

**GUIDELINES FOR RECONSTITUTION OF
DEALERSHIP**

INDRAPRASTHA GAS LIMITED

Guidelines for Reconstitution at LOI stage and after execution of Dealership Agreement

1.0 RECONSTITUTION AT LETTER OF INTENT (LOI) STAGE

1.1 Sole Proprietor

- 1.1.1 In case of resignation by sole Proprietor, the LOI shall stand withdrawn/ cancelled.
- 1.1.2 In cases of death/ incapacitation of the sole Proprietor, a new LOI will be issued in favour of the nominated legal heir(s) with the NOC from the legal heir(s). However, if there is/ are no legal heir(s) or legal heir(s) have expressed unwillingness, the LOI shall be cancelled.

1.2 Partnership Firm

- 1.2.1 Reconstitution will be permitted only in cases of death/ incapacitation of the Partner(s).
- 1.2.2 In case of resignation by all the Partners in the Partnership Firm, the LOI shall stand withdrawn/ cancelled.
- 1.2.3 In cases of death/ incapacitation of all the Partners, a new LOI may be issued in favour of the nominated legal heir(s) with the NOC from the legal heir(s). However, if there is/ are no legal heir(s) or legal heir(s) have expressed unwillingness, the LOI shall be cancelled.
- 1.2.4 In case of death/ incapacitation of Partner(s), in a partnership firm comprising of more than two partners, a new LOI may be issued in favour of the surviving Partner(s) along with the nominated legal heir(s) with the NOC from the legal heir(s). However, if there is/ are no legal heir(s) or legal heir(s) have expressed unwillingness, the existing LOI in the name of surviving Partner(s) shall continue.
- 1.2.5 In case of death/ incapacitation of Partner(s), a new LOI may be issued in favour of the surviving Partner(s) along with the nominated legal heir(s) with the NOC from the legal heir(s). However, if there is / are no legal heir(s) or legal heir(s) have expressed unwillingness, then IGL may at the request of surviving partner allow reconstitution of partnership firm to sole proprietorships firm of the surviving partner.
- 1.2.6 The reconstituted Partnership Firm shall be duly registered under the Indian Partnership Act and Limited Liability Partnership Act.

1.3 Private Limited/ Limited Companies

- 1.3.1 There shall be no change in the shareholding structure of the Company and no reconstitution is permissible at the stage of LOI.

2.0 RECONSTITUTION AFTER EXECUTION OF DEALERSHIP AGREEMENT

2.1 Sole Proprietor

- 2.1.1 In cases of death/ incapacitation of the sole Proprietor, the reconstitution of Commissioned Dealership will be allowed in favour of the nominated legal heir(s) with the NOC from the legal heir(s). However, if there is/ are no legal heir(s) or legal heir(s) have expressed unwillingness, the Dealership shall be terminated. IGL will consider the written request from the nominated legal heir(s) and allow reconstitution of Commissioned Dealership in favour of the nominated legal heir(s) where such legal heir(s) is/are found suitable as per the prevailing policies of IGL.
- 2.1.2 The sole Proprietor can induct a partner after a period of three years of holding Dealership and transfer his/ her shareholding in favour of family member(s) i.e. Spouse, Son and Daughter along with NOC from other Surviving/ Legal Heir(s). IGL may consider the written request from the sole proprietor and allow reconstitution of Commissioned Dealership in favour of the family member(s) where such family member(s) are found suitable as per the prevailing policies of IGL.

