



Market Rules of Indian Gas Exchange Limited (IGX)

STATUTORY DISCLAIMER:

“These Market rules including the Bye-laws 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

1.1 Introduction and Objective

The Indian Gas Exchange Limited (“IGX”) has established a Gas Market for trading of Commodities including Natural Gas known as the Gas Exchange (as defined under Clause 2.1 of these Market Rules).

The Objective of the Gas Exchange shall be as below:-

- a. ensure fair, neutral, efficient and robust price discovery;
- b. provide extensive and quick price dissemination;
- c. design contracts to increase liquidity.

The objective of these Market Rules is to set-up the guidelines for transparent operation of the Gas Exchange for trade of Commodities, including Natural Gas, and enhancing competitiveness with high level of efficiency.

1.2 Legal Framework

These Market Rules of Gas Exchange (“Market Rules”) shall at all-times be subject to and read consistent with the provisions of the Petroleum and Natural Gas Regulatory Board Act, 2006, as amended from time to time (“PNGRB Act”), the rules made thereunder by the Central Government and regulations, codes, and directives issued by the Petroleum and Natural Gas Regulatory Board (“PNGRB”) including and in particular the Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020 as amended from time to time. In case of any inconsistency between the contents of these Market Rules of the one part, and any of the provisions of the PNGRB Act, the rules made thereunder by the Government of India, and regulations, codes, and directives issued thereunder by PNGRB including and in particular the Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, of the other part, the latter will prevail to the exclusion of the former.

These Market Rules may be amended or changed from time to time by the Exchange with the prior approval of the Board and shall further be subject to such modification or change as may be directed by the Board from time to time.

1.3 Applicability

These Market Rules shall be enforceable on the Gas Exchange Members, Clearing Banks, Clients of Exchange Members, and all other participants operating on or through the Exchange in respect of their rights and obligations relating to Contracts admitted on the Exchange.

1.4 Functions of the Exchange

The Exchange will provide a platform which facilitates trading of Commodities. In this capacity, the Exchange shall:

- a. enter into arrangement with Members who meet the criteria established by the Exchange to acquire the membership status. In terms of the arrangement the Members are required to submit an application along with a Membership

- Undertaking as part of the application process which shall be deemed to be its Membership Agreement with the Exchange;
- b. define the tradable Contracts on the Commodities including Natural Gas;
 - c. define the requirements and procedures for trading Contracts;
 - d. match buy and sell bids for the Contracts in accordance with the Market Rules;
 - e. provide information in relation to the transactions on the Exchange;
 - f. clear and settle Member obligations;
 - g. facilitate the delivery of Natural Gas, where opted for by the Members;
 - h. prescribe additional rules for trading of Commodities other than Natural Gas on the Exchange; and
 - i. make all decisions necessary for the integrity and orderly operation of the Gas Exchange, in particular by monitoring compliance of Member(s) and Client(s) as per these Market Rules.

The Exchange shall handle clearing, actual payment and/or delivery of Contracts traded on the Exchange, in accordance with the specific procedures for each type of Contract as set out under these Market Rules. The Exchange may issue clarifications, circulars or directives, as may be required for effective functioning of the Exchange and to remove any difficulty or ambiguity in implementing the provisions of any of the Market Rules. Such clarifications, circulars or directions issued shall have binding on all the Members/Client and any entity trading on the Gas Exchange.

Chapter 2

2. DEFINITIONS AND INTERPRETATION

2.1 Definitions

Except as stated otherwise, the following terms shall have the meaning assigned hereof for the purposes of these Market Rules:

1. **Act** means the Petroleum and Natural Gas Regulatory Board Act, 2006;
2. **Access Code Regulation** or **Access Code** means the Petroleum and Natural Gas Regulatory Board (Access code for common carrier or contract carrier natural gas pipelines) Regulations, 2008, as amended from time to time;
3. **Affiliate** means an associated person in relation to the entity or the entity in relation to an associated person; –
 - (a) who participates directly or indirectly or through one or more intermediaries in the management or control or capital of the entity or an associated person, as the case may be; or
 - (b) who holds, directly or indirectly, shares carrying not less than twenty-six percent of the voting power in the entity or associated person, as the case may be; or
 - (c) who appoints more than half of the board of directors or members of the company board, or one or more executive directors or executive members of the company board of the entity or the associated person, as the case may be; or
 - (d) who guarantees not less than 10% of the total borrowings of the entity or the associated person, as the case may be;
4. **Allocated Quantity** means pursuant to the GTA, the quantity of Gas in MMBtu attributed to Shipper at the applicable Entry Point or at the applicable Exit Point, as the case may be, on a day in accordance with the measurement and allocation procedures of the Transporter;
5. **Associate** in relation to a person shall include another person: —
 - (a) who, directly or indirectly, by himself, or in combination with other persons, exercises control over the first person; or
 - (b) who holds control of at least twenty percent of the total voting power of the first person; or
 - (c) who is a holding company or a subsidiary company of the first person; or
 - (d) who is a relative (as defined in the Companies Act, 2013) of the first person; or
 - (e) who is a member of a Hindu Undivided Family wherein the first person is also a member thereof; or
 - (f) such other cases where the Board is of the view that a person shall be considered as an associate based on the facts and factors including the extent of control, independence, conflict of interest;
6. **Bar** shall have the meaning defined in ISO 1000:1981(E);

7. **Base minimum capital** means exposure free deposits to be deposited by all members of the Gas Exchange in lieu of the Membership;
8. **Bid** means the electronic document by which a market participant of the Exchange submits price and quantity in relation to a contract, for which it seeks to make a transaction;
9. **Board** means the Petroleum and Natural Gas Regulatory Board;
10. **Booked Capacity** or **MDQ** or **Maximum daily quantity** means scheduled quantities of gas on any day to be delivered at the Entry Points or off-taken at an Exit Point as per GTA;
11. **British Thermal Unit** or **BTU** means "the quantity of heat required to raise the temperature of one (1) avoirdupois pound of pure water from fifty-nine (59) degrees Fahrenheit to sixty (60) degrees Fahrenheit at an absolute pressure of fourteen decimal six nine six (14.696) pounds per square inch;
12. **Buyer** means and includes, unless the context indicates otherwise, the buying Client, the buying Exchange Member acting either as an agent on behalf of the buying Client or buying on his own account;
13. **Bye Laws** means the provisions relating to the basic framework formulated by the Gas Exchange for the purposes of the management and trading at the Gas Exchange, which are duly approved by the Board;
14. **Capacity Tranche Agreement** or **CT Agreement**, shall have the meaning as assigned to it in the Gas Transportation Agreement (GTA);
15. **Clearing** means the process of determination of obligations of members of exchange resulting from conclusion of a transaction at the Exchange;
16. **Clearing Bank** means a bank that is designated or appointed to provide banking and other facilities to the Exchange clearing house;
17. **Client** means an entity that has executed an agreement with a member of the Exchange for dealing and /or clearing through such member;
18. **Commodities** shall mean the commodities which may be traded on the Exchange, and which shall include but not be limited to Natural Gas, liquified natural gas and other petroleum products, by the Buyers and Sellers, through their respective Members;
19. **Company Board** means board of directors of the 'Indian Gas Exchange Ltd.;
20. **Contracts for Trade at Exchange**, means any of the following contracts transacted at the Gas Exchange as per terms and conditions defined under PNGRB (Gas Exchange) Regulations 2020 and defined in these Market Rules:-
 - i. Delivery based contracts for natural gas or Liquefied Natural Gas ("LNG") transacted on the gas exchange:
 - a. Day-ahead contracts;
 - b. Intra-day contracts; and
 - c. Term-ahead contracts;
 - ii. Pipeline capacity contracts,

- iii. Any contract for trading of natural gas or LNG, including those with price linkage to other established markets or reported indices either in India or otherwise.

The Exchange shall introduce new contracts after prior approval of the Board.

21. **Contract Specifications** means the specifications provided and described in the types of contracts listed in Annexure A;
22. **Cumulative Imbalance** means as of the end of any gas day, the sum of the total cumulative daily Imbalance Quantities outstanding at the start of the day (which shall be zero on the start date, but for each subsequent day shall be the Cumulative Imbalance Quantity carried over from the end of the previous day) plus the daily Imbalance Quantity for such day;
23. **Daily Contract Quantity** or **DCQ** shall have the meaning as provided in Clause 10.5.1;
24. **Day** or **Gas Day** or **D**, means a period of twenty-four (24) consecutive hours beginning at 0600 hours on a day and ending at 0600 hours on the following day;
25. **Day-ahead Contract** means contracts where transaction occurs on day (T) and delivery of gas is on the next gas day (T+1) and which are scheduled by National Gas Grid Management Services and/or Transporter as applicable;
26. **Daily Imbalance Quantities** means, in respect to the Exchange transaction, the Imbalance Quantities which are outstanding at the end of a day, specifically, in relation to that particular day;
27. **Default Event** shall mean the events specified in Clause 4.8;
28. **Delivered Transactions** shall have the meaning as defined in Clause 10.1.3;
29. **Delivery Point, means** Entry point and has been interchangeably used;
30. **Direct Client** shall have the meaning as defined in Clause 4.6;
31. **Entry Point** means the point at which the gas is injected into a natural gas pipeline;;
32. **Exit Point** means the point at which the gas is withdrawn from the natural gas pipeline,;
33. **Ex-Hub Transactions** shall have the meaning as defined in Clause 10.1.3;
34. **Force Majeure** shall have the meaning as defined in Clause 13.6;
35. **Gas Trading Platform** or **the GTP**, means the trading platform of the Exchange, being operated and managed by the Gas Exchange where Buyers and Sellers through Members registered with the Exchange, transact on standardized contracts of the Gas Exchange;
36. **Gas Aggregator** means a person who aggregates orders for purchase or sale of gas from various suppliers and/ or buyers and trades through gas exchange;
37. **Gas Exchange or Exchange** means the exchange authorised by the Board as per Gas Exchange Regulations as a market (or gas market) where buyers and sellers (including but not limited to aggregators, CGD companies, consumers,

trading licensees) as members or clients transact on contracts and where the gas exchange is counterparty to such contracts. The Market participants allowed in the Gas Exchange will be as per mentioned under regulation 4.1 of PNGRB (Gas Exchange) Regulations.

38. **Gas Hub or Trading Hub** means the location for delivery of gas against the traded contracts as defined in these Market Rules;
39. **Gross Heating Value or GHV** means the quantity of heat, expressed in Btu or Kcal, produced by the complete combustion at constant pressure of one (1) Standard Cubic Meter of Gas, with the air at the same temperature and pressure as the Gas and the products of combustion are cooled to original temperature and the water formed by combustion is condensed to liquid state;
40. **Gas Transportation Agreement or GTA** means an agreement between the Transporter and the Exchange in cases of Delivered Transactions or the Transporter and the Buyer in cases of Ex-Hub Transactions;
41. **Gas Transportation Undertaking, or GTU** shall mean the undertaking entered into between the Buyer and IGX which will, in addition to these Market Rules and Bye-laws/operating code, will be governing the rights and obligations between the Exchange and the Buyer with respect to Transportation under Delivered Transactions as mentioned in Clause 10.3.1;
42. **IGX** means Indian Gas Exchange Limited;
43. **Intra-day Contract** means contracts where transaction occurs on day (T) or (T-1) and the delivery of gas is on the day (T);
44. **Independent Director** means as defined in the Companies Act, 2013 (18 of 2013);
45. **Insider** means a person: -
 - (a) who is or has been, during the six months prior to the concerned event, associated with the Gas Exchange, directly or indirectly, in any capacity including by reason of frequent communication with its officers or by being in any contractual, fiduciary or employment relationship or by being a director, officer or an employee of the Gas Exchange or by holding any position including a professional or business relationship with the Gas Exchange whether temporary or permanent, that allows such person, directly or indirectly, access to unpublished price sensitive information about transactions on a Gas Exchange; or
 - (b) who is in possession of or has access to unpublished price sensitive information about transactions on a Gas Exchange; or
 - (c) who has acquired unpublished price sensitive information by way of commission of an offence under any of the laws prevalent at such time in the country.;
46. **Insider trading** by an insider means -
 - (a) communicating, providing, or allowing access to any unpublished price sensitive information, to any person including other insiders, except where such communication is in furtherance of legitimate purposes, performance of duties or discharge of legal obligations; or

(b) recommending any person, on the basis of unpublished price sensitive information, to acquire or dispose of any contract on the Gas Exchange, to which that information relates;

47. **Key management personnel** shall have the meaning as defined in the Companies Act, 2013 (18 of 2013);
48. **Liquidated Damages by Transporter in case of Delivered Transactions** means any compensation for shortfall in quantity delivered by the Transporter due to reasons other than that of the shipper;
49. **MMBTU** means one Million British Thermal Units and shall be the unit for energy content of natural gas based on gross calorific value as defined in ISO 6976;
50. **Margin** shall have the meaning as defined in Section 8;
51. **Market or Gas Market** means a forum or platform where buyers and sellers, through the gas exchange buy or sell gas;
52. **Market Surveillance Committee** shall have the meaning provided to it in the Bye Laws;
53. **Market Clearing Price or MCP**, means the intersection point of a demand curve buy bids (purchase bids) and a supply curve (sell bids) for a particular contract type;
54. **Market Coupling means** coupling of the Gas Exchange with another exchange, where a commodity, which is produced by utilising natural gas as a major input, is traded, so as to minimise the risk of a producer of such commodity. Market coupling will be done after prior approval of the Board;
55. **Market Rules means** the provisions formulated by the Gas Exchange and duly approved by the Board for transparent operations at the Exchange;
56. **Measurement Equipment** means all the equipment and facilities required to be installed or provided at each Entry Point and Exit Point to measure the gas flow, operating pressure and any other relevant information required;
57. **Membership Application Form** shall mean the application form, in the format provided by the Exchange, which has to be filled up and completed by the Members seeking to obtain registration to trade on the Exchange;
58. **Maximum Offtake Rate (MOR)**, shall mean the maximum rate, measured in MMBTU/MMSCM per hour, at which the Transporter is obligated to deliver Gas back to the Buyer at the Exit Point. The MOR shall be determined by dividing the Exit Point MDQ by twenty-four (24);
59. **Maximum Delivery Rate (MDR)**, shall mean the maximum rate, measured in MMBTU/MMSCM per hour, at which the Transporter is obligated to accept Gas from the Seller at the Delivery Point. The MDR shall be determined by dividing the Delivery Point MDQ by twenty-four (24);
60. **Member of Gas Exchange** means a person who has been admitted as such by the Exchange in accordance with these Market Rules and in accordance with Bye-Laws and PNGRB Regulations;

61. **Membership Fee** shall have the meaning as defined in Clause 4.7;
62. **Membership Undertaking** shall mean the undertaking signed and executed between Exchange and each of the Members and which shall govern the rights and obligations by and between the relevant Member and IGX;
63. **Natural Gas or Gas means**, wet gas, dry gas, all other gaseous hydrocarbons, and all substances contained therein, including sulphur, carbon dioxide and nitrogen but excluding extraction of helium, which are produced from oil or gas or CBM Wells, excluding those condensed or extracted liquid hydrocarbons that are liquid at normal temperature and pressure conditions, and including the residue gas remaining after the condensation or extraction of liquid hydrocarbons from gas.
64. **Natural Gas Pipeline**, means any pipeline including spur lines for transport of natural gas as authorized under Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand Natural Gas Pipelines) Regulations, 2008; and includes all connected equipment and facilities, such as, compressors, storage facilities, metering units, etc. but excludes:
- a. dedicated pipeline laid to transport Natural Gas to a specific consumer to meet his requirement and not for resale;
 - b. pipelines in a city or local Natural Gas distribution network which are regulated by the Petroleum and Natural Gas Regulatory Board (Authorizing Entities to Lay, Build, Operate or Expand City or Local Natural Gas Distribution Networks) Regulations, 2008;
65. **Net Heating Value means** the quantity of heat in kilocalories evolved by complete combustion at constant pressure of 1 SCM of Gas with air at the same pressure and temperature as of gas, air and the products of combustion cooled to initial temperature & pressure and all water formed by combustion reaction remaining in vapour state;
66. **Net worth** means the aggregate value of the paid-up share capital and all reserves created out of the profits, securities premium account and credit balance of profit and loss account, after deducting the aggregate value of the accumulated losses, deferred expenditure, miscellaneous expenditure not written off and debit balance of profit and loss account, as per the audited balance sheet, but does not include reserves created out of revaluation of assets, write-back of depreciation and reduced by the aggregate value of loans and advances to the associates or as may be calculated in the manner specified by the Board from time to time;
67. **Negative Imbalance Quantity**, with regards to trades, for a Day shall mean excess of the aggregate of Buyer's Allocated Quantities at all Exit Points over the Buyer's allocation quantities at all Entry Points in each case. If there is no such excess, then the Negative Imbalance Quantity shall be zero;
68. **National Gas Grid Management Services** or "NGGMS" shall have the meaning as defined in Access Code;

69. **Nomination means** a request by the Shipper to NGGMS or Transporter as applicable for availing transportation services which may also include digital interface;
70. **Off-spec Natural Gas or Off-spec Gas** means the Natural Gas which does not conform to the parameters and specifications specified in the Access Code, GTA or the Operating Code attached with each GTA.
71. **Open Position means** a buy or sell position when a transaction has been executed but the delivery or financial settlement has not been completed and where a person may remain exposed to price or credit or operational risk;
72. **Operating Code** shall mean the code attached with the GTA entered into with the Transporter by the Buyer and/or IGX, as the case may be;
73. **Pipeline Capacity Contract** means Capacity Contract for secondary trade of natural gas pipeline capacity at Exchange Trading Platform;
74. **Positive Imbalance Quantity** with regard to trades, on a Day shall be the excess of the aggregate of Buyer's Scheduled Quantities at all Entry Points, over the aggregate of Buyer's Allocated Quantities at all Exit Points, in each case;
75. **Proprietary Member** is defined in clause 4.6.
76. **Re-allocated Quantity**, means the quantity of Gas in MMBTU attributed to each of the Shipper pursuant to request made by the Shipper to transporter for re-allocation of gas quantities;
77. **Settlement Guarantee Fund (SGF)**, means a fund maintained by the Exchange used for settlement of defaults of its Members and may comprise of security deposit of Members or any sources of funds as may be determined by the Exchange from time to time;
78. **Seller means** and includes, unless the context indicates otherwise, the selling Client, and the selling Exchange Member acting as an agent on behalf of such selling Client and denotes the selling Exchange Member when he is dealing on his own account.
79. **Settlement**, means the process of discharging the obligations of the Members resulting from conclusion of a transaction on the Exchange;
80. **Shipper** means the entity defined under Access Code;
81. **Scheduled Quantity**, shall be the quantity of Gas that the NGGMS or Transporter as applicable has scheduled to flow against the DCQ on behalf of a Shipper at that point on hourly basis on such Day;
82. **Settlement Account**, shall have a meaning as an account opened for Member/Client with any the approved Clearing Banks in respect of all pay in, Margins, charges and other dues payable to the Exchange, and credit of the pay out, refund of Margins by the Exchange;
83. **Specifications or Gas Specifications** means the specifications mentioned in Schedule II of the Access Code Regulations.

84. **Term-ahead Contract** means contracts where physical delivery of gas occurs on a date more than one day (T+2) ahead from the date of transaction (T) and have a defined delivery period which includes but not limited to Daily, Week-day, Weekly, Fortnightly and Monthly Contracts as specified by Exchange from time to time;
85. **Trade Quantity**, for a Day shall mean the matched buy sell quantity under continuous/ auction mechanism;
86. **Trade Price** means the final price discovered for that particular contract in INR/MMBTU on GCV basis and exclusive of fees, charges and taxes at the Trading hub.
87. **Trading and Clearing Member** is defined in Clause 4.6;
88. **Transaction Fee** shall be the fees collected by the Exchange on the transactions carried out on its trading platform. Such transaction fee will be computed on value or volume basis, as may be decided from time to time, which will be computed on both purchases and sales separately.
89. **Transporter**, means an entity authorized by the Board or authorized by the Central Government prior to the Appointed Day for laying, building, operating or expanding a Natural Gas Pipeline.
90. **Transportation Charges**, means in respect of each GTA the charges payable by Shipper to Transporter in connection with Gas transmission services under the GTA.
91. **Transportation Tariff** shall have the meaning specified in GTA. It is a zone wise applicable Transportation Tariff as approved by the Board under Petroleum and Natural Gas Regulatory Board (Determination of Pipeline Tariff) Regulations, 2008.
92. **TWS or Trader Workstation** means a computer terminal of an Exchange Member which is approved by the Exchange and which is installed and connected to Exchange system, for the purpose of transaction on the Exchange.

