पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड

Petroleum and Natural Gas Regulatory Board

प्रथम तल, वर्ल्ड ट्रेड सेंटर, बाबर रोड, नई दिल्ली – 110001

1st Floor, World Trade Centre, Babar Road, New Delhi – 110001

PNGRB/Fin/9-GasEx(2)/2021 Vol-IV (E-4273) **Dated 18-03-2024**

Public Notice

Petroleum and Natural Gas Regulatory Board is in receipt of Application from Indian Gas Exchange Ltd (IGX) for seeking approval for:

1) Introduction of term-ahead contracts beyond a month viz. 3 months contracts, 6-months contracts and 12-months/yearly contract, enclosed at **Annexure 1**.

2) Changes required in the contract parameters for domestic gas trading and necessary amendments in the Market Rules of IGX, enclosed at **Annexure 2**.

PNGRB seeks views/comments on **Annexures 1** and **2** above. These may be sent by an email to secretary@pngrb.gov.in with subject "*Views/Comments on* introduction of term-ahead contracts beyond a month" or in writing through post addressed to Secretary, PNGRB on above mentioned address with a copy to Indian Gas Exchange Limited at email priyanka.nautiyal@igxindia.com within 21 days from issuing of this notice i.e. by 8th April 2024.

Secretary

IGX
INDIAN GAS EXCHANGE
an IEX venture

Ref No.: IGX/2023/217 29th Dec 2023

To,
The Secretary,
Petroleum and Natural Gas Regulatory Board,
1st Floor, World Trade Centre, Babar Road,
New Delhi -110001.

Subject: Application seeking approval for introduction of term-ahead contracts beyond a month

Dear Madam,

In addition to our earlier applications dated 24th July 2023 and 19th Oct 2023 we are submitting this revised application seeking approval from Hon'ble Board for introduction of term-ahead contracts beyond a month in the existing Natural Gas Market segment at Exchange.

This has reference to Petroleum and Natural Gas Regulatory Board (Gas Exchange) Amendment Regulations, 2022 wherein sub regulation 1 of Regulation 3 defines the scope of the regulations in terms of the type of contracts at Gas Exchange namely Intra-day, Day-ahead and Term-ahead contracts. And Regulation 5 provisions for the introduction of new contracts specified under Regulation 3 after prior approval of the Hon'ble Board.

The Exchange is presently offering following contracts as per it's Market Rules and as approved by the hon'ble Board:

a. Day-Ahead Contracts- for trading natural gas on a day ahead basis.

b. Term-Ahead Contracts- for trading natural gas up to 6 months. Presently, five contracts are available under Term-Ahead Contracts namely: -
   i. Daily- Contracts available on a rolling basis wherein 8 daily contracts are available on any trade date (with delivery on T+2 to T+9 basis available on any given trade day 'T').
   ii. Weekday- Contracts available for five days' delivery of gas for each weekday starting from Monday to Friday.

Corporate Office: Plot No - C-001/A/1, 6th Floor, Office - D, Max Towers, Sector 16B, Noida UP – 201301
Tel: +91-120-4648100 | E Mail: contact@igxindia.com | www.igxindia.com
Registered Office: C/O Avanta Business Center, First Floor, Unit No 1.14(b), D2, Southern Park, District Centre, Saket 110017
CIN: U74999DL2019PLC357145

iii. Weekly- Contracts available for delivery of gas for 1st to 7th, 8th to 14th, 15th to 21st and 22nd to end of the month.

iv. Fortnightly- Contracts available for delivery of gas for first half of a month from 1st to 15th and second half of a month from 16th to end of a month.

v. Monthly- Contracts available for delivery of gas for entire upcoming month(s).

The extant application is for the consideration of the Hon'ble Board seeking approval for:

a. Introduction of term-ahead contracts beyond a month viz. 3-months contracts, 6-months contracts and 12-months/yearly contracts. The application is attached under Annexure -1.

b. Amendments proposed in approved Market Rules of IGX incorporating the introduction of said contracts. Market Rules and Contract Specifications marked with the proposed amendments are attached under Annexure -2.

We would be happy to clarify and take any input that you may have in this regard. We look forward to your early approval of the subject application.

Thanking you,
Yours sincerely,

Rmediratt

Rajesh K Mediratta
MD & CEO,
Indian Gas Exchange Ltd.

