



Bye-Laws of Indian Gas Exchange Limited (IGX)

STATUTORY DISCLAIMER:

“These bye laws including the Market Rules have been approved by the Petroleum and Natural Gas Regulatory Board. However, the persons enrolling themselves as members or clients of the gas exchange or transacting trade on the gas exchange shall do so after satisfying themselves of all the commercial aspects including the fees and charges leviable covered under the rules and bye laws, uninfluenced by the fact that the Board has approved them since these are the matters exclusively between parties.”

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CHAPTER 1

1. PREAMBLE

1. These Bye-Laws shall be known as “the Bye-Laws of Indian Gas Exchange Limited (“**IGX**”)" and are for the sake of brevity and convenience, herein referred to as “these Bye-Laws” or “the Bye-Laws”.
2. The Bye-Laws are designed to provide the basic framework for management of the Exchange, and to regulate its Members, and all other participants operating under or through them or dealing with them including the Clients, pipeline operators and clearing banks.
3. The Bye Laws and the Market Rules and directions that may be notified from time to time by the Indian Gas Exchange shall at all time be subject to and read consistent with the provisions of the PNGRB Act, 2006, the Rules made thereunder by the Central Government and Regulations, and directives issued thereunder including and in particular the Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020 as the case may be as amended from time to time with a prior approval from the Board.
4. In case of any inconsistency between the Bye Laws, the Market Rules and Directives issued under the Bye-Laws of the one part and any of the provisions of the PNGRB Act, 2006, the Rules made thereunder by the Central Government and Regulations, and directives issued thereunder including and in particular the Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020 as the case may be of the other part the later will prevail to the exclusion of the former.
5. The Bye-Laws, the Market Rules, and directives issued under the Bye-Laws may be amended or changed from time to time by the Exchange with prior approval of the Petroleum and Natural Gas Regulatory Board (PNGRB) and shall further be subject to such modification as may be directed by the PNGRB from time to time.
6. The Exchange may, from time to time, issue clarifications or directives in form of circulars, as may be required from time to time, to remove any difficulty or ambiguity in implementing the provisions of any of these Bye-Laws or the Market Rules and such clarification shall have binding force provided same is in line with regulations of PNGRB.
7. Conflict between Bye-Laws and the Market Rules

In event of any conflict between Bye-Laws and the Market Rules, the Bye-Laws shall supersede. Without prejudice to the generality of the above, in case of any ambiguity or any confusion with regard to any of the provisions of the Market Rules, the clarification given by the Exchange shall be binding provided same is in line with regulations of PNGRB.

All capitalized terms used herein but not defined shall have the meaning as assigned to them in the Market Rules of the Exchange.

CHAPTER 2

2. FUNCTIONS OF EXCHANGE

2.1 General

1. Exchange may undertake the transactions in Contracts as is permitted from time to time by the Board in accordance with the Regulations notified by the Board from time to time.
2. Without prejudice to the generality of clause 2.1.1 above, the Exchange may facilitate on-line transactions of all nature permitted by the Board including buying and selling Natural Gas, liquefied natural gas (“LNG”), Pipeline Capacity, trading of natural gas or LNG including those with price linkage to other established markets or reported indices either in India or otherwise, as the case may be, and such other instruments or contracts, and all operations incidental, ancillary or related thereto.
3. Exchange may undertake the transactions at Trading Hubs after considering the liquidity and presence of number of gas market participants at the potential gas hub. Following key parameters are considered for the purpose:
 - a. presence of sellers
 - b. presence of buyers, and
 - c. access to major trunk natural gas pipeline(s)
4. Subject to the provisions of these Bye-Laws, the Company Board shall have the powers to issue Market Rules and directions from time to time:
 - a. for operation of the Exchange, and to regulate the functioning and activities of the Exchange Members, their authorized persons, Approved users, Clients and all other persons operating under or through them or dealing with them, their dealings at the Exchange and their inter se dealings, and to determine terms and conditions of transactions in Contracts admitted on the Exchange, including method, manner, clearing, settlement and other operations related thereto.
 - b. to organize, facilitate, maintain, manage, control and regulate the operations, functions and supervision of the Exchange and to regulate the activities and functioning of the Exchange Members, and their authorized persons, as may be necessary or expedient, and
 - c. all other matters considered necessary or expedient to carry out the functions and objectives of the Exchange.
5. Without prejudice to the generality of the powers mentioned above, the Company Board may frame rules or issue directions on the following aspects:

2.2 Transaction at Exchange

1. Determination of trading sessions and proceedings in such trading sessions on the software of the Exchange or any other trading system used or operated by the Exchange, for specified Contracts admitted to be traded on the Exchange.
2. Allotment of software to the Members and appointment of Approved Users.

3. Determination of units of quotation and trading and variations in bids and offers and minimum and maximum size of bids.
4. Determination of the transaction and clearing fees payable by Members for Contracts and other charges that may be collected by the Exchange from Members.
5. Determination and appropriation of the charges applicable to Members/Clients subject to provisions of Market Rules.
6. Suspension of trading in one or more Contracts admitted for trading on the Exchange.
7. Procedure for settlement of disputes relating to trades on the Exchange.
8. Determination of due dates, relevant rates and penalties for non-fulfilment of Contracts by giving or receiving deliveries.
9. Validation of the Bids placed on the Exchange and finalization of Contracts between the Clients.
10. Determination of the rules of matching.
11. Manner of operations and interface with Exchange and the Members for funds clearing and physical delivery scheduling.
12. Other relevant matters in relation to the operations and functions of the Exchange, its markets, Members and Clients.

2.3 Risk Management

1. Determination of various types of Margins on the transactions.
2. Determination of Security Deposits and Additional Deposits to be provided by the Members;
3. Rates of all types of Margins and mode of their payment.
4. Special or Additional Margins or other margins, and mode of their payment.
5. Exemption from payment of Margins.
6. Lien on capital and Margin deposits.
7. Rights to define abnormal bids in term of volume and value, and rights to reject such abnormal bids.
8. Right to check bids with reference to the standing clearance/s issued by the concerned authority and right to reject such bids.
9. Monitoring of any un-business like conduct, concentration, price rigging, price manipulation and any other market abuses, insider dealing and take suitable actions whenever such practices are identified.
10. Report the actions of the Members to the relevant authorities, if it is determined that the Member has undertaken any un-business like conduct, price rigging, price manipulations or other market abuses, insider dealing.
11. Penalty for non-fulfilment and/or evasion of Margin/funds obligation/scheduling requirements.

12. Client's liability to pay Margins.
13. Members' responsibility to collect margins from the Clients.
14. Members' responsibility to maintain proper books of accounts.
15. Any other matter relating to trading, clearing and settlement on the Exchange.

2.4 Clearing Process

1. Procedure for determination of Price.
2. Procedure for delivery as per the applicable Regulations and codes.
3. Procedure of payment and closing out of transactions in contracts wherever applicable.
4. Norms and procedures for establishment and functioning of clearing house for clearing and settlement of transactions in Contracts.
5. Supervision of clearing house and issuing Market Rules for supervision of clearing and settlement activities of the Members, among other things.
6. Designation of scheduled commercial banks as clearing banks.
7. Norms and procedures for availing of banking services from Clearing Banks and pipeline operators for settlement of transactions in Contracts.
8. Any other matter relating to Clearing and Settlement of transactions and deliveries thereto.
9. Procedure for dissemination of information and announcements to be broadcasted by Exchange through its trading system and website.

2.5 Setting up Settlement Guarantee Fund (SGF), and other funds

1. Norms, procedures, terms and conditions for contribution by Members of the Exchange and others to Settlement Guarantee Fund (SGF), or any other fund that may be established by the Exchange.
2. Norms, procedures, terms and conditions for guaranteeing of Settlement obligations of the Members through the SGF.
3. Administration, utilization, maintenance and investment of the corpus of the SGF.

2.6 Conciliation and Arbitration

All disputes arising from or in connection with a Contract or transaction between Members or between a Member and Client shall be referred to and decided by arbitration under the Arbitration and Conciliation Act, 1996 and as provided in these Bye-Laws and Market Rules notified by the Exchange for the purpose.

2.7 Governing law and jurisdiction

1. Bye-Laws, Market Rules and circulars issued by the Exchange shall be governed by and construed in accordance with the laws of India.
2. Subject to the powers of PNGRB and the Arbitration provisions under these Bye-Laws, the courts of New Delhi, India shall have the exclusive jurisdiction to determine any dispute in relation to or arising under or in connection with these Bye-Laws and Market Rules.

The Exchange shall be entitled to bring proceedings in any other competent jurisdiction against a Member to enforce the obligations of a Member which arise under or in connection with these Bye-Laws and Market Rules, or judgment or award.

CHAPTER 3

3. MEMBERS OF EXCHANGE

3.1 Admission Process

A person who desires to become a Member of the Exchange must submit an application to the Exchange together with a Membership Undertaking duly executed by the applicant. An application must be in the prescribed Membership form and contain the information specified by the Exchange and must be accompanied by pre-specified applicable fee as given in Market Rules. The Prospective Member shall follow all the clauses given in the Market Rules to become a Member of the Exchange.

To be eligible to become (and remain) a Member, a person must:

- a. have a permanent establishment in India;
- b. be an Indian national;
- c. be capable of being sued in its own name in a court of competent jurisdiction;
- d. have a minimum net worth of Rs. 1 Crore;
- e. have at least two of their staff deployed for full-time with a minimum bachelor's degree (graduation) in any stream or equivalent qualification and
- f. have at least one staff with a minimum of 2 years of experience in an activity related to Energy trading.

In addition to this, the Exchange may specify the Member qualification criteria with reference to financial strength in terms of threshold of key financial ratios through Exchange circular. Also, the Member has to abide by the qualification criteria like financial strength as may be directed by the PNGRB.

3.2 Withdrawal and Termination

1. Membership of Exchange shall continue so long as the Membership Undertaking is in force.
2. Suspension or termination of the Membership Undertaking shall result in the suspension or termination of Membership of the Exchange.
3. The Exchange can suspend or terminate the Membership of any Member if the Member does not comply with the terms of the Membership Undertaking, Market Rules, and the Bye-Laws or any applicable law.
4. The Exchange at its own discretion can suspend or terminate the Membership in case of default by the Member/Client.
5. The Exchange will suspend the Membership in case any market abuse is noticed.
6. As soon as possible, the Exchange shall inform the other Members of the Member's suspension or termination by means of a circular. In the case of a suspension for purely technical reasons and for fewer than five (5) business days, the Exchange reserves the right not to inform other Members of the suspension.

