

Guidelines on Selection of Regular LPG Distributorship

(Applicable to all locations Advertised / Re-advertised

Between

24 December 2012

To

30 April 2013

ONLY)

BROCHURE

ON

GUIDELINES FOR SELECTION

OF

REGULAR LPG DISTRIBUTORS



December 2012

Guidelines on Selection of Regular LPG Distributorship (Applicable to all locations Advertised / Re-advertised after 24 December 2012)

1. IDENTIFICATION OF LOCATIONS

Locations for setting up of LPG Distributorship are identified based on available refill sale potential, which can sustain economically viable operation of an LPG distributorship. The refill sale potential is based on several factors including population, population growth rate, economic prosperity of the location and the distance from the existing nearest distributor.

The setting up of LPG distributorships at the identified locations is a business proposition that have business risk and does not guarantee any assured returns or profits.

2. RESERVATION

The percentage reservation for various categories in all the States except Arunachal Pradesh, Meghalaya, Nagaland and Mizoram are as under: -

A	Open Category (O)	50.5%
B	Schedule Castes / Scheduled Tribes (SC/ST)	22.5%
C	Other Backward Classes (OBC)	27.0%

In each of the above categories, there will be sub-categories as under:-

Sub-Category	Reservation Categories (in %)			
	SC/ST	OBC	Open	Total
Government Personnel category (GP) consisting of Defence, Central/State Govt and Central/State PSU employees	2	2	4	8
Combined Category (CC) consisting of Physically Handicapped Personnel (PH), Outstanding Sports Persons (OSP), Freedom Fighter (FF)	1	1	2	4
Any person from the respective category	19.5	24	44.5	88
Total	22.5	27	50.5	100

The reservation under respective categories is SC/ST (GP)-2%, SC/ST (CC)-1%, SC/ST-19.5%, OBC (GP)-2%, OBC (CC)-1%, OBC-24%, Open (GP) - 4%, Open (CC)-2%, Open-44.5%.

State-wise '200-point' roster is maintained on Industry basis (i.e jointly by IOCL, BPCL and HPCL) to ensure the percentage reservations as mentioned above is achieved. The Distribution between SC and ST is as per the population ratio in the respective State.

Reservations in tribal areas in North Eastern States for Arunachal Pradesh, Meghalaya, Nagaland and Mizoram are as under:

State	Percentage of Regular LPG Distributors to be awarded to ST category	Balance % to be awarded to open category
Arunachal Pradesh	70	30
Meghalaya	80	20
Nagaland	80	20
Mizoram	90	10

3. Rostering of Locations as per 200-point roster

Locations identified for setting up of regular LPG Distributorships are to be placed under different categories of reservation as per '200 point' roster for each State on Industry basis (IOCL, BPCL and HPCL together) so as to ensure the percentage reservation as envisaged by MOP&NG for each category is achieved.

In '200-point Roster' allocation of a reservation category against a serial number is done such that when 200 numbers of Distributors are planned, the percentage of each category is achieved. Continuity is maintained in '200 point roster'. Once 200 roster serial numbers are completed, it is started from roster serial number 1 again.

The Distribution between SC and ST shall be as per the population ratio in the respective State.

4. DE-CATEGORISATION

For LPG distributorships planned under the present guidelines, following norms for de-categorisation will be applicable:

- a) For reserved sub-category locations "GP" (Def+ Govt./PSU) and "CC (PH+OSP+FF)", in case of 'Nil' response to the advertisement or no eligible candidate is found or no candidate qualifies or no selected candidate is able to commission the LPG Distributorship, then that location would be re-advertised in the respective category without sub-category i.e. locations will be advertised as SC/ST, OBC or Open category as applicable.
- b) For the location advertised /re-advertised under 'SC/ST' or 'OBC' category, if there is 'Nil' response or no eligible candidate is found or no candidate qualifies or no selected candidate is able to commission the LPG Distributorship, then that location would be re-advertised under 'Open' category.
- c) However, it is to be ensured that the reservation is maintained on overall basis by respective OMCs while de-categorisation of the locations from earlier roster by converting corresponding number of LPG Distributorship locations under 'Open' category from the new roster to 'SC/ST' and 'OBC' category. In other words,

shortfall in SC/ST and OBC category has to be made good in the future marketing plans.

