# NSE Clearing Limited

| Department: Commodity Derivatives Segment | |
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| **Download Ref No: NCL/COM/75185** | **Date: July 14, 2026** |
| **Circular Ref. No: 249/2026** | |

All Members,

**Sub: Clearing, Settlement and Risk management - Indian Natural Gas Futures in Commodity Derivatives Segment.**

This is with reference to circular no. NSE/COM/75115 dated July 08, 2026, regarding the introduction of Indian Natural Gas Futures in Commodity Derivatives Segment.

Members are requested to note that NSE Clearing Limited will offer Clearing, Settlement & Risk management services for trades executed on Futures contracts on Indian Natural Gas Futures in Commodity Derivatives Segment of National Stock Exchange of India Limited (NSEIL). In this reference, NSE Clearing notifies the requisite details in **Annexure A**.

For any queries members are requested to contact NSE Clearing Limited.

**For and on behalf of**
**NSE Clearing Limited**

**Nisha Pillai**
**Vice President**



| Telephone No | Email id |
|---|---|
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## NSE Clearing Limited

**Annexure**

| **Particulars** | **Procedure** |
|---|---|
| **Settlement Mechanism** | The contract would be settled in cash |
| **Last Day of Trading** | Last day of trading at the exchange shall be the last business day of the contract expiry month. |
| **Daily Settlement Price (DSP)** | Daily Settlement Price for mark to market settlement of unexpired futures contracts shall be the closing price of such contracts on the trading day. The closing price for unexpired futures contract shall be calculated on the basis of the last half an hour weighted average price of such contract, subject to minimum 10 trades in last half hour or weighted average price of last 10 trades of the day for such contract or such other price as may be decided by the relevant authority from time to time. |
| **Final Settlement Price (Due Date Rate)** | The FSP shall be arrived at by taking the monthly weighted average price of actual deliveries taking place through trades on the Indian Gas Exchange (IGX)* of the entire contract month, rounded off to the nearest tick.<br>*excluding gas traded at ceiling price, trades in ssLNG and long duration contracts. |
| **Initial Margin** | Clearing Corporation shall adopt SPAN® (Standard Portfolio Analysis of Risk) system or any other system for the purpose of real time margin computation. The Initial Margin requirement shall be to cover potential losses for at least a 99% VaR subject to minimum percentage floor value as prescribed by SEBI from time to time. The minimum margin percentage and minimum MPOR shall be based on the volatility category as under or as may be specified by the Clearing Corporation from time to time.<br><br>**Spread Margins-** Clearing Corporation shall levy a minimum 25% of the initial margin on each of the individual legs of the spread. Maximum benefit in initial margin on spread positions shall be restricted to 75%. Initial margin benefit shall be provided only when each individual contract in the spread is from amongst the first six expiring contracts.<br><br>**Intra-day crystallized Losses-**Clearing Corporation shall calculate and levy Intraday Crystallized Losses (ICMTM) for all trades which are executed and results in closing out of open positions. |
| **Extreme Loss Margin** | Clearing members shall be subject to ELM in addition to initial margins. ELM of 1% on gross open positions shall be levied and shall be deducted from the liquid assets of the clearing member on an online, real-time basis.<br><br>No benefit in Extreme Loss Margins (ELM) shall be provided for spread positions. |
| **Pre-expiry margins** | Pre-expiry margins shall be levied during the last five trading days prior to expiry date, wherein they shall increase by 5% every day. |

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| Particulars | Procedure |
|---|---|
| **Additional and/ or Special Margin** | In case of additional volatility, an additional margin (on both buy & sale position) and/ or special margin (on either buy or sale position) at such percentage, as deemed fit; will be imposed in respect of all outstanding positions. |
| **Concentration margins** | Clearing Corporation may impose adequate concentration margins (only on concentrated positions) to cover the risk of longer period required for liquidation of concentrated positions in any commodity. |
| **Maximum Allowable Open Position** | For a member collectively for all clients: 6,00,00,000 mmBtu or 20% of the market wide open position, whichever is higher. |
| **MTM Pay-in & Pay-out** | T+1 working day by 09.00 a.m. ("T" stands for Trade Day) |
| **Penal Provision** | Penalties as applicable for Fund shortages shall be levied. |
| **Close Out of Outstanding Positions** | All outstanding positions on the expiry of contract, will be cash settled as per the Final Settlement Price (FSP). |