



# **Market Rule for Indian Gas Exchange**

**Indian Gas Exchange Limited**  
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## 1. Preamble

### 1.1. Introduction and Objective

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

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

### 1.2 Legal Framework

These Market Rules of GTP (“**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**”) 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 and Bye Laws, of the other part, the latter will prevail to the exclusion of the former.

### 1.3 Applicability

The Market Rules shall apply to Members registered with the GTP and the Clients, who are registered through the Members, and engaged in the trading of the Commodities on the GTP.

### 1.4 Functions of IGX

1.4.1 IGX will provide a platform which facilitates trading of Commodities. In this capacity, IGX shall:

- a. enter into arrangement with Members who meet the criteria established by IGX 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 IGX;
- 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 orders for the Contracts in accordance with the Market Rules;
- e. provide information in relation to the transactions on GTP;
- f. clear and settle Member obligations;
- g. facilitate the delivery of Natural Gas, where opted for by the Members; and

- h. prescribe additional rules for trading of Commodities other than Natural Gas on the GTP;
  - i. make all decisions necessary for the integrity and orderly operation of the GTP, in particular by monitoring compliance of Member(s) and Client(s) as per these Market Rules.
- 1.4.2 IGX shall handle clearing, actual payment and/or delivery of Contracts traded on GTP, in accordance with the specific procedures for each type of Contract as set out under these Market Rules.
- 1.4.3 IGX may amend these Market Rules from time to time and may issue clarifications, circulars or directives, as may be required for effective functioning of the GTP 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 GTP.

## 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. **Access Code Regulation**, shall be referred as 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;
2. **Additional Deposit** shall have the meaning as defined in Clause 6.2.2;
3. **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;
4. **Bar** shall have the meaning defined in ISO 1000:1981(E);
5. **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;
6. **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;
7. **Buyer**, in relation to a transaction on the GTP, means the entity with an obligation to accept a quantity of Natural Gas made available for delivery by the Shipper;
8. **Bye Laws** shall mean the bye laws issued by IGX, and amended from time to time, which shall govern the operation at the GTP and the Members with IGX;
9. **Capacity Tranche Agreement** or **CT Agreement**, shall have the meaning as assigned to it in the Gas Transportation Agreement (GTA);
10. **Client** shall have the meaning as assigned to it in Clause 4.6;
11. **Commodities** shall mean the commodities which may be traded on the GTP, 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. ;
12. **Contract**, means any of the contract types as detailed under the Annexures of these Market Rules and including, contract types for or relating to the purchase or sale of Natural Gas, as detailed under A-1 to 8 of the Annexures to these Market Rules;
13. **Contract Specifications** means the specifications provided and described in the types of contracts listed in Annexure A-1 to Annexure A-8;
14. **Cumulative Imbalance**, means, in respect of a trade, as of the end of any 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;

15. **Client** shall have the meaning as defined in Clause 4.6;
16. **Daily Contract Quantity** or **DCQ** shall have the meaning as provided in Clause 10.7.1
17. **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;
18. **Daily Imbalance Quantities** means, in respect to a trade, the Imbalance Quantities which are outstanding at the end of a Day, specifically, in relation to that particular Day;
19. **Default Event** shall mean the events specified in Clause 4.8;
20. **Delivered Transactions** shall have the meaning as defined in Clause 10.1.3 (a);
21. **Delivery Point**, means **Entry point and has been interchangeably used** ;
22. **Direct Client** shall have the meaning as defined in Clause 4.6;
23. **Entry Point**, shall have the meaning as defined in Clause 2.1(k) of Access Code Regulation;
24. **Exit Point**, shall have the meaning as defined in Clause 2.1(l) of Access Code Regulation;
25. **Ex-hub Transactions** shall have the meaning as defined in Clause 10.1.3 (b);
26. **Force Majeure** shall have the meaning as defined in Clause 13.6;
27. **Full Member** shall have the meaning as defined in Clause 4.6;
28. **Gas Trading Platform** or **the GTP**, means a trading platform, being operated and managed by IGX where Buyers and Sellers (including but not limited to gas marketeers, traders, city gas distribution companies, consumers, etc.), through Members registered with IGX, , transact on standardized contracts in Commodities including Natural Gas;
29. **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;
30. **Gas Transportation Agreement** or **GTA** means an agreement between the Transporter and IGX, in cases of Delivered Transactions or the Transporter and the Buyer in cases of Ex-hub transactions;
31. **Gas Transportation Undertaking**, or **GTU** for Common Carrier capacity as mentioned in Clause 10.3.1;
32. **IGX** means Indian Gas Exchange Limited;
33. **Imbalance Quantities** or **Imbalance**, shall have the meaning as given to it in Clause 10.5.2;
34. **Initial Deposit** shall have the meaning as defined in Clause 6.2.1;
35. **Liquidated Damages by Transporter in case of Delivered Contracts** means any

**shortfall in quantity delivered by the transporter due to reasons other than that of the shipper;**

36. **Liquidated Damages by seller** means, in relation to failure of Seller to inject the Scheduled Quantity out of the Allocated Quantity at the Entry Point, the difference between:
- all third-party costs, charges, taxes and tariffs directly incurred by Shipper in purchasing such replacement quantity and having such replacement quantity delivered to Buyer's facilities; less
  - all costs, charges, taxes and tariffs that the Shipper would have incurred had the Shipper been supplied such Gas quantity under this Agreement at the Exit Point and had such Gas quantity been delivered to Buyer's facilities;
37. **MMBTU** means million metric BTUs;
38. **Margin** shall have the meaning as defined in Clause 8.1.1;
39. **Market Surveillance Committee** shall have the meaning provided to it in the Bye Laws;
40. **Market Clearing Price or MCP**, means the intersection point of a demand curve (purchase bids) and a supply curve (sell bids) for a particular contract type; **Market Rules** shall have the meaning as defined in Clause 1.2;
41. **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;
42. **Membership Application Form** shall mean the application form, in the format provided by IGX, which has to be filled up and completed by the Members seeking to obtain registration to trade on the GTP;
43. **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);
44. **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);
45. **Membership Fee** shall have the meaning as defined in Clause 4.7.1;
46. **Membership Undertaking** shall mean the undertaking signed and executed between IGX and each of the Members and which shall govern the rights and obligations by and between the relevant Member and IGX;
47. **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.
48. **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;
49. **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;
  50. **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 aggregate of Buyer's Scheduled Quantities at all Entry Points in each case. If there is no such excess, then the Negative Imbalance Quantity shall be zero;
  51. **Nomination** means a request by the Shipper to the Transporter for availing transportation services which may also include digital interface;
  52. **PNGRB** shall have the meaning given to it under Clause 1.2;
  53. **PNGRB Act** shall have the meaning given to it under Clause 1.2;
  54. **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. If there is no such excess then the Positive Imbalance Quantity shall be zero;
  55. **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;
  56. **Settlement Guarantee Fund (SGF)**, means a fund maintained by IGX 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 IGX from time to time;
  57. **Seller**, in relation to a transaction on the GTP, shall mean the entity with an obligation to deliver the traded quantity of commodity at the Entry Point.
  58. **Settlement**, means the process of discharging the obligations of the Members resulting from conclusion of a transaction at GTP;
  59. **Shipper** means the Buyer in case of Ex-Hub Transactions and IGX in case of Delivered Transactions;
  60. **Scheduled Quantity**, shall be the quantity of Gas that the Transporter has scheduled to flow on behalf of a Shipper at that point on hourly basis on such Day;
  61. **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 IGX, and credit of the pay out, refund of Margins by IGX;

62. **Specifications or Gas Specifications** means the specifications mentioned in Schedule II of the Access Code Regulations;
63. **Trade Quantity**, for a Day shall mean the matched buy sell quantity under continuous/ auction mechanism;
64. **Trade Price** means the final price discovered for that particular contract.
65. **Transaction Fee shall** be the fees collected by IGX 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.
66. **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;
67. **Trader Members** is defined in clause 4.6.
68. **Transportation Charges**, means in respect of each GTA the charges payable by Shipper to Transporter in connection with Gas transmission services under the GTA.
69. **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.

## 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.

## 3. Amendments and Contractual Relations

### 3.1 Amendments

These Market Rules may be amended or changed from time to time by IGX in accordance with this Clause 3.

Unless otherwise notified by any statutory authority, 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 IGX.

## 3.2 Contractual Relations

Relations between IGX 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 IGX.

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

## 4 Membership and Client Registration Process

### 4.1. Member and Client Registration

- a. **Member Registration:** To become a Member to the GTP, an entity shall submit a Membership Application Form along with a Membership Undertaking in the form prescribed by IGX. The entity shall be registered as a Member of IGX after acceptance of the application by IGX. 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) Bye-Laws; (iii) Market Rules; (iv) Circulars/notification issued by IGX 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 IGX and all Member(s) of IGX as signed by the Member(s).

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

- b. **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 IGX Bye-Laws, these Market Rules and any circulars issued by IGX from time to time. The Member shall ensure 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 GTP, only the Members, who have been permitted by IGX pursuant to the acceptance of the Membership Application Form submitted by them, shall be eligible to place Orders on the GTP and undertake transactions within the GTP for Contracts. Entities, who are not IGX's Members, can participate only as Clients through a registered Member. At the discretion of IGX, Clients may be allowed a direct access of the GTP software, on an application made for the said purpose by the Member representing the Client.

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

- a. have a permanent establishment in India;
- b. be an Indian national; and
- c. be capable of being sued in its own name in a court of competent jurisdiction.

4.2.2 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 IGX (i) under the Membership Application Form; (ii) in case there is any change in information than the information submitted under the Membership Application Form should be changed; and (iii) on request of IGX.

4.2.3 No person shall be eligible to be qualified as a Member of IGX, if such person:

- a. does not have a minimum net worth mentioned in Membership Application Form as IGX 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 is a minor;
- j. suffer from any disqualification as may be specified by IGX or the committee thereon from time to time.

### 4.3 Requirements for membership

4.3.1 Any person, as may be approved by IGX, 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 IGX for the category of membership of IGX, from time to time;
- b. Compliance with the registration and other provisions, as may be prescribed by IGX at times;
- c. Payment of such fee, charges, deposits and other monies, as may be specified by IGX, from time to time; and
- d. Such other requirements and/or criteria for admission as a Member of IGX and to alter any such rules including those specified above, as IGX 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 and Bye-Laws that may be made/modified in accordance therewith, from time to time, and shall accept any decision made by IGX or by a committee approved by the Board as final.

4.3.3 Consumers (with consumption  $\geq$  50,000) falling in the arena of any Geographical Area (GA) authorised by PNGRB to any city gas distribution (CGD) entity may also participate in the natural gas trade activity on GTP with the condition that they will have to obtain a No Objection Certificate (NOC) from the relevant authorised entity for the relevant GA.

The copy of NOC needs to be submitted to IGX before participating in the trading activity on the GTP.

#### 4.4 Application Process for Members

- 4.4.1 A person who desires to become a Member of IGX must submit an Membership Application Form to IGX 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 IGX and must be accompanied by pre-specified applicable fee.
- 4.4.2 The admission to Membership shall be at the sole discretion of IGX. IGX may appoint a Committee, if it considers appropriate, to review and consider the application and make recommendation to IGX on the application filed by the person.
- 4.4.3 IGX 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 IGX the person applying for Membership shall pay the fees and charges, including all securities, deposits guarantees as may be decided by IGX from time to time.
- 4.4.5 IGX 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 IGX 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 IGX and shall be final and conclusive.

#### 4.5. Registration Process for Client

- 4.5.1. An entity which desires to become a Client on IGX, 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 IGX 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.
- 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 GTP including the connectivity with the hubs and the availability of GTA from such hubs/ Entry Points. Where the Client has an existing GTA for the hubs/ Entry Points selected by it, all orders placed by such Client from such hubs/ Entry Points shall be deemed to be considered as Ex-Hub Transactions.

#### 4.6 Types of Membership

The Membership of IGX are classified into two categories:

1. **Trader Member:** An entity who has been admitted by IGX as a Member conferring a right to trade and/or clear solely on behalf of its Client(s).

2. **Full Member:** An entity who has been admitted by IGX as a member conferring a right to trade and/or clear on its own and on behalf of its Client(s).

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

## 4.7 Membership Fees

- 4.7.1. All Members will pay the one time Membership Fees specified and published by IGX on its website.
- 4.7.2 The Membership Fees may include:
- an application fee; and
  - a fee payable upon the acceptance of an application.

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

## 4.8 Default Events

A Member shall be considered to be in default if the Member

- 4.8.1 Has at the time of making the application to IGX/ registration process or during the course of its membership, the Member/ Client has:
- made any wilful misrepresentation;
  - suppressed or concealed any material information; or
  - directly or indirectly given false information or false declaration.
- 4.8.2 Unable to fulfil its obligations specified in Clause 5.2 of these Market Rules, unless specifically allowed by IGX;
- 4.8.3 Admits to IGX that it has breached, or is declared by a court to have breached, applicable law, the Market Rules, Bye-laws and IGX reasonably considers that:
- the breach is ongoing and is likely to have a material adverse effect on trading on IGX; and
  - the Member is unlikely to cure or remove the circumstances leading to that breach within a reasonable period of time;
- 4.8.4 The Member/Client is taken to be insolvent or unable to pay its debts under any applicable legislation;
- 4.8.5 Fails to pay any sum as per the timelines specified in the Market Rules including for Direct Clients;
- 4.8.6 Fails to abide by the arbitration award made under these Market Rules, and Bye-laws of IGX;
- 4.8.7 Violates these Market Rules and Bye-laws of IGX;
- 4.8.8 Fails to provide information and details as asked by IGX from time to time; and

- 4.8.9 Due to directives made by PNGRB, or by any competent authority which renders the Member ineligible to trade on the GTP.
- 4.8.10 Due to any action taken by any regulatory authority against the Member, its Directors, CEO or any chargesheet being issued by any government authority against the Member or its Director for offences relating to security and integrity of the country,

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

## **4.9 Transfer of Membership**

- 4.9.1 IGX may prescribe the procedure for transfer or transmission of membership or change the category of membership of a Member. Membership of IGX shall be transferable only to any eligible person, body corporate, company, partnership firm, institution or such other person, as may be approved by IGX.
- 4.9.2 The membership of IGX shall be transferable on payment of such fees as IGX may prescribe from time to time provided that such transfer shall be affected only from the date of approval by the IGX. IGX shall have the power to refuse transfer of membership if the interests of the IGX, it is expedient to do so.

