



Circular No.: IGX/MO/10/2020

10th July 2020

Delivered Transactions in GAIL Network

Dear Members,

In pursuance of Clause 10.1.3 of Market Rules of IGX, it is mentioned that IGX under Delivered Transactions shall facilitate capacity booking and physical delivery of gas of traded contracts.

Accordingly, the Members are hereby informed that the Buyer connected to the natural gas pipeline network of GAIL (India) Ltd. can initiate Delivered Transactions at the Gas Trading Platform. Any Buyer desirous of off-taking Gas under Delivered Transaction, shall authorize IGX to sign the GTA with the Transporter (GAIL) for and on behalf of the Buyer (Shipper).

Following documents shall be required to initiate Delivered Transactions: -

1) Tripartite Agreement (TPA)-

IGX, GAIL (Transporter) and the Buyer will enter into a tripartite agreement to record the terms and conditions to be undertaken by the three parties to ensure the consummation of the delivery of transactions matured on the trading platform, inter-alia, GTA and CTAs being signed under GTA.

The buyer as part of the Tripartite Agreement shall provide a copy of Board Resolution for the purpose of authorising IGX for signing GTA and CTAs and carry out other activities mentioned under the TPA on behalf of the Buyer. The Format of Tripartite Agreement and Copy of Board Resolution are attached under Annexure-I with this circular.

2) Gas Transportation Undertaking (GTU)

Buyer shall submit the Gas Transportation Undertaking ("GTU") duly signed by the authorized person. Vide GTU, the buyer will undertake the responsibility of all obligations and liabilities arising from GTA, having IGX signed the Agreement for and on behalf of the Buyer. The Format of GTU is attached under Annexure-II with this Circular.

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CIN: U74999DL2019PLC357145



- 3) Copy of the GAIL GTA, being signed by IGX on behalf of Buyer, can be accessed at IGX website link-

<https://igxindia.com/regulations-and-procedures/>

All Members wishing to bid under Delivered Transactions are requested to comply with the above provisions.

This Circular shall come into effect from 13th July,2020.

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

**(Sd/-) Prasanna Rao
Head Market Operations**

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Annexure-I

AGREEMENT

This tripartite framework agreement (hereinafter this “Agreement”) is made and executed on this ____ day of _____ 2020 by and between:

- (1) **GAIL (India) Limited, (Formerly known as Gas Authority of India Limited)**, a Government company incorporated under the Companies Act, 1956, having its registered office at GAIL Bhawan, 16, Bhikaiji Cama Place, R. K. Puram, Ring Road, New Delhi – 110066, India (hereinafter called as “**Transporter**”) which expression shall, unless repugnant to the meaning or context thereof, include its successors and assigns of the first part; and
- (2) **Indian Gas Exchange Limited**, a company incorporated under the Companies Act, 2013, having its registered office at Fourth Floor, Plot No. 7, TDI Center, Jasola, New Delhi – 110025 (hereinafter called as “**IGX**”) which expression shall, unless repugnant to the meaning or context thereof, include its successors and assigns of the second part; and
- (3) _____, a company/ firm/proprietary concern/society incorporated under the Companies Act, 1956/2013/Partnership Act/Societies Registration Act/Cooperative Societies Act/Statute, having its registered office at _____ (hereinafter called as “**Buyer**”) which expression shall, unless repugnant to the meaning or context thereof, include its successors and assigns of the third part.

The Transporter, IGX, and the Buyer shall be individually referred to as “**Party**” and collectively as “**Parties**”.

WHEREAS:

1. Transporter is a central public sector enterprise, *inter-alia* engaged in the business of marketing, transmission/processing of Gas (as defined hereinafter). Transporter also owns & operates natural gas pipelines/processing plants.
2. IGX operates an electronic Gas Trading Platform (“**GTP**”), an automated national level Gas trading platform. GTP features multiple buyers and sellers to trade in spot and forward contracts at designated physical hubs.

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3. One of the services offered by IGX on the GTP, (where the gas transportation is on delivered basis) is that IGX would be responsible for the trade and facilitate physical delivery of the Gas to the plant premises of the Buyer by booking the necessary capacity in the transmission facility of the Transporter and financial settlement for the traded contracts.
4. Buyer would be trading at GTP, on a frequent basis, and would require the transportation of Gas from one of the trading hubs of delivery (*Dahej, Hazira, Oduru etc.*) identified as Delivery Point up to the Redelivery Point, from time to time.
5. Accordingly, the Buyer desires IGX to facilitate the reserving of specified capacity for a specified duration for the transportation of the Gas through Transporter's pipeline facilities, from time to time. In this regard, it has been agreed between the Parties that IGX shall, on behalf of the Buyer, submit its proposals to the Transporter for booking its capacity, as per the requirements of the Buyer, and in case, the required capacity can be arranged by the Transporter, IGX shall make necessary arrangements with the Transporter, on behalf of the Buyer for transportation of such quantities of Gas, traded by the Buyer on the GTP, up to the Redelivery Point.
6. In order to give effect to the transactions contemplated herein, the board of directors of the Buyer have duly authorized IGX, vide a board resolution to enter into and execute a Gas Transportation Agreement (GTA) and Capacity Tranche Agreement/s (CTAs), from time to time with Transporter, on behalf of the Buyer.
7. Accordingly, the Parties desire to enter into this Agreement, as an umbrella agreement to record certain terms and conditions that are required to be undertaken by the Parties to ensure the consummation of the transactions, *inter-alia*, under the GTA and CTAs being signed under GTA.

