



पेट्रोलियम एवं प्राकृतिक गैस विनियामक बोर्ड  
Petroleum and Natural Gas Regulatory Board  
प्रथम-तल, वर्ल्ड ट्रेड सेंटर, बाबर रोड, नई दिल्ली 110001  
1<sup>st</sup> Floor, World Trade Centre, Babar Road, New Delhi – 110001  
फोन नं./Phone No. 011 23457700/फैक्स नं./Fax No.011 23709151

PNGRB/Tech/35-GasEx./(3)/2020 (P-2455)

2<sup>nd</sup> December, 2020

To  
Indian Gas Exchange Limited  
Unit No. 3,4,5 and 6  
4<sup>th</sup> Floor, TDI Centre  
Plot No.-7, Jasola  
New Delhi- 110 025

*Kind attention: Shri Rajesh K. Mediratta, Director*

**Subject:** Grant of authorization to Indian Gas Exchange Limited (IGX) to set up and operate Gas Exchange with integral Clearing Corporation as per regulation 11 of the Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020.

Sir,

The Petroleum and Natural Gas Regulatory Board, having considered the application by Indian Gas Exchange Limited, under regulation 11 of the PNRGB (Gas Exchange) Regulations, 2020, for the grant of authorisation as a Gas Exchange with integral Clearing Corporation and being satisfied that it would be in the interest of development of the gas market to grant the authorisation, hereby grants authorisation to IGX as Gas Exchange with integral Clearing Corporation in terms of regulation 11 of the PNRGB (Gas Exchange) Regulations, 2020 for 25 years from the above-mentioned date, subject to the conditions stated below or as may be specified or imposed hereafter, namely:-

- i. IGX shall comply with the provisions of the PNRGB Act, 2006, Rules and Regulations made thereunder and the requirements as may be imposed or required by the Board from time to time;
- ii. IGX shall comply with the requirements relating to net worth, SGF, shareholding pattern and governance structure and like other matters;
- iii. IGX shall comply with the requirements relating to dissemination of information;

- iv. The proposed Bye-laws including Exit Scheme, Market Rules including Double Sided Auction Contracts with price discovery system have been approved. Single Sided Auction Contracts and related provisions in the Bye-Laws and Market Rules have not been approved as complete details have not been provided;
- v. Appointment of Shri Radhey Shyam Sharma and Prof. Vaidyanathan Ramamurthy have been approved as independent directors on the board of IGX. IGX shall submit the compliance of regulation 22(3) of the Petroleum and Natural Gas Regulatory Board (Gas Exchange) Regulations, 2020 within 15 days from the date of issue of this letter;
- vi. IGX shall submit the revised Article of Association and Memorandum of Association complying with of the PNGRB (Gas Exchange) Regulations, 2020 within 60 days from the date of issue of this letter;
- vii. IGX shall seek prior approval of the Board for introducing new contracts, appointment of independent directors and for any modification and novation in approved documents i.e. Bye-Laws, Market Rules, Contracts and Price Discovery Mechanism etc.;
- viii. IGX shall submit reports w.r.t. price discovery mechanism, pay-in and pay-out settlement, stress test, contract specifications, review reports of various committees on quarterly basis. The first such report for the period until 31.03.2021 shall be submitted by 15.04.2021;
- ix. IGX shall pay the annual and other charges as specified in the PNGRB (Levy of Fee and Other Charges) Regulations, 2007 and the initial annual and other charges within 15 days from the date of issue of this letter;
- x. IGX shall constitute various board committees in compliance with the provisions of the PNGRB (Gas Exchange) Regulations, 2020 and submit the details of the same within 15 days from the date of issue of this letter;
- xi. IGX shall induct a person with qualifications and experience for regulatory function as per Schedule 6 of the PNGRB (Gas Exchange) Regulations, 2020 within 6 months from the date of issue of this letter;
- xii. IGX shall submit definitive plan to improve the gap between the pay-in and pay-out dates for review by PNGRB within 15 days from the date of issue of this letter;
- xiii. Contribution from members and IGX in Settlement Guarantee Fund (SGF) shall be in cash only. Further, IGX shall ensure to maintain the SGF as required under the PNGRB (Gas Exchange) Regulations, 2020 and may



- withdraw part of its contribution from the SGF to the extent it receives base minimum capital from its members. Accordingly, it shall review its Bye Laws and Market Rules to align with this requirement and submit the same within 60 days from the date of issue of this letter;
- xiv. IGX shall be liable to settle the claims arising from the default of its members, gross negligence or wilful acts of its personnel etc. Accordingly, IGX shall review its liability clauses under Bye Laws and Market Rules to incorporate the same and submit it to the Board within 60 days from the date of issue of this letter;
- xv. IGX shall carry out due diligence of the title, genuineness, validity of agreements etc. or any document passing through or handled by it.
2. Please acknowledge the receipt of this letter and send us the acceptance within 15 days from the date of this letter.
3. This authorization issues with the approval of the Board.

Yours faithfully

*Vandana Sharma.*

**(Vandana Sharma)**

वन्दना शर्मा VANDANA SHARMA  
सचिव / Secretary  
पेट्रोलियम और प्राकृतिक गैस विनियामक बोर्ड  
Petroleum & Natural Gas Regulatory Board  
प्रथम तल, वर्ल्ड ट्रेड सेंटर,  
1st Floor, World Trade Centre,  
बाबर रोड, नई दिल्ली-110001  
Babar Road, New Delhi-110001

**Acceptance of Grant of Authorization**

I / We hereby agree to the grant of authorization issued by the Board vide letter ref. **PNGRB/Tech/35-GasEx./(3)/2020 (P-2455)** dated **02.12.2020** and agree to comply with all the terms and conditions subject to which I / We have been granted authorization to set up and operate Gas Exchange with integral Clearing Corporation as per regulation 11 of the PNGRB (Gas Exchange) Regulations, 2020.

Date: *2<sup>nd</sup> Dec, 2020.*

*B. Medirath*  
Authorized Signatory  
