



## **INDRAPRASTHA GAS LIMITED**



### **GUIDELINES FOR SETTING UP OF RETAIL STATION ON DEALER OWNED DEALER OPERATED (DODO)**

## **1. 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, Meerut (except earlier authorised areas), Banda, Chitrakoot and Mahoba districts in Uttar Pradesh State; Rewari, Karnal, Kaithal, and Gurugram districts in Haryana State and Ajmer, Pali and Rajasamand districts in Rajasthan State.

## **2. Dealer Owned Dealer Operated (DODO)**

- 2.1 In this model, providing land, securing all relevant permissions (the permissions will be in the name of IGL as applicable) including CLUs, civil construction, civil maintenance and forecourt management, are in the scope of dealer. Equipment & their maintenance and gas supply are in the scope of IGL. Dealer will operate the retail station and IGL will pay a dealer commission as defined in Clause 5.5.
- 2.2 **Land:** The applicant owning land with clear title or by way of registered lease, agreement to lease, directly with owner, with a minimum period of 30 years can apply under this model against the floated Expression of Interest (EOI). Further, in case a technically feasible land is directly allotted in the name of applicant for the purpose of CNG/Fuel station by Government/statutory land owning authorities on lease/perpetual lease/license fee/sale deed basis and is found to be commercially viable, than LOI on DODO model may be issued by IGL (solely at the discretion of IGL) directly to the land owner / applicant, without running any EOI process etc. However, there will not be any financial or legal liability whatsoever on IGL in relation to land offered by applicant.
- 2.3 **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 (BG) of value equivalent to 15%(fifteen percent) cost of last purchase price of equipment (compressors, dispensers and cascades etc.) as prescribed by IGL in order to protect and secure IGL's assets and will carry no interest. Same would be revised on addition of any equipment.
- 2.4 **Dealership Agreement:** A separate dealership agreement shall be executed between the applicant/appointed dealer and IGL, wherein gas will be sold to the dealer at a price which is equal to retail price less dealer 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. The retail invoice provided to customer shall be given in name of IGL.

- 2.5 **Dealer Commission:** The dealer shall be paid a dealer commission (in Rs/Kg) as decided by company from time to time. The amount paid per kg may be different for respective GAs and will be on IGL's discretion.
- 2.6 **Station License Fee:** The dealer shall be required to pay a station license fee (in Rs./Kg) to the company as decided by IGL. The Station License fee may be different for respective GAs, as decided by IGL from time to time.
- 2.7 **Compensation:** The dealership agreement shall have a clause that, in case the dealer terminates the Dealership Agreement prior to a minimum period of 20 (twenty) years, then he will be liable to compensate IGL for loss of business, with an amount of INR 5 Crores. The Dealer agrees that this compensation presents a fair, reasonable and an appropriate estimate of the expenditure undertaken towards making the gas supply and the potential loss of business likely to be incurred by IGL.

### **3.0 Selection Procedure:**

- 3.1 IGL will invite Expression of Interest (EOI) for setting up of Retail Stations from interested parties by advertising the same in at least one national level newspaper English & Hindi each, along with IGL's website. The duration for receiving applications under this model through an EOI would be for a period of 3 weeks. The duration of receiving application may alter as per the business requirement of IGL.
- 3.2 The applications received shall be scrutinized and evaluated as per IGL's internal procedure. Only valid applications as per published EOI's guidelines, shall be considered for further processing and all invalid application shall be summarily rejected. Applicants shall be duly informed about the rejection of their applications.
- 3.3 All application received under an EOI will be valid for a period of 15 months (fifteen) only from the date of closure of that EOI. Mere submission of application doesn't grant the applicant the right to claim an LOI/dealership agreement.
- 3.4 The description of stretches (including length, carriageway etc.) and type of station required will be clearly mentioned in the EOI. Irrespective of type of operating models, only one station is required for each defined stretch.
- 3.5 In case there is only single eligible (techno-commercially feasible) applicant on an advertised stretch, he may be awarded the LOI directly as per policy. However, in cases where multiple valid/feasible applications are received for an advertised stretch, the selection procedure for eligible applicants shall be done through draw of lots (Lottery Process) as explained in clause no. 4.0 below.

### **4.0 Draw of lots process (Lottery Process) for DODO Model.**

- 4.1 The applicants would be classified into two groups as per clause 6.6 of the policy for this process.

**4.2** Selection will be held first for the eligible applicants in Group 1. Draw of lots for the eligible applicants of Group 2 will be held only if there is no applicant in Group 1 or applicants in Group 1 have been disqualified/not found suitable or have withdrawn their application.