NOW, THEREFORE, IN CONSIDERATION OF THE FOREGOING AND THE MUTUAL REPRESENTATIONS, WARRANTIES, COVENANTS, AND AGREEMENTS HEREIN CONTAINED AND FOR OTHER GOOD AND VALUABLE CONSIDERATION, THE SUFFICIENCY OF WHICH IS ACKNOWLEDGED BY THE PARTIES, THE PARTIES HERETO AGREE AS FOLLOWS

1. DEFINITION AND INTERPRETATION

1.1 Definition

- (a) "**Board Resolution**" shall mean the board resolution passed by the board of directors of the Buyer, duly authorizing IGX to enter into and execute the Gas Transportation Agreement and the CT Agreement/s with Transporter on behalf of the Buyer, and further

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authorizing IGX to be Buyer's true and lawful representative with full power to do and execute the acts, deeds and things, as stated in this Agreement and to give effect to the GTA and the CTAs. The certified true copy of the said Board Resolution is annexed and marked as '**Annexure A**' hereto

- (b) **"Gas"** or **"Natural Gas"** shall mean any hydrocarbons and other gases consisting primarily of Methane at prevailing pressure and temperature at Delivery / Redelivery Point or is predominantly in the gaseous state, which meets the specification laid down in the GTA;
- (c) **"Gas Transportation Agreement" or "GTA"** means the agreement executed between Buyer (IGX executing for and on behalf of the Buyer) and the Transporter for transportation of Gas from one of the trading hubs of delivery (Dahej, Hazira, Oduru etc.) identified as Delivery Point up to the Redelivery Point
- (d) **"Capacity Tranche" or "CT" or "CT Agreement" or "CTA" or "Booked Capacity"** is defined in Clause 4.1 (a) of the GTA.
- (e) **"Operating Code"** shall be in accordance with EXHIBIT - D of the GTA. Operating Code shall also mean the "Access Arrangement" which defines the terms and conditions for access to a pipeline system.
- (f) **"Buyer"** shall mean Shipper under the GTA.

1.2 Interpretation

- (a) Unless the context otherwise requires, reference to the singular shall include a reference to the plural and vice-versa.
- (b) The Annexures and attachments form an integral part of the Agreement.
- (c) All references to, and definitions of, any agreement, instrument or statute herein or in any agreement or instrument referred to herein mean such agreement, instrument or statute, as, from time to time, may be amended, modified, supplemented or restated, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein.
- (d) unless the contrary is expressly stated or the contrary clearly appears from the context (i) any word or phrase defined in the body of this Agreement and not defined in Clause 1.1 shall have the meaning assigned to it in such definition wherever appearing throughout Annexure B; and (ii) capitalized words and phrases, which are used but are not defined

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in this Agreement and are defined under the GTA and Operating Code, shall have the meaning ascribed to such term under the GTA and the Operating Code.

2. Definitive Agreements

- 2.1 IGX, being authorized by the Buyer, vide the Board Resolution, shall execute the Gas Transportation Agreement, for and on behalf of the Buyer, with the Transporter, a copy of which is annexed and marked as '**Annexure B**' hereto ("**GTA**") and which is a part hereof. The said GTA shall govern the terms of the transportation of the Gas through the Transporter's facilities from one of the trading hubs of delivery (*Dahej, Hazira, Oduru etc.*) identified as Delivery Point up to the Redelivery Point, facilitated by IGX. IGX and the Buyer, hereby confirm that both the Parties have read, understood and acknowledged the provisions of the GTA, and the same are acceptable to them in accordance with the terms hereof.
- 2.2 IGX, being authorized by the Buyer, vide the Board Resolution, shall execute Capacity Tranche Agreement/s, for and on behalf of the Buyer, a copy of which is provided under Exhibit C of the GTA provided herein ('**CTAs**') with Transporter, from time to time. Under the CTAs, IGX shall reserve specified capacity of Transporter's facilities, for transportation of such quantities of Gas and for such duration, as required by the Buyer.
- 2.3 The Buyer shall execute a Gas Transportation Undertaking ("**GTU**") , a copy of which is annexed and marked as '**Annexure C**' hereto, whereunder the Buyer is undertaking to IGX that the Buyer will be responsible to IGX, for all obligations and liabilities arising as a result of IGX entering into GTA, CTAs and the Operating Code for and on behalf of Buyer with Transporter.