## **4.10 Surrender of Membership**

- 4.10.1. A Member of IGX desirous of surrendering the membership shall before making an application to IGX for surrender of membership comply with the following:
- Intimate all his Clients regarding surrender of membership at least 30 days prior to date of application of surrender of membership of IGX.
  - Ensure that there are no pending dues towards IGX or the Clients.
  - There are no pending disputes between the Member and IGX.
- 4.10.2. Where the conditions under Clause 4.10.1 are in compliance, the Member shall be required to make an application for surrender of membership to IGX along with necessary documents as may be prescribed by IGX.
- 4.10.3. Upon receipt of the request for surrender by a Member, IGX would not levy any charges to the Member. However, Member would be required to settle any outstanding bills raised by IGX. 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, IGX will deactivate the membership and inform the Clients, for the Member who has executed trades on IGX, Clients' complaints, if any.
- 4.10.5. After satisfactory redressal of all the complaints (if any) against the Member, and after completion of all the formalities and when the application is considered as eligible for surrender by IGX, IGX would approve the surrender application and would refund the Initial 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 IGX subject to fulfillment of all dues/compliances under Bye-Laws, Rules and these Market Rules of IGX.

4.10.6. The application for surrender of membership once filed is irrevocable.

In case of surrender or transfer of membership, the Initial 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 for Initial Deposit. There is no such lock-in period in respect of Additional Deposit.

## **5 Participation Rights and Obligations**

### **5.1 Member Access Rights**

- 5.1.1 A Member shall be provided with the access rights to trade Contract(s) 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 orders on the GTP;
  - b. view orders hosted on the GTP as well as any other information displayed or made available by IGX.

### **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 collect and deposit with IGX adequate Margin (as provided in the Contract) from its Client before entertaining any order 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 GTP;
- 5.2.6 The Members shall be responsible to inform their Clients about the successful trades and their physical and financial obligations based on IGX's 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 IGX 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 Gas being offered to be sold on the GTP is permissible to be sold to the all the entities offering to offtake Gas from the GTP as per applicable laws.

### **5.3 Client Obligations**

- 5.3.1 Client shall be bound by these Market Rules, the Bye-Laws, and Circulars, as published by IGX 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 GTP 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 at all times, approach the Members for any grievances and IGX shall not be responsible for any grievances of the Clients, directly.

### **5.4 Approved users**

For trading software to be used by a Member, the Member shall be required to obtain registration of the approved user(s) in the specified format from IGX, 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 IGX.

### **5.5. Rights and Obligation of IGX**

IGX shall be deemed to be authorized by the Buyers to book the capacity on the GTP for Delivered Transactions. Without prejudice to any other obligation in these Market Rules, IGX shall:

- 5.5.1 abide by the terms of and perform the obligations attributed to IGX under these Market Rules;
- 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 GTP in accordance with these Market Rules;
- 5.5.4 take reasonable steps to prevent unauthorised use by employees and agents of IGX of the Member's log-in codes;
- 5.5.5 not submit orders for its own account;
- 5.5.6 will act towards Members in a non-discriminatory and independent manner;
- 5.5.7 will act as a facilitator between the Members for carrying out the trade through the GTP as authorised by Members.

## **6 Trade related information**

### **6.1 Placing of orders on GTP**

- 6.1.1 The Members shall submit such digital information as may be necessary to make a transaction on the GTP in one of the type of Contracts noted under the Annexures A1 to A8 to these Market Rules ("Order"). Such an Order may only be placed by a Member after appropriate Margin is available as set out in Clause 8 below. The Order shall be construed as an offer to enter into a contract as per the specific terms of these Market Rules. Orders transmitted on the GTP shall include the following:
  - a. Name/Code of the Member who wants to place the Order;
  - b. User name of the Member;
  - c. Name/Code of the Client for whom the Order is recorded;
  - d. Type of Contract the Order refers to with Contract symbol;
  - e. Quantity in lot size;
  - f. Price;
  - g. Entry Point/hub; and
  - h. Other information as may be required by IGX.
- 6.1.2 The Order shall be placed on a lot size basis and in INR/MMBTU or as decided by IGX from time to time.

### **6.2 Deposits and payments**

#### **6.2.1 Initial Deposit**

The Members are required to pay an interest-free security deposit at the time of admission, as may be prescribed by IGX, which will be used for giving exposure to the Members linked to the percentage of the Margin applicable for each Contract ("**Initial Deposit**"). This is payable in favour of 'Indian Gas Exchange Limited.'

#### **6.2.2 Additional Deposit**

Any margin levied over and above the Initial Deposit will be considered as additional deposit ("**Additional Deposit**"). IGX 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 IGX approved banks).

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

### **6.3 Market Segment**

IGX will operate such market segments as may be permitted in law and as it may from time to time decide and notify, subject to the provisions of the Market Rules and Bye-laws. The types and category of market segments available for Contracts and transactions on the GTP shall be notified by IGX from time to time. The description of market segments operated by IGX and the terms and conditions applicable to such market segments are given in A-1 to A-8.

IGX 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 IGX or the terms and condition specified therein will not vest or create in a Member any right whatsoever, that will require IGX 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**

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

### **6.5 Trading Days**

IGX shall be operational on all days. However, in case of planned maintenance of a Natural Gas Pipeline, IGX may not trade for those Contracts which may be connected to particular Natural Gas Pipeline or unless otherwise decided by IGX and duly notified to Members through a circular.

### **6.6 Trading hours**

Trading hours shall be as per the Contract specifications set out for different Contracts.,

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

Further, IGX 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 Order Management

### 6.7.1 Order type under Continuous Session

Following orders are available in the continuous trade session.

#### 6.7.1.1 Time Constraints

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

#### 6.7.1.2 Execution constraints

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

## 6.8 Matching and acceptance of orders

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

## 6.9 Order Processing

- 6.9.1 All Orders 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, IGX has the right to accept or not accept to place/modify/cancel the order request received from the Member.
- 6.9.2 Order matching rules ensure that Orders 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 Scheduled Quantity or actual injection quantity whichever is less.

3. subject to Force Majeure or capacity booking confirmation by Transporter(s).

## 6.11 Trade Cancellation

IGX 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 IGX.
2. **Cancellation by IGX:** IGX 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.

On confirmation of transaction between a sell-side Member and a buy-side Member, IGX shall act as facilitator between counterparties to the transaction for financial settlement and their contractual relationships are then governed by IGX's guidelines., these Market Rules and Bye Laws.

## 7 Surveillance

- 7.1.1 In order to ensure market integrity and to avoid market abuses, IGX will use various on-line and off-line surveillance tools. IGX shall have the right to take appropriate actions in such cases, which are specified as under.
- 7.1.2 Validation of orders: Members are required to ensure that the Orders are in conformity with these Market Rules. In order to avoid any abnormal Orders being put by the Members like high bid price or quantity, IGX will validate such orders either through software or manually, wherever possible. Further, the Order value of the Member will also be compared with the available limits (exposure) of such Member(s) for any over utilization.
- 7.1.3 IGX 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 IGX 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 GTP. Based on the self-declaration, IGX 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 IGX. IGX 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 for necessary action.

## 8 Margins

- 8.1.1 Prior to placing the Orders, the Buyers and Sellers shall post with the IGX such amount as margin, as may be required by them in advance in order to trade for Contracts as specified by IGX from time to time and as set out under the Contracts (“**Margin**”). Such margins may be in cash and non-cash form as specified by IGX . 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 Margin requirements before placing of an Order by a Member
- 8.1.2 The following Margin provisions, subject to Margin requirements determined by applying any methodology specified or recommended by IGX, shall apply in respect of Contracts that are transacted on the GTP and then cleared and settled by IGX:
- a. Every Member, as applicable, shall pay the appropriate Margin amount with IGX based on the aggregate positions cleared by the Member for its Clients or criteria as prescribed by IGX;
  - 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.
- 8.1.3 IGX will compute the 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 IGX.
- 8.1.4 Margin accounts of all Clients trading through the Members or the Direct Client, shall be calculated daily by IGX and shall be required to be paid in the manner as may be prescribed by IGX.
- 8.1.5 Members of IGX or the Direct Client shall deposit initial Margin in cash or may furnish fixed deposit, bank guarantees, letter of credit, or such other instruments as may be specified by IGX from time to time to fulfil the additional Margin requirement, if any.
- 8.1.6 Failure to pay any Margin may lead to deactivation or suspension of a Member . IGX may also take such other measures including disciplinary actions, against the Member or the Direct Client, as it may deem fit.
- 8.1.7 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.
- 8.1.8 IGX 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.
- 8.1.9 IGX 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.
- 8.1.10 Members shall post and accept Margin deposits where applicable only in such form as may be permitted by IGX.
- 8.1.11 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 IGX from time to time.

- 8.1.12 Trader 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 IGX.
- 8.1.13 IGX may reject Orders 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.
- 8.1.14 The Trader 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 IGX on the transactions executed by Clients for clearing and settlement.
- 8.1.15 Members or the Direct Clients, shall maintain such banking arrangements/ open Settlement Accounts with the designated Clearing Bank(s) as specified by IGX so as to permit the transfer of funds and to maintain Margins in a segregated manner.
- 8.1.16 Each Member or the Direct Client, shall deposit all Margins or deposits with IGX, or the designated clearing bank(s), as directed by IGX, within the prescribed time and in the prescribed manner.
- 8.1.17 IGX shall prescribe such additional or special margins as may be considered necessary during the Delivery Period due to emergencies or change in market conditions.
- 8.1.18 IGX shall prescribe Margins for different Contracts in different market segments calculated using different methodologies.

## 8.2 Clearing Limits

- 8.2.1 IGX may, specify the financial limits applicable to the Members based on their initial Margin deposits and /or the non cash collateral deposit on behalf of its Clients and the available bank balance details received from banks.
- 8.2.2 The aggregate monetary value of all the positions in respect of all Contracts that each Member may clear and settle shall be based on the Initial Deposit) and any other fund specified by IGX;
- 8.2.3 IGX may specify different clearing limits for different Contracts;
- 8.2.4 The Members, to enhance their clearing limits, may make the Additional Deposits also to IGX;
- 8.2.5 When the clearing limit of a Member reaches the upper limit, IGX shall notify the Member. After receipt of such notification the Member shall not present or cause to present any further transactions that would increase the aggregate monetary value of positions until he has paid additional monies to enhance his/its limit; and
- 8.2.6 The aggregate monetary value of Contracts shall be determined on the basis of the positions in each of the Contracts for which transactions have been cleared by the Member. For this purpose, gross positions in respect of Members are to be considered.

## 9 Post Trade Processing

### 9.1 Transmission of trade confirmation

Once a trade is matched on IGX, Members shall receive an electronic trade confirmation consisting the details of the transaction.

1. Trade ID
2. Buyer and Seller
3. Trade time
4. Contract with contract symbol
5. Trade quantity
6. Trade price
7. Trade value
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 allotted by the Transporter. The Member/Clients should give priority to IGX transactions at the time of flow of Natural Gas. In case of the preferability, the Buyer/Seller shall first evacuate the Natural Gas allotted by IGX before any other type of Natural Gas from the Pipeline. In case of Ex-hub Transactions, Members/Clients will be required to adhere to the other clauses for transportation of gas mentioned in the GTA of respective Transporters.

The delivery mechanism for the Members/Clients having Delivered Transactions will be managed by IGX and the Members/Clients need to abide by the Delivery terms as per the Market Rules.

### 9.3 Congestion in Pipeline

After the matching of orders on the GTP and receipt of electronic trade confirmation, IGX will send Nomination to Transporter for scheduling in case of Delivered Transactions. The availability of necessary capacity will be confirmed by the Transporter against which Scheduling will be carried out. Whereas, in case of Ex-hub Transactions, the Seller/ Buyer (as applicable) is responsible of sending Nomination to the Transporter and the copy of the same shall also be sent to IGX.

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 IGX.

#### **Auction Trade:**

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

In the event, Seller and/or Transporter informs to IGX the need to curtail Gas deliveries on any day due to Force Majeure or to maintain Natural Gas Pipeline integrity, IGX 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 IGX the need to curtail Gas deliveries on any day IGX may notify the Members/Clients 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. In case the Member/Client fails to enter into the CT Agreement or provide the CT Agreement, then IGX shall apply and recover a sum of penalty from such member.

## **9.5 Establishment of Benchmark price**

IGX may decide to calculate and publish a benchmark price reference for Gas on daily basis or from time to time as decided by IGX. The list of hubs for which the price reference is calculated, shall be published by IGX. The method for calculating the price reference shall be published by IGX 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). IGX may also publish a benchmark price using a formula considering prices discovered across all specified hubs.

## 10 Delivery

### 10.1 Delivery type

- 10.1.1 Contracts shall be traded on the GTP for compulsory specific physical delivery and settlement and are subject to conditions that such contracts are non-transferrable, without any netting-off and no part of the Contract is settled financially without actual delivery.
- 10.1.2 The physical delivery of Contracts will be as per the Access Code Regulations and all its subsequent amendments.
- 10.1.3 IGX will facilitate two types of transactions:
- a. **Delivered Transaction:** IGX shall facilitate the trade, physical delivery of Gas by booking the necessary transmission facility, and financial settlement for the traded Contracts; and
  - b. **Ex-hub Transaction:** IGX shall facilitate the trade and the financial settlement for the traded Contracts. The necessary transmission facility will be arranged by the Buyer/Seller.
- 10.1.4 Transportation Tariff and Transportation Charges applicable and gas losses (if any) shall be as per the applicable GTA.