The Membership can also be surrendered either by resignation from the membership of the Exchange or transfer of the Membership by nomination after the expiry of 1 (one) years from the date when an applicant is admitted as a Member. In case of resignation, the Member shall be entitled to receive back his deposit, if any, after the Exchange have

recovered all outstanding dues from the Member who has tendered his resignation, subject to such lock in period as may be specified by the Exchange. In case of transfer of the Membership by nomination, the Member shall be entitled to receive back its deposit after the incoming Member (to whom the membership is being transferred) has deposited its deposit with IGX in terms of these Bye-Laws. The admission fee paid by the Member shall be non-refundable.

3.3 Representation and Warrant

Members represent and warrant to Exchange that:

1. they have been duly organised and constituted/ incorporated in accordance with the laws of their jurisdiction of incorporation and have a permanent establishment in India;
2. they are capable of being sued in their own name in a court of competent jurisdiction.
3. During the term of their membership, they have a net-worth equal to or more than the minimum net worth required to become a Member as per the Market Rules;
4. the signature and performance of the Membership Application Form and Membership Undertaking:
 - a. are within their statutory powers and have been duly authorised by all the measures required under their Bye-Laws/ constitutional documents; and
 - b. do not infringe or breach applicable legal or regulatory provisions or their own statutory documents or any contract, bid, injunction, ruling or other legally binding procedure.
5. they are not subject to arbitration or court actions or proceedings or any administrative or other measures that could lead to an evident and substantial deterioration in their business activities, assets or financial situation or that could affect the validity of the Membership Undertaking;
6. they are not found to be of unsound mind, by a court of competent jurisdiction;
7. they have not been adjudicated as an insolvent or application for insolvency is pending before the relevant authorities;
8. they undertake to take note of all communications issued as market notices in form of circulars by the Exchange and to comply with such circulars;
9. they undertake to immediately inform the Exchange of any changes concerning the representations made above;
10. they are fit to operate on the gas market;
11. a portion of their staff have the qualifications and experience required to establish and manage adequate internal procedures and controls in relation to the intended business on the market;
12. that, where relevant, they have entered into any agreement provided for by the Market Rules and met any technical requirements specified by the Exchange;
13. they have conducted their own analysis of the documents that they have received, and of the benefits and risks, especially those of an economic, legal or tax-related nature, that may arise from the Market Rules and from each Transaction, having the necessary knowledge and experience and the necessary skills;
14. they are aware of the potentially volatile nature of the Contracts offered on the Market and accept the risks associated with their use; and
15. the members have entered into the Member Client Agreement after conducting a diligence of the Client and verification of the credentials of such Clients.

3.4 Code of Conduct and Disciplinary Actions

1. Every Member shall be bound to promote to the best of his ability the objects and interests of the Exchange and to protect and safeguard the interests of his Clients trading on the Exchange. The following shall constitute examples of good business practices. A Member shall be liable to expulsion, suspension and/ or to payment of a fine for any violation of good business practices:
 - a. Every Member shall have access to these Bye-Laws and Market Rules and notices, circulars, orders and instructions issued by the Exchange from time to time and shall also provide all relevant information to its Clients, before executing any bid on behalf of such Client.
 - b. Members shall not encourage, abet nor allow their Clients to evade margin, security deposits, other required payments in respect of trading on the Exchange and other financial and non-financial compliance.
 - c. Members shall furnish to their Clients all information pertinent to Contracts, settlement schedule and deliveries schedule as notified by the Exchange or Transporter.
 - d. Members shall ensure that Clients are aware of the risks in trading.
 - e. Members shall explain the role of Exchange and the scope and benefits of the same to its Clients.
 - f. Every Member should take reasonable steps to protect transaction related information of their Clients, if applicable. The Member shall cause all its employees who in the normal course of discharge of their duties are likely to have access to such transaction related information to maintain complete confidentiality in respect to such transaction related information.
 - g. No Member shall misuse the transaction related information.
 - h. Every Member shall have adequately trained staff and appropriate infrastructure to render fair and prompt service to his Clients.
 - i. Every Member shall ensure that the transaction related information of Clients is not disclosed unless required to do so under any law.
 - j. A Member will not utilize its Client's funds for his own trading or any other Clients' trading. The Member transacting on other's behalf, will have to ensure that the funds pay out of one Client cannot be adjusted with that of the funds pay in of another Client and vice-versa. The Member will collect the funds pay in/ margin from the Buyer Client in advance and also ensure that the funds pay-out is given to the Seller Client immediately.
2. Every Member shall abide by the decisions of the Exchange and shall abide by all these Bye-Laws and Market Rules as well as notices, circulars, orders and instructions issued by the Exchange from time to time.
3. Every Exchange Members shall comply with the Insider Trading Norms as provided in Regulation 58 of the PNGRB (Gas Exchange) Regulation, 2020 which is mentioned below: -

A person having non-public price sensitive information, including the one relating to outage of liquefied natural gas (LNG) terminal or any major outage of gas producing field (including natural gas pipeline of any nature) or outage of compressors anywhere along the natural gas pipelines or any plant of a major customer, shall not transact on

the Gas Exchange unless such information has been submitted to NGGMS or Gas Exchange.

4. Any Member shall be liable to expulsion, suspension and/or to payment of a fine for any of the following acts or omissions:
 - a. Refusal to abide by awards: For neglecting or refusing to submit to, abide by and carry out any award or decision or order of any Arbitrators subject to provisions of Arbitration & Conciliation Act, 1996 as amended from time to time or any committee, the Company Board Members or the Exchange made in conformity with these Bye-Laws and Market Rules.
 - b. Unbecoming conduct: For acting in any manner detrimental to the interests of the Exchange or unbecoming of a Member.
 - c. Misconduct: For any misconduct or violation of insider dealing, market manipulation, anti-money laundering and financial crime legislation in India, good business conduct rules and principles, or for any misconduct in his dealing with or relation to the Exchange or any Member thereof or for any disreputable or fraudulent transactions with any person whether a Member or not of which complaint is made to the Exchange, any committee or the Company Board Members or by Members or Clients and is found to be valid by the Exchange.
 - d. Disobedience: For violating, disobeying or disregarding and Bye-Laws and Market Rules, any enactment, order, ordinance or notification issued by the State or The Union Government in respect of trading in gas, or the provisions of the PNGRB Act , and the rules and regulations made thereunder and any directions issued by the PNGRB.
 - e. Misinformation: For publishing or permitting to be published in any newspapers, circulars, or otherwise, any misrepresentation relating to the transactions in gas and other Contracts of the Exchange calculated to mislead the Members and/or the public.
 - f. Indifference and wilful negligence: For not complying with any notice or request made to it by or on behalf of the Exchange requiring it to attend any meeting of the Company Board Members or of any committee or to produce any books, documents, correspondence or other papers in its possession, power or control, or for refusing or neglecting to answer any question put to him by the Exchange, relevant to any business at any such meeting.
 - g. Failure to pay any dues: For failure to pay any amount due under Bye-Laws and Market Rules, and orders and instructions issued thereunder by the Exchange, and/or arbitration subject to provisions of Arbitration & Conciliation Act, 1996 as amended from time to time or any other fees when due or for non-payment of any fine imposed on it pursuant to these Bye-Laws or for failure to pay any other amount due by it under these Bye-Laws or under any order of the Exchange within 10 (ten) days after the same shall become payable.
 - h. Failure in physical delivery: Any physical delivery default including taking and giving delivery with intention of gaming / market manipulation.
 - i. Refusal of the Member from removing any of its Client which is found to be in non-compliance with the Bye-Laws/Market Rules or applicable law.

- j. Action detrimental to the Exchange: For any misconduct, in the sense of clauses referred to above inclusive as below, in its dealing with or relation to the Exchange:
- i. Wilful or intentional non-fulfilment of contractual or fraudulent or flagrant breach of contract.
 - ii. Frivolous repudiation of Contract(s).
 - iii. Refuse to refer any question in dispute to arbitration, survey or any committee or umpire.
 - iv. Communicating secretly or indirectly with any Arbitrator, surveyor, umpire or member of any committee to which the dispute has been referred to under these Bye-Laws and Market Rules.
 - v. For any conduct, act or omission knowingly carried out to subvert the objects and purposes of the Exchange and the its markets, or which is subversive of these Bye-Laws and Market Rules of the Exchange, or which defeats the agreements entered into by the Exchange with other organizations, agencies or entities for promoting the interests and activities of the exchange.
 - vi. For any conduct, act, omission or negligence which renders the Member liable to be declared a 'defaulter' by the exchange under any of the provisions of the PNGRB (Gas Exchange) Regulations 2020, these Bye-Laws and Market Rules or orders, circulars, notices and instructions issued by the exchange.
 - vii. Disclosure of one Member/Client's positions to other Clients/Members.
5. Whenever the exchange shall consider either by reason of complaint made to it in writing by a Member or by reason of any knowledge or if declared "not fit and proper" by any other Regulator/Institution or information that there is sufficient reason for inquiring as to whether there has been any act or omission on the part of a Member rendering it liable to expulsion, suspension and/or payment of a fine, the Exchange may give notice in writing to such Member or to any other Member requiring it to appear before any committee or the Company Board Members within such time as stated in the notice.
6. The exchange shall hear the Member with regard to whom it is proposed to recommend any resolution for expulsion, suspension and or imposition of a fine under these Bye-Laws, and hear the evidence or statements of himself or any witnesses present on its behalf at any such meeting. In relation to Exchange transactions, the exchange may also require the Member to produce for inspection any books, documents, correspondence or papers in its possession or under its control or that of his firm or company.
7. Whenever the Exchange is of the opinion that a Member of the exchange has become liable to expulsion, the Company Board Members may by resolution passed by majority of their members present and voting expel such Member permanently or for certain period from all rights of membership, except the right to go for arbitration in respect of matters prior to such expulsion. Such resolution shall be final and binding. The Company Board Members or the Exchange shall not be called upon to give any explanation or reason thereof to any person.

