserved for a minimum period of one month. This should be added.
BUSINESS RULES OF NATIONAL POWER EXCHANGE			
68		Statutory Disclaimer	The following words shall be added:- <i>“The Commission may at any time issue directions to the Exchange, vary or amend the Rules, Bye laws and Business Rules of the Exchange, and subject the Exchange to such regulatory oversight as may be deemed fit by the Commission.”</i>
69	2	1.13	In case of a conflict, the Memorandum and Articles of Association cannot prevail over the Rules, Bye Laws and the Business Rules of the Exchange which come into operation after approval by the Commission in terms of the provisions of the Power Market Regulations. Hence, the words “, <i>the latter shall prevail to the exclusion of the former</i> ” should be replaced by the words “the matter shall be referred to the Commission for its decision”.
70	4	3.1	The following line shall be inserted at the end of Clause 3.1 of Business Rules: “The terms and conditions applicable to such market segments are given in the Schedule A of these Business

			Rules.
71	4	3.2,3.3 and 3.5	The day ahead contingency, Intra contingency, term ahead REC Market Segment shall be deleted as details of these contracts have not been furnished. Approval shall be given only after the details are submitted.
72	8/ 9	5.3 (b) and 5.3 (d)	The words “other than Advisory Member” shall be inserted after the “The Member” appearing in the last line of Clauses 5.3 (b) 5.3 (d).
73	11	9.2	For a Seller, Financial settlement in lieu of delivery is not permitted. This shall be clarified in this clause.
74	12	9.4	The words “or the Clients, as applicable,” shall be inserted after the words “Clearing Members”.
75	12	10.2	The words “or the Clients, as applicable,” shall be inserted after the words “Clearing Members”.
76	12/13	10.3 (a)	(i) The words “or the Clients, as applicable,” shall be inserted after the words “Members” wherever appearing in Clause 10.3 (a). (ii) The words “or the Client, as applicable,” shall be inserted after the words “Member” wherever appearing in clause 10.3 (a) except the last line therein. (iii) The word “It” appearing as the first word in the fourth line of Clause 10.3 (a) shall be substituted by the words “The Clearing Member”. (iv) The word “Clearing” be inserted before the word “Member” in the last line of Clause 10.3 (a).
77	13	10.4	The words “or the Clients, as applicable,” shall be inserted after the words “Members”.
78	13/14	10.6	(i) The words “or the Clients, as applicable,” shall be inserted after the words “Members” wherever appearing in Clause 10.6 of draft Business Rules except the second last sentence.

			(ii) The word “respective” appearing in the second last sentence of Clause 10.6 of draft Business Rules be replaced with the word “Clearing”.
79	21	New Clause	A Clause as below shall be inserted appropriately:- <i>“Professional Member who is not trading licensee shall not provide any credit or financing or working capital facility to its Clients.”</i>
80	23	15.2	The words “The difference in the amount payable and recoverable due to such reversal, shall be adjusted from the Congestion Revenue Account, if permitted by the Commission or shall be distributed amongst the Exchange participants on pro-rata basis.” shall be deleted from this clause.
81	10 of Schedule A	11.6-(b)(i)	Examples to be given for clarity for the participants in understanding the rule.
82	10 of Schedule A	11.6-(b)(ii)	Examples to be given for clarity for the participants in understanding the rule.
83		Annexure 1A	Settlement - To be added ‘Buyers settlement with payment of money and sellers by physical delivery only ’
84		ANNEXURE	Format of “ Exchange – Member” agreement or any undertaking by members shall be provided.
85		ANNEXURE	Format of “Member – Client Agreement shall be provided.
86		ANNEXURE	Format of “Risk Disclosure Document” shall be provided.
87		ANNEXURE	Format of “Contract Note” shall be provided.