### 10.2 Delivery Obligations

- 10.2.1 The Clients who have concluded gas transactions through the GTP 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 IGX; and
  - b each Buyer must accept on that Gas Day at the Exit Point, the Scheduled Quantity as communicated by IGX.
- 10.2.3 If Seller fails to make the delivery of the Scheduled Quantity then the settlement will be as per Clause 11.2.13.
- 10.2.4 If Buyer fails to accept the delivery of the Scheduled Quantity then the settlement will be as per Clause 11.2.12.
- 10.2.5 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.

For avoidance of doubt, the Transporter shall not be obligated to redeliver Gas quantities greater than the quantities of Gas delivered by the Seller at the Entry Point.

### 10.3 Delivery Process for Delivered Transaction

- 10.3.1 The Buyer/Seller shall sign a Gas Transportation Undertaking (GTU) with IGX for the traded Contracts against which IGX shall facilitate the physical delivery of Contracts;
- 10.3.2 IGX shall book the pipeline capacity for the physical delivery of the Gas as per the specified Delivery Points and sign the GTA with the Transporter on behalf of the Buyer;
- 10.3.3 The title of the gas shall remain with the Buyer/Seller throughout the delivery process and shall not pass to IGX at any event;
- 10.3.4 IGX shall send the final Nominations along with the respective CT Agreements (IGX will sign a CT Agreement with the Transporter on behalf of Buyer) to the Transporter in a prescribed manner;
- 10.3.5 For the purposes of the Nomination, 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 IGX and the Transporter applicable at that Entry Point, as determined by the Transporter.
- 10.3.6 The delivery shall be carried out as per the schedule prepared by the Transporter, however if there is any change in the traded volume or timeline, then IGX may send the revised Nomination to the Transporter accordingly;
- 10.3.7 In case, congestion and curtailment in the Natural Gas Pipeline restricts the flow of the traded volume, then the final scheduling shall be as per the discretion of the Transporter and IGX.
- 10.3.8 Quantity of gas, gas specifications, and measurement will be as per the Clause 10.7, 10.8, 10.9, respectively.
- 10.3.9 If the Buyer accepts more or less than the Scheduled quantity at the Exit Point on a Gas Day, then the overdrawl/underdrawl charges will be applicable as per the GTU;
- 10.3.10 If the Seller delivers less than the Scheduled quantity at the Entry Point on a Gas Day, then the settlement will be as per Clause 11.2.13. However, if the Seller delivers more than the Scheduled Quantity then no compensation will be given;
- 10.3.11 If a dispute arises as to the quantity of Gas made available for delivery or accepted at an Entry Point, the resolution will be settled with IGX and the Buyer/Seller (as the case may be) must pay to IGX a settlement amount.

**Reconciliation:** Upon the termination of a GTU except Intra-Day, Daily, and Day-ahead Contracts, IGX and Buyer/Seller shall reconcile the total quantities of Gas delivered by Seller to Transporter and offtaken by Buyer from Transporter under such GTU. If upon such reconciliation, it is found that one party owes a quantity of Gas to other Party, the owing party shall deliver such quantity to other party within three (3) days of termination of the GTU. If such reconciliation is not made good in Gas, it shall be settled in cash at the Positive Imbalance Settlement price in case

the quantities of Gas are owed by IGX to the Seller or at the Negative Imbalance Settlement price in case the quantities of Gas are owed by Buyer to IGX. Buyer shall pay the Transportation Tariff in effect at the end date, plus applicable Taxes, on any quantities delivered under the Clause 10.

#### **10.4 Delivery Process for Ex-hub Transactions**

- 10.4.1. The Member/Client shall have a valid GTA with 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 Clients and the Transporter.
- 10.4.3. Contracts are 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 Agreements with IGX 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 Agreements.
- 10.4.5. The Clients, depending upon the category of contracts that they would transact at the GTP, shall have a valid GTA in place. The validity of the GTA shall be not less than the specified delivery period with additional three (3) days, which is required for the final Settlement.
- 10.4.6. Buyer shall send the Nomination to the Transporter for Scheduling and the copy of the same shall also be sent to IGX, as per the timelines specified by the Transporter. In absence of the confirmation receipt, Buyer will be obligated to compensate the counter party as specified by IGX.
- 10.4.7. Booked Capacity shall be as per the CT Agreement between Buyer and Transporter.
- 10.4.8. Buyer will be responsible to send the confirmation of schedule for Delivery to IGX to carry out the final settlement with IGX.
- 10.4.9. In case of pipeline interconnection(s), the settlement for Imbalance charges shall be carried out as per the Access Code Regulations.

#### **10.5 Overrun and Balancing**

##### **10.5.1 Unauthorized Overrun Quantities**

In addition to payment of the Transportation Charges, Buyer/Seller shall be responsible for the payment of Unauthorised Overrun Charges for each Contract under each GTU in case of Delivered Transactions, equal to the summation of any Unauthorised Overrun Quantity on that Day and the Unauthorised Overrun Rate for each Day in the traded Contracts.

The settlement for overrun charges shall be carried out as per Access code Regulations and all its subsequent amendments.

##### **10.5.2 Imbalances**

On any Day, Imbalances shall mean the Positive Imbalance Quantities or the Negative

Imbalance Quantities and shall be determined in accordance with the provisions of the Access Code Regulations. The quantities will be balanced in following manner:

1. In case of Delivered Transactions, for transactions spanning more than one day, on each Day, IGX shall facilitate the adjustment of nominations, receipt and deliveries of Gas, to maintain balance between Gas delivered and received.
2. In case of Ex-hub Transactions, for transactions spanning more than one day, on each Day, Buyer/Seller and Transporter shall be responsible to control receipt and deliveries of Gas, to maintain balance between Gas received and delivered.
3. In case of Delivered Transactions, on each Day, the Transporter shall be entitled, with the consent of IGX, to control and, if necessary, adjust, IGX's allocated receipts and deliveries of Gas, to maintain a balance over a Day between Gas received and Gas delivered upon failure by the Buyer/Seller to do so in order to minimize Cumulative Imbalance.
4. Transporter shall always have the right to amend the provisions related to Scheduled Quantities in the Transporter facilities in order to ensure that the Transporter facilities is operated in the most efficient manner. Revision in Scheduled Quantity may be required (including suspension or reduction of service to the Buyer/Seller) to correct any Imbalances which impair or threaten the operational integrity of the Natural Gas pipeline or the maintenance of transportation service to other Buyer/Seller. In such a case, the Transporter or IGX shall not be liable in any manner for any loss, costs and expenses incurred by the Buyer/Seller due to any such action taken thereof.
5. In case of Delivered Transactions, if the Buyer/Seller fails to cure the Imbalance Quantity within the specified Contract timelines then IGX shall cure the Cumulative Imbalance Quantity directly with the Transporter through separate trading arrangement. The Cumulative Imbalance Charges shall be settled with the Buyer/Seller by IGX as part of final Settlement.

## **10.6 Reconciliation of Gas Quantity upon Termination of GTU**

At the early termination of the relevant GTU, except Intra-day, Daily Contracts, IGX and the Buyer/Seller or Transporter shall reconcile the total quantities of Gas delivered by the Seller at the Entry Point with the total quantities of Gas delivered by the Transporter at the Exit Point.

1. If upon such reconciliation, it is found that the Buyer has offtaken quantities of Gas less than what was delivered by the Seller at such Entry Point, Buyer is allowed to cure the same within 3 days from such termination failing which, IGX shall raise an invoice by taking into consideration equal quantities and for such cases, the price of Gas shall be of minimum priced gas in the Natural Gas Pipeline, as applicable which shall be informed by IGX to the respective Buyer/Seller in transparent and non-discriminatory manner.
2. If upon such reconciliation, it is found that the Buyer has off-taken quantities of Gas higher than what was delivered by the Seller at Entry Point, Buyer is allowed to cure the same within 3 days from such termination failing which, IGX shall raise an invoice by taking into consideration equal quantities and for such cases, the price of Gas shall be of highest priced gas in the Natural Gas Pipeline, as applicable which shall be informed by IGX to the respective Buyer/Seller in transparent and non-discriminatory manner.

## 10.7 Gas Quantity

- 10.7.1 The Daily Contract Quantity or DCQ shall be the quantity of Gas in Lot size (in MMBtu per Day) specified during trade.
- 10.7.2 Gas that the Transporters make available to Buyer hereunder shall be made available at the Entry Point by the Seller at an operating pressure in the range specified in the Access Code Regulations.
- 10.7.3 Deviations in the gas quantity at Entry and/or Exit points shall be settled under paragraph 0 and 0 of these Market Rules.

## 10.8 Gas Specification

- 10.8.1 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 given in the Table 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 at 40 to 60 Bar g pressure
Oxygen (% mole vol. max.)	0.2

## 10.9 Measurement

- 10.9.1 The measurement of the quantity shall be as per the Regulation 7 of Access code Regulations.
- 10.9.2 At each Entry Point and at each Exit Point there shall be Measurement Equipment, or some means of establishing the measurements;
- 10.9.3 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.
- 10.9.4 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.
- 10.9.5 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%.

## **11 Clearing and Settlement**

IGX shall manage financial settlement for all transactions. For delivery, IGX shall offer options of Ex-hub and Delivered Transactions.

The final settlement of the Contracts shall take place in INR/MMBTU.

### **11.1 Act as deemed central counter-party**

- 11.1.1 Once a Contract is matched, and accepted, IGX 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 IGX 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;
- 11.1.3 IGX shall act as deemed central counter party for the transactions in Contracts admitted on the GTP, provided that:
- a. if on investigation, IGX concludes that either all the transactions or part thereof in any Contract are found to have been executed on the software in a fraudulent manner and/or are done as financial transactions and/or with a design to defraud the GTP, IGX shall have absolute authority and discretion to withdraw itself as a deemed central counter party to any transaction, at any time;
  - b. where IGX decides to withdraw as provided in clause (a) above, it shall afford an opportunity of being heard to all the parties affected or likely to be affected by such decision, where possible. The decision taken by IGX thereafter shall come into force forthwith and shall be final and binding on all the parties concerned, including the Clients.
- 11.1.4 Notwithstanding the above, the liability/ obligations of all Members towards IGX shall continue in the manner set out under these Market Rules.

### **11.2 Financial Settlement for Delivered Transactions**

- 11.2.1 All Contracts transacted on the GTP shall be settled by IGX and delivered in accordance

with the framework prescribed under the relevant regulations to complete the delivery obligation with reasonable and prudent endeavour;

- 11.2.2 IGX shall send the obligation 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 obligation 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;
- 11.2.3 On confirmation of trade which is the trade value of the molecule, the obligation report shall be generated by IGX for each Member based on their trades which will include following taxes:
- a. the Value Added Tax (VAT)/ Central Sales Tax (CST) on Natural Gas;
  - b. GST on the Transaction Fees from the Members for facilitating the supply of natural gas through GTP;
  - c. Taxes applicable for Gas transmission. Any change in the rate of Taxes applicable on the transmission of Gas shall pass through to the Buyer/Seller as part of the Transportation Charges.
- 11.2.4 IGX shall receive the payment for the Commodity from the Buyer as per the obligation and settle it with the Seller directly on behalf of the Buyer;
- 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 IGX. Based on receipt of the copy of invoice, IGX shall release the tax amount to the Seller.
- 11.2.6 Buyer of Natural Gas shall directly furnish all statutory forms such as Form C to the Seller with a copy marked to IGX within the prescribed time limit in relation to transaction concluded through IGX platform and IGX shall not be held responsible financially and otherwise on account of non-submission of statutory forms in pursuance of such trading.
- 11.2.7 In case if Buyer submits Form C then IGX based on receipt of such copy of Form C will refund the balance provisional amount collected from Buyer in lieu of VAT and pass on VAT to Seller. In case if the Buyer fails to provide Form C then entire tax amount will be passed on to Seller based on receipt of the tax invoice.
- 11.2.8 The Buyer/Seller shall settle all the Imbalances and overruns directly with IGX as per the GTU and circular issued time to time;
- 11.2.9 IGX shall settle the Imbalances and overruns with the Transporter directly as per the terms and conditions specified in the GTA signed between IGX and the Transporter;
- 11.2.10 In case, the Buyer does not adhere to its financial obligations for an active Contract, IGX has the right to terminate the Contract in between for the remaining period and encash the non-cash collaterals as specified in Contract Specifications to adjust the amount against the delivered Gas Quantity as well as the transmission charges for the delivery of Scheduled Quantity for remaining period;
- 11.2.11 Furthermore, in case of cancellation of the Contract, IGX shall inform the Seller to stop

the delivery of the Gas at the Entry Point from the next Gas Day onwards. IGX shall pay the Seller the amount for the Scheduled Quantity for consecutive two days, further, Seller may arrange a prospective Buyer against the loss of Scheduled Quantity;

#### 11.2.12 **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 Contracts along with Transmission Charges (ship-or pay as per GTA signed between Transporter and IGX) and all other applicable charges specified by the Transporter.

If, Buyer fails to take the Scheduled Quantity for such Contracts under any circumstances, then Buyer shall pay Seller an amount for the relevant Scheduled Quantity, which shall be an amount equal to the product of Trade Price of such Contract(s) and the deficient Scheduled Quantity for such Contract(s).