Encl: As above

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Annexure - 1

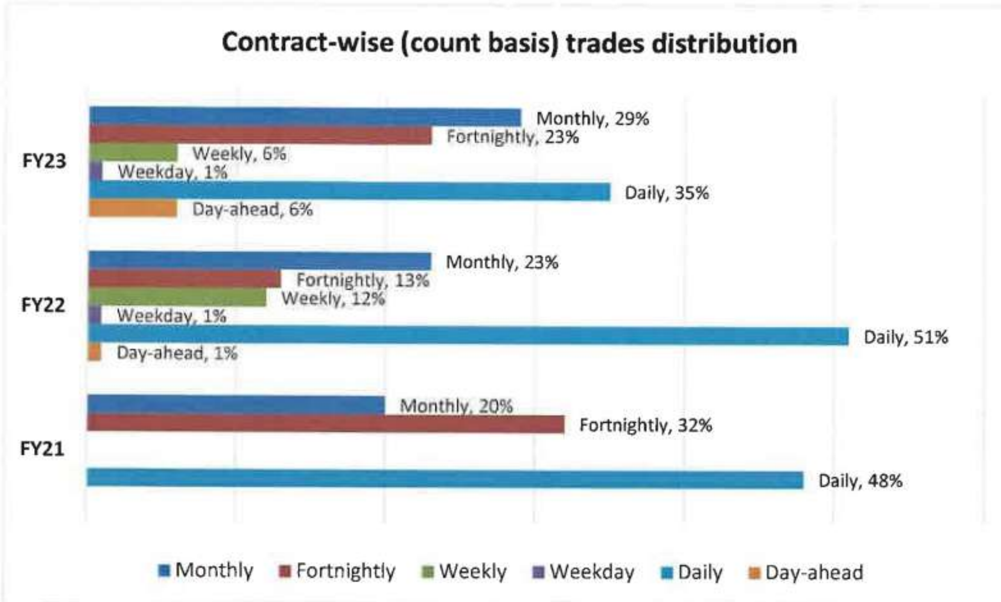
Application for introducing term-ahead contracts beyond a month

1. Need for term-ahead contracts beyond a month:

In recent times it has been observed that buyers specifically marketers, CGDs, industries are preferring short to mid-term contracts of duration ranging from a fortnight to 1-3 year as these provide much more flexibility to the buyers and do not require them to be bound in long term contracts with take or pay liability.

There are multiple factors which has resulted into such a shift viz. higher long term contract prices linked to external benchmarks which has also resulted in many industries shifting to alternate fuels while keeping on paying long term take or pay charges, uncertain gas demand due to policy and technology changes, increased availability of domestic gas for shorter periods, market preferring procurement through Gas Exchange etc. Buyers' endeavor in recent times has been to arrive at a judicious mix of long and short-term contracts which could optimize their gas procurement costs.

In this scenario the contracts available at Exchange under Term-Ahead are only up to a month and for the reasons as discussed above, are not adequate to fulfil the mid-term gas purchase requirement of these buyers whose horizon can vary anywhere from day ahead up to 1-3 year time period. Buyers have need for relatively longer duration contracts on Exchange viz. 3-months, 6-months and 12-months contracts to efficiently plan for their gas procurement on a time ahead basis. This is also evident from the fact that Exchange has witnessed higher participation in Fortnightly and Monthly Contracts as compared to other contracts, as clearly depicted in the below charts -



Introduction of term-ahead contracts beyond a month will provide an additional avenue to both buyers and sellers to participate in the market. Also, market participants will be able to avail the various benefits that come from undertaking transactions through the Exchange viz. robust price discovery, counterparty guarantee & risk management, smooth settlement process etc. Besides, as the buyers and sellers would be participating across different products available at the Exchange, they can rationalize their buy/sell activities along with optimization of costs across multiple products thereby optimizing their overall costs.

In view of the above discussion, the scenario is very conducive for introduction of delivery based long term contracts. Some of the underlying objectives for introducing additional contracts are summarized below:

i. To provide another avenue for competitive gas purchase by buyers to fulfil their short-term demand from 3 months to 12 months.
ii. To provide avenue to the sellers to sell their surplus gas and to provide robust payment security to these sellers.
iii. Current cumbersome and time-consuming process in bilateral transactions required for detailed planning, tendering and GSA execution can be avoided.
iv. Reach to all sellers and buyers across country through single platform, which in result will provide transparency and fairness in procurement processes and counterparty guarantee risk management through Exchange.
v. To provide opportunity to buyers to hedge their risk against volatility in spot prices.

