Circular No.: IGX/MO/74/2022 October 19, 2022

Domestic (Ceiling price) Gas - Collection of full tax in advance for C Form transactions

Dear Members,

In view of the difficulties shared by Domestic Gas producers in obtaining C Form in time from the buyers resulting into delay/default in fulfilment of their tax obligation, partial amendment to our earlier circular no. 56 dated 30th March 2022 is being issued hereby. Further in pursuance to the Bye laws and Market Rules of IGX and in conjunction to the said circular, Members of the Exchange are hereby informed that:

In amendment to the matter of Taxation under Point No. 3(a) of the said circular, it may be noted that on confirmation of Domestic Gas (ceiling price) trades, the buyer member will have to deposit necessary tax amount (in cash/noncash form) in addition to the post trade margins. Such necessary tax amount will be the difference between the full tax rate (without concession) and the tax rate availed by the buyers through C Form.

Further, on D-1, where D stands for delivery day, the availed tax concession rate amount will be collected along with the daily payin as is being done currently. Once the C Form is issued by the buyer (refer circular no. 56 for more details), the withheld amount of tax will be released to the buyer within 2 days.

In case if the buyer fails to submit the C Form within the stipulated time period as mentioned in Circular 56, IGX shall ensure to make good payment of differential tax along with interest and penalties. Similarly, in case of rejection of C-Form by the assessing tax authority on any later date, exchange shall recover from buyer member the differential tax amount along with applicable penalties and interest and pay it to the Seller.

This circular shall be effective from Wednesday, October 20, 2022

For and on behalf of
Indian Gas Exchange Limited

Sd/-
Prasanna Rao
Vice President (Market Operations)

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