

GUIDELINES FOR SETTING UP OF CNG STATION ON PRIVATE LANDS

Indraprastha Gas Limited (IGL) is a City Gas Distribution Company authorized for retailing of CNG & PNG in Delhi, Noida, Greater Noida, Hapur, Ghaziabad, Rewari, Karnal, Kaithal, Gurugram, Ajmer, Pali & Rajsamand, Fatehpur, Hamirpur and part of Kanpur.

We invite applicants to be a part of IGL's team and expand our CGD network by applying for setting up CNG Stations through various models such as Company Owned Company Operated (COCO), Company Owned Dealer Operated (CODO) and Dealer Owned Dealer Operated (DODO).

According to current IGL policy, minimum Qualification criteria for an applicant for Setting up CNG Station on private lands

- The applicant must be above the age of 21 years and less than 55 years
- The applicant must be an Indian citizen
- The applicant must be (Senior Secondary passed /12th /12th Equivalent passed) from a recognized board.
- The applicant should be a resident of India.
- In Case of partnership firms all the partners should fulfill the above mentioned criteria
- In Case of Private Limited Firms, the firm should be registered. Proof for same would be required.
- Applicant has to submit application fees in the form of **Demand Draft of Rs. 2500/-** per applicant in favour of Indraprastha Gas Limited payable at New Delhi .
- Scrutiny Fee: If the proposed land is found suitable by the 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 @ Rs. 50,000/+GST (**applicable for COCO model as well**)
- In case of successful applicant, the applicant has to deposit non-refundable fees of Rs. 3 Lacs + GST in favour of IGL (**Not applicable for COCO model**)

***Note: In COCO & CODO model of private lands only land owners or applicants with registered lease deed (more than 15 years) would be eligible for selection process.**

Details of the Land Required:

Plot Size: 1000 - 4000 Sq meters, preferably rectangular in shape.

Frontage: 24 meters or more. The plot should fulfill the guidelines of the concerned civic authorities

Front Road Width: National Highway / State Highway / Minimum ROW required for setting up CNG Station according to Master Plan of the local bodies/norms for fuel station.

Distance from other fuel station: As per updated NHAI / Authority guidelines.

Bye Laws to follow : Norms laid in updated NHAI circular /guidelines for setting up of fuel station on National Highways, Building Byelaws issued by concerned authorities, Updated policy/guidelines for setting up of CNG Station / Petrol Pump issued by State Government / Authority.

***Note: Details of preferred stretches are already mentioned in dropdown in application form**

In case of Individual applicant : Finances will be considered only in the name of applicant (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).

In case of Partnership firm : Partnership deed needs to be submitted and finances will be considered for single partner

A. Liquid cash : The following documents would be considered in the category of Liquid Cash

- Bank statement of 6 months duly attested by Bank.
- Shares certificate of Listed Companies.
- Valuation of Gold/ornaments owned by the applicant from Government Approved Valuer (GAV).
- Mutual Funds in the name of the applicant.

For Example - SBI saving bank statement – 30,00,000 , PNB saving bank statement- 40,00,000, HDFC saving bank statement- 50,00,000 ,Fixed Deposit – 10,00,000 Gold valuation in name of applicant from GAV= 30,00,000

Total Liquid Cash(in name of applicant) = 30,00,000+40,00,000+50,00,000+30,00,000
+10,00,0000
= Rs 1,60,00,000

B. Fixed and movable assets : The following documents would be considered in the category of Fixed and Movable Assets

- **Valuation of any property (Fixed /movable assets) in the name of owner/ Proprietorship evaluated only from GAV (In case of proprietorship provide document of certificate of incorporation).**
- **In case of Joint ownership, the amount to be considered will be in the ratio of ownership of applicant.**

For Example- Property 1 : If the value of the property is 2 crore (GAV Rate) and it is shared equally by 4 owners, the applicant needs to submit the value as 2 crore/4 = 50,00,000

Property 2 : If the value of the property is 1 crore (GAV Rate) solely owned by owner, the applicant needs to submit the value as 1 crore.

