
**MoPNG Notification: Allocation Methodology for Ceiling Price Domestic (HPHT)
Gas Contracts**

Dear Members,

The Ministry of Petroleum and Natural Gas ('MoPNG') issued notification dated 03.09.2026 ('OM', copy enclosed as Annexure-I) for HPHT trades, clarifying that for the purpose of proportionate distribution of gas amongst bidders from the CGD sector belonging to the CNG (T)/PNG (D) category, the relevant requirement of each such bidder shall be determined based on the difference between (a) the total consumption by the bidder in the CNG (T)/PNG (D) segments, and (b) the APM, NAPM and NWG gas consumed by the respective bidder in the CNG (T)/PNG (D) segments, during the immediately preceding quarter or the latest quarter for which such details are available and provided by PPAC.

Accordingly, in pursuance to MoPNG directions, Members are requested to note the change in matching criteria adopted for domestic HPHT trades, which shall apply in addition to, and read harmoniously with, the terms already notified vide Circular No. IGX/MO/80/2022 dated 19.01.2023 and Master Circular No. IGX/MO/279/2026 dated 15.07.2026, from immediate effect:

1. Determination of CNG/PNG Requirement (Net Requirement) by CGD entities:

- a) PPAC will provide entity-wise data, in MMSCM, at the Entity/CIN Number level, for the immediately preceding quarter or the latest quarter for which such details are available. The 'Net Requirement' of each CGD entity for the purpose of proportionate distribution shall be the difference between (a) the total consumption by the entity in the CNG (T)/PNG (D) segments, and (b) the APM, NAPM and NWG gas consumed by the entity in the said segments, i.e., $\text{Net Requirement} = \text{Total Consumption} - (\text{APM} + \text{NAPM} + \text{NWG consumption})$.
- b) Since PPAC furnishes data in MMSCM for a quarter, the same shall be converted into MMBtu/d using the standard conversion factor of 37,000, divided by the number of days in the relevant quarter for which the details have been provided by PPAC, and rounded to zero decimal places, as under:



Net Requirement (MMBtu/d) = [Net Requirement (MMSCM) × 37,000] ÷ Number of days in the quarter

Illustration: For a CGD entity, Total Consumption for the quarter is 60 MMSCM and APM/NAPM/NWG consumption is 15 MMSCM, over a 91-day quarter:

Net Requirement = 60 – 15 = 45 MMSCM

Net Requirement in MMBtu/d = (45 × 37,000) ÷ 91 = 18,297 MMBtu/d

- c) Data received from PPAC shall be used for proportionate distribution for each Auction, without any further modifications.

2. Sector Priority and Allocation Methodology:

The Bid Priority for matching purposes shall continue to be determined on a 'Price-Sector Allocation-Prorata-Time' basis, as under. During auction outcome, one of the following two scenarios may emerge:

Scenario 1: Market Clearing Price (MCP) equal to Ceiling Price (Total Buy > Total Sell at Ceiling Price)

Only buy bids placed at the Ceiling Price will be considered for the CNG (T)/PNG (D) priority allocation described below; bids priced below the Ceiling Price are not selected at this stage.

Scenario 1.1: Aggregate Net Requirement of CNG (T)/PNG (D) Bidders is equal to or exceeds the Sell Offer available at Ceiling Price

Step 1: Price Basis: Only buy bids placed at the Ceiling Price are selected for Step 2.

Step 2: Demand-based Allocation: A demand-based allocation is computed for each Bidder as –

Sell Offer × (Bidder's Net Requirement ÷ Aggregate Net Requirement of all selected CNG(T)/PNG(D) Bidders).

Step 3: Where a Bidder's Buy Quantity is less than its Step 2 allocation, such Bidder's Final Allocation is fixed at its Buy Quantity.

Step 4: Pro-rata of Balance: The balance Sell Offer remaining after Step 3 is re-distributed pro-rata amongst the remaining Bidders (whose Buy Quantity was not less than their Step 2 allocation), in proportion to, and up to, their respective Net Requirement.

