Circular No.: IGX/MO/11/2020 10th July 2020

Delivered Transactions in PIL Network

Dear Members,

In pursuance of Clause 10.1.3 of Market Rules of IGX, 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 Pipeline Infrastructure Limited (PIL) can initiate Delivered Transactions at the Gas Trading Platform.

In order to facilitate the transportation of gas for the buyers at PIL network, IGX has executed the Framework Gas Transmission Agreement (FGTA) with the Transporter.

Any buyer connected to PIL network and desirous for Delivered transaction has to submit the Gas Transportation Undertaking ("GTU") duly signed by the authorized person as per the format attached under Annexure-I with this Circular. Vide GTU, the buyer will undertake the responsibility of all obligations and liabilities arising as a result of IGX signing the FGTA.

The copy of the PIL FGTA is available at https://igxindia.com/regulations-and-procedures/

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

For and on behalf of

Indian Gas Exchange Limited

(Sd/-)

Prasanna Rao

Head Market Operations

Annexure-I

GAS TRANSPORTATION UNDERTAKING FOR DELIVERED TRANSACTION

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.

2. The Buyer proposes to trade on the GTP under the Delivered Transactions, and for trades undertaken by it on the GTP, the Buyer proposes to accept the quantities of Gas made available for delivery by IGX.

3. For facilitating transporation of Gas on the GTP for Delivered Transactions, IGX has entered into agreements with Transporters for transportation of Gas from the entry points to the exit points as required under the trades undertaken on the GTP.

4. The Buyer desires IGX to faciltitate the transportation of Gas upto the [*Insert the Exit Point*] ("**Exit Point**") and in this regard, agrees that IGX has entered or will enter into the Agreement(s) with the Transporter for and on behalf of the the Buyer.

5. The Buyer is therefore, submitting this GTU to IGX to *inter alia* undertake that it will be responsible for all obligations and liabilities arising as a result of IGX entering into the Agreement(s) (*as defined in Clause 2.3 below*) for and on behalf of the Buyer.

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:

1. DEFINTION AND INTERPRETATION

1.1 Defintion

"Seller" means the entity with an obligation to deliver the traded quantity of Gas at the Entry Point.

"**Market Rules**" means the market rules issued by IGX, and amended from time to time, which shall govern the operation at the GTP for trade of commodities, including Gas.

"**Bye-Laws"** means the bye laws issued by IGX, and amended from time to time, which shall govern the operation at the GTP and the Members with IGX.

"**Entry Point**" means the delivery point for Gas, for the trade undertaken by the Buyer on the GTP.

"**Gas**" or "**Natural Gas**" means, wet gas, dry gas, all other gaseous hydrocarbons, and all substances contained therein, including sulphur, carbon dioxide and nitrogen but excluding extraction of helium, which are produced from oil or gas or CBM Wells, excluding those condensed or extracted liquid hydrocarbons that are liquid at normal temperature and pressure conditions, and including the residue gas remaining after the condensation or extraction of liquid hydrocarbons from gas.

"**Transporter**" means the gas pipeline operator with whom IGX shall enter into the relevant Agreement(s) for transportation of Gas from Entry Point to the Exit Point.

"**Transportation Tariff**" shall have the meaning specified in relevant Agreement(s).

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 GTU. In the event of any conflict between any provision of the Clause and any provision of the annexure and attachment.

(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 GTU and not defined in Article** 1.1 **shall have the meaning assigned to it in such definition wherever appearing throughout this GTU; and (ii)** 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*).

2. GENERAL CONDITIONS

2.1. 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.

2.2. The Buyer authorizes IGX to make necessary arrangements with the Transporter for transportation of Gas upto the quantities traded on the GTP at Exit Point and agrees that IGX will execute capacity tranche agreements/ gas transportation agreements with the Transporters for such quantities for and on behalf of the Buyer, and the Buyer shall provide all required support to evidence such authorization, as may be required by IGX.

2.3. The Buyer shall abide by all the terms and conditions defined under the relevant gas transportation agreements, capacity tranche agreement, and the operating code entered into by the IGX with the Transporter for delivery of Gas from the Entry Point to the Exit Point ("**Agreement(s)**") and any other agreement(s) entered into by IGX on behalf of or for the purpose of facilitating transportation of the Gas to the Buyer. The relevant Agreement(s) will be duly disclosed by IGX to its Members and the Members are responsible to share the same with their respective Clients.

2.4. The title of Gas and associated risks shall always be with the Buyer from the Entry Point till the Exit point. The Buyer agrees that IGX will only be an intermediary and will act as a facilitator and authorizes IGX to execute the Agreements, and any other documents (as may be required) for and on behalf of the Buyer for transportation of the Gas from Entry Point to Exit Point.