Total Property = Property 1 + Property 2
= Rs 1,50,00,000

C. ITR :

Latest ITR filed by the applicant need to be submitted (single page needs to be attached)

Type of Retail Outlet Dealerships:

Company Owned Company Operated (COCO): In case the outlet is developed under company owned category, the land will be taken by IGL **on outright purchase or on long term lease for a minimum period of 15 years with renewal option of another 15 years.** The control of the CNG stations in terms of operation and forecourt management shall rest with IGL. It will also contribute intensively in branding of IGL and enhance the visibility and identity of the Company. Though it is costlier slightly because all major investments including the cost of land to setup CNG station is borne by the IGL, however, it is the preferred option because the control of the

operations stays with IGL.

The Land Lease agreement shall be provided to our Legal department for vetting and will be presented to Management for approval.

The monthly lease rentals shall commence from the date of possession.

In case of COCO model, lottery system will not be followed. The applicant (amongst those meeting the eligibility criteria of land as mentioned in the EOI) offering land at the lowest total rental/purchase would be selected for that particular stretch as identified by IGL team before the start of the process in spite of the difference in area of various land meeting the minimum criteria. Deviation in case of lands having bigger area with similar rentals would be approved by management.

Scope of IGL

1. The CNG equipment shall be installed and commissioned by IGL.
2. IGL would take the land on long term lease of 15 years or on outright purchase and thereafter create CNG dispensing facility at the aforesaid land at its own cost. All the CNG equipment like compressors, dispensers and cascades will be installed & Commissioned by IGL by securing all necessary statutory permissions. All civil works such as foundations, canopies, electrical rooms, trenches, driveway, etc. shall be constructed by IGL.
3. It has to be expressly and unambiguously agreed by the parties, that no separate charges, costs, fee of whatsoever nature, shall be payable by IGL to Land owner.
4. To ascertain the Land Rentals, it is understood between both the parties that mutually accepted Land rentals shall be on the basis of a report submitted by Valuation firms hired by IGL / Government Approve Valuers (GAVs) subject to negotiation. The land rental shall be in the range of 5% of Market Value of land as assessed by Valuation firms hired by IGL / GAV. Each land to be evaluated by 2 firms and the average rental value provided to be taken for the rental purpose.

The increment in the land rental shall be done every 3 years @10% of the last agreed rentals.

Note: Any deviation in ascertaining land rental shall be approved by management

5. IGL further undertakes to build/construct the superstructure/ building at their own cost and expenses as per required specification and plan for establishment of its office and Gas Station for running & related activities including PNG distribution system on aforesaid plots of Land.
6. IGL shall arrange for the Power Load required at the site at its own cost. All charges towards power cost shall be borne by IGL.

7. IGL shall arrange for all necessary permissions required from statutory authorities for setting up of CNG facility.
8. IGL shall make arrangements to collect and deposit the cash generated out of sales on daily basis.
9. As per requirement IGL may further install and commission PNG distribution system i.e. FRS/ DRS etc. on a portion of aforesaid plots of Land, if required.

Land Owner's Scope

1. Land owner agrees to bear all property taxes, municipal taxes, out-goings, rents, rates, assessments, change of Land use (CLU) in respect of the site pertaining to the period till peaceful possession. Land owner shall also be liable to pay any arrears pertaining to the period prior to possession given to IGL.
2. Land owner agrees that IGL shall have liberty to operate CNG facility at the said Land.
3. Land owner shall get the Change of Land Use (CLU) at his/ her own cost well before the project activities are commenced by IGL at the plot. CLU in case of purchased land would be in scope of land owner. IGL would issues necessary documentary support required for obtaining the CLU.
4. Land plots having clear title only would be considered.

- B. Company Owned Dealer Operated (CODO)-Private Lands :** In case the outlet is to be developed under this category, the land will be taken from the selected candidate on lease for a period of 15 years with a renewal option of another 15 years and a trade margin would be payable to Dealer by IGL on per Kg basis.