The documents set out in this Clause 2 shall hereinafter be referred to as "**Definitive Agreements**".

3. Title and Risks

- 3.1 The title of the Gas, at all times, shall be with the Buyer.
- 3.2 All risks in and associated with the Gas from the time it is delivered by the Buyer to the Transporter at the Delivery Point until redelivered by the Transporter at the Redelivery Point shall be borne by the Transporter.

4. Payments and Charges

- 4.1 All Fortnightly Invoices raised by Transporter under the GTA, shall be raised in the name of Buyer with a copy to IGX.

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- 4.2 All such invoiced amounts, due and payable to Transporter by Buyer, arising out of the GTA, shall be paid by IGX for an on behalf of Buyer to Transporter.
- 4.3 All other payments, arising out of the GTA, due and payable to the Transporter, including but not limited to, Ship-or-Pay Payment, payments for Imbalance Charges, Unauthorized Overrun Charges, payments for off-specification Gas, penalties for late payments, etc. and any other such charges, interests with applicable taxes, due and payable to Transporter under the GTA, shall be paid by IGX for an on behalf of Buyer to Transporter.
- 4.4 Payments, if any, to be made by Transporter, arising under the GTA, shall be made to IGX, being the authorized representative of Buyer.

5. Security

- 5.1 IGX shall provide an unconditional, revolving, standby irrevocable Letter of Credit ("LC") to Transporter, in accordance with the GTA, in respect of any or all the GTA(s) that it has entered into with the Transporter on behalf of the respective buyers and such LC shall permit the Transporter to draw down amounts either wholly or partially on account of defaults in payments of invoices/ debit notes raised on the Buyer committed under such GTA (s) .
- 5.2 To ensure timely and appropriate performance of the GTA, IGX shall make a security deposit of the sum specified in the GTA and submit a bank guarantee of the sum specified in the GTA, (from any of the nationalized/scheduled banks acceptable to the Transporter) in favour of the Transporter, wherever required as such by the Transporter.

6. Representations and Warranties by IGX

- 6.1. IGX represents and warrants to the Transporter that:
- (a) it is a company duly organized and validly existing under the laws of India and has all requisite legal power and authority and corporate authorisations at the shareholder and board level to execute this Agreement and the Definitive Agreements and carry out the terms, conditions and provisions hereof and under the Definitive Agreements;
 - (b) it has in full force and effect all requisite clearances, approvals and permits necessary to enter into this Agreement and the Definitive Agreements and perform its obligations hereof and under the Definitive Agreements;
 - (c) this Agreement and the transactions contemplated herein (including the GTA) do not contravene its constitutional documents or any law, regulation or government directive and will not contravene any provisions of, or constitute a default under,

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any other agreement or instrument to which it is a party or by which it or its property may be bound or any of its obligations or undertakings by which it or any of its assets are bound or cause a limitation on its powers or cause it to exceed its authorised powers;

- (d) there is no pending or threatened actions, suits or proceedings which are likely to adversely affect it or its affiliates or any of their respective assets before a court, governmental agency, commission or arbitrator or administrative tribunal regarding its ability to perform its obligations under this Agreement; and neither it nor any of its affiliates have immunity from the jurisdiction of a court or from legal process (whether through service of notice, attachment prior to judgement, attachment in aid of execution, execution or otherwise).
- (e) all its representations and warranties set forth in this Agreement are true, complete and correct in all respects at the time as of which such representations and warranties were made or deemed made.

6.2. IGX hereby represents and warrants to the Transporter that all amounts, charges, penalties, etc. due and payable to Transporter under the GTA, will be made promptly.

6.3. IGX hereby represents and warrants to the Transporter, that it shall comply in all material respects with any applicable laws, if any, in order to enable the Transporter to comply and perform its respective obligations under the Agreement and the Definitive Agreements;

6.4. IGX hereby represents and warrants to the Transporter, that it shall provide all information/documents to Transporter, as may be required by Transporter for the purposes of the Agreement, and the Definitive Agreements.

7. Representations and Warranties by Buyer

7.1. The Buyer represents and warrants to the Transporter that:

- (a) it is a company/ partnership firm/proprietary concern/society, duly organized and validly existing under the laws of India and has all requisite legal power and authority and corporate authorisations at the shareholder and board level to execute this Agreement and the Definitive Agreements and carry out the terms, conditions and provisions hereof and under the Definitive Agreements;
- (b) it has in full force and effect all requisite clearances, approvals and permits necessary to enter into this Agreement and the Definitive Agreements and perform its obligations hereof and under the Definitive Agreements;

