

CNG FRANCHISEE

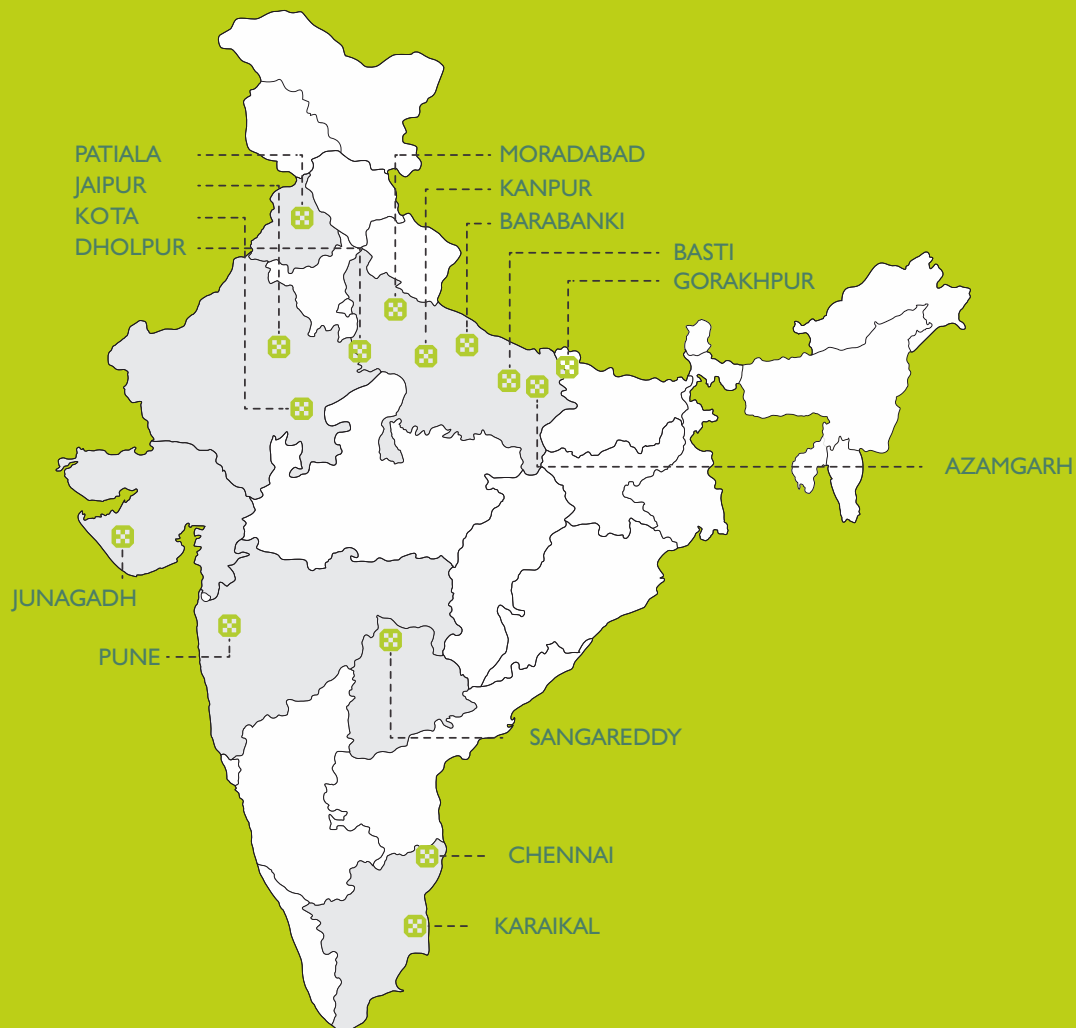
Basis information for setting up
CNG Franchisee Station for Chennai



About Torrent Gas Chennai Private Limited

The Torrent Group, a ₹ 22,000 Crore Indian conglomerate and one of the leading business houses of India, was founded by the Late Shri U. N. Mehta in 1959. It is currently managed by Shri Sudhir Mehta and Shri Samir Mehta. The Group is committed to its mission of transforming lives and serves two most critical needs - healthcare and power. Today, it is deservedly known as India's leading producer of life-supporting drugs and ranks amongst the best run power utilities in the country with highly efficient generation assets. Torrent Group has recently forayed into City Gas Distribution business to meet critical need of Green Fuel in different parts of India.

