Circular No.: IGX/MO/223/2025 Oct 31, 2025

Launch of Balance of Month Contracts

Dear Members,

The Hon'ble Petroleum and Natural Gas Regulatory Board (PNGRB), vide its order dated 27.10.2025 under notice No. PNGRB/Fin/9-GasEx(2)/2021Vol-IV(PartFile-3) (E-6031) for approval of introduction of Balance of Month contract on IGX Platform, has accorded permission to introduce Balance of Month contract at IGX.

Accordingly, IGX is pleased to introduce Balance of Month contracts at all active delivery points in Natural Gas Market Segment from trade date 3rd November 2025.

Key features of Balance of Month contracts are mentioned below:

1. The Balance of Month contract will cover delivery tenure for the remaining days in the current month, with delivery starting two days forward (from the trade date) until the end of the contract month. For example, if traded on 10th Jan, the contract would cover delivery tenure from 12th Jan through 31st Jan. With the introduction of these contracts, participants can avoid trading in multiple combinations of daily and weekly contracts to meet their balance-of-month requirements. Instead, they can trade in a single contract, providing operational and financial ease, better chances of matching their quantity needs, and the convenience of contracting at a single contract price. These contracts will be available on a mutually exclusive basis i.e. no two contracts will exist for the same delivery period. For Example, for delivery periods 16th to 31st Jan, 22nd to 31st Jan, and 31st Jan there will be no BoM contract but fortnightly, weekly and day ahead contract respectively.

2. **Trading Timeline**: In line with point 5 of Circular No. 195, trading shall be conducted in accordance with the single Auction Market schedule. Trading hours for these contracts will be from 10:00 AM to 2:00 PM on all weekdays (Monday to Friday). If bids are placed/modified/ canceled within 5 minutes before closure, the auction market will automatically extend by 15 minutes (with a maximum of 4 extensions until 3:00 PM). . Member(s) will be permitted to place, modify or cancel their bids, during the bidding hours

for their clients. Bids entered into the Trading System shall be subject to validation requirement of exposure margin as mentioned under point 8 below.

3. **Gas Delivery Points**: These contracts will be available for trading across all active delivery points in the Natural Gas Market Segment, covering both Free-Market Gas and Ceiling Price Gas categories.

4. **Contracts Available for Trading at all Delivery Points:** The contract code will be: "BM-Delp-dd/mm/yy-mmmyy" where,

   BM: Balance of Month in Normal Gas segment, BP: Balance of Month in Power Contracts;
   Delp: Delivery Point like 'DH' for Dahej, 'HZ' for Hazira and;
   dd/mm/yy: Delivery Start Date and mmmyy: month and year.

5. **Price Discovery:** The matching mechanism shall be as specified under Clause B2 of Chapter 15-Matching Methodology (Annexure B) of the Market rules.
   a. **For Free-Market Gas**: The price discovery mechanism shall be double-sided uniform price auction with price-time priority.
   b. **For Ceiling-Price Gas**: The price discovery mechanism shall be double-sided uniform price auction methodology with price-sector allocation-prorata-time priority.

6. **Lot Size of Bids**: Members can place bids in multiples of 1 lot where 1 lot=50 MMBtu/Day.

7. **Bid Price**: Members can place their bids as per below –
   a. Bid Price and Trade Price in INR/MMBTU on GCV basis
   b. Bid Quotation at entry point of pipeline & exclusive of fees, charges and taxes
   c. Price tick of 1 INR/MMBTU.

8. **Exposure Margin**: Prior to placing the bids for a particular trading session, the Member shall post in advance 10% of the aggregate bid value from the Buyer and 10% of the aggregate bid value from the Seller as the Exposure Margin. Exposure Margin is the sum of bank balance and unutilized non-cash collaterals. The Non-Cash margin can be submitted in Bank Guarantee and/or Letter of Credit.

9. **Post Trade Margin ('PTM'):** Members will be required to pay the Post Trade Margin amount with the Exchange based on the aggregate positions cleared by the Member for its Clients. Exchange will compare Post Trade Margin on a gross basis separately for each buy and sell trade. Applicable rates of post trade margins are as below:

Margin Type	Buyer Margin – Ex hub transaction	Buyer Margin – Delivered transaction	Seller Margin
Trade Margin ('TM') in Cash/Non-Cash	25% of Trade value by Trade Day (T) + 1 basis	25% of Trade value by Trade Day (T) + 1 basis	15% of Trade value by Trade Day (T) + 1 basis
Transport Margin ('TSM') in Cash	-	102% estimated Ship or pay (plus GST) on Trade Day (T)	-
Additional VAT Margin (AVM) in Cash/Non-Cash	Differential Tax amount for C or I Form buyers by Trade Day (T) + 1 basis	Differential Tax amount for C or I Form buyers by Trade Day (T) + 1 basis	-