**4.3** Single applicant is to be selected for each stretch. For any stretch, if the number of eligible applicants are more than one number on proposed stretch, than a computer-generated random selection process (draw of lots) shall be carried out for selecting the applicant. Under no circumstances, stretches and or number of station on a proposed stretch can be change after publication of EOI.

**4.4 Due Diligence Report**

Letter of Intent (LOI) shall be issued to eligible applicants only on receiving the “Due Diligence Report” (DDR) from IGL’s legal department for proposed sites regarding clear title and encumbrance free status.

**4.5 Eligibility Criteria :**

**4.6 For Individuals:**

**4.6.1 Nationality:** Applicant must be Indian citizen.

**4.6.2 Age:** As on the date of application (in completed years) not less than 21 years of age and not more than 60 years of age. The applicant is required to submit valid proof of age (self-attested copy of 10<sup>th</sup> standard Board Certificate/ Secondary School/ Birth Certificate/ School Leaving Certificate, Passport, Election Commission Identity Card, Aadhar Card).

**4.6.3 Educational Qualifications:** Minimum 12<sup>th</sup> pass or recognized equivalent.

**4.6.4 Residence:** The applicant shall be the resident of India as per Income Tax Act 1962.

**4.7 For Partnership Firms:** In case application submitted is in partnership mode, the Partnership Firm should be duly registered under Indian Partnership Act, prior to the submission of application. All partners of the firm should individually fulfil the eligibility criteria as specified at 7.5 above. Firm should submit a single application form in its own name only. Issuance of LOI and subsequent execution of dealership agreement if found successful, shall be with the same partnership firm only (without any change of composition).

**4.8 For Non individual Entities:**

**4.8.1 Registered Co-Operative / Consumer societies:** The entities registered in India under Societies Registration Act 1860 are also eligible to apply,

provided the date of registration / incorporation of the firm / entity is at least 3 years prior to the date of application and meet the required financial criteria per Clause 7.9. Issuance of LOI and subsequent execution of dealership agreement shall be with the same registered Co-operative / Consumer society only. Copy of certificate of registration, Authority letter and resolution specifying name of the authorised person for making application is required along with application.

- 4.8.2 **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, including Private Limited companies are also eligible to apply, provided they meet the required financial criteria as per Clause 7.9. The entity should be registered in India, the date of registration / incorporation of the firm / entity should be at least 3 years prior to the date of application. Issuance of LOI and subsequent execution of dealership agreement shall be with the same Organised Bodies only, without change of any composition post submission of application. Copy of certificate of registration, Authority letter and resolution specifying name of the authorised person for making application is required along with application.

#### 4.9 **Financial Eligibility:**

Applicant shall have a minimum financial capital of INR 2 Crore, duly certified by Government Approved Valuers (GAVs), to be eligible for consideration of the application and further processing for Dealership. 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/Shares/PF/Govt. Bonds/Fixed Deposit issued by Nationalised Bank would be considered at 80% of their market value as on date of application. Latest ITR filed by applicant need to be submitted. Registered Co-operative / Consumer Societies, Organised Bodies etc. should have made a net profit for previous 3 consecutive financial years. Balance sheets for last 3 years duly certified by a Chartered Accountant is required along with application. In case of individual applicant, financial eligibility of individual will be assessed. In case of Registered Partnership Firm/Registered Co-operative Societies/Registered Consumer Societies/Organised Bodies, financial eligibility only of the firm will be assessed, in this case financial eligibility of individual partner/director/member will not be considered.

- 4.10 Disqualification: For individual and non-individual applicants.

- 4.10.1 Applicant convicted, arrested, jailed 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).

4.10.2 Mentally unsound / totally paralysed person.

**4.10.3** Signatory to any dealership agreement terminated by IGL/CGDs/OMCs on the grounds of malpractice and misconduct.

**4.10.4** Such entities that are on holiday list (including their director/partners/proprietors of such firms) by any PSU/ litigation with IGL.

**4.10.5** Entity having pecuniary relationship with IGL or its employees.

4.10.6 Terms governing independent directors/Related Party transactions.

4.10.7 Applicable terms that debars any entity from participating in tenders

4.10.8 Found guilty of wilfully giving wrong information

## **5.0 Land Norms:**

The land norms for setting up of CNG station in an advertised area are the essence of considering the application for dealership. The offered land/plot should not only be technically feasible but also fulfil all statutory norms as applicable, before and after the construction of the station and should continue to do so till the tenancy of the contract/agreement.

## **6.0 Details of Land Required:**

**6.1** The plots should preferably be rectangular in shape with minimum area of 1080 Sqm or as specified in the EOI. The plot should fulfil the statutory norms of the concerned civic authorities.