- 11.2.13 Seller shall be obliged to ship, or pay for if not shipped, a Quantity of Gas and its financial obligations, respectively, at least equal to the Scheduled Quantity for such Contracts along with all other applicable charges specified by IGX.

If, Seller fails to deliver the Scheduled Quantity/ deficient Scheduled Quantity for such Contracts, then Seller shall be obliged to pay to IGX the Liquidated Damages, and necessary haircut charges.

- 11.2.14 Disputed amount settlement: If Buyer disputes any amount, Quantity, value, or sum in the Gas invoice/ obligation report, the Buyer shall notify IGX/Seller within seven (7) days of receiving either of the statements. The notice shall specify the disputed items and the reasons, why the Buyer disputes that item.
- 11.2.15 The Seller and Buyer shall resolve the dispute related to the dispute item through the Reconciliation Committee as specified in Bye-Laws. The amount agreed or determined to be due in relation to the disputed item shall be paid to or paid by the Buyer.

### 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. IGX shall not be part of these settlements. The Member/Seller will have to provide to IGX proof of delivery (joint ticket signed by the seller and the Transporter) or any form of third party confirmation based on which it will release the sell proceeds (pay out).
- 11.3.2 IGX shall send the obligation report to the buyer/seller, specifying the details of the traded Contracts including gas price, Transaction Fee, applicable taxes and any other charges as per the Market Rules. In case of Trader Member, the obligation of their respective clients will be netted off and only the net obligation will be settled with IGX; The timelines of sharing obligation report will be as follows:
- a. Daily/Day-ahead/Weekly/Weekday/Fortnightly Contracts: At the end of the delivery period;
  - b. Monthly: The report will be sent fortnightly, i.e. for monthly contracts there will be two (2) reports.

- 11.3.3 The obligation report shall be inclusive of following taxes:
- a. the Value Added Tax (VAT)/ Central Sales Tax (CST) on Natural Gas;
  - b. Taxes applicable for Gas transmission shall be as per the GTA signed between the Buyer/Seller and the Transporter; and
  - c. GST on the Transaction Fees from the Members for facilitating the supply of Natural Gas through the GTP.
- 11.3.4 IGX has the right to encash the non-cash collaterals in case the Buyer does not adhere to its financial obligations as specified in Contract Specifications.

## 11.4 Clearing Banks

- 11.4.1 One or more scheduled commercial bank(s) shall be designated by IGX 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 By Laws. IGX 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 IGX
- 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 IGX. All such Members or the Clients, as applicable shall be required to follow instructions of IGX in respect of operation of such bank accounts, minimum balance, segregation of Clients’ funds and own fund, as may be required by IGX. They shall also submit an irrevocable mandate in writing enabling IGX to debit and credit their account electronically. They shall be required to keep the accounts adequately funded, so as to enable IGX to recover its dues by debiting their respective bank accounts.

## 12 Type of Contracts

IGX 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 IGX are decided on the basis of market requirement. IGX 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 which can be physical or virtual hub
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	<a href="#">Annexure- A1</a>
2	Day-Ahead Contract	<a href="#">Annexure- A2</a>
3	Daily Contracts	<a href="#">Annexure- A3</a>
4	Weekly Contracts	<a href="#">Annexure- A4</a>
5	Weekday Contracts	<a href="#">Annexure- A5</a>
6	Fortnightly Contracts	<a href="#">Annexure- A6</a>
7	Monthly Contracts	<a href="#">Annexure- A7</a>
8	Single-side Auction for Buyer/Seller	<a href="#">Annexure- A8</a>

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

IGX will notify the launch of Contracts through separate circulars.

## **13 Conditions of Services**

### **13.1 Technical Facilities**

- 13.1.1 IGX 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 IGX 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 IGX 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 IGX 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 IGX requires a licence or an equivalent right, the provisions pertaining to such licence or right are mentioned in a circular or are provided by IGX to the Member and must be adhered to by the Member.
- 13.2.4 The Member undertakes to respect the intellectual property rights of IGX and of all third parties providing a system or software application needed to access IGX. 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 IGX. 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 IGX 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 GTP, 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 IGX.

### 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 and risk of loss 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.
- 13.4.3 Property (title) in and risk of loss 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.

### 13.5 Liability of IGX

Notwithstanding to the provisions of the Bye-Laws, no liability shall be attached either to IGX, its officials by reason of anything done or omitted to be done by IGX in the course of its operations nor shall IGX, 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 IGX and its officials in any way in respect of such delivery and any other documents.

### 13.6 Force Majeure

Notwithstanding the provisions of the Market Rules and Bye-Laws on Force Majeure, in case of the settlement of gas contracts, the injection and drawal 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 parties shall stand suspended.

- a. 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), 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: 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.

Non-performance and non-excused for either Seller/Buyer

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 even 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 after the occurrence of the event of Force Majeure, notify IGX/ 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

IGX 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 IGX to use the trading volumes generated by the Member for statistical purposes inter alia. Such statistics may be made public. In this case, IGX 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 IGX/Buyer against and from any loss, damages, expenses, and claims incurred by IGX/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.

### **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 Buyer represents and Warrants to IGX/Seller that

- a. the Buyer has obtained all licenses, permission, 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 IGX/Seller, IGX's employees and agents against and from any and all loss, damages, expenses, and claims incurred by IGX/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.

#### 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 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 IGX 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.

## Annexures

### 14 Annexures

#### 14.1 Annexure A-1: Intra Day Contracts

##### 14.1.1 Contract Specifications

S No.	Item	Details
1.	<b>Segment</b>	Physical delivery based market for Natural Gas
2.	<b>Name of the Products</b>	Intra Day
3.	<b>Delivery Hubs</b>	Dahej, Hazira, Ennore, Kakinada and Dabhol interconnection points etc.
4.	<b>Trading hours</b>	Every day the trading hours will be available from 00.30 hrs to 23.00 hrs
5.	<b>Trading model</b>	Continuous
6.	<b>Underlying</b>	Natural gas at the conditions of the Transporters (pipeline operators) of the concerned delivery area
7.	<b>Negative prices</b>	Not allowed
8.	<b>Contract Volumes units</b>	MMBTU per day
9.	<b>Contract volume</b>	Lot size basis
10.	<b>Lot size</b>	100 MMBTU
11.	<b>Volume tick</b>	One lot size (i.e. volume tick = 100 MMBTU)
12.	<b>Price unit</b>	INR/MMBTU
13.	<b>Price tick</b>	1 INR/MMBTU
14.	<b>Trade Volume</b>	Number of lots x lot size
15.	<b>Total Contract Volume</b>	All contracts are physical contracts and lead to physical deliveries on the specified delivery point.
16.	<b>Delivery</b>	<p>Delivery occurs each calendar day of the delivery period</p> <p>The Delivery of the Gas will start in minimum three (3) hours of the trade time</p> <p>Products are tradable in the Gas Quality determined in accordance with the Access Code Regulations and its amendments from time to time</p>
17.	<b>Gas Quality</b>	As per Clause 10.8 of Market Rules
18.	<b>Margin Rates</b>	100% transaction value + Charges for daily exposure margin requirements

### 14.1.2 Delivery Procedure

S. No.	Item	Details
1.	<b>Delivery</b>	All contracts are physical contracts and lead to physical deliveries on the specified Exit Point(s). Seller shall be responsible to make the delivery of Gas at the specified Entry Point/Hub(s).
		Trade once executed shall not be revised and shall be sent for scheduling, and at no point of time, shall be allowed to be revised.
		Nomination for successful trades will be sent for scheduling to the Transporter(s) by IGX in Delivered Transactions. Whereas, the Buyer/ Seller shall send the Nomination to Transporter to the Transporter in case of Ex-hub Transactions.
		The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).
2.	<b>Delivery period</b>	Delivery Period: Within One (1) Gas Day
3.	<b>Delivery point</b>	The Entry Point shall be at the specified physical hub noted in the Order 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 IGX and the Buyer in GTU in case of Delivered Transaction.
4.	<b>Delivery Netting</b>	Not Allowed
5.	<b>Transportation Charges</b>	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
6.	<b>Force majeure</b>	IGX will settle the contract as per final allocation issued by the Transporter(s)
7.	<b>Fines and penalties</b>	IGX will notify fines and penalties through circular

### 14.1.3 Settlement Procedure

S. No.	Item	Details
8.	<b>Payment of Transportation Charges by Members</b>	For Delivered Transactions, applicable Transportation Charges on Scheduled Quantity at the Entry point will be settled by the Members with IGX separately as per the trading calendar as declared by IGX from time to time and subsequently will be paid to the Transporter by IGX.
		For Ex-hub Transactions, Transportation Charges as applicable on Scheduled Quantity at the Entry point will be paid by the Members to the Transporter directly.
9.	<b>Payment of Tax</b>	IGX 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 market to IGX and once the Seller issues the invoice, IGX will release the tax to Seller. IGX will only act as a facilitator in this process.
10.	<b>Funds pay-in by Member/Client</b>	IGX will debit the funds pay-in as per the trading and settlement calendar as declared by the IGX from time to time

11.	<b>Funds pay-out to Member/Client</b>	IGX will debit the funds pay-out as per the trading and settlement calendar as declared by the IGX from time to time
12.	<b>Deviation (overrun/Imbalances) settlement mechanism- Seller imbalance</b>	<p>If seller injects less Quantity than the final Allocated Quantity, then the funds will be adjusted from Seller's Settlement Account.</p> <p>In case, Seller over injects gas at Entry Point, then no compensation will be provided.</p> <p>IGX will refund excess funds as per the difference between Scheduled Quantity and final Allocated Quantity to Member/Client on behalf of Buyer.</p>
13.	<b>Deviation (overrun/Imbalances) settlement mechanism- buyer imbalance</b>	<p>Ex-hub Transaction: Buyer will settle their Imbalances (underdraw/overdraw) 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, then Buyer will pay the full amount against the Scheduled quantity. However, if Buyer overdraws then IGX will settle the Imbalances with Buyer as per the GTU and settlement with the Transporter will be as per the GTA signed between Transporter and IGX.</p> <p>IGX will refund excess funds as per the difference between Scheduled Quantity and Final Allocated Quantity to Member/Client on behalf of Seller.</p>
14.	<b>Delay in payment</b>	In case of delay in the payment from Buyer, IGX has the right to terminate the Contract and liquidate the available cash/non-cash margins for final settlement as per Clause 11.2.10 and 11.2.11
15.	<b>Deferment in Offtake or Delivery</b>	<p>Clause 11.2.12, take or pay, shall be applicable on the buyer in case of deferment</p> <p>In case seller defers in the delivery of the gas the settlement shall take place as per Clause 11.2.13</p>
16.	<b>Special conditions</b>	Each buyer who submits an order in relation to this Product represents and warrants for the purposes of this agreement that the buyer has all necessary rights under agreements with the Gas Transporter at the Delivery Point (as defined) to accept the Transaction Quantity to be delivered to his withdrawal point.

## 14.2 Annexure A-2: Day Ahead Contracts

### 14.2.1 Contract Specifications

S. No.	Item	Details
1.	<b>Segment</b>	Physical delivery based market for Natural Gas
2.	<b>Description</b>	The contracts available on its trading window one day prior for trading on day-ahead basis for delivery of gas on next day
3.	<b>Contract name</b>	Day-Ahead Contracts
4.	<b>Contract code</b>	(DA-HZ, DA-DH, DA-KN, DA-EN, DA-DB) where, DA: Day Ahead <b>Hub Detail:</b> HZ: Hazira Hub DH: Dahej Hub EN: Ennore KN: Kakinada Hub DB: Dabhol Hub etc
5.	<b>Gas Specifications</b>	As per Clause 10.8 of Market Rules
6.	<b>Delivery Period</b>	Contract for Gas Day (24 hrs from 06:00 am to 06:00 am next calendar day)
7.	<b>Delivery Areas</b>	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) EN: Ennore (Landfall: Ennore terminal) KN: Kakinada Hub (Landfall: Kakinada terminal) DB: Dabhol Hub (Landfall :Dabhol terminal)
8.	<b>Trading Hours</b>	Auction trade session: 10:00 to 12:00 as per trading calendar
9.	<b>Trading Session</b>	On each trading day, one/multiple trading session(s) will be made available to the Members for bidding
10.	<b>Trading Day</b>	A day before delivery day or as per trading calendar declared by IGX from time to time
11.	<b>Bidding Process</b>	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.
12.	<b>Matching model</b>	Double sided Uniform Price Auction method
13.	<b>Underlying</b>	Natural gas at the conditions of the Transporter of the concerned delivery area
14.	<b>Negative prices</b>	Negative Prices not allowed
15.	<b>Contract Volumes units</b>	MMBTU per day
16.	<b>Contract volume</b>	lot size basis
17.	<b>Lot size</b>	100 MMBTU
18.	<b>Maximum bid size</b>	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.
19.	<b>Volume tick</b>	One lot size (i.e. Volume Tick = 100 MMBTU)
20.	<b>Price unit</b>	INR/MMBTU

21.	<b>Price tick</b>	1 INR/MMBTU
22.	<b>Trade Volume</b>	Number of lots x lot size
23.	<b>Partial acceptance of Orders</b>	Permitted if specified in the Order
24.	<b>Trade Value</b>	Trade Volume x Trade Price
25.	<b>Settlement</b>	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point
26.	<b>Exposure for trading</b>	Cumulative value of Initial Margin+ Bank Balance details received from bank+ Non cash collateral less haircut factor
27.	<b>Margins for Delivered Transactions</b>	<p>Margins will be collected on trade day.</p> <p>Computation of Buyer's Margin:</p> <p>Computation of Buyer's Margin will be specified as per the Settlement Calendar issued from time to time</p> <p>Computation of Seller's Margin:</p> <p>Computation of Seller's Margin will be specified as per the Settlement Calendar issued from time to time</p>
28.	<b>Margins for Ex-hub Transactions</b>	<p>Margins will be collected on trade day.</p> <p>Computation of Buyer's Margin:</p> <p>Computation of Buyer's Margin will be specified as per the Settlement Calendar issued from time to time</p>
29.	<b>Transaction fees</b>	Fees payable by Seller or Buyer to IGX for the Allocated/Re-allocated Quantity approved by Transporter at Entry Point or Exit Point as specified by IGX from time to time.