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2. Proposed contract parameters

Reference to Regulation 5(3) of GER, based on extensive discussions with the stakeholders, following contract parameters are proposed for term-ahead contracts beyond a month:

A) Types of contracts -

Following Contracts are proposed under term-ahead:

a) 3-months
b) 6-months
c) 12-months

B) Price discovery and matching related parameters:

- **Matching methodology:**
  - Double sided auction: Uniform Price Auction method with
    - i. Price-Sector allocation- Pro-rata Time basis priority: For Ceiling Price Gas
    - ii. Price time basis priority: For others

- **Price linkage:**
  - Price can be benchmarked to either of the following depending on the interests of market participants:
    - i. Fixed price (INR/MMBTU)
    - ii. Formula linked price (INR/MMBTU) –
      1. "GIXI" linked
      2. "JKM" linked
      3. "LNG WIM" linked
      4. "Dated Brent Price" linked

- **Bid and Trade Price:**

  Pursuant to a Contract, the Bidder shall be required to quote the bid price denoted as Variable 'V' in US$/MMBtu terms or Slope 'S' pursuant to a Contract Symbol, where the generic formula for the Contract Price would be – Slope (S)%*Index ± Variable (V). For specific benchmark indices, formula for price bid would be as per below table -

Contract Price	Free Market Gas	Ceiling Price Gas
JKM Linked Price, Bid at Variable 'V'	JKM $\pm$ V	Lower of PPAC Ceiling Price and JKM $\pm$ V
WIM linked price, Bid at Variable 'V'	WIM $\pm$ V	Lower of PPAC Ceiling Price and WIM $\pm$ V
GIXI linked price, Bid at Variable 'V'	GIXI $\pm$ V	Lower of PPAC Ceiling Price and GIXI $\pm$ V
Dated Brent linked price, slope fixed, Bid at Variable 'V'	S% of Brent Price $\pm$ V	Lower of PPAC Ceiling Price and S% of Brent Price $\pm$ V
Dated Brent linked price, Bid at slope 'S', constant V fixed	S% of Brent Price $\pm$ V	Lower of PPAC Ceiling Price and S% of Brent Price

Note:

1. Benchmarks are described further below.
2. Slope tick size for constant V & Slope S% shall be upto 2 decimal places
3. Exchange shall reserve the right to modify the formula based on market feedback for subsequent contracts/ trades

If there is a tie for any valid bids for 'Bid against price basis', then the system will allocate the quantity in following manner –

- Free Market gas - At the time of auction outcome, in case at clearing price, more than one buy (or sell) bid is available for selection, then the earliest active buy (or sell) bid at the same price takes priority over any subsequent bid at that price.

- Ceiling Price gas - At the time of auction outcome, in case at clearing price, more than one buy bid is available for selection, then sector priority and then pro-rata methodology is adopted, where the gas is allocated in following order:

  1st priority- CNG(T)/PNG(D) sector, 2nd priority- Fertilizer sector,
  3rd priority- LPG, 4th priority- Power sector, and finally to other bidders.

- **Benchmarks and Specifications-**

  Japan Korea Marker (JKM): - "JKM (Month)" is the arithmetic average of all the JKM (Month) frontline quotations published in the JKM Market Price Table for each Commodity Business Day, for that month, as published in Platts LNG Daily in the

JKM Marker Price (Symbol - AAOVQ00). All prices are quoted in US dollars per million British Thermal Units ($/MMBtu) to three decimal places.

Dated Brent: - "Dated Brent (Month)" is average of mean of the high and low quotations appearing in Platt's Crude Oil Market wire under the heading "Key benchmarks ($/barrel)" for "Brent (Dated)" (Platts Symbol: PCAAS00) for each publication day during the calendar month/s immediately preceding relevant Contract Month in which Gas supplies are made.

LNG West India Marker (WIM): - "WIM (Month)" for any month is equal to the value of DES West India up to three (3) decimal places published under the category "Previous month average" below the heading "Daily Cumulative Averages and Monthly Averages" [Platts Code AAWIC03] in US dollars per million British Thermal Units ($/MMBtu) under Platts LNG Daily available for the last publication day of the month immediately preceding to the month during which gas would be delivered.

IGX Gas Index (GIXI): - GIXI (Month) represents aggregated gas price (in case price discovered is equal to Ceiling Price, then the same will be excluded) for all regional hubs and all contracts for delivery during a particular month. It is determined daily once and calculated separately for each delivery month. Therefore, it is represented as GIXI- 'Month' for example, GIXI-Jan23, GIXI-Feb 23, etc.

For instance, IGX GIXI for the month of August 2023 can be referred to in IGX Daily Report dated 31st July 2023 under "GIXI-Aug 2023".

For a particular benchmark, latest available reference price used in margining and settlement process will be derived as per the methodology derived above.

