



**SELECTION OF DEALERS  
FOR  
CNG RETAIL OUTLETS ON DEALER OWNED DEALER  
OPERATED (DODO) BASIS**

February 2019

**Adani Gas Ltd**

**Faridabad Office:** Institutional Plot No. 18, Sector 20B, Faridabad – 121 001  
**Reg. Office:** Adani House, Near Mithkali Circle, Navrangpura, Ahmedabad – 380 009  
**Website:** [www.adanigas.com](http://www.adanigas.com)

## CNG RETAIL OUTLETS ON DEALER OWNED DEALER OPERATED (DODO) BASIS

### A. Introduction

Adani Gas Ltd (“Company”) is a leading City Gas Distribution (CGD) Company of the country having authorization to set up and operate City Gas Distribution networks in 30 Districts spread over 7 States.

It is currently operating 75 Retail Outlet and a gas pipeline network of more than 6000 Kms to supply the Piped Natural Gas to more than 1250 Industrial, 2700 Commercial, 375,000 Domestic (residential) customers. Company today caters CNG to more than 250,000 vehicles every day from its Retail Outlet.

To increase the distribution and sale of CNG and facilitate easy availability of it for consumers, Company proposes to set up additional Retail Outlet through the Dealer Owned Dealer Operated (DODO) model. For this purpose Company wishes to appoint Dealers at various locations in its authorized areas.

### B. DODO Model (Dealer Owned Dealer Operated RETAIL OUTLET):

Company requires the land (size: 1200 sq. mtrs & above) for setting up the Retail Outlet at the selected location. Once the sites are selected, the landowner shall have to enter into a long term agreement with the Company. Company may enter into Dealership agreement with landowners and /or relatives of landowners.

The entire earmarked plot shall be developed exclusively for setting up of Retail Outlet. Large Plots at vantage locations may be housed with allied commercial activities such as: Retail Outlet, Cylinder testing centers, ATMs, Convenience stores, Coffee Shop, etc at the discretion of the Company.

### C. Identification of Locations:

Company shall identify the locations for setting up Retail Outlet based on assessment of demand and other techno-commercial considerations. Indicative locations in Faridabad & Palwal GAs are:

Sr. No.	Location / Area Description
1	Faridabad - Sohna Road
2	Palwal City
3	Sarai Khwaja to Hodal along NH, Mathura Road
4	Ankhir - Suraj Kund Road
5	Neharpar (Greater Faridabad)
6	Palwal to Aligarh Road

### D. Selection of Sites / Land :

- Non-agricultural (N.A.) commercial Plots / Land with clear title shall be preferred. In case it is required to obtain the NA / NOC, it shall be responsibility of the applicant to obtain the same in a time bound manner as described in this document.
- Technical / Commercial suitability of land offered by the applicant for any locations will be ascertained by the Company.
- Station Equipment and capacity shall be decided by Company depending upon the size of the plot.
- Decision of Company in selection of Plot shall be final.

### E. Eligibility

- Any individual / partnership firm having land in his/her/its name is eligible to apply.
- The land owners who have the land / plots of required size and are willing to do the investments required for development of land / plot for Retail Outlet to be considered for the dealership on DODO model.
- The eligibility criteria for land owners on DODO Model is as below :

For Individuals:	
• <i>Nationality</i>	: Should be Indian national.
• <i>Age</i>	: As on the date of application (in completed years) not less than 21 years
• <i>Educational Qualification</i>	: Adequate to understand complexity of CNG business (preferably 12th Pass)
• <i>Financial strength</i>	: Should have sufficient financial strength. Minimum Rs. 50 Lakh (Bank Solvency certificate, Income tax return of last three years and statement of movable and immovable properties as a proof are required).
• <i>Experience</i>	: Land owners with the experience (his/her or in the following field / activities shall be given priority — Forecourt management of retail outlets of Petroleum products — experience in oil and gas sector

For Others:	
• <i>Partnerships</i>	: In case of partnerships, at least one partner should fulfill the eligibility criteria as specified above. However, consent shall be required to be signed by all the partners.  Only the partnership firms making a net profit (PAT) for the previous three consecutive financial years as certified by a Chartered Accountant are eligible.