The Land Lease agreement shall be provided to our Legal department for vetting and will be presented to Management for approval. The Lease will remain valid for full leased 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 Dealer (Lessor).

In case of COCO model, lottery system will not be followed. The applicant (amongst those meeting the eligibility criteria of land as mentioned in the EOI) offering land at the lowest total rental/purchase would be selected for that particular stretch as identified by marketing department before the start of the process in spite of the difference in area of various land meeting the minimum criteria. Deviation in case of lands having bigger area with similar rentals would be approved by management.

The monthly lease rentals shall commence on the date of possession.

Thereafter, a separate principal to principal basis, dealership agreement shall be executed,

wherein gas will be sold to the dealer at a price which is equal to retail price less trade margin 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.

Scope of IGL

1. IGL would take the land on long term lease of 15+15 years. It has been expressly and unambiguously agreed by the parties, that no separate charges, costs, fee of whatsoever nature, shall be payable by IGL to Land owner.
2. IGL would take the land on long term lease of 15+15 years and thereafter create CNG dispensing facility at the aforesaid land at its own cost. All the CNG equipments like compressors, dispensers and cascades will be installed & Commissioned by IGL by securing all necessary statutory permissions. All civil works such as foundations, canopies, electrical rooms, trenches, driveway, etc. shall be constructed by IGL. RVI and Monolith would also be placed by IGL.
3. To ascertain the Land Rentals, it is understood between both the parties that mutually accepted Land rentals shall be on the basis of a report submitted by Valuation firms hired by IGL / Government Approved Valuers (GAVs) subject to negotiation. The land rental shall be in the range of 2 to 2.5% of Market Value of land as assessed by Valuation firms hired by IGL / GAV. Each land to be evaluated by 2 firms for the rental purpose.

The increment in the land rental shall be done every three year @10% of the last agreed rentals.

Note: Any deviation in ascertaining land rental shall be approved by management

4. IGL shall also pay charges for providing the dealership services to the dealer. The amount paid shall be 65% of the total amount as decided in the DODO model in case of CODO model. IGL would charge Services Station License Fees (SSLF) from the dealer @ 10% of Trade margin.
5. IGL agrees to reimburse Electricity charges to Dealer on a predetermined rate or based on Sub-meter reading for running the equipment.
6. All periodic and breakdown maintenance of CNG equipment will be in the scope of IGL.
7. IGL will train the manpower employed by the Dealer for dispensing and safe operation of CNG facility but complete responsibility of quality and safety shall remain with the dealer. IGL shall charge a fee of Rs.500/ person for training purpose.
8. The CNG equipment's shall be installed and commissioned by IGL

Land Owner's (Dealer) Scope

1. Dealer agrees to bear any/ all property taxes, municipal taxes, out-goings, Change of Land

use Charges, rents, rates, assessments or levies in respect of the site before entering into an agreement with IGL. Land owner shall also be liable to pay any arrears pertaining to the period prior to possession given to IGL.

2. Dealer shall arrange for all necessary permission required from statutory authorities for setting up of CNG facility in IGL's name. Necessary support shall be provided by IGL in facilitating this.
3. Cash collection of daily sales to be deposited in IGL's designated Bank A/C. MIS to be sent daily to IGL office by 11 am. The dealer is required to pay an interest free refundable security deposit of an amount equivalent to 5 days sale. The periodic review of the cash security deposit would be done twice every year in the months of April and October respectively.
4. Dealer agrees to operate CNG facility at its own cost by employing its own manpower and should indemnify the Company against all charges, claims/dues etc. arising out of disputes relating to dues and employment of personnel deployed by him.
5. Day-to Day Operations of CNG station is in the scope of Dealer.
6. All manpower required for the smooth operations of equipment installed at the station and dispensing of Gas to vehicles including security and safety of station, CNG equipment, etc shall be arranged by Dealer at its own cost. Uniform, shoes etc. required as per IGL's Norms and design shall be in dealer's scope.
7. Power connection up to the site has to be arranged by the Dealer. All necessary permissions including deposits, cable charges, connection charges etc. as levied for obtaining power supply shall be borne by the dealer.
8. Misc. Charges: All Housekeeping expenses, telephone charges, water Charges, Electrical charges for station (Other than Compressors, dispensers and air compressor) and horticulture expenses, etc. shall be borne by the Dealer.
9. To ensure the safe operation of the equipment and the station.
10. Dealer to comply with all the Quality of Service Regulations, Technical & Safety Regulations of PNGRB.
11. Dealer will also has to submit a bank guarantee of value equivalent to 15% cost of last purchase price of compressors, dispensers and cascades as prescribed by IGL to protect the asset of IGL and will carry no interest. Same would be revised on deletion addition of any equipment.