8. Whenever Exchange shall be of opinion that a Member has become liable to suspension and/or payment of a fine, the Company Board Members may by a resolution passed by a majority of their members present and voting at such meeting, may suspend it for any term not exceeding [six] calendar months from all rights of membership except the right to go to arbitration for matters in dispute prior to such suspension. Any such resolution of the Company Board Members shall be final and binding and the Company Board Members shall not be called upon to give any explanation or reason thereof. In addition to suspension or in lieu thereof or otherwise as recommended by the Exchange, the Company Board Members may at its absolute discretion impose a fine on such Member as it may deem appropriate. Failure to pay such fine within the stipulated period shall render a Member liable to suspension, if it has not been suspended already, or expulsion, if he has been only suspended.
9. Before passing any resolution under above Clauses 7 or 8, the Exchange shall give the Member concerned a notice in writing stating that the Company Board Members proposes to consider the passing of a resolution for the expulsion, suspension and/or fining of such Member and requiring it to attend a meeting of the Company Board Members called for the purpose at which the said Member may produce whatever evidence or statements he wishes to present in its defence.
10. A suspended Member shall during the period of suspension be deprived of and excluded from all the rights and privileges of membership, except in respect of transactions outstanding at the time of suspension which it shall be bound to fulfil and in regard to which it shall be subjected to all the obligations and have all the rights thereof and of these Bye-Laws including the obligation and right to go to arbitration. The suspended Member shall also be liable to pay all fines, calls, subscriptions, and other moneys due or to become due from it during its suspension in the same manner as if he had not been suspended.
11. A Member expelled by the Company Board Members shall forfeit all the rights and privileges of membership including those conferred on it by these Bye-Laws and Market Rules and it shall as from the date of the resolution cease to be a Member, but it shall continue to be liable for and fulfil its obligations to the Exchange or to any other Member at the date of its expulsion and for these purposes shall have the right and be under obligation to go to arbitration under these Bye-Laws.
12. In case a Member has been suspended, deactivated, expelled or declared deemed defaulter or defaulter, no other Member shall do business for or on behalf of such Member.

3.5 Fines and Penalties

In case of any violation on the part of the Member the Exchange shall have the authority to levy penalty on such Members.

In case the seller fails to make good the delivery in full or in partial quantity, then the exchange has the right to take punitive action against such member and seller client by applying penalty charges and in case of repetitive offence, exchange may debar such entity and not allow to trade on the exchange platform for a period as deemed fit by the exchange. The amount of penalty charges will be decided by the exchange and informed through circular(s).

Similarly in case the buyer fails to make good its financial obligation, then the exchange has the right to take punitive action against such member and buyer client by applying penalty charges and in case of repetitive offence, exchange may debar such entity and not allow to trade on the exchange platform for a period as deemed fit by the exchange. The amount of penalty charges will be decided by the exchange and informed through circular(s).

3.6 Delay or failure to comply

Any delay or failure by the Members to observe or comply with any requirement, either in full or in part under these Bye-Laws and Market Rules, may be dealt with by the Exchange as a violation of these Bye-Laws and Market Rules and shall be considered as a default by the Member.

CHAPTER 4

4. CONTRACTS AT EXCHANGE

1. Exchange Members shall execute and clear transactions in only such Contracts as specified by the Exchange.
2. All transactions in Contracts admitted to trading on the Exchange shall be made only in the manner approved by the Exchange.
3. While entering a bid in the system, the Exchange Member shall specify the respective Client (portfolio) identification number or the client code.
4. Before executing a Contract for a Client, the Exchange Member shall sign a written agreement with the Client, as per the procedure and in the format, as may be specified by the Exchange.
5. All transactions in Contracts admitted to trading on the Exchange shall be cleared, through and settled by the clearing house of the Exchange.
6. In respect of all Contracts executed by the Exchange Members, it shall be the responsibility of the respective Exchange Members or the Clients, as applicable, to pay all applicable statutory fee, charges, service tax, taxes and levies.
7. Rates and/or prices for Contracts admitted to trading on the Exchange shall be quoted in accordance with Bye-Laws, and Market Rules and directions of the Exchange specified for that Contract.
8. The Exchange shall introduce new contracts after prior approval of the Board. Subsequent modification(s) in the contract specification for the points mentioned under regulation 5(3) of the PNGRB (Gas Exchange) Regulations, 2020 shall be done after prior approval from the Board. Modification to contract specifications other than the parameters mentioned under regulation 5(3) of PNGRB (Gas Exchange) Regulations, 2020 shall be carried out by the Exchange and intimated to the Board.
9. The Exchange shall have the authority and discretion to determine, specify and modify the limits with respect to Volume and/or value of the Contracts admitted to trading on the Exchange. Such limits could differ for different membership categories and/or differ from Member to Member; and exceptions may be provided by the Exchange. The limits and exception rules will be specified in the Rules, Circulars and contract specifications specific to each Contract.
10. The Exchange may specify and modify the price limits with respect to Contracts admitted to trading on the Exchange, which shall be binding on the Members or the Clients, as applicable. Such price limits may include floor and ceiling price for a day or for a specific period.
11. The Exchange may specify the maximum and/or minimum Member Service Charges an Exchange Member can charge from its Clients.
12. The Exchange shall have the right to determine, specify and modify the terms and manner of Settlement and Delivery in any Contract with the approval of PNGRB.
13. 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 bids for execution of transactions in Contracts. Members shall preserve the records of Clients' bids for transactions for each Client separately with the time and date of receipt of bid, details of executed transactions for each Client and books of accounts relating to the same, for a period of seven years for production whenever required by the Exchange and/or the PNGRB.

14. The Exchange shall maintain and preserve documents as referred in Regulation 42 of the PNGRB (Gas Exchange) Regulations, 2020 for a minimum a period of seven years.
15. The Exchange may on the basis of any direction or order of the PNGRB may, suspend transactions on any contract for the period specified in the order or withdraw any contract from the Exchange, as the case may be, after granting the opportunity of being heard.

CHAPTER 5

5. TRADING AND SURVEILLANCE

5.1 General

1. The entire trading operation at the Exchange shall be conducted under the Automated Screen based Trading system, which is also called as 'TWS'.
2. The TWS shall be available for facilitating trading in Contracts admitted for trading on the Exchange from time to time.
3. All the bids for purchase or sale of contracts by an Exchange Member shall be required to be entered only through the TWS approved by the Exchange.
4. 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.
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.
6. A Member shall not, permit itself or any other person(s) to:
 - a) use the software provided by the Exchange for any purpose other than the purpose as approved and specified by the Exchange,
 - b) use the software provided by the Exchange on any equipment other than the workstation approved by the Exchange,
 - c) copy, alter, modify or make available to any other person the software provided by the Exchange,
 - d) use the software in any manner other than the manner as specified by the Exchange,
 - e) attempt directly or indirectly to decompile, disassemble or reverse engineer the same.
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.
8. The Exchange Member shall maintain confidentiality of bid information of Clients during and after the trade sessions.
9. No Exchange Member shall have any title, right or interest in the TWS of the Exchange, its facilities, and software and the information provided on the TWS of the Exchange, and no such claim shall lie against the Exchange at any time.

5.2 Divisions

The Exchange may constitute different divisions for each or group of instruments depending on the timeframe, size of the contract or different underlying (for example, Delivery based contracts, or Pipeline Capacity contracts) as may be decided by the Exchange and/or as may be specified by Exchange from time to time.

5.3 Restrictions on Transactions

The Exchange may, at its absolute discretion, from time to time, impose such restrictions on transaction in such Contracts, or on such Exchange Members or the Clients, as applicable, as provided in these Bye-Laws and Market Rules relating to Contracts and trading on the Exchange in the interest of market and to increase security.

5.4 Trading sessions

1. The Exchange may, at its discretion, prescribe different trading sessions for different market segment/products on the TWS and may also decide on the timings and operational requirements for the same, as may be provided by Exchange from time to time. The Exchange may, at its discretion, reduce, extend or otherwise alter the timings of such trading sessions for any particular Trading day.

a) Where the Exchange has reduced, extended or otherwise altered the timing of any trading session or sessions, on the TWS, on any particular Trading day, the reasons for the same shall be required to be recorded in writing.

2. The Exchange may, at its discretion, alter, contract, extend or suspend any or all the trading sessions in specific circumstances, for reasons to be recorded in writing, after giving advance notice to the Exchange Members.

5.5 Prohibition to transact on the Exchange

1. An Exchange Member, who has been de-activated or suspended by the Exchange, or any Authorized Person or Approved User, who is not approved by the Exchange or whose approval has been rejected, refused, withdrawn or cancelled, shall not be allowed to transact on the Exchange.

2. The Exchange may, at its absolute discretion, refuse any person to transact on the TWS, and may, at any time, withdraw or terminate the right of trading of any such person if he fails to abide by the applicable laws, Bye Laws, Market Rules directives or otherwise fails to maintain proper decorum.

5.6 Permission to transact through TWS

No person shall be permitted to transact through the TWS, unless such person complies with the requirements prescribed in the Market Rules or with such other requirements as the Exchange may, at its discretion, prescribe, from time to time.

5.7 Management of TWS

The management of the TWS of the Exchange shall be under the charge of the employees of the Exchange or such other agency authorized or engaged by the Exchange on its behalf.

5.8 Registration and de-registration of Approved Users

Exchange Members shall allow only their Authorized Person/s and/or Approved Users to operate the TWS approved by the Exchange, subject to the following conditions: -

a) The appointment of Users shall be subject to such terms and conditions and submission of application in such form as the Exchange may, at its discretion, prescribe from time to time in the Rules, or circulars, orders and notices issued thereunder.

- b) The Exchange may, at its discretion, deregister any Authorized Person or Approved User of an Exchange Member for failure to comply with the applicable provisions of these Bye-Laws, the Market Rules and/or circulars and notices issued thereunder; but the Exchange Member concerned shall continue to be liable for acts of commission, or omission of its Authorized Persons and Approved Users prior to de-registration by the Exchange, or loss or damage consequent to the de-registration.
- c) The Exchange shall have the right to refuse any person from being registered as an Authorized Person or an Approved User.
- d) No person shall be appointed at any time as an Authorized Person or Approved User by more than one Exchange Member.
- e) The Exchange shall have the authority and discretion to prescribe different levels of usage of the TWS and may also prescribe norms for enquiry on the TWS, order entry, by the Authorized Persons or Approved Users of an Exchange Member.