2.5. IGX's obligations to undertake the responsibility of facilitating the transportation of Gas in relation to any trade will be subject to:

(a) maintaining the requisite margins to reflect the value of change in traded quantity and Transportation Tariff from time to time as described under the Market Rules; and

(b) satisfaction of the conditions set out in Market Rules.

3. TERM OF THE GTU

3.1. Subject to Clause 8 of this GTU, the term of GTU shall commence on the Execution Date and shall continue till the time the Buyer remains a Member/Client of IGX and completes all its obligations as per the guidelines of IGX ("**Termination Date**").

3.2. 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 or the relevant Member.

3.3. Notwithstanding anything to the contrary herein, the provisions set forth under Clause 7 (Representations, Warranties), Clause 8 (Liability), and Clause 9.1 (Dispute resolution), shall continue and survive any expiry or termination of GTU.

3.4. Notwithstanding the provisions of Clause 3.1 above, the Parties may at any time and from time to time by mutual agreement, extend the term of GTU and, such extended term shall in such a case be the term of this GTU.

4. OBLIGATIONS OF THE BUYER

4.1. The Buyer agrees that obligations under the Agreements, as attributable to the Buyer, are to be solely performed by the Buyer. Buyer shall be responsible for all such obligations and liabilities arising out of the Agreement(s) that are undertaken by IGX as the Shipper under the Agreement(s) including but not limited to the following obligations:

(a) Buyer shall be responsible to offtake the entire quantities delivered at the Exit Point pursuant to the Agreement(s) and shall also be responsible for performance of all obligations in relation to offtake of Gas at the Exit Point in accordance with the terms of the Agreement(s);

(b) Buyer shall provide the required infrastructure mentioned in the Agreement(s) such as land, and other utilities (free of cost) to Transporter for installation, operation, maintenance and modification of Transporter's facilities at Exit Points;

(c) Buyer acknowledges that the Agreement(s) shall be conditional upon the condition precedent(s) mentioned under the Agreement(s) and shall fulfill such condition precedent(s) required under the Agreement(s) in accordance with the prescribed timelines and terms of the Agreement(s);

(d) Buyer shall at all times procure and maintain insurance in respect of its facilities, including third party risks, and shall also ensure that 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;

(e) Buyer shall comply in all material respects with any applicable laws, if any, in order to enable IGX and the Transporter to comply and perform their respective obligations under the Agreement(s);

(f) Buyer shall provide all information/documents to IGX, as may be required by IGX for the purposes of the Agreement(s); and

(g) Buyer shall make all payments for all Charges, including the transmission charges, to IGX in relation to any invoices issued to IGX by the Transporter under the Agreement(s).

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 but not limited to the following events:

(a) rejection by the Transporter to enter into a capacity tranche agreement/ gas transportation agreement (as applicable) to deliver the Gas for the Gas quantities traded by the Buyer on the GTP either in full or in part;

(b) delivery of off-specification gas by Transporter at Exit point. The Buyer shall be solely responsible for accepting or refusing such gas (if such right of rejection is provided under the relevant Agreement(s));

(c) termination of Agreement(s) by the Transporter for reasons including occurrence of a force majeure event under the Agreement(s), consequences of change in law and where Transporter is prevented from receiving delivery of Gas at redelivery point;

(d) impact on delivery due to maintenance activities or planned shutdowns, force majeure events or any such event specified in the Agreement(s);

(e) in case of interconnected pipelines, any liability arising due to disputes between two pipeline operators;

(f) comingling of gas; and

(g) any other actions attributable to the Transporter covered in the Agreement(s).

Notwithstanding anything contained in Clause 5.1(a) above, in case the Transporter agrees to enter into a capacity tranche agreement/ gas transportation agreement (as applicable) 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.

5.2. IGX shall further not be held responsible under any circumstance and no claims shall be raised by the Buyer on IGX (a) due to reasons attributable to the Buyer, and such circumstances shall include non-fulfilment of its obligations provided under Clause 4.1 of this GTU; or (b) upon termination of the Agreement(s) by IGX. Further, in cases of such termination of the Agreement(s) due to any act of Buyer, IGX shall have the right to claim for any loss arising due to such termination from the Buyer.

5.3. 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, the Seller and the Transporter 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 wilful 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 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 from Entry Point to Exit Point.