#### 14.2.2 Delivery Procedure

S. No.	Item	Details
30.	<b>Delivery</b>	<p>All contracts are physical contracts and lead to physical deliveries on the specified Exit Point(s). Seller shall be responsible to make the delivery of Gas at the specified Entry Points/ Hub(s).</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>Nomination for successful trades will be sent for scheduling to the Transporter(s) by IGX in Delivered Transactions. Whereas, the Buyer shall send the Nomination to Transporter to the 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>
31.	<b>Delivery period</b>	<p>Delivery Period: One (1) Gas Day</p> <p>Delivery is made equally each hour throughout the delivery period</p>

32.	<b>Delivery point</b>	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 IGX and the Buyer in GTU in case of Delivered Transaction.
33.	<b>Delivery Netting</b>	Not Allowed
34.	<b>Transportation Charges</b>	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
35.	<b>Force majeure</b>	IGX will settle the contract as per final Allocation issued by the Transporter(s)
36.	<b>Fines and penalties</b>	IGX will notify fines and penalties through circular

#### 14.2.3 Settlement Procedure

S. No.	Item	Details
37.	<b>Payment of Transportation Charges by Members</b>	For Delivered Transactions, applicable Transportation Charges on Scheduled Quantity at the Entry point will be settled by the Members with IGX separately as per the trading calendar as declared by IGX from time to time and subsequently will be paid to the Transporter by IGX.
		For Ex-hub Transactions, Transportation Charges as applicable on Scheduled Quantity at the Entry point will be paid by the Members to the Transporter directly.
38.	<b>Payment of Tax</b>	IGX 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 market to IGX and once the Seller issues the invoice, IGX will release the tax to Seller. IGX will only act as a facilitator in this process.
39.	<b>Funds pay-in by Member/Client</b>	IGX will debit the funds pay-in as per the trading and settlement calendar as declared by the IGX from time to time
40.	<b>Funds pay-out to Member/Client</b>	IGX will credit the funds pay-out as per the trading and settlement calendar as declared by the IGX from time to time
41.	<b>Deviation (overrun/Imbalances) settlement mechanism- Seller imbalance</b>	If seller injects less Quantity than the final Allocated Quantity, then the funds will be adjusted from Seller's Settlement Account.
		In case, Seller over injects gas at Entry Point, then no compensation will be provided.
		IGX will refund excess funds as per the difference between Scheduled Quantity and final Allocated Quantity to Member/Client on behalf of Buyer.

42.	<b>Deviation (overrun/Imbalances) settlement mechanism- buyer imbalance</b>	<p>Ex-hub Transaction: Buyer will settle their Imbalances (underdrawl/overdrawl) 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, then Buyer will pay the full amount against the Scheduled quantity. However, if Buyer overdraws then IGX will settle the Imbalances with Buyer as per the GTU and settlement with the Transporter will be as per the GTA signed between Transporter and IGX.</p> <p>IGX will refund excess funds as per the difference between Scheduled Quantity and Final Allocated Quantity to Member/ Client on behalf of Seller.</p>
43.	<b>Delay in payment</b>	In case of delay in the payment from Buyer, IGX has the right to terminate the Contract and liquidate the available cash/non-cash margins for final settlement as per Clause 11.2.10 and 11.2.11
44.	<b>Deferment in Offtake or Delivery</b>	<p>Clause 11.2.12, take or pay, shall be applicable on the buyer in case of deferment</p> <p>In case seller defers in the delivery of the gas the settlement shall take place as per Clause 11.2.13</p>
45.	<b>Special conditions</b>	Each buyer who submits an order in relation to this Product represents and warrants for the purposes of this agreement that the buyer has all necessary rights under agreements with the Gas Transporter at the Delivery Point (as defined) to accept the Transaction Quantity to be delivered to his withdrawal point.

### 14.3 Annexure A-3: Daily Contracts

#### 14.3.1 Contract Specifications

S. No.	Item	Details
1.	<b>Segment</b>	Physical delivery based market for Natural Gas
2.	<b>Description</b>	The contracts available for trading up to a period specified by IGX for delivery of gas for defined blocks of hours of a day
3.	<b>Contract name</b>	Daily – DL (Monday, Tuesday, Wednesday, Thursday, Friday, Saturday, Sunday)
4.	<b>Contract code</b>	(DL-HZ, DL-DH, DL-KN, DL-EN, DL-DB ) where, DL: Daily <b>Hub Detail:</b> HZ: Hazira Hub DH: Dahej Hub EN: Ennore KN: Kakinada Hub DB:Dabhol Hub etc
5.	<b>Gas Specifications</b>	As per Clause 10.8 of Market Rules
6.	<b>Delivery Period</b>	Contract for Gas Day (24 hrs from 06:00 am to 06:00 am)
7.	<b>Delivery areas</b>	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) EN: Ennore (Landfall: Ennore terminal) KN: Kakinada Hub (Landfall: Kakinada terminal) DB: Dabhol Hub (Landfall Dabhol)
8.	<b>Trading hours</b>	Auction trade session: 10:00 to 12:00, as per trading calendar. Daily Contracts will be rolling in nature.
9.	<b>Trading session</b>	On each trading day, one/multiple trading session(s) will be made available to the members for bidding
10.	<b>Trading Day</b>	Four(4) day before the delivery start date on rolling basis or as per trading calendar declared by IGX from time to time
11.	<b>Bidding process</b>	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.
12.	<b>Matching model</b>	Double sided Uniform Price Auction method  Each trade will be sent for scheduling, on trade to trade basis
13.	<b>Underlying</b>	Natural gas at the conditions of the Transporter (pipeline operators) of the concerned delivery area
14.	<b>Negative prices</b>	Negative Prices not allowed
15.	<b>Contract Volumes units</b>	MMBTU per day
16.	<b>Contract volume</b>	100 MMBTU
17.	<b>Lot size</b>	One (1) lot size (i.e. Min Volume = 100 MMBTU)
18.	<b>Maximum bid size</b>	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.
19.	<b>Volume tick</b>	One (1) lot size (i.e. Volume Tick = 100 MMBTU)

20.	<b>Price unit</b>	INR/MMBTU
21.	<b>Price tick</b>	1 INR/MMBTU
22.	<b>Total Volume</b>	= Number of Lots x Lot size x Number of delivery days of the Contract
23.	<b>Partial acceptance of Orders</b>	Permitted if specified in the Order
24.	<b>Trade Value</b>	Trade Volume x Trade Price
25.	<b>Settlement</b>	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point
26.	<b>Exposure for trading</b>	Cumulative value of Initial Margin+ Bank Balance details received from bank+ Non cash collateral less haircut factor
27.	<b>Margins for Delivered Transactions</b>	Margins will be collected on trade day.  Computation of Buyer's Margin:  Computation of Buyer's Margin will be specified as per the Settlement Calendar issued from time to time
		Computation of Seller's Margin:  Computation of Seller's Margin will be specified as per the Settlement Calendar issued from time to time
28.	<b>Margins for Ex-hub Transactions</b>	Margins will be collected on trade day.  Computation of Buyer's Margin:  Computation of Buyer's Margin will be specified as per the Settlement Calendar issued from time to time
		Computation of Seller's Margin:  Computation of Seller's Margin will be specified as per the Settlement Calendar issued from time to time
29.	<b>Transaction fees</b>	Fees payable by Seller or Buyer to IGX for the Allocated/Re-allocated Quantity approved by Transporter at Entry Point or Exit Point as specified by IGX from time to time.

### 14.3.2 Delivery Procedure

S. No.	Item	Details
30.	<b>Delivery</b>	All contracts are physical contracts and lead to physical deliveries on the specified Entry Point(s). Seller shall be responsible to make the delivery of Gas at the specified Hub(s).
		Trade once executed shall not be revised and shall be sent for scheduling, and at no point of time, excluding the Force Majeure, during the contract period shall be allowed to be revised.
		Nomination for successful trades will be sent for scheduling to the Transporter(s) by IGX in Delivered Transactions. Whereas, the Buyer shall send the Nomination to Transporter to the Transporter in case of Ex-hub Transactions.
		The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).
31.	<b>Delivery period</b>	Delivery Period: 1 Gas Day
		Delivery occurs each calendar day of the delivery period
		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
		Delivery is made equally each hour throughout the delivery period.
32.	<b>Delivery point</b>	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 IGX and the Buyer in GTU in case of Delivered Transaction.
33.	<b>Delivery Netting</b>	Not Allowed
34.	<b>Transportation Charges</b>	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.
35.	<b>Force majeure</b>	IGX will settle the contract as per final Allocation issued by the Transporter
36.	<b>Fines and penalties</b>	IGX will notify fines and penalties through circular

### 14.3.3 Settlement Procedure

S. No.	Item	Details
37.	<b>Payment of Transportation Charges by Members</b>	For Delivered Transactions, applicable Transportation Charges on Scheduled Quantity at the Entry point will be settled by the members with IGX separately as per the trading calendar as declared by IGX from time to time and subsequently will be paid to the Transporter by IGX.
		For Ex-hub Transactions, Transportation Charges as applicable on Scheduled Quantity at the Entry point will be paid by the Members to the Transporter directly.
38.	<b>Payment of Tax</b>	IGX 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 market to IGX and once the Seller issues the invoice, IGX will release the tax to Seller. IGX will only act as a facilitator in this process.

39.	<b>Funds pay-in by Member/Client</b>	IGX will debit the funds pay-in as per the trading and settlement calendar as declared by the IGX from time to time
40.	<b>Funds pay-out to Member/Client</b>	IGX will credit the funds pay-out as per the trading and settlement calendar as declared by the IGX from time to time
41.	<b>Deviation (overrun/Imbalances) settlement mechanism- Seller imbalance</b>	<p>If seller injects less Quantity than the final Allocated Quantity, then the funds will be adjusted from Seller's Settlement Account.</p> <p>In case, Seller over injects gas at Entry Point, then no compensation will be provided.</p> <p>IGX will refund excess funds as per the difference between Scheduled Quantity and final Allocated Quantity to Member/Client on behalf of Buyer.</p>
42.	<b>Deviation (overrun/Imbalances) settlement mechanism- buyer imbalance</b>	<p>Ex-hub Transaction: Buyer will settle their Imbalances (underdraw/overdraw) 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, then Buyer will pay the full amount against the Scheduled quantity. However, if Buyer overdraws then IGX will settle the Imbalances with Buyer as per the GTU and settlement with the Transporter will be as per the GTA signed between Transporter and IGX.</p> <p>IGX will refund excess funds as per the difference between Scheduled Quantity and Final Allocated Quantity to Member/Client on behalf of Seller.</p>
43.	<b>Delay in payment</b>	In case of delay in the payment from Buyer, IGX has the right to terminate the Contract and liquidate the available cash/non-cash margins for final settlement as per Clause 11.2.10 and 11.2.11
44.	<b>Deferment in Offtake or Delivery</b>	<p>Clause 11.2.12, take or pay, shall be applicable on the buyer in case of deferment</p> <p>In case seller defers in the delivery of the gas the settlement shall take place as per Clause 11.2.13</p>
45.	<b>Special conditions</b>	Each buyer who submits an order in relation to this Product represents and warrants for the purposes of this agreement that the buyer has all necessary rights under agreements with the Gas Transporter at the Delivery Point (as defined) to accept the Transaction Quantity to be delivered to his withdrawal point.

## 14.4 Annexure A-4: Weekly Contracts

### 14.4.1 Contract Specifications

S. No.	Item	Details
1.	<b>Segment</b>	Physical delivery based market for Natural Gas
2.	<b>Description</b>	The contracts available for trading maximum up to a period specified by the IGX for delivery of gas for defined blocks of hours on all defined week-days (7 days) of the week.
3.	<b>Contract name</b>	Weekly – WK (All week days next week)
4.	<b>Contract code</b>	(WK--HZ, WK-DH,WK-KN,WK-EN,WK-DB)  where,WK-Weekly <b>Hub Detail:</b> HZ: Hazira Hub DH: Dahej Hub EN: Ennore KN: Kakinada Hub DB: Dabhol Hub etc
5.	<b>Gas Specifications</b>	As per Clause 10.8 of Market Rules
6.	<b>Delivery Period</b>	Contract for Gas Day (24 hrs from 06:00 am to 06:00 am for seven (7) days)
7.	<b>Delivery areas</b>	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) EN: Ennore (Landfall: Ennore terminal) KN: Kakinada Hub (Landfall: Kakinada terminal)  DB: Dabhol Hub(Landfall: Dabhol)
8.	<b>Trading hours</b>	Auction trade session: 10:00 to 12:00, as per the trading calendar declared by the IGX from time to time
9.	<b>Trading session</b>	On each trading day, one/multiple trading session(s) will be made available to the members for bidding
10.	<b>Trading Day</b>	Five(5) day before the delivery start date or as per trading calendar declared by IGX from time to time
11.	<b>Bidding process</b>	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.
12.	<b>Matching model</b>	Double sided Uniform Price Auction method
13.	<b>Underlying</b>	Natural gas at the conditions of the Transporter of the concerned delivery area
14.	<b>Negative prices</b>	Negative Prices not allowed
15.	<b>Contract Volumes units</b>	MMBTU per day
16.	<b>Contract volume</b>	Lot size basis
17.	<b>Lot size</b>	100 MMBTU
18.	<b>Maximum bid size</b>	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.