C. Dealer Owned Dealer Operated (DODO)- with Lease

In this model, the Dealership for operations is given to the landowners offering the land for setting up the CNG station at the selected location. The entire earmarked plot shall be developed exclusively for setting up of CNG station and allied commercial activities such as Convenience stores, Coffee Shop and CNG service station at the discretion of CGD Company. Once the sites are selected, the applicant will have to enter into a long term agreement with CGD Company.

Only In case of DODO model a lease agreement of value Rs. 11000/- annually for the selected land shall be executed between IGL and the LOI holder/Dealer at the time of dealership agreement so that IGL can apply to PESO and other authorities under its name.

Scope of IGL:

Gas Supply: IGL shall supply the gas to the CNG station through pipeline or through the mobile cascades.

Installation of Equipment's: The CNG equipment's (Compressor/Cascade/Dispenser) shall be installed and commissioned by IGL. Hi-Mast, Monolith/RVI, Air inflators will be provided by IGL. All Fire & Safety related equipment's required as per statutory rules/ guidelines are in IGL scope to ensure safety of the equipment's.

Topographical Survey and Soil testing is part of design of station and shall be under IGL scope. Any special requirement of PESO (for eg. QRA Haz-off Study, Structural Stability report, etc.) shall be under IGL scope

Design and Specifications: The station design including that of building, canopy, signage, pylon (totem), etc. shall be provided by IGL and the dealer shall abide by the same **Dealership Trade Margin and Facility Charges:** Trade Margin and Facility Charges for providing the dealership services shall be paid by IGL to the Dealer. The rate in Rs./Kg as a consideration towards the provision of land rentals, investment made towards civil/electrical/others works and equipment's utilities, dispensing arrangements, operation and maintenance and all services provided by the dealer shall be paid to the dealer. Trade Margin and Facility Charges and electrical reimbursements would be in line being paid by IGL to the Oil Marketing Company providing similar arrangements. However, the revised rate would be made applicable to the dealer prospectively after negotiation of rates as applicable from time to time.

IGL would charge Services Station License Fees (SSLF) from the dealer @ 5% of total amount.

Training: IGL will train the Technicians / manpower hired (DSMs, Managers, etc.) / deployed by the dealer for dispensing and operation of the Compressor, Dispenser, Cascade and Fire & safety equipment's. However, the entire responsibility of quality and safety shall remain with the dealer. IGL shall charge a fee of Rs.500/ person for training purpose.

Maintenance of facilities: All periodic and break down maintenance of CNG equipment will be in the scope of IGL including operation of CNG compressors. IGL will carry out this responsibility either through in-house resources or through OEMs or hiring a third party with Comprehensive Annual Maintenance Contract including the supply of the spares for the routine and breakdown maintenance of the equipment's such as Compressors, Dispensers, UPS, SCADA, etc.

All monitoring systems (CCTV Camera etc.) and Internet connectivity will be provided by IGL.

Supervision for safety and to carry out safety and Technical audit: IGL shall keep the supervision on the activities carried out at CNG station. IGL would carry out the Safety and technical audit as per schedule and also as and when required. IGL shall have the rights to check the CCTV coverage and

also take the recordings for any further investigations if required. IGL can also take live feed of CCTV coverage.