Documentary proofs fulfilling all the above eligibility criteria shall have to be submitted by the applicants.

### F. Disqualification :

The following land owners shall not be eligible for submitting the application:

- Applicants convicted 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).
- Mentally unsound person / totally paralyzed person.
- Guilty of willfully giving wrong information.
- If any statement made by land owner at any stage is found to be incorrect or false and/or the applicant conceals any information, which if declared, would have made him/her ineligible in case of the land owner has been appointed as a dealer, the application / dealership is liable to be terminated. In such cases the land owner / dealer shall have no claim whatsoever against Adani Gas Limited. Such Land Owner shall not be considered for any future requirements of lands on DODO model or dealings of the Company.

Self-declaration shall be taken from dealer on above. If in case given declaration is found to be in violation of above requirements, Dealership Agreement shall be terminated. In case of termination of Dealership on account of adulteration or malpractice, the Security Deposit shall be forfeited in full.

## **G. Process of Selection of Dealer:**

The process to be followed by the Company is summarized below:

### **1) Expression of Interest**

Interested entity shall submit "Expression of Interest" (EOI) cum Application Form (EOI) to set up Retail Outlet in the prescribed format. The duly completed form along with all required attachments / enclosures and Non Refundable Fee of Rs. 2000/- should be submitted at below mentioned address latest by 5.00 PM on March 8, 2019.

EOI form can be downloaded from Company website: <https://www.adanigas.com/downloads> from February 22, 2019; 9.30 AM onwards.

### **2) Scrutiny by Company**

EOI received shall be put through three level scrutiny.

#### Scrutiny Level 1:

This is the initial level of checking of the EOI for the completeness, sufficiency and adequacy of the documents. Incomplete forms and Forms not accompanied with the required attachments and details are liable to be rejected.

#### Scrutiny level 2:

After ascertaining the completeness of the form, Company representatives shall visit the site to assess the business potential, accessibility, power availability, distance from pipeline, Overhead High Tension Cables, fitment with business plan and other business parameters.

After this scrutiny the plots shall be shortlisted for further consideration.

#### Scrutiny Level 3:

Shortlisted plots shall be legally verified for ownership, title clearance, status / nature of land usage, ownership details, Khasra / Khatauni maps, identification of town planning / village maps, etc.

### **3) Interview**

After detailed scrutiny if plot of land offered is found suitable to Company, land owner shall be called for meeting cum interview to assess the interest of the person / entity, financial and management capability, readiness to invest, ability to mobilise resources required for construction and management of operations.

### **4) Management Approval:**

Company shall take approval of its management for selection of Land/Plot and Dealers.

### **5) Term sheet Signing**

Company, based on various business considerations and evaluation of plots and owner shall select the plot for development of Retail Outlet on Dealer Owned Dealer Operated (DODO) basis.

Plots with "NA" (Non-Agriculture) Use) status shall be preferred.

A term sheet shall be offered to dealer. Dealer should carefully study the conditions of 'term sheet', understand scope, terms and condition including applicable trade margin, rules and regulations and sign the 'term sheet'. Signing of term sheet is intent but not an obligation of Company to convert it into the Agreement.

Company reserves the right to appoint additional Dealer/s and install additional Retail Outlet anywhere in the same Geographical Area for selling and marketing of the products without any requirement of the Dealer's consent.

**6) Letter of Intent (LOI) – Dealership Allotment**

After management approval is granted & signing of term sheet, LOI shall be issued to the land Owners for taking up necessary actions for setting up Retail Outlet. Land owners shall however submit acceptance of LOI within seven days alongwith Fixed Security Deposit amount.

LOI will be cancelled if dealer fails to submit acceptance and the non-refundable fees of Rs, 7.50 lacs within seven days of issuance of LOI.

Wherever there is requirement by authorities of comfort letter from Company for issuing NA / NOC, Company shall issue the same for obtaining NA/NOC. However if the dealer fails to obtain the obtain NA/NOC within 12 months, the Company reserves right to cancel the Lol. Responsibility of obtaining NA / NOC rests solely with the Dealer.