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- (c) this Agreement and the transactions contemplated herein (including the GTA) do not contravene its constitutional documents or any law, regulation or government directive and will not contravene any provisions of, or constitute a default under, any other agreement or instrument to which it is a party or by which it or its property may be bound or any of its obligations or undertakings by which it or any of its assets are bound or cause a limitation on its powers or cause it to exceed its authorised powers;
 - (d) there is no pending or threatened actions, suits or proceedings which are likely to adversely affect it or its affiliates or any of their respective assets before a court, governmental agency, commission or arbitrator or administrative tribunal regarding its ability to perform its obligations under this Agreement; and neither it nor any of its affiliates have immunity from the jurisdiction of a court or from legal process (whether through service of notice, attachment prior to judgement, attachment in aid of execution, execution or otherwise).
 - (e) it confirms that all its representations and warranties set forth in this Agreement are true, complete and correct in all respects at the time as of which such representations and warranties were made or deemed made.
- 7.2. Buyer hereby represents and warrants to the Transporter that the Gas being delivered for transportation to the Transporter shall meet the quality and safety standards as per applicable laws, including but not limited to Petroleum and Natural Gas Regulatory Board (Access Code for Common Carrier or Contract Carrier Natural Gas Pipelines) Regulations, 2008 as amended from time to time.
- 7.3. Buyer hereby represents and warrants to the Transporter that the Gas so tendered at the Delivery Point will be free from all encumbrances, liens, charges, security interests and adverse claims of any description, including any claim by a Third-Party with respect to the ownership of Gas.
- 7.4. Buyer hereby represents and warrants to the Transporter that it shall provide all requisite facilities and required infrastructure such as land, and other utilities (free of cost) to Transporter for installation, operation, maintenance and modification of Transporter's facilities at Redelivery Points.
- 7.5. Buyer hereby represents and warrants to the Transporter that it shall cooperate with the Transporter in installing, operating, maintaining, and modifying any specific Redelivery Point facilities, if necessary.
- 7.6. Buyer hereby represents and warrants to the Transporter that it shall offtake the entire quantities delivered at the Redelivery Point pursuant to the GTA.

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- 7.7. Buyer hereby represents and warrants to the Transporter that adequate insurance in respect of its facilities, including third Party risks shall be maintained at all times and any such insurances shall include a waiver of subrogation rights against the Transporter so that the insurers may not make any claim which the Buyer is prevented from making.
- 7.8. Buyer hereby represents and warrants to the Transporter, that it shall comply in all material respects with any applicable laws, if any, in order to enable the Transporter to comply and perform its respective obligations under the Agreement and the Definitive Agreements;
- 7.9. Buyer hereby represents and warrants to the Transporter, that it shall provide all information/documents to the Transporter, as may be required by Transporter for the purposes of the Agreement, and the Definitive Agreements.

8. Indemnity

- 8.1 IGX and the Buyer shall, severally for its respective obligation, indemnify and agree and undertake to indemnify, defend and hold harmless, the Transporter and its directors, officers and employees from and against any and all losses, damages, penalties, costs (including reasonable attorney fees plus court costs), charges, penalties, expenses and injuries incurred and all costs, charges and expenses incurred in instituting and/or carrying on and/or defending any suits, action, litigation, arbitration, disciplinary action, prosecution or any other legal proceedings suffered or incurred by Transporter ("**Loss**") , caused by or resulting from or attributable to:
- (a) the installation, existence, ownership, possession, operation, or maintenance by the Buyer of its Facilities;
 - (b) arising out of acts or omissions of the Buyer in the performance of their obligations under this Agreement and / or the GTA including but not limited to any loss or harm to the environment or any injury or harm to, or death of, any Person including any employee of the Transporter or any damage or loss of property;
 - (c) any inadequate disclosure or incorrect and misleading information by the IGX and/or the Buyer;
 - (d) any act or omission or default of the IGX and/or the in complying with any legal or statutory obligations;
 - (e) a breach of IGX and/or the Buyer's representations and warranties and obligations contained in this Agreement and/or the GTA ; and



- (f) negligence or fraud on the part of the IGX and/or the Buyer and/or their directors, officers, employees, servants, and agents.

9. Term and Termination

- 9.1. Term. This Agreement shall become effective on the Execution Date and shall continue to remain valid till the validity of the GTA unless terminated in accordance with Clause 10.2 below. Notwithstanding anything contained in this Agreement or in the GTA, the term of the GTA and this Agreement shall be co-terminus and if either the GTA or this Agreement stands terminated, the other agreement shall be deemed to have been terminated.
- 9.2. Termination. This Agreement may be terminated, and the transactions contemplated herein may be abandoned with the mutual written consent of all the Parties or as per Clause 13 of the GTA.
- 9.3. Effect of Termination. If this Agreement is terminated pursuant to this Clause, all obligations of the Parties hereunder shall cease to exist, except for the obligations set forth in Surviving Provisions, which shall survive the termination of this Agreement to the extent as specified herein, and except that no such termination shall relieve any Party from liability for any prior breach of this Agreement.

