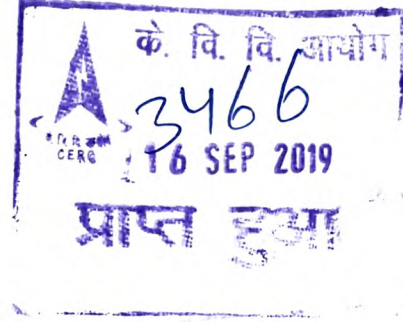


Ref: IPL/CERC/130
Dated: 19th August, 2019

To,
The Secretary
Central Electricity Regulatory Commission
4th Floor, Chanderlok Building Janpath,
Connaught Place New Delhi - 110001



Subject: Comments on Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2019.

Dear Sir,

In reference to the subject draft regulation, we submit our comments as under:

Suggestions to CERC on Procedure, Terms and Conditions for grant of trading licence and other related matters) Regulations, 2019.

Company Details:

Name Instinct Infra & Power Ltd
Category of License (if Trader) Category - III
Address C-201, Naraina Industrial Area,
Phase – 1, New Delhi - 110028
Email salil@instincttrade.com

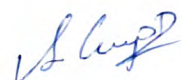
1. Suggestion on Procedure, Terms and Conditions for Grant of Trading License and Other Matters Regulations, 2009:

Sl. No	Section/Clause	Proposed Changes/Amendment	Remarks
1	2 (1) (e)	Definition of Banking of Electricity should be altered as below: 'Banking of electricity shall mean and include exchange of electricity for electricity between two grid connected entities directly or through a Trading Licensee on mutual agreed terms'	Looking at the present condition of the market and trading licensees, limiting further market share and business possibilities will be against the Trader's interest and will be a massive step towards their downfall.
2	3 (a)	Categories should be removed. All trading companies should be kept on	A number of Utilities keep the Category and volume as qualifying criteria in their respective tenders.

		<p>equal footing to compete in the market.</p> <p>Payment of fees should be on the basis of Volume Traded</p>	<p>There is no mention of such a condition in any regulations taken out by the Hon'ble Commission and such criteria and against the spirit of competition and also have adverse financial implications of the State.</p> <p>Increasing the Categories of traders will further encourage States to limit participation and therefore, reduce competition.</p>
3	9 (5)	<p>No mention of any penalty incase of charging of trading margin below 0 paise has been mentioned</p>	<p>Many traders quote negative trading margin. Even though the draft regulations mention minimum trading margin as 0 paise and penalty incase of charging more than 7 paise, there is no mention of the penalties incase of going below that.</p>
4	9 (10)	<p>LC shall not be made essential to the generators if LC has not been issued by the Utility</p>	<p>Such clauses wherein LC is mandatory to be given to the Seller means that the Trader is not acting as a trader but a financier. If the Seller's are to be given payment security, then it should also be required for the Utilities to be issue LC to the trader. Only in that case, does the Trader be required to issue LC to the seller.</p>
5	9 (24)	<p>The point stating 'Trading Licensee shall not engage in Banking of Electricity' should be removed.</p>	<p>Looking at the present condition of the market and trading licensees, limiting further market share and business possibilities will be against the Trader's interest and will be a massive step towards their downfall.</p>

Thanking you,

Yours truly,
For Instinct Infra & Power Ltd



Director