



Circular No.: IGX/MO/121/2024

May 14, 2024

ssLNG CONTRACT AT HAZIRA DELIVERY POINT

Dear Members,

In pursuance to Byelaws and Market Rules of IGX, and in continuation to IGX Circular IGX/MO/119/2024 dated April 22, 2024, for trading in ssLNG Contracts at Hazira delivery point, Members are notified as below –

Terminal Rules & Procedures related to nomination and scheduling - Members are required to ensure that the LNG trucks nominated for offtake of LNG should adhere to the Terminal Rules including the guidelines regulating the nomination, safe receipt and loading of LNG Trucks. This also includes prior empanelment of LNG trucks intended for LNG loading at the Hazira terminal. The Terminal Rules and the procedures related to nomination and scheduling applicable at Hazira delivery point is available at IGX website - <https://igxindia.com/ssLNG/terminals-rules>.

Members are also requested to note the rules for Take or Pay and Liquidated Damages applicable for Hazira delivery point as below:

1. Quantity Obligation on Buyer –
 - a. For each contract, the buyer shall be obligated to take and pay for, or pay for if not taken, at least ninety percent (90%) of the Total Contract Quantity. If, for any reason other than Force Majeure or reasons solely attributable to Seller, Buyer is unable or fails to take at least ninety percent (90%) of the Total Contract Quantity, such deficiency in quantity taken shall be the “Deficiency Quantity” and the Buyer will be liable to pay to Seller the product of 100% of Trade Price multiplied by the Deficiency Quantity plus applicable Taxes (“Take or Pay Payment”).
 - b. The Buyer has to nominate to offtake the Deficiency Quantity (“Make Up LNG”) for supply within ten days from the end date of the contract period. The Seller will schedule the Make Up LNG as per their operational flexibility. It is however clarified that if the Buyer is not nominating to offtake the Make Up LNG during the above referred period, its right to nominate to offtake of the Deficiency Quantity shall be lost.

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- c. Also, in reference to Circular IGX/MO/119/2024, Chapter 3, Clause C-ii, Buyer Member will be required to deposit an additional margin of 75% of the trade value for their buy trades.

2. Liquidated Damages on Seller: -

- a. If during the delivery period, for any reasons other than Force Majeure or operational tolerance for loading or reasons attributable to Buyer or the Transporter, Seller is unable or fails to deliver 90% of the Daily Contract Quantity LNG scheduled for delivery in accordance with the Market Rules, such shortfall in quantity shall be the "Shortfall Quantity".
- b. Both Seller and Buyer will use reasonable endeavor to reschedule the Shortfall Quantity within 10 days from the end date of the contract period. In case Seller and Buyer are unable to reschedule the delivery of such LNG, Seller shall be liable to pay to Buyer Liquidated Damage as the product of 5% of the Trade Price and aggregate of Daily Shortfall Quantity. Such payment shall be Buyer's sole and exclusive remedy for the failure by Seller to deliver LNG.

Rest all details for ssLNG contract will remain the same as mentioned in IGX Circular - IGX/MO/119/2024. Members are requested to kindly make a note of all the above changes and act accordingly.

This Circular will come into effect from Trading date May 15, 2024, till further notice.

**For and on behalf of
Indian Gas Exchange Limited**

**(Sd/-)
Mritunjay Srivastava
Vice President
(Regulatory and Surveillance)**

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