

**GUIDELINES FOR SETTING UP OF RETAIL STATIONS  
FOR CNG/LNG/LCNG/CBG/ELECTRIC VEHICLE  
BATTERY CHARGING/BATTERY SWAPPING**

**INDRAPRASTHA GAS LIMITED**

## **1.0 Introduction:**

Indraprastha Gas Limited (IGL), a joint venture of GAIL and BPCL was incorporated on 23<sup>rd</sup> December 1998 as a City Gas Distribution Company under the direction of Hon'ble Supreme Court of India. Indraprastha Gas Limited is engaged in distribution of Compressed Natural Gas to Transport Sector and Piped Natural Gas to Domestic, Industrial and Commercial Sectors. At present, IGL has been authorised for City Gas Distribution in NCT of Delhi; Gautam Budh Nagar, Ghaziabad, Hapur, Fatehpur, Hamirpur, Kanpur (except earlier authorised areas), Muzaffarnagar, Shamli and Meerut (except earlier authorised areas) in Uttar Pradesh State; Rewari, Karnal, Kaithal, and Gurugram in Haryana State and Ajmer, Pali and Rajasamand in Rajasthan State.

## **Operating Models:**

### **2.0 Company Owned Company Operated (COCO)**

**2.1** Company to acquire the land on allotment by Govt. bodies/ purchase / long term lease basis. Company to set up, operate and maintain CNG Retail stations under this model.

**2.2** This model will apply on the following types of land:

**2.2.1** Land allotted by various land holding authorities either by lease/license or perpetual lease.

**2.2.2** Land purchased by IGL either through direct purchase or auction.

**2.2.3** Land taken on lease by IGL for setting up Retail Station.

**2.3** Preference would be given to procure the land from Government bodies. However, despite making the efforts in the respective GA, if Govt. land is not available or after having unable to secure the land through auction mode (wherever applicable), land may be taken from Private Land Owners on outright purchase or on long term lease for a minimum period of 20 years with renewal option of another 10 years. Land plots having clear title only would be considered after due diligence report. In such cases Change of Land Use in to commercial (Fuel Station) category and charges such as impact fee/development charges etc. demanded by any authority to be arranged by the land owner.

**2.4** Land Rental: In case of Govt. Land, land rent is fixed by land holding authority. For private land, the annual land rental fixed at the time of entering into lease agreement shall be maximum 5% of circle rate prevalent at that time. Registration shall be done after CLU and rental payment will start after that.

**2.5 Land Rental Increase:** In Govt. land case, rent increment is fixed by land owning authority. For private land, there shall be incremental increase @ 10% on the last rentals after every three years.

**2.6 Registration Charges:** In case of Govt./private land, registration charges, if any, will be borne by IGL.

**2.7** All COCO model Retail Stations shall be operated as per the current policy of appointing a DGR sponsored Ex-Defence Officers on Operator basis.

### **3.0 Company Owned Dealer Operated (CODO)-Pvt. Land:**

**3.1** Under this model, the Dealer will operate the Retail Station, after IGL has taken the land on lease from the owner or the lessee by way of sub-lease for a minimum period of 20 years and pay the dealer commission as defined in Clause 3.8. The lease arrangement shall have a renewal option of another 10 years.

**3.2 Land:** - The land lease will remain valid for full lease term and is independent of dealership agreement. The land shall remain in the possession of IGL for the lease term, in case of termination of dealership agreement by IGL or cancellation / resignation of dealership agreement suo moto by the dealer (lessor). Land plots having clear title only would be considered.

**3.3 Land Rental:** The annual land rental fixed at the time of entering into lease agreement shall be maximum 2.5% of circle rate prevalent at that time. However, there shall be incremental increase @ 10% on the last rentals after every three years.

**3.4 Registration Charges:** Registration charges shall be shared in a ratio of 50:50.

**3.5 Change of Land Use:** Landowner shall get the Change of Land Use (CLU) at his / her own cost. IGL would issue required document/s for obtaining the CLU. Time period for obtaining CLU is 6 months from the date of issue of LOI, however, on receipt of request it may be further extended up to maximum 6 months after reviewing on case to case basis.