10. Dispute Resolution

- 10.1. *Amicable Settlement: Any dispute, controversy, difference or claim arising out of or relating to this Agreement or the breach, termination or validity thereof, shall at the first instance be mutually settled between GAIL and IGX/Buyer, within a period of 30 days after giving notice by GAIL to IGX/Buyer or vice-versa.*
- 10.2. *For speedier, cost effective and amicable settlement of dispute through conciliation, all issue(s)/dispute(s) arising under the Agreement, which cannot be mutually resolved within reasonable time may be referred for conciliation in accordance with GAIL Conciliation Rules 2010 as amended from time to time. GAIL Conciliation Rules 2010 are in conformity with Part III of the Arbitration and Conciliation Act 1996.*
- 10.3. *Where invitation for conciliation has been accepted by either GAIL or IGX/Buyer, as the case may be, the Parties shall attempt to settle such dispute (s) amicably under Part III of the Arbitration and Conciliation Act, 1996 and GAIL Conciliation Rules 2010. It would only after exhausting the option of Conciliation as an alternate Dispute Resolution Mechanism that the Parties hereto shall invoke Arbitration Clause. For the purpose of this clause, the*

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option of Conciliation shall be deemed to have been exhausted, even in case of rejection of Conciliation by any of the Parties.

- 10.4. If a dispute arises out of or in connection with this Agreement between GAIL and IGX/Buyer, GAIL or IGX/Buyer, as the case maybe can invoke Arbitration under this Clause and by submitting that dispute to any one of the Arbitral Institutions i.e. ICADR/ICA/DIAC/SFCA and that matter shall be adjudicated in accordance with their respective Arbitration Rules.*
- 10.5. The matter shall be adjudicated by Sole Arbitrator, who shall necessarily be a Retd. Supreme Court /High Court Judge to be appointed/nominated by the respective Arbitral Institution.*
- 10.6. The cost/ expenses pertaining to the said Arbitration shall also be governed in accordance with the rules of the respective Arbitral Institution. The decision of the Party invoking the Arbitration for reference of dispute to a specific Arbitral institution for adjudication of that dispute shall be final and binding on both the Parties and shall not be subject to any change thereafter. The institution once selected at the time of invocation of dispute shall remain unchanged.*
- 10.7. The award of the Sole Arbitrator shall be final and binding on the parties and the cost of arbitration proceedings shall be shared equally by both the parties.*
- 10.8. The Arbitration proceedings shall be in English language and the seat, venue and place of Arbitration shall be New Delhi, India only.*
- 10.9. Subject to the above, the provisions of Arbitration and Conciliation Act, 1996 and the rules and amendment thereof shall be applicable. All matter relating to this Agreement and*

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arising out of invocation of Arbitration Clause are subject to the exclusive jurisdiction of the Court(s) situated at New Delhi.

10.10. *For the purposes of a dispute under this Agreement and more specifically this Clause 10, IGX and the Buyer shall be deemed to be one party and Transporter the other party.*

10.11. *Notwithstanding anything stated herein, the list of "Excepted Matters" as provided in Clause 16.5(vi) of the GTA, shall not be referred to Arbitration and shall be subject to the jurisdiction of the courts of New Delhi.*

11. Miscellaneous

11.1. Framework Agreement. This Agreement is intended to be a framework for the understanding between the Parties. In the event that there is a conflict in relation to the provisions related to 'amounts, charges, penalties, etc'. due and payable to the Transporter under the GTA and this Agreement, the related provisions of this Agreement shall prevail.

11.2. Amendment. This Agreement may be amended, modified, or supplemented but only in writing signed by the Parties.

11.3. Notices. All notices, request, instruction or other document under this Agreement shall be in writing and in English language and shall be deemed to have been given, (a) when received if given in person or by courier or a courier service; or (b) on the date of transmission if sent by email, facsimile or other wire transmission (receipt confirmed):

If to **Transporter**, addressed as follows:

Attention: [●]

Address: [●]

Email: [●]

If to **IGX**, addressed as follows:

Attention: [●]

Address: [●]

Email: [●]

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If to **Buyer**, addressed as follows:

Attention: [●]

Address: [●]

Email: [●]

or to such other individual or address as a Party hereto may designate for itself by written notice given as herein provided.

Any notice so served shall be deemed to have been duly given (i) in case of delivery by hand, when hand delivered to the other Party; or (ii) when delivered by courier or by any postal service that provides a receipt of delivery on the date contained in the delivery receipt that the sending Party receives from the delivery service provider; or (iii) for electronic mail upon no failure/ bounce back delivery receipt.

