

No. P-38012/3/2008-IOC (Pt.)
Ministry of Petroleum and Natural Gas
Government of India

Shastri Bhawan, New Delhi
Dated : 15th September, 2008.

To,

1. Director (Marketing), Bharat Petroleum Corporation Ltd., Mumbai
2. Director (Marketing), Hindustan Petroleum Corporation Ltd., Mumbai
3. Director (Marketing), Indian Oil Corporation Ltd., Mumbai.

Subject: Amendments in the guidelines on selection of dealers/distributors of petroleum products.

Sir,

The undersigned is directed to say that based on various consultations with public sector oil marketing companies (OMCs), it has been decided to introduce certain amendments in the guidelines for selection of dealers/distributors of petroleum products concerning evaluation of non-individual candidates (Government bodies/agencies, organized bodies, societies registered under Societies Registration Act 1860, charitable trusts registered with Charity Commissioner of respective State Government, companies formed under the Companies Act, 1956) applying for dealerships/distributorships and applicability of multiple dealership norms to such non-individual entities.

Pl. ensure that the letter is perused in the week-end of the month.

5.12.08

[Signature]

....2/-

2. In respect of selection for RO dealerships, non-individual candidates will henceforth be evaluated out of 100 marks as follows:

S. No.	Parameter	Individuals (including partnerships)	Non-individual Entities
1	Capability to provide land and infrastructure/ facilities	35	35
2	Capability to provide finance	25	25
3	Educational Qualifications	15	0
4	Capability to generate business	10	25
5	Age	4	4@
6	Experience	4	4^
7	Business Ability/Acumen	5	7
8	Personality	2	0
	Total	100	100

@ Evaluation of 'Age' for non-individual candidates will be done as follows:

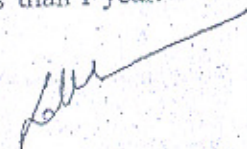
S. No	Number of years of existence	Marks to be awarded
1	Less than 3 years	0
2	More than 3 years but less than 5 years	2
3	More than 5 years	4

^ Evaluation of non-individual candidates under 'experience' will be as follows:

S. No.	Sector	Max Marks \$
1	Petroleum	4
2	Automobile/Transport services	2
3	Any sector other than mentioned above	1

\$ For this purpose, at least 1 year of experience of providing services in a particular sector will entitle the candidate for full marks and proportionately for experience of less than 1 year.

....3/-



3. In respect of selection for LPG distributorships, non-individual candidates will henceforth be evaluated out of 100 marks as follows:

S.No.	Parameter	Individuals (including partnerships) (existing)	Non-Individual Entities (suggested)
1	Capacity to provide land and infrastructure facilities	35	35
2	Capability to provide finance	35	35
3	Educational Qualifications	15	0
4	Age	4	15*
5	Experience	4	8
6	Business Ability / Acumen	5	7
7	Personality	2	0
	Total	100	100

* The marks on this parameter for non-individual candidates shall be awarded as follows:

SLNO	AGE (Years)	MARKS
1	3	7
2	4	9
3	5	11
4	6	13
5	7 or more.	15

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4. The applicability of Multiple Dealership Norms to various non-individual dealers/distributors will be as follows:

A. For Companies registered under Companies Act, 1956

- i. The applicant company will not be eligible for RO dealership/LPG distributorship if any of the RO dealership/LPG distributorship is held by the following,
 - a. Any of the Director or his family members (family as defined in the case of multiple dealership norms for individuals).
 - b. Holding company or Subsidiary company.
 - c. Any other company or Firm where share holders (put together) of the applicant company have controlling stake i.e. 51% or more.
- ii. If any individual, partnership firm, company, organized body, trust or society already holding RO dealership/LPG distributorship acquire controlling stake in a company having RO dealership/LPG distributorship then the RO dealership/LPG distributorship of the acquirer would be liable to be terminated.

[Handwritten signature]

- iii. Government owned Companies defined as major shareholding with the Government, Public Sector & Joint Sector Units or Government administered Organizations will be exempted from the multiple dealership norms as per existing policy adopted by OMCs.

B. For organized bodies, charitable trusts registered with the Charity Commissioner of the respective State Government and societies registered under Societies Registration Act, 1860.

Such entities will not be eligible for RO dealership/LPG distributorship if any of the RO dealership/LPG distributorship is held by any of the Member of the Governing Body/Managing Body/Any such other Body or his family members (family as defined in the case of multiple dealership norms for individuals).

5. OMCs may enter into "Corporate tie-ups" with companies based on their marketing strategies and merit of the proposal. OMCs should frame their detailed guidelines on the basis of following broad parameters and with the approval of their respective Board of Directors,

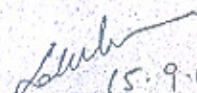
- a. Company should be listed on at least two Stock Exchanges say NSE & BSE.
- b. Minimum Authorised & Paid-up Capital may be specified.

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- c. Dealership activity should not be their main business. In other words, the dealership activity has to be a support activity in the overall business venture.
- d. The RO dealerships allotted through 'corporate tie-ups' should be out of their regular Master Plan.
- e. Multiple Dealership norms will not be applicable.

6. Other existing provisions of the guidelines on selection of dealership/distributorships of petroleum products not covered in the above paras will remain the same. The above amendments in the selection guidelines will come into effect from the date of issue of this letter. However, in cases where advertisements have been issued and where interviews have not been held, OMCs may, if required and if permitted under the terms and conditions of the advertisement, alter/revise such advertisements in conformity with the amendments on selection guidelines introduced in this letter.

7. This issues with the approval of Hon'ble Minister (P&NG).


15.9.08
(Lalchandama)

Under Secretary to the Government of India.

Copy to:

- (i) PS to Minister (P&NG)
- (ii) OSD to MOS (P&NG)
- (iii) Sr.PPS to Secretary (P&NG)
- (iv) PS to Addl. Secretary (P&NG)
- (v) PS to Joint Secretary (Marketing), MOPNG.
- (vi) C&MD, NRL/MRPL.
- (vii) Executive Director, AOD.