- **Conversion Rates: -**

Platts publishes a list of JKM, Dated Brent and WIM prices daily in USD/MMBtu. The prices of these competing assessments are converted from USD/MMBtu to INR/MMBtu using the conversions listed below: -

Conversion Rate means the average (as rounded off to two decimal places) of the TT (Telegraphic Transfer) buying and selling rates of exchange for converting US$

to INR, as quoted by SBI, provided that: (a) if SBI releases more than one quote on the applicable day, the first quote of the day shall be used; and (b) if such rate is not available as to any day, the Conversion Rate available for the last quoted day preceding such day shall be used.

C) **Transaction and delivery period:** For proposed delivery points and respective contracts, the existing practice of informing the contracts and transaction period for each contract through Trading and Settlement Calendar will be followed.

D) **Risk management mechanism, Margin mechanism and Penalty for contractual deviation:** As part of risk management the current practice mentioned under Chapter 8 of the Market Rules will be followed, where the exchange collects 'Exposure margin' at the time of bidding and subsequently a 'Post Trade margin' is collected based on trade value as defined under Contract Specifications of IGX Market Rules. The Margins will be collected in the form of cash or non-cash or combination thereof. In addition to this, as mentioned under Clause 8.2 Post Trade margin, subclause 8.2.16 of IGX Market Rules, the Exchange may collect additional post trade margin as may be considered necessary during the delivery period due to volatility and/or price movements. Margin details will be informed through Exchange Circulars to the market participants.

The proposed margin structure is as under:

A. Pre-Trade Margins –

For a particular trading session, prior to placing the bid, the bidder has to deposit in advance, a minimum % of the aggregate bid value as the pre-trade margin to the Exchange. This pre-trade margin is required to ensure that bidders commit to their trades and subsequently deposit the post-trade margins.. In case the 1st party (either the seller or buyer) fails to honour the trade and/or does not deposit the post trade margin, then the pre-trade margins are used by Exchange to compensate the 2nd party (respective buyer or seller). Following is the proposed pre-trade margin for long duration contracts –

Product Type	Pre-Trade Margin
3 Month	3% of Bid Value
6 Month	2% of Bid Value
12 Month	1% of Bid Value

where, Bid Value = Latest available Reference Price*Total Quantity

Example - For a 3 Month Contract 3M-JAN/MAR-JKM-V, trading on 16th Dec the latest available JKM price will be for Jan, assuming to be equal to $11.25 = INR 900 (conversion rate to be considered for SBI TT average rate for 16th Dec).

Bid quantity of the Bidder = 10,000 MMBtu/d

Required Pre-Trade Margin = 3%*900*10000*90 = 2.43 Crore

This pre-trade margin will be enough deterrent for the market participants to honour the trade commitments later.

Default Remedy Mechanism - In case of following default events by any market participant (either seller or buyer) –

a) Non-fulfilment of Post Trade Margin as per prescribed timelines and/or

b) Failure to book transmission capacity as per the prescribed timelines,

then, in accordance with clause 11.5 'Buyer default remedy mechanism' and 11.6 'Seller default remedy mechanism', the pre-trade margin collected will be apportioned in following ways:

a) The compensation amount shall be passed to the counterparty after adjustment of costs incurred (if any) and deducting
b) Exchange administrative charges which will be 5% of the compensation amount, capped at a maximum of Rs. 1,00,000 (inclusive of taxes)..

B. Post-Trade Margins –

Bidders will be required to pay the post-trade margin amount which may be in the form of cash or non-cash collaterals viz. BG or SBLC, with the Exchange for trades cleared by them. Once the bidder deposits the post-trade margin, then the pre-trade margin is released to them. The purpose of collecting post trade margin from bidders is due to below reasons –

I. Early termination of contract – Either buyer or seller may want to early terminate an active contract due to unplanned circumstances, then in such cases they may terminate the contract in between the contract period for the balance period where delivery has not happened. This period is referred to as "Close-out days.".
In such case, Exchange shall compensate the non-defaulting party as notified through circular(s). The compensation amount shall be up to the extent of 15%, 10% and 5% of the Close-out value[1] for 3 M, 6M and 12 M contracts respectively.

II. Non-payment from buyer on fortnightly basis – At present in existing contracts from Monthly to Day-Ahead, payment cycle at Exchange is on daily basis where the buyer's pay-in is collected on each 'D-1' basis, where 'D' is the Delivery date. However, in Long-duration contracts, similar to bilateral market, the payment cycle will be kept on fortnightly basis, where for each fortnight delivery, seller has to raise the invoice at the settlement price plus applicable taxes to buyer, and accordingly buyer will have to make the payment.
The failure by a buyer to pay for natural gas at the time of fortnightly settlement results in a default situation and hence to cover the risk of fortnightly payment to seller, the Exchange requires margins from the buyer for 22 gas days plus taxes, with additional days of the fortnight being provisioned since the payment will be received by 4th working day succeeding the last day of the respective fortnight.