19.	<b>Volume tick</b>	1 contract (i.e. Volume Tick = 100 MMBTU)
20.	<b>Price unit</b>	INR/MMBTU
21.	<b>Price tick</b>	1 INR/MMBTU
22.	<b>Total Volume</b>	= Number of Lots x Lot size x Number of delivery days of the Contract
23.	<b>Partial acceptance of Orders</b>	Permitted if specified in the Order
24.	<b>Trade Value</b>	Trade Volume x Trade Price
25.	<b>Settlement</b>	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point
26.	<b>Exposure for trading</b>	Cumulative value of Initial Margin+ Bank Balance details received from bank+ Non cash collateral less haircut factor
27.	<b>Margins for Delivered Transactions</b>	Margins will be collected on trade day.  Computation of Buyer's Margin will be specified as per the Settlement Calendar issued from time to time
		Computation of Seller's Margin  will be specified as per the Settlement Calendar issued from time to time Seller shall keep non-cash (Bank Guarantee/LC) as collaterals with the IGX
28.	<b>Margins for Ex-hub Transactions</b>	Margins will be collected on trade day and will be specified as per the Settlement Calendar issued from time to time  Buyer shall keep non-cash (Bank Guarantee/LC) as collaterals with the IGX
		Computation of Seller's Margin will be specified as per the Settlement Calendar issued from time to time  Seller shall keep non-cash (Bank Guarantee/LC) as collaterals with the IGX
29.	<b>Transaction fees</b>	Fees payable by Seller or Buyer to IGX for the Allocated/Re-allocated Quantity approved by Transporter at Entry or Exit Point as specified by the IGX from time to time

#### 14.4.2 Delivery Procedure

S No.	Item	Details
30.	<b>Delivery</b>	All contracts are physical contracts and lead to physical deliveries on the specified Exit Point(s). Seller shall be responsible to make the delivery of Gas at the specified Hub(s).
		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.
		Nomination for successful trades will be sent for scheduling to the Transporter(s) by the IGX in Delivered Transactions. Whereas, the Buyer shall send the Nomination to Transporter to the Transporter in case of Ex-hub Transactions.
		The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).
31.	<b>Delivery period</b>	Delivery Period: Seven (7) Consecutive Gas Days
		Delivery occurs each calendar day of the delivery period
		Delivery is made equally each hour throughout the delivery period.
32.	<b>Delivery point</b>	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 IGX and the Buyer in GTU in case of Delivered Transaction.
33.	<b>Delivery Netting</b>	Not Allowed
34.	<b>Transportation Charges</b>	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
35.	<b>Force majeure</b>	The IGX will settle the contract as per final schedule issued by Transporter(s)
36.	<b>Fines and penalties</b>	The IGX will notify fines and penalties through circular

#### 14.4.3 Settlement Procedure

S No.	Item	Details
37.	<b>Payment of Transportation Charges by Members</b>	For Delivered Transactions, applicable Transportation Charges on Scheduled Quantity at the Entry point will be settled by the members with the IGX separately as per the trading calendar as declared by the IGX from time to time and subsequently will be paid to the Transporter by the IGX.
		For Ex-hub Transactions, Transportation Charges as applicable on Scheduled Quantity at the Entry point will be paid by the Members to the Transporter directly.
38.	<b>Payment of Tax</b>	IGX 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 market to IGX and once the Seller issues the invoice, IGX will release the tax to Seller. IGX will only act as a facilitator in this process.

39.	<b>Funds pay-in by Member/Client</b>	IGX will debit the funds pay-in as per the trading and settlement calendar as declared by the IGX from time to time
40.	<b>Funds pay-out to Member/Client</b>	IGX will credit the funds pay-out as per the trading and settlement calendar as declared by the IGX from time to time
41.	<b>Deviation (overrun/Imbalances) settlement mechanism- Seller imbalance</b>	<p>If seller injects less Quantity than the final Allocated Quantity, then the funds will be adjusted from Seller's Settlement Account.</p> <p>In case, Seller over injects gas at Entry Point, then no compensation will be provided.</p> <p>The IGX will refund excess funds as per the difference between Scheduled Quantity and final Allocated Quantity to Member/Client on behalf of Buyer.</p>
42.	<b>Deviation (overrun/Imbalances) settlement mechanism- buyer imbalance</b>	<p>Ex-hub Transaction: Buyer will settle their Imbalances (underdraw/overdraw) 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, then Buyer will pay the full amount against the Scheduled quantity. However, if Buyer overdraws then the IGX will settle the Imbalances with Buyer as per the GTU and settlement with the Transporter will be as per the GTA signed between Transporter and the IGX.</p> <p>The IGX will refund excess funds as per the difference between Scheduled Quantity and Final Allocated Quantity to Member/Client on behalf of Seller.</p>
43.	<b>Delay in payment</b>	In case of delay in the payment from Buyer, the IGX has the right to terminate the Contract and liquidate the available cash/ non-cash margins for final settlement as per Clause 11.2.10 and 11.2.11
44.	<b>Deferment in Offtake or Delivery</b>	<p>Clause 11.2.12, take or pay, shall be applicable on the buyer in case of deferment</p> <p>In case seller defers in the delivery of the gas the settlement shall take place as per Clause 11.2.13</p>
45.	<b>Special conditions</b>	Each buyer who submits an order in relation to this Product represents and warrants for the purposes of this agreement that the buyer has all necessary rights under agreements with the Gas Transporter at the Delivery Point (as defined) to accept the Transaction Quantity to be delivered to his withdrawal point.

## 14.5 Annexure A-5: Weekday

### 14.5.1 Contract Specifications

S. No.	Item	Details
1.	<b>Segment</b>	Physical delivery based market for Natural Gas
2.	<b>Description</b>	The contracts available for trading maximum up to a period specified by the IGX for delivery of gas for defined blocks of hours on all defined week-days (5 days) of the week
3.	<b>Contract name</b>	Weekdays-WD/NW (Monday-Friday)
4.	<b>Contract code</b>	(WD-HZ,WD-DH,WD-EN,WD-KN,WD-DB)where,  WD-Week day <b>Hub Detail:</b> HZ: Hazira Hub  DH: Dahej Hub EN: Ennore KN: Kakinada Hub  DB:Dabhol Hub etc
5.	<b>Gas Specifications</b>	As per Clause 10.8 of Market Rules
6.	<b>Delivery Period</b>	Contract for Gas Day (24 hrs from 06:00 am to 06:00 for five (5) days)
7.	<b>Delivery areas</b>	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) EN: Ennore (Landfall: Ennore terminal) KN: Kakinada Hub (Landfall: Kakinada terminal)  DB: Dabhol Hub(Landfall: Dabhol)
8.	<b>Trading hours</b>	Auction trade session: 10:00 to 12:00 as per the trading calendar declared by the IGX from time to time
9.	<b>Trading session</b>	On each trading day, one/multiple trading session(s) will be made available to the members for bidding
10.	<b>Trading Day</b>	Five (5) day before the delivery start date or as per trading calendar declared by IGX from time to time
11.	<b>Bidding process</b>	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.
12.	<b>Matching model</b>	Double sided Uniform Price Auction method
13.	<b>Underlying</b>	Natural gas at the conditions of the Transporter of the concerned delivery area
14.	<b>Negative prices</b>	Negative Prices not allowed
15.	<b>Contract Volumes units</b>	MMBTU per day
16.	<b>Contract volume</b>	Lot size basis
17.	<b>Lot size</b>	100 MMBTU

18.	<b>Maximum bid size</b>	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.
19.	<b>Volume tick</b>	1 contract (i.e. Volume Tick = 100 MMBTU)
20.	<b>Price unit</b>	INR/MMBTU
21.	<b>Price tick</b>	1 INR/MMBTU
22.	<b>Total Volume</b>	= Number of Lots x Lot size x Number of delivery days of the Contract
23.	<b>Partial acceptance of Orders</b>	Permitted if specified in the Order.
24.	<b>Trade Value</b>	Trade Volume x Trade Price
25.	<b>Settlement</b>	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point
26.	<b>Exposure for trading</b>	Cumulative value of Initial Margin+ Bank Balance details received from bank+ Non cash collateral less haircut factor
27.	<b>Margins for Delivered Transactions</b>	<p>Margins will be collected on trade day.</p> <p>Computation of Buyer's Margin:</p> <p>Computation of Buyer's Margin will be specified as per the Settlement Calendar issued from time to time</p> <hr/> <p>Computation of Seller's Margin:</p> <p>Computation of Seller's Margin will be specified as per the Settlement Calendar issued from time to time</p>
28.	<b>Margins for Ex-hub Transactions</b>	<p>Margins will be collected on trade day.</p> <p>Computation of Buyer's Margin:</p> <p>Computation of Buyer's Margin will be specified as per the Settlement Calendar issued from time to time</p> <hr/> <p>Computation of Seller's Margin:</p> <p>Computation of Seller's Margin will be specified as per the Settlement Calendar issued from time to time</p>
29.	<b>Transaction fees</b>	Fees payable by Seller or Buyer to IGX for the Allocated/Re-allocated Quantity approved by Transporter at Entry or Exit Point as specified by the IGX from time to time

### 14.5.2 Delivery Procedure

S. No.	Item	Details
30.	<b>Delivery</b>	All contracts are physical contracts and lead to physical deliveries on the specified Exit Point(s). Seller shall be responsible to make the delivery of Gas at the specified Hub(s).
		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.
		Nomination for successful trades will be sent for scheduling to the Transporter(s) by the IGX in Delivered Transactions. Whereas, the Buyer shall send the Nomination to Transporter to the Transporter in case of Ex-hub Transactions.
		The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).
31.	<b>Delivery period</b>	Delivery Period: Five (5) Consecutive Gas Days, beginning on 06:00 IST on a Monday
		Delivery occurs each calendar day of the delivery period
		Delivery is made equally each hour throughout the delivery period
32.	<b>Delivery point</b>	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 IGX and the Buyer in GTU in case of Delivered Transaction.
33.	<b>Delivery Netting</b>	Not Allowed
34.	<b>Transportation Charges</b>	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
35.	<b>Force majeure</b>	The IGX will settle the contract as per final schedule issued by Transporter(s)
36.	<b>Fines and penalties</b>	The IGX will notify fines and penalties through circular

### 14.5.3 Settlement Procedure

S. No.	Item	Details
37.	<b>Payment of Transportation Charges by Members</b>	For Delivered Transactions, applicable Transportation Charges on Scheduled Quantity at the Entry point will be settled by the members with the IGX separately as per the trading calendar as declared by the IGX from time to time and subsequently will be paid to the Transporter by the IGX.
		For Ex-hub Transactions, Transportation Charges as applicable on Scheduled Quantity at the Entry point will be paid by the Members to the Transporter directly.
38.	<b>Payment of Tax</b>	IGX 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 market to IGX and once the Seller issues the invoice, IGX will release the tax to Seller. IGX will only act as a facilitator in this process.

39.	<b>Funds pay-in by Member/Client</b>	IGX will debit the funds pay-in as per the trading and settlement calendar as declared by the IGX from time to time
40.	<b>Funds pay-out to Member/Client</b>	IGX will credit the funds pay-out as per the trading and settlement calendar as declared by the IGX from time to time
41.	<b>Deviation (overrun/Imbalances) settlement mechanism- Seller imbalance</b>	<p>If seller injects less Quantity than the final Allocated Quantity, then the funds will be adjusted from Seller's Settlement Account.</p> <p>In case, Seller over injects gas at Entry Point, then no compensation will be provided.</p> <p>The IGX will refund excess funds as per the difference between Scheduled Quantity and final Allocated Quantity to Member/Client on behalf of Buyer.</p>
42.	<b>Deviation (overrun/Imbalances) settlement mechanism- buyer imbalance</b>	<p>Ex-hub Transaction: Buyer will settle their Imbalances (underdraw/overdraw) 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, then Buyer will pay the full amount against the Scheduled quantity. However, if Buyer overdraws then the IGX will settle the Imbalances with Buyer as per the GTU and settlement with the Transporter will be as per the GTA signed between Transporter and the IGX.</p> <p>The IGX will refund excess funds as per the difference between Scheduled Quantity and Final Allocated Quantity to Member/Client on behalf of Seller.</p>
43.	<b>Delay in payment</b>	In case of delay in the payment from Buyer, the IGX has the right to terminate the Contract and liquidate the available cash/non-cash margins for final settlement as per Clause 11.2.10 and 11.2.11
44.	<b>Deferment in Offtake or Delivery</b>	<p>Clause 11.2.12, take or pay, shall be applicable on the buyer in case of deferment</p> <p>In case seller defers in the delivery of the gas the settlement shall take place as per Clause 11.2.13</p>
45.	<b>Special conditions</b>	Each buyer who submits an order in relation to this Product represents and warrants for the purposes of this agreement that the buyer has all necessary rights under agreements with the Gas Transporter at the Delivery Point (as defined) to accept the Transaction Quantity to be delivered to his withdrawal point.