5.9 Operational Parameters for Trading

1. The Exchange may, at its discretion, prescribe from time to time in Market Rules or through Circulars, the operational parameters regarding transactions in Contracts concluded at Exchange Platform. Such operational parameters may include:
 - a) determination of functional details of the TWS, including the system design, user infrastructure, user interface and system operation.
 - b) determination of the procedure and norms for trading on any other approved trading system of the Exchange.
 - c) limits on trading and fixation of units of trading, minimum and/or maximum quantity of Contracts or bid which may be offered to be bought or sold or the limits on price or its fluctuations permitted in a period.
 - d) fixation of tick sizes and levels for providing alerts.
 - e) determination of the types of transaction permitted for an Exchange Member and for any Contract.
 - f) specifications of types of bids, bid conditions and other details related to bid and transaction.
 - g) maintenance of recording of transactions executed and the manner of reporting transactions in the prescribed forms to the Exchange.
 - h) other matters, which may affect smooth operation of trading in Contracts admitted to trading on the Exchange.
2. All the parameters shall be adhered to by all Exchange Members. The parameters however may vary for Contracts.

5.10 Market Surveillance

1. The Gas Exchange has a surveillance department which carries out day-to-day monitoring of transactions and surveillance. The surveillance department shall analyse bidding patterns and transactions of participants.

2. Market surveillance is executed, from a physically secure and restricted area, by authorized personnel only. Separate surveillance rooms are maintained, with biometric access to authorized personnel only. Biometric access details to surveillance room(s) are recorded and logs are maintained. Internet access is not provided to any of the systems located inside surveillance room(s), and they are not connected to local LAN.

Access to external storage devices is completely restricted. Telephones located inside surveillance room(s) are recorded and have no outgoing call facility. All such telephone records are maintained for a minimum of three month period. Mobile phones are strictly banned in surveillance room(s), mainly during market hours. Surveillance room(s) is/are under video surveillance 24X7 and records of the same are maintained for a minimum of three month period.

3. The Exchange may, at its discretion, decide on surveillance, investigation and any other market related activities, either by itself or by a separate entity through outsourcing or by a separate and distinct entity established by it, either jointly or in collaboration with any other institution.
4. The provisions relating to surveillance, market watch system, investigation, any other market related activities to prevent deals to create false depth and false price in the market to ensure a fair and transparent market and creation of Exchange Members' database shall be specified in the Market Rules and circulars and notices issued thereunder from time to time.

5.11 Audit of Trading System

1. The Gas Exchange shall carry out IT system audit annually for data security, data integrity and operational efficiency by a competent agency empanelled with CERT-In (Indian Computer Emergency Response Team) and submit its reports to the PNGRB annually.
2. The Gas Exchange shall get the algorithm audited, by a competent agency, once in every two years and submit the findings of the audit to the board.

5.12 Daily Price Information

Prices of Contracts transacted on the TWS of the Exchange shall be recorded in the manner, as may be prescribed in the Market Rules or Bye-Laws from time to time. No prices shall be recorded for any transaction executed on the Exchange, unless it is made in the regular course of trading on the TWS.

A Daily Official List of prices and volumes shall be issued by or under the authority of the Exchange. Such Daily Official List of prices may be made available on the official website of the Exchange or be published or provided in such media, as may be decided by the Exchange from time to time.

5.13 Bid Management

The conditions and procedures to be followed by an Exchange Member or his Authorized Persons or Approved Users for entering, amending or cancelling bids on the TWS shall be as specified By Exchange from time to time, which may, inter-alia,

specify details to be entered compulsorily from an approved TWS at the time of bid entry, such as, client code, type of bid, symbol or contract code.

The Exchange Member shall maintain in the relevant records the bids received from his Client or modifications thereof, as specified in the Market Rules, circulars and notices issued there under by the Exchange from time to time.

5.14 Transaction management

Trading shall be allowed on the TWS of the Exchange in such Contracts as may be admitted to trading on the Exchange and for such categories of the Exchange Members, transaction types, market types, settlement and for such trading hours as the Exchange may, at its discretion, specify from time to time.

An Exchange Member or the Client, as applicable, shall be liable for all the transactions executed on the TWS, arising out of orders entered into the system by them. The Member shall be solely responsible for all the acts of commission and/or omission of Authorized Person, Approved Users, employees and other persons deployed by such Member, in relation to performance of obligations arising there from, connected therewith and incidental to such acts of commission and/or omission.

Transactions executed on the TWS of the Exchange are irrevocable and shall be cleared and settled in accordance with these Bye-Laws and Market Rules.

The Exchange may, however, on its own or on an application by the Exchange Member, and if the Exchange is satisfied, such transactions are vitiated by fraud, material mistake, misrepresentation, market or price manipulation, or designing artificial or false market, transacts with a design to recover monies or dues or to defraud or misuse the system and the like annul the transaction, wholly or partly, as the Exchange may consider appropriate.

5.15 Use of technology

The Exchange shall from time to time provide the necessary norms and requirements relating to the use of technology, which may include equipment, software, network, and similar things to ensure safety, security and integrity of the TWS provided by the Exchange so as not to endanger or harm in any way the public interest and/or the interests of the Exchange. These norms shall be binding on the Exchange Members.

5.16 Trading on Disaster Recovery Site

1. The Exchange shall develop Disaster Recovery Site and alternate trading facility in case of emergency as provided in Regulation 34(ix) of Gas Exchange Regulations.
2. The Exchange shall develop the procedures for shifting the trade to alternate trading facility and keep the members informed about such procedures.

5.17 Closing out: Exchange Member's responsibility

The Exchange Member or the Client, as applicable, shall be fully accountable for the auction/closing out of transactions effected by the Exchange on his behalf and shall indemnify the Exchange against any loss or cost arising out of or incidental to such auction/close-out of transactions either directly or indirectly.

CHAPTER 6

6. CLEARING AND SETTLEMENT

1. The clearing house of the Exchange shall clear and settle Contracts executed on the Exchange, insofar as the same are accepted for clearing and settlement by the Exchange. The clearing house shall act as deemed central counter party for the transactions in Contracts admitted on the Exchange, provided that:
 - a. if on investigation the Exchange concludes that either all the transactions or part thereof in any Contract are found to have been executed on the Exchange in a fraudulent manner and/or are done as financial transactions and/or with a design to defraud the Settlement Guarantee Fund, the clearing house shall have absolute authority and discretion to withdraw itself as a deemed central counter party to any transaction, at any time.
 - b. where the clearing house decides to withdraw as provided in clause (a) above, it shall afford an opportunity of being heard to all the parties affected or likely to be affected by such decision, where possible. The decision taken by the clearing house thereafter shall come into force forthwith and shall be final and binding on all the parties concerned, including the Clients.
2. The clearing house shall process all transactions submitted to the clearing house and notify to the Exchange the net liability of the Member or the Client, as applicable.
3. A Bid to buy or sell will become a matched transaction only when it is matched on the Exchange and the clearing house does not find the bid to be invalid on any other consideration.
4. Once a Contract is matched, and accepted, the clearing house shall be substituted as deemed central counter party for all net financial liabilities of the Members or the Clients, as applicable in specified Contracts in which the clearing house has decided to accept the responsibility of guaranteeing the financial obligations under such Contracts.
5. All outstanding transactions shall be binding upon the original contracting parties, that is, the Exchange Members or the Clients, as applicable.
6. Each Trading Day shall fall under one of the settlement period as per the settlement calendar to be published in advance depending upon the type of settlement, unless it is declared otherwise by the Exchange at its discretion.
7. Following Clearing and Settlement Process shall be adopted by the clearing house:-
 - a. The clearing and settlement function of the Exchange will be carried out in equal and transparent manner with no discrimination between the shareholder and non-shareholder Members of the Exchange.
 - b. All Contracts transacted on the Exchange shall be downloaded to the Members for settlement in the manner specified in the Market Rules and circulars and notices issued thereunder;
 - c. In respect of transactions executed on the Exchange, the Trading and Clearing Member shall be entitled to trade and clear on behalf of its Client(s)

but not on its own account or on account of its affiliates or associates. For transactions executed by the Proprietary Members the Member shall be entitled to trade and clear on its own account or on account of its affiliates or associates as its clients, but not account of anyone else.

Also, the Clients shall have the option to settle their financial obligation directly with the Exchange for clearing of their executed transactions.

- d. In respect of transactions executed on the Exchange, a Member, shall not:
- i. transact, clear and settle contracts without a valid agreement with Clients in the form prescribed under the Market Rules. A copy of such agreement shall be given to the Exchange;
 - ii. Notwithstanding the above, a Direct Client of the Member may also opt to directly settle its trades with the Exchange by opening its own settlement account.
- e. Members shall forthwith notify the Exchange for any addition to or deletion from the list of Clients. The Exchange will accordingly approve or not approve the same as the case may be;
- f. The following provisions shall apply in respect of Contracts that are transacted on the Exchange and then cleared and settled by the clearing house in the manner specified by the clearing house:
- i. Every Member shall be fully responsible for all his commitments to the Exchange, and his Clients irrespective of whether such Member has one or more Clients with whom he has dealings have defaulted. Default of any one or more Clients shall not affect the rights and obligations of a Member. Default of any one or more Clients shall not affect the rights of other Clients with whom the Member has dealings but who are not in default.
 - ii. The clearing house shall, in the manner specified by the Exchange, have the responsibility of receiving and maintaining margin payments, monitoring positions and transmission of documents, payments amongst the Members or the Clients, as applicable.
 - iii. The responsible for the commitments of a defaulting Member to his/its Clients or any other party, with whom the Member has an agreement.
 - iv. The Exchange shall not be responsible for any defaults of a Client towards its Member and shall in no event, directly engage with the Clients (except Direct Clients for settling the financial obligations).
 - v. No Member shall fail to affect clearance, settlement or payment of Margin in the manner specified by the Exchange, or fail to pay damages to the Exchange or fail to effect delivery merely on the ground of default of others including his Clients.
 - vi. No Client shall fail to affect clearance, settlement, delivery or payment of margin in the manner specified by the Exchange, or fails to pay damages to his respective Member with whom he has an agreement or fail to affect delivery merely on the ground of default of others.
 - vii. The Exchange shall not be deemed to guarantee the financial obligations of any Member to his/its Clients; and

- viii. The Exchange shall not be deemed to guarantee the title, genuineness or validity of agreements or any documents passing through the Exchange and the Members agree that no such claim will be made by any Member or Client on Exchange regarding the same.