10. Pay in and Pay-out process :

a. Pay-In: - Exchange will receive pay-in amount from Members a day before day of delivery i.e., each D-1 basis where D stands for delivery day. In case of pay-in day falls on a bank holiday then it will be debited on the previous bank working day. Following will be the components of daily pay-in –
   i. Daily trade value along with Taxes on trade quantity, plus
   ii. Exchange transaction fees including GST on trade quantity, plus
   iii. TCS if applicable, minus
   iv. Daily trade cash margin, if applicable.

b. Pay-Out: - Exchange will pay pay-out to Members on D+2 basis where D stands for delivery day subject to receipt of proof of delivery on D+1 basis. In case pay-out falls on a bank holiday the payout will be paid on the next working day. Following will be the components of daily payout –
   i. Daily trade value along with taxes on lower of daily allocated quantity and trade quantity, plus
   ii. Daily trade cash margin if applicable, minus

iii. Exchange transaction fees including GST on trade quantity, minus
iv. TDS on daily trade value along with taxes on lower of daily allocated quantity and trade quantity.

Seller's last day's pay-out will be released during final settlement process post receipt of their invoices.

The Exchange will reconcile the contract post completion of delivery to close the contractual obligation(s). Final Settlement will be done by Exchange within 4 working days excluding all Saturdays from the end of contract period subject to correct invoicing and availability of sufficient funds made available by Buyer and Seller Member(s).

11. **Release of Post Trade Margin:** The treatment for releasing the Post Trade Margin for each of the contracts will be based on cash and non-cash collaterals, duration etc. as mentioned below:
    a. Release of Trade Margin ('TM') - Exchange will release the Trade Margins (both cash and non-cash margins) on daily basis. Accordingly, for buy trades, the Exchange will adjust the cash portion of trade margin (i.e., 25% of daily trade value) against the daily pay-in obligation on daily basis, while for noncash portion, the same will be released on daily basis. For contracts with delivery tenures exceeding four (4) days, the Exchange will collect full Pay-in daily for the initial four (4) days. From the fifth day onward, the Exchange will adjust the Pay-in against available cash margins and/or release corresponding non-cash margins as applicable. For contracts with delivery tenures of four (4) days or less, Post-Trade Margins will be refunded/released upon Final Settlement.
    For sell trades, the Exchange will make the payment of the cash portion of trade margin (i.e., 15% of daily trade value) with the daily pay-out on daily basis, while for non-cash portion, the same will be released on daily basis. For contracts with delivery tenures exceeding four (4) days, the Exchange will release cash and/or non-cash margins starting from the fifth (5th) delivery day payouts. For contracts with delivery tenures of four (4) days or less, Post-Trade Margins will be refunded/released upon Final Settlement.
    For Power contracts Exchange shall be releasing the Trade Margins (both cash and non-cash margins) at the time of final settlement process.
    b. Release of Transport Margin ('TSM') – In case of Transport Margin, after making payment of Transport related Charges like Ship-or-pay, Imbalance, Overrun etc. to the transporter, if any surplus (or deficit) is available (or required) with exchange,

then the same will be refunded (or collected) at the time of final settlement of the trade post completion of delivery period.

c. Release of Additional VAT Margin - Once the C Form or I Form is issued by the buyer and receipt is confirmed by the Seller, the withheld amount of tax will be released to the buyer within 2 bank working days.

12. **Delivery Mechanism:** The Exchange will facilitate both Ex-Hub and Delivered transactions. All other delivery-related terms and conditions, including CT booking, Nomination/Allocation timelines, Take or Pay provisions, and Liquidated Damages, shall remain consistent with existing contracts.
    For Power Contracts, the Extended Supply Period (ESP) will vary based on the delivery period of the contract: contracts with delivery periods up to 5 days will have no ESP, those with delivery periods from 6 to 10 days will have an ESP of 2 days, those with delivery periods from 11 to 20 days will have an ESP of 4 days, and contracts with delivery periods exceeding 20 days will have an ESP of 7 days.

All other details related to the contract will remain same as mentioned under PNGRB approved Market Rules, Contract Specifications (Annexure-A) of the Market Rules, Master Circular no. 96 and Circular no. 103, 140, 148, 152 and 155.

The amended Market Rules (Version 9) incorporating Balance of Month Contracts are available at IGX website at https://igxindia.com/documents/market-rules-and-byelaws.

Members are requested to kindly make a note of all the above changes and act accordingly. This Circular will come into effect from trade date 3rd November 2025, till further notice.

For and on behalf of
Indian Gas Exchange Limited

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