Hence following post trade margin schedule is proposed –

Contract Type	Early Termination Risk	Buyer Payment Risk	Post Trade Margin	PTM Equivalent in Gas Days
3 M - Seller	15% of Close-Out value	-	15% of Trade value	14 Gas Days (=15%*90 days)
3 M – Buyer	15% of Close-Out value	22 Gas Day + Tax	45% of Trade Value[2] + Tax[3]	40 Gas Days + Tax

[1] Close-Out value is the product of i. Latest Gas Prices derived from benchmark price, ii. Close out days, and iii. trade quantity/day

[2] Extra margin collected for price variations up to 20%. Similar approach in other cases also.

[3] Tax margin cannot be standardized and will be collected as a separate component separately for 19 days gas value, as the taxes varies from 3% in Maharashtra to 24.5% in AP.

Contract Type	Early Termination Risk	Buyer Payment Risk	Post Trade Margin	PTM Equivalent in Gas Days
6 M - Seller	10% of Close-Out value	-	10% of trade value	18 Gas Days (=10%*180)
6 M – Buyer	10% of Close-Out value	22 Gas Day + Tax	27% of Trade Value + Tax	50 Gas Days + Tax
12 M - Seller	5% of Close-Out value	-	5% of trade value	18 Gas Day
12 M – Buyer	5% of Close-Out value	22 Gas Day + Tax	14% of Trade Value + Tax	50 Gas Days + Tax

Comparison with bilateral market practice

We analysed the bilateral market through studying the latest issued GSPAs in the market, wherein the practice for margins has been found to be ranging from 30 days gas value plus taxes to 45 days gas value plus taxes for contracts ranging from 1 year to 5 years, and hence our proposed margin scheme seems aligned to the current market practices.

Assessment of risk of Exchange and its Mitigation

The Post Trade Margins are collected before start of delivery on trade value basis at the latest available benchmark price, however in case of early termination or buyer payment defaults, the settlement value may be different from the trade value due to variations in the benchmark price. This price volatility risk will be mitigated in following manner –

I. Additional Margin – No additional margin shall be required in case the price changes up to 20%. However, Exchange reserves the right to seek additional margin if there is an increase in the Gas Price exceeding twenty percent (20%)..
II. The early termination risk would be kept as 15%, 10% and 5% of Close-out value of remaining delivery value, and the same would be maximum at start of delivery and then declines, as the residual trade value declines over the delivery period, which will give Exchange an additional coverage due to increase in gas prices.

Default Remedy Mechanism -

Buyer Default - During Delivery Period till closure of contract – In case of Default Events on account of one or many instances viz., a) non-submission of additional margin, b) transmission capacity not booked by Buyer, c) Non-payment of transport related charges, d) non-adherence to financial obligation and/or e) any unplanned circumstances, for reasons not attributable to the Seller, Transporter or Force Majeure, the Exchange will have the right to terminate the Contract in between for the remaining period. The Exchange will calculate the obligation of the buyer as per the method defined in Post Trade Margins as mentioned above, and in case of shortage of fund, will raise Debit note to the buyer Member on balance amount. After receipt of amount against the raised debit note, the total amount available from the buyer will be utilized to meet trade obligations in the following order –

a. Payment of Transport related charges under Delivered Transactions;
b. Payment of Seller's Invoice Amount;
c. Compensation to the Seller Member which will be 15%, 10% and 5% of Close-Out value for 3M, 6M and 12 M contracts respectively after adjustment of applicable charges (if any) and deducting administrative charges of the Exchange which will be 5% of the compensation amount subject to a maximum of Rs. 1,00,000 (including taxes).

Seller Default - During Delivery Period till closure of contract – In case of Default Events on account of one or many instances viz, a) non-submission of additional margin, b) transmission capacity not booked by Seller, c) Non-payment of transport related charges, d) non-adherence to delivery obligation and/ or e) any unplanned circumstances, for reasons not attributable to the Buyer, Transporter or Force Majeure, the Exchange will have the right to terminate the Contract in between for the remaining period. The Exchange will calculate the obligation of the seller as per the method defined in Post Trade Margins, and in case of shortage of fund, will raise Debit note to the seller Member. After receipt of amount against the raised debit note, the total amount available from the seller will be utilized to meet trade obligations in the following order -

a. Payment of Transport related charges;
b. Compensation to the Buyer Member which will be 15%, 10% and 5% of Close-Out value for 3M, 6M and 12 M contracts respectively after adjustment of applicable charges, if any and deducting administrative charges for the Exchange which will be 5% of the compensation amount subject to a maximum of Rs. 1,00,000 (including taxes).