2.2 Partnership Firm

- 2.2.1 Reconstitution will not be permissible for a period of 3 years from the date of execution of the Dealership Agreement. However, after the expiry of the three-year period, induction of an outside partner may be permitted with minority of share up to 49%. For the next 5 years no more induction of partner shall be allowed.
- 2.2.2 In cases of death/ incapacitation of all the Partners, reconstitution of Dealership will be allowed in favour of the nominated legal heir(s) with the NOC from the legal heir(s). However, if there is/ are no legal heir(s) or legal heir(s) have expressed unwillingness, the Dealership shall be terminated.
- 2.2.3 In cases of death/ incapacitation of Partner(s), reconstitution of Dealership will be allowed in favour of the nominated legal heir(s) with the NOC from the legal heir(s). However, if there is/ are no legal heir(s) or legal heir(s) have expressed unwillingness, the Dealership shall be reconstituted with the surviving Partner(s).
- 2.2.4 The reconstituted Partnership Firm shall be duly registered under the Indian Partnership Act.
- 2.2.5 **Conviction of partner(s) by Court of Law:** In a Partnership Firm, if any Partner(s) gets convicted by Court of Law for any criminal case/ moral turpitude cases, then in such case, IGL may exercise its right to derecognize the existing set up, debar the convicted partner(s) and reconstitute the dealership only with the remaining Partners.

2.3 Private Limited/ Public Limited Companies

2.3.1 No change/ modification in the equity shareholding of the Company(on-listed Companies) is permissible for a period of 3 years from the date of execution of the Dealership Agreement. However, after the expire of the three-year period, any change in equity shareholding structure of the Company will be permissible to outside shareholders with minority shareholding up to 49%.

3.0 GENERAL CONDITIONS AND PROCESS OF RECONSTITUTION

3.1 The LOI holder shall at the time of issue of LOI submit a Nomination Form containing relevant information like name of nominated legal heir(s) (who should be a family member i.e. Spouse, Son or Daughter) in the event of death or incapacitation resulting in total and permanent disability. The Nomination Form should be duly certified before a First Class Magistrate/ Executive Magistrate/ any other equivalent competent authority in the concerned state shall be submitted at the time of the issuance of the LOI.

3.2 In case of death/ incapacitation, the requests for reconstitution shall be made within a period of ninety days by the nominated legal heir(s) Such requests shall be submitted to the CNG-Marketing Department with a copy of the death certificate/ medical documents issued by the Chief Medical Officer (CMO) of Gov.t Hospital establishing incapacitation. The Legal Heir(s) shall in addition to the above provide all the information and any other documents as required by IGL.

3.3 The nominated Legal heir(s) should fulfil the eligibility criteria as prescribed in the policy of IGL. The nominated Legal heir(s) would comply with all the conditions as mentioned in the LOI to the original applicant.

3.4 The CNG Marketing Department shall assess the eligibility of the Applicant submitting such request for reconstitution in his/ her favour in terms of the policies of IGL. Relaxation in the criteria for age and education can be considered in favour of legal heir(s)/family member(s) in case of request for reconstitution arising out of death/ incapacitation. The maximum age limit may be relaxed in cases of reconstitution involving induction of Partner(s) from within family member(s). The minimum age requirement will be 18 years. If he/she is a minor, the local guardian shall operate the Commissioned Dealership till he/she becomes a major. The local guardian should be a major and should be able to read, write and count.

3.5 The process of reconstitution shall be processed within a period of 3 months from the submission of complete proposal.

3.6 Due to death/ incapacitation of the sole proprietor/ Partner(s), and in absence of the Dealership Agreement, temporary arrangement is to be made through the nominated legal heir(s) of the proprietor/ Partner(s), to continue the Dealership till formal reconstitution. IGL may allow operation of such Dealership through legal heir(s) of the sole proprietor/ surviving partner(s) for a period of 6 months after the demise of sole proprietor/ partner(s) as may be decided on case to case basis.

3.7 Approval from Competent Authority shall be taken for reconstitution.

3.8 **The above conditions and process shall also be applicable for reconstitution after the execution of the Dealership Agreement.**

4.0 **NON-REFUNDABLE APPLICATION FEE FOR RECONSTITUTION AT VARIOUS STAGES:**

4.1 The reconstitution fees at various stages shall be as follows:

4.2 Reconstitution at LOI Stage due to Death/Incapacitation – Rs. 30,000 + GST

4.3 Reconstitution after commissioning of station due to Death/Incapacitation – Rs. 30,000 + GST

4.4 Reconstitution after commissioning of station due to induction of an outside partner – Rs.3,00,000 + GST