Circular No.: IGX/MO/42/2021 August 02, 2021

Post Trade Margin Optimization

Dear Members,

In pursuance to Byelaws and Market Rules of IGX and in reference to IGX Circular No. 37 (Master Circular Ver-2), Members may kindly note that IGX is modifying its post trade margin applicable on the exchange contracts. Members may kindly take note of the below mentioned changes:

Buyer Post Trade Margin: -

Existing Provision: In case of Delivered transactions, at present from buyer members, Margin collected on trade date is kept at 25% of trade value in cash or non-cash format, plus 15% of trade value as estimated transport related charges in cash format.

Revised Provision: It has now been decided to recover 25% of the trade value in cash or non-cash format, plus 102% of the transportation charges (including GST) in cash format towards buyer post trade margins. Post receivable of Capacity Tranche (CT) confirmation from the transporter, in case of any shortage w.r.t 102% of transportation charges (including GST), the same will be collected with first pay-in. There will be no changes in Ex-hub transactions.

The Exchange will adjust the cash portion of the margin (i.e., 25% of trade value) against the pay-in obligation of that trade. The Exchange will first collect the pay-in on daily basis and then will start adjusting the pay-in with the cash margins for later days as per below table:

Contract	No. of pay-in days for which the Cash Margin will be adjusted
Monthly (MN)	6
Fortnightly (FN)	3
Weekday (WD) & Weekly (WK)	1

Further, in case of 102% margin collected for transportation charges, it will be paid to transporter and surplus, if any will be refunded back to the member at the time of final settlement of the trade post completion of delivery period.

Release of Seller Post Trade Margin: -

Existing Provision: In case of Seller Post trade margins, currently the post trade margins are refunded post closure of the delivery period.

Revised Provision: In case of Monthly contracts, it has been decided to release 50% of the margin (Post trade margin collected for first FN) to seller member within three working days with the payment of VAT/CST from receipt of fortnightly seller invoice.

Members may kindly take note of the summarized applicable post trade margin: -

Type of Contract	Buyer Margin – Ex hub transaction	Buyer Margin – Delivered transaction	Seller Margin
Monthly (MN) Fortnightly (FN) Weekday (WD) Weekly (WK)	25% of Trade value (cash/non-cash) on Trade Day (T)	25% of Trade value (cash/noncash) + 102% of the estimated ship or pay Margin in cash on Trade Day (T)	15% of Trade value (cash/non-cash) on Trade Day (T)
Daily (DL)	Option 1: 25% of trade value (cash/non-cash) on Trade Day (T) or, Option 2: 120% of Trade value (cash) on Trade Day (T)	Option 1: 25% of Trade value (cash/noncash) + 102% of the estimated ship or pay Margin in cash on Trade Day (T) or, Option 2: 150% of Trade value (cash) on Trade Day (T)	15% of Trade value (cash/non-cash) on Trade Day (T)

All other term and conditions will remain the same as mentioned in Circular No. 37.

This circular will come into effect from trade date 3rd of August 2021.

For and on behalf of

Indian Gas Exchange Limited

(Sd/-) Prasanna Rao

Vice President (Market Operations)