## 14.6 Annexure A-6 Fortnightly

### 14.6.1 Contract Specifications

S. No.	Item	Details
1.	<b>Segment</b>	Physical delivery based market for Natural Gas
2.	<b>Description</b>	The contracts available for trading maximum up to a period specified by the IGX for delivery of gas for defined blocks of hours for a period of fifteen (15) days
3.	<b>Contract name</b>	Fortnightly
4.	<b>Contract code</b>	(FN-HZ, FN-DH, FN-EN, FN-KN, FN-DB where, FN: Fortnightly <b>Hub Detail:</b> HZ: Hazira Hub DH: Dahej Hub EN: Ennore KN: Kakinada Hub DB: Dabhol Hub etc
5.	<b>Gas Specifications</b>	As per Clause 10.8 of Market Rules
6.	<b>Contract Period</b>	Contract for Gas Day (24 hrs from 06:00 am to 06:00 am for next fortnight or remaining days of the month
7.	<b>Delivery areas</b>	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) EN: Ennore (Landfall: Ennore terminal) KN: Kakinada Hub (Landfall: Kakinada terminal) DB: Dabhol Hub(Landfall:Dabhol terminal)
8.	<b>Trading hours</b>	Auction trade session: 10:00 to 12:00 as per the trading calendar
9.	<b>Trading session</b>	On each trading day, one/multiple trading session(s) will be made available to the Members for bidding
10.	<b>Trading Day</b>	Five (5) days before the delivery start date or as per trading calendar declared by IGX from time to time
11.	<b>Bidding process</b>	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.
12.	<b>Matching model</b>	Double sided Uniform Price Auction method
13.	<b>Underlying</b>	Natural gas at the conditions of the Transporter of the concerned delivery area
14.	<b>Negative prices</b>	Negative Prices not allowed
15.	<b>Contract Volumes units</b>	MMBTU per day
16.	<b>Contract volume</b>	Lot size basis
17.	<b>Lot size</b>	100 MMBTU
18.	<b>Maximum bid size</b>	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.
19.	<b>Volume tick</b>	One (1) lot (i.e. Volume Tick = 100 MMBTU)

20.	<b>Price unit</b>	INR/MMBTU
21.	<b>Price tick</b>	1 INR/MMBTU
22.	<b>Total Volume</b>	= Number of lots x Lot size x Number of delivery days of the Contract
23.	<b>Partial acceptance of Orders</b>	Permitted if specified in the Order
24.	<b>Trade Value</b>	Trade Volume x Trade Price x No. of days
25.	<b>Settlement</b>	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point
26.	<b>Exposure for trading</b>	Cumulative value of Initial Margin+ Bank Balance details received from bank+ Non cash collateral less haircut factor
27.	<b>Margins for Delivered Transactions</b>	Margins will be collected on trade day
		<p>Computation of Buyer's Margin:</p> <p>Computation of Buyer's Margin will be specified as per the Settlement Calendar issued from time to time</p>
		<p>Computation of Seller's Margin:</p> <p>Computation of Seller's Margin will be specified as per the Settlement Calendar issued from time to time</p>
28.	<b>Margins for Ex-hub Transactions</b>	Margins will be collected on trade day.
		<p>Computation of Buyer's Margin:</p> <p>Computation of Buyer's Margin will be specified as per the Settlement Calendar issued from time to time</p>
		<p>Computation of Seller's Margin:</p> <p>Computation of Seller's Margin will be specified as per the Settlement Calendar issued from time to time</p>
29.	<b>Transaction fees</b>	Fees payable by Seller or Buyer to IGX for the Allocated/Re-allocated Quantity approved by Transporter at Entry or Exit Point as specified by the IGX from time to time

#### 14.6.2 Delivery Procedure

S. No.	Item	Details
30.	<b>Delivery</b>	All contracts are physical contracts and lead to physical deliveries on the specified Exit Point(s). Seller shall be responsible to make the delivery of Gas at the specified Hub(s).
		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.
		Nomination for successful trades will be sent for scheduling to the Transporter(s) by the IGX in Delivered Transactions. Whereas, the Buyer shall send the Nomination to Transporter to the Transporter in case of Ex-hub Transactions.
		The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).
31.	<b>Delivery period</b>	Delivery Period: 15 Consecutive Gas Days
		Delivery occurs each calendar day of the delivery period
		Delivery is made equally each hour throughout the delivery period
32.	<b>Delivery point</b>	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 IGX and the Buyer in GTU in case of Delivered Transaction.
33.	<b>Delivery Netting</b>	Not Allowed
34.	<b>Transportation Charges</b>	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
35.	<b>Force majeure</b>	The IGX will settle the contract as per final Allocation issued by the Transporter(s)
36.	<b>Fines and penalties</b>	The IGX will notify fines and penalties through circular

#### 14.6.3 Settlement Procedure

S. No.	Item	Details
37.	<b>Payment of Transportation Charges by Members</b>	For Delivered Transactions, applicable Transportation Charges on Scheduled Quantity at the Entry point will be settled by the members with the IGX separately as per the trading calendar as declared by the IGX from time to time and subsequently will be paid to the Transporter by the IGX.
		For Ex-hub Transactions, Transportation Charges as applicable on Scheduled Quantity at the Entry point will be paid by the Members to the Transporter directly.
38.	<b>Payment of Tax</b>	IGX 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 market to IGX and once the Seller issues the invoice, IGX will release the tax to Seller. IGX will only act as a facilitator in this process.

39.	<b>Funds pay-in by Member/Client</b>	IGX will debit the funds pay-in as per the trading and settlement calendar as declared by the IGX from time to time
40.	<b>Funds pay-out to Member/Client</b>	IGX will credit the funds pay-out as per the trading and settlement calendar as declared by the IGX from time to time
41.	<b>Deviation (overrun/Imbalances) settlement mechanism- Seller imbalance</b>	<p>If seller injects less Quantity than the final Allocated Quantity, then the funds will be adjusted from Seller's Settlement Account.</p> <p>In case, Seller over injects gas at Entry Point, then no compensation will be provided.</p> <p>The IGX will refund excess funds as per the difference between Scheduled Quantity and final Allocated Quantity to Member/Client on behalf of Buyer.</p>
42.	<b>Deviation (overrun/Imbalances) settlement mechanism- buyer imbalance</b>	<p>Ex-hub Transaction: Buyer will settle their Imbalances (underdraw/overdraw) 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, then Buyer will pay the full amount against the Scheduled quantity. However, if Buyer overdraws then the IGX will settle the Imbalances with Buyer as per the GTU and settlement with the Transporter will be as per the GTA signed between Transporter and the IGX.</p> <p>The IGX will refund excess funds as per the difference between Scheduled Quantity and Final Allocated Quantity to Member/Client on behalf of Seller.</p>
43.	<b>Delay in payment</b>	In case of delay in the payment from Buyer, the IGX has the right to terminate the Contract and liquidate the available cash/ non-cash margins for final settlement as per Clause 11.2.10 and 11.2.11
44.	<b>Deferment in Offtake or Delivery</b>	<p>Clause 11.2.12, take or pay, shall be applicable on the buyer in case of deferment</p> <p>In case seller defers in the delivery of the gas the settlement shall take place as per Clause 11.2.13</p>
45.	<b>Special conditions</b>	Each buyer who submits an order in relation to this Product represents and warrants for the purposes of this agreement that the buyer has all necessary rights under agreements with the Gas Transporter at the Delivery Point (as defined) to accept the Transaction Quantity to be delivered to his withdrawal point.

## 14.7 Annexure A-7 Monthly

### 14.7.1 Contract Specifications

S. No.	Item	Details
1.	<b>Segment</b>	Physical delivery based market for Natural Gas
2.	<b>Description</b>	The Contracts available for trading maximum up to a period specified by the IGX for delivery of gas for defined blocks of hours for the entire period of the month
3.	<b>Contract name</b>	Monthly
4.	<b>Contract code</b>	(MN-HZ,MN-DH,MN-EN,MN-KN,MN-DB ) where, MN: Monthly <b>Hub Detail:</b> HZ: Hazira Hub DH: Dahej Hub EN: Ennore KN: Kakinada Hub DB: Dabhol hub etc
5.	<b>Gas Specifications</b>	As per Clause 10.8 of Market Rules
6.	<b>Delivery Period</b>	Contract for Gas Day (24 hrs from 06:00 am to 06:00 am for a month)
7.	<b>Delivery areas</b>	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) EN: Ennore (Landfall: Ennore terminal) KN: Kakinada Hub (Landfall: Kakinada terminal)  DB:Dabhol Hub (Landfall:Dabhol terminal)
8.	<b>Trading hours</b>	Auction trade session: 10:00 to 12:00 on trading day as per the trading calendar declared by the IGX from time to time
9.	<b>Trading session</b>	On each trading day, one/multiple trading session(s) will be made available to the Members for bidding
10.	<b>Trading Day</b>	Nine (9) day before the delivery start date or as per the trading calendar declared by the IGX from time to time
11.	<b>Bidding process</b>	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.
12.	<b>Matching Model</b>	Double sided Uniform Price Auction method
13.	<b>Underlying</b>	Natural gas at the conditions of the Transporter of the concerned delivery area
14.	<b>Negative prices</b>	Negative Prices not allowed
15.	<b>Contract Volumes units</b>	MMBTU per day
16.	<b>Contract volume</b>	Lot size basis
17.	<b>Lot size</b>	100 MMBTU
18.	<b>Maximum bid size</b>	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.

19.	<b>Volume tick</b>	One (1) lot (i.e. Volume Tick = 100 MMBTU)
20.	<b>Price unit</b>	INR/MMBTU
21.	<b>Price tick</b>	1 INR/MMBTU
22.	<b>Total Volume</b>	= Number of lots x Lot size x Number of delivery days of the Contract
23.	<b>Partial acceptance of Orders</b>	Permitted if specified in the Order
24.	<b>Trade Value</b>	Trade Volume x Trade Price x No. of days
25.	<b>Settlement</b>	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point
26.	<b>Exposure for trading</b>	Cumulative value of Initial Margin+ Bank Balance details received from bank+Non cash collateral less haircut factor
27.	<b>Margins for Delivered Transactions</b>	<p>Margins will be collected on trade day.</p> <p>Computation of Buyer's Margin:</p> <p>Computation of Buyer's Margin will be specified as per the Settlement Calendar issued from time to time</p> <p>Computation of Seller's Margin:</p> <p>Computation of Seller's Margin will be specified as per the Settlement Calendar issued from time to time</p>
28.	<b>Margins for Ex-hub Transactions</b>	<p>Margins will be collected on trade day.</p> <p>Computation of Buyer's Margin:</p> <p>Computation of Buyer's Margin will be specified as per the Settlement Calendar issued from time to time</p> <p>Computation of Seller's Margin:</p> <p>Computation of Seller's Margin will be specified as per the Settlement Calendar issued from time to time</p>
29.	<b>Transaction fees</b>	Fees payable by Seller or Buyer to IGX for the Allocated/Re-allocated Quantity approved by Transporter at Entry or Exit Point as specified by the IGX from time to time

### 14.7.2 Delivery Procedure

S. No.	Item	Details
30.	<b>Delivery</b>	All contracts are physical contracts and lead to physical deliveries on the specified Exit Point(s). Seller shall be responsible to make the delivery of Gas at the specified Hub(s).
		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.
		Nomination for successful trades will be sent for scheduling to the Transporter(s) by the IGX in Delivered Transactions. Whereas, the Buyer shall send the Nomination to Transporter to the Transporter in case of Ex-hub Transactions.
		The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).
31.	<b>Delivery period</b>	Delivery Period: 30 Consecutive Gas Days
		Delivery occurs each calendar day of the delivery period
		Delivery is made equally each hour throughout the delivery period
32.	<b>Delivery point</b>	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 IGX and the Buyer in GTU in case of Delivered Transaction.
33.	<b>Delivery Netting</b>	Not Allowed
34.	<b>Application fees and Transportation Charges</b>	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
35.	<b>Force majeure</b>	The IGX will settle the contract as per final Allocation issued by the Transporter(s)
36.	<b>Fines and penalties</b>	The IGX will notify fines and penalties through circular

### 14.7.3 Settlement Procedure

S. No.	Item	Details
37.	<b>Payment of Transportation Charges by Members</b>	For Delivered Transactions, applicable Transportation Charges on Scheduled Quantity at the Entry point will be settled by the members with the IGX separately as per the trading as declared by the IGX from time to time and subsequently will be paid to the Transporter by the IGX.
		For Ex-hub Transactions, Transportation Charges as applicable on Scheduled Quantity at the Entry point will be paid by the Members to the Transporter directly.
38.	<b>Payment of Tax</b>	IGX 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 market to IGX and once the Seller issues the invoice, IGX will release the tax to Seller. IGX will only act as a facilitator in this process.

39.	<b>Funds pay-in by Member/Client</b>	IGX will debit the funds pay-in as per the trading and settlement calendar as declared by the IGX from time to time
40.	<b>Funds pay-out to Member/Client</b>	IGX will credit the funds pay-out as per the trading and settlement calendar as declared by the IGX from time to time
41.	<b>Deviation (overrun/Imbalances) settlement mechanism- Seller imbalance</b>	<p>If seller injects less Quantity than the final Allocated Quantity, then the funds will be adjusted from Seller's Settlement Account.</p> <p>In case, Seller over injects gas at Entry Point, then no compensation will be provided.</p> <p>The IGX will refund excess funds as per the difference between Scheduled Quantity and final Allocated Quantity to Member/Client on behalf of Buyer.</p>
42.	<b>Deviation (overrun/Imbalances) settlement mechanism- buyer imbalance</b>	<p>Ex-hub Transaction: Buyer will settle their Imbalances (underdraw/overdraw) 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, then Buyer will pay the full amount against the Scheduled quantity. However, if Buyer overdraws then the IGX will settle the Imbalances with Buyer as per the GTU and settlement with the Transporter will be as per the GTA signed between Transporter and the IGX.</p> <p>The IGX will refund excess funds as per the difference between Scheduled Quantity and Final Allocated Quantity to Member/Client on behalf of Seller.</p>
43.	<b>Delay in payment</b>	In case of delay in the payment from Buyer, the IGX has the right to terminate the Contract and liquidate the available cash/ non-cash margins for final settlement as per Clause 11.2.10 and 11.2.11
44.	<b>Deferment in Offtake or Delivery</b>	<p>Clause 11.2.12, take or pay, shall be applicable on the buyer in case of deferment</p> <p>In case seller defers in the delivery of the gas the settlement shall take place as per Clause 11.2.13</p>
45.	<b>Special conditions</b>	Each buyer who submits an order in relation to this Product represents and warrants for the purposes of this agreement that the buyer has all necessary rights under agreements with the Gas Transporter at the Delivery Point (as defined) to accept the Transaction Quantity to be delivered to his withdrawal point.