Step 5: Any positive difference of total rounding off error will be adjusted to selected quantity on first cum first serve basis. Similarly, any negative difference of total rounding off error will be adjusted from selected quantity on last cum first serve basis.

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Allocation as per above steps will be equal to the Sell Offer available at Ceiling Price. An illustration is set out at Annexure-II.

Scenario 1.2: Aggregate Net Requirement of CNG (T)/PNG (D) Bidders is less than the Sell Offer available at Ceiling Price

Step 1: Price Basis: Only buy bids placed at the Ceiling Price are selected for Step 2.

Step 2: Each Bidder's Final Allocation under this Scenario shall be the lower at (a) its Buy Quantity, and (b) its Net Requirement.

Step 3: Any positive difference of total rounding off error will be adjusted to selected quantity on first cum first serve basis. Similarly, any negative difference of total rounding off error will be adjusted from selected quantity on last cum first serve basis.

Where, after allocating the Buy Quantity to all eligible CNG (T)/PNG (D) Bidders, any Sell Offer remains unallocated, such balance shall be offered to the next priority sector, in the following order: Fertilizer sector, followed by LPG, followed by Power sector, and thereafter to other bidders, as per MoPNG notification dt. 13.01.2023.

Scenario 2: Market Clearing Price (MCP) less than Ceiling Price

- a) Gas shall first be allocated on a price basis, i.e., every selected buy bid priced strictly above the MCP shall be allocated in full.
- b) Where, at the MCP, more than one buy bid is available for selection, allocation shall first be made to the priority sector, followed by pro-rata methodology within that sector. For bids from the CNG (T)/PNG (D) sector, such pro-rata shall be carried out on the basis of the Net Requirement determined under Para 1 above; for bids from all other sectors, such pro-rata shall be carried out on the basis of Bid Quantity.

3. Entity-to-Client Code Mapping:

PPAC data is furnished at the Entity/CIN Number level, whereas bidding at the Exchange takes place at the Client Code level, where one entity may map to one or more clients.

Where an Entity maps to multiple Client Codes, the Entity-level Final Allocation determined under Point 2 above shall be apportioned amongst its respective Client Codes in proportion to each Client Code's share of the Entity's aggregate Buy Quantity, i.e., Client-level Allocation = Entity-level Final Allocation $\times$ (Client Code's Buy Quantity $\div$ Entity's Aggregate Buy Quantity). Any residual arising from rounding shall be adjusted against the Client Code(s) last in time. An illustration is set out at Annexure-II.

- 4. Lot Size and Tick Size:** For all HPHT gas trades on the Exchange, 1 (one) Lot shall be equal to 1 (one) MMBtu, and the tick size for such trades shall be 1 MMBtu.

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5. General

- a) Members are hereby required to ensure that only those Bidders who have complied with the prerequisite conditions mentioned under Circular No. IGX/MO/80/2022 and Master Circular No. IGX/MO/279/2026 will be permitted to place buy bids under the Ceiling Price Domestic Gas Contracts.
- b) The above matching criteria will apply to all HPHT trades.

This Circular shall come into effect from trade date 21.09.2026 till further notice.

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

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

Annexure-I

F. No. L-12015/3/2026-GP-I (E-57042)
Government of India
Ministry of Petroleum and Natural Gas

Kartavya Bhawan-3, New Delhi,
Dated: 03.09. 2026

OFFICE MEMORANDUM

Subject: Clarification regarding proportionate distribution of gas produced from Discoveries in Deepwater, Ultra Deepwater and High Pressure-High Temperature areas to CGD entities for CNG (T) and PNG (D) segments – reg.

The undersigned is directed to refer to this Ministry's Notification No. Expl-15022(13)/234/2019-ONG-V (E-33916) dated 13.01.2023 regarding sale and resale of gas produced from Discoveries in Deepwater (DW), Ultra Deepwater (UDW) and High Pressure-High Temperature (HPHT) areas with marketing and pricing freedom. Para (d) of the said Notification, inter-alia, provides for proportionate distribution of gas amongst bidders, with CNG (T)/PNG (D) being accorded priority.