**7) Agreement Signing**

There will be two types of Agreements Company shall enter into with dealer.

A. Land Lease Agreement:

After acceptance of LOI, payment of Non Refundable fees of Rs. 7.50 Lacs and obtaining the NA / NOC from authorities by the dealer, Company shall enter into land lease agreement for a period of 15 years. Land Lease agreement shall be signed only with the owner of the land.

Landowners shall construct, develop and install the infrastructure on the land at its own cost in the manner within construction period as agreed with the Company failing which Company can terminate the agreement and can claim expenses incurred i.e. Stamp duty and registration charges from land owners.

Upon completion of development, construction and installation of infrastructure, land owners shall hand over the land with infrastructure to Company. If such handover of land completed on or before 15<sup>th</sup> of the calendar month lease rental shall be payable from first date of such calendar month and if handover of land completed after 15<sup>th</sup> day of calendar month , lease rental shall be payable from first date of succeeding calendar month.

If commercial operations are delayed for reasons attributable to Company such as pipeline connectivity, delay in equipment installation, etc. Company may consider paying the applicable lease rentals before the commencement of commercial operations.

Delay in obtaining any approvals, construction, operations shall be on Dealer's account and Company shall not pay any lease rentals till the commencement of commercial operations.

B. Dealership Agreement

After handover of land with infrastructure by land owners to Company and receipt of all applicable Permits required to be taken by each party, Dealership agreement (DODO) is to be executed by the Company.

**8) Statutory Permissions**

Dealer shall obtain & maintain all applicable Permits for operating of Retail Outlet and for sale of products at its own cost and expenses.

Dealer shall also submit layout plan to Company for its review prior to undertaking any construction at Retail Outlet.

**9) Construction**

Dealer is required to complete the construction of Retail Outlet within 180 days from the date of signing of the Dealership Agreement including the all necessary civil/electrical work as per the drawings provided by the Company.

In case of construction delay or any license/utility related delay in scope of dealer resulting into delay in starting of commercial operations of Retail Outlet, Company shall levy a penalty of Rs. 25000/- per month for such delays. If incase Commercial operations are delayed because of delay in work to be completed by Company this penalty will not be applicable.

#### H. Document requirement :

The applicant(s) is/are required to furnish copies of following documents, as applicable, alongwith EOI

- a) Certified Copy of Ownership / Title Document.
- b) Notarized Affidavit of Title of Ownership on Rs. 100 stamp paper.
- c) Details of Offered plot in the total plot on certified copy of Demarcation Plan issued within 3 years from the date of application submission date (copy). Map showing Plot No. / Khasra No. / Shujra Plan
- d) Property tax payment receipts of subject land for last five years
- e) Document clearly indicating NA status for Commercial use of the offered site.
- f) Registered Partnership Deed along with certificate of registration (Certified Copy).
- g) Document clearly indicating Commercial Status of the offered site.

Company may call for verification of the copies of above documents with Original documents and may also call for further documents as may be required for verification after the shortlisting of the plot / land.

In addition to the above, following documents are also required, as applicable, for evaluation:

Sr. No.	Situation of Ownership	Share of applicant in land	Documents required in addition to Above
1	Self	Full	Nil
2	Self with members of family unit	Part	Consent letter from members of family Unit
3	Self with other owner(s)	Part	Consent letter on stamp paper or an Affidavit or Power of Attorney from other owner(s)
4	Self and members of family unit with other owner(s)	Part	Consent letter from members of family unit and Consent letter on stamp paper or an Affidavit or Power of Attorney from other owner(s)
5	Only members of family unit	Part	Consent letter from members of family unit
6	Members of family unit with other owner(s)	Nil	Consent letter from members of family unit and Consent letter on stamp paper or an Affidavit or Power of Attorney from other owner(s)