**3.6 Security Deposit:** The dealer is required to pay an interest free security deposit towards cash collection for an amount equivalent to 5 days' estimated average sale by way of Demand Draft. The periodic review of the cash security deposit would be done twice every year (i.e. in April and October) for incremental sales generated during this period. Security Deposit will be revised upward if more sale is observed. Dealer will also have to submit a bank guarantee of value equivalent to 15% cost of last landed purchase price of equipment (compressors, dispensers and cascades) as prescribed by IGL to protect the asset of IGL and will carry no interest. Same would be revised on addition of any equipment.

**3.7 Dealership Agreement:** A separate dealership agreement shall be executed, wherein gas will be sold to the dealer at a price which is equal to retail price less trade commission as agreed. Dealer will sell the same to the retail customers at the retail price decided by IGL. The respective tax liabilities shall be discharged independently by IGL and the dealer accordingly.

**3.8 Dealership Commission:** The dealer shall be paid a trade commission as decided by company from time to time. The amount paid per kg may be different for respective GA's.

#### **4.0 DEALER OWNED DEALER OPERATED (DODO)**

**4.1** In this model, land, civil construction & civil maintenance and all relevant permissions including CLU are in the scope of Dealer. Equipment & maintenance and Gas supply are in the scope of IGL. Dealer will operate the Retail Station and IGL will pay the dealer commission as defined in Clause 4.4.

**4.2 Security Deposit:** The dealer is required to pay an interest free security deposit towards cash collection for an amount equivalent to 5 days' estimated average sale by way of Demand Draft. The periodic review of the cash security deposit would be done twice every year (i.e. in April and October) for incremental sales generated during this period. Security Deposit will be revised upward if more sale is observed. Dealer will also have to submit a bank guarantee of value equivalent to 15% cost of last landed purchase price of equipment (compressors, dispensers and cascades) as prescribed by IGL to protect the asset of IGL and will carry no interest. Same would be revised on addition of any equipment.

**4.3 Dealership Agreement:** A separate dealership agreement shall be executed, wherein gas will be sold to the dealer at a price which is equal to retail price less trade commission as agreed. Dealer will sell the same to the retail customers at the retail price decided by IGL. The respective tax liabilities shall be discharged independently by IGL and the dealer accordingly.

**4.4 Dealership Commission:** The dealer shall be paid a trade commission as decided by company from time to time. The amount paid per kg may be different for respective GA's.

**4.5 Compensation:** The dealership agreement shall have a Clause that in case the Dealer terminates the Dealership Agreement with IGL prior to a minimum period of Twenty years, then he will compensate IGL with loss of business charges amounting to INR 5 Crores. The Dealer agrees that the amount for business loss represent a fair, reasonable and an appropriate estimate of the expenditure undertaken towards making the gas supply and the probable loss of business likely to be incurred by IGL.

## **5.0 Full Dealer Owned Dealer Operated (FDODO):**

- 5.1** Under this model, the land, equipment's, all relevant permissions, etc. will be in the scope of the Dealer. The land with clear title may belong to the dealer or he may have got the same by way of lease with a minimum period of 30 years.
- 5.2 **Security Deposit:**** The dealer is required to pay an interest free security deposit towards gas sale for an amount equivalent to 5 day's average estimated sale by way of Demand Draft. The periodic review of security deposit would be done twice every year (i.e. in April and October). It will be revised upward if the increase in sale is by more than 10%.
- 5.3 **Dealership Agreement:**** A separate, dealership agreement shall be executed, wherein gas will be sold to the dealer at a price which is equal to retail price less commission as agreed. Dealer will sell the same to the retail customers at the retail price decided by IGL. The respective tax liabilities shall be discharged independently by IGL and the dealer accordingly.
- 5.4 **Dealership Commission:**** The dealer shall be paid a trade commission as decided by company from time to time. The amount paid per kg may be different for respective GA's.
- 5.5 **Compensation:**** The dealership agreement shall have a Clause that in case the Dealer terminates the Dealership Agreement with IGL prior to a minimum period of Twenty years, then he will compensate IGL with loss of business charges amounting to INR 5 Crores. The Dealer agrees that the amount for business loss represent a fair, reasonable and an appropriate estimate of the expenditure undertaken towards making the gas supply and the probable loss of business likely to be incurred by IGL.

## **6.0 Eligibility Criteria:**

### **6.1 **For Individuals:****

- 6.1.1 **Nationality:**** Should be Indian citizen.
- 6.1.2 **Age:**** As on the date of application (in completed years) not less than 21 years and not more than 55years.
- 6.1.3 **Educational Qualifications:**** Minimum 12<sup>th</sup> pass or recognized equivalent.
- 6.1.4 **Residence:**** The applicant shall be the resident of India as per income tax act.