CHAPTER 7

7. MANAGEMENT OF EXCHANGE

7.1 General

1. The management of the Exchange shall at all times be under the supervision and control of the Company Board and shall be conducted in compliance with such directions as the Company Board may issue from time to time.
2. The Company Board shall be constituted in accordance with Memorandum and Articles of Association of the Exchange, subject to fulfilment of requirements, if any under the PNGRB (Gas Exchange) Regulations 2020.
3. The powers and duties of Managing Director or an Exchange Committee or office bearers of the Exchange or key management personnel are dealt within Memorandum and Articles of Association of the Exchange. The Managing Director or key management personnel or office bearers of the Exchange shall carry out such other duties as are assigned under the Gas Exchange Regulations.
4. To enforce due compliance by the Exchange Members and subject to its overall supervision and control, the Company Board may constitute, and/or reconstitute committees or appoint advisory councils/ panels to undertake various functions of the Exchange. The committees shall have such responsibilities and powers as may be delegated to it by the Company Board from time to time. The Company Board will have the power to withdraw services of a committee member at any point of time, if it so desires.
5. Unless otherwise decided by the Company Board, such committees will generally have 3 (three) persons with one of the person being designated as Chairperson. The Company Board shall from time to time fill in any vacancy in the membership of any committee.
6. The quorum for every meeting of the committee shall be one-third of the total strength of each Committee or 2 (two), whichever is higher. In case the quorum is not present to transact any matter the same shall be referred to the Company Board for decision.
7. The meetings of the committees, panels and advisory council(s) may be conducted by means of telephone or audio-visual conferences during which all participants and committee members are able to hear and to be heard at all times by all other participants and committee members. The participation to such conferences shall be deemed to constitute presence in person to such meetings.
8. The decision of the committee shall be by majority and in case of equality of votes the Chairperson shall have a casting vote.
9. Subject to the powers vested in the committee, the Company Board may delegate powers to the Chief Executive Officer (Managing Director), other Directors, key management personnel or officers of the Exchange and others as may be considered appropriate.
10. The CEO (Managing Director) or Director or any employee or other persons of the Exchange to whom the powers are delegated as provided in the Articles of Association of the Exchange shall not be directly or indirectly associated with any Member or Client

or participant of the Exchange or with a holding or subsidiary company thereof. The Exchange Member may however be appointed as a member of any Committee constituted by the Company Board Members subject to the restrictions/limitations imposed by the Gas Exchange Regulations.

11. The Exchange may avail services of any consultant or advisor as long as there is no dealing with price sensitive information of the Exchange and there is no conflict of interest between assignments undertaken for other persons served by the consultant or advisor and the Exchange.
12. A member of any committee who is on the committee by virtue of being an Member or officer of the Exchange shall cease to hold such office forthwith if he ceases to be a Member or officer of Exchange; or upon suspension, expulsion or declaration as defaulter by the Exchange.

7.2 Exchange Committees

The Exchange shall maintain the following Statutory Committees as specified in the Gas Exchange Regulations, 2020 as amended from time to time and in addition thereto such other committees as may be considered appropriate: -

- a) Functional Committees comprising of-
 - i) Member Selection Committee and
 - ii) Nomination and Remuneration Committee
 - iii) Market Advisory Committee
- b) Oversight Committees comprising of-
 - i) Regulatory Oversight, Market Surveillance, Technology and SGF Management Committee; and
 - ii) Risk Management Committee

7.2.1 Member Selection Committee (MSC)

The Function of Member Selection Committee (MSC) shall be to evaluate applications for Membership of the Exchange based on membership criteria as defined in the Bye-laws and Market Rules of the Exchange. In addition to managing the Member registration process occasionally the MSC will provide input and feedback regarding membership needs, programs and policies. Any exemption in Membership Registration Criteria and Process will only be implemented with a prior approval from the Member Selection Committee.

7.2.2 Nomination and Remuneration Committee (NRC)

The Gas Exchange shall constitute the Nomination and Remuneration Committee (NRC) comprising a majority of independent directors and chaired by an Independent Director.

The function of NRC Committee shall be as below:-

- a) to formulate and recommend to the Company Board the Compensation policy for the key management personnel. The compensation and tenure of directors and key management personnel shall be in accordance with the compensation policy of Exchange.

- b) to recommend the panel for appointment of Independent Directors to the Board of Directors of the Exchange, for forwarding to PNGRB
- c) to recommend the appointment of directors to the Board of Directors
- d) recommendation for appointment, renewal of appointment and termination of service of the Managing Director of the Exchange and approved by the Board of Directors
- e) responsible for selection of Chief Executive Officer/Managing Director/Executive Director, as the case may be.

7.2.3 Market Advisory Committee (MAC)

The Exchange shall appoint an Advisory Committee consisting of experts having experience in Gas Market. Such experts may be Members of the Exchange, Industry Experts and other Stakeholders as part of the committee.

7.2.4 Regulatory Oversight, Market Surveillance, Technology and SGF Management Committee

Following shall be the function of the Committees: -

- a) Regulatory Oversight Committee- The Committee shall lay down procedures for the implementation of the Gas Exchange Regulations and specify reporting formats for the disclosures required under the said Regulation. The compliance officer shall execute the requirements laid down by the committee.
- b) Market Surveillance Committee- The committee shall be responsible for overseeing the market in transparent and neutral manner as stipulated by PNGRB from time to time.

The committee shall submit a quarterly surveillance report to PNGRB within two (2) months from the end of each calendar quarter through the Board of Directors of the Exchange.
- c) Technology Committee- The Committee shall review and advice Management on various aspects related to technology upgradation and Technology strategy in alignment with future business strategy of the organization.
- d) SGF Management Committee- The committee shall be responsible for management of SGF, monitor adherence of regulatory directions in respect of SGF, contribution of Members to the SGF Management Committee, its investment and utilization & recoupment of SGF in case it is utilized to meet residual defaults.

All the committees mentioned above would be headed by an independent director and have members from the executive team of the Exchange. No Member of Exchange shall be included in this committee.

7.2.5 Risk Management Committee (RMC)

This Committee shall stipulate risk containment measures and monitor adherence of the same. The functions of the Committee will be the following -

1. The Exchange to adopt best practices while formulating prudent and dynamic risk management processes based on the changing risk profiles of the market.

2. Members, transacting on behalf of their Clients, to have a prudent risk management and timely margin collection system from their clients. The quantum of margins/obligation/scheduling settlement of Members/Client shall be as per Market Rules and Circulars of the Exchange.

Risk Management Committee (RMC) shall review on a quarterly basis the framework for Management of risks – existing and potential and processes of Exchange, especially with reference to risk management and recommend steps to mitigate the same. The RMC shall submit a quarterly report of its each review to the board of directors. The decision of the board of directors on the subject, along with the RMC report, shall be submitted to PNGRB within two (2) months from the end of each calendar quarter.

Acts done by the Board or committees valid notwithstanding defective appointment

All acts done by any or committee thereof, or by any person acting as a Director or member of a committee shall notwithstanding that it may be afterwards discovered that there was some defect in the appointment of any one or more of such Directors or of any person acting as aforesaid, or that they or any of them were disqualified, be as valid as such Director and such person had been appointed and was qualified to be a Director or committee member as the case may be.

CHAPTER 8

8. GRIEVANCE REDRESSAL AND ARBITRATION

8.1 Mechanism for Redressal of Grievances

Grievance Redressal Mechanism of the Exchange aims at empowering the Members and Clients herein referred to as parties by providing them a mechanism to resolve their complaints with regard to the claim, differences or disputes between Members inter se or between Member and his Client and Exchange processes. Exchange accords highest priority for resolution of Members and Clients complaints/disputes arising out of or in relation to bids, trades executed on the exchange, contracts, transactions on the Exchange platform.

Anything related thereof or in relation to the validity, construction, interpretation or fulfilment 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.

The Members and/or Clients will have to first approach to the Exchange with their grievances and the Exchange will try to resolve the grievances through the administrative process of the Exchange and in case if the grievance is not resolved within 30 days or such days as may be fixed by the Exchange, the same shall be forwarded to and dealt by the Grievance Redressal Committee.

The Grievance Redressal Committee shall consider all grievances submitted by email, or in writing by any member, client forwarded by the concerned official after completion of the administrative process of the Exchange. The Grievance Redressal Committee shall study the grievance raised by the Member, client and after looking into the relevant documents shall discuss with the concerned parties and submit its recommendations and report to the Chairman of Committee as expeditiously as possible, maximum within 45 days of the date of grievance received by them or as per time period fixed by the Exchange.

Any dispute involving claim up to Rs. 1 lakh shall be decided by the Exchange administratively and claims involving more than Rs. 1 lakh shall only be filed with the Grievance Redressal Committee.

The Grievance Redressal Committee may mediate between the complainant and defendant against whom the complaint has been made, if required.

In case of any difficulties, the Grievance Redressal Committee shall have discussion with the Independent Director of Exchange before a decision is taken. Any dead-lock shall be resolved by the Independent Director.

The final settlement of any grievance shall be made within a reasonable period (normally not exceeding one month) after the recommendations are submitted by the Grievance Redressal Committee. In case of false and frivolous complaint (if proved), the Grievance Redressal Committee will recommend Disciplinary Authority to take appropriate action against the complainant.

The Gas Exchange shall constitute the Grievance Redressal Committee, headed by an Independent Director.

In case of non-redressal of such grievances through the Committee, the same shall be dealt as per the Arbitration and Conciliation procedure of the Exchange.

8.2 Arbitration

In case if any of the parties to the case are not satisfied with the outcome of the Reconciliation process, they shall have the right to approach for Arbitration process.