**Note:** All consents must be obtained on Rs.100 stamp paper and duly notarized

**I. Scope of Company:**

<ul style="list-style-type: none"> <li>• <b>Installation of Equipment</b></li> </ul>	All the CNG equipment like CNG Compressor, Dispenser, Cascade, Electrical, CNG Automation, and Air Compressor will be supplied, installed and commissioned by Company.
<ul style="list-style-type: none"> <li>• <b>PESO License</b></li> </ul>	PESO license will be in the name of Company and license fee will be paid by Company.
<ul style="list-style-type: none"> <li>• <b>Design and Specifications</b></li> </ul>	Company shall finalize station layout including sales office, compressor area, electrical rooms, forecourt area, canopy, signage, monolith etc  Dealer has to construct the station as per the design and specifications provided by the Company.
<ul style="list-style-type: none"> <li>• <b>Maintenance and Operations</b></li> </ul>	All periodic and break down maintenance of CNG equipment will be in the scope of Company.
<ul style="list-style-type: none"> <li>• <b>Power</b></li> </ul>	The Company shall procure electric connections at the Retail Outlet and install separate sub-meters for calculating the electricity charges pertaining to the Company Compressor Area and the Dealer Forecourt Area.  The Company shall pay the total electricity bill amount for the Dealer Forecourt Area and raise a debit note on the Dealer for such electricity consumed in the Dealer Forecourt Area as shown by the sub-meter installed by the Company
<ul style="list-style-type: none"> <li>• <b>Training</b></li> </ul>	Company will train the manpower hired / deployed by the dealer for dispensing
<ul style="list-style-type: none"> <li>• <b>Insurance</b></li> </ul>	Company will cover insurance for Company Assets installed at Retail Outlet..
<ul style="list-style-type: none"> <li>• <b>CNG Selling Price</b></li> </ul>	The Retail Selling Price (Dispenser Price) of CNG at the CNG retail outlet shall be decided by Company.
<ul style="list-style-type: none"> <li>• <b>Lease Rentals &amp; Trade Margin</b></li> </ul>	Dealer shall be paid agreed Trade Margin on sale of CNG and lease rental for the land as per the Lease Deed.
<ul style="list-style-type: none"> <li>• <b>Other Charges</b></li> </ul>	Company, at its sole discretion, wishes to establish, construct or erect any of the Additional Facilities, at the Dealer Forecourt Area, the Dealer shall establish (for and on behalf of the Company) or assist the Company in the establishment of such facilities in accordance with such proposal.  Any costs incurred by the Dealer in respect of the establishment of the Additional Facilities shall be borne by the Dealer.  For additional revenues earned from the Dealer Forecourt Area, a revenue sharing model shall be evolved and separately agreed upon by the Parties.

**J. Scope of Dealer:**

<ul style="list-style-type: none"> <li>• <b>Change in Land Use (CLU)</b></li> </ul>	Land owner (Dealer) shall get the CLU of the land plot at his/her own cost before the project activities are commenced at the plot. Only upon receiving of CLU / NA , affirm dealership and land lease agreement shall be signed.
<ul style="list-style-type: none"> <li>• <b>Permissions / Approvals</b></li> </ul>	Dealer shall have to arrange for all necessary permission required from all statutory authorities such as: local Municipal office, Fire, DM, NHAI, Building proposal, Factory department, Environment department, City Development Authority, CFO, PCB, Directorate of Health & Safety, Local Office, Traffic Police, Health License, Weights & Measurement etc. for setting up of Retail Outlet.