### **6.2 **For Partnership Firms:****

The Partnership Firm should be duly registered under Indian Partnership Act or Limited Liability Partnership Act. All partners of the firm should individually fulfil the eligibility criteria as specified at 6.1 above. Firm should submit a single application form online.

### **6.3 For Non individual Entities:**

**6.3.1 Registered Co-Operative/ Consumer societies:** Registered co-operative/consumer societies registered under Societies Registration Act 1860 are also eligible to apply provided they meet the required financial criteria per Clause 6.4.

**6.3.2 Organized Bodies:** Organized Bodies such as registered bus/truck associations etc., Charitable Trusts registered with Charity Commissioner of respective State Government and corporate houses i.e. Government Organizations/Bodies, PSUs, and Companies incorporated under Companies Act, 1956 are also eligible to apply, provided they meet the required financial criteria as per Clause 6.4.

### **6.4 Financial Eligibility:**

The candidate applying for CODO (Pvt. Land)/DODO/FDODO model shall have a financial capital of Rs.2 Crore available with him to be eligible for issuance of LOI duly certified by Government Approved Valuers (GAVs). Cash, Jewellery, will not be considered as “Liquid Cash” or “Assets”. The amount considered for evaluation under fixed and movable assets would be 50% of the value assessed by GAV Parental property (Father’s and Mother’s) or spouse’s property may be considered for evaluation purpose along with an affidavit from the owner intending to use their property for evaluation). Mutual Funds would be considered at 80% of their market value. Latest ITR filed by applicant need to be submitted.

### **6.5 Disqualification:**

**6.5.1** Candidates convicted or against whom charges have been framed by a Court of law for any criminal offence involving moral turpitude/economic offence (other than freedom struggle).

**6.5.2** Medically unsound / totally paralysed person.

**6.5.3** Signatory to any agreement terminated by IGL/CGD’s/OMC’s on the grounds of malpractice and misconduct.

**6.5.4** Found guilty of wilfully giving wrong information.

### **7.0 Land Norms:**

**7.1** The land norms of suitable land for setting up of CNG/LNG/LCNG/CBG/Electrical Charging/Battery Swapping Station at the advertised location is the essence of the dealership. However, if an applicant, after selection, is unable to provide the land indicated in the application within a period of two months from the date of Letter of Intent (LOI), IGL will have the right to cancel the LOI issued to the applicant and forfeit the LOI fee.

- 7.2** In case of lease, the same will be for a period of minimum 20 years with renewal option for another 10 years at the discretion of company.
- 7.3 Details of Land Required:**
- 7.3.1** The Plots should be 1000 - 4000 Sqm, or as specified in the EOI, preferably rectangular in shape. In urban areas smaller plots meeting all statutory norms may be considered and may be specified in the EOI accordingly.
- 7.3.2** Frontage of plot should be preferably 24 meters or more or as called for by the applicable local norms. The plot should fulfil the statutory norms of the concerned civic authorities.
- 7.3.3** Front Road Width should be as per minimum ROW required for setting up of Fuel Stations in accordance to the updated norms of National Highway/State Highway/Master Plan/Building Bye Laws of the local bodies.
- 7.3.4** Distance from other fuel stations should be as per updated norms of National Highway/State Highway/Master Plan of Local bodies.
- 7.3.5** It should be the responsibility of the applicant to ensure that as on date of application:
- 7.3.5.1** Offered land is of required dimension and abutting the Road boundary, after leaving Right of Way (ROW) line of road.
- 7.3.5.2** The offered land is also not notified for acquisition.
- 7.3.5.3** Land owner is in possession of the land from beginning / edge of ROW line.
- 7.3.5.4** There is no other land including Govt. Land between ROW and offered plot.
- 7.4** The lands offered by the applicants shall be categorized under following groups.
- 7.4.1 Group-1 (Owned Land category):** The land owned by the family member(s) will also be considered as belonging to the applicant (Group 1) subject to producing the consent letter in the form of affidavit on a Rs. 100 Stamp Paper / NOC duly registered, from the concerned family member(s). The land owning family member is required to submit a registered lease deed at least for 30 years in the name of lessee, who is the applicant. Family members comprising of the following:  
Self/Spouse  
Father/Mother including Step Father/Step Mother  
Brother/Sister (unmarried)/Step Brother/Step Sister  
Son/Daughter (unmarried)/Step Son/Step Daughter  
Son-in-law / Daughter-in-law  
Parents-in-law  
Grand Parents (both maternal & paternal)
- 7.4.2** In case of partnership firms land belonging to any one of the partners would also be considered under Group 1 category.