2. The matter has been examined with a view to ensuring that, in case of proportionate distribution, the available HPHT gas offered to the CNG (T) and PNG (D) category is distributed keeping in view the requirement of the respective CGD entities which is not already being met through APM, NAPM and NWG gas.

3. Accordingly, for the purpose of proportionate distribution of gas amongst bidders from the CGD sector belonging to CNG (T)/PNG (D) category, the relevant requirement of each bidder shall be determined based on the difference between:

(a) the total consumption by each bidder in CNG (T)/PNG (D) segments; and

(b) APM, NAPM and NWG gas consumed by the respective bidder in CNG (T)/PNG (D) segments, during the immediately preceding quarter or the latest quarter for which such details are available and provided by PPAC.

PPAC shall provide the aforesaid entity-wise details to the PNGRB-authorized gas exchange(s), contractor(s) and/or bidding agency, as may be applicable, from time to time.

4. This clarification shall be read in conjunction with the provisions of the Notification dated 13.01.2023 and other applicable Government policies/guidelines relating to marketing and pricing freedom of the aforesaid gas.

5. This issues with the approval of the competent authority.



(L. Robin)

Under Secretary to the Government of India
Tel No. 2401-1132

Annexure-II

Illustrative Worked Example: Entity-Level Allocation at Ceiling Price

Scenario 1.1 (Aggregate Net Requirement $\geq$ Sell Offer)

Assume Seller S offers 20,000 MMBtu/d for sale at a Ceiling Price of Rs. 1,000/MMBtu. Four Entities (A to D) place buy bids at the Ceiling Price for the CNG (T)/PNG (D) category, except Entity E, which bids Rs. 900/MMBtu (below Ceiling Price) and is accordingly not selected at Step 1. Aggregate Net Requirement of Entities A to D = 60,000 MMBtu/d, which exceeds the Sell Offer of 20,000 MMBtu/d:

Entity	Bid Price (₹/MMBtu)	Net Requirement (MMBtu/d)	Buy Qty (MMBtu/d)	Step 2: Demand-based Allocation (MMBtu/d)	Step 3: Restrict at Buy Bid Quantity	Step 4: Prorata balance qty. at Demand	Final Allocation
A	1,000	20,000	4,000	6,667	4,000		4,000
B	1,000	18,000	10,000	6,000		7,200	7,200
C	1,000	14,000	20,000	4,667		5,600	5,600
D	1,000	8,000	4,000	2,667		3,200	3,200
E	900	–	–	–		–	
Total		60,000			Balance = 20,000-4,000	16,000	

Entities A is fixed at their Buy Quantity under Step 3, and the resultant balance of 16,000 MMBtu/d is re-distributed between Entities B, C and D pro-rata to their Net Requirement under Step 4, so that the Final Allocation column totals the full Sell Offer of 20,000 MMBtu/d.

Illustrative Worked Example: Entity-to-Client Code Apportionment

Continuing from above illustration, Entity C is a single Entity mapped to multiple Client Codes, with an aggregate Buy Quantity of 20,000 MMBtu/d, placed through three Client Codes (C1, C2 and C3), and received an Entity-level Final Allocation of 5,600 MMBtu/d. This Entity-level allocation is apportioned amongst its Client Codes in proportion to each Client Code's share of the Entity's aggregate Buy Quantity, as under:

Client Code	Buy Quantity (MMBtu/d)	Share of Entity's Aggregate Buy Quantity	Client-level Allocation (MMBtu/d)
C1	4,000	20%	1,120
C2	8,000	40%	2,240
C3	8,000	40%	2,240
Total	20,000	100%	5,600

Client-level Allocation = Entity-level Final Allocation (5600) $\times$ [Client Code's Buy Quantity $\div$ Entity's Aggregate Buy Quantity (20,000)]. For instance, C1 = 5,600 $\times$ (4,000 $\div$ 20,000) = 1120. The residual arising from rounding (5,600 – 1,120 – 2,240 = 2,240) is reflected against C3, the Client Code last in time.

Note: The above figures are purely illustrative and for explanatory purposes only. Actual allocation in any auction shall be based on the Net Requirement furnished by PPAC and the bids actually placed by Members on the Exchange platform.

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