<ul style="list-style-type: none"> <li>• <b>Construction</b></li> </ul>	<p>Dealer shall appoint technical manpower, engineers and contractors as per Design provided by Company. All civil works such as foundations (excluding Compressor foundation), canopies, electrical rooms, trenches, driveway, boundary wall, Sales room, signage, monolith, entry / exit signs, hoardings, lightings etc. are in the scope of the Dealer. The technical details &amp; design will be provided by the Company.</p>
<ul style="list-style-type: none"> <li>• <b>Manpower</b></li> </ul>	<p>Dealer shall deploy competent staff for dispensing of CNG to vehicles, Filling of cascade, Cash handling, Forecourt area housekeeping/cleanliness, Traffic management, verification of Cylinder registration, security of station and marketing. Cost of the same shall be borne by the Dealer. Dealer shall ensure the safe operation of the equipment and the station.</p> <p>Dealer shall be liable to pay all remuneration, salary and other payments including statutory benefits as per labour laws / wage policy of the Government of India and shall also undertake necessary insurance for its employees.</p> <p>Dealer shall maintain all relevant records in the form and manner prescribed by the Company with respect to CNG sales, customer complaints, cascade dispatch register, housekeeping or any other records as required and specified by Company from time to time.</p>
<ul style="list-style-type: none"> <li>• <b>Business related expenses &amp; Insurance coverage</b></li> </ul>	<p>Dealer shall have a pay monthly License Fees to Company as per the agreement</p> <p>All Housekeeping expenses, telephone charges and horticulture expenses etc shall be borne by the Dealer.</p> <p>Dealer shall obtain, at its cost, insurance including third party insurance of the Dealer Forecourt Area, except any insurances for the Company Assets.</p> <p>Cost of fuel for operation of Diesel generator shall also be borne by Dealer.</p> <p>Dealer shall protect, defend, indemnify and hold the <b>Company harmless from and against</b> any and all losses arising directly or indirectly from or incurred by reason of the acts or omissions of the Dealer, its Affiliates, or any of their respective personnel during the performance of the Dealer's obligations under this Agreement, without limitation, whether or not resulting from any defect or destruction in or condition of the Dealer Forecourt Area, including any such losses arising from injury to or death or damage to any common area, amenity or facility or loss of property</p>
<ul style="list-style-type: none"> <li>• <b>Provision of Basic facilities at the CNG retail outlets</b></li> </ul>	<p>Following basic facilities will be provided by dealer at the Retail Outlet: Land &amp; its development, Driveway, Compound wall, Sales Office, Show Room, Store, Toilets, Generator &amp; Compressor Room, Yard lighting, Free Air filling &amp; Drinking Water Facilities, Canopy, Monolith, Signage, Security System, Customer Service, etc., such as Staff Room cum change Room, Rest Room, First Aid kit with medicines, Toilet.</p>
<ul style="list-style-type: none"> <li>• <b>Provision of Additional facilities at the CNG retail outlets</b></li> </ul>	<p>If in future business opportunity arises such as dispensing other fuels (Petrol / Diesel / LNG / EV Charging stations), Dealer shall have the obligation to provide the same for which separate terms and conditions shall be agreed and signed up.</p> <p>Similarly for availing additional revenues from facilities such as eateries, ATM machine, Convenience stores etc revenue sharing model shall be evolved and separately agreed too. However it will be mandatory on dealer to agree for setting up of such facilities at the discretion of Company.</p>
<ul style="list-style-type: none"> <li>• <b>Other Obligations</b></li> </ul>	<p>The entire plot has to be developed exclusively for setting up of Retail Outlet only and no other activity shall be allowed without consent of Company.</p> <p>Dealer shall ensure compliance with all such Safety Procedures given by the Company from time to time</p> <p>Dealer shall submit Non-refundable fee of Rs. 7.50 Lacs within the stipulated time from date of issuance of LoI.</p> <p>The Dealer shall also furnish to the Company an interest free variable security deposit, Such variable security deposit shall be of an amount equivalent to Rs. 5,00,000 (Rupees Five Lakhs only) on the date of commencement of commercial operations of the Retail Outlet. After the commencement of commercial operations at the Retail Outlet, the amount of variable security deposit shall be maintained at</p>



	<p>an amount equivalent to the cash sales made by the Dealer for the preceding 3 (three) days at the Retail Outlet or Rs. 5,00,000 (Rupees Five Lakhs only), whichever is higher .</p> <p>Dealer shall transfer the daily Cash through NFET/RTGS equivalent of previous days CNG sale to Company account at own cost on daily basis.</p> <p>Dealer shall install and keep operational CCTV cameras as specified by the Company at all the times at the Retail Outlet and provide the Company with the CCTV footage and/or viewing rights of the recordings of the CCTV system installed at the Retail Outlet</p>
--	--

### **K. Tenure of Dealership / Land Lease**

The tenure of dealership shall be for an initial period of 15 years and renewable for every 5 years thereafter, subject to the examination of the performance of the dealership by Company and on the terms and conditions mutually agreed upon. However Land Lease Agreement and Dealership Agreement shall be firm for initial 15 years and renewable for period of 5 years thereafter.