All claims, differences or disputes between the Members inter se or between a Member and a Client shall be referred to arbitration to be conducted by a sole arbitrator or arbitration tribunal consisting of three arbitrators, in all cases as chosen by the parties. The arbitrators shall be chosen from the designated arbitration panel to be designated by the executive of the Exchange designated for the purpose by the Company Board Members and in accordance with the Rules that may be notified by the Exchange. The arbitration shall be in accordance with the provisions of the Arbitration & conciliation Act, 1996.

The Exchange shall maintain an arbitration panel consisting of persons amongst whom the Exchange will appoint arbitrators to adjudicate and settle disputes between Members inter-se, and between Members and their Clients in relation to the Contracts and matters concerning the transactions undertaken in the Exchange.

In case the Member and/or Client are not satisfied with the outcome of the Reconciliation process under 8.1 against the matter related to Exchange, the arbitrator(s) shall be chosen as per mutual consent of complainant and the Exchange.

CHAPTER 9

9. SETTLEMENT GUARANTEE FUND (SGF)

9.1 General

The Exchange shall maintain and administer a Settlement Guarantee Fund or other fund(s) for such purposes, as required under the PNGRB (Gas Exchange) Regulations 2020. The Exchange may prescribe from time to time the norms, procedures, terms and conditions governing each SGF which may, inter alia, specify the amount of deposit or contribution to be made and continued to be maintained by each Member to the relevant SGF, the terms, manner and mode of deposit or contributions, conditions of repayment of deposit or withdrawal of contribution from the SGF, coverage and exclusion of SGF, charges for utilization, penalties and disciplinary actions for non-performance thereof.

9.2 Contribution to and deposits with the SGF

1. In accordance with PNGRB (Gas Exchange) Regulations 2020, the Gas Exchange shall maintain sufficient Settlement Guarantee Fund.

The Gas Exchange shall invest the proceeds of SGF as per the Gas Exchange Regulations.

2. Each Member shall be required to contribute to and provide a base minimum capital, as may be determined by the Exchange from time to time, to the SGF. The SGF shall be held and maintained by the Exchange.
3. The Exchange may specify the amount of additional contribution or deposit to be made and maintained by each Member, which may, inter alia, include the minimum amount to be provided by each Member.
4. The total amount of base minimum capital and additional contribution deposited and maintained by a Member with the Exchange, in any form as specified, shall form part of the SGF.
5. The amount deposited by any Member towards the base minimum capital shall be non-interest bearing, refundable, subject to such terms and conditions as may be specified by the Exchange from time to time. Any amount deposited or paid by the Member may be refunded provided further that such amount is in surplus and there is no actual, crystallized, contingent liability or a claim from any Client to be discharged by the Member. In case of any liability, claim is pending to be paid by the Member, then the Exchange shall have the right to deduct such pending amounts from the deposited amount. There will be a common SGF for all market segments operated by the exchange.

The SGF fund shall be retained by the Gas Exchange till the SGF is maintained by the Gas Exchange. In case of hiving off of the clearing function to separate Clearing Corporation, the SGF fund shall be transferred to the Clearing Corporation.

9.3 Replacement of Deposit

In case the Member wants to replace the existing non cash collaterals (Letter of Credit, Bank Guarantee) towards security deposit, he will have to intimate the same by giving a prior written request to the Exchange and subject to such conditions, as may be specified by the Exchange from time to time, a Member may withdraw letter of credit, or bank guarantees given to the Exchange, representing the Member's contribution or deposit towards the Settlement Guarantee Fund. The Member will have to first make good the amount being withdrawn and deposit the fresh amount in the form of cash or non cash collaterals with the exchange. In no way will the security deposit or the base minimum capital will be less than the requisite contribution as stipulated by the exchange from time to time.

9.4 Utilization for failure in obligation or on default

Whenever a Member fails to meet his settlement obligations to the Exchange arising out of his clearing and settlement operations in respect of his transactions, as may be provided in these Bye-Laws and Market Rules, the Exchange may utilize the SGF and other moneys lying to the credit of the said Member to the extent necessary to fulfil his obligations under such terms and conditions, as the Exchange may specify from time to time.

In the event a member is declared a defaulter and the member fails to meet his clearing and settlement obligations, the claim amount shall be set aside from deposits of the defaulting members and the so recovered amount shall be distributed pari-passu and proportionately among the affected parties including transporter, seller, buyer, NGGMS and the Gas Exchange, as the case may be, from the deposits of the member or client as the case may be. Thereafter the Gas Exchange may utilise the settlement guarantee fund and other monies to the extent necessary to eliminate the obligation of the defaulting member in the following order, namely: -

- a. Liquidation of collaterals: Contributions or deposits, including margins in any form, by the defaulting member or client;
- b. Liquidation of security deposit: Membership deposit given by the defaulting member to the Exchange;
- c. Liquidation of assets: The assets of such defaulter member vested with the Exchange;
- d. Insurance money: Insurance taken by the Exchange of an amount as considered appropriate by them for protection against defaults;
- e. Initial contribution of the Exchange towards Settlement Guarantee Fund;
- f. Contribution towards settlement guarantee fund by all members or clients: All non-defaulting members or client's contribution in proportion of deposits towards settlement guarantee fund;
- g. Current year's profits of the Exchange, including fines, penalty collected from members;
- h. Reserves of the Exchange;
- i. Equity Capital of the Exchange;
- j. Balance obligations remaining outstanding after aforesaid funds will be met by contribution from members or clients in proportion to their contribution to the SGF.

9.5 Repayment to the Member on his termination

1. A Member shall be entitled to repayment of the actual amount of deposit, if any, made by him to the SGF provided it is not part of the admission fee after:
 - a. the Member ceases to be an Exchange Member on account of any reason whatsoever;
 - b. all pending transactions at the time the Member ceases to be an Exchange Member, which may result in a charge to the SGF, have been closed and settled;
 - c. all obligations to the Exchange and /or Client for which the Member was responsible while he was an Exchange Member have been satisfied, or at the discretion of the Exchange, have been deducted by the Exchange from the Member's actual deposit; provided that, the Member has presented to the Exchange such indemnities or guarantees as the Exchange may deem necessary or another Member has been substituted owning liability for all the transactions and obligations of the Clearing Member, who had ceased to be a Member;
 - d. a suitable amount, as may be determined by the Exchange at its absolute discretion, has been set aside for taking care of any loss, damage, liability or obligation arising out of his past transactions, and
 - e. a suitable amount, as may be determined by the Exchange at its absolute discretion, has been set aside by the Exchange towards such other obligations, as may be perceived by the Exchange to exist or be perceived by the Exchange to arise in future.
2. The Exchange may specify norms for repayment of deposit including the manner, amount and period within which it may be paid. The repayment amount, at no point of time, will exceed the actual deposit available to the credit of the Member after deducting the necessary dues or charges payable by such Member from time to time, including the security deposit.
3. Any obligation of a Member to the Exchange, remaining unsatisfied at the time he ceases to be a Member, shall not be affected by his termination of membership, and the Exchange shall have other available remedies.

9.6 Utilization of Settlement Guarantee Fund

The Settlement Guarantee Fund may be utilized for such purposes, and subject to such conditions as the Exchange may prescribe from time to time, including for

- a. defraying the expenses of creation and maintenance of Settlement Guarantee Fund,
- b. temporary application of the Settlement Guarantee Fund to meet shortfalls and deficiencies arising out of the clearing and settlement obligations of Members in respect of such transactions, as may be provided in these Bye-Laws and Market Rules of the Exchange in force from time to time,
- c. payment of premium on insurance cover(s) which the Exchange may take from time to time, or for creating a default reserve fund by transferring a specified amount every year, as may be decided by the Exchange from time to time,

- d. meeting any loss or liability of the Exchange arising out of clearing and settlement operations of such transactions, as may be provided in these Bye-Laws, the Market Rules of the Exchange in force from time to time,
- e. repayment of the balance amount to the Member pursuant to the provisions regarding the repayment of deposit after meeting all obligations under these Bye-Laws, the Market Rules of the Exchange, when such Member ceases to be a Member, and
- f. any other purpose, as may be specified by the Exchange from time to time.

9.7 Recovery of loss and re-distribution

If a loss charged pro-rata is afterwards recovered from the assets of the defaulter or the expelled Member, whether directly or otherwise, by the Exchange, in whole or in part, other than through insurance, the net amount of recovery shall first be credited to the Members from whom the loss was charged in proportion to the amounts actually charged.

9.8 Non-availability of SGF

The SGF of the Exchange shall not be available for obligations of a Member to another Member of the Exchange towards transactions to which the Exchange is not a central counter-party or where the Exchange withdraws as a central counter-party on account of fraud or fraudulent transactions as provided in the relevant Bye-Laws and Market Rules from time to time or obligations to a Client by an Member, and to losses, damages, or injuries arising there from or in connection therewith or incidental thereto.

CHAPTER 10

10. REPORTS AND ACCOUNTS

1. In respect of all transaction executed by the Exchange Members, the Exchange will electronically forward reports to the respective Members, including settlement obligations relating thereto. All such reports and obligations shall be binding on the Exchange Members.
2. The Exchange Members shall provide the Exchange with such reports that the Exchange may seek from the Members from time to time. Details of such reports will be provided in the Market Rules and through circulars and notices issued from time to time.
3. The Exchange Members shall provide such reports providing information such as traded quantity, clearing price, buy and sell bids etc, as the Board or the Exchange may prescribe.
4. Member shall notify the Exchange of any incident, which may endanger the Member's financial strength or interfere with the Member's ability to conduct its business in the best interests of the Exchange.
5. All Exchange Members as well as other market intermediaries shall be required to maintain such books of accounts, registers, statements and other records, in physical form or electronically, as may be specified by the Exchange. All such documents and records shall be kept in good order and preserved at least for such period, as may be specified by the Exchange. All such documents and records shall be made available to the Exchange by the Member for inspection, whenever required.
6. Each Exchange Member shall submit itself to audit and investigation and furnish all books, records, files and such other information as required upon the direction of the Exchange. The audit and investigation shall be restricted to the affairs of the Exchange Member as a provider of trading, clearing and settlement services to their Client.
7. In case of any dispute or difference of opinion originating from or pertaining to bids or transaction due to a mismatch between the Member's report and the Exchange's report, the report as per records of the Exchange shall be final, conclusive and binding on the Members.