Torrent Gas has been authorised by Petroleum and Natural Gas Regulatory Board (PNGRB) to lay, build, operate and Expand City Gas Distribution Network in the Geographical Areas across 7 States/UT i.e. 14 districts in UP, 6 districts in Rajasthan, 3 districts in Tamil Nadu, 3 districts in Punjab, 3 districts in Telangana, 1 district in Gujarat, 1 district in Puducherry and 1 district in Maharashtra in India.



Torrent Gas is also committed to create massive infrastructure of 44,307 Inch Km of steel pipeline, 745 CNG stations and connect 64.54 lakh domestic consumers. We are proud that we are taking a step closer towards green environment.

Torrent Gas Chennai Private Limited is strategically aligned to fulfil India's natural gas vision.

What is CNG?

Compressed Natural Gas, also well known as CNG, is a fossil fuel comprising Methane (80% to 90%) and is substitute for other auto fuels such as petrol, diesel, Auto LPG etc. For use in automobiles as fuel, natural gas is compressed at high pressure of ~200 bar & dispensed to vehicles to enhance the vehicle's on-board storage capacity.

Types of CNG Station:

a) Online Station:

Online stations are connected with high pressure steel pipeline and have compression facility to further compress the natural gas to relatively high pressure. CNG is dispensed to vehicles locally through CNG dispenser at a pressure of ~200 bar. The setting up Online CNG station is subject to availability of pipeline connectivity near the proposed station.

b) Mother Station:

Mother Stations in addition to all the facilities of Online station have the facility to refuel the mobile cascades (LCV/HCV) in addition to the CNG dispensed to vehicles locally through CNG dispensers. The setting up Mother CNG station is again subject to availability of pipeline connectivity near the proposed CNG station.

c) Daughter Booster Station:

Daughter Booster stations do not have the connectivity of natural gas pipeline but have booster compression facility. At these stations, CNG is received through mobile cascades (by cylinders mounted on LCV/HCV) from Mother station. Direct filling of CNG is done through CNG dispensers and later the booster compressor is used to boost the pressure and CNG is dispensed to the automobiles. The Daughter Boosters station may be considered for up-gradation from Daughter Booster to Online or Mother CNG station after availability of pipeline connectivity near the station.

d) Daughter Station:

Just like Daughter Booster station, Daughter stations also do not have the connectivity of natural gas pipeline. CNG is transported through mobile cascades (by cylinders mounted on LCV/HCV) from Mother station and then dispensed to vehicles locally through CNG dispensers.



