Circular No.: IGX/MO/286/2026 August 03, 2026

**TERM AHEAD: 3 MONTH AND 6 MONTH CONTRACTS**

**CLARIFICATORY CIRCULAR**

Dear Members,

In pursuance to Clause 1.4 of the Market Rules, which provides that the Exchange may issue clarifications, circulars or directives, as may be required for effective functioning of the Exchange and to remove any difficulty or ambiguity in implementing the provisions of any of the Market Rules, the Exchange hereby issues the following clarifications with respect to the 3-Month and 6-Month Long Duration Contracts (LDCs):

1. **JKM / WIM Assessment Period:** Members are hereby notified that Clause 6.2 of the Contract Specifications (Annexure A-8 of the Market Rules) currently reads as under:

   *"JKM" refers to the arithmetic average of all JKM 'M' frontline quotations published in the JKM Market Price Table for each Commodity Business Day, as listed in Platts LNG Daily under the table entitled AAOVQ00, during the Assessment Period. The Assessment Period is defined as the second half of the month preceding the gas delivery month (from the 16th to the end of the month, or from the 16th to the next Platts Business Day if the 16th is not a Platts Business Day) and the first half of the month prior to the gas delivery month (from the 1st to the 15th, or until the day before the next Platts Business Day if the 15th is not a Platts Business Day).*

   *"WIM" refers to the arithmetic average of all WIM 'M' frontline quotations published in the WIM Market Price Table for each Commodity Business Day, as listed in Platts LNG Daily under the table entitled AARXS00, during the Assessment Period. The Assessment Period is defined as the second half of the month preceding the gas delivery month (from the 16th to the end of the month, or from the 16th to the next Platts Business Day if the 16th is not a Platts Business Day) and the first half of the month prior to the gas delivery month (from the 1st to the 15th, or until the day before the next Platts Business Day if the 15th is not a Platts Business Day).*

   The definition of the Assessment Period in the above clause requires a correction to ensure alignment with the standard Platts assessment methodology and prevailing industry practice. Accordingly, Clause 6.2 is corrected and be read as follows:

   *"The Assessment Period is defined as the second half of the M-2 month (from the 16th to the end of the month, or from the Platts Business Day immediately after the 16th, if the 16th is not a Platts Business Day) and the first half of the M-1 month (from the 1st to the 15th, or until the Platts Business Day immediately before the 15th, if the 15th is not a Platts Business Day)."*

2. **Seller's Liquidated Damages:** Clause 5.2 of the Contract Specifications (Annexure A-8 of the Market Rules) currently read as under:

*"5.2 Quantity Obligations These contracts shall have eighty five percent (85%) quantity obligation i.e. Take or Pay (ToP) on Buyer and Liquidated Damage (LD) on Seller. ToP and LD will be specified on Quarterly basis. Should the Obligated party fail to meet the Take or Pay or LD quantity obligation in any Contract Quarter, they are obligated to compensate the other party with a "Deficiency Payment". This payment is calculated as the product of: (A) Weighted Average Gas Price; and (B) the Deficiency Quantity, for the respective Period."*

The above provision does not explicitly incorporate the Liquidated Damages percentage in the Deficiency Payment formula. Therefore, for computing the Seller's Deficiency Payment, Clause 5.4 (E) 'Liquidated Damages (LD) on Seller' of the Master Circular IGX/MO/169/2025 dated 30.01.2025 shall apply. Clause 5.2 of the Market Rules shall, to that extent, be read together with the following additions (shown underlined) to Clause 5.4 (E) of the Master Circular:

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*"Seller's Shortfall Gas Quantity" shall mean the positive difference between aggregate of 85% of lower of DCQ and DNQ of each Gas Day and aggregate actual quantity delivered by the Seller at the Delivery Point.*

*Provided that Seller's Shortfall Gas Quantity shall exclude quantities that Seller could not deliver due to the following reasons:*

*i. Any quantity of Gas not delivered by Seller due to Force Majeure event;*

*ii. The Buyer's failure to accept delivery of Gas tendered for delivery by the Seller in accordance with IGX Bye laws and Market Rule.*

*Liquidated Damage on Sellers shall be applicable for each Contract Quarter as well as for the recovery period calculated as mentioned below:*

*a) For 3-Months Contract - Fifteen percentage (15%) of the Weighted Average Settlement Price for the Contract Quarter multiplied by the Seller's aggregate Shortfall Gas Quantity for the Contract Quarter, and*

*b) For 6-Months Contract - Ten percentage (10%) of the Weighted Average Settlement Price multiplied by the Seller's aggregate Shortfall Gas Quantity for the 1st Contract Quarter and subsequently for the 2nd Contract Quarter.*

*Seller's supply obligation shall be applicable during the Recovery Period also. In case the Seller fails to fulfil the supply obligations during the Recovery Period, for reasons other than (i) and (ii) above, the liquidated damages shall be applicable as per (a) and (b) above.*

*Additionally, Seller will <u>reimburse</u> the Buyer the positive difference between 90% of the summation of lower of DCQ and DNQ of each Gas Day & total Allocated Quantity of the contract period at* *the rate of the applicable tariff/s of the pipelines of the pipeline/s connected between the Delivery Point and Buyer's Facilities, in which the capacity has been booked by the respective Buyer or Exchange, and the Buyer has submitted documentary evidence of such booking to both the Exchange and the Seller. Seller will also be responsible for reimbursement of imbalance charges arising because of Extra Allocated Quantities as mentioned in Clause 5.3(c) above.*

*The amount paid by Seller to Buyer shall not exceed the charges paid by the Buyer to the Transporter(s), for reasons attributable to volumes not delivered by Seller.*

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3. **Recovery Period:** Clause 5.3.3 of the Contract Specifications (Annexure A-8 of the Market Rules) currently read as under:

*"For 'Three-Months' Contracts and 'Six-Months' Contracts, the Recovery Period shall be 6 days and 10 days respectively immediately after the end date of the contract. Provisions related to Make Up Gas and Recovery Period will be specified by the Exchange, from time to time, based on market feedback."*

Given that the recovery period mentioned in Clause 5.4 (f) of Master Circular No. IGX/MO/169/2025 is not consistent with above clause of the Market Rules, the same will be superseded by above clause of Market Rules.

Accordingly, for all purposes of contract performance, Clause 5.3.3 of the Market Rules shall apply with respect to the duration of the Recovery Period.

This Circular shall come into effect from trade date 04.08.2026 till further notice.

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

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