Compliance with the Act and rules and regulations of the Board

The Board may at any time undertake inspection, conduct inquiries and audit of the Gas Exchange. The Board is entitled to authorize any person to inspect and verify the accounts of any Member, if considered necessary. All Members, their directors, officers, employees and agents shall at all times comply with all provisions of the Act, and rules and regulations of the Board that regulate the business of the Member with the Exchange and Clients.

CHAPTER 11

11. EMERGENCIES AND POWERS TO HANDLE EMERGENCIES

1. Whenever the Exchange, considers that there is an emergency, corner or crisis in the nature of manipulation, or wherever it appears to the Exchange that the Contracts are transacted for the purpose of inducing a false or an artificial appearance of activity or upsetting the price equilibrium or that the business is being conducted in a manner prejudicial to the interests and welfare of the Exchange; the Exchange may affect special clearance of outstanding Contracts that have been registered or impose additional penalties or take such other measures that the Exchange may decide, at its absolute discretion.
2. The Exchange shall have power and discretion, at any time and from time to time, to call upon all or any Member(s) to submit detailed statement giving information relating to Contracts entered into by a Member in such form and in such manner as may be prescribed;
3. In particular and without prejudice to the generality of the foregoing power and discretion, such information may relate to the following matters:
 - a) Transactions entered into by a Member with another Member on his own-account and transactions entered into by a Member on behalf of others;
 - b) Positions of a Member and of others on whose behalf the Member has entered into transactions;
4. The Exchange shall have power for the purpose of verifying or checking any statement submitted by an Exchange Member under these Bye-Laws and Market Rules to call for the production of the books of any Member and/or call for explanation from any Member. A Member failing or neglecting to submit any such statement or to produce any such books to give any such explanation shall be liable to a disciplinary action.
5. Where the Board or the Exchange considers it expedient to do so, it may call for periodical statements relating to Contracts entered into by the Members in such form or manner as may be prescribed.
6. If, in the opinion of the Exchange, an emergency has arisen or exists, or it is expedient in the general interests of the transaction so to do, Exchange may, at its absolute discretion, prohibit any transactions in electricity Contracts at a rate or rates above a maximum and/or below a minimum as may be specified; or any transactions in power Contracts for a specified period or until further notice as may be specified.
7. If the Exchange is of the opinion that continuation of transactions in any Contracts is detrimental to the interests of the activities of the exchange or to the public interest or to the larger interest of the economy of India then notwithstanding anything to the contrary contained in these Bye-Laws or any contract made subject to these Bye-Laws, every transaction relating to any Contracts notified under this Bye-Law and entered into between Members, or between a Member and a Client then outstanding shall be closed out at such rate or rates, appropriate to such Contract or Contracts and with effect from such date as shall be fixed by the Exchange.

CHAPTER 12

12. EXIT SCHEME

1. The Exit Scheme sets out the manner in which the prior contracts on the Exchange shall be closed or the succession plan for all transacted contracts in the event of closure of the Exchange and cancellation or withdrawal of registration by the PNGRB.

2. In the event of Exchange registration is withdrawal or cancelled by PNGRB as per Regulation 14 of PNGRB (Gas Exchange) Regulation or otherwise, in such eventuality, the Exchange shall take the following steps, in compliance with the Regulations, or as may otherwise be directed by the Board: -

- i. The Exchange will, soon as practicable after the orders of the PNGRB withdrawing or cancelling the registration of Exchange or as the case may be; Issue a public notification (Notification) in not than less than two national English daily newspaper, including one economic newspaper and one local vernacular newspaper, reproducing the relevant extracts from the PNGRB Order and further providing a notice period of not less than one month (Notice) to its members and clients to wind up and close their transactions and affairs on/with the Exchange.
- ii. Upon issue of the notification, no new contracts, transactions or trades shall be accepted by the Exchange and all contracts, transactions or trades entered into prior to such notification (Prior Contracts) shall remain valid and binding and shall be completed as per their respective term and in accordance with the then current Market Rules and Bye Laws of the Exchange. For the limited purpose of completing the Prior Contracts, the trading calendars and other transaction related circulars, as may have been circulated by the Exchange prior to the Notification, shall continue to be effective during the period of the Notice till such time the Prior Contracts are completed, as above.
For all other purposes, the trading calendars and other transaction related circulars, has may have been circulated by the Exchange prior to the notification, shall cease to have effect.
- iii. The Contracts entered into up to the date of withdrawal or cancellation shall remain valid and shall be executed and carried out in accordance with the Bye-Laws and Market Rules of the Exchange.
The closing down of prior contracts on the Exchange consequent to withdrawal or cancellation of registration, shall be in accordance with the Bye-Laws and Market Rules of Exchange or in accordance with such directions as may be issued by the PNGRB; and subject to the provisions of the Companies Act, 2013.
- iv. Any liability which may arise on part of the Exchange in the closing down of prior contracts on the Exchange, shall be subjected to the provisions of Regulations and the Bye-Laws and Market Rules, be met out of the Settlement Guarantee Fund which will be utilized to the extent necessary to meet any loss or liability accruing to the Exchange on account of such closing down of prior contracts on the Exchange.
- v. Upon issue of the Notification, all Members that are not engaged in any Prior Contract, shall automatically cease to be Members and their accounts shall be settled in accordance with the provisions of the Exit Scheme.
- vi. Upon completion of obligations under the Prior Contracts, the Market Rules and Bye Laws of the Exchange shall cease to be in operation and all Members shall cease to be Members.
- vii. The Exchange shall, in consultation with its statutory auditors, Internal Auditors and such other external experts, such as legal experts, as the Board of Directors of the Exchange may deem necessary, determine the quantum of Claims against the

Exchange, if any, that cannot be settled by the Settlement Guarantee Fund, and the Exchange shall thereafter, set aside adequate funds for settlement of such Claims as and when they may crystallize or become due. For avoidance of doubts, the expression Claims shall mean and include claims whether asserted or unasserted, outstanding claims including claims pertaining to pending arbitration cases and arbitration awards, contingent claims, potential claims, unresolved investor complaints / grievances and such other claims as may be reasonably determine by the Exchange, as above, and as may be required in terms of the Regulation. Any amounts that may remain in the Settlement Guarantee Fund, Security Deposit or such other sums received from Members shall be distributed by the Exchange in accordance with the Bye Laws and Market Rules of the Exchange applicable at the relevant time. For the avoidance of doubts, nothing herein shall be deemed to be read to mean that the Exchange shall assume any obligations greater than to be required to be assumed under the provisions of the Regulations.

- viii. The Exchange shall endeavour to settle all Claims within the Notice period and in any event, no later than 6 months thereafter, subject to resolution of dispute on any Claims that may be pending.

3. In the event of taking over of the business of Exchange by any agency or merger/amalgamation of Exchange with another exchange, all Contracts traded on the Exchange and to which the Exchange is a party and subsisting or having effect on Exchange, shall remain in force and effect against or in favour of the resulting company/ agency appointed by PNGRB or as appointed by law, as the case may be, and may be enforced by or against the resulting company/agency appointed by PNGRB as fully and effectually as if, instead of the Exchange the resulting company/agency had been a party thereto. The Exchange shall enter into and/or issue and/or execute deeds, letters or confirmations or enter into any tripartite arrangements, confirmations, to which the resulting company/agency appointed by PNGRB will, if necessary, also be party in order to give formal effect to the provisions thereto, if so required or becomes necessary.

The resulting company/ agency appointed by PNGRB shall be deemed to be authorized to execute any such deeds, letters or confirmations on behalf of the Exchange and to implement or carry out all formalities required on the part of the Exchange to give effect to the provisions of the Exit Scheme.

With the taking over of the business of the Exchange, any suit, appeal or other judicial proceeding of whatsoever nature by or against the Exchange shall not abate or be discontinued or in any way be prejudicially affected, but such suit, appeal or other legal proceeding(s) may be continued, prosecuted and enforced, as the case may be, in the same manner and to the same extent as it would or might have been continued, prosecuted and enforced by or against the Exchange prior to the taking over of the business of Exchange or as directed by the PNGRB.

In the event of merger/amalgamation/reorganization of the business of the Exchange, the same shall be in accordance with the provisions of the Companies Act, 2013 and other provisions of law as may be applicable in the circumstances.

4. In the event the shareholders of the Gas Exchange determine to voluntarily discontinue and close down the business of running the Exchange and consequently surrender its registration, in such eventuality, the Exchange shall take the steps defined under regulation 14 of PNGRB (Gas Exchange) Regulations, or as may otherwise be directed by the Board.

5. In the event of an act of terrorism, act of God, force majeure or any act beyond the reasonable contemplation of the Exchange including a failure on account of the clearing banks to meet its obligations to the Exchange, non-availability of Natural Gas Pipeline capacity, failure of the automatic trading system or any other event resulting in the Exchange being rendered incapable of permitting transactions to be effected through the automatic trading system, the Exchange will act on a best effort basis. The expenses incurred towards defraying any emergency contemplated shall be defrayed from the SGF.

CHAPTER 13

13. MISCELLANEOUS

13.1 Limitation of Liability

1. The Exchange shall not be liable for any activities of its Members or of any other person, authorized or unauthorized, acting in the name of any Member, either singly or jointly.
2. Save as otherwise specifically provided in these Bye-Laws and the Market Rules, the Exchange shall not incur or shall not be deemed to have incurred any liability and accordingly, no claim or recourse shall lie against the Exchange, its directors, officers, employees or agents or any other authorized person acting for and on behalf of the Exchange, in respect of or in relation to any transactions entered into through the Exchange made by its Members and any other matters connected therewith or related thereto, which are undertaken for promoting, facilitating, assisting, regulating, or otherwise managing the affairs of the Exchange to achieve its objects, and any applicable law.