Location for which application is sought

Sr. No.	District	Location / Area	Stretch Length	Area
1	Chennai	Ashok Pillar to Koyambedu : Via Vadapalani in SH-2	5 KMS	Min 750 to 1250 Sq.M with frontage not less than 25 M
2	Chennai	On both sides of Arcot road from Vadapalani Junction to Porur	7 KMS	
3	Chennai	On both sides of Arcot road from Vadapalani Junction to Gemini Parson Complex Junction via Valluvar Kottam and Palm Grove Hotel	5 KMS	
4	Chennai	On both sides of Anna Salai (Gemini flyover) to Loyala College via. Uthamar Gandhi Road & Sterling Road	3 KMS	
5	Chennai	On both sides of Anna Salai from Saidapet to Triplicane (Tarapore Tower)	7.5 KMS	
6	Chennai	On both sides of road from Royapettah Clock Tower to Santhome via. Bharathi road and Kamarajar Road	6 KMS	
7	Chennai	On both sides of Venkatanarayana Road from Nandanam Metro Station to Panagal Park, T. Nagar	1.5 KMS	
8	Chennai	On both sides of road from Thirumangalam Junction to Vepery (upto PH Road Jn.) via. Anna Nagar 2nd Avenue, Kilpauk Gardern Road, Purasawakkam High Road & EVK Sampth Road	8.5 KMS	
9	Chennai	On both sides of the road from Royapettah Clock Tower to Triplicane : Via Bharathi Salai, Kamarajar Salai and Walajah Road	4 KMS	
10	Chennai	On both sides of the road from Nandanam to Mandaveli : Via Pasumpon Muthuramalinga Thevar Road & Venkatakrishna Road	4 KMS	
11	Chennai	On both sides of the road from Ampa Skywalk to Loyala College: Via Nelson Manickam Road	2.5 KMS	
12	Chennai	On both sides of the OMR from Madhyakailash to Thoraipakkam Pallavaram Radial Road Jn.	7 KMS	2000 to 2500 Sq.M with frontage not less than 35 M
13	Chennai	On both sides of the road from Thiruvottiyur to Tondiarpet : Via Ennore Express Road/SH 114	5 KMS	
14	Chennai / Chengalpattu	On both sides of the road from Adyar to Vettuvankeni: Via LB road, Thiruvanmiyur and ECR.	7.5 KMS	
15	Tiruvallur / Chennai	On both sides of the road from Manali Jn. to Vyasarjadi : Via SH - 2, & Grand Northern Trunk Road (NH 16).	13 KMS	
16	Tiruvallur / Chennai	On both sides of the road from Poonamallee to Kathipara Jn.: Via Porur & Ramapuram SH 55	18 KMS	
17	Tiruvallur	On both sides of National Highway (NH 48) starting from Melavur Kuppam (Saveetha Hospital) To Maduravoyal by-pass flyover.	18 KMS	

Application Process

- Interested Individuals/Parties, willing to offer land/plot for minimum 25 years lease/outright purchase at the above-mentioned locations/areas may kindly apply by filling detailed application form. The application form can be collected from Torrent Gas Chennai Private Limited, 497 & 498, 7 Floor, Isana Kattima, Poonamallee High Road, Arumbakkam, Chennai-600106 or can be downloaded from www.torrentgas.com.
- Duly filled application form must be submitted along with the non-refundable application fees of ₹ 5000/- in the form of Cheque/DD in favour of Torrent Gas Chennai Private Limited at the mentioned address as per the date mentioned in the advertisement.
- Applicant can apply for more than one location by submitting separate detailed application form and fees per location along with required documents.
- Incomplete application or application stating wrong information or application without fees will be rejected.

Eligibility for Applicants

Applicant criteria: Individual

- Nationality:** Should be **Indian** national;
- Age:** As on the date of application, (in completed years) not less than **21 years**
- Educational Qualifications:** Minimum **10th (SSC) pass** or recognised equivalent;
- Financial Strength:** Should have financial strength equivalent to ₹ **100 Lakhs**;

Applicant criteria: For others

- a) **Partnerships:** In Case of Partnerships, one of the Partners to Individually fulfil the Eligibility Criteria as specified in individual eligibility criteria. NOC from all the partners will be required.
- b) **Registered Co-op./ Consumer Societies:** In case of Register Co-Operatives/Consumer Societies, there should be at least one person fulfilling individual eligibility criteria.
- c) **In case of a firms/ Companies/ Organized Bodies:** there should be at least two persons fulfilling individual eligibility criteria.

Land criteria for Franchisee :