**7.4.3** Land belonging to applicant via Government Registered lease of 30 years or more years shall be considered under Group 1 category.

**7.4.4 Group-2:** Applicants having Firm notarized offer for a suitable piece of land for purchase or long-term lease for a period of minimum 30 years. In case the agreement to lease of a particular plot of land has been entered into by the owner with more than one party, the said land shall not be considered for allotment of Retail station.

**7.5 Documents to be attached with DDR for Offered Land:**

- a) Khewat/Khatauni/Jamabandi of the subject land certified by the Patwari.
- b) Sale Deed/ Lease agreement or firm allotment letter issued by government/ semi-Government bodies.
- c) Registered Lease Deed/Agreement to Lease for the proposed land with a lock-in period of 30 years
- d) Undertaking for the Proposed area
- e) Mutation Records Jamabandi for last 20 years
- f) Layout plan superimposed on Naksha shijra (signed by Owner)
- g) Identity card of land owners of proposed land
- h) Undertaking of CLU
- i) No Litigation Certificate
- j) Indemnity Bond

**7.5.1** In addition to the above, following documents are also required, as applicable, for evaluation as **“Own land/Firm offer”**:

<b>S. No.</b>	<b>Type of Ownership</b>	<b>Documents required in addition to above</b>
(i)	Self	Nil
(ii)	Self with members of family unit	Registered NOC/Consent letter from members of family unit
(iii)	Self with other owner(s)	Registered NOC/Consent letter on stamp paper or an Affidavit or Power of Attorney from other owner(s)
(iv)	Self and members of family unit with other owner(s)	Registered NOC/Consent letter from members of family unit and Consent letter on stamp paper or an Affidavit or Power of Attorney from other owner(s)
(v)	Only members of family unit	Registered NOC/Consent letter from members of family unit
(vi)	Members of family unit with other owner(s)	Registered NOC/Consent letter from members of family unit and Consent letter on stamp paper or an Affidavit or Power of Attorney from other owner(s)
(vii)	Land owned by Government/ Semi-Government bodies	Letter from the Government/ Semi-Government bodies that land will be allotted in case dealership is awarded



**7.5.2** In all cases, site map with dimensions indicating survey no., hissa no., name of the road (NH/SH/Other road), nearest KM Stone, total land area and offered land, as applicable in respect of the plot being offered for CNG/LNG/LCNG/CBG/Electrical Charging/Battery Swapping Station are to be attached.

**7.5.3** A key plan showing adjoining lands on all 4 sides and ROW of road in front of plot shall be submitted by the applicant.

**7.6 Evaluation of site on various parameters:**

The technical/commercial suitability of land/site offered by applicants for any location and under any model against an advertisement shall be evaluated based on following evaluation system:

- i) Land in advertised area / stretch
- ii) Land dimension as per requirement
- iii) Land meets Statutory Norms/NHAI (for sites on NH)/ NRC/PWD/PESO/Local Municipality Bodies
- iv) Land has no HT/LT Electric Line / Telephone line crossing
- v) No School/Hospital/ Residential or other institution attached to plot

Land not meeting any of the above parameters will not be considered and will be rejected. The above parameters can be modified by the company.

**8.0 Process for applying:**

**8.1** Application form for dealership can be submitted in the prescribed format available on IGL's website.

**8.2** Application form shall include Due Diligence Report taken from competent advocate. The Due Diligence Report shall contain and be based on the documents mentioned in Clause 7.5. The Due Diligence Report by the Advocate shall specifically certify the ownership title of the land and that the subject land is free from any and all encumbrances.

**8.3** Application Fee (non-refundable): Rs.5000/- for all the categories, to be submitted along with the application either online or through demand draft.

**8.4** In case of partnership, the name of each partner would be mentioned in the application form. However, the application form would be one.

**8.5** Category of application i.e. owned land / leased land / agreement to lease, as on the date of submission of application shall be considered.