Notwithstanding the above, the Exchange shall have no liability, obligation or duty to any Member, or any of their Clients or any third party or person, including but not limited to, as a result of:

- a. any force majeure event including and not limited to any change in law or regulations which is beyond the reasonable control of the Exchange,
 - b. any losses or damages, including consequential losses and damages, which may be incurred by the Member or which may arise directly or indirectly with respect to the activities and functions of the Exchange,
 - c. any failure, omission or error on the part of the Exchange including any losses or damages with respect to trading, clearing and settlement on the exchange, or suspension, interruption, cancellation or closure of the Exchange, or any inoperability or malfunction of the software or any equipment, software, computer system or any other product operated, supplied or used by the Exchange,
 - d. any decision of the disciplinary or appeals committee or any other committee exercising their powers, or the Exchange accepting a Member's resignation, or the IGX's decision to suspend or terminate the membership of any Member, or declare any Member to be a defaulting Member, or
 - e. the exercise or failure to exercise of any discretion or rights under these Bye-Laws and Market Rules.
 - f. any subsequent modifications made in the clearance / allotment issued by the Pipeline Operator to the Exchange, or any subsequent modifications made in the operating code by the Transporter on the basis of which the actions have been taken by the Exchange.
3. Without any prejudice to the foregoing, the Exchange does not make any warranty, express or implied, and shall not have any liability to any person in connection to or as result of:

- a. any failure by the Exchange to provide any information to its Members ,
 - b. any failure of the trading software or the digital network
 - c. the accuracy, originality, completeness or timeliness of any information, data, or indices,
 - d. the merchantability and fitness for a particular purpose of, or use of any indices, information or data, or the software or any computer, trading, clearing and settlement systems of the Exchange,
 - e. any direct or indirect, special, punitive, consequential damages or loss of profits.
4. The Exchange shall not have any liability in relation to the operation or use of any such systems, including but not limited to, whether for any breach of any law, any act or omission, injury, death, damage to physical property, any direct or indirect losses, loss of operation time or loss of equipment or process, loss of reputation or losses or damages, economic loss, incidental or consequential to the use or operation or installation of any such systems. All warranties and conditions including express and implied as to the description, condition, performance, quality, fitness for purpose, durability or otherwise of such systems or any components thereof are excluded except required by law. Further, the Exchange does not warrant or forecast that such systems or any components thereof or any services performed in respect thereof will fulfil or meet the requirements of any user, or that operation of such systems will be error-free or uninterrupted or that any services performed in with respect to such systems will error-free or be uninterrupted.
5. In the event that an obligation of the Exchange must be performed by or prior to a particular time but does not occur on or before that time, the Exchange shall not be in violation of these Bye-Laws and Market Rules provided that it performs the relevant obligation promptly after such particular time.
6. No power conferred on the Exchange by these Bye-Laws and Market Rules including but not limited to, any power to close out, transfer or call margin shall impose any duty on the Exchange to exercise such power or to exercise such power in a particular way, and no person shall have any claim against the Exchange in relation to any decision made in good faith to exercise or refrain from exercising such powers.
7. In case of following non-performance by buyer and seller Members, the Exchange shall be liable as below: -
- a) Buyer Member: -
 - i. Non-fulfilment of Post Trade Margin as per the defined timelines: -
Buyer Members are required to deposit the Post Trade Margin as per defined timelines else the Exchange may cancel the trade when the call for Margin is not complied by the Member or the Direct Client, as applicable. Compensation for such cancellation of trade to seller at other side of transaction shall be specified by Exchange through circular.
 - ii. Transmission capacity not booked by the Buyer as per defined timelines: -
In Ex-Hub transaction, the Buyer will be responsible for arrangement of transmission facility from the delivery point to redelivery point. In case of non execution of the CT Agreement due to reasons solely attributable to

the Buyer the Exchange may cancel the trade. Compensation for such cancellation of trade to seller at other side of transaction shall be specified by Exchange through circular.

- iii. Non adherence to financial obligation: - In Delivered Transaction, in case the Buyer does not adhere to its financial obligations for an active Contract, for reasons not attributable to the Seller, Transporter or Force Majeure, the Exchange has the right to terminate the Contract in between for the remaining period. The Exchange will utilise the amount as per the process mentioned under clause 11.5.1 of Market Rules to adjust it against the delivered Gas Quantity as well as the transmission charges for CT DCQ Quantity for remaining period and for compensating the Seller; wherein compensation to Seller will be defined through Exchange Circular.

In Ex-Hub Transaction, in case the Buyer does not adhere to its financial obligations for an active Contract, for reasons not attributable to the Seller, Transporter or Force Majeure, the Exchange has the right to terminate the Contract in between for the remaining period. The Exchange will utilise the amount as per the process mentioned under clause 11.5.1 of Market Rules to adjust it against the delivered Gas Quantity and for compensating the Seller; wherein compensation to Seller will be defined through Exchange Circular.

Furthermore, in case of cancellation of the Contract, the Exchange shall inform the Seller to stop the delivery of the Gas at the Entry Point from the next Gas Day onwards.

- iv. Early termination of Contract: -
In Delivered Transaction, in case the Buyer wants to early terminate an active Contract due to unplanned circumstances, then the Buyer has the right to terminate the Contract in between for the remaining period. The Exchange will utilise the amount as per the process mentioned under clause 11.5.1 of Market Rules to adjust it against the delivered Gas Quantity as well as the transmission charges for CT DCQ Quantity for remaining period and for compensating the Seller; wherein compensation to Seller will be defined through Exchange Circular.

In Ex-Hub Transaction, in case the Buyer wants to early terminate an active Contract due to unplanned circumstances, then the Buyer has the right to terminate the Contract in between for the remaining period. The Exchange will utilise the amount as per the process mentioned under clause 11.5.1 of Market Rules to adjust it against the delivered Gas Quantity and for compensating the Seller; wherein compensation to Seller will be defined through Exchange Circular.

Furthermore, in case of cancellation of the Contract, the Exchange shall inform the Seller to stop the delivery of the Gas at the Entry Point from the next Gas Day onwards.

- v. Non-Payment of Transportation Invoice: - In Delivered Transaction, in case the Buyer does not make the payment of Transporter's invoice for payments like Ship or Pay, Imbalance, Overrun and Overdraw then the Exchange has the right to terminate the Contract in between for the

remaining period. The Exchange will utilise the amount as per the process mentioned under clause 11.5.1 of Market Rules to adjust it against the delivered Gas Quantity as well as the transmission charges for CT DCQ Quantity for remaining period and for compensating the Seller; wherein compensation to Seller will be defined through Exchange Circular.

b) Seller Member

i. Non-fulfilment of Post Trade Margin as per the defined timelines: -

Seller Members are required to deposit the Post Trade Margin as per defined timelines else Exchange may cancel the trade when the call for Margin is not complied with by the Member or the Direct Client, as applicable. Compensation for such cancellation of trade to buyer at other side of transaction shall be specified by Exchange through circular.

ii. Non adherence to delivery obligation: -

In case the Seller does not adhere to its delivery obligations for an active Contract, for reasons not attributable to the Buyer, Transporter or Force Majeure, the Exchange has the right to terminate the Contract in between for the remaining period. The Exchange will utilise the amount as per the process mentioned under clause 11.6.1 of Market Rules to adjust it against the delivered Gas Quantity as well as the transmission related charges like Ship or Pay, Imbalance and/or overdrawl charges and for compensating the Buyer; wherein compensation to Buyer will be defined through Exchange Circular.

iii. Early termination of Contract: -

In case the Seller wants to early terminate an active Contract due to unplanned circumstances, then the Seller has the right to terminate the Contract in between for the remaining period. The Exchange will utilise the amount as per the process mentioned under clause 11.6.1 of Market Rules to adjust it against the delivered Gas Quantity as well as the transmission related charges like Ship or Pay and for compensating the Buyer; wherein compensation to Buyer will be defined through Exchange Circular.

13.2 Confidentiality of Information

Confidential information that is received and obtained under these Bye-Laws and Market Rules shall not be disclosed by the Exchange or by any of its directors, officers, employees, committee members or agents or by a person coming into possession of the information, subject to such disclosure as is required to ensure compliance with any applicable Rule, or regulation. The Exchange shall take all necessary steps to preserve and protect the confidential information.

13.3 Whistle Blowing policy

The market participants shall be entitled to report to the Board either by letter or email, of any unscrupulous activity, wrongdoing or violation of law, as may come to their knowledge.

13.4 Indemnity

Each Member of the Exchange, shall indemnify and keep indemnified the Exchange, from and against all harm, loss, damages, injury and penalty suffered or incurred and all costs, charges and expenses incurred in instituting and/or carrying on and/or defending any suits, action, litigation, arbitration, disciplinary action, prosecution or any other legal proceedings suffered or incurred by the Exchange on account of or as a result of any act of PNGRB or omission or default in complying with any of the provisions of the regulations made there under or these Bye-Laws and Market Rules or due to any agreement, contract or transaction executed or made in pursuance thereof or on account of negligence or fraud on the part of any Member of the Exchange as aforesaid and their directors, officers, employees, servants and agents.

Where any loss or damage is caused to or incurred by any party or person on account of or as a result of any act of PNGRB or omission or default in complying with any of the provisions of the PNGRB Act and regulations made there-under, or these Bye-Laws and Market Rules of the Exchange or any agreement, transaction or contract executed or made in pursuance thereof on account of negligence or fraud on the part of any Member of the Exchange that is not a part of the Exchange but is an independent entity or their directors, officers, employees, or agents, in the event of the Exchange making good or being required to make good such loss or damages (or any part thereof) to such party or person, the Exchange shall be entitled to recover the amount so made good by it from the Member of the Exchange, in default.

13.5 Severability

The illegality, unenforceability and invalidity in whole or in part of any these Bye-Laws and Market Rules shall not affect the legality, enforceability and validity of the remaining part or provisions of these Bye-Laws and Market Rules.

13.6 Third party rights

A person who is not a Member has no rights to enforce any provisions of these Bye-Laws and Market Rules.

13.7 Protection for acts done in good faith

No claim, suit, prosecution or any other legal proceedings shall lie against the Exchange, its directors, officers, employees or agents or any other duly authorized person acting for and on behalf of the Exchange, in respect of anything which is done or intended to be done or omitted or intended to be omitted in good faith in exercise of any power under these Bye-Laws or Market Rules or in pursuance of any order or any other kind of communication received by the Exchange, in writing, from any court, tribunal, Central or State Government, the Board or any other competent regulatory or revenue authority empowered under any law or delegated legislation for the time being in force on its behalf.

14. VERSION CONTROL*

Version	Date	Modifications
1.	02-12-2020	Approved by PNGRB as per (Gas Exchange) Regulations, 2020

* PNGRB approved Bye-Laws