

GUIDELINES

Indraprastha Gas Limited (IGL) is a City Gas Distribution Company authorized for retailing of CNG & PNG in Delhi, Noida, Greater Noida, Ghaziabad, Rewari, Karnal, Gurugram, Shamli, Muzaffarnagar & Meerut (except Areas already allotted)

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) and Dealer Owned Dealer Operated (DODO).

According to current policy,

Minimum criteria for an applicant for Setting up CNG Station on DODO Model

- The applicant's age must be between 21- 60 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 and profit making for previous three financial years from the date of filling of enquiry form . Balance sheet as a proof for same would be required.
- Applicant has to submit application fees after online submission of **Enquiry Form** in the form of Demand Draft of Rs. 2500/- per applicant in favour of Indraprastha Gas Limited payable at New Delhi
- Ex- In case of partnership firm if there are 2 partners then 2 Demand Drafts need to be submitted

Details of the Land Required:

Plot Size: 800 - 4000 Sq meters, preferably rectangular in shape.

Frontage: 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.

- **Type of Applicant :**
 - **Individual**
 - **Partnership**
 1. For ex (Case 1)- Name of applicant - A and B
 2. For ex (Case 2)- Name of applicant- XYZ filling station
Partners are A and B (So all partners information is to be provided)
 - **Private Limited Company**
- **Location of the plot , Sketch:** The applicant needs to provide the complete address with khasra no., Khewat no etc. and attach a sketch of the plot showing shape and dimensions of all sides in metres.

Type of Retail Outlet Dealerships:

Dealer Owned Dealer Operated (DODO)

For the station to be developed under this category, the Dealership for operations is given to the candidate offering the land for setting up of the CNG station at the selected location. The entire earmarked plot shall be developed exclusively for setting up of CNG station and any other allied commercial activities at the discretion of IGL. Once the sites are selected, the candidate will have to enter into a dealership agreement with IGL for 30 Years or as per local state govt. rules and regulation. The typical terms and conditions for the DODO model shall be as follows:

Scope of IGL:

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

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

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 is finalized with OMC's.

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

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.

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.

Power: The cost of power towards running of compressor and its accessories (Air compressor, etc.) and dispenser will be reimbursed by IGL. A separate meter as approved by the DISCOM / appropriate state authority will be installed for this purpose.

Dealer's (Land Owner) Scope:

Day to day operations of the equipments and the CNG retail outlet including but not limited to operation of equipments (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, NHAH etc.) for setting up of CNG stations. 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 equipments), canopies, electrical rooms, trenches, driveway, boundary wall, Sales room, signage, pylon (totem), entry / exit signs, hoardings, lightings, etc. are in the scope of the Dealer. Providing and installation of RVI, Facia, Canopy are also in the dealer scope. 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 boards 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 cost towards illumination, AC for office, fan and all the other electrical facilities (Except Compressor and Dispenser related) of the station is in the scope of Dealer.

Power backup in case of electricity failure including procurement and installation of Generator for power backup will be under dealer scope.

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 dealers 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: 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.

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.

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

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.

Company Owned Company Operated (COCO – with or without Operatorship): 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 best option because it gives the freedom of operation, brand image and identity which are the most essential requisites.

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 on the date of execution of Land Lease Agreement with Lessor.

However, if Company (IGL) decided to award the operatorship of the CNG Station to the Lessor than in this case a separate Operating agreement (as per present agreement with operators) would be executed with Lessor at the time when station is actually ready for operation.

Operatorship will be first awarded to Lessor if the Lessor qualifies as per the eligible criteria mentioned in this policy document. In case if he fails then the same can be offered by IGL as per the prevailing operatorship policy.

Scope of IGL

1. The CNG equipments shall be installed and commissioned by IGL.
2. IGL would take the land on long term lease of 30 years or on outright purchase 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.
3. 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.
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 Government Approved Valuer (GAV) subject to negotiation. The land rental shall be in the range of 6% to 8% of the value of the land as assessed by the GAV.
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. All periodic and breakdown maintenance of CNG equipments will be in the scope of IGL.

9. IGL will train the manpower employed by the Operator for dispensing and safe operation of CNG facility
10. IGL shall make arrangements to collect the cash generated out of sales on daily basis.
11. 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 (in case of leased lands)

1. Land owner agrees to bear and any all property taxes, municipal taxes, out-goings, rents, rates, assessments, change of Land use (CLU) in respect of the site before IGL takes the possession.
2. Land owner agrees that IGL shall have liberty to operate CNG facility at the said Land or authorize operating services to third party.
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.
4. Land plots having clear title only would be considered.
5. Day to Day operations like dispensing and maintain CNG outlet shall be in the scope of Operator.

For any queries please write us at cngproject@igl.co.in. Please mention your token no in subject of mail.

***Demand Draft 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

Please mention token No. & subject at on the backside of the demand draft.

Subject: Application for Setting Up CNG station on private land