Default Notice –

Over and above the prescribed default remedy mechanism, IGX shall take suitable penal/ disciplinary action against any intentional/willful default by any market participant.

Pursuant to clause 4.8 of the Market Rules, Exchange reserves the right to declare a buyer member or a seller member as a defaulter, and accordingly where a default event has occurred in relation to a market participant, Exchange may -

a. Issue a default notice specifying the nature of alleged default event to the market participant, where the market participant must remedy the default event within the timelines as specified by exchange; else
b. Exchange will publish the default notice and notify it to all market participants; and
c. Exchange will issue a suspension notice specifying number of days for which trading will be restricted at Exchange platform;
d. In case of persistent default, suitable course of action will be decided by a Default committee constituted by the Exchange.

E) Delivery mechanism: Contracts shall be traded on the Gas Exchange for compulsory physical delivery and settlement and shall be subject to conditions that such contracts be non-transferrable, without any netting-off. The Exchange will provide Ex-Hub and Delivered transactions.

Contract Quantity (DCQ) shall remain uniform throughout the contract period. However, on any gas day, buyer shall have the flexibility to nominate quantity up to Zero MMBtu or even more than DCQ as per the defined timelines. This will help buyers to accommodate any fluctuation in their demand or any seasonal requirements during contract period. But buyers need to offtake minimum quarterly obligation quantity (ToP) to avoid any penalty.

The provision of planned maintenance (PM) will also be available in long duration contracts, with an advance notification to the counter-party.

F) Final price settlement mechanism:

a. **Settlement Price** - The settlement of the contracts will happen at the Settlement Price and on the delivered quantity up to the tolerance limit. In the event the trade price is formula linked price, the settlement price shall be determined in accordance with the calculation method on the settlement date as specified in the applicable contract.

b. **Invoice –** The Seller shall raise invoices on Fortnightly basis, at the applicable settlement price plus applicable taxes to Buyer.

c. **Buyer Pay-In and Seller Pay-Out –** The Buyer shall have to make the payment to the Exchange within the timelines as specified for each contract and accordingly the Exchange will be making the payment to the Seller.

Annexure 2

Proposed amendments under IGX Market Rules and Contract Specifications

2.1. Amendments under IGX Market Rules

Changes in specific clauses of Market Rules incorporating the said contracts are mentioned in the table below. The soft copy of the Market Rules in track change mode will be provided through a separate email communication.

Page No.	Chapter & Clause No.	Current Clause	Revised Clause
12	2.1 Definitions (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.	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, Monthly, 3-months, 6-months and 12-months contracts as specified by Exchange from time to time.
41	11.2.2 Financial Settlement for Delivered Transactions	The Exchange shall...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 on each half month basis, for example for monthly Contracts there will be two (2) reports.	The Exchange shall...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/3-months/6-months/12-months: The report will be sent on each half month basis, for example for monthly contract there will be two reports and for 12-months contract there will be twenty-four reports.
43	11.3.2 Financial Settlement for Delivered Transactions	The Exchange shall...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 on each half month basis, for example for monthly Contracts there will be two (2) reports.	The Exchange shall...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/3-months/6-months/12-months: The report will be sent on each half month basis, for example for monthly contract there will be

<table>
<tr><th>Page No.</th><th>Chapter & Clause No.</th><th>Current Clause</th><th>Revised Clause</th></tr>
<tr><td></td><td></td><td></td><td>two reports and for 12-months contract there will be twenty-four reports.</td></tr>
<tr><td>48</td><td>12. TYPES OF CONTRACTS</td><td>Following Contracts shall be available for trading in the Market:
<table>
<tr><th>S.</th><th>Type of contract</th><th>Reference</th></tr>
<tr><td>1</td><td>Intra-Day Contracts</td><td>Annexure-A1</td></tr>
<tr><td>2</td><td>Day-Ahead Contract</td><td>Annexure-A2</td></tr>
<tr><td>3</td><td>Daily Contracts</td><td>Annexure-A3</td></tr>
<tr><td>4</td><td>Weekly Contracts</td><td>Annexure-A4</td></tr>
<tr><td>5</td><td>Weekday Contracts</td><td>Annexure-A5</td></tr>
<tr><td>6</td><td>Fortnightly Contracts</td><td>Annexure-A6</td></tr>
<tr><td>7</td><td>Monthly Contracts</td><td>Annexure-A7</td></tr>
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<tr><td>7</td><td>Monthly Contracts</td><td>Annexure-A7</td></tr>
<tr><td>8</td><td>3-months contracts</td><td>Annexure-A8</td></tr>
<tr><td>9</td><td>6-months contracts</td><td>Annexure-A9</td></tr>
<tr><td>10</td><td>12-months contracts</td><td>Annexure-A10</td></tr>
</table></td></tr>
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2.2 Contract specifications for term-ahead contracts beyond a month

