



Circular No.: IEX/MO/243/2017

Date: 01<sup>st</sup> June 2017

Dear Members,

We are pleased to inform our Members that Hon'ble CERC has approved the Business Rules, Rules and Bye laws of the Exchange for **trading in Energy Saving Certificates (ESCerts)**. Members are requested to note that the above documents are available on our web site [www.iexindia.com](http://www.iexindia.com) for reference.

Members may kindly note that the trading in Energy Saving Certificates (ESCerts) segment will be available under trading platform of "TAM/REC Segment".

**Instrument available for trading:**

ESCerts segment will be available for trading on every Tuesday of each month from 1.00 pm to 3.00 pm. ESCerts instrument will be available with the other TAM segment instruments. Members shall be required to login with their existing TAM user ID and password to access ESCerts segment.

**Matching of Bids:** Matching of bids will be done through Uniform Price closed Auction methodology.

**Margin requirements:**

- a. *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.
- b. The Member will be allowed to place a purchase order against cash amount made available, equivalent to 100% of the order value. Funds in the Settlement Account of the Member will be blocked to provide exposure for the purchase orders.
- c. *Special Margin:* The Exchange may levy additional margin on Member(s) or across the market for covering any enhanced risk.

**The following Reports will be issued to the Members:**

1. Participant Obligation Report
2. Portfolio Obligation Report
3. Tax Invoice
4. Buyer's Certificate

**1. General Terms**

Name of the Tradable Instrument:	Energy Savings Certificate (ESCert)
Underlying	Energy consumed in terms of one metric Ton of Oil Equivalent (mtoe).( Energy Savings Attributes of 1toe of energy savings by Designated Consumer certified and issued as perEnergy Conservation (Energy Consumption Norms and Standards for Designated Consumers, Form, Time within which, and Manner of Preparation and Implementation of Scheme, Procedure for Issue of Energy Savings Certificate and Value of Per Metric Ton of Oil Equivalent of Energy Consumed) Rules, 2012)
Instrument Types	ESCert
Price Quotation	INR/ESCert
Price tick:	1 INR
Volume tick:	1 ESCert
Minimum Order volume limit:	1 ESCert
Transaction Fee	Fees payable by ESCert buyer and seller to Exchange, for the transacted quantity. Such fee shall be specified by the Exchange from time to time.

## 2. Trading and its associated schedules

Time on Trade day	Details
<b>Pre-trade Phase:</b>	
By 12.00 Hrs.	Exchange to check initial margin for Members.
<b>Order Accumulation phase (Bidding)</b>	
13.00 Hrs. to 15.00 Hrs.	Order Accumulation
<b>Order Verification phase</b>	
By 15.30 Hrs.	Exchange to send details of maximum offer placed by Sellers and buy bids to Registry.
By 16.00 Hrs.	Registry to send report confirming valid ESCerts available with participant.
<b>Order matching and transaction finalization</b>	
By 17.00 Hrs.	Market clearing price and Market clearing volume determination and publishing of transaction results on Exchange Terminal.
<b>Settlement Phase</b>	
By 17.00 Hrs.	Files to be sent by Exchange to banks for actual debits (Pay-in).
By 11.00 Hrs. (next bank working day)	Files to be sent by Exchange to banks for actual credits (Pay-out).
<b>Delivery Phase</b>	
By 17.15 Hrs.	Exchange to upload the confirmation report on D-CRM portal providing the final sell and buy volume of each participant.
By 17.30 Hrs.	Registry to send the transaction approval acknowledgement to Exchange.
By 18:00 Hrs.	Exchange to send transaction report to each participant as proof of transfer of ESCerts.

**Applicability of Business Rules:**

The general provisions of Business Rules relating to the procedure not specifically laid down in this circular and the decision taken by CERC/ Board/ Executive Committee in respect of matters specified above will apply mutatis mutandis.

The date of commencement of trading in ESCerts will be informed to Members in a separate circular.

**For and on behalf of****Indian Energy Exchange Limited****Akhilesh Awasthy****Director (Market Operations)**

Kindly contact IEX operations- 011-43004042 or send email at [iex-operations@iexindia.com](mailto:iex-operations@iexindia.com) for any clarification.