**6.2** The Minimum frontage and depth of the plot should be as mentioned below,

- In Civic authorities of the city (30mX36m)
- On National Highway (35mX35m)
- On State Highway (35mX35m)
- In Rural area (35mX35m).

**6.3** Front road width should be as per the 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.

**6.4** Distance from other fuel stations should be as per updated norms of National Highway/State Highway/Master Plan/CLU norms of local bodies.

**6.5** It will be the responsibility of the applicant to ensure that as on date of application:

- 6.5.1 Offered land is of required dimension and abutting the road boundary (road that is specified in the EOI), after leaving Right of Way (ROW) line of road.
- 6.5.2 The offered land is also not notified for any acquisition.
- 6.5.3 Land owner is in possession of the land from beginning / edge of ROW line.
- 6.5.4 There is no other land including Government land between ROW and offered plot.
- 6.5.5 Norms of all National Highway/State Highway/Master Plan/CLU rules of local bodies and other statutory authorities as may be applicable. Norms related to distances from flyovers, underpasses, intersections and future road widening etc. must be fulfilled by the applicant for the land being offered.
- 6.6 The lands offered by the applicants shall be categorized under following groups.
- 6.6.1 **Group-1 (Owned Land/ Registered Lease):** Cases where the applicant is the owner of the land/Plot. 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) before issuance of LOI. 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, before issuance of LOI. Family members shall mean one or some of the following:
1. Self/Spouse
  2. Father/Mother
  3. Brother/Sister (unmarried)
  4. Son/Daughter (unmarried)
- 6.6.2 Land belonging to applicant by way of registered lease of minimum 30 years shall also be considered under this category (Group-1). In case the applicant is non-individual, the land should be in the name of entity (not in individual names) by way of ownership or registered lease.
- 6.6.3 **Group-2 (Agreement to Lease or Purchase):** This category comprises of 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 Group-2 category, LOI can be issued only after executing the Registered Sale/Lease Deed for the proposed land. In case the agreement to lease of a particular plot of land has been entered into by the owner with more than 1 party/ applicant, the said land shall not be considered for allotment of Retail station.
- 6.6.4 In case the applicant is non-individual (other than partnership firms), the notarized agreement to lease/sell should be in the name of entity (not in individual names). Agreement to Lease in the name of any one of the director or partner will not be

considered.

**6.7 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 in the name of applicant for establishing CNG / Fuel Station.
- c) Registered Lease Deed/ Notarised agreement to Lease for the proposed land with a lock-in period of 20 years and renewable for 10 years thereafter.
- d) Undertaking for the Proposed area for CNG Station (as per format)
- e) Mutation Records Jamabandi for last 20 years
- f) Layout plan superimposed on Naksha shijra (signed by Owner)
- g) Identity card (PAN card, Aadhar Card etc.) of land owners of proposed land
- h) Undertaking of CLU (as per format)
- i) No Litigation Certificate (as per format)
- j) Indemnity Bond (as per format)
- k) Undertaking w.r.t to understanding the norms applicable.

6.7.1 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 Station are to be attached.

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

**6.8 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:

- 1) Land in advertised area / stretch
- 2) Land dimension as per requirement
- 3) Land meets Statutory Norms/NHAI (for sites on NH)/NRC/PWD/PESO/Local Municipality Bodies. In case, land is on NH/SH, feasibility report from empanelled consultant of NHAI (as applicable) is required to be submitted along with application form.
- 4) Land has no HT/LT Electric Line / Telephone line crossing
- 5) No School/Hospital/ Residential or other institution attached to plot
- 6) Any other compliance/condition as specified by IGL, to ensure safety or otherwise.
- 7) Offer Land is having clear and marketable title as well as without any encumbrance.

The applicant shall comply with these requirements and land not meeting any of the above parameters will not be considered and will be summarily rejected. The decision of IGL pertaining to applicability of norms/condition shall stand final and binding.