6. CHARGES, PAYMENTS AND SECURITIES

6.1. The Buyer acknowledges that IGX shall be responsible to make payments to the Transporter against all invoices issued to IGX and all payments to be made by IGX as per the terms of the Agreement(s) for charges including Transportation Tariff, transportation charges/ transmission charges, imbalance charges, overdrawal charges, overrun charges and any other such charges, interests with applicable taxes ("**Charges**"). The Buyer agrees that any payments against the invoices issued to IGX under the Agreement(s) are to be made by the Buyer and where such payments are made by IGX, the Buyer undertakes to reimburse IGX for the said amount and any additional charges/taxes/fee etc. levied on IGX in relation thereto. The Buyer agrees that 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 relation the payments noted in this Clause or in case of delay/ default in payment by the Buyer.

6.2. The Buyer shall maintain the minimum amount equivalent to total order value at the time of placing the Order with IGX as per the Contract Specifications of the Market Rules.

6.3. If upon the commencement of the delivery obligation of the Transporter under the Agreement(s), the Transporter is able to deliver the relevant Gas quantities upto the Exit Points but where such deliveries are not off-taken by the Buyer at the Exit Point, the Buyer shall be responsible to make payments with immediate effect and within 24 (twenty four) hours, for the applicable Charges or damages or loss or any other payments, as required to be made by IGX as the Shipper in relation to the Agreement(s).

6.4. 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.

6.5. The Buyer acknowledges that IGX will be submitting securities as per the terms of the Agreement(s) including letter of credits, bank guarantees and/or security deposits for and on behalf of the Buyer. In case of forfeiture of the security deposits or encashment of the guarantee due to non-performance of obligations which are to be complied by the Buyer, IGX would have the right to claim the equivalent amounts which are charged by the Transporter from the Buyer. In cases, where a letter of credit is opened by IGX pursuant to the Agreement for securing payments for the relevant capacity tranche agreement/ gas transportation agreement of the Buyer, the Buyer shall open a letter of credit for such amounts as may be required in relation to the relevant capacity tranche agreement/ gas transportation agreement of the Buyer, of an amount of equivalent to the letter of credit or any other payment security which IGX opens up or issues in favour of the Transporter as per the terms of the Agreement(s) and the Market Rules on the day of execution of the capacity tranche agreement. The Buyer shall further issue, extend, replenish or replace the letter of credit, as may be required by IGX. In case, the Buyer fails to open such letter of credit, then IGX can cancel the trade.

6.6. In case of any reasonable costs arising out of change in law and amendment of IGX Agreement(s) with Transporter, such costs would be borne by Buyer itself, depending upon the nature of the change/amendment.

6.7. All taxes levied by the Transporter on IGX under the Agreement(s) in respect of any services provided by the Transporter shall be borne by the Buyer.

7. REPRESENTATION AND WARRANITES

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 authorisations at the shareholder and board level to execute GTU and carry out the terms, conditions and provisions hereof;

(b) it has in full force and effect all requisite clearances, approvals and permits necessary to enter into GTU and perform its obligations hereof;

(c) GTU and transactions and obligations hereof 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 GTU; 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 GTU are true, complete and correct in all respects at the time as of which such representations and warranties were made or deemed made;

(f) it has informed of all the material aspects and events which are likely to have any adverse impact on the performance of the contractual obligations;

(g) the execution of this GTU shall not create any right, title, interest or claim (either beneficial or otherwise) in respect of any of the Party's facilities and the Transporter's facilities;

(h) it has the requisite margins to reflect the value of change in traded quantity and Transportation Tariff from time to time as described under the Market Rule; and

(i) it shall have the legal and beneficial title and interest in the Seller's facilities and it has the requisite infrastructure, facilities and manpower to perform its obligations under the Agreement(s) and shall maintain its adequacy during its period.

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 fails to pay when due any amounts owed to the Transporter under the Agreements and where such failure continues for not less than 3 (three) days following the date on which such payment is due;

(b) the Buyer fails to issue, extend, replenish or replace any letter of credit within the time period specified in GTU;

(c) the Buyer commits any other material breach of its obligations under GTU or the Market Rules; or

(d) if Buyer become insolvent.

8.2. The termination process shall be as per the Market Rules and the Bye Laws.

9. FORCE MAJUERE

9.1. The force majeure events for the Buyer shall be the same as the force majeure events provided under the relevant Agreement(s) entered into by IGX for delivery of Gas from Entry Point to Exit Point. Upon occurrence of any such event, the Buyer shall promptly, but no later than the notification period stipulated under the relevant Agreement(s), notify IGX of occurrence of the force majeure event and IGX shall thereby invoke the provisions relating to force majeure under the relevant Agreement(s).

9.2. Notwithstanding anything contained in clause 9.1 above, the declaration of any force majeure event by the Buyer, shall not release the Buyer for indemnifying IGX in case the Transporter imposes a liability on IGX under the relevant Agreement(s).

10. MISCELLANEOUS

10.1. 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.

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:**