- 11.4. Surviving Provisions. Clauses 6, 7, 8, and 10 shall survive the termination of this Agreement.
- 11.5. Waivers. Unless otherwise provided in this Agreement, the failure of a Party hereto at any time or times to require performance of any provision hereof shall in no manner affect its right at a later time to enforce the same. No waiver by a Party of any condition or of any breach of any term, covenant, representation or warranty contained in this Agreement shall be effective unless in writing, and no waiver in any one or more instances shall be deemed to be a further or continuing waiver of any such condition or breach in other instances or a waiver of any other condition or breach of any other term, covenant, representation or warranty.
- 11.6. Assignment. This Agreement shall be binding upon and inure to the benefit of the Parties hereto and their respective successors and permitted assigns; provided that no assignment of any rights or obligations hereunder, by operation of Law or otherwise, shall be made by either Party without the written consent of the other Party.
- 11.7. No Third- Party Beneficiaries. This Agreement is solely for the benefit of the Parties hereto and, to the extent provided herein, their respective Affiliates, and no provision of this Agreement shall be deemed to confer upon other third parties any remedy, claim, liability, reimbursement, cause of action or other right.
- 11.8. Publicity. No public announcement or other publicity regarding the existence of this Agreement or its contents or the transactions contemplated hereby shall be made by either Party or any of their respective Affiliates, officers, directors, employees,

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representatives or agents, without the prior written consent of the other Parties, as to form, content, timing and manner of distribution or publication.

- 11.9. Further Assurances. The Parties agree to do all such further and other things, execute and deliver all such additional documents, to give full effect to the terms of this Agreement. The Parties undertake that they will do or procure to be done all such further acts and things, execute or procure the execution of all such other documents and exercise all rights and powers, direct and indirect, available to them in relation to any Person so as to ensure the complete and punctual fulfilment, observance and performance of the provisions of this Agreement and generally that full effect is given to the provisions of this Agreement.
- 11.10. Severability. Subject to the provisions of this Agreement, each and every obligation under this Agreement shall be treated as a separate obligation and shall be severally enforceable as such and in the event of any obligation(s) being or becoming unenforceable in whole or in part. If any provision of this Agreement shall be held invalid, illegal or unenforceable, the validity, legality or enforceability of the other provisions hereof shall not be affected thereby, and there shall be deemed substituted for the provision at issue a valid, legal and enforceable provision as similar as possible to the provision at issue. Notwithstanding the foregoing, any provision which cannot be amended as may be necessary to make it valid and effective shall be deemed to be deleted from this Agreement and any such deletion shall not affect the enforceability of the remainder of this Agreement not so deleted provided the fundamental terms of the Agreement are not altered.
- 11.11. Relationship. The Parties to this Agreement are independent parties. None of the Parties shall have any right, power or authority to enter into any agreement for or on behalf of, or incur any obligation or liability of, or to otherwise bind, the other Parties except as specifically provided by this Agreement. Nothing in this Agreement shall be interpreted or construed to create an association or partnership between the Parties or to impose any liability attributable to such relationship upon any of the Parties nor, unless expressly provided otherwise, to constitute any Party as the agent of any of the other Parties for any purpose. No Party has the power or the right to bind, commit or pledge the credit of any other Party.
- 11.12. Entire Understanding. This Agreement and the Definitive Agreements set forth the entire agreement and understanding of the Parties hereto with respect to the transactions contemplated hereby and supersede any and all prior agreements, arrangements and understandings among the Parties relating to the subject matter hereof. It hereby clarified that in the event there is any contradiction between the provisions in relation to the 'amounts, charges, penalties, etc'. due and payable to the Transporter under the Definitive

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CIN: U74999DL2019PLC357145



Agreements and this Agreement, then in such an event the related provisions of this Agreement shall prevail and supersede, to the extent of such contradiction.

11.13. Counterparts. This Agreement may be executed in counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

12.14 Governing Law and Jurisdiction: The Agreement shall be governed by and construed in accordance with the laws in force in India. The Parties hereby submit to exclusive jurisdiction of the Courts situated at New Delhi for adjudication of disputes, injunctive relief, actions and proceedings, if any, arising out of this Agreement.

IN WITNESS WHEREOF the Parties hereto acting through their properly constituted representatives have set their hands to cause this Agreement to be signed and executed for and on their behalf.

For and on behalf of GAIL (India) Limited Name: Asim Prasad Designation: CGM (Marketing- NG Trans)	For and on behalf of Indian Gas Exchange Limited Name: Rajesh K Mediratta Designation: Director
For and on behalf of [the Buyer] Name: Designation:	

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Annexure -2

GAS TRANSPORTATION UNDERTAKING

This Non-Judicial Stamp paper of Rs. [●] forms part and parcel of this Gas Transportation Undertaking (“GTU”) submitted on this [month] [date], [year] (“Execution Date”) at [place],

By:

[Insert name of the entity buying the gas capacity on the gas trading platform], having its registered office at [●] (hereinafter referred to as “Buyer”, which expression shall unless it be repugnant to the context or meaning thereof be deemed to mean and include their successors and assigns),

To:

Indian Gas Exchange Limited, a company incorporated under the Companies Act, 2013, with corporate identification number U74999DL2019PLC357145 and having its registered office at Unit No.3,4,5&6, Fourth Floor, TDI Centre Plot No. 7, District Centre, Jasola, South Delhi, New Delhi (hereinafter referred to as “IGX”, which expression shall, unless it be repugnant to the context or meaning thereof be deemed to mean and include their successors and assigns).

The Buyer and IGX shall individually be referred to as a “Party”, and collectively be referred to as “Parties”.

