Circular No.: IGX/MO/240/2026 20-01-2026

ssLNG Segment: Launch of Balance of Month Contracts and Settlement updates

Dear Members,

In pursuance to Byelaws and Market Rules of IGX, and in continuation to IGX Circular IGX/MO/119/2024 dated 22.04.2024, Members are notified as below in ssLNG Market Segment:

1. **Balance of Month Contracts:** IGX is pleased to introduce Balance of Month contracts at all active delivery points in ssLNG Market Segment from trade date 21.01.2026. 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 fortnightly 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.

   Key features of Balance of Month contracts are mentioned below:

   i. Contracts Available for Trading at all Delivery Points: The contract code will be: “BM-Delp-dd/mm/yy-mmmyy-LNG” where,

      1. BM: Balance of Month in ssLNG segment
      2. Delp: Delivery Point like ‘DH’ for Dahej, ‘HZ’ for Hazira and; dd/mm/yy: Delivery Start Date and mmmyy: month and year.

   ii. Price Discovery: For Balance of Month contract in ssLNG Market Segment, the matching will be done on Continuous trading basis. Each incoming bid will be checked on a continuous basis for matching according to price/time priority, details pertaining to

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continuous trading matching mechanism is available under Annexure B, part B.1 of the Market rules. The matching mechanism shall be as specified under Clause B1 of Chapter 15-Matching Methodology (Annexure B) of the Market rules.

iii. Lot Size of Bids: Members can place bids in multiples of 1 lot where 1 lot=100 MMBtu/Day with Minimum/Base Lot Size = 3 Lot = 300 MMBTU.

iv. 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.

v. 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.
Buyers have to deposit 25% of trade value as Trade Margin, plus differential tax amount for C or I Form purchases as Additional VAT Margin in cash/non-cash by T+1 days basis. Sellers have to deposit 15% of trade value by T+1 as Trade Margin in cash/non-cash.

2. **Risk Management (clause 3 (D) - Release of Post Trade Margin of Circular 119 modified as below):** Below amendments are applicable to all contracts in ssLNG Market Segments

   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. The Exchange shall be releasing the Trade Margins (both cash and non-cash margins) at the time of final settlement process.
   b. 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.

3. **Clearing and Settlement (clause 4 (C) of Circular 119 modified as below):** Below amendments are applicable to all contracts in ssLNG Market Segments:

According to PNGRB (Gas Exchange) Regulations, Settlement means the process of discharging the obligations of members resulting from conclusion of a transaction at an exchange.

After the trade is executed and clearing process is completed, the daily settlement process will take place. This means that at buy side, the exchange will collect the daily commodity value from buyer termed as 'Pay-In'. At sell side, seller will deliver the commodity to the buyer and post receipt of proof of delivery, the exchange will make the daily payment to seller termed as 'Pay-Out'.

ii. Pay-In: Exchange will debit the pay-in amount from Members Settlement Account one day before the start of delivery i.e., each D-1 basis where D stands for delivery day. The cut-off time for daily Pay-In submission by buyer member will be 14:00 hours. However, in case the pay-in day falls on a bank holiday then it will be debited on the previous bank working day. Following are the components of daily pay-in –

   a) Daily Nominated Quantity (DNQ) along with Taxes, plus (Buyer member has to intimate the Exchange the Daily nominated quantity no later than 13:30 hours of one day prior to the day), plus
   b) Exchange transaction fees including GST on DNQ, plus
   c) TCS if applicable.

   With prior intimation, Exchange may collect additional pay-in whenever deemed necessary due to increase in nomination quantity and/or tax amount.

iii. Pay-Out: - For each contract, the Exchange will credit the members settlement account on D+1 basis where D stands for delivery day subject to receipt of proof of delivery on D basis. In case if the pay-out day falls on a bank holiday the pay-out will be credited on the next working day. Following will be the components of daily pay-out:

   a) Lower of daily allocated quantity or daily nominated quantity (DNQ) multiplied by trade price along with taxes, minus
   b) TDS under section 194O, minus
   c) Exchange transaction fees including GST on daily nominated 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).

4. **Delivery (addition to clause 5 (A) of Circular 119 as below):** Below amendments are applicable to all contracts in ssLNG Market Segments.

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 all applicable terminals. The Terminal Rules and the procedures related to nomination and scheduling are available at IGX website - https://igxindia.com/ssLNG/terminals-rules.

i. Daily Contract Quantity (DCQ) - Once the trade is executed, the DCQ is deemed to be equal to the Daily Trade Quantity (DTQ).
ii. Total Contract Quantity (TCQ) is equal to the summation of the DCQs of each gas day of the trade.
iii. Buyer shall no later than 13:30 hours prior to the day of LNG loading, shall intimate the "Daily Nominated Quantity" (DNQ) along with LNG transportation details (tanker's registered number, driver's name, transporter) to the Exchange and Seller. The buyer can nominate Gas quantity ranging from NIL to maximum up to Residual TCQ on any gas day. Nomination by buyer over the maximum nomination allowed quantity on any gas day will be subject to seller's acceptance. In case the buyer does not submit DNQ to the Exchange by 13:30 hours of one day prior to the day of LNG loading, the DNQ will be deemed to be equal to Zero.
iv. Notwithstanding the above, if buyer submits nominations after the above-mentioned timeline, the Seller may accept the same based on its operational flexibility.
v. With respect to point no (iii) and (iv) in case of non-availability of adequate funds and/or collateral Exchange can intimate the Seller to suspend the supply of LNG until further communication. Any suspension of supply under point (V) will not relieve the Buyer of their obligations under the contract.

All other details related to the Contracts will remain same as mentioned under PNGRB approved Market Rules, Contract Specifications (Annexure-A) of the Market Rules, Master Circular No. 119, 121, 124, 162 and 190.

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 21.01.2026, till further notice.

For and on behalf of
Indian Gas Exchange Limited

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