## 14.8 Annexure A-8 Single-sided Auction

### 14.8.1 Contract Specifications

S. No.	Item	Details
1.	<b>Segment</b>	Physical delivery based market for Natural Gas
2.	<b>Description</b>	The Contract will be available for trading up to a maximum period of one (1) year. The initiator of the auction (Buyer/Seller) will decide the maximum period for which the delivery of gas is required.
3.	<b>Contract name</b>	Term Ahead Reverse Auction Contract
4.	<b>Contract code</b>	TAM – RAC <b>Hub Detail:</b> HZ: Hazira Hub DH: Dahej Hub EN: Ennore KN: Kakinada Hub DB: Dabhol Hub etc
5.	<b>Contract type</b>	Firm Delivery. The buyer/seller will be able to procure gas from the GTP by Reverse Auction mechanism
6.	<b>Gas Specifications</b>	As per Clause 10.8 of Market Rules
7.	<b>Contract available for trading</b>	The contract will be made available on the GTP as and when the requisition is received from the Initiator.  The Initiator will have the flexibility to define the contract as per the profile of his requirement for a period of up to one (1) year.
8.	<b>Delivery areas</b>	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) EN: Ennore (Landfall: Ennore terminal) KN: Kakinada Hub (Landfall: Kakinada terminal) DB: Dabhol Hub (Landfall: Dabhol terminal)
9.	<b>Trading hours</b>	Auction trade session: 10:00 to 12:00 on trading day as per the trading calendar declared by the IGX from time to time
10.	<b>Trading session</b>	The Auction trade session will be available on all trading days.  The Auction session will start at least 10 days before start of delivery and end 3 days before start of delivery.
11.	<b>Trading Day</b>	Trading will take place as per the trading calendar declared by the IGX from time to time.
12.	<b>Bidding process</b>	As per paragraph <b>Error! Reference source not found.</b>
13.	<b>Matching Model</b>	The price discovery shall take place through reverse auction (RA) mechanism as per steps provided in paragraph <b>Error! Reference source not found.</b>
14.	<b>Underlying</b>	Natural gas at the conditions of the Transporter of the concerned delivery area
15.	<b>Negative prices</b>	Negative Prices not allowed
16.	<b>Contract Volumes units</b>	MMBTU per day

17.	<b>Contract volume</b>	Lot size basis
18.	<b>Lot size</b>	100 MMBTU
19.	<b>Maximum bid size</b>	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.
20.	<b>Volume tick</b>	1 = 1 MMBTU
21.	<b>Price unit</b>	INR/MMBTU
22.	<b>Price tick</b>	1 INR/MMBTU
23.	<b>Total Contract Volume</b>	= Quantity x Number of delivery days of the Contract
24.	<b>Partial acceptance of Orders</b>	Permitted if specified in the Order
25.	<b>Trade Value</b>	Trade Volume x Trade Price x No. of days
26.	<b>Settlement</b>	Trade price x Quantity Allocated/Re-allocated by Transporter at Delivery Point
27.	<b>Exposure for trading</b>	Cumulative value of Initial Margin+ Bank Balance details received from bank+Non cash collateral less haircut factor
28.	<b>Margins for Delivered Transactions</b>	Margins will be collected on trade day.
		Computation of Buyer's Margin:  <b>Ten (10) days trade value + other taxes and charges (Transportation Charges + IGX's Transaction Fee + Applicable Taxes)</b>  Ten (10) days of trade value shall be collected as non-cash (Bank Guarantee/LC) post confirmation of trade as Margins from the Buyers
		Computation of Seller's Margin:  <b>50% of trade value</b>  Sellers shall keep non-cash (Bank Guarantee/LC) as collaterals with the IGX
29.	<b>Margins for Ex-hub Transactions</b>	Margins will be collected on trade day.
		Computation of Buyer's Margin:  <b>Seven (7) days of trade value + Other taxes and charges (IGX's Transaction Fee + Applicable Taxes)</b>  Seven (7) Days Trade Value shall be collected as non-cash (Bank Guarantee/LC) post confirmation of trade as Margins from the Buyers
		Computation of Seller's Margin:  <b>50% of trade value</b>  Sellers shall keep non-cash (Bank Guarantee/LC) as collaterals with the IGX
30.	<b>Transaction fees</b>	Fees payable by Seller or Buyer to IGX for the Allocated/Re-allocated Quantity approved by Transporter at Entry or Exit Point as specified by the IGX from time to time

### 14.8.2 Delivery Procedure

S. No.	Item	Details
31.	<b>Delivery</b>	All contracts are physical contracts and lead to physical deliveries on the specified Exit Point(s). Seller shall be responsible to make the delivery of Gas at the specified Hub(s).
		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.
		Nomination for successful trades will be sent for scheduling to the Transporter(s) by the IGX in Delivered Transactions. Whereas, the Buyer shall send the Nomination to Transporter to the Transporter in case of Ex-hub Transactions.
		The quantity shall be deliverable as per the Schedule issued by the respective Transporter(s).
32.	<b>Delivery period</b>	Delivery Period: as per the trade
		Delivery occurs each calendar day of the delivery period
		Delivery is made equally each hour throughout the delivery period
33.	<b>Delivery point</b>	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 IGX and the Buyer in GTU in case of Delivered Transaction.
34.	<b>Delivery Netting</b>	Not Allowed
35.	<b>Application fees and Transportation Charges</b>	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
36.	<b>Force majeure</b>	The IGX will settle the contract as per final Allocation issued by the Transporter(s)
37.	<b>Fines and penalties</b>	The IGX will notify fines and penalties through circular

### 14.8.3 Settlement Procedure

S. No.	Item	Details
38.	<b>Payment of Transportation Charges by Members</b>	For Delivered Transactions, applicable Transportation Charges on Scheduled Quantity at the Entry point will be settled by the members with the IGX separately as per the trading calendar as declared by the IGX from time to time and subsequently will be paid to the Transporter by the IGX.
		For Ex-hub Transactions, Transportation Charges as applicable on Scheduled Quantity at the Entry point will be paid by the Members to the Transporter directly.
39.	<b>Payment of Tax</b>	IGX 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 market to IGX and once the Seller issues the invoice, IGX will release the tax to Seller. IGX will only act as a facilitator in this process.

40.	<b>Funds pay-in by Member/Client</b>	<p>IGX will debit/adjust the funds pay-in as per the trading calendar as declared by the IGX from time to time from Member/Client Settlement Account, as applicable, on behalf of Buyer as per the Traded Value.</p> <p><b>Traded Value = Traded Quantity x Trade Price</b></p>
41.	<b>Funds pay-out to Member/Client</b>	<p>IGX will credit the funds pay out in Member/Client Settlement Account on behalf of Seller at the end of the Contract period as per the final Allocated Quantity.</p>
42.	<b>Deviation (overrun/Imbalances) settlement mechanism- Seller imbalance</b>	<p>If seller injects less Quantity than the final Allocated Quantity, then the funds will be adjusted from Seller's Settlement Account.</p> <p>In case, Seller over injects gas at Entry Point, then no compensation will be provided.</p> <p>The IGX will refund excess funds as per the difference between Scheduled Quantity and final Allocated Quantity to Member/Client on behalf of Buyer.</p>
43.	<b>Deviation (overrun/Imbalances) settlement mechanism- buyer imbalance</b>	<p>Ex-hub Transaction: Buyer will settle their Imbalances (underdraw/overdraw) 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, then Buyer will pay the full amount against the Scheduled quantity. However, if Buyer overdraws then the IGX will settle the Imbalances with Buyer as per the GTU and settlement with the Transporter will be as per the GTA signed between Transporter and the IGX.</p> <p>The IGX will refund excess funds as per the difference between Scheduled Quantity and Final Allocated Quantity to Member/Client on behalf of Seller.</p>
44.	<b>Delay in payment</b>	<p>In case of delay in the payment from Buyer, the IGX has the right to terminate the Contract and liquidate the available cash/non-cash margins for final settlement as per Clause 11.2.10 and 11.2.11</p>
45.	<b>Deferment in Offtake or Delivery</b>	<p>Clause 11.2.12, take or pay, shall be applicable on the buyer in case of deferment</p> <p>In case seller defers in the delivery of the gas the settlement shall take place as per Clause 11.2.13</p>
46.	<b>Special conditions</b>	<p>Each buyer who submits an order in relation to this Product represents and warrants for the purposes of this agreement that the buyer has all necessary rights under agreements with the Gas Transporter at the Delivery Point (as defined) to accept the Transaction Quantity to be delivered to his withdrawal point.</p>

## ANNEXURE-B

### B.1 Continuous Trading

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

1. The matching of Orders is a continuous process, wherein the Orders are matched based on price and time priority.
2. The best buy Order is matched with the best sell Order (when buy price  $\geq$  sell price). For Order matching, the best buy Order is the one with the highest price and the best sell Order is the one with the lowest price.
3. An Order may match partially with another Order 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 Order 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 offers 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 OFFERS		
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 Offer		
Order	Buy	Cumulative Buy (CBO)	Price	Cumulative Sell (CSO)	Sell	Order
A	50	50(=A)	<b>720</b>	250	50	<b>K</b>
B	60	110(=A+B)	<b>660</b>	200	70	<b>J</b>
C	40	150(=A+B+C)	<b>600</b>	130(=G+H+I)	30	<b>I</b>
D	50	200	<b>540</b>	100(=G+H)	60	<b>H</b>
E	50	250	<b>480</b>	40(=G)	40	<b>G</b>

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.

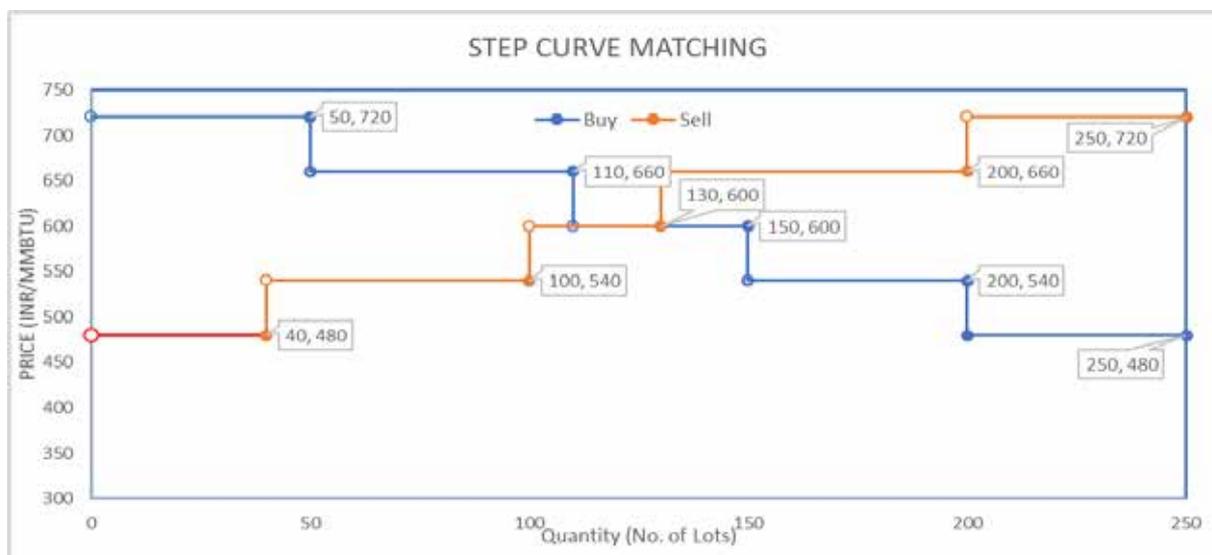
For the above example in Table 2, the Clearing price will be 600 INR/MMBTU: -

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



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



The Paradoxical rejection of an order is done by system in some cases, wherein an order has to be rejected despite appearing to be a valid order 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 Order J bid is removed while Buy bid quantity of Order 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			
Order	Buy	Cum. Buy (CBO)	Price	Cum. Sell (CSO)	Sell	Order	Max. Tradable Volume	Min. Imbalance= MIN(CBO-CSO)	Buy Bid Selected	Sell Offer Sel.
A	50	50	<b>720</b>	180	50	K	<b>50</b>		50	
B	120	170	<b>660</b>	130	0	J	<b>130</b>	<b>40</b>	80	
C	40	210	<b>600</b>	130	30	I	<b>130</b>	<b>80</b>		30
D	50	260	<b>540</b>	100	60	H	<b>100</b>			60
E	50	310	<b>480</b>	40	40	G	<b>40</b>			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 CLOSE TO REFERENCE PRICE OF LAST AUCTION**

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 Reference Price or mid point of the potential clearing price will be referred for Market Clearing price. The Reference Price will be the previous day's Closing Price.

The following rules will then be applied to identify the most appropriate Market Clearing price: -

- if the Reference Price is equal to or less than the lower of the potential prices then the lower price becomes the Clearing price
- if the Reference Price is equal to or greater than the higher of the potential prices then the higher price becomes the Clearing price
- if the Reference Price lies between the two potential prices, then the Reference Price itself becomes the Clearing price
- if a Reference Price does not exist, the lower of the potential prices becomes the Clearing price

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

In this case Positive (+) Imbalance as well as Negative (-) Imbalance is occurring at 600 and 660 price points respectively of 40 lots.

If reference price is 600 or below, then the Market Clearing price will be 600.

If reference price is 660 or above, then the Market Clearing price will be 660.

If reference price is between 600 and 660 say 620, then the Market Clearing price will be 620.

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

Table 6

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

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

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

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 order 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.

## VERSION CONTROL

Version	Date of Issuance
1.	<b>29/02/2020</b>
2.	<b>09/03/2020</b>