- d) With regard to reserved categories 'GP' & 'CC', reservation percentages will be maintained only at the time of initial categorisation. In other words, once the category of such locations is changed after the first advertisement as no candidate has applied or no eligible candidate is found or no candidate qualifies or no selected candidate is able to commission the LPG Distributorship, no adjustment in the roster would be made under the future marketing plans.

5. MODE OF SELECTION

Selection is done by inviting applications through advertisements published in two newspapers - One English daily having widest circulation in the State and one vernacular daily - having widest circulation in the district where the location is situated.

Selection of LPG distributor for an advertised location is done by draw from all the eligible applicants for that location.

6. ELIGIBILITY CRITERIA FOR INDIVIDUAL APPLICANTS

All applicants fulfilling the eligibility criteria will become eligible for the draw for selection of the LPG distributorship. The eligibility Criteria is as under: -

6.1. Common Eligibility Criteria for all Categories applying as Individual

The applicant should

- i. Be an Indian citizen and be a resident of India.
- ii. Have minimum any one of the following educational qualification awarded by any of the Universities incorporated by an Act of the Central or State Legislature in India or any other educational institutions established by an Act of Parliament or declared to be deemed as a University under the UGC Act, 1956, or possess an equivalent qualification recognized by the Ministry of HRD, Government of India as on the date of application:
 - a) Graduation in any field
 - b) Chartered Accountant
 - c) Company Secretary
 - d) Cost Accountant
 - e) Diploma in Engineering

For applicants applying under the category of 'SKO dealers of OMCs', educational qualification shall be as under :

Should have passed minimum Xth standard examination or equivalent from a recognized Board.

The criteria of Educational Qualification will not be applicable for applicants belonging to Freedom Fighter (FF) category.

- iii. Be not less than 21 years and not more than 45 years in age as on the date of application for all categories except GP & FF category & applicants belonging to the category of 'SKO dealers of OMCs'.

For applicants applying for location reserved under GP category, age should not be less than 21 years and not more than 60 years as on date of application.

For applicants belonging to the category of "SKO dealers of OMCs", maximum upper age limit shall be 60 years as on date of application. There is no age restriction for applicants applying for locations reserved under FF category.

- iv. Not be a family member of an employee of Oil Marketing Companies as on date of application.

In relation to an OMC employee, definition of family is :-

- a. The wife or husband as the case may be of the employee, whether residing with him or not, but does not include a wife or husband as the case may be separated from the employee by a decree or order of a competent Court.
- b. Sons or daughters or step-sons or step-daughters of the employee and wholly dependent on him, but does not include a child or step-child who is no longer in any way dependent on the employee or of whose custody the employee has been deprived by or under any law.
- c. Any other person related whether by blood or marriage to the employee or to such employee's wife or husband and wholly dependent on such employee.

- v. Fulfil Multiple dealership/distributorship norm as under: -

Multiple Dealership/Distributorship norms means that the applicant or any other member of 'family unit' should not hold a dealership/distributorship/RGGLV or Letter of Intent (LOI) for a dealership/distributorship/RGGLV of a PSU Oil Company i.e. only one Retail Outlet / SKO-LDO dealership / LPG distributorship/RGGLV of PSU Oil Company will be allowed to a 'Family Unit'. However, existing SKO dealers of OMCs operating below an average allocation of 75 KL of SKO per month during the immediate preceding 12

months prior to the month of advertisement will be eligible to apply under the category of individual applicant only and if selected will have to surrender their Kerosene dealership prior to issuance of letter of appointment for LPG Distributorship. The SKO dealer applying for Regular LPG Distributorship will have to submit documentary proof of Kerosene allocation issued by the allocating authority of the State