WHEREAS:

1. IGX is operating an electronic Gas Trading Platform (“GTP”) where the buyers and sellers of Gas transact on standardized contracts for Gas. The Buyer proposes to trade on the GTP under the Delivered Transactions per IGX’s Market Rules and Bye-laws. The Buyer desires IGX to facilitate the transportation of Gas and in this regard, agrees that the Buyer shall be entering into the Gas Transportation Agreement (“GTA”) as a Shipper with [Gas Authority of India Limited (“GAIL”)] as the Transporter. IGX will facilitate the process and is being authorised by the Buyer to sign the GTA and any other agreement, relating to the transportation of the gas, with the Transporter, for and on behalf of the the Buyer as its authorised signatory.
2. In order to facilitate the Delivered Transaction, IGX , the Transporter and the Buyer have entered into, a tripartite agreement, to record certain terms and conditions that are required to be undertaken by the Buyer and IGX to ensure the consummation of the transactions under the GTA and Capacity Tranche Agreement (“CTAs”) being signed under GTA. The GTA read with the Operating Code, the CTAs and such other ancilliary documents to be entered into with GAIL for the purposes for facilitating transportation of Gas shall together be referred to as the “Agreement(s)”.
3. The Buyer is therefore, submitting this Gas Transportation Undertaking (“GTU”) to IGX to *inter alia* undertake that it will be responsible for all obligations and liabilities arising as a result of IGX signing the Agreement(s) for and on behalf of the Buyer and consequently, the Buyer becoming a party to the Agreement(s) and further, provide authorization to IGX for the purposes set out under this GTU.

NOW THEREFORE, in consideration of the covenants contained herein and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, the Buyer undertakes as follows:

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12. INTERPRETATION

1.3 Interpretation

- (e) all references to, and definitions of, any agreement, instrument or statute herein or in any agreement or instrument referred to herein mean such agreement, instrument or statute, as, from time to time, may be amended, modified, supplemented or restated, including (in the case of agreements or instruments) by waiver or consent and (in the case of statutes) by succession of comparable successor statutes and references to all attachments thereto and instruments incorporated therein.
- (f) **unless the contrary is expressly stated or the contrary clearly appears from the context, all** capitalized words and phrases, which are used but are not defined in this GTU and are defined under the Market Rules, Bye-Laws or Agreement(s), shall have the meaning ascribed to such term under the Market Rules, Bye-Laws or the Agreement(s) (*as applicable*).

13. AUTHORISATION

- 2.1 The Buyer, hereby authorises IGX, to sign, the Agreement(s) for and on its behalf and make payments including but not limited to the Transmission Charges (*as defined in the GTA*) directly to the Transporter, on behalf of the Buyer, pursuant to and in accordance with the terms of the GTA.

14. GENERAL CONDITIONS

- 14.1. The Buyer shall abide by all the terms and conditions of the Market Rules, the Bye-Laws, and Membership Form/Client Registration Form of IGX and any circular/notice/guidelines issued by IGX from time to time.
- 14.2. The Buyer confirms that it has reviewed, understood and acknowledged the provisions of the GTA, and the same are acceptable to the Buyer. In addition to the GTA, the other relevant Agreement(s) are duly disclosed by IGX to its Members and the Members are responsible to share the same with their respective Clients, from time to time, and the Buyer shall abide by all the terms and conditions defined under the Agreement(s).
- 3.3 The Buyer agrees that IGX's obligations to undertake the responsibility of facilitating the transportation of Gas in relation to any trade will be subject to the Buyer maintaining the requisite margins to reflect the value of traded quantity and charges as payable and defined under the GTA, from time to time and in satisfaction of the conditions set out in Market Rules.
- 3.4 The Buyer agrees to comply with all obligations and liabilities arising under the Agreement(s), including making all payments prescribed under the GTA (except the Transmission Charges or payments specifically agreed to be paid by IGX directly to the Transporter under the GTA or any other Agreement). The Transmission Charges and/or other payment which IGX is undertaking to pay to the Transporter, for and on behalf of the Buyer, shall be due and payable by the Buyer to IGX, through the relevant Member or margins/deposits etc. maintained by the Member on behalf of the Buyer/Client with IGX.

15. TERM OF THE GTU

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- 4.1. Subject to Clause 8 of this GTU, the term of GTU shall commence on the Execution Date and shall continue till termination or expiry of the Agreement(s) (“**Termination Date**”).
- 4.2. Upon the occurrence of the Termination Date, the Parties shall not have any rights and obligations under GTU, except for any rights, obligations, and rights of action or remedy, which has accrued in favour of IGX prior to the Termination Date. Buyer further agrees that any adjustments or claims made by the Transporter under the Agreement(s) in future, even after expiry of the Agreement(s) or this GTU, shall be payable by the Buyer and/or through the relevant Member.
- 4.3. Notwithstanding anything to the contrary herein, the provisions set forth under Clause 7 (Warranties and Covenants), Clause 8 (Liability), and Clause 9.1 (Miscellaneous), shall continue and survive any expiry or termination of GTU.