## **6.9 Application Process:**

- 6.9.1** Applicant have to apply online as per relevant EOI floated in the prescribed format available on IGL's website.
- 6.9.2** The application fee of Rs. 50000/- (non - refundable) is required to be submitted along with the DODO application either online or through demand draft in favour of Indraprastha Gas Ltd.
- 6.9.3** **Scrutiny Fee:** If the proposed land is found suitable by IGL's survey team, a scrutiny fee for evaluation of relevant documents i.e. Due Diligence Report w.r.t proposed land will be charged from applicant at the rate of Rs. 50,000/- plus GST. IGL reserves the right to get the DDR done from empanelled advocate/lawyer.
- 6.10** In case of partnership, the name of each partner would be mentioned in the application form. However, single application form has to be filled by the authorised partner only in the name of partnership firm only.
- 6.11** At any stage of application processing, if it is found that the same land (part of or full) is applied by more than one applicant (under any category/ownership or any model), all applications related to that land/plot (part or full) shall be summarily rejected and application fee forfeited. IGL's decision in this regard shall final and binding on all the applicants.
- 6.12** Land (part or full) applied once in any model cannot be re-applied in any model till the disposal of earlier application. In this case, both applications may be rejected.
- 6.13** Category of application i.e. owned land / leased land / agreement to lease, as on the date of submission of application shall be considered final and no change in the category will be entertained.
- 6.14** The applicant should upload his / her recent (last 6 months) coloured photograph.
- 6.15** Submission of new document/alteration in the application/any additional information related to the application in the already submitted application/documents in support of eligibility will not be entertained, under any circumstance. Applicants may be advised to submit their application and documents carefully in the first instance itself. However, IGL may ask for clarifications upon processing of EOIs, against which applicants would be allowed to submit their clarification. However, no new document will be admissible that causes material change in the application (like change in land address, size of land, NOCs, valuation related document, applicant type change, etc.) and no request in this case will be entertained.
- 6.16** 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 company in

such cases whatsoever.

- 6.17 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 company. The security deposit submitted by the dealer would be forfeited in such cases. The site shall continue to remain with company.
- 6.18 **LOI Fee (non-refundable):** The successful applicant has to deposit non-refundable fees of Rs. 5 Lakhs plus GST for sites in Delhi, Gautam Budh Nagar, Ghaziabad, Gurugram and Rs. 3 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.
- 6.19 **One Application for one Area:**  
For a given stretch, only one application can be submitted by an applicant (multiple application with different land on the same stretches are not allowed).
- 6.20 **General:** Further, the applicant will provide an undertaking- stating unconditional acceptance to EOI terms, various instructions issued time to time by IGL and right of IGL to call off the processing of applications of any/all stretches at any point of time, without assigning any reason, etc. Dispute resolution mechanism as suggested by IGL will be binding on the applicant.
- 6.21 **Change of plot or plot size :** No request by an applicant for a change in proposed land will be accepted.
- 6.22 However, there could be a situation where the applicant/LOI holder is not able to progress with the plot size offered in the application for reasons beyond his/her control, for example:
- 6.22.1 Post issuance of LOI, there is some subsequent expansion/acquisition planned on or near the site by statutory authorities' / Government body / NHAI / Govt. Notification / Govt. Projects / Forest etc. resulting into non-availability of sufficient land for developing Retail station.
- 6.22.2 In case the applicant is not able to obtain CLU/any other statutory permission due to change in the Master Plan / Norms and guidelines of the concerned authority subsequent to the issuance of LOI.
- 6.23 However, in any case, land size shall not be reduced beyond minimum requirement as per EOI. The cost of legal vetting of the additional land shall be in scope of applicant
- 6.24 **Tenure of dealership and dealership agreement:**

6.24.1 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.

6.24.2 Dealership Agreement with the dealer shall be signed by Authorised Signatory on behalf of company

6.25 **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.

7.0 **Amendment / Modification:**

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

8.0 **Validity, Extension and Authorization of LOI:**

8.1 LOI will be valid for a period of 12 (twelve) months initially with a provision of validity extension by another 12 (twelve) months (with two consecutive extensions of 6 months each). This time period has been envisaged for obtaining CLU and statutory permissions/NOCs, equipment, etc.

8.2 Company reserves the right to withdraw the LOI after completion of 12/ 24 months (as the case may be) from the date of LOI issuance, in case statutory permissions for setting up of CNG station are not obtained within this period. No claim regarding refund of non-refundable fees of Rs. 5 Lakhs/ Rs. 3 Lakhs as deposited by the LOI holder shall be entertained as the same stands forfeited.

8.3 Once the required statutory permissions are obtained within the validity period the LOI validity shall be extended for the period as deemed reasonable to complete the civil work and signing of the dealership agreement.

9.0 **Grievance Management System**

An aggrieved applicant may send complaint related to Dealer Selection to Nodal Officer (for this purpose) of IGL along with a fee of Rs. 10,000 (ten thousand) paid through electronic mode/ demand draft in the name of “Indraprastha Gas Limited”. The complaint shall be addressed as per the Company’s Policy. However, anonymous/ pseudonymous complaints will not be entertained. The contact detail of nodal officer is as follows:

The Chief Marketing Officer,  
Indraprastha Gas Limited, Plot No.4, Community Centre Sector-9  
R.K.Puram, New Delhi-110022, Email id- [kumarrajeev@igl.co.in](mailto:kumarrajeev@igl.co.in), 011-46074616