- a) Site offered shall be scrutinized and evaluated based on business plan of Torrent Gas, business potential, pipeline availability and related business parameters. **Only the site shortlisted by Torrent Gas shall be taken up for further evaluation.**
- b) The applicant offering Site/Land classified as **“Own Land”** (i.e. either full share in land or part share in land with availability of consent letter/power of attorney from other owners of land) shall be given preference for dealership on franchisee model.
- c) The applicant offering Site/Land classified as **“Firm Offer”** (i.e. part share in land with non-availability of consent letter/power of attorney from other owners of land) shall be considered only if the share of applicant in land is more than the requirement of Torrent Gas. Applicant offering land with no share in land despite availability of consent letters/ Power of Attorney from other owners shall not be considered.
- d) In case the Applicant is a lessee, i.e. having **land ownership title under lease agreement**, that case may also be considered provided that the Applicant should have the authority to sub-lease the Land for a further period of minimum 25 years or not less than Statutory capping as mentioned by Torrent Gas.
- e) The minimum criteria for selection of site/land for development of CNG Station on Franchisee basis is as indicated below:
 - i. Non-agricultural (N.A.) Commercial Plots/ Land with clear & marketable legal title would be preferred. In case of Agricultural land, Applicant will be given 2 months' time to do the conversion of land.
 - ii. The plot should be of 750 to 1250 sq. meter with minimum frontage of 25 meter & 2000 to 2500 sq. meter with minimum frontage of 35 meter.
 - iii. Higher size plots in comparison to (ii) above shall be beneficial in view of setting up of Mega station/ maintenance base/ stores/ office/ other allied activities, etc. and should be considered accordingly.
 - iv. Smaller size plot in comparison to (ii) above may be considered for Online / Daughter Booster CNG stations based on the location advantages and only when proper size land plots are not available. However, priority should be given to normal minimum or higher size land plots.
- f) In view of the various guidelines issued under existing norms & guidelines governing the fuel station sites laid down by NHAI (National Highway Authority of India) and MoRTH (Ministry of Road Transport and Highways). Additionally, the land requirement (area and dimensions) are subject to fulfilment of statutory requirements including but not limited to local Development Control Regulations, local GDCR, State Highway guidelines as applicable.

Land criteria for outright purchase:

Land offered for sale should meet following criteria in addition to already mentioned in land criteria (Except d)

- a) Land/ Plot offered should be in one contiguous lot, preferably be plain, more or less at road level.
- b) The Land/ Plot should be free of all encumbrances/ encroachments/ religious structure, overhead High-Tension Lines, telephone lines, product/ water pipelines/ canals/ drainage/ nallahs/ Public Road/ Railway lines, etc.
- c) The bidder shall arrange for all statutory clearances at their own expenses and cost, such as Urban Land Ceiling, Non-Agricultural conversion, Income Tax clearance, Non-encumbrance Certificate, Land measurement, on site area demarcation, Sub-division etc.

- d) The land/ Plot proposed for Sale should be clearly partitioned and the title documents/ Khasra/ Survey No. etc. should clearly indicate and confirm the same. No litigation should be pending with respect to the title of the land and or encumbrance or third party interest on the land.
- e) In case the offered land is techno-commercially feasible, then Torrent Gas Chennai Private Limited appointed solicitor at its own cost shall carry out legal vetting of land documents such as title search, Public Notice in newspaper for any objection, issue, claim, acquisition, court matter, mortgage etc. Sale deed will be registered and executed with land owner(s) only after completion of all legal formalities and statutory requirement, as suggested by the Company appointed solicitor.

Signing of Agreement (For Franchisee)

After the shortlisting of the Applicant, Torrent Gas will give a Letter of Intent (LOI) to the Dealer. Two Separate below mentioned agreements covering the detailed scope and obligations of the parties shall be executed; brief details of these agreements are as below:

- a) **Land Lease Agreement**
Torrent Gas will enter into a separate Land Lease Agreement with the Land owner/Dealer/Firm for lease of land for a minimum period of 25 years (or not less than Statutory capping as mentioned by Torrent Gas) and will pay a reasonable lease rent on monthly basis depending upon the location/ size of the plot.
- b) **CNG Franchisee Agreement**
A Standard CNG Franchisee Agreement document covering detailed scope and obligations of the parties will be signed between Torrent Gas and Franchisee.