5. LIABILITY

- 5.1. IGX shall not be held responsible under any circumstance and no claims shall be raised by the Buyer on IGX due to reasons attributable to Transporter including any rejection by the Transporter to enter into a CTA to deliver the Gas for the Gas quantities traded by the Buyer on the GTP either in full or in part.
- 5.2. IGX shall not be responsible for any third party claims attributable to the Transporter or the Buyer and the Buyer shall, at all times, indemnify and hold harmless IGX, from and against any and all losses, damages, penalties, costs (including reasonable attorney fees plus court costs), expenses and injuries on account of (a) any claims, demands, proceedings judgments or causes of action brought by any third party (including employees of either Party) or Government authority, caused by or resulting from or attributable to the installation, existence, ownership, possession, operation or maintenance by the Buyer of its facilities or arising out of acts or omissions of Buyer in the performance of his obligations under the Agreement(s) including but not limited to any loss or harm to the environment or any injury or harm to, or death of, any person including any employee of the Transporter or any damage or loss of property, except to the extent caused by the willful misconduct or negligence of the Transporter or breach of Agreement(s) by the Transporter; (b) breach of its representations and warranties, obligations or covenants under this GTU/ or as required under the relevant Agreement(s) or any other agreement or negligence, fraud, wilful default or breach of statutory duty by the Buyer, its employees, agents or contractors; (c) any claims relating to ownership of Gas with the Buyer during the transportation of Gas.
- 5.3. Notwithstanding anything contained in this Clause, in case the Transporter agrees to enter into a CTA for a quantity which is lower than the traded quantity, the Buyer agrees that the trade would only occur for such quantities which have been firmed up by the Transporter.

6. CHARGES, PAYMENTS AND SECURITIES

- 6.1. The Buyer agrees and understands that IGX’s obligation in relation to the payments to be made under the Agreement(s) shall be limited to making payments of the Transmission Charges or any other payment as specifically agreed by IGX, on behalf of the Buyer up to the invoiced/ demanded amounts by the Transporter. The Buyer shall pay to IGX for the Transmission Charges and all other payments

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made by IGX under the GTA or otherwise and for any additional charges/taxes/fee/interest etc. levied on IGX in relation thereto by the Transporter.

- 6.2. The payment of liquidated damages by the Transporter under the Agreement(s) shall be the sole remedy of the Buyer and Buyer shall have no rights to make any additional claims whatsoever against IGX.
- 6.3. The Buyer acknowledges that IGX will be opening a letter of credit/bank guarantee for trades under Delivered Transactions under the GTP¹ and agrees that in case of any total or partial drawdown of the letter of credit/bank guarantee, by the Transporter, on account of failure to make any payments under the Agreement(s) or any other default or event as specified in the Agreement(s), IGX would have the right to claim the equivalent amounts which are drawn down by the Transporter, from the letter of credit, from the Buyer and the Buyer shall be responsible to pay such amounts.
- 6.4. The Buyer further agrees that in relation to all payments to be made by IGX on behalf of the Buyer under the Agreement(s), IGX shall also have a right to adjust/set off/deduct amounts from any cash/non-cash deposits/margins/settlement guarantee fund maintained by the Buyer with IGX, in accordance with the Market Rules of IGX.

7. WARRANTIES AND COVENANTS

- 7.1. The Buyer represents and warrants that,
- (a) it is a company duly organized and validly existing under the laws of India and has all requisite legal power and authority and corporate authorizations at the shareholder and board level to execute GTU and carry out the terms, conditions and provisions hereof;
 - (b) it has the requisite margins to reflect the total traded quantity and charges as payable and defined under the GTA, from time to time and in satisfaction of the conditions set out in Market Rules.

8. TERMINATION

- 8.1. In addition to the other provisions in GTU, IGX may serve a notice of its intention to terminate upon the occurrence and continuation of any of the following event:
- (a) the Buyer commits any other material breach of its obligations under GTU or the Market Rules; or
 - (b) if Buyer become insolvent.
- 8.2. The termination process shall be as per the Market Rules and the Bye Laws.

9. MISCELLANEOUS

- 9.1. In case of any dispute arising during the transaction and settlement of transaction, it shall be resolved as per the rules and regulations of IGX.

¹ **Note to IGX:** In case any other securities are being provided by IGX, this clause will have to be accordingly modified.



9.2. Notwithstanding anything contained in this GTU, any dispute, controversy, difference or claim arising out of or relating to the GTA or the breach, termination or validity thereof, as between the Transporter and the Buyer shall be dealt between the Buyer and the Transporter, in accordance with the GTA and IGX shall not be a party to the same.

AGREED and SIGNED for and on behalf of

THE BUYER

Name of the Entity:

By:

Signature: Title:

CONFIRMING PARTY

THE MEMBER

Name of the Entity:

By:

Signature: Title:

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