**8.6** The applicant should upload his / her recent (Last 6 Months) Photograph.

- 8.7** New document/alteration in the already submitted documents in support of eligibility will not be normally entertained.
- 8.8** Applications received after the closure of application submission date for any reason, and those without accompanying valid documents, application fee or incomplete in any respect will not be considered and no correspondence will be entertained by IGL in such cases whatsoever.
- 8.9** After the closure of application submission date as given in the advertisement the applications shall be scrutinized. If any statement made in the application or in the document enclosed herewith by the candidate at any stage is found to be incorrect or false and/or the applicant conceals any information, which if, would have made him/her ineligible for dealership, the application is liable to be rejected and in case the applicant has been appointed as a dealer, the dealership is liable to be terminated. In such cases the candidate / dealer shall have no claim whatsoever against IGL. The security deposit submitted by the dealer would be forfeited in such cases. The site shall continue to remain with IGL.
- 8.10** **LOI Fee (non-refundable):** The successful applicant has to deposit non-refundable fees of Rs. 3 Lakhs plus GST for sites in Delhi, Gautam Budh Nagar, Ghaziabad, Gurugram and Rs. 1.5 Lakhs plus GST for sites in other Geographical Areas in favour of IGL. LOI shall be issued to successful applicant only after receipt of applicable fees.
- 8.11** **Person applying for different locations:**
- While one applicant can apply for different locations, the same should be done in separate application forms in respect of each location along with application fee in each case. Each application should be complete in all respect. Documents attached with one application cannot be considered for other application(s). However, the same applicant may be awarded maximum of two LOIs in a GA.
- 9.0** **Tenure of dealership and dealership agreement:**
- 9.1** The tenure of CNG dealership will be for an initial period of 20 years and renewable for every 10 years thereafter, subject to satisfactory performance of the dealership by the dealer.
- 9.2** Dealership Agreement with the dealer shall be signed by Authorised Signatory on behalf of IGL.
- 10.0** **Furnishing of false information / concealing information:**
- If any information furnished by the applicant is found to be false at any point of time before or after appointment as a dealer or conceals any information which if declared would have made him/her ineligible for dealership, the allotment will be cancelled forthwith and dealership shall be terminated, in case already commissioned.

## **11.0 Amendment / Modification:**

IGL reserves its right to amend, modify, delete or add any of the above terms and conditions at their sole discretion.

### **Annexure:**

Detailed Scope Matrix For Each Model

**Detailed Scope Matrix For each Model**

S.No.	Activities	Model	In the scope of
1	Land & Land related permissions and all civil works	COCO	IGL
		CODO	Land & Land related permissions in the scope of Dealer and all civil works in the scope of IGL
		DODO	Land & Land related permissions and all civil works in the scope of Dealer
		Full DODO	Dealer
2	Procurement of Equipment and all associated facilities (including electrical items) to run equipment for dispensation	COCO, CODO, DODO	IGL
		Full DODO	Dealer
3	All statutory permissions related to construction of station, Equipment & Dispensation	COCO, CODO	IGL
		DODO	All statutory permission are in the scope of Dealer, except permission related to Equipment.
		FDODO	Dealer
4	Day-to-day operations of on i.e. Forecourt Management, Collection of Sale proceeds, Deposit of Sale proceeds in to IGL's Account	COCO	IGL
		CODO, DODO	Dealer
		FDODO	Dealer
5	O&M of CNG Equipment and all associated facilities	COCO, CODO, DODO	IGL
		FDODO	Dealer
6	Transportation through LCV Cascades to DBS	All Models	IGL
7	Electrical System e.g. taking Electrical Connection, Electrical Cabling & Earthing, UPS, Power Backup system, Arrangement of Transformers, installation of Electric Meters, Lighting Poles etc.	COCO, CODO	IGL
		DODO, FDODO	Dealer
8	Electricity Charges towards Equipment till final dispensation	COCO, CODO, DODO	IGL
		FDODO	Dealer
9	Station lighting, Flooring, General Upkeep of Station including Dispenser Area etc. for better visibility of IGL branding	COCO	IGL
		CODO, DODO, FDODO	Dealer
10	Supply & Maintenance of Fire Fighting Equipment	COCO, CODO	IGL
		DODO, FDODO	Dealer
11	Fixation of Retail Selling Price of CNG	All Models	IGL
12	Tax/Duties related registration / payments / obligations	All Models	As per prevailing statutory obligation
13	Promotional Activities for Increasing CNG sale	All Models	IGL or as per agreement