Scope of Torrent Gas Chennai Private Limited (For Franchisee):

- a) **Architectural Design:** Technical details & design for all civil works such as foundations, canopies, electrical rooms, trenches, driveway, boundary wall, sales room, signage, pylon (totem), entry/exit signs, hoardings, lightings etc. will be provided by Torrent Gas.
- b) **Installation of Equipment:** Torrent Gas will set up the CNG station as per the technical design finalized. CNG equipment like compressor, dispenser, and cascade will be installed and commissioned by Torrent Gas.
- c) **Maintenance:** All periodic/preventive and break down maintenance of CNG equipment will be in the scope of Torrent Gas.
- d) **Power Cost:** The cost of power/electricity towards running of compressor and dispenser will be paid by Dealer and will be reimbursed by Torrent Gas.
- e) **Training:** Torrent Gas will provide training to the technicians / manpower hired / deployed by the dealer for dispensing of CNG.
- f) **Dealership Commission:** Torrent Gas will pay pre-decided per Kg commission to Dealers as per the actual Sales of the CNG station.
- g) **Land Lease:** Land lease rental for providing the land on long term lease shall be paid by Torrent Gas to the landowner.

Scope for Dealers (For Franchisee):

- a) Day to day operations of the CNG retail outlet including dispensing of gas to vehicles and general maintenance/up keeping of CNG outlet as per standards of Torrent Gas.

- b) **Permissions/PESO approvals:** All necessary permissions required from all statutory authorities (like Chief Controller of Explosives (CCOE), DM/CP, local office, local Municipal office, Local Police Traffic Police, NHAI etc.) for setting up of CNG stations. Torrent Gas will reimburse the Government Fees involved in obtaining the PESO approval to the Dealer after the issuance of license.
- c) **Change in Land Use (CLU):** Dealer shall get the CLU of the land plot to Non-Agricultural within 2 months after the issuance of LOI at his/her own cost well before the project activities are commenced at the plot. Dealer will be liable to pay any other expense from any other Government department (like impact fee etc) and Torrent Gas will not be liable to pay these types of duties.
- d) All Civil infrastructure and electrical connections at the station will be done by dealer and the approx. fund required for the same will be approximately Rs. One Crore to Two Crore depending upon the site conditions.
- e) Power connection up to the site. All necessary permissions including deposits, cable charges, connection charges etc as levied by the Power Company for obtaining power supply, transformer and other associated electrical equipment, as required, shall be borne by Dealer.
Power cost towards illumination of the station will be borne by the Dealer except for the power cost mentioned in the scope of Torrent Gas.
- f) All manpower required for smooth operation of equipment's installed at the station and dispensing of CNG to vehicles including security of station.
- g) All housekeeping expenses, telephone charges and horticulture expenses etc. will be borne by Dealers.
- h) Dealer should ensure the safe operation of equipment and station.

The above-mentioned scope is subject to change at the discretion of Torrent Gas Chennai Private Limited.

Commercial Terms & Conditions (For Franchisee)

- a) **CNG Trade Margin:** In consideration of the services to be rendered by the Dealer to Torrent Gas such as investment towards civil/electrical/others construction works and equipment utilities, dispensing arrangements, Torrent Gas shall pay CNG Trade Margin per Kg of sale of CNG at the station to the Dealer.
- b) **Security Deposit (SD) Amount:** As a security against any delay in daily payments, Dealer must provide an interest free refundable Security Deposit in the form of Cash Deposit or Bank Guarantee for an amount of ₹ 5.00 lakhs or 5 days of average CNG Dispenser sales amount, whichever is higher. Such deposit shall be made 15 days before the commissioning date of CNG station.
- c) **Franchisee Allotment fee:** Each successful applicant would have to submit a Non-refundable Franchisee allotment fee of ₹ 5.00 lakhs within 15 days from the date of issuance of Letter of Intent.
- d) Torrent Gas reserves the rights to select any number of sites and/or offer more than one Franchisee at the same location/road, vice a versa may not select any site/award any Franchisee at any of the advertised location/road.

Decision of Torrent Gas shall be final and the applicant shall not question or challenge the validity of such decision taken by Company. Torrent Gas shall have sole discretion for final selection of Franchisee and in case of non-selection of any application; they shall have no rights to question or challenge the validity of Torrent Gas's decision.

Remark: The above-mentioned guidelines/details and scope of work of Torrent Gas Chennai Private Limited and franchisee is only indicative and for understanding only.

TORRENT GAS CHENNAI PRIVATE LIMITED

497 & 498, 7 Floor, Isana Kattima, Poonamallee High Road, Arumbakkam, Chennai-600106

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