

No.P-19011/3/2002-IOC  
Government of India  
Ministry of Petroleum & Natural Gas

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Shastri Bhawan,  
New Delhi, the 27<sup>th</sup> August, 2003

To

The Chairman,  
Indian Oil Corporation Ltd.,  
New Delhi.

The Chairman & Managing Director,  
Bharat Petroleum Corporation Ltd.,  
Mumbai.

The Chairman & Managing Director,  
Hindustan Petroleum Corporation Ltd.,  
Mumbai.

**Sub: Guidelines for selection of retail outlet dealers.**

Sir,

The question of formulating guidelines for selection of retail outlet dealers after dismantling of the Administered Pricing Mechanism (APM) has been under consideration of the Government for some time. The draft guidelines submitted by IOC, HPC and BPC have been examined. I am directed to convey the concurrence of the Ministry to the draft guidelines with the following advice:-

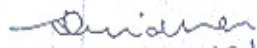
- (i) For the Marketing Plan locations advertised by the OMCs for which no interviews were held, the selection of dealers may be made by a selection committee consisting of three officials from the concerned Oil Company to which the dealership belongs, in accordance with the guidelines contained in this Ministry's OM No.P-39012/1/1999-IOC, dated 9.10.2000. The criteria for evaluation of candidates for these already advertised locations will be communicated separately.

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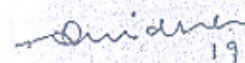
- (ii) The new guidelines will apply to the selection of dealers for the approved Marketing Plan locations which are yet to be advertised, and also to the new locations outside these Marketing Plans.
- (iii) The percentages of reservation for various sections of the society should be the same as those prescribed in the guidelines contained in this Ministry's OM No.P-39012/1/1999-IOC dated 9.10.2000. The reservation policy may be reviewed by the OMCs after two years.
- (iv) The Corpus Fund Scheme shall continue in its present form.
- (v) There shall be no ceiling on the income of the prospective allottees.
- (vi) The multiple dealership norms provided in the guidelines contained in this Ministry's OM No.P-39012/1/1999-IOC dated 9.10.2000 shall be modified to the extent that only one dealership may be allowed to a family unit consisting of the individual concerned, his/her spouse and unmarried sons/daughters.
- (vii) A certain degree of uniformity should be ensured across the Industry in assigning marks to the applicants under the different criteria. While more weightage may be given to capability in providing land and infrastructural facilities, educational qualification, ability to provide finance, etc., criteria like 'personality' should be kept only after a fully transparent and objective method of assessment of the candidate under these criteria is feasible. Weightage to such criteria should be minimal.
- (viii) There should be uniformity in the Industry on application fees and security deposits. This may be discussed among the OMCs.

2. The guidelines will be applicable for selection of SKO-LDO dealers and LPG distributors also.

  
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3. The OMCs are requested to finalise the guidelines after incorporating the above parameters and send them to the Ministry for information and record after obtaining approval of their respective Board of Directors. The guidelines should be finalized and made operational by September 10, 2003.

Yours faithfully,

  
(Tarun Shridhar)  
Director

Copy to:

- 1) The Managing Director, IBP Co. Ltd., Kolkata with the advice that IBP may also finalise the guidelines for selection of dealers/distributors on the above lines.
- 2) The Director(Marketing), BPCL, Mumbai with the request to coordinate the Industry meeting for finalisation of issues mentioned in sub-para (vii) & (viii).
- 3) Shri Pallav Ghosh, GM(Retail), BPCL Hqr., Mumbai for necessary action as stated above.
- 4) PS to Minister(P&NG).
- 5) PS to MOS(P&NG).
- 6) Director(AKS), MOP&NG.
- 7) Guard File.