### **L. Termination of Dealership**

Company can terminate Dealership agreement for the reasons including the following:

- (i) in case of the death of the Dealer (if the nature of the organisation of the Dealer is of a sole proprietor);
- (ii) in the event the Dealer affects a Change in Control (if the nature of the organisation of the Dealer is of a partnership firm) without the prior consent of the Company
- (iii) the Dealer fails to comply with any of its obligations or the code of conduct and guidelines issued under the Applicable Law and/or the Safety Procedures and Guidelines provided by the Company or breaches any of its covenants or obligations under this Agreement;
- (iv) there is any material adverse change or any change in Applicable Law that prevents the sale of CNG as envisaged under this Agreement;
- (v) any Applicable Permit required by the Dealer to enable it to carry on its business or to sell CNG under this Agreement is suspended, cancelled, withdrawn or expires; or
- (vi) Dealer Event of Default' has not been remedied within stipulated time frame.
- (vii) Dealer or any partner of the Dealer, as the case may be, is engaged in any contravention of Applicable Law.

In such cases, the Lease Deed shall continue to remain in force & Company reserves the right to allot Dealership for the particular location / Retail Outlet to any other Dealer or retain the operations with Company itself. However, a Dealership also stands to be terminated in the event of termination of Land Lease of the particular Retail Outlet (which could be due to closure of operations of the station because of Court / Government order, non-extension of lease by Company, etc.)

Company reserves the right to terminate the lease by giving an advance notice of three (3) months to the land-owner.

### **M. Expiry of Contract :**

After expiry of contract duration of 15 years if both parties agreed not to renew it further security, deposits shall be returned to the dealer after necessary adjustments / settlement of dues, if any.

Company shall vacate the station and take back Company Assets at its own cost and leave the plot on "as is where is" basis after removal Company Asset.

No cost other than removal of Company Assets shall be borne by Company.

#### **N. 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 terminated, and security deposit shall be forfeited forthwith. Such applicants shall not be considered for any future requirements of dealership or lands on DODO model or dealings of the Company.

#### **O. Instructions to Applicants**

- Applicants in their own interest should carefully go through the Terms & Conditions enclosed with the Application Form before submitting their application.
- Applicant should affix his/her recent photograph in the space provided for in the application form.
- Original of affidavit and attested copies of all supporting documents should be submitted along with completed EOI duly signed.
- No addition/deletion/alteration will be permitted in application form once submitted. No additional document whatsoever will be accepted or considered after the cutoff dated for submission of application.
- During selection process, if at any stage, the applicants bring any sort of external influence on Company to influence the selection process, then forthwith the case of such applicant shall not be evaluated and they will be disqualified.
- Site offered shall be scrutinized and evaluated based on business plan of the Company, business potential, pipeline availability and related business parameters. Only the site shortlisted by Company shall be taken up for further evaluation for dealership.
- Applicant who has offered land for Retail Outlet and site which have been shortlisted shall be considered for further process basis their financial and business acumen, experience, education qualification and other parameters as details in this document.
- Company reserves the rights to select any number of sites and/or offer more than one dealership at the same location/road, vice a versa may not select any site/award any dealership at any of the advertised location/road. Decision of Company shall be final and the applicant shall not question or challenge the validity of such decision taken by Company.
- Final selection of the dealer will be on the basis of evaluation of the land offer and evaluation of the candidate. Company shall have sole discretion for final selection of dealer and in case of non-selection of any applicants they shall have no rights to question or challenge the validity of Company's decision.
- Scope of work of Dealer and Company described above is only indicative for the purpose of understanding only.