Annexure A-8

Contract Specifications- Three-months 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 three consecutive months. Trading Dates for these contracts will be specified in Exchange Trading Calendar.
3.	**Contract Name**	3M- Three-Months (Term-Ahead)
4.	**Contract Code***	"3M-Delp-dd/mm/yy- dd/mm/yy^2" where 3M: Three-months Delp: Delivery point as informed through Exchange Circular[30] 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.	**Delivery Point ***	Delivery Point-wise contracts will be available for trading. Exchange will intimate the delivery point through Exchange Circular in advance[30].
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 and associateddelivery point to which he commits to deliver. Whereas a buyer can buy contract of only that·hub and associated delivery point to which he is physically connected through pipelines. Netting off (square off) of positions will not be allowed[30].
11.	**Matching Model**	Double sided Uniform Price Auction method and i. Price-Sector allocation- Pro-rata Time basis: For Ceiling Price Gas ii. Price time basis: For others The matching rules are explained under Annexure-B
12.	**Contract Volumes units***	MMBTU per day
13.	**Contract volume***	Lot size basis
14.	**Lot size***	1 Lot=50 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 Delivery Point[31]
18.	**Price tick***	1 INR/MMBTU for fixed price variant 0.01 INR/MMBTU for formula linked variants
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**	Settlement price x Quantity Allocated/Re-allocated by Transporter at Delivery Point, where the settlement of contracts will happen at the Settlement price and on the delivered quantity up to the tolerance limit. In the event the trade price is formula linked price, the settlement price shall be determined in accordance with the calculation

		method on the settlement date as specified in the applicable contract and informed through Exchange Circular.
23.	**Exposure for trading**	As specified in Exchange Circular
24.	**Post Trade Margins for Ex-Hub and Delivered Transactions**	As specified in Exchange Circular
25.	**Additional Margins***	Additional post trade margins may be levied on Buyer and/or Seller Member whenever deemed necessary considering market conditions, transmission charges, price volatility in the indices including exchange rate risks and price movement in the commodity.[31] The same will be specified through Exchange Circular.
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 Delivery Point while buyer shall be responsible to off-take the gas at the redelivery point.[31]
		Trade once executed shall not be revised and shall be sent forscheduling, and at no point of time, excluding the Force Majeure, shall be allowed to be revised.
		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. The quantity shall be deliverable as per the Schedule issued by the respective

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		Transporter(s).
28.	**Delivery period**	Delivery Period: No. of Gas Days in a Month starting from 1st Day of a Month at 06:00 AM Delivery occurs each day of the delivery period
29.	**Entry and Exit 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 Quantityupon Termination of CT Agreement - Seller Imbalance***	If seller Injects less Quantity than the DCQ Quantity, then thefunds 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 andBuyer underdraws/overdraws then the Exchange will settle theImbalances 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 onthe 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-9

Contract Specifications- Six-months 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 six consecutive months. Trading Dates for these contracts will be specified in Exchange Trading Calendar.
3.	**Contract Name**	6M- Six-Months (Term-Ahead)
4.	**Contract Code***	"6M-Delp-dd/mm/yy- dd/mm/yy[2]" where 6M: Six-months Delp: Delivery point as informed through Exchange Circular[30] 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.	**Delivery Point ***	Delivery Point-wise contracts will be available for trading. Exchange will intimate the delivery point through Exchange Circular in advance[30].
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 and associateddelivery point to which he commits to deliver. Whereas a buyer can buy contract of only that hub and associated delivery point to which he is physically connected through pipelines. Netting off (square off) of positions will not be allowed[30].