Analysis and investigation of accident: If any accident occurs in the CNG station, IGL shall investigate the reasons of the accident and shall recommend necessary remedial action.

Dealer's (Land Owner's) Scope:

Day to day operations of the equipment and the CNG retail outlet including but not limited to operation of equipment (Dispensers, Electrical equipment, Cascades, etc. except the CNG compressor) Dispensing of gas to vehicles and general maintenance/ up keeping of the CNG outlet (as per standards of IGL) shall be under dealer scope.

Permissions/Approvals: Dealer has to arrange all necessary permissions required from all statutory authorities (Petroleum Explosive Safety Organisation (PESO)–Nagpur, local Municipal office, DCP licencing, Traffic Police, NHAI etc.) for setting up of CNG stations. The permission shall be applied in name of IGL and necessary support shall be provided by IGL. Payments of (property tax/ local towards authority, Municipal etc.) tax are also under dealer scope.

Change in Land Use (CLU): Land owner (Dealer) shall get the CLU of the land plot at his/her own cost well before the project activities are commenced at the plot.

Construction: All civil works such as foundations (stations and equipment's), canopies, electrical rooms, trenches, driveway, boundary wall, Sales room, pylon (totem), entry / exit signs, hoardings, lightings, etc. are in the scope of the Dealer. The technical details & design of all items shall be provided by the IGL.

Power: Power connection up to the site main meter has to be arranged by the Dealer. All necessary permissions including deposits, cable charges, connection charges etc. as per the DERC/ State electricity board norms for obtaining power supply shall be in the scope of the Dealer. If the transformer/ Packaged Sub Station (PSS) and other associated electrical equipment are required for supplying power, then the same shall be in the scope of the Dealer. Power backup in case of electricity failure including procurement and installation of Generator for power backup will be under dealer scope.

IGL agrees to reimburse Electricity charges to Dealer on a predetermined rate or based on Sub- meter reading for running the equipment.

Manpower: All manpower required for the smooth operation of equipment installed at the station and dispensing of CNG to vehicles including for the security of station, housekeeping, Air inflator, etc. shall be arranged by the Dealer at their own cost. Uniform, shoes, etc. required as per IGL standards shall be in dealer's scope. Dealer would indemnify IGL against all charges, claims/dues etc. arising out of disputes relating to dues and employment of personnel deployed by him. Day to Day operations of CNG station will be in the scope of dealer.

Cash Collection and Security Deposits: IGL shall collect the cash from the station and shall recover the charges from vendor at a fixed rate. In case IGL is not able to provide this service the Cash collection of daily sale to be deposited in IGL designated bank account on succeeding day 11 AM and

MIS to be sent daily to IGL office by 12 noon. The dealer is required to pay an interest free security deposit towards cash collection for an amount equivalent to 5 days average sale by way of DD. The periodic review of the cash security deposit would be done twice every year in the months of April and October respectively. Dealer will also has to submit a bank guarantee of value equivalent to 15% cost of last purchase price of compressors, dispensers and cascades as prescribed by IGL to protect the asset of IGL and will carry no interest. Same would be revised on deletion addition of any equipment.

Misc. Charges: All Housekeeping expenses, telephone charges, water Charges, Electrical charges for station (Other than Compressors, dispensers and air compressor) and horticulture expenses, etc. shall be borne by the Dealer.

Dealer would ensure the safe operation of the equipment and the station. Dealer to comply with all the Quality of Service Regulations, Technical and Safety regulations of PNGRB, PESO, etc.

Note:

1. For any queries please write us at cngproject@igl.co.in.
2. Please mention your token no in subject of mail.
3. *Demand Draft in favour of "Indraprastha Gas Ltd." needs to be submitted at :
To,
CNG Projects Department
IGL Bhawan Head office,
Plot No.4, Community Center,
R.K. Puram Sector -9,
New Delhi 110022
4. Please mention token No. & subject at on the backside of the demand draft.
5. Subject: Application for Setting up CNG station on private land