

**GUIDELINES FOR NEW PRIVATE SECTOR ENTITY SEEKING AUTHORISATION TO
MARKET TRANSPORTATION FUELS AND EXPRESSION OF INTEREST BY SUCH ENTITIES**

Brief:

On 8th November 2019, Ministry of Petroleum and Natural Gas (MoPNG), Govt. of India has published Gazette Resolution No. P-12029(11)/2/018-OMC-PNG regarding revision in guidelines for granting authorization to market transportation fuels viz, MS and HSD to new entrants including the private sector. In addition to conventional fuels, the authorized entities are required to install facilities for marketing at least one new generation alternative fuels like Compressed Natural Gas (CNG), Biofuels, Liquefied Natural Gas (LNG), Electric Vehicle Charging Points etc. at their proposed Retail Outlets.

Objective:

The Government of India have issued the resolution No. P-12029(11)/2/018-OMC-PNG dated 8th Nov'2019 with an objective of increasing private sector participation while also encouraging dispensing of alternative fuels and augmentation of retail network in remote areas and ensuring higher levels of customer service.

New operating model towards setting up of CNG facility:

In the above background, Indraprastha Gas Limited (IGL) is pleased to announce an introduction of new operating model towards setting up of CNG facility at the retail outlet of private sector entity authorized by MoPNG under resolution no. P-12029(11)/2/018-OMC-PNG dated 8th Nov'2019 & P-12029(11)/2/2018-OMC-PNG dated 5th Oct'2021, as per detail:

Eligibility Criteria for Private Sector Entity:

1. The Private Entity (applicant) shall fulfill all terms & conditions mentioned in the MoPNG's resolution No. P-12029(11)/2/018-OMC-PNG dated 8th Nov'2019 & P-12029(11)/2/2018-OMC-PNG dated 5th Oct'2021 from time to time and any other obligation as may be applicable in this regard.
2. The Private Entity (applicant) shall submit a copy of Grant of Authorisation under the MoPNG's resolution No. P-12029(11)/2/018-OMC-PNG dated 8th Nov'2019 while applying to IGL.
3. **Land :** The land of retail outlet should be in the name of authorized entity either through direct ownership or through registered lease deed in the name of authorized entity for a minimum period of 20 years. No sub-letting, in part or full, shall be allowed. 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 retail outlet and should continue to do so till the tenancy of the contract/agreement.
4. **Suitable and Adequate Space:** shall be provided by an authorized entity towards setting up of CNG facility apart from Motor Sprit (MS), High Speed Diesel (HSD) or any new generation alternative fuels.
5. **Security Deposit:** The authorized entity 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. The authorized entity 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 will carry no interest. Same would be revised on addition of any equipment.

6. **Station License Fee:** The authorized entity 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.
7. **Application Fee:** The application fee of Rs. 4,00,000/- per application/ land is required to be submitted along with the application either online or through demand draft in favour of IGL, out of which only Rs. 2,00,000/- per application/ land will be refundable in case of non-selection.
8. **LOI Fee (non-refundable):** IGL would issue LOI to authorized entity subject to fulfillment of techno-commercial viability of the retail outlet. The authorized entity 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 authorized entity only after receipt of applicable fees.
9. **Compensation:** The agreement between authorized entity and IGL shall have a clause that, in case the authorized entity terminates the Agreement prior to a minimum period of 20 (twenty) years, then the authorized entity will be liable to compensate IGL for loss of business, with an amount of INR 5 Crores. The authorized entity 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.
10. **Statutory Approvals:** All statutory approvals shall be borne by authorized entity in their own name and at their risk & cost.
11. **Civil Construction of CNG facility:** All civil and electrical work such as foundations, electrical room, canopy, driveway, trenches, cabling etc. as per required specification shall be in the authorized entity's scope.
12. **Equipment:** Supply, installation and commissioning of all the CNG equipment (Compressors, Dispensers, and Cascades etc.) along with its accessories (Tubes, Pipes, Cables, Electrical Panels, UPS) shall be in IGL's scope.
13. **Operations and Maintenance:** The control of the CNG station in terms of day to day operation / forecourt management including operational manpower shall be in the scope of authorized entity. Preventive, periodic & breakdown maintenance of equipment (Mechanical & Electrical) shall rest with IGL either through own manpower or outsourced through suitable contracts. All civil, electrical maintenance shall be in the scope of authorized entity.
14. **Power:** Authorized entity shall arrange for the electrical load required at the site at its own cost. All necessary permissions, including deposits, PSS, cable charges, connection charges etc. as levied for obtaining power supply shall be borne by the authorized entity. Electricity charges as per pre-determined formula / based on sub meter reading towards power consumption by CNG equipment(s) installed by IGL, shall be reimbursed by company IGL to authorized entity.

15. **Safety:** All Fire and Safety related equipment required as per statutory rules / guidelines issued by various Government authorities such as PESO, Fire Department and other statutory authorities shall be in the authorized entity's scope.
16. **Dealer Commission:** The authorized entity shall be paid a 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.
17. **Agreement:** A separate dealership agreement shall be executed between authorized entity and IGL, wherein gas will be sold to the authorized entity at a price which is equal to retail price less dealer commission. Authorized entity's/their 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 authorized entity accordingly. The retail invoice provided to customer shall be given in name of IGL. The commission paid to the authorized entity may vary GA wise.
18. **Change of plot size :** No request by an applicant for a change in proposed land will be accepted after receipt of an application by IGL or after issuance of LOI to an eligible applicant.
19. **Amendment / Modification:** IGL reserves its right to amend, modify, delete or add any of the above terms and conditions at their sole discretion.
20. **Grievance Management System:** An aggrieved authorized entity (applicant) may send complaint 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, 011-46074616"*

21. Interested authorized entity may download the *Application Form*" available on IGL's website. i.e. www.iglonline.net under Dealership Tab and submit the same along with annexures to IGL's Corporate office in offline mode, as per detail:

*"The VP (BD&GS),
Indraprastha Gas Limited, Plot No.4, Community Centre Sector-9
R.K.Puram, New Delhi-110022, Email id- sanjeevk.bhatia@igl.co.in, 011-46074759"*