11.	**Matching Model**	Double sided Uniform Price Auction method and i. Price-Sector allocation- Pro-rata Time basis: For Ceiling Price Gas ii. Price time basis: For others The matching rules are explained under Annexure-B
12.	**Contract Volumes units***	MMBTU per day
13.	**Contract volume***	Lot size basis
14.	**Lot size***	1 Lot=50 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 Delivery Point[31]
18.	**Price tick***	1 INR/MMBTU for fixed price variant 0.01 INR/MMBTU for formula linked variants
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**	Settlement price x Quantity Allocated/Re-allocated by Transporter at Delivery Point, where the settlement of contracts will happen at the Settlement price and on the delivered quantity up to the tolerance limit. In the event the trade price is formula linked price, the settlement price shall be determined in accordance with the calculation method on the settlement date as specified in the applicable contract and informed through Exchange Circular

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23.	**Exposure for trading**	As specified in Exchange Circular.
24.	**Post Trade Margins for Ex-Hub and Delivered Transactions**	As specified in Exchange Circular.
25.	**Additional Margins***	Additional post trade margins may be levied on Buyer and/or Seller Member whenever deemed necessary considering market conditions, transmission charges, price volatility in the indices including exchange rate risks and price movement in the commodity.[31] The same will be specified through Exchange Circular.
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 Delivery Point while buyer shall be responsible to off-take the gas at the redelivery point.[31]
		Trade once executed shall not be revised and shall be sent forscheduling, and at no point of time, excluding the Force Majeure, shall be allowed to be revised.
		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. The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).

28.	**Delivery period**	Delivery Period: No. of Gas Days in a Month starting from 1st Day of a Month at 06:00 AM Delivery occurs each day of the delivery period
29.	**Entry and Exit 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 willbe 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 Buyersand 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 bythe Exchange from time to time
38.	**Reconciliation of Gas Quantityupon Termination of CT Agreement - Seller Imbalance***	If seller Injects less Quantity than the DCQ Quantity, then thefunds 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 andBuyer underdraws/overdraws then the Exchange will settle theImbalances 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 onthe 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

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Annexure A-10

Contract Specifications- Twelve-months 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 twelve consecutive months. Trading Dates for these contracts will be specified in Exchange Trading Calendar.
3.	**Contract Name**	1Y- Twelve-Months (Term-Ahead)
4.	**Contract Code***	"1Y-Delp-dd/mm/yy- dd/mm/yy[2]" where 1Y: Twelve-months/1 Year Delp: Delivery point as informed through Exchange Circular[30] 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.	**Delivery Point ***	Delivery Point-wise contracts will be available for trading. Exchange will intimate the delivery point through Exchange Circular in advance[30].
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 and associateddelivery point to which he commits to deliver. Whereas a buyer can buy contract of only that hub and associated delivery point to which he is physically connected through pipelines.

		Netting off (square off) of positions will not be allowed[30].
11.	**Matching Model**	Double sided Uniform Price Auction method and i. Price-Sector allocation- Pro-rata Time basis: For Ceiling Price Gas ii. Price time basis: For others The matching rules are explained under Annexure-B
12.	**Contract Volumes units***	MMBTU per day
13.	**Contract volume***	Lot size basis
14.	**Lot size***	1 Lot=50 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 for fixed price variant (excluding all fees, transport related charges, taxes etc.) at the Delivery Point[31]
18.	**Price tick***	1 INR/MMBTU for fixed price variant 0.01 INR/MMBTU for formula linked variants
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**	Settlement price x Quantity Allocated/Re-allocated by Transporter at Delivery Point, where the settlement of contracts will happen at the Settlement price and on the delivered quantity up to the tolerance limit. In the event the trade price is formula linked price, the settlement price shall be determined in accordance with the calculation

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		method on the settlement date as specified in the applicable contract and informed through Exchange Circular
23.	**Exposure for trading**	As specified in Exchange Circular.
24.	**Post Trade Margins for Ex-Hub and Delivered Transactions**	As specified in Exchange Circular.
25.	**Additional Margins***	Additional post trade margins may be levied on Buyer and/or Seller Member whenever deemed necessary considering market conditions, transmission charges, price volatility in the indices including exchange rate risks and price movement in the commodity.[31] The same will be specified through Exchange Circular.
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 Delivery Point while buyer shall be responsible to off-take the gas at the redelivery point.[31]
		Trade once executed shall not be revised and shall be sent forscheduling, and at no point of time, excluding the Force Majeure, shall be allowed to be revised.
		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. The quantity shall be deliverable as per the Schedule issued by the respective

		Transporter(s).
28.	**Delivery period**	Delivery Period: No. of Gas Days in a Month starting from 1st Day of a Month at 06:00 AM Delivery occurs each day of the delivery period
29.	**Entry and Exit 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 willbe 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 Buyersand 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 bythe Exchange from time to time
38.	**Reconciliation of Gas Quantityupon Termination of CT Agreement - Seller Imbalance***	If seller Injects less Quantity than the DCQ Quantity, then thefunds 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 andBuyer underdraws/overdraws then the Exchange will settle theImbalances 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 onthe 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