2.2 Interpretations

1. Unless the context otherwise requires, reference to the singular shall include a reference to the plural and vice-versa.
2. The annexures, attachments, and circulars form an integral part of the Market Rules. In the event of any conflict between any provision of the Clause and any provision of the Annexure, Attachment, and Circulars, the provision of the Clause shall prevail.
3. Any reference to MMBTU in Market Rules shall be based on the Gross Heating Value of the Gas unless otherwise specified. Calorific value of the Gas shall be specified in the unit of kilo calorie per SCM or Kcal/SCM.

Chapter 3

3. AMENDMENTS AND CONTRACTUAL RELATIONS

3.1 Amendments

These Market Rules may be amended or changed from time to time by the Exchange with prior approval from the Board in accordance with this Clause 3.

Unless otherwise notified by PNGRB, any amendments to these Market Rules may be notified to the Members prior to the day on which the amendment will enter into force.

These Market Rules, its subsequent revisions, and circulars are public documents. They shall be made available on the website of the Exchange.

3.2 Contractual Relations

Relations between the Exchange and Members shall be governed by these Market Rules and Bye-Laws. Pursuant to the signing the Membership Undertaking by the Members, such Members are obligated to comply with the Market Rules and Bye-Laws of the Exchange.

Any violation by a Member of any obligation resulting directly or indirectly from the Membership Undertaking and these Market Rules entitles the Exchange to suspend or terminate the membership of such Members.

Chapter 4

4. MEMBERSHIP AND CLIENT REGISTRATION

4.1 Member and Client Registration

4.1.1 Member Registration: To become a Member to the Exchange, an entity shall submit a Membership Application Form along with a Membership Undertaking in the form prescribed by the Exchange. The entity shall be registered as a Member of the Gas Exchange after acceptance of the application by the Exchange. The Member while accepting the registration also represents and warrants that it shall at all times comply with (i) applicable law of the place of its jurisdiction; (ii) PNGRB Regulations including Gas Exchange Regulations 2020; (iii) Bye-Laws; (iv) Market Rules; (v) Circulars/notification issued by the Exchange from time to time. Member shall also be held responsible for the conduct and actions of its Clients. The Membership Undertaking shall be a contractually binding document between the Exchange and all Member(s) of the Exchange as signed by the Member(s).

Prospective Members or their authorized persons shall, during the admission process, if required by the Exchange, appear personally before the Exchange, for an interview as may be prescribed.

4.1.2 Client Registration: An entity can register itself as a Client to the Member. The entity seeking registration as a Client shall be bound by the PNGRB (Gas Exchange) Regulations 2020, Exchange Bye-Laws, these Market Rules and any circulars issued by the Exchange from time to time. The Member shall ensure and confirm the credentials of the Client prior to recommending the Client for registration. The registration of the Client and the terms and conditions stated therein are binding between Member and their respective Clients as executed between them.

4.2 Eligibility for Membership

At the Exchange, only the Members, who have been permitted by the Exchange pursuant to the acceptance of the Membership Application Form submitted by them and submission of the Membership Undertaking, shall be eligible to place Bids on the Exchange and undertake transactions within the Exchange for Contracts. Entities, who are not IGX's Members, can participate only as Clients through a registered Member. At the discretion of the Exchange, Clients may be allowed a direct access of the Trading Platform on an application made for the said purpose by the Member representing the Client.

4.2.1 To ensure and to verify that each Member is eligible and continues to be eligible to be a Member, the Member shall give information to the Exchange (i) under the Membership Application Form; (ii) in case there is any change in information then the

information submitted under the Membership Application Form should be changed; and (iii) on request of the Exchange.

4.2.2 No person shall be eligible to be qualified as a Member of the Exchange, if such person:

- a. does not have a minimum net worth mentioned in Membership Application Form as the Exchange may from time to time determine and consider acceptable;
- b. has been declared or rendered incompetent to enter into contract under any law in force in India;
- c. has not been in compliance with applicable laws or has not obtained relevant registrations, licenses as required under the applicable law;
- d. has been adjudged bankrupt or a receiving order in bankruptcy has been made against him or he has been proved to be insolvent even though he has obtained his final discharge;
- e. has been convicted of an offence involving moral turpitude or any other crime;
- f. has compounded with his creditors;
- g. has been found to be of unsound mind, by a court of competent jurisdiction;
- h. has applied to be adjudicated as an insolvent and the application is pending;
- i. in case of individual if he/she is a minor;
- j. suffer from any disqualification as may be specified by the Exchange or the committee thereon from time to time.

4.3 Requirements for Membership

4.3.1 Any person, as may be approved by the Exchange, fulfilling the following criteria will be eligible to continue to remain a Member:

- a. Compliance with the capital adequacy norms as may be prescribed by the Exchange for the category of membership of the Exchange, from time to time;
- b. Compliance with the registration and other provisions, as may be prescribed by the Exchange at times;
- c. Payment of such fee, charges, deposits and other monies, as may be specified by the Exchange, from time to time; and
- d. Such other requirements and/or criteria for admission as a Member of the Exchange and to alter any such rules including those specified above, as the Exchange may consider appropriate to specify from time to time.

4.3.2 Every Member shall comply with and be bound by the terms of the Membership Undertaking, Market Rules, PNGRB Regulations and Bye-Laws that may be made/modified in accordance therewith, from time to time, and shall accept any decision made by the Exchange or by a committee approved by the Board as final.

4.3.3 Gas Buyers in any authorized CGD Geographical Area (GA) shall comply with the extant PNGRB regulations and the process, if any, outlined by Gas Exchange from time to time.

4.4 Application Process for Members

4.4.1 A person who desires to become a Member of the Exchange must submit an Membership Application Form to the Exchange together with a Membership Undertaking duly executed by the applicant. An application must be in the prescribed Membership Application Form and contain the information specified by the Exchange and must be accompanied by pre-specified applicable fee.

4.4.2 The admission to Membership shall be at the sole discretion of the Exchange. The Exchange may appoint a Committee, if it considers appropriate, to review and consider the application and make recommendation to the Exchange on the application filed by the person.

4.4.3 The Exchange may, within five (5) Business Days of receiving an application, ask the applicant to provide further information or clarification in support of the application. If such a request is made, the application shall be deemed to have been submitted by the applicant when the further information or clarification is provided to the IGX's satisfaction.

4.4.4 As a condition to being admitted as a Member of the Exchange the person applying for membership shall pay the fees and charges, including all securities, deposits, guarantees and margins as may be decided by the Exchange from time to time and as specified in these Market Rules.

4.4.5 The Exchange must accept or refuse an application for membership within fifteen (15) business days of receipt of the application or, if later, receipt of any additional information or clarification, if any.

4.4.6 If the Exchange refuses an application, then it must give the applicant written reasons for the refusal.

4.4.7 A decision on each application is entirely at the discretion of the Exchange and shall be final and conclusive.

4.5 Registration Process for Client

4.5.1. An entity which desires to become a Client on the Exchange, is required to fill the registration form which shall be duly recommended and authenticated by the Member through which the Client is submitting its application. The Member must submit the form to the Exchange together with a Client registration form which shall be deemed to be the Member Client Agreement duly signed by both the Member and the Client. At the time of registration, Member must ensure that all necessary provisions shall be fulfilled by its Client as mentioned in the Market Rules, Bye-Laws, GTU, GTA with Transporter and Regulations of PNGRB. Any claim arising due to non-performance of the Client will be collected from the Member.

4.5.2. Under the Client registration form, the Client shall provide the delivery details for the transactions to be undertaken by it on the Exchange including the connectivity with the hubs and the availability of GTA from such hubs/ Entry Points. Where the Buyer Client has provided GTA details to the Exchange for the hubs/ Entry Point

selected by it, all bids placed by such Client for such hubs/ Entry Point may be considered as Ex-Hub Transactions.

4.6 Types of Membership

- a) **Trading and Clearing Member:** The Trading and Clearing Member shall have both trading and clearing rights in 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.
- b) **Proprietary Member:** These Member shall have the right 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.

Client: An entity who has been registered with the Exchange through a Trading & Clearing Member or Proprietary Member as a Buyer/Seller. The Client have the option to settle their financial obligation through their respective Members or directly with the Exchange. The Client settling his financial obligations directly with the Exchange shall be known as “**Direct Client**”.

The Exchange may introduce new member categories with different rights at later date as may be required.

4.7 Membership Fees

4.7.1. All Members will pay the one time Membership Fees specified and published by the Exchange on its website.

4.7.2 The Membership Fees may include:

- a. an application fee; and
- b. a fee payable upon the acceptance of an application.

The Exchange shall notify Members of any change to the structure or amount of Membership Fees.

4.8 Default Events

A Member may be declared a defaulter at the sole discretion of the Exchange by direction or through circulars if the Member:

4.8.1 Has at the time of making the application to Exchange registration process or during the course of its membership, the Member/ Client has:

- a. made any wilful misrepresentation;
- b. suppressed or concealed any material information; or
- c. directly or indirectly given false information or false declaration.

4.8.2 Unable to fulfil its Clearing and Settlement obligations specified in these Market Rules and Circulars issued from time to time, unless specifically allowed by the Exchange;

4.8.3 Admits to the Exchange that it has breached, or is declared by a court to have breached, applicable law, the Market Rules, Bye-laws and the Exchange reasonably considers that:

- a. the breach is ongoing and is likely to have a material adverse effect on trading on the Exchange; and
- b. the Member is unlikely to cure or remove the circumstances leading to that breach within a period of 60 days from the date of notification of breach by the Exchange;

4.8.4 The Member/Client is taken to be insolvent or unable to pay its debts or a winding up order has been passed under any applicable legislation;

4.8.5 Fails to pay any sum as per the timelines specified in the relevant clauses of the Market Rules and Circular issued from time to time including for Direct Clients;

4.8.6 Violates these Market Rules and Bye-laws of the Exchange;

4.8.7 Fails to provide information and details as asked by the Exchange from time to time;

4.8.8 Due to directives made by PNGRB, or by any competent authority which renders the Member ineligible to trade on the Exchange;

4.8.9 Due to any action taken by any regulatory authority against the Member, its Directors, CEO or any charge sheet being issued by any government authority against the Member or its Director for offences relating to security and integrity of the country;

4.8.10 Member fails to abide by the arbitration award as laid down under the Bye-laws and rules of gas exchange

4.8.11 Member fails or is unable to pay within the specified time the damages and the money difference due on a closing-out effected against them as per these Market Rules and the Bye-Laws

4.8.12 Fails to make a payment for a requisite amount to the Transporter for its Clients, or fails to cure the imbalance for its Client, or fails to comply with a Margin submission in accordance with Clause 8.

In case of the occurrence of any of the default events mentioned above, the Exchange shall have the discretion to terminate the membership of a Member and/or the Client and disallow the Clients to undertake trades on the Gas Exchange through its Members.

4.9 Transfer of Membership

4.9.1 The Exchange may prescribe the procedure for transfer or transmission of membership or change the category of membership of a Member. Membership of Exchange shall be transferable only to any eligible person, body corporate, company, partnership firm, institution or such other person, as may be approved by the Exchange.

4.9.2 The membership of the Exchange shall be transferable on payment of such fees as the Exchange may prescribe from time to time provided that such transfer shall be affected only from the date of approval by the Exchange. The Exchange shall have the

power to refuse transfer of membership if the interests of the Exchange, it is expedient to do so.

4.10 Surrender of Membership

4.10.1 A Member of the Exchange desirous of surrendering the membership shall before making an application to the Exchange for surrender of membership comply with the following:

- a. Intimate all its Clients regarding surrender of membership at least 30 days prior to date of application of surrender of membership of the Exchange.
- b. Ensure that there are no pending dues towards the Exchange or the Clients including payment of any all charges which may have arisen pursuant to the terms of the GTU entered into between the Client and the Exchange for effectuating the Delivered Transactions.
- c. There are no pending disputes between the Member and the Exchange.

4.10.2 Where the conditions under Clause 4.10.1 are complied with, the Member shall be required to make an application for surrender of membership to the Exchange along with necessary documents as may be prescribed by the Exchange.

4.10.3 Upon receipt of the request for surrender by a Member, the Exchange would not levy any charges to the Member. However, Member would be required to settle any outstanding bills raised by the Exchange and this shall include any charges and payments due and payable to the Exchange by the Clients of the aforesaid Member pursuant to the GTU entered into with the Exchange for Delivered Transactions. Any other dues, penalties, fines, etc. which may arise after receipt of surrender request and which has not been crystallized would be applicable and payable by the Member.

4.10.4. Upon receipt of the application, the Exchange will deactivate the membership and inform the Clients, for the Member who has executed trades on the Exchange, Clients' complaints, if any.

4.10.5. After satisfactory redressal of all the complaints (if any) against the Member, and after completion of all formalities and when the application is considered as eligible for surrender by the Exchange, the Exchange would approve the surrender application and would refund the Security Deposit (subject to the completion of the lock-in period and the terms as set out in Clause 6.2 below) and Additional Deposit(s) of the Member held by the Exchange subject to fulfilment of all dues/compliances under Bye-Laws, Rules and these Market Rules of the Exchange.

4.10.6 The application for surrender of membership once filed is irrevocable. In case of surrender or transfer of membership, the Security Deposit and/or the Additional Deposit is refundable subject to settlement of all pending dues, claims and charges, subject to lock-in period of one (01) year from the date of membership or payment date of full security deposit whichever is later. There is no such lock-in period in respect of Additional Deposit.

4.11 Member Service Charges

Subject to the provisions of these Rules and the provisions of the PNGRB (Gas Exchange) Regulations, the Member Service Charges that a Member can charge to its Clients, for providing services may be mutually agreed to between them.

Chapter 5

5. PARTICIPATION RIGHTS AND OBLIGATIONS

5.1 Member Access Rights

5.1.1 A Member shall be provided with the access rights to Contracts on being admitted as a Member; and

5.1.2 Where a Member has been granted access rights, the Member may, subject to the Membership Undertaking and these Market Rules:

- a. place, withdraw and accept bids on the GTP;
- b. view bids hosted on the GTP as well as any other information displayed or made available by the Exchange.

5.2 Member Obligations

Without prejudice to any other obligation, each Member represents and warrants that it shall on a continuous basis, be responsible for making adequate arrangements, and having appropriate systems and controls for ensuring that it:

5.2.1 At all times acts with due care and diligence;

5.2.2 At all times abides by the terms of and performs its obligations in respect to trades entered into by it;

5.2.3 At all times ensures that it satisfies the relevant access criteria and all additional requirements under the Market Rules;

5.2.4 The Member shall not use Client's money for its own transactions or for transactions of such other Client(s) or for any purpose other than Margin and pay in relating to transactions entered into by such Client paying the Margin;

5.2.5 The Member shall follow a prudent risk management policy and shall have a system for timely collection of adequate Margin (as provided in the Contract) from its Client and deposit with the Exchange before entertaining any bid on behalf of its Client. In case of a Client, the Member should take sufficient Margin and also should specify trading/obligation limits as provided in these Market Rules, which such clients can commit on the Exchange;

5.2.6 The Members shall be responsible to inform their Clients about the successful trades and their physical and financial obligations based on the Exchange reports received by them;

5.2.7 The Member shall also settle the financial obligations of such Clients (except Direct Client) that will be netted off and only the net financial obligation will be settled with the Exchange by the Member within the stipulated timelines.;

5.2.8 Member should collect/pay money from/to its Clients through banking transaction only such as cheque/demand draft, NEFT/RTGS, Online fund transfer etc.

5.2.9 The Member shall be responsible for all acts of commission and omission of its Clients, including liabilities arising there from; and

5.2.10 The Member shall be responsible to ensure that the Natural Gas being offered to be sold on the Gas Exchange is permissible to be sold to all the entities offering to offtake Natural Gas from the Gas Exchange as per applicable laws.

5.3 Client Obligations

5.3.1 Client shall be bound by the Act, PNGRB regulations, these Market Rules, the Bye-Laws, and circulars, as published by the Exchange from time to time;

5.3.2 The failure, if any, of the Client to understand the risks involved in the Contracts transacted on the Exchange shall not render a Contract transacted as void or voidable at the option of the Client and the Client is and shall continue to be responsible for all the risks and consequences for transacting such Contracts, whether transacted by it or its duly authorised representative;

5.3.3 The Client shall pay to the Member's trading margin and statutory levies as applicable from time to time for the Contracts transacted through the Member and for the services rendered by the Member to the Client;

5.3.4 The Client shall deposit with the Member such money as may be required to open and/or maintain account or maintain any position;

5.3.5 The Client shall notify to the Member in writing any change in the information disclosed in the Client registration form submitted at the time of submission of the client registration form, opening of the account or any time thereafter and

5.3.6 The Client shall perform all relevant responsibilities so that the Exchange in Delivered Transactions and Buyer/Seller in Ex-Hub Transactions can perform its obligations as per GTA with Transporter. The Member and Client shall be responsible for payment obligations and liabilities arising out of the GTA signed between Transporter and Shipper. In case of Delivered Transactions the Member/Client shall perform all obligations set forth in the GTU entered into between the Client and the Exchange, including but not limited to payment of all charges and amounts in relation to any invoices issued on the exchange by the Transporter under the GTA.

5.4 Approved users

For trading platform to be used by a Member, the Member shall be required to obtain registration of the approved user(s), in the specified format from the Exchange, who will be responsible for use of such software. Such approved users can be the employees of the Member responsible for such software. Any changes in the approved user list shall be informed to the Exchange.

5.5 Rights and Obligation of the Exchange

Without prejudice to any other obligation in these Market Rules, the Exchange shall:

5.5.1 abide by the terms of and perform the obligations attributed to the Exchange as per PNGRB Regulations;

5.5.2 maintain a level of security of access to, and use of, the GTP to the reasonable and prudent standards;

5.5.3 take all such steps to operate the Gas Exchange in accordance with these Market Rules;

5.5.4 take reasonable steps to prevent unauthorised use by employees and agents of the Exchange of the Member's log-in codes;

5.5.6 not submit bids for its own account;

5.5.7 will act towards Members in a non-discriminatory and independent manner;

5.5.8 will act as a facilitator between the Members for carrying out the trade through the Exchange as authorised by Members.

5.5.9 will adopt best practices while formulating prudent and dynamic risk management processes based on the changing risk profiles of the gas market

The Exchange shall be deemed to be authorized by the Buyers to book the Natural Gas Pipeline capacity and execute the GTA on behalf of buyer, in case of Delivered Transactions and in this regard the Buyer and the Exchange shall enter into a GTU.

Chapter 6

6. INFORMATION OF TRADE

6.1 Placing of Bids on Exchange

6.1.1 The Members shall submit such digital information as may be necessary to make a transaction on the Exchange in one of the type of Contracts noted under the Annexures A1 to A8 to these Market Rules ("**Bid**").

Such a bid may only be placed by a Member after appropriate Margin is available as set out in Clause 8. The bid shall be construed as an offer to enter into a contract as per the specific terms of these Market Rules. Bids transmitted on the Exchange shall include the following:

- a. Name/Code of the Member who wants to place the Bid;
- b. User name of the Member;
- c. Name/Code of the Client for whom the Bid is recorded;
- d. Type of Contract as per Contract symbol;
- e. Quantity in lot size;
- f. Price in INR/MMBTU;
- g. Trading Hub; and
- h. Other information as may be required by the Exchange.

6.1.2 The Bid shall be placed on a lot size basis and in INR/MMBTU or as decided by the Exchange from time to time.

The bid price and trade price shall be the price of Natural Gas in INR/MMBTU on GCV basis at the Trading Hub exclusive of Transportation tariff & related charges, Taxes (like VAT/CST) and Exchange Transaction Fees.

6.2 Deposits and payments

6.2.1. Security Deposit

The Members are required to pay an interest-free security deposit at the time of admission, as may be prescribed by the Exchange from time to time. The Security deposit shall be partially/fully utilised as the base minimum capital for Settlement Guarantee Fund.

6.2.2 Additional Deposit

Any deposit levied over and above the Security Deposit will be considered as additional deposit ("**Additional Deposit**"). Exchange may or may not apply the Additional Deposit requirement on its Members. The Members may remit additional security deposit in the form of cash and/or non-cash (bank guarantee or fixed deposit or Letter of Credit from any of Exchange approved banks).

The security and additional deposit paid in cash by the Member shall be interest-free refundable deposit. Security Deposit and Additional Deposit, paid by the Members shall constitute a part of the Settlement Guarantee Fund (SGF), as defined in the Bye-laws.

6.3 Market Segment

The Exchange will operate such market segments as permitted under PNGRB (Gas Exchange) Regulations 2020 and as it may from time to time decide and notify it through these Market Rules and Circulars. The Contracts for trade under any Market segments available for transactions on the Exchange shall be notified by the Exchange from time to time. The description of market segments operated by the Exchange and the terms and conditions applicable to such market segments are given in Annexure- A.

The Exchange has right to introduce, continue or discontinue any market segment, including all the terms and conditions for transactions undertaken within each market segment, as applicable. The introduction of any market segment by Exchange or the terms and condition specified therein will not vest or create in a Member any right whatsoever, that will require the Exchange to continue with such market segments with or without any modification or change of the terms and conditions for transactions undertaken within each market segment.

6.4 Market operation

The Exchange shall conduct transactions as per the terms of Contracts set out under these Market Rules or through circulars issued from time to time.

6.5 Trading Days

The Exchange shall be operational on all days except Exchange specified holidays notified through prior Trading Calendar at IGX website. The days on which the TWS of the Exchange shall be available for trading in Contracts admitted on the Exchange shall be called as "Trading Days".

In case of planned maintenance of a Natural Gas Pipeline, the Exchange may not trade for those Contracts which may be connected to particular Natural Gas Pipeline or unless otherwise decided by the Exchange and duly notified to Members through a circular.

6.6 Trading hours

The Exchange will have specified trading sessions for each market segment.

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

Trading hours shall be as per the Contract Specifications set out for different Contracts for trade in Annexure A.

A Member shall not be able to use its access rights during any planned maintenance periods of the GTP (during which the GTP will be unavailable). The Exchange shall issue a prior circular, informing the Members of any planned maintenance of the GTP.

Further, the Exchange is only acting as a facilitator and owns no responsibility on account of default of by either Buyer or Seller in pursuance to such trading.

6.7 Bid Management

6.7.1 Bid type under Continuous Matching

For Market Segment(s) using Continuous Trading Sessions, following bids may be available to Market Participants as specified by Exchange from time to time: -

6.7.1.1 Time Constraints

1. Rest of day: The bid will be valid till the end of trading hours of that trading day.
2. Good until expiry: The bid will be valid till the expiry of the Contract(s) for trade.
3. Timed order: The bid will remain valid till the time specified (while putting the bid) by the user(s).
4. Good until date: The bid will be valid till the date specified (while putting the bid) by the user.

6.7.1.2 Execution constraints

1. Fill and Kill (FaK): This bid will match as much as possible and delete the rest of the bid.
2. Fill or Kill (FoK): This bid will match the whole bid or delete the whole bid.

6.7.2 Bid type under auction method

For Market Segment(s) using auction session, Bids shall contain price and quantity pair. The auction session can be closed or open which shall be specified through Circular(s).

A Member shall be permitted to modify or cancel his bids, during the trading hours. Bids entered into the Trading System shall be subject to various validation requirements as prescribed by the Exchange including price and quantity restrictions as decided by the Exchange. Bids that do not meet the validation checks will not be accepted by the Exchange.

Exchange shall introduce other types of bids as per the requirement of the market. Details of such other possible bids shall be notified by the Exchange from time to time.

6.8 Matching and acceptance of bids

The Bids and the terms of such bids as stipulated pursuant to the Contract Specifications of these Market Rules, specify the methodology for matching of the Bids. The different methodologies for matching of Bids are detailed below in the Annexure-B.

6.9 Bid Processing

6.9.1 All Bids made by the Members shall be sent via electronic interface to the GTP for matching process and execution. In case of any contingency at the Member's end, the Exchange has the right to accept or not accept to place/modify/cancel the bid request received from the Member.

The bids entered by a Member shall be first checked against availability of funds or collateral in the Risk management system before being accepted in the bid book of the Gas Exchange.

6.9.2 Bid matching rules ensure that bids are executed based on the prices available in IGX's trading system and will be according to the algorithms set.

6.10 Effect of Trade

Execution of a trade on the GTP shall entail the irrevocable commitment, at a given date:

1. for Buyer to receive the delivery of the Scheduled Quantity and to pay the agreed price in accordance with the applicable delivery and payment procedure; and
2. for Seller to deliver the Scheduled Quantity of gas and receive payment of the agreed price in accordance with the applicable delivery and payment procedure

The effectuation of a trade under the GTP shall be subject to confirmation of the CT Agreement by the relevant Transporter under the GTA or subject to Force Majeure if any.

6.11 Trade Cancellation

The Exchange shall have the sole discretion to cancel a transaction:

1. **Cancellation at Member request:** Conditions of a cancellation at Member request shall be prescribed by the Exchange.
2. **Cancellation by Exchange:** Exchange may cancel a transaction if:
 - a. the transaction results from a manifest error and neither party can be contacted.
 - b. the transaction is in non-conformance or breach of the Market Rules or applicable laws;
 - c. exceptional circumstances so warrant.

In addition to the above, specifically in the case of the Delivered Transactions, in case of the termination of the entire GTA entered into between the Exchange and the Transporter, all Delivered Transactions which were proposed to be completed under that specific GTA shall stand suspended till an alternate arrangement is provided for by the Exchange.

On confirmation of transaction between a sell-side Member and a buy-side Member or a Seller and Buyer, as the case may be, the Exchange shall act as facilitator between the seller and buyer to the transaction for financial settlement and their contractual relationships are then governed by IGX's circulars and guidelines issued from time to time, these Market Rules and Bye Laws.

Chapter 7

7. SURVEILLANCE

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

7.1.2 Validation of bids: Members are required to ensure that the Bids are in conformity with these Market Rules. In order to avoid any abnormal Bids being put by the Members like high bid price or quantity, the Exchange will validate such bids either through software or manually. Further, the Bid value of the Member will be checked with the available Margin limits (exposure) of such Member(s), to check for any over utilization.

7.1.3 The Exchange shall allow the trade of the Buyer pursuant to a valid Gas Transportation Agreement (GTA) entered between the Buyer and the Transporter under Ex-Hub Transaction up to the maximum quantity as mentioned in the Capacity Tranche (CT) or the Transporter and the Exchange under Delivered Transaction up to the maximum quantity as declared by the Buyer.

7.1.4 In case if the Buyer does not have a GTA, Buyer will have to give a self-declaration of maximum quantity to trade on the Exchange. Based on the self-declaration, the Exchange will allow the Member to trade up to the declared quantity.

7.1.5 Market behaviour: Any unwarranted change in the price pattern or order trend may be analysed by the Gas Exchange. The Exchange will monitor concentration, price rigging, price manipulation and other market abuses and the same shall be brought into the notice of the Market Surveillance Committee (as defined in the Bye Laws) for necessary action.

Chapter 8

8. MARGINS

8.1 Exposure Margin

8.1.1 Prior to placing the Bids, the Buyers and Sellers shall post with the Exchange such amount as the Exposure Margin, as may be required by them in advance in order to trade for Contracts as specified by the Exchange from time to time and as set out under the Contracts ("**Exposure Margin**"). Exposure Margin shall be the sum of bank balance and unutilised non-cash collaterals. Such Margins may be in cash and non-cash form as specified by the Exchange from time to time. The Cash Margins are to be deposited to the Settlement Account and shall be used for completion of payments for a transaction as per the terms of the Contracts. The amounts in the Settlement Account are to be replenished upto the relevant Exposure Margin requirements before placing of a bid by a Member.

8.1.2 The exposure or clearing limits i.e. aggregate monetary value of all the positions in respect of all Contracts that each Member may clear and settle shall be based on the exposure margin and any other fund specified by the Exchange. For this purpose, gross positions in respect of Members are to be considered.

8.1.3 The Exchange may specify different clearing limits for different Contracts.

8.1.4 The Members, to enhance their clearing limits, may make the Additional Deposits also to the Exchange;

8.2 Post Trade Margin

8.2.1. The following Margin provisions, subject to Margin requirements determined by applying any methodology specified or recommended by the Exchange, shall apply in respect of Contracts that are transacted on the Exchange and then cleared and settled by Exchange:

- a. Every Member, as applicable, shall pay the appropriate Margin amount with the Exchange based on the aggregate positions cleared by the Member for its Clients or criteria as prescribed by the Exchange;
- b. Every Member executing transactions on behalf of his Clients shall collect from the Clients the Margins specified from time to time, based on their positions.

8.2.2 Exchange will compute the Post Trade Margins separately for trades under Delivered Transactions and Ex-Hub Transactions. The Margin to be paid shall be calculated, based on the methodology specified under the Market Rules and circulars issued thereunder for all Contracts from time to time, which may be on positions, trading limits, client level basis or in other manner, as may be decided by Exchange.

8.2.3 Margin accounts of all Clients trading through the Members or the Direct Client, shall be calculated daily by Exchange and shall be required to be paid in the manner as may be prescribed by Exchange.

8.2.4 Members or the Direct Client shall deposit Post Trade Margin in cash and/or non cash form as prescribed by Exchange from time to time and may furnish in cash, fixed deposit, bank guarantees, letter of credit, or such other instruments as may be specified by Exchange from time to time to fulfil the additional Margin requirement, if any.

8.2.5 Failure to pay any Margin may lead to deactivation or suspension of a Member or a Direct Client, as the case may be. Exchange may also take such other measures including disciplinary actions, against the Member or the Direct Client, as it may deem fit.

8.2.6 Margin deposits received by Members from their Clients in any form shall be accounted for and maintained separately in segregated accounts and shall be used solely for the benefit of the respective Client's positions.

8.2.7 Exchange may specify the type and quantum of Margin and the applicability of the same from time to time. Such Margin may vary for different Contracts.

8.2.8 Exchange may cancel the trade of the Client when the call for Margin or any other payment due is not complied with by the Member or the Direct Client, as applicable. Compensation for such cancellation of trade to seller/buyer at other side of transaction shall be specified by Exchange through circular.

8.2.9 Members shall post and accept Margin deposits where applicable only in such form as may be permitted by the Exchange.

8.2.10 The Margin account of Clients shall be utilized by the Members only for settling the dues to the Members for fulfilling the obligations resulting from their transactions or as decided by the Exchange from time to time.

8.2.11 Members shall furnish their Clients in writing such reports relating to Margin deposits by their Clients and at such intervals as may be specified by the Exchange.

8.2.12 The Exchange may reject Bids of a Member or the Direct Client, as applicable, when the call for further Margin or any other payment due is not complied with by the Member or the Client, as applicable.

8.2.13 The Member shall collect from Clients, with whom he has an agreement to provide clearing and settlement services as per these Market Rules, all such Margins as specified by the Exchange on the transactions executed by Clients for clearing and settlement.

8.2.14 Members or the Direct Clients, shall maintain such banking arrangements/ open Settlement Accounts with the designated Clearing Bank(s) as specified by the Exchange so as to permit the transfer of funds and to maintain Margins in a segregated manner.

8.2.15 Each Member or the Direct Client, shall deposit all Margins or deposits with the Exchange, or the designated clearing bank(s), as directed by the Exchange, within the prescribed time and in the prescribed manner.

8.2.16 The Exchange shall prescribe such additional or special margins as may be considered necessary during the Delivery Period due to volatility, price movement or emergencies or change in market conditions.

Chapter 9

9. POST TRADE PROCESSING

9.1 Broadcast of trade confirmation

Once a trade is matched on the Exchange, Members shall receive an electronic trade confirmation consisting following details of the transaction: -

1. Trade reference or ID
2. Buyer and Seller
3. Trade time
4. Contract for trade with contract symbol
5. Trade quantity in MMBTU
6. Trade price in INR/MMBTU
7. Trade value in INR
8. Others, if any

9.2 Delivery Mechanism

The delivery of the Contracts shall be carried out under the terms of the respective Contracts.

The scheduling will be as per the quantity allocated by the Transporter. The Member/Clients should preferably give priority to the Exchange transactions at the time of flow of Natural Gas. In case of the preferability, the Buyer and Seller shall first evacuate the Natural Gas allotted by the Exchange before any other type of Natural Gas from the Natural Gas Pipeline. Members/Clients will be required to adhere to the delivery mechanism defined under the Market Rules, Access Code and GTA.

9.3 Congestion in Pipeline

The availability of necessary capacity will be confirmed by the Transporter against which Nomination and Scheduling will be carried out. In case of Ex-Hub Transactions, the Buyer is responsible of sending Nomination to the Transporter and the copy of the same shall also be sent to the Exchange.

In case of congestion for Delivered Transactions:

Continuous Trade: Scheduled Quantity prioritization for the Trade Quantity shall be carried out based on the trade time priority. In case, congestion and curtailment in pipeline restricts the flow of the traded volume against the Trade Quantity, then the re-nomination shall be as per the decision made by the Exchange.

Auction Trade:

In case the Transporter does not accept some of the CT Agreements due to congestion or any other reasons, the Exchange may reallocate the trade quantity of the seller/buyer based on price time priority of the bids or Exchange may rediscover new market cleared price and volume based on accepted CT Agreements as may be decided by Exchange.

In the event, Seller and/or Transporter informs to Exchange the need to curtail Gas deliveries on any day due to Force Majeure or to maintain Natural Gas Pipeline integrity,

the Exchange will notify the Members/Clients of the adjustments in the scheduled quantity and the settlement will be as per the final Allocated Quantity. In case if the Seller informs to Exchange the need to curtail Gas deliveries on any day then the Exchange may notify the Buyer of the adjustments in the Scheduled Quantity and the settlement will be as per the final Allocated Quantity.

The allocation of Trade Quantity shall be carried out based on the revised Scheduled Quantity in case of congestion in pipeline.

9.4 Trade Confirmation and execution of contract

The Buyer and Seller shall be deemed to have entered into a contract for sale and purchase of Natural Gas, upon the receipt and execution of the CT Agreement from the Transporter as per the terms of the GTA. In case of Ex-Hub Transactions if the Member/Client fails to enter into the CT Agreement or provide the CT Agreement, then the Exchange shall apply and recover a sum of compensation from such member as mentioned under below clause 11.5.

In case of Delivered Transactions, the contract for sale and purchase of Gas between the Buyer and Seller of the Gas shall be considered complete only upon the Exchange entering into a CT Agreement with the Transporter as per the terms of the GTA entered into between the Transporter and the Exchange. In case the Transporter does not enter into such a CT Agreement with IGX or enters into a CT Agreement with the Exchange only for partial quantity of the Gas agreed to be sold and purchased between the Buyer and Seller under the Contract, solely due to reasons attributable to the Transporter, then in such case the Seller or the Buyer shall not hold IGX responsible.

Further, in case the Transporter executes the CT Agreement for partial quantities, then the trade would only be deemed to be completed for that quantity of Gas for which the CT Agreement has been entered into between the Buyer or Exchange and the Transporter under the terms of the GTA.

9.5 Establishment of Benchmark price

The Exchange may decide to calculate and publish a benchmark price reference for Gas on daily basis or from time to time as decided by Exchange. The list of hubs for which the price reference is calculated, shall be published by Exchange. The method for calculating the price reference shall be published by Exchange on its website.

In case of the continuous trade method, the benchmark price for different Contracts will be calculated through weighted average method. While the benchmark price for auction method will be the Market Clearing Price (MCP). Exchange may also publish a benchmark price using a formula considering prices discovered across all specified hubs.

Chapter 10

10. DELIVERY

10.1 Delivery type

10.1.1 Contracts shall be traded on the Gas Exchange for compulsory physical delivery and settlement and are subject to conditions that such contracts are non-transferrable, without any netting-off.

10.1.2 The physical delivery of Contracts will be as per the Access Code Regulations and all its subsequent amendments, detailed procedure under the Access Code and the GTA signed with Transporter (including CT Agreement) and related Operating Code.

10.1.3 The Exchange will facilitate two types of transactions:

- a. **Delivered Transaction:** The Exchange shall facilitate the trade, physical delivery of gas by booking the necessary transmission facility on behalf of the Buyer, and financial settlement for the traded Contracts. The Buyer shall be required to execute necessary documents like GTA etc. as prescribed by the Exchange from time to time to facilitate such transactions; and
- b. **Ex-Hub Transaction:** The Exchange shall facilitate the trade and the financial settlement for the traded Contracts. The necessary transmission facility will be arranged by the Buyer/Seller. The Buyer shall be responsible for arrangement of transmission facility from the delivery point to redelivery point however on mutual understanding the same can be arranged by the seller.

10.1.4 Transportation Tariff and Transportation Charges applicable and gas losses (if any) shall be as per the applicable GTA.

10.1.5 The Shipper in Delivered transactions and in Ex-Hub Transactions, shall not be held responsible under any circumstances and hence no compensation will be claimed by the Seller and/or Buyer on the Shipper as applicable due to reasons attributable to Transporter under following events-

- a. Non execution of the CT Agreement due to reasons solely attributable to the Transporter or CT Agreement entered into by the Transporter only for partial quantity of the total gas amount agreed to be sold and purchased between the Buyer and Seller under the GTP.
- b. Delivery of Off-Spec gas by Transporter at the Exit Point. It shall be sole responsibility of Buyer for accepting or refusing such gas.
- c. Termination of the GTA for reasons including Force Majeure, as defined in the GTA and/or the CT Agreement, consequences of change in law whereby the Transporter is prevented from providing delivery of gas at the Exit Point.
- d. Impact on delivery including, reduction in quantities or curtailment of gas accepted at the Entry Point or delivered at the Exit Point due to maintenance activities, planned works being undertaken by the Transporter in accordance with the terms of the GTA and/or the Operating Code or due to any force

majeure events or any such event specified in the GTA and/or the CT Agreement.

- e. In case of interconnected pipeline, any liability arising due to disputes between two pipeline operators.
- f. Comingling of gas.
- g. Other such actions attributable to the Transporter as specified in the GTA and/or CT Agreement.

In addition to above, the Exchange shall not be held responsible under any such circumstance and no claim for compensation shall be raised by the Seller on the Exchange on account of any gas arrangements requested by the Transporter such as Line Pack, System use gas.

Whenever the Exchange receives the credit of liquidated damages from the Transporter due to the Transporter delivering Off-Spec gas at the Exit Point or for any other reason specified under the GTA or the CT Agreement, the benefit of such liquidated damages will be passed on to respective Buyer, as the case may be upon the receipt of the credit by the Exchange. Such payment of Liquidated Damages shall be the sole remedy of the Buyer and they shall have no rights to make any additional claims whatsoever against the Exchange in this regard.

Exchange being the facilitator for the transportation of gas on behalf of the Buyer under the Delivered Transaction, all obligations and liabilities arising out of the respective GTA against the Shipper (i.e. IGX) shall be passed on to the Buyer as it is. Accordingly the Buyer shall not be able to claim any relief whatsoever with reference to any provision of respective GTA or Market Rules of the Exchange unless and until same relief being recognized and allowed by the respective Transporter under the purview of GTA.

10.2 Delivery Obligations

10.2.1 The Clients who have concluded the transactions through the Exchange must make the Scheduled Quantity of gas available for delivery, or accept the delivery of gas, as the case may be.

10.2.2 In respect of any particular Gas Day, for gas transactions for which the Delivery Period includes, or comprises, that Gas Day:

- a. each Seller must make available for delivery on that Gas Day at the Entry Point, the scheduled quantity as communicated by the Exchange; and
- b. each Buyer must accept on that Gas Day at the Exit Point, the scheduled quantity as communicated by the Exchange.

10.2.3 Transmission shall, inter alia, consist of:

- a. Delivery of gas by the Seller at each Entry Point of quantities of gas up to the final scheduled quantity;
- b. Transmission of a quantity of gas up to the scheduled quantity through the Transporter facilities; and
- c. Making available for offtake at each Exit Point, quantity of gas delivered by the Seller at the Entry Point limited up to the relevant scheduled quantity.

10.2.4 Title and Risk

In both Delivered Transaction and Ex-Hub Transaction, the Seller warrants to the Buyer and the Exchange that:

- a. all gas that the Seller makes available for delivery in accordance with its obligations under these Market Rules at the Delivery Point/Entry Point, shall be free from all liens, charges, encumbrances and adverse claim including any claim by any third party;
- b. the title to all gas that it makes available for delivery at the Delivery Point/Entry Point, in accordance with its obligations under these Market Rules, will transfer to the Buyer upon such delivery.

The Member and Client agree that the title of and risk associated with the gas shall lie with the seller of the gas until delivery of such gas at the Delivery Point specified in the CT Agreement. The title of the gas shall pass from the seller to the buyer upon delivery of the gas at such Delivery Point. In case of Delivered Transactions, the Exchange will only be an intermediary and will act as a facilitator to transmit the gas between Buyer and Seller and at no time shall the Exchange have title and ownership of the gas.

Seller and Buyer shall perform all relevant responsibilities so that the Exchange in Delivered Transactions and Buyer in case of Ex-Hub Transactions can perform its obligations as per the GTA and CT Agreement entered into with the Transporter.

10.3 Delivery Process for Delivered Transaction

10.3.1 The Buyer shall sign a Gas Transportation Undertaking (GTU) with the Exchange for the traded Contracts against which the Exchange shall facilitate the physical delivery of gas in accordance with the terms specified under the Contracts.

10.3.2 The Exchange shall book the pipeline capacity for the physical delivery of the gas at the specified Delivery Points and sign the GTA and CT Agreement with the Transporter on behalf of the Buyer.

10.3.3 The Exchange shall book the capacity as per the timelines of Transporter: -

- a. for the date range of the Contract
- b. equal to the total traded quantity

In case if the approved quantity in CT Agreement is less than traded quantity then either the Seller or the Buyer can request cancellation of the trade and the resultant contract provided that both the Seller and Buyer shall mandatorily furnish written consent to cancel the trade and the Contract. The entity requesting such cancellation shall be liable to bear any charges imposed by Transporter on the Exchange under the terms of the GTA and/or CT Agreement. In such case the Exchange may charge the Transaction Fees on the quantity which was approved by the Transporter under the CT Agreement.

10.3.4 The Exchange shall send the final Nominations along with the respective CT Agreements to the Transporter in a prescribed manner.

10.3.5 The delivery shall be carried out as per the schedule prepared by the Transporter.

10.3.6 The quantities of gas delivered and accepted at a Delivery Point on any Gas Day will be the quantities determined in accordance with the conditions for allocation between the Exchange and the Transporter applicable at that Entry Point, as determined by the Transporter under the GTA.

10.3.7 In case, congestion and curtailment in the Natural Gas Pipeline restricts the flow of the scheduled volume, then the final scheduling shall be as per the discretion of the Transporter and the Exchange.

10.3.8 Quantity of gas, Gas specifications, and measurement will be as per the Clause 10.5, 10.6, 10.7 of these Market Rules, respectively.

10.3.9 If the Buyer does not accept or accepts more or less than the Daily Contract Quantity at the Exit Point, then the obligations specified in Clause 11.2.9 shall be applicable on the Buyer.

10.3.10 If the Seller delivers less than the Daily Contract quantity at the Entry Point on a Gas Day or does not deliver the gas at the Entry Point, the obligations specified in Clause 11.2.10 shall be applicable on the Seller.

10.3.11 The Buyer shall be required to pay the Transportation Charges, Daily Imbalance Charges and Daily Overrun Charges including tax which shall be calculated on daily basis as per the allocation quantity provided by the Transporter to Shipper.

Reconciliation: Upon the termination of a CT Agreement, the Exchange and Buyer/Seller shall reconcile the total quantities of gas delivered by Seller to Transporter and off taken by Buyer from Transporter under such transaction.

The final settlement process including curing mechanism shall be informed by the Exchange through issuance of circulars from time to time.

10.4 Delivery Process for Ex-hub Transactions

10.4.1. The Buyer/Seller shall have a valid GTA/CT Agreement in place with the Transporter(s) which he intends to use for delivery of the traded Contracts.

10.4.2. Transportation Tariff and Transportation Charges applicable and Gas losses (if any) shall be as per the applicable GTA signed by the Buyer/Seller and the Transporter.

10.4.3. Contracts shall be necessarily for physical delivery and shall be binding on the Members/Clients executing the transaction.

10.4.4. The Client will share the relevant CT Agreement details with the Exchange and the Contract between the Sellers and the Buyers shall be deemed to be entered into for sale and purchase of gas pursuant to sharing of the CT Agreement details.

10.4.5. The Client, depending upon the category of Contract that they would transact at the Gas Exchange, shall have a valid GTA in place. The validity of the GTA shall not be less than the specified delivery period with additional three (3) days, which is required for the final Settlement.

10.4.6 The Shipper shall send the Nomination to the Transporter for Scheduling and the copy of the same shall also be sent to the Exchange, as per the timelines specified by the Transporter. The information of Daily Nominated Quantity (DNQ) and Daily Schedule shall be communicated from them to the Exchange and seller/buyer as applicable on daily basis as per the timelines specified by Exchange. In absence of the same the shipper may be obligated to compensate the seller/buyer at other side of transaction as specified by the Exchange from time to time.

10.4.7. Booked Capacity shall be as per the CT Agreement between Buyer/Seller and Transporter.

10.4.8 If the Buyer does not accept or accepts more or less than the Daily Contract Quantity at the Exit Point, then the obligations specified in Clause 11.3.4 shall be applicable on the Buyer.

10.4.9 If the Seller delivers less than the Daily Contract quantity at the Entry Point on a Gas Day or does not deliver the gas at the Entry Point, the obligations specified in Clause 11.3.5 shall be applicable on the Seller.

10.4.10 Buyer/Seller will be responsible to send the confirmation of schedule, the Allocated Quantity 'AQ' at Delivery Point and the Exit Point to the Exchange to carry out the settlement process with Exchange.

The Buyer shall be required to pay the Transportation Charges, Daily Imbalance Charges and Daily Overrun Charges including tax which shall be calculated on daily basis as per the allocation quantity provided by the Transporter to Shipper. The final settlement process including curing mechanism shall be informed by the Exchange through the issuance of circulars from time to time.

10.4.11 In case of pipeline interconnection(s), the settlement for imbalance charges shall be carried out as per the Access Code Regulations.

10.5 Gas Quantity

10.5.1 The Daily Contract Quantity or DCQ shall be the quantity of gas in Lot size (in MMBtu per Day) specified during trade and approved by Transporter under CT.

10.5.2 Seller shall make available gas at the Entry Point at an operating pressure as specified in the GTA/CT Agreement.

10.5.3 The Seller and Buyer shall acknowledge and agree that gas may be supplied in a commingled stream along with gas from other sources as per terms and conditions defined under the GTA with Shipper wherein Transporter shall have the right to commingle the gas delivered to Transporter at Delivery Point/Entry Point and received at Exit Point.

10.6 Gas Specification

10.6.1 Gas delivered at the Entry Point or Exit Point shall meet the Specifications given in Schedule II of the Access Code Regulations, which is reproduced below:

- a. Gas shall be determined to meet the Specifications if, at the Delivery Point, the gas shall have a minimum Gross Calorific Value of 31,000 Btu per Standard Cubic Meter.
- b. The gas shall comply with the specifications mentioned under the Access Code which is given as below: -

Parameter	Limit
Hydrocarbons dew point (Degree Celsius, max.)	0
Water dew point (Degree Celsius, max)	0
Hydrogen Sulphide (ppm by wt. max.)	5
Total Sulphur (ppm by wt. max.)	10
Carbon dioxide (mole % max.)	6
Total inerts (mole %)	8
Temperature (Degree Celsius, max.)*	55
Oxygen (% mole vol. max.)	0.2

If in case the Seller provides Off-Spec gas at the Delivery Point and the Transporter accepts the gas, then the Seller shall reimburse to the Shipper for all costs and expenses which the Transporter levies on the Shipper. The aforesaid costs and expenses imposed by the Transporter may include, costs incurred towards treatment or cleaning of the Off-Spec gas, or any expenses incurred to maintain integrity requirements of the pipeline as a result of Off-Spec gas delivered by the Seller; or any costs and expense incurred towards upgrading the gas to the correct specification.

In case, Transporter refuses the gas due to it being Off-Spec and/or non-acceptable pressure range then the Seller or the Member representing the Seller shall be obligated to make good any damages caused by Seller to the Buyer, Exchange and Transporter.

10.7 Measurement

10.7.1 The measurement of the quantity shall be as per the Regulation 7 of Access Code Regulations and as per GTA and Operating Code of the Transporter.

10.7.2 At each Entry Point and at each Exit Point there shall be measurement equipment, or some means of establishing the measurements.

10.7.3 The following shall be determined at each Entry Point for each Day in respect of gas delivered within the allowed pressure and temperature:

- a. The volume of gas measured in MMSCM which passed through the Entry Point or Exit Point during the Day.
- b. The Gross/Net Heating Value applicable to the gas which passed through the Entry Point or Exit Point during the Day.

c. The quantity of gas measured in MMBTU.

10.7.4 The factors required to determine the volume of gas received shall be calculated in accordance with the American Gas Association Bulletin Number 9 and any modifications and amendments thereof, and applied in a practical manner.

10.7.5 The error/inaccuracy permitted shall be within a range of $\pm 1\%$. At the end of calibration, Measurement Equipment shall register accurately and no individual transmitter feeding into total flow computation shall have an error more than 0.5%.

Chapter 11

11. CLEARING AND SETTLEMENT

The Exchange shall manage financial settlement for all transactions. For delivery, the Exchange shall offer options of Ex-Hub Transactions and Delivered Transactions.

The operations of Clearing and Settlement shall be managed by clearing house of the Exchange. The Company Board may from time to time delegate such additional authority and responsibility to the Clearing House as deemed fit.

11.1 Act as deemed central counterparty

11.1.1 Once a trade is matched, and approved by transporter as the contract, the Exchange shall be substituted as deemed central counter party for all financial liabilities of the Members or the Clients, as applicable in specified Contracts in which the Exchange has decided to accept the responsibility of guaranteeing the financial obligations under such Contracts;

11.1.2 All outstanding transactions shall be binding upon the original contracting parties, that is, Members and the Clients, as applicable.

11.2 Financial Settlement for Delivered Transactions

11.2.1 All Contracts transacted on the Gas Exchange shall be settled by the Exchange and delivered in accordance with the framework prescribed under the relevant regulations under applicable law and the terms of the GTA;

11.2.2 The Exchange shall send the Final Buy and Sell Report to the Buyer/Seller, specifying the details of the traded Contracts including Gas price, Transaction Fee, Transmission Charges, applicable taxes and any other charges as per the Market Rules. The timelines of sharing the report will be as follows:

- a. Daily/Day-ahead/Weekly/Weekday Contracts: At the end of the delivery period;
- b. Fortnightly/Monthly: The report will be sent weekly, i.e. for fortnightly Contracts there will be two (2) reports.

In addition to this the Exchange shall send the Daily obligation report.

11.2.3 On confirmation of trade which is the trade value of the molecule, the Trade and Margin report shall be generated by the Exchange for each Member based on their trades.

11.2.4 The Exchange shall receive the payment for the Gas purchased by the Buyer, from the Buyer as per the payment terms laid down in the obligation report and settle it with the Seller directly on behalf of the Buyer. On the basis of proof of delivery like joint ticket of Transporter the Exchange will release the sell proceeds (pay out).

11.2.5 The Seller shall send the tax invoice of the Commodity directly to the Buyer and shall share one copy of the same with the Exchange. Based on receipt of the copy of invoice, the Exchange shall release the tax amount to the Seller.

The Buyer shall be responsible for the payment of all taxes imposed or payable arising from time to time related to purchase or delivery of gas and any other payments for the Gas traded at the Exchange. The buyer will also indemnify, protect, defend, and hold

harmless seller and IGX from all actions, proceedings & claims arising in connection with any taxes for which buyer is responsible including any failure or delay by buyer to pay taxes or submit required forms or documents.

11.2.6 Buyer of the Gas shall directly furnish all statutory forms such as Form C to the Seller with a copy marked to the Exchange within the prescribed time limit in relation to transaction concluded through the Exchange platform and the Exchange shall not be held responsible financially and otherwise on account of non-submission of statutory forms in pursuance of such trading.

11.2.7 The Buyer and Seller understand and agree that the Exchange will act as a facilitator/ intermediary for arranging the sale of gas between the Buyer and Seller on the Gas Exchange and for settlement of Pay-in and Pay-out between the parties. Thus, the Invoice for any such sale will be binding on Buyer and has to be paid by Buyer along with the applicable taxes charged by Seller.

Further, the requirement of documents for availing benefit of reduced rate of tax, if any, shall be directly managed between the parties and the Exchange shall not be held responsible on account of any default of parties including but not limited to non-submission of required documents for availing such tax benefits.

11.2.8 The Exchange shall settle the Imbalances and overruns with the Transporter directly as per the terms and conditions specified in the GTA signed between the Exchange and the Transporter and in turn the Exchange shall claim such amount from the Buyer, as per the terms of the GTU and circulars issued time to time. It is understood that while the Exchange shall settle and interact directly with the Transporter, the Buyer shall be responsible for paying the imbalance and overrun charges to the Exchange as per the terms of these Market Rules or the GTU.

11.2.9 Take or Pay:

Buyer shall be obliged to take and pay for, or pay for if not taken, a quantity of Gas and its financial obligations along with Transmission Charges (ship-or pay as per GTA signed between Transporter and Exchange) and all other applicable charges specified by the Transporter. The daily take or pay limits and settlement process shall be explained through Circular.

Notwithstanding anything else contained in these Market Rules, in case of Delivered Transactions, the Buyer shall reimburse the Exchange for all charges and payments made by the Exchange to the Transporter, under the terms of the GTA and as per the invoices raised by the Transporter on the Exchange.

11.2.10 Seller shall be obliged to ship within the operational limit, or pay for if not shipped, a quantity of Gas and its financial obligations, respectively, at least equal for the shortfall quantity for such Contracts along with all other applicable charges specified by the Exchange.

The daily shortfall compensation and Settlement Process shall be further informed through Circular.

11.2.11 Dispute settlement: If Buyer and/or Seller disputes any amount, quality, quantity, value, or sum in the Gas invoice/ obligation report, the Buyer and/or Seller shall notify the Exchange within seven (7) days of receiving either of the statements.

The notice shall specify the disputed items and the reasons, why the Buyer and Seller disputes that item.

For such disputes, the Member(s) will have to first approach through the administrative process of the Exchange and in case if the grievance is not resolved within such days as may be fixed by the Exchange, the same shall be forwarded and dealt by the Grievance Redressal Committee. The process of the same is explained under Bye-Laws.

11.2.12 In case of any interest levied on the Exchange by the Transporter under the terms of the GTA and/or the CT Agreement due to delayed payments to the Transporter and such delay in making payments can be attributed to delay in release of payments by the Buyer, then the Buyer shall be responsible for paying such interest amount levied by the Transporter under the GTA.

11.3 Financial Settlement for Ex-Hub Transactions

11.3.1 The Buyer/Seller shall settle all the Transmission Charges, imbalances, and overruns directly with the Transporter as per the terms and conditions specified in the GTA signed between the Buyer/Seller and the Transporter. The Exchange shall not be part of these settlements and no liability or additional obligations shall be placed on the Exchange in this regard. The Member/Seller will have to provide to the Exchange proof of delivery like joint ticket of Transporter based on which it will release the sell proceeds (pay out).

11.3.2 The Exchange shall send the Final Buy and Sell Report to the Buyer/Seller, specifying the details of the traded Contracts including Gas price, Transaction Fee, Transmission Charges, applicable taxes and any other charges as per the Market Rules. The timelines of sharing the report will be as follows:

- a. Daily/Day-ahead/Weekly/Weekday Contracts: At the end of the delivery period;
- b. Fortnightly/Monthly: The report will be sent weekly, i.e. for fortnightly Contracts there will be two (2) reports.

In addition this the Exchange shall send the Daily obligation report.

11.3.3 On confirmation of trade which is the trade value of the molecule, the Trade and Margin report shall be generated by the Exchange for each Member based on their trades.

Tax settlement will be similar in Ex-Hub Transactions as mentioned in Delivered Transactions Clause under 11.2.4 to 11.2.7.

11.3.4 Take or Pay: Buyer shall be obliged to take and pay for, or pay for if not taken, a quantity of Gas and its financial obligations including the transmission charges, respectively, at least equal to the Scheduled Quantity for such Contract.

The daily take or pay limits and settlement process shall be explained through Circular.

11.3.5 Seller shall be obliged to ship within the operational limit, or pay for if not shipped, a quantity of Gas and its financial obligations, respectively, at least equal for the shortfall quantity for such Contracts along with all other applicable charges specified by the Exchange.

The daily shortfall compensation and settlement process shall be further informed through circulars issued by the Exchange from time to time.

11.3.6 Disputed amount settlement: If Buyer and/or Seller disputes any amount, quantity, value, or sum in the Gas invoice/ obligation report, the Buyer and/or Seller shall notify to Exchange within seven (7) days of receiving either of the statements. The notice shall specify the disputed items and the reasons, why the Buyer and Seller disputes that item.

For such disputes, the Member(s) will have to first approach through the administrative process of the Exchange and in case if the grievance is not resolved within such days as may be fixed by the Exchange, the same shall be forwarded and dealt by the Grievance Redressal Committee. The process of the same is explained under Bye-Laws.

11.4 Clearing Banks

11.4.1 One or more scheduled commercial bank(s) shall be designated by the Exchange as the designated clearing bank(s) ("**Clearing Banks**") for providing and facilitating the collection of funds, transfer of funds, sharing of information and other value added services pursuant to these Market Rules and Bye-Laws. The Exchange and the designated Clearing Bank(s) shall have an agreement for the services to be rendered by the Clearing Bank(s) and to be availed by the Exchange.

11.4.2 In order to facilitate smooth clearing and settlement, all Members, or the Clients, as applicable, participating in trading shall be required to open such bank accounts with designated Clearing Banks as may be advised by Exchange. All such Members or the Clients, as applicable shall be required to follow instructions of the Exchange in respect of operation of such bank accounts, minimum balance, segregation of Clients' funds and own fund, as may be required by the Exchange. They shall also submit an irrevocable mandate in writing enabling the Exchange to debit and credit their account electronically. They shall be required to keep the accounts adequately funded, so as to enable the Exchange to recover its dues by debiting their respective bank accounts.

11.5 Buyer Default Remedy Mechanism

The following remedy mechanism will be applicable on buyer member if they fail to meet their buy obligation(s): -

a) 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.

b) 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.

c) 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 under clause 11.5.1 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 under clause 11.5.1 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.

d) 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 under clause 11.5.1 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 under clause 11.5.1 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.

e) 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 under clause 11.5.1 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.

11.5.1 In all above cases the Exchange will follow the following settlement process with the Buyer Member: -

- i. At first the available cash component in the form of Margin and/or Pay-in will be utilised.
- ii. For balance payment, the Exchange will raise the Debit note to the Buyer Member as per the timelines specified through Exchange circular.
- iii. For remaining balance, the non-cash collaterals will be utilised.
- iv. Exchange will have the right to apply penalty and take punitive action on the Member including suspension, expulsion or declaration as defaulter or expulsion of the client to trade on the exchange platform.

11.6 Seller Default Remedy Mechanism

The following remedy mechanism will be applicable on seller member if they fail to meet their buy obligation(s): -

- a) 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.

- b) 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 under clause 11.6.1 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.

- c) 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 under clause 11.6.1 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.

11.6.1 In all above cases the Exchange will follow the following settlement process with the Seller Member: -

- i. At first the available cash component in the form of Margin and/or Pay-out will be utilised.
- ii. For balance payment, the Exchange will raise the Debit note to the Seller Member as per the timelines specified through Exchange circular.
- iii. For remaining balance, the non-cash collaterals will be utilised.
- iv. Exchange will have the right to apply penalty and take punitive action on the Member including suspension, expulsion or declaration as defaulter or expulsion of the client to trade on the exchange platform.

Chapter 12

12. TYPE OF CONTRACTS

The Exchange shall make the Contracts as specified in this section available for trading as per the trading calendar. These contracts will be traded in accordance with provisions of trading as specified in the respective Contract Specifications. The trade sessions, matching rules applied in each trade session for concluding the contracts, risk management and settlement for such contracts will be as per specific contract specifications provided herein. All Contracts admitted to trading on the Exchange are decided on the basis of market requirement.

The Exchange has specified the characteristics of tradable Contracts, in particular:

1. Characteristics
2. Trading procedures
3. Trading hours
4. Trading period
5. Delivery Zone of the Contract
6. Date or Delivery Period
7. Quantity Tick and Price Tick
8. Risk Management Process
9. Delivery Procedures
10. Settlement Procedures

Following Contracts shall be available for trading in the Market:

S. No.	Type of Contract	Reference
1.	Intra-Day Contracts	Annexure- A1
2.	Day-Ahead Contract	Annexure- A2
3.	Daily Contracts	Annexure- A3
4.	Weekly Contracts	Annexure- A4
5.	Weekday Contracts	Annexure- A5
6.	Fortnightly Contracts	Annexure- A6
7.	Monthly Contracts	Annexure- A7
8.	Single-side Auction for Buyer/Seller	Annexure- A8

The Exchange holds the right to modify the specified parameters in Contract specifications from time to time, if required.

IGX will notify the launch of any new Contracts through separate circulars.

Chapter 13

13. CONDITIONS OF SERVICES

13.1 Technical Facilities

13.1.1 The Exchange undertakes to utilise usual and customary resources when implementing information systems, in order to ensure insofar as possible the continuity and availability of the services provided under the Market Rules.

13.1.2 Members agree to comply with the procedures for accessing the Exchange systems. In particular, it shall not conceal its true identity or appropriate another's identity; nor shall it transmit information with a view to causing a system malfunction or overload.

13.1.3 The Exchange shall supply the Member with the technical and operational documents needed to operate the technical facilities for accessing its services.

13.1.4 Members agree to maintain a hardware and software environment that complies with the specified technical specifications.

13.1.5 Accordingly, Members shall ensure that the characteristics of its hardware and software environment will not disrupt or interfere with IGX's systems.

13.2 Intellectual Property & Licenses

13.2.1 Each Party shall retain ownership of the documents, data and information of any sort that is transmitted to the other Party under the Membership Undertaking and to which either Party may have access.

13.2.2 The Member guarantees the Exchange that it holds the authorisations, property rights and licence contracts for all the configurations, firmware and software needed to perform the services relating to the Market Rules.

13.2.3 For cases where a software application used by the Member to access the Exchange requires a licence or an equivalent right, the provisions pertaining to such licence or right are mentioned in a circular or are provided by the Exchange to the Member and must be adhered to by the Member.

13.2.4 The Member undertakes to respect the intellectual property rights of the Exchange and of all third parties providing a system or software application needed to access the Exchange. To this end, the Member shall take all reasonable measures as regards its staff and third parties to protect said rights and, in particular, shall refrain from altering references to property rights and copyright specified on the materials supplied by the Exchange. The Member can neither remove nor modify references to copyright, trademarks, trade names or any other sign of intellectual property.

13.3 Market Data Accessibility

13.3.1 The Exchange is the owner of the market data resulting from transactions on GTP;

13.3.2 If the Member uses an external service provider in connection with its activities on the Exchange, it undertakes to introduce the above provision into its contractual relations with the said service provider.

13.3.3 The Member shall use market data solely for the purpose of trading on GTP and for its own requirements.

13.3.4 If the Member wishes to disseminate market data to third parties, it shall be required to execute a special contract with the Exchange.

13.4 Transfer of property and tax

13.4.1 Sellers shall make all Gas supplied hereunder available to Transporter at the Entry Point and then Transporter to Buyer at the Exit Point, in accordance with and subject to the terms and conditions of the Contract. Buyer shall ensure receipt, offtake and transportation of Gas from the Exit Point.

13.4.2 Property (title) in of the Gas delivered hereunder shall pass from each Seller to Transporter at the Entry Point on delivery of such Gas to the Transporter or its designee at the Entry Point.

13.4.3 Property (title) in and of the Gas delivered hereunder shall pass from each Transporter to Buyer at the Delivery Point on delivery of such Gas to the Buyer or its designee.

13.4.4 Buyer shall pay all the applicable taxes mentioned under Clause 11.

13.5 Liability of Exchange

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

13.6 Force Majeure

13.6.1 Notwithstanding the provisions of the Market Rules and Bye-Laws on Force Majeure, in case of the settlement of gas contracts, the injection and drawl of gas depend upon the pipeline transmission available. In case of any reduction in the availability of Gas due to constraints/emergencies notified by the Transporter, it will be settled as per the GTA signed between Buyer/Seller and Transporter in case of Ex-Hub Transactions and GTU in case of Delivered Transactions.

Provided, however, that any of the below events shall qualify as an event of Force Majeure only if the impact of such an event continues for at least three (3) consecutive days and during the continuity of such Force Majeure event, the obligations of the Buyer and Seller shall stand suspended.

The term "**Force Majeure**" means any event or circumstance or combination of events or circumstances that affects the performance by a party of its obligations (including by preventing, hindering or delaying such performance) and declared by the transporter, but only if and to the extent that such events and circumstances are not within the affected party's reasonable control and were not reasonably foreseeable and the effects of which the affected party could not have prevented or overcome by acting

as a reasonable and prudent operator or, by the exercise of reasonable skill and care. Force Majeure events and circumstances shall in any event include the following events and circumstances:

- a. Flood, atmospheric disturbance, lightning, storm, typhoon, tornado, earthquake, landslide, tsunami, soil erosion, subsidence, washout or epidemic or other acts of God;
- b. Epidemic, plague or quarantine;
- c. Fire, accidents, loss, damage or breakage of facilities or equipment, structural collapse or explosion, at the Transporter's facilities or Seller's or the Shipper's facilities;
- d. Air crash, train wrecks or shipwrecks;
- e. Acts of war (whether declared or undeclared), sabotage, terrorism or act of public enemy acts of belligerence of foreign enemies (whether declared or undeclared), blockades, embargoes, civil disturbance, revolution, rebellion or insurrection, exercise of military or usurped power, or any attempt at usurpation of power;
- f. Radioactive contamination or ionizing radiation;
- g. Any act/action or inaction of a Government authority/instrumentality, or compliance with such acts, directly affecting the ability of Buyer/Seller or Transporter to perform its obligations under these Market Rules;
- h. Loss or damage to or failure of a LNG tanker;
- i. Malfunctions of a service used by the other party, attributable to circumstances beyond its control and arising in particular from the unavailability, failure or interruption of system.
- j. Impossibility or difficulty for the Members to access GTP owing to access hardware or equipment for which the Member or a third party is responsible.
- k. or any other events defined as Force Majeure under GTA of Transporter.

Notwithstanding the above, neither party shall be entitled to claim relief by reasons of Force Majeure for:

- a. Obligation of such party that are required to be completely performed prior to the occurrence of the event of the Force Majeure
- b. The failure of such party to maintain its facilities or equipment in accordance with the standards of a Reasonable and a prudent operator or
- c. Late performance caused by failure of such party or its contractors or sub-contractors to engage qualified contractors and suppliers or to hire an adequate number of personal, except where such failure due to Force Majeure.

13.6.2 Party to notify Force Majeure Events

Where a party claiming suspension of its obligation on an account of Force Majeure event shall promptly not later than 48 hours after the occurrence of the event of Force Majeure, notify Exchange/other party in writing giving the full particulars of the Force Majeure events the estimated durations thereof, the obligations affected and the reasons for its suspensions.

13.7 Confidentiality

13.7.1 The Exchange agrees not to disclose information about the Member/Client's individual activity on the market nor to disseminate such information to a third party, except within these Market Rules. However, the Member authorises the Exchange to use the trading volumes generated by the Member for statistical purposes inter alia. Such statistics may be made public. In this case, Exchange agrees to ensure that Members remain anonymous.

Each Party agrees to respect the general principle of privileged communications, pursuant to applicable laws and regulations. In particular, each Party agrees to respect trade secrets and to refrain from divulging to third parties, either free of charge or for consideration and in any form whatsoever, the information that it receives from the other Party or that it obtains through performance of the Membership Undertaking concerning but not limited to the party's business, commercial policy, industrial strategy, management or organisational plans, computer applications and any medium bearing the word "confidential" and, in general, any information or document of a financial, economic, technical, IT-related, commercial or social nature, without the prior written authorisation of the other Party, designating the beneficiaries of such information and the tenor thereof.

Furthermore, both Parties undertake not to divulge to third parties the concepts, ideas, know-how and techniques revealed by either Party in the performance of the Membership Agreement.

However, each Party is entitled to communicate to the competent authorities the information that such authorities may request under applicable laws or regulations.

Each Party authorizes the other to quote its corporate name or trading name as a commercial reference.

13.8 Warranties

13.8.1 Seller's representations and Warranties

The Seller represents and Warrants to the Buyer that

- a. the Seller has obtained all licenses, permission, consents and authorizations from any Government agency and all management and shareholder's approval necessary to enable the Seller to perform its obligations under these Bye-Laws and Market Rules and all such necessary approvals, licenses, permissions, consents, and authorizations are valid and effective, and
- b. the performance of the obligations hereunder by the Seller shall not violate or breach any Contract or arrangement to which Seller is a party.

13.8.2 Seller's indemnity

Provided that Buyer is in compliance with each of its obligations under these Market Rules that are necessary to enable the Seller to perform its obligations including the obligation to pay when due any duties, taxes or service charges; etc. payable by the Seller in accordance with the terms hereof; in the event that the Seller fails to pay when due any such duties, taxes or service charges, etc. the Seller shall defend, indemnify

and hold harmless Exchange/Buyer against and from any loss, damages, expenses , and claims incurred by Exchange/Buyer as a direct result of the Seller's failure to perform its obligation including the pay such taxes, duties or service charges, etc. or the late payment thereof.

The seller also indemnifies the Exchange, Buyer, Transporter and other party for any loss caused by non- fulfilment of the seller's obligation like non-performance of Condition Precedent, delivery of off-spec gas, delivery of gas in non-acceptable pressure range, termination of agreement due to seller's action as mentioned in the relevant Agreement and Operating Code and have to reimburse such good amount.

13.8.3 Seller's Covenants

The Seller shall ensure that all approvals, licenses, permissions, consents, and authorizations that are necessary to enable it to perform its obligations under these Market Rules and Bye-Laws remain valid and shall obtain any additional approvals, licenses, permissions, consents, and authorizations that are required to enable the Seller to perform its obligation.

13.8.4 Buyer's representations and Warranties

The Buyers represents and Warrants to the Exchange/Seller that

- a. the Buyer has obtained all licenses, permissions, consents and authorizations from any Government agency and all management and shareholder's approval necessary to enable the Buyer to perform its obligations under these Bye-Laws and Market Rules and all such necessary approvals, licenses, permissions, consents, and authorizations are valid and effective, and
- b. the performance of the obligations hereunder by the Buyer shall not violate or breach any Contract or arrangement to which Buyer is a party.

13.8.5 Buyer's Indemnity

Buyer shall perform its obligations under these Market Rules including the obligation to pay all applicable duties and taxes, service charges, etc. subsequent to the purchase of traded Gas and shall indemnify and hold harmless the Exchange/Seller, IGX's employees and agents against and from any and all loss, damages, expenses , and claims incurred by the Exchange/Seller as a direct result of the Buyer's failure to perform its obligations under these Market Rules including the obligation to pay such taxes, duties or service charges, etc. or the late payment thereof.

In case of Delivered Transaction, the Buyer agrees to indemnify Exchange from and against any and all losses, damages, penalties, costs (including reasonable attorney fees plus court costs), expenses and injuries on account of any claims, demands, proceedings judgments or causes of action brought by any third party (including employees of either Party) or government authority, caused by or resulting from or attributable to the installation, existence, ownership, possession, operation or maintenance by the Buyer of its facilities; arising out of acts or omissions of Buyer in the performance of his obligations under the GTA including but not limited to any loss or

harm to the environment or any injury or harm to, or death of, any person including any employee of the Transporter or any damage or loss of property, except to the extent caused by the wilful misconduct or negligence of the Transporter or breach of GTA by the Transporter; caused by non- fulfilment of the Buyer's obligations as required under the relevant GTA or with respect to ownership of Gas with the Buyer during the transportation of Gas from Entry Point to Exit Point.

13.8.6 Buyer's Covenants

The Buyer shall ensure that all approvals, licenses, permissions, consents, and authorizations that are necessary to enable it to perform its obligations under these Market Rules and Bye-Laws remain valid and effective and shall obtain any additional approvals, licenses, permissions, consents, and authorizations that are required to enable the Seller to perform its obligation.

13.9 Third party rights

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

13.10 Governing Laws and Dispute Resolution

The Market Rules shall be governed by the Laws of India including, without limitation, of the relevant Central/State Acts and the rules, regulations and notifications issued and amended from time to time thereunder.

In case of any dispute between the Gas Exchange and the Member in relation to or arising under these Market Rules, the courts at New Delhi, India shall have the exclusive jurisdiction, irrespective of the place of business or residence of the Member.

In case of any reasonable costs arising out of change in law and amendment in the GTA and/or the CT Agreement, such costs related to respective Members i.e. the Buyer or the Seller, would be borne by such Buyer and/or Seller, depending upon the nature of the change/amendment.

Chapter 14

14 CONTRACT SPECIFICATIONS (Annexure A)

Annexure A-1

Contract Specifications-Intra Day Contract

S. No.	Item	Details
1.	Market Segment	Physical delivery based market for Natural Gas
2.	Description	The contracts where transaction occurs on day (T) or (T-1) and the delivery of gas is on the day (T);
3.	Contract Name	Intraday-ID, (Intra-Day)
4.	Gas Specifications	Natural Gas meeting the specifications as per PNGRB (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008 as amended from time to time.
5.	Trading Hub*	Hub wise contracts one each for each defined hub will be available for trading i.e. HZ: Hazira Hub (Landfall: Mora) DH: Dahej Hub (Landfall: Dahej terminal) KG: KG Basin Hub (Landfall: tie-in point in GAIL's KG basin Natural Gas pipeline network) Exchange may introduce same contracts in future on other hubs with prior intimation to the Board.
6.	Trading hours*	As specified in Exchange circular
7.	Trading session*	On each trading day, one/multiple trading session(s) may be made available to the Members for bidding
8.	Trading Day*	As per the trading calendar declared by the Exchange
9.	Bidding process*	Seller will submit bid for the contract of that hub to which he commits to deliver. Whereas a buyer can buy contract of only that hub to which he is physically connected through pipelines. Netting off (square off) of positions will not be allowed.
10.	Matching Model	Continuous
11.	Contract volume*	Lot size basis
12.	Lot size*	1 Lot=100 MMBTU or as specified from time to time
13.	Maximum bid size*	Bids should not be more than the allowed MMBTU in any of Clearance/Nomination issued by its Transporter (pipeline

		operator) to the Members/Clients at any time. It will be the responsibility of the Member to adhere to this rule.
14.	Volume tick*	In multiples of One (1) lot
15.	Price unit*	INR/MMBTU on GCV basis (excluding all fees, transport related charges, taxes etc.) at the trading hub
16.	Price tick*	1 INR/MMBTU
17.	Total Volume*	= Number of lots selected x Lot size
18.	Partial selection of Bids*	Yes
19.	Trade Value	Trade Volume x Trade Price
20.	Settlement	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point & Redelivery Point
21.	Exposure for trading	10% Exposure Margin
22.	Post Trade Margins for Ex-Hub and Delivered Transactions	Buyer in Ex-hub: - 120% of Trade value (cash/non-cash) Buyer in Delivered: - 150% of Trade value (cash/non-cash)+ estimated ship or pay margin (cash) Seller: - 15% of Trade value (cash/non-cash)
23.	Transaction fees*	Fees payable by Seller and Buyer to Exchange at CT MDQ Quantity approved by Transporter as per fees specified by Exchange from time to time

Delivery Procedure

S. No.	Item	Details
24.	Delivery	<p>All contracts shall lead to physical deliveries at the specified Entry and Exit Point(s). Seller shall be responsible to make the delivery of gas at the specified Hub(s) while buyer shall make necessary arrangement for transportation of gas from the specified hub to off-take the gas at the redelivery point.</p> <p>Contract once executed shall not be revised and shall be sent for scheduling excluding the Force Majeure events shall be allowed to be revised.</p> <p>Buyer is required to execute necessary documents like GTU, TPA, GTA etc. as prescribed by the Exchange from time to time to facilitate Delivered Transactions.</p> <p>Nomination will be sent for scheduling to the Transporter(s) by the Exchange in Delivered Transactions. Whereas, the Buyer shall send the Nomination to Transporter in case of Ex-hub Transactions.</p> <p>The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).</p>

25.	Delivery period	For transaction occurring on day (T) or (T-1), the delivery of gas is on day (T).
26.	Delivery point*	The Entry point shall be at the specified physical hub and the Exit point shall be the point defined by the Buyer in the CT Agreement in case of Ex-hub Transaction and the point agreed between the Exchange and the Buyer in GTU in case of Delivered Transaction. Subject to confirmation by Exchange, Buyer and Seller may on mutual understanding agree for change in delivery point by the Sellers.
27.	Delivery Netting	Not Allowed
28.	Transportation Charges*	Seller will bear the Transportation Charges up to the Entry Point and Buyer shall bear all the Transportation Charges from Entry point up to the specified Exit Point
29.	Force majeure*	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange as per final allocation issued by the Transporter(s)
30.	Fines, Compensation and Penalties	The Exchange will notify fines, compensation and penalties

Settlement Procedure

S. No.	Item	Details
31.	Payment of Transportation Charges by Members*	For Delivered Transactions, applicable Transportation Charges, including Daily Imbalance and Overrun charges including tax will be settled by the buyer member with the Exchange separately as per the settlement calendar as declared by the Exchange from time to time and subsequently will be paid to the Transporter by the Exchange. For Ex-hub Transactions, applicable Transportation Charges, including Daily Imbalance and Overrun charges including tax will be paid by the buyer to the Transporter directly.
32.	Payment of Tax*	The Exchange will collect the taxes on commodity from Buyers and pay it to Seller. Seller will generate the invoice in name of Buyer with a copy marked to Exchange and once the Seller issues the invoice, Exchange will release the tax to Seller. Exchange will only act as a facilitator in this process.
33.	Funds pay-in by Member/Client*	The Exchange will debit the funds pay-in as per the settlement calendar as declared by the Exchange from time to time
34.	Funds pay-out to Member/Client*	The Exchange will credit the funds pay-out (post receipt of proof of delivery) as per the settlement calendar declared by the Exchange from time to time

35.	Reconciliation of Gas Quantity upon Termination of CT Agreement - Seller Imbalance*	If seller Injects less Quantity than the DCQ Quantity, then the funds will be adjusted from Seller's Settlement Account with curing cost if gas not physically cured within specified time. In case, Seller over injects gas beyond the operational limit at Entry Point, then no compensation will be provided.
36.	Reconciliation of Gas Quantity upon Termination of CT Agreement - Buyer Imbalance*	<p>Ex-hub Transaction: Buyer will settle their Imbalances (underdrawl/overdrawl) overrun, overdrawal charges and related tax with the Transporter directly as per the GTA signed between Buyer and Transporter.</p> <p>Delivered Transactions: If Seller injects Scheduled Quantity and Buyer underdraws/overdraws then the Exchange will settle the Imbalances with Buyer as per the terms specified in the GTU and/or Circular. Settlement with the Transporter will be as per the GTA signed between Transporter and the Exchange.</p>
37.	Delay in payment*	In case of delay in the payment from Buyer, the Exchange has the right to terminate the Contract and liquidate the available cash/non-cash margins for final settlement as per Clause 11.5.
38.	Offtake & Supply of gas*	<p>As per Clause 11.2.9 & 11.3.4, take or pay shall be applicable on the buyer in case of non-offtake.</p> <p>In case seller shortfall quantity in the delivery of the gas the settlement shall take place as per Clause 11.2.10 and 11.3.5 as applicable.</p>

* Or as communicated by IGX through circulars).

Annexure A-2

Contract Specifications-Day Ahead Contract

S. No.	Item	Details
1.	Market Segment	Physical delivery based market for Natural Gas
2.	Description	The contracts available for transaction on day (T) and delivery of gas is on the next day (T+1)
3.	Contract Name	Day-ahead-DA, (Day-Ahead)
4.	Contract Code*	“DA-Hub-dd/mm/yy-DAY” where DA:Day-Ahead Hub: Delivery Areas as specified in Sr. No. 6 dd/mm/yy-DAY: Delivery date and Delivery Day
5.	Gas Specifications	Natural Gas meeting the specifications as per PNGRB (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008 as amended from time to time.
6.	Trading Hub*	Hub wise contracts one each for each defined hub will be available for trading i.e. HZ: Hazira Hub (Landfall: Mora) DH: Dahej Hub (Landfall: Dahej terminal) KG: KG Basin Hub (Landfall: tie-in point in GAIL’s KG basin Natural Gas pipeline network) Exchange may introduce same contracts in future on other hubs with prior intimation to the Board.
7.	Trading hours*	As specified in Exchange circular from time to time
8.	Trading session*	On each trading day, one/multiple trading session(s) may be made available to the Members for bidding
9.	Trading Day*	As per the trading calendar declared by the Exchange from time to time
10.	Bidding process*	Seller will submit bid for the contract of that hub to which he commits to deliver. Whereas a buyer can buy contract of only that hub to which he is physically connected through pipelines. Netting off (square off) of positions will not be allowed.
11.	Matching Model	Double sided Uniform Price Auction method as explained in Annexure-B
12.	Contract Volumes units*	MMBTU per day
13.	Contract volume*	Lot size basis
14.	Lot size*	1 Lot=100 MMBTU or as specified from time to time

15.	Maximum bid size*	Bids should not be more than the allowed MMBTU in any of Clearance/Nomination issued by its Transporter (pipeline operator) to the Members/Clients at any time. It will be the responsibility of the Member to adhere to this rule.
16.	Volume tick*	In multiples of One (1) lot
17.	Price unit*	INR/MMBTU on GCV basis (excluding all fees, transport related charges, taxes etc.) at the trading hub
18.	Price tick*	1 INR/MMBTU
19.	Total Volume*	= Number of lots selected x Lot size
20.	Partial selection of Bids*	Yes
21.	Trade Value	Trade Volume x Trade Price
22.	Settlement	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point
23.	Exposure for trading	10% Exposure Margin
24.	Post Trade Margins for Ex-Hub and Delivered Transactions	Buyer in Ex-hub: - 120% of Trade value (cash/non-cash) Buyer in Delivered: - 150% of Trade value (cash/non-cash)+ estimated ship or pay margin (cash) Seller: - 15% of Trade value (cash/non-cash)
25.	Transaction fees*	Fees payable by Seller and Buyer to Exchange at CT MDQ Quantity approved by Transporter as per fees specified by Exchange from time to time

Delivery Procedure

S. No.	Item	Details
26.	Delivery	<p>All contracts shall lead to physical deliveries at the specified Entry and Exit Point(s). Seller shall be responsible to make the delivery of gas at the specified Hub(s) while buyer shall make necessary arrangement for transportation of gas from the specified hub to off-take the gas at the redelivery point.</p> <p>Contract once executed shall not be revised and shall be sent for scheduling excluding the Force Majeure events shall be allowed to be revised.</p> <p>Buyer is required to execute necessary documents like GTU, TPA, GTA etc. as prescribed by the Exchange from time to time to facilitate Delivered Transactions.</p> <p>Nomination will be sent for scheduling to the Transporter(s) by the Exchange in Delivered Transactions. Whereas, the Buyer</p>

		shall send the Nomination to Transporter in case of Ex-hub Transactions. The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).
27.	Delivery period	Delivery Period: 1 Gas Day as specified in Trading Calendar For a given day D of the delivery period, the delivery goes from 06:00 a.m. IST of day D to 06:00 a.m. IST of day D+1
28.	Delivery point*	The Entry point shall be at the specified physical hub and the Exit point shall be the point defined by the Buyer in the CT Agreement in case of Ex-hub Transaction and the point agreed between the Exchange and the Buyer in GTU in case of Delivered Transaction. Subject to confirmation by Exchange, Buyer and Seller may on mutual understanding agree for change in delivery point by the Sellers.
29.	Delivery Netting	Not Allowed
30.	Transportation Charges*	Seller will bear the Transportation Charges up to the Entry Point and Buyer shall bear all the Transportation Charges from Entry point up to the specified Exit Point
31.	Force majeure*	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange as per final allocation issued by the Transporter(s)
32.	Fines, Compensation and Penalties	The Exchange will notify fines, compensation and penalties through circular from time to time

Settlement Procedure

S. No.	Item	Details
33.	Payment of Transportation Charges by Members*	For Delivered Transactions, applicable Transportation Charges, including Daily Imbalance and Overrun charges including tax will be settled by the buyer member with the Exchange separately as per the settlement calendar as declared by the Exchange from time to time and subsequently will be paid to the Transporter by the Exchange.
		For Ex-hub Transactions, applicable Transportation Charges, including Daily Imbalance and Overrun charges including tax will be paid by the buyer to the Transporter directly.
34.	Payment of Tax*	The Exchange will collect the taxes on commodity from Buyers and pay it to Seller. Seller will generate the invoice in name of Buyer with a copy marked to Exchange and once the Seller issues the invoice, Exchange will release the tax to Seller. Exchange will only act as a facilitator in this process.

35.	Funds pay-in by Member/Client*	The Exchange will debit the funds pay-in as per the settlement calendar as declared by the Exchange from time to time
36.	Funds pay-out to Member/Client*	The Exchange will credit the funds pay-out (post receipt of proof of delivery) as per the settlement calendar declared by the Exchange from time to time
37.	Reconciliation of Gas Quantity upon Termination of CT Agreement - Seller Imbalance*	If seller Injects less Quantity than the DCQ Quantity, then the funds will be adjusted from Seller's Settlement Account with curing cost if gas not physically cured within specified time. In case, Seller over injects gas beyond the operational limit at Entry Point, then no compensation will be provided.
38.	Reconciliation of Gas Quantity upon Termination of CT Agreement - Buyer Imbalance*	<p>Ex-hub Transaction: Buyer will settle their Imbalances (underdrawl/overdrawl) overrun, overdrawal charges and related tax with the Transporter directly as per the GTA signed between Buyer and Transporter.</p> <p>Delivered Transactions: If Seller injects Scheduled Quantity and Buyer underdraws/overdraws then the Exchange will settle the Imbalances with Buyer as per the terms specified in the GTU and/or Circular. Settlement with the Transporter will be as per the GTA signed between Transporter and the Exchange.</p>
39.	Delay in payment*	In case of delay in the payment from Buyer, the Exchange has the right to terminate the Contract and liquidate the available cash/non-cash margins for final settlement as per Clause 11.5
40.	Offtake & Supply of gas*	<p>As per Clause 11.2.9 & 11.3.4, take or pay shall be applicable on the buyer in case of non-offtake.</p> <p>In case seller shortfall quantity in the delivery of the gas the settlement shall take place as per Clause 11.2.10 and 11.3.5 as applicable.</p>

*The Exchange shall notify any changes from time to time through Circular(s).

Annexure A-3

Contract Specifications-Daily Contract

S. No.	Item	Details
1.	Market Segment	Physical delivery based market for Natural Gas
2.	Description	The contracts available for trading on a rolling basis for delivery of gas on specified no. of days Trading and Delivery Dates for these contracts will be specified in Trading Calendar.
3.	Contract Name	Daily-DL, (Term-Ahead)
4.	Contract Code*	“DL-Hub-dd/mm/yy-DAY” where DL:Daily Hub: Delivery Areas as specified in Sr. No. 6 dd/mm/yy-DAY: Delivery date and Delivery Day
5.	Gas Specifications	Natural Gas meeting the specifications as per PNGRB (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008 as amended from time to time.
6.	Trading Hub*	Hub wise contracts one each for each defined hub will be available for trading i.e. HZ: Hazira Hub (Landfall: Mora) DH: Dahej Hub (Landfall: Dahej terminal) KG: KG Basin Hub (Landfall: tie-in point in GAIL’s KG basin Natural Gas pipeline network) Exchange may introduce same contracts in future on other hubs with prior intimation to the Board.
7.	Trading hours*	As specified in Exchange circular from time to time
8.	Trading session*	On each trading day, one/multiple trading session(s) may be made available to the Members for bidding
9.	Trading Day*	As per the trading calendar declared by the Exchange from time to time
10.	Bidding process*	Seller will submit bid for the contract of that hub to which he commits to deliver. Whereas a buyer can buy contract of only that hub to which he is physically connected through pipelines. Netting off (square off) of positions will not be allowed.
11.	Matching Model	Double sided Uniform Price Auction method as explained in Annexure-B
12.	Contract Volumes units*	MMBTU per day
13.	Contract volume*	Lot size basis

14.	Lot size*	1 Lot=100 MMBTU or as specified from time to time
15.	Maximum bid size*	Bids should not be more than the allowed MMBTU in any of Clearance/Nomination issued by its Transporter (pipeline operator) to the Members/Clients at any time. It will be the responsibility of the Member to adhere to this rule.
16.	Volume tick*	In multiples of One (1) lot
17.	Price unit*	INR/MMBTU on GCV basis (excluding all fees, transport related charges, taxes etc.) at the trading hub
18.	Price tick*	1 INR/MMBTU
19.	Total Volume*	= Number of lots selected x Lot size
20.	Partial selection of Bids*	Yes
21.	Trade Value	Trade Volume x Trade Price
22.	Settlement	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point
23.	Exposure for trading	10% Exposure Margin
24.	Post Trade Margins for Ex-Hub and Delivered Transactions	Buyer in Ex-hub: - 120% of Trade value (cash/non-cash) Buyer in Delivered: - 150% of Trade value (cash/non-cash)+ estimated ship or pay margin (cash) Seller: - 15% of Trade value (cash/non-cash)
25.	Transaction fees*	Fees payable by Seller and Buyer to Exchange at CT MDQ Quantity approved by Transporter as per fees specified by Exchange from time to time

Delivery Procedure

S. No.	Item	Details
26.	Delivery	<p>All contracts shall lead to physical deliveries at the specified Entry and Exit Point(s). Seller shall be responsible to make the delivery of gas at the specified Hub(s) while buyer shall make necessary arrangement for transportation of gas from the specified hub to off-take the gas at the redelivery point.</p> <p>Contract once executed shall not be revised and shall be sent for scheduling excluding the Force Majeure events shall be allowed to be revised.</p> <p>Buyer is required to execute necessary documents like GTU, TPA, GTA etc. as prescribed by the Exchange from time to time to facilitate Delivered Transactions.</p>

		<p>Nomination will be sent for scheduling to the Transporter(s) by the Exchange in Delivered Transactions. Whereas, the Buyer shall send the Nomination to Transporter in case of Ex-hub Transactions.</p> <p>The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).</p>
27.	Delivery period	<p>Delivery Period: 1 Gas Day as specified in Trading Calendar</p> <p>For a given day D of the delivery period, the delivery goes from 06:00 a.m. IST of day D to 06:00 a.m. IST of day D+1</p>
28.	Delivery point*	<p>The Entry point shall be at the specified physical hub and the Exit point shall be the point defined by the Buyer in the CT Agreement in case of Ex-hub Transaction and the point agreed between the Exchange and the Buyer in GTU in case of Delivered Transaction.</p> <p>Subject to confirmation by Exchange, Buyer and Seller may on mutual understanding agree for change in delivery point by the Sellers.</p>
29.	Delivery Netting	Not Allowed
30.	Transportation Charges*	Seller will bear the Transportation Charges up to the Entry Point and Buyer shall bear all the Transportation Charges from Entry point up to the specified Exit Point
31.	Force majeure*	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange as per final allocation issued by the Transporter(s)
32.	Fines, Compensation and Penalties	The Exchange will notify fines, compensation and penalties through circular from time to time

Settlement Procedure

S. No.	Item	Details
33.	Payment of Transportation Charges by Members*	<p>For Delivered Transactions, applicable Transportation Charges, including Daily Imbalance and Overrun charges including tax will be settled by the buyer member with the Exchange separately as per the settlement calendar as declared by the Exchange from time to time and subsequently will be paid to the Transporter by the Exchange.</p> <p>For Ex-hub Transactions, applicable Transportation Charges, including Daily Imbalance and Overrun charges including tax will be paid by the buyer to the Transporter directly.</p>
34.	Payment of Tax*	The Exchange will collect the taxes on commodity from Buyers and pay it to Seller. Seller will generate the invoice in name of Buyer with a copy marked to Exchange and once the Seller

		issues the invoice, Exchange will release the tax to Seller. Exchange will only act as a facilitator in this process.
35.	Funds pay-in by Member/Client*	The Exchange will debit the funds pay-in as per the settlement calendar as declared by the Exchange from time to time
36.	Funds pay-out to Member/Client*	The Exchange will credit the funds pay-out (post receipt of proof of delivery) as per the settlement calendar declared by the Exchange from time to time
37.	Reconciliation of Gas Quantity upon Termination of CT Agreement - Seller Imbalance*	If seller Injects less Quantity than the DCQ Quantity, then the funds will be adjusted from Seller's Settlement Account with curing cost if gas not physically cured within specified time. In case, Seller over injects gas beyond the operational limit at Entry Point, then no compensation will be provided.
38.	Reconciliation of Gas Quantity upon Termination of CT Agreement - Buyer Imbalance*	<p>Ex-hub Transaction: Buyer will settle their Imbalances (underdrawl/overdrawl) overrun, overdrawal charges and related tax with the Transporter directly as per the GTA signed between Buyer and Transporter.</p> <p>Delivered Transactions: If Seller injects Scheduled Quantity and Buyer underdraws/overdraws then the Exchange will settle the Imbalances with Buyer as per the terms specified in the GTU and/or Circular. Settlement with the Transporter will be as per the GTA signed between Transporter and the Exchange.</p>
39.	Delay in payment*	In case of delay in the payment from Buyer, the Exchange has the right to terminate the Contract and liquidate the available cash/non-cash margins for final settlement as per Clause 11.5
40.	Offtake & Supply of gas*	<p>As per Clause 11.2.9 & 11.3.4, take or pay shall be applicable on the buyer in case of non-offtake.</p> <p>In case seller shortfall quantity in the delivery of the gas the settlement shall take place as per Clause 11.2.10 and 11.3.5 as applicable.</p>

* Or as communicated by IGX through circulars

Annexure A-4

Contract Specifications-Weekday Contract

S. No.	Item	Details
1.	Market Segment	Physical delivery based market for Natural Gas
2.	Description	The contracts available for trading maximum up to a period specified by the Exchange for delivery of gas on all defined weekdays (5 days) of the week. Trading and Delivery Dates for these contracts will be specified in Trading Calendar.
3.	Contract Name	Weekday-WD, Mon-Fri (Term-Ahead)
4.	Contract Code*	“WD-Hub-dd/mm/yy- dd/mm/yy ² ” where WD: Weekday Hub: Delivery Areas as specified in Sr. No. 6 dd/mm/yy: Delivery Start Date dd/mm/yy ² : Delivery End Date
5.	Gas Specifications	Natural Gas meeting the specifications as per PNGRB (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008 as amended from time to time.
6.	Trading Hub*	Hub wise contracts one each for each defined hub will be available for trading i.e. HZ: Hazira Hub (Landfall: Mora) DH: Dahej Hub (Landfall: Dahej terminal) KG: KG Basin Hub (Landfall: tie-in point in GAIL’s KG basin Natural Gas pipeline network) Exchange may introduce same contracts in future on other hubs with prior intimation to the Board.
7.	Trading hours*	As specified in Exchange circular from time to time
8.	Trading session*	On each trading day, one/multiple trading session(s) may be made available to the Members for bidding
9.	Trading Day*	As per the trading calendar declared by the Exchange from time to time
10.	Bidding process*	Seller will submit bid for the contract of that hub to which he commits to deliver. Whereas a buyer can buy contract of only that hub to which he is physically connected through pipelines. Netting off (square off) of positions will not be allowed.
11.	Matching Model	Double sided Uniform Price Auction method as explained in Annexure-B
12.	Contract Volumes units*	MMBTU per day

13.	Contract volume*	Lot size basis
14.	Lot size*	1 Lot=100 MMBTU or as specified from time to time
15.	Maximum bid size*	Bids should not be more than the allowed MMBTU in any of Clearance/Nomination issued by its Transporter (pipeline operator) to the Members/Clients at any time. It will be the responsibility of the Member to adhere to this rule.
16.	Volume tick*	In multiples of One (1) lot
17.	Price unit*	INR/MMBTU on GCV basis (excluding all fees, transport related charges, taxes etc.) at the trading hub
18.	Price tick*	1 INR/MMBTU
19.	Total Volume*	= Number of lots selected x Lot size x Number of delivery days of the Contract
20.	Partial selection of Bids*	Yes
21.	Trade Value	Trade Volume x Trade Price x No. of days
22.	Settlement	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point
23.	Exposure for trading	10% Exposure Margin
24.	Post Trade Margins for Ex-Hub and Delivered Transactions	Buyer in Ex-hub: - 25% of Trade value (cash/non-cash) Buyer in Delivered: - 25% of Trade value (cash/non-cash)+ estimated ship or pay margin (cash) Seller: - 15% of Trade value (cash/non-cash)
25.	Additional Margins*	Additional margins may be levied on Buyer and/or Seller Member whenever deemed necessary considering market conditions, transmission charges, volatility and price movement in the commodity.
26.	Transaction fees*	Fees payable by Seller and Buyer to Exchange at CT MDQ Quantity approved by Transporter as per fees specified by Exchange from time to time

Delivery Procedure

S. No.	Item	Details
27.	Delivery	All contracts shall lead to physical deliveries at the specified Entry and Exit Point(s). Seller shall be responsible to make the delivery of gas at the specified Hub(s) while buyer shall make necessary arrangement for transportation of gas from the specified hub to off-take the gas at the redelivery point.

		<p>Contract once executed shall not be revised and shall be sent for scheduling excluding the Force Majeure events shall be allowed to be revised.</p> <p>Buyer is required to execute necessary documents like GTU, TPA, GTA etc. as prescribed by the Exchange from time to time to facilitate Delivered Transactions.</p> <p>Nomination will be sent for scheduling to the Transporter(s) by the Exchange in Delivered Transactions. Whereas, the Buyer shall send the Nomination to Transporter in case of Ex-hub Transactions.</p> <p>The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).</p>
28.	Delivery period	<p>Delivery Period: 5 Consecutive Gas Days as specified in Trading Calendar</p> <p>Delivery occurs each day of the delivery period</p>
29.	Delivery point*	<p>The Entry point shall be at the specified physical hub and the Exit point shall be the point defined by the Buyer in the CT Agreement in case of Ex-hub Transaction and the point agreed between the Exchange and the Buyer in GTU in case of Delivered Transaction.</p> <p>Subject to confirmation by Exchange, Buyer and Seller may on mutual understanding agree for change in delivery point by the Sellers.</p>
30.	Delivery Netting	Not Allowed
31.	Transportation Charges*	Seller will bear the Transportation Charges up to the Entry Point and Buyer shall bear all the Transportation Charges from Entry point up to the specified Exit Point
32.	Force majeure*	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange as per final allocation issued by the Transporter(s)
33.	Fines, Compensation and Penalties	The Exchange will notify fines, compensation and penalties through circular from time to time

Settlement Procedure

S. No.	Item	Details
34.	Payment of Transportation Charges by Members*	For Delivered Transactions, applicable Transportation Charges, including Daily Imbalance and Overrun charges including tax will be settled by the buyer member with the Exchange separately as per the settlement calendar as declared by the Exchange

		from time to time and subsequently will be paid to the Transporter by the Exchange.
		For Ex-hub Transactions, applicable Transportation Charges, including Daily Imbalance and Overrun charges including tax will be paid by the buyer to the Transporter directly.
35.	Payment of Tax*	The Exchange will collect the taxes on commodity from Buyers and pay it to Seller. Seller will generate the invoice in name of Buyer with a copy marked to Exchange and once the Seller issues the invoice, Exchange will release the tax to Seller. Exchange will only act as a facilitator in this process.
36.	Funds pay-in by Member/Client*	The Exchange will debit the funds pay-in as per the settlement calendar as declared by the Exchange from time to time
37.	Funds pay-out to Member/Client*	The Exchange will credit the funds pay-out (post receipt of proof of delivery) as per the settlement calendar declared by the Exchange from time to time
38.	Reconciliation of Gas Quantity upon Termination of CT Agreement - Seller Imbalance*	If seller Injects less Quantity than the DCQ Quantity, then the funds will be adjusted from Seller's Settlement Account with curing cost if gas not physically cured within specified time. In case, Seller over injects gas beyond the operational limit at Entry Point, then no compensation will be provided.
39.	Reconciliation of Gas Quantity upon Termination of CT Agreement - Buyer Imbalance*	Ex-hub Transaction: Buyer will settle their Imbalances (underdrawl/overdrawl) overrun, overdrawal charges and related tax with the Transporter directly as per the GTA signed between Buyer and Transporter. Delivered Transactions: If Seller injects Scheduled Quantity and Buyer underdraws/overdraws then the Exchange will settle the Imbalances with Buyer as per the terms specified in the GTU and/or Circular. Settlement with the Transporter will be as per the GTA signed between Transporter and the Exchange.
40.	Delay in payment*	In case of delay in the payment from Buyer, the Exchange has the right to terminate the Contract and liquidate the available cash/non-cash margins for final settlement as per Clause 11.5
41.	Offtake & Supply of gas*	As per Clause 11.2.9 & 11.3.4, take or pay shall be applicable on the buyer in case of non-offtake. In case seller shortfall quantity in the delivery of the gas the settlement shall take place as per Clause 11.2.10 and 11.3.5 as applicable.

* Or as communicated by IGX through circulars.

Annexure A-5

Contract Specifications-Weekly Contract

S. No.	Item	Details
1.	Market Segment	Physical delivery based market for Natural Gas
2.	Description	The contracts available for trading maximum up to a period specified by the Exchange for delivery of gas on all defined days (7 days) of the week. Trading and Delivery Dates for these contracts will be specified in Trading Calendar.
3.	Contract Name	WK-Weekly (Term-Ahead)
4.	Contract Code*	“WK-Hub-dd/mm/yy- dd/mm/yy ² ” where WK: Weekly Hub: Delivery Areas as specified in Sr. No. 6 dd/mm/yy: Delivery Start Date dd/mm/yy ² : Delivery End Date
5.	Gas Specifications	Natural Gas meeting the specifications as per PNGRB (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008 as amended from time to time.
6.	Trading Hub*	Hub wise contracts one each for each defined hub will be available for trading i.e. HZ: Hazira Hub (Landfall: Mora) DH: Dahej Hub (Landfall: Dahej terminal) KG: KG Basin Hub (Landfall: tie-in point in GAIL’s KG basin Natural Gas pipeline network) Exchange may introduce same contracts in future on other hubs with prior intimation to the Board.
7.	Trading hours*	As specified in Exchange circular from time to time
8.	Trading session*	On each trading day, one/multiple trading session(s) may be made available to the Members for bidding
9.	Trading Day*	As per the trading calendar declared by the Exchange from time to time
10.	Bidding process*	Seller will submit bid for the contract of that hub to which he commits to deliver. Whereas a buyer can buy contract of only that hub to which he is physically connected through pipelines. Netting off (square off) of positions will not be allowed.
11.	Matching Model	Double sided Uniform Price Auction method as explained in Annexure-B

12.	Contract Volumes units*	MMBTU per day
13.	Contract volume*	Lot size basis
14.	Lot size*	1 Lot=100 MMBTU or as specified from time to time
15.	Maximum bid size*	Bids should not be more than the allowed MMBTU in any of Clearance/Nomination issued by its Transporter (pipeline operator) to the Members/Clients at any time. It will be the responsibility of the Member to adhere to this rule.
16.	Volume tick*	In multiples of One (1) lot
17.	Price unit*	INR/MMBTU on GCV basis (excluding all fees, transport related charges, taxes etc.) at the trading hub
18.	Price tick*	1 INR/MMBTU
19.	Total Volume*	= Number of lots selected x Lot size x Number of delivery days of the Contract
20.	Partial selection of Bids*	Yes
21.	Trade Value	Trade Volume x Trade Price x No. of days
22.	Settlement	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point
23.	Exposure for trading	10% Exposure Margin
24.	Post Trade Margins for Ex-Hub and Delivered Transactions	Buyer in Ex-hub: - 25% of Trade value (cash/non-cash) Buyer in Delivered: - 25% of Trade value (cash/non-cash)+ estimated ship or pay margin (cash) Seller: - 15% of Trade value (cash/non-cash)
25.	Additional Margins*	Additional margins may be levied on Buyer and/or Seller Member whenever deemed necessary considering market conditions, transmission charges, volatility and price movement in the commodity.
26.	Transaction fees*	Fees payable by Seller and Buyer to Exchange at CT MDQ Quantity approved by Transporter as per fees specified by Exchange from time to time

Delivery Procedure

S. No.	Item	Details
27.	Delivery	All contracts shall lead to physical deliveries at the specified Entry and Exit Point(s). Seller shall be responsible to make the delivery of gas at the specified Hub(s) while buyer shall make

		necessary arrangement for transportation of gas from the specified hub to off-take the gas at the redelivery point.
		Contract once executed shall not be revised and shall be sent for scheduling excluding the Force Majeure events shall be allowed to be revised.
		Buyer is required to execute necessary documents like GTU, TPA, GTA etc. as prescribed by the Exchange from time to time to facilitate Delivered Transactions. Nomination will be sent for scheduling to the Transporter(s) by the Exchange in Delivered Transactions. Whereas, the Buyer shall send the Nomination to Transporter in case of Ex-hub Transactions. The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).
28.	Delivery period	Delivery Period: 7 Consecutive Gas Days as specified in Trading Calendar Delivery occurs each day of the delivery period
29.	Delivery point*	The Entry point shall be at the specified physical hub and the Exit point shall be the point defined by the Buyer in the CT Agreement in case of Ex-hub Transaction and the point agreed between the Exchange and the Buyer in GTU in case of Delivered Transaction. Subject to confirmation by Exchange, Buyer and Seller may on mutual understanding agree for change in delivery point by the Sellers.
30.	Delivery Netting	Not Allowed
31.	Transportation Charges*	Seller will bear the Transportation Charges up to the Entry Point and Buyer shall bear all the Transportation Charges from Entry point up to the specified Exit Point
32.	Force majeure*	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange as per final allocation issued by the Transporter(s)
33.	Fines, Compensation and Penalties	The Exchange will notify fines, compensation and penalties through circular from time to time

Settlement Procedure

S. No.	Item	Details
34.	Payment of Transportation Charges by Members*	For Delivered Transactions, applicable Transportation Charges, including Daily Imbalance and Overrun charges including tax will be settled by the buyer member with the Exchange separately

		as per the settlement calendar as declared by the Exchange from time to time and subsequently will be paid to the Transporter by the Exchange.
		For Ex-hub Transactions, applicable Transportation Charges, including Daily Imbalance and Overrun charges including tax will be paid by the buyer to the Transporter directly.
35.	Payment of Tax*	The Exchange will collect the taxes on commodity from Buyers and pay it to Seller. Seller will generate the invoice in name of Buyer with a copy marked to Exchange and once the Seller issues the invoice, Exchange will release the tax to Seller. Exchange will only act as a facilitator in this process.
36.	Funds pay-in by Member/Client*	The Exchange will debit the funds pay-in as per the settlement calendar as declared by the Exchange from time to time
37.	Funds pay-out to Member/Client*	The Exchange will credit the funds pay-out (post receipt of proof of delivery) as per the settlement calendar declared by the Exchange from time to time
38.	Reconciliation of Gas Quantity upon Termination of CT Agreement – Seller Imbalance*	If seller Injects less Quantity than the DCQ Quantity, then the funds will be adjusted from Seller's Settlement Account with curing cost if gas not physically cured within specified time. In case, Seller over injects gas beyond the operational limit at Entry Point, then no compensation will be provided.
39.	Reconciliation of Gas Quantity upon Termination of CT Agreement – Buyer Imbalance*	Ex-hub Transaction: Buyer will settle their Imbalances (underdrawl/overdrawl) overrun, overdrawal charges and related tax with the Transporter directly as per the GTA signed between Buyer and Transporter.
		Delivered Transactions: If Seller injects Scheduled Quantity and Buyer underdraws/overdraws then the Exchange will settle the Imbalances with Buyer as per the terms specified in the GTU and/or Circular. Settlement with the Transporter will be as per the GTA signed between Transporter and the Exchange.
40.	Delay in payment*	In case of delay in the payment from Buyer, the Exchange has the right to terminate the Contract and liquidate the available cash/non-cash margins for final settlement as per Clause 11.5
41.	Offtake & Supply of gas*	As per Clause 11.2.9 & 11.3.4, take or pay shall be applicable on the buyer in case of non-offtake. In case seller shortfall quantity in the delivery of the gas the settlement shall take place as per Clause 11.2.10 and 11.3.5 as applicable.

* Or as communicated by IGX through circulars.

Annexure A-6

Contract Specifications-Fortnightly Contract

S. No.	Item	Details
1.	Market Segment	Physical delivery based market for Natural Gas
2.	Description	The Contracts available for trading maximum up to a period specified by the Exchange for delivery of gas for specific no. of days For eg. 1 st to 15 th , 16 th to rest of month. Trading and Delivery Dates for these contracts will be specified in Trading Calendar.
3.	Contract Name	FN-Fortnightly (Term-Ahead)
4.	Contract Code*	“FN-Hub-dd/mm/yy- dd/mm/yy ² ” where FN: Fortnightly Hub: Delivery Areas as specified in Sr. No. 6 dd/mm/yy: Delivery Start Date dd/mm/yy ² : Delivery End Date
5.	Gas Specifications	Natural Gas meeting the specifications as per PNGRB (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008 as amended from time to time.
6.	Trading Hub*	Hub wise contracts one each for each defined hub will be available for trading i.e. HZ: Hazira Hub (Landfall: Mora) DH: Dahej Hub (Landfall: Dahej terminal) KG: KG Basin Hub (Landfall: tie-in point in GAIL’s KG basin Natural Gas pipeline network) Exchange may introduce same contracts in future on other hubs with prior intimation to the Board.
7.	Trading hours*	As specified in Exchange circular from time to time
8.	Trading session*	On each trading day, one/multiple trading session(s) may be made available to the Members for bidding
9.	Trading Day*	As per the trading calendar issued by the Exchange from time to time
10.	Bidding process*	Seller will submit bid for the contract of that hub to which he commits to deliver. Whereas a buyer can buy contract of only that hub to which he is physically connected through pipelines. Netting off (square off) of positions will not be allowed.
11.	Matching Model	Double sided Uniform Price Auction method as explained in Annexure-B

12.	Contract Volumes units*	MMBTU per day
13.	Contract volume*	Lot size basis
14.	Lot size*	1 Lot=100 MMBTU or as specified from time to time
15.	Maximum bid size*	Bids should not be more than the allowed MMBTU in any of Clearance/Nomination issued by its Transporter (pipeline operator) to the Members/Clients at any time. It will be the responsibility of the Member to adhere to this rule.
16.	Volume tick*	In multiples of One (1) lot
17.	Price unit*	INR/MMBTU on GCV basis (excluding all fees, transport related charges, taxes etc.) at the trading hub
18.	Price tick*	1 INR/MMBTU
19.	Total Volume*	= Number of lots selected x Lot size x Number of delivery days of the Contract
20.	Partial selection of Bids*	Yes
21.	Trade Value	Trade Volume x Trade Price x No. of days
22.	Settlement	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point
23.	Exposure for trading	10% Exposure Margin
24.	Post Trade Margins for Ex-Hub and Delivered Transactions	Buyer in Ex-hub: - 25% of Trade value (cash/non-cash) Buyer in Delivered: - 25% of Trade value (cash/non-cash)+ estimated ship or pay margin (cash) Seller: - 15% of Trade value (cash/non-cash)
25.	Additional Margins*	Additional margins may be levied on Buyer and/or Seller Member whenever deemed necessary considering market conditions, transmission charges, volatility and price movement in the commodity.
26.	Transaction fees*	Fees payable by Seller and Buyer to Exchange at CT MDQ Quantity approved by Transporter as per fees specified by Exchange from time to time

Delivery Procedure

S. No.	Item	Details
27.	Delivery	All contracts shall lead to physical deliveries at the specified Entry and Exit Point(s). Seller shall be responsible to make the delivery of gas at the specified Hub(s) while buyer shall make

		<p>necessary arrangement for transportation of gas from the specified hub to off-take the gas at the redelivery point.</p> <p>Contract once executed shall not be revised and shall be sent for scheduling excluding the Force Majeure events shall be allowed to be revised.</p> <p>Buyer is required to execute necessary documents like GTU, TPA, GTA etc. as prescribed by the Exchange from time to time to facilitate Delivered Transactions.</p> <p>Nomination will be sent for scheduling to the Transporter(s) by the Exchange in Delivered Transactions. Whereas, the Buyer shall send the Nomination to Transporter in case of Ex-hub Transactions.</p> <p>The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).</p>
28.	Delivery period	<p>Delivery Period: 15 or 16 Consecutive Gas Days as specified in Trading Calendar</p> <p>Delivery occurs each day of the delivery period</p>
29.	Delivery point*	<p>The Entry point shall be at the specified physical gas hub and the Exit point shall be the point defined by the Buyer in the CT Agreement in case of Ex-hub Transaction and the point agreed between the Exchange and the Buyer in GTU in case of Delivered Transaction.</p> <p>Subject to confirmation by Exchange, Buyer and Seller may on mutual understanding agree for change in delivery point by the Sellers.</p>
30.	Delivery Netting	Not Allowed
31.	Transportation Charges*	Seller will bear the Transportation Charges up to the Entry Point and Buyer shall bear all the Transportation Charges from Entry point up to the specified Exit Point
32.	Force majeure*	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange as per final allocation issued by the Transporter(s)
33.	Fines, Compensation and Penalties	The Exchange will notify fines, compensation and penalties through circular from time to time

Settlement Procedure

S. No.	Item	Details
34.	Payment of Transportation Charges by Members*	For Delivered Transactions, applicable Transportation Charges, including Daily Imbalance and Overrun charges including tax will be settled by the buyer member with the Exchange separately as per the settlement calendar as declared by the Exchange

		from time to time and subsequently will be paid to the Transporter by the Exchange.
		For Ex-hub Transactions, applicable Transportation Charges, including Daily Imbalance and Overrun charges including tax will be paid by the buyer to the Transporter directly.
35.	Payment of Tax*	The Exchange will collect the taxes on commodity from Buyers and pay it to Seller. Seller will generate the invoice in name of Buyer with a copy marked to Exchange and once the Seller issues the invoice, Exchange will release the tax to Seller. Exchange will only act as a facilitator in this process.
36.	Funds pay-in by Member/Client*	The Exchange will debit the funds pay-in as per the settlement calendar as declared by the Exchange from time to time
37.	Funds pay-out to Member/Client*	The Exchange will credit the funds pay-out (post receipt of proof of delivery) as per the settlement calendar declared by the Exchange from time to time
38.	Reconciliation of Gas Quantity upon Termination of CT Agreement - Seller Imbalance*	If seller Injects less Quantity than the DCQ Quantity, then the funds will be adjusted from Seller's Settlement Account with curing cost if gas not physically cured within specified time. In case, Seller over injects gas beyond the operational limit at Entry Point, then no compensation will be provided.
39.	Reconciliation of Gas Quantity upon Termination of CT Agreement - Buyer Imbalance*	Ex-hub Transaction: Buyer will settle their Imbalances (underdrawl/overdrawl) overrun, overdrawal charges and related tax with the Transporter directly as per the GTA signed between Buyer and Transporter.
		Delivered Transactions: If Seller injects Scheduled Quantity and Buyer underdraws/overdraws then the Exchange will settle the Imbalances with Buyer as per the terms specified in the GTU and/or Circular. Settlement with the Transporter will be as per the GTA signed between Transporter and the Exchange.
40.	Delay in payment*	In case of delay in the payment from Buyer, the Exchange has the right to terminate the Contract and liquidate the available cash/non-cash margins for final settlement as per Clause 11.5
41.	Offtake & Supply of gas*	As per Clause 11.2.9 & 11.3.4, take or pay shall be applicable on the buyer in case of non-offtake. In case seller shortfall quantity in the delivery of the gas the settlement shall take place as per Clause 11.2.10 and 11.3.5 as applicable.

*Or as communicated by IGX through circulars.

Annexure A-7

Contract Specifications- Monthly Contract

S. No.	Item	Details
1.	Market Segment	Physical delivery based market for Natural Gas
2.	Description	The Contracts available for trading maximum up to a period specified by the Exchange for delivery of gas for the entire period of the month. Trading Dates for these contracts will be specified in Exchange Trading Calendar
3.	Contract Name	MN-Monthly (Term-Ahead)
4.	Contract Code*	“MN-Hub-dd/mm/yy- dd/mm/yy ² ” where MN: Monthly Hub: Delivery Areas as specified in Sr. No. 6 dd/mm/yy: Delivery Start Date dd/mm/yy ² : Delivery End Date
5.	Gas Specifications	Natural Gas meeting the specifications as per PNGRB (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008 as amended from time to time.
6.	Trading Hub*	Hub wise contracts one each for each defined hub will be available for trading i.e. HZ: Hazira Hub (Landfall: Mora) DH: Dahej Hub (Landfall: Dahej terminal) KG: KG Basin Hub (Landfall: tie-in point in GAIL’s KG basin Natural Gas pipeline network) Exchange may introduce same contracts in future on other hubs with prior intimation to the Board.
7.	Trading hours*	As specified in Exchange circular from time to time
8.	Trading session*	On each trading day, one/multiple trading session(s) may be made available to the Members for bidding
9.	Trading Day*	As per the trading calendar declared by the Exchange from time to time
10.	Bidding process*	Seller will submit bid for the contract of that hub to which he commits to deliver. Whereas a buyer can buy contract of only that hub to which he is physically connected through pipelines. Netting off (square off) of positions will not be allowed.
11.	Matching Model	Double sided Uniform Price Auction method as explained in Annexure-B

12.	Contract Volumes units*	MMBTU per day
13.	Contract volume*	Lot size basis
14.	Lot size*	1 Lot=100 MMBTU or as specified from time to time
15.	Maximum bid size*	Bids should not be more than the allowed MMBTU in any of Clearance/Nomination issued by its Transporter (pipeline operator) to the Members/Clients at any time. It will be the responsibility of the Member to adhere to this rule.
16.	Volume tick*	In multiples of One (1) lot
17.	Price unit*	INR/MMBTU on GCV basis (excluding all fees, transport related charges, taxes etc.) at the trading hub
18.	Price tick*	1 INR/MMBTU
19.	Total Volume*	= Number of lots selected x Lot size x Number of delivery days of the Contract
20.	Partial selection of Bids*	Yes
21.	Trade Value	Trade Volume x Trade Price x No. of days
22.	Settlement	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point
23.	Exposure for trading	10% Exposure Margin
24.	Post Trade Margins for Ex-Hub and Delivered Transactions	Buyer in Ex-hub: - 25% of Trade value (cash/non-cash) Buyer in Delivered: - 25% of Trade value (cash/non-cash)+ estimated ship or pay margin (cash) Seller: - 15% of Trade value (cash/non-cash)
25.	Additional Margins*	Additional margins may be levied on Buyer and/or Seller Member whenever deemed necessary considering market conditions, transmission charges, volatility and price movement in the commodity.
26.	Transaction fees*	Fees payable by Seller and Buyer to Exchange at CT MDQ Quantity approved by Transporter as per fees specified by Exchange from time to time

Delivery Procedure

S. No.	Item	Details
27.	Delivery	All contracts are physical contracts and lead to physical deliveries on the specified Entry and Exit Point(s). Seller shall be responsible to make the delivery of Gas at the specified Hub(s)

		<p>while buyer shall be responsible to off-take the gas at the redelivery point.</p> <p>Trade once executed shall not be revised and shall be sent for scheduling, and at no point of time, excluding the Force Majeure, shall be allowed to be revised.</p> <p>Buyer required to execute necessary documents like GTU, TPA, GTA etc. as prescribed by the Exchange from time to time to facilitate Delivered Transactions. Nomination for successful trades will be sent for scheduling to the Transporter(s) by the Exchange in Delivered Transactions. Whereas, the Buyer shall send the Nomination to Transporter in case of Ex-hub Transactions.</p> <p>The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).</p>
28.	Delivery period	<p>Delivery Period: No. of Gas Days in a Month starting from 1st Day of a Month at 06:00 AM</p> <p>Delivery occurs each day of the delivery period</p>
29.	Delivery point*	<p>The Entry point shall be at the specified physical hub and the Exit point shall be the point defined by the Buyer in the CT Agreement in case of Ex-hub Transaction and the point agreed between the Exchange and the Buyer in GTU in case of Delivered Transaction.</p> <p>Subject to confirmation by Exchange, Buyer and Seller may on mutual understanding agree for change in delivery point by the Sellers.</p>
30.	Delivery Netting	Not Allowed
31.	Transportation Charges*	Seller will bear the Transportation Charges up to the Entry Point and Buyer shall bear all the Transportation Charges from Entry point up to the specified Exit Point
32.	Force majeure*	In case of force majeure the Exchange will have the power to settle the contract independently and/or as deemed fit by the Exchange as per final allocation issued by the Transporter(s)
33.	Fines, Compensation and Penalties	The Exchange will notify fines, compensation and penalties through circular from time to time

Settlement Procedure

S. No.	Item	Details
34.	Payment of Transportation Charges by Members*	For Delivered Transactions, applicable Transportation Charges, including Daily Imbalance and Overrun charges including tax will be settled by the buyer member with the Exchange separately as per the settlement calendar as declared by the Exchange

		from time to time and subsequently will be paid to the Transporter by the Exchange.
		For Ex-hub Transactions, applicable Transportation Charges, including Daily Imbalance and Overrun charges including tax will be paid by the buyer to the Transporter directly.
35.	Payment of Tax*	The Exchange will collect the taxes on commodity from Buyers and pay it to Seller. Seller will generate the invoice in name of Buyer with a copy marked to Exchange and once the Seller issues the invoice, Exchange will release the tax to Seller. Exchange will only act as a facilitator in this process.
36.	Funds pay-in by Member/Client*	The Exchange will debit the funds pay-in as per the settlement calendar as declared by the Exchange from time to time
37.	Funds pay-out to Member/Client*	The Exchange will credit the funds pay-out (post receipt of proof of delivery) as per the settlement calendar declared by the Exchange from time to time
38.	Reconciliation of Gas Quantity upon Termination of CT Agreement - Seller Imbalance*	If seller Injects less Quantity than the DCQ Quantity, then the funds will be adjusted from Seller's Settlement Account with curing cost if gas not physically cured within specified time. In case, Seller over injects gas beyond the operational limit at Entry Point, then no compensation will be provided.
39.	Reconciliation of Gas Quantity upon Termination of CT Agreement - Buyer Imbalance*	Ex-hub Transaction: Buyer will settle their Imbalances (underdrawl/overdrawl) overrun, overdrawal charges and related tax with the Transporter directly as per the GTA signed between Buyer and Transporter.
		Delivered Transactions: If Seller injects Scheduled Quantity and Buyer underdraws/overdraws then the Exchange will settle the Imbalances with Buyer as per the terms specified in the GTU and/or Circular. Settlement with the Transporter will be as per the GTA signed between Transporter and the Exchange.
40.	Delay in payment*	In case of delay in the payment from Buyer, the Exchange has the right to terminate the Contract and liquidate the available cash/non-cash margins for final settlement as per Clause 11.5
41.	Offtake & Supply of gas*	As per Clause 11.2.9 & 11.3.4, take or pay shall be applicable on the buyer in case of non-offtake. In case seller shortfall quantity in the delivery of the gas the settlement shall take place as per Clause 11.2.10 and 11.3.5 as applicable.

* Or as communicated by IGX through circulars

Annexure A-8

Contract Specifications- Single-sided Auction

S. No.	Item	Details
1.	Market Segment	Physical delivery based market for Natural Gas
2.	Description	The initiator of the auction (Buyer/Seller) will decide the maximum period for which the delivery of gas is required.
3.	Contract Name	Term Ahead Reverse Auction Contract
4.	Contract Code*	TAM – RAC Hub Detail: HZ: Hazira Hub, DH: Dahej Hub EN: Ennore, KN: Kakinada Hub DB: Dabhol Hub etc
5.	Gas Specifications	Natural Gas meeting the specifications as per PNGRB (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008 as amended from time to time.
6.	Contract type*	Firm Delivery. The buyer/seller will be able to procure gas from the Gas Exchange by Reverse Auction mechanism
7.	Trading hours*	As specified in Exchange circular from time to time
8.	Trading session*	On each trading day, one/multiple trading session(s) may be made available to the Members for bidding
9.	Trading Day*	As per the trading calendar declared by the Exchange from time to time
10.	Bidding process	Explained in Annexure B.3
11.	Matching Model	The price discovery shall take place through reverse auction (RA) mechanism as explained in Annexure-B.3
12.	Contract Volumes units*	MMBTU per day
13.	Contract volume*	Lot size basis
14.	Lot size*	1 Lot=100 MMBTU or as specified from time to time
15.	Volume tick*	In multiples of One (1) lot
16.	Price unit*	INR/MMBTU on GCV basis (excluding all fees, transport related charges, taxes etc.) at the trading hub
17.	Price tick*	1 INR/MMBTU

18.	Total Volume*	= Number of lots selected x Lot size x Number of delivery days of the Contract
19.	Partial selection of Bids*	Yes
20.	Trade Value	Trade Volume x Trade Price x No. of days
21.	Settlement	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point
22.	Exposure for trading	10% Exposure Margin
23.	Post Trade Margin and Additional Margin	As specified by Exchange through Circular
24.	Transaction fees*	As specified by Exchange through Circular

Delivery Procedure

S. No.	Item	Details
25.	Delivery	All contracts are physical contracts and lead to physical deliveries on the specified Entry and Exit Point(s). Seller shall be responsible to make the delivery of Gas at the specified Hub(s) while buyer shall be responsible to off-take the gas at the redelivery point. Buyer required to execute necessary documents like GTU, TPA, GTA etc. as prescribed by the Exchange from time to time to facilitate Delivered Transactions.
26.	Delivery period	Delivery Period: No. of Gas Days in a Month starting from 1 st Day of a Month at 06:00 AM Delivery occurs each day of the delivery period
27.	Delivery point*	The Entry point shall be at the specified physical hub and the Exit point shall be the point defined by the shipper in the CT Agreement. Subject to confirmation by Exchange, Buyer and Seller may on mutual understanding agree for change in delivery point by the Sellers.
28.	Delivery Netting	Not Allowed
29.	Fines, Compensation and Penalties	The Exchange will notify fines, compensation and penalties through circular from time to time

Settlement Procedure

S. No.	Item	Details
30.	Payment of Transportation Charges by Members*	As specified by Exchange through Circular
31.	Payment of Tax*	As specified by Exchange through Circular
32.	Funds pay-in by Member/Client*	As specified by Exchange through Circular
33.	Funds pay-out to Member/Client*	As specified by Exchange through Circular
34.	Reconciliation of Gas Quantity upon Termination of CT Agreement - Seller Imbalance*	As specified by Exchange through Circular
35.	Reconciliation of Gas Quantity upon Termination of CT Agreement - Buyer Imbalance*	As specified by Exchange through Circular
36.	Delay in payment*	As specified by Exchange through Circular
37.	Offtake & Supply of gas*	As specified by Exchange through Circular

*The Exchange shall notify any changes from time to time through Circular(s).

15. MATCHING METHODOLOGY (Annexure B)

B.1 Continuous Trading

The bid matching rules for this trade session will have the following features:

1. The matching of bids is a continuous process, wherein the bids are matched based on price and time priority.
2. The best buy bid is matched with the best sell bid (when buy price \geq sell price). For Bid matching, the best buy bid is the one with the highest price and the best sell bid is the one with the lowest price.
3. A Bid may match partially with another Bid resulting in multiple trades.

B.2 Uniform Price double-sided Auction

A Matching of the Uniform Price double-sided auction will only take place if there are crossing prices (buy price \geq sell price) in the Bid book, that is, if the best bid price is equal to or higher than the best ask price.

The Auction is designed to result a Single Uniform Market Clearing Price which will always satisfy the economic principle: all selected buyers' valuation of the gas are equal to or higher than the Market Clearing price and all winning sellers' valuation are less than or equal to the Market Clearing price. This Clearing price clears the market where the aggregate quantity demanded (the sum of all individual buyers' quantities demanded) and aggregate quantity supplied (the sum of all the individual sellers' quantities supplied) are equal, a condition referred to as the market equilibrium.

The Matching Process is mentioned as below: -

STEP 1: - All the buy bids and sell bids are aggregated at each eligible price to arrive at the Cumulative Demand (CBO) and Cumulative Supply (CSO).

Eg. Following Buy Bids and Sell Offers is available in an Auction Session: -

BUY BIDS			SELL BIDS		
Participant	Price (INR/MMBTU)	Quantity (No. of Lots)	Participant	Price (INR/MMBTU)	Quantity (No. of Lots)
A	720	50	G	480	40
B	660	60	H	540	60
C	600	40	I	600	30
D	540	50	J	660	70
E	480	50	K	720	50

Table 1

The above bids and offers are sorted on most favourable to least favourable selection basis i.e. buy bids from highest price to lowest price while sell offers vice-versa.

The Cumulative Buy and Sell quantities at each eligible prices are as follows: -

Buy Bid			Sell Bid			
Buyer	Buy Quantity	Cumulative Buy (CBO)	Price	Cumulative Sell (CSO)	Sell Quantity	Seller
A	50	50(=A)	720	250	50	K
B	60	110(=A+B)	660	200	70	J
C	40	150(=A+B+C)	600	130(=G+H+I)	30	I
D	50	200	540	100(=G+H)	60	H
E	50	250	480	40(=G)	40	G

Table 2

STEP 2: - MARKET CLEARING PRICE AT MAXIMUM TRADABLE VOLUME

The total tradable volume (i.e. maximum quantity which may be traded) would be computed as 'Minimum of Cumulative Buy and Cumulative Sell quantity' at each eligible price. The Price point at which the total tradable Volume is maximum will be termed as the Market Clearing Price.

For the above example in Table 2, the Clearing price will be 600 INR/MMBTU: -

Buy Bid			Sell Bid			SELECTION			
Buyer	Buy Qty.	Cum. Buy (CBO)	Price	Cum. Sell (CSO)	Sell Qty.	Seller	Max. Tradable Volume= MAX[MIN(CBO,CSO)]	Buy Bid Selected	Sell Bid Selected
A	50	50	720	250	50	K	50	50	
B	60	110	660	200	70	J	110	60	
C	40	150	600	130	30	I	130	20	30
D	50	200	540	100	60	H	100		60
E	50	250	480	40	40	G	40		40

Table 3

For Buyer A and B full quantity will be selected while for Buyer C 20 out of 40 lots will be selected since buyer C is the marginal buyer. For Seller G, H and I full quantity will be selected.

The Graphical Representation is as below: -

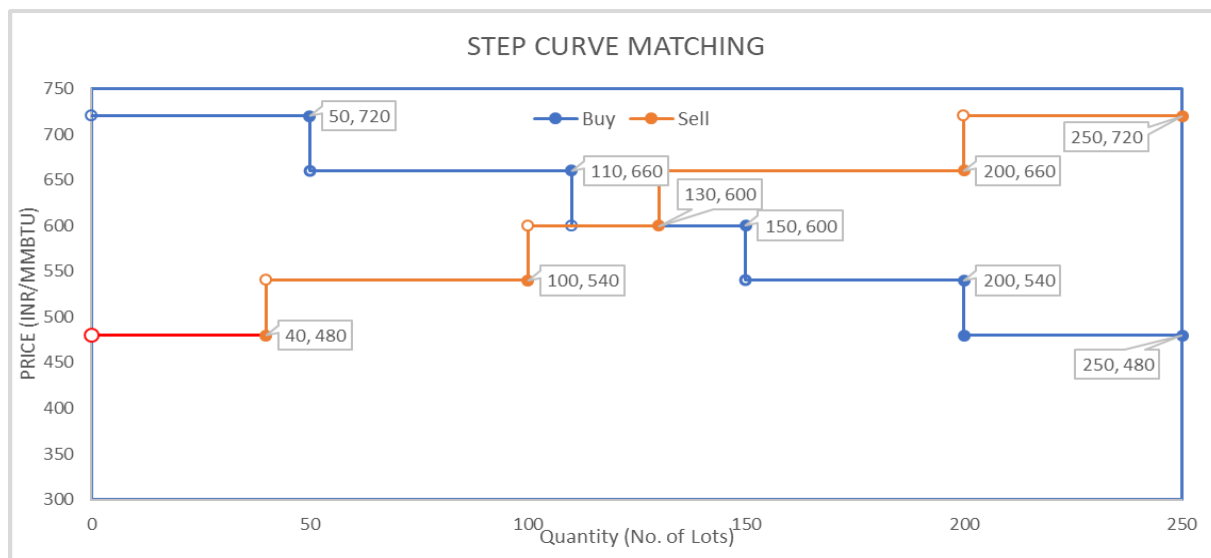


Figure 1

STEP 3: - IF MAXIMUM TRADABLE QUANTITY AT MORE THAN ONE ELIGIBLE PRICE; THEN MINIMUM IMBALANCE CRITERIA

In case if the maximum tradable quantity established under Step 2 arrives at more than one potential Clearing prices, then the Market Clearing price will be the price at which there is minimum imbalance of cumulative buy and sell quantity. The imbalance at each price level is equal to 'Cumulative buy quantity – Cumulative sell quantity'.

Continuing the above example of Table 3 wherein here for Bid B the buy bid quantity is increased from 60 lots to 80 lots. This has resulted into two Potential Clearing Price Points i.e. 660 and 600 at which Max. Tradable Volume is 130 lots. The absolute lowest number in the Minimum Imbalance column is 40. Hence final Market Clearing price will be 600 INR/MMBTU.

Buy Bid			Sell Bid			SELECTION				
Buyer	Buy Qty.	Cum. Buy (CBO)	Price	Cum. Sell (CSO)	Sell Qty.	Seller	Max. Tradable Volume	Min. Imbalance= MIN(CBO-CSO)	Buy Bid Selected	Sell Bid Selected
A	50	50	720	250	50	K	50		50	
B	80	130	660	200	70	J	130	-70	80	
C	40	170	600	130	30	I	130	40	0	30
D	50	220	540	100	60	H	100			60
E	50	270	480	40	40	G	40			40

Table 4

For Buyer A and B full quantity will be selected while Buyer C buy bid will be paradoxically rejected.

The Graphical representation is as below: -

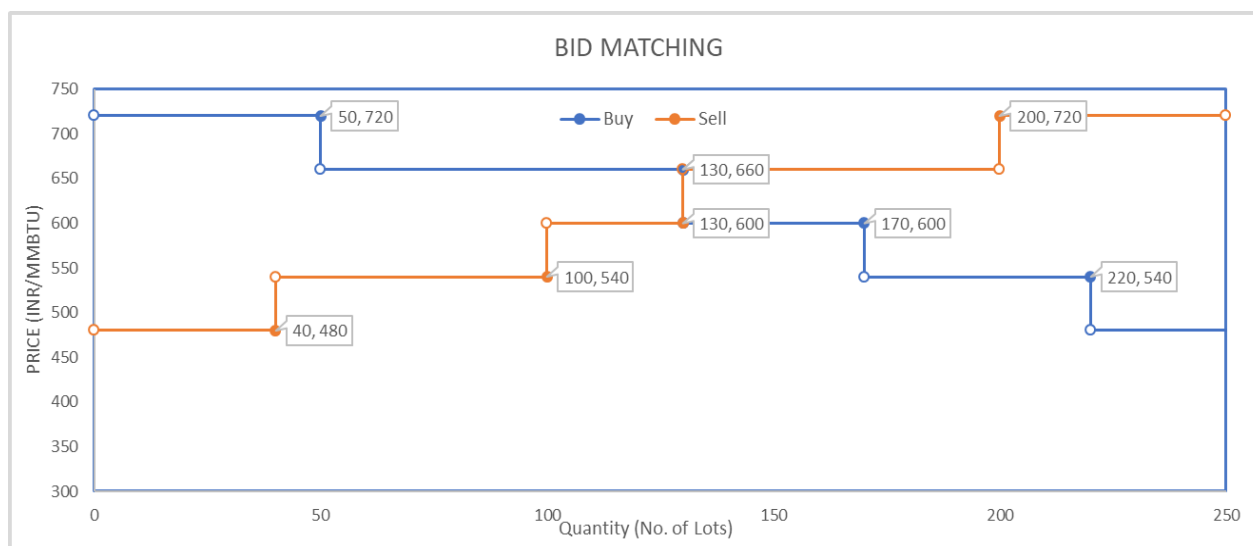


Figure 2

The Paradoxical rejection of a bid is done by system in some cases, wherein a bid has to be rejected despite appearing to be a valid bid on the basis of price. In order to keep the tradable volume harmonized (i.e. Cumulative Buy=Cumulative Sell) at the Market Clearing price the system has to do such paradoxical rejection of Bids.

For Seller G, H and I full quantity will be selected.

STEP 4: - IF MAXIMUM TRADABLE QUANTITY AND MINIMUM IMBALANCE CRITERIA AT MORE THAN ONE ELIGIBLE PRICE; THEN DETERMINE MARKET PRESSURE

In case if the maximum tradable quantity established under Step 2 as well as minimum imbalance under Step 3 arrives at more than one potential Clearing prices, then the system will ascertain where the Market Pressure exists: on the buy or sell side. There will be three possible scenarios of Market Pressure: -

Scenario 1: - If all the potential Clearing prices have positive (+) Minimum Imbalance then the market pressure is on the Buy side (Buyer’s Market) hence the Market Clearing Price would be highest of the potential Prices.

Scenario 2: - If all the potential Clearing prices have negative (-) Minimum Imbalance then the market pressure is on the Sell side (Seller’s Market) hence the Market Clearing Price would be lowest of the potential Prices.

Scenario 3:- If the potential Prices have either
 a) Positive (+) Imbalance as well as Negative (-) Imbalance
 b) Minimum Imbalance is zero for each potential Price

Then Market Clearing Price will be determined as per Step 5.

Continuing the above example of Table 4 wherein here Bid J bid is removed while Buy bid quantity of Bid B is increased from 60 lots to 120 lots. This has resulted into two Potential Clearing Price Points i.e. 660 and 600 at which positive minimum imbalance is 40 and 80 lots respectively i.e. Scenario 1 condition resulting into Market Clearing price of INR 660/MMBTU.

Buy Bid			Sell Offer				SELECTION			
Buyer	Buy Qty.	Cum. Buy (CBO)	Price	Cum. Sell (CSO)	Sell Qty.	Seller	Max. Tradable Volume	Min. Imbalance= MIN(CBO-CSO)	Buy Bid Selected	Sell Offer Sel.
A	50	50	720	180	50	K	50		50	
B	120	170	660	130	0	J	130	40	80	
C	40	210	600	130	30	I	130	80		30
D	50	260	540	100	60	H	100			60
E	50	310	480	40	40	G	40			40

Table 5

For Buyer A full quantity while for Buyer B 80 out of 120 lots will be selected. For Seller G, H and I full quantity will be selected.

STEP 5: - IF MAXIMUM TRADABLE QUANTITY AND MINIMUM IMBALANCE CRITERIA AT MORE THAN ONE ELIGIBLE PRICE AND EQUAL MARKET PRESSURE; THEN MARKET CLEARING PRICE EQUAL TO MID POINT

It is possible that there will be no unique Market Clearing price generated from stages 2-4 (due to conditions mentioned above under Scenario 3), in which case mid point of the potential clearing price will be referred for Market Clearing price.

Continuing the above example of Table 5 wherein here Bid J sell offer is for 40 lots while buy bid quantity of Bid B is decreased from 120 lots to 80 lots.

The Market Clearing price will be 630.

Buy Bid			Sell Offer				SELECTION	
Buyer	Buy Qty.	Cum. Buy (CBO)	Price	Cum. Sell (CSO)	Sell Qty.	Seller	Max. Tradable Volume	Min. Imbalance= MIN(CBO-CSO)
A	50	50	720	220	50	K	50	
B	80	130	660	170	40	J	130	-40
C	40	170	600	130	30	I	130	40
D	50	220	540	100	60	H	100	
E	50	270	480	40	40	G	40	

Table 6

PRICE-TIME PRIORITY

All the matching bids would get traded and settled at the determined auction Market Clearing price, regardless of the price stated when placing a bid. The Bid Priority for matching purpose would be determined on 'Price-Time' Priority basis.

For Ex. Two Buy Bids C & D each of 20 lots at same price point of 600 is available as per below table: -

Buy Bid			Sell Offer				SELECTION		
Buyer	Buy Qty.	Cum. Buy (CBO)	Price	Cum. Sell (CSO)	Sell Qty.	Seller	Max. Tradable Volume= MAX[MIN(CBO,CSO)]	Buy Bid Selected	Sell offer Selected
A	50	50	720	250	50	K	50	50	
B	60	110	660	200	70	J	110	60	
C & D	40	150	600	140	40	I	140	30	40
D	50	200	540	100	60	H	100		60
E	50	250	480	40	40	G	40		40

Table 7

Since only 30 lots of buy bid can be selected at the Market Clearing price, hence full 20 lots will be allocated to the first buy bid entered in system while remaining 10 lots to second one.

B.3 Uniform Price single-sided Auction

Whenever a Buyer or a Seller will initiate an auction based on their own customised requirement, it will be treated as a separate contract. In case, if Buyer initiates the auction then Sellers will register their counter offer and compete amongst themselves to get selected by Buyer.

Step 1: The Buyer or the Seller will create his requisitions and display to the market his requirement based in terms of:

1. Quantity that he wants to buy/sell,
2. Time period for which he wants to buy/sell the gas along with minimum acceptable quantity from single seller) in the system which will be displayed to the market.

Step 2: Each counter party will be allowed to place their bid in terms of:

1. Quantity,
2. Time period,
3. Price/MMBTU

Step 3: IPO (Initial Price offering)

During IPO session the bid submitted by the counterparty with their price and quantity will be available for modifying and deletion if required.

After the opening of Initial Price Offers, the system will rank the Bidders according to their price bids. The Bidder with the best price bid (lowest price in case of seller and highest price in case of buyer) in IPO stage will be called the Lowest Buyer Bidder (L1) or Highest Seller Bidder (H1). The system will then analyse all the quantities offered by the Bidders in the IPO stage. If the total quoted quantity is greater than twice the Requisitioned Quantity, the H1 and the L1 will be eliminated provided that the total quoted quantity after elimination is not less than or equal to twice the Requisitioned Quantity. The Elimination process will be done for each of the contracts separately.

Step 4: After completion of IPO-Elimination Round, E- Reverse Auction will start, but only best price will be displayed to the market.

Step 5: The Reverse Auction shall continue for a period of 120 minutes. Provided that during the last 10 (ten) minutes before the scheduled close time of Reverse Auction, if a price bid is received which is better than the best prevailing price bid recorded in the system during Reverse Auction, the close time of Reverse Auction will be automatically extended by 10(ten) minutes from the time of the last price bid received. This process of auto extension will continue till there is a period of 10 (ten) minutes during which no price bid are received or as decided by the exchange to close the reverse auction.

During the Reverse Auction the counter parties will be allowed to modify their price and quantity.

Step 6: After the Reverse Auction session process, the multiple bids received from the counter parties will be ranked in accordance with the price offered in ascending order.

Step 7: The Initiator shall have the right to refuse or select from the successful counter Bidders in the order of their rankings based on the price quoted by them or to select the successful bidders as deemed fit by him.

Step 8: The Initiator shall communicate its acceptance/rejection of discovered price to exchange within Seven days after the closure of RA.

16. VERSION CONTROL*

Version	Date	Modifications
1.	02.12.2020	Approved by PNGRB as per (Gas Exchange) Regulations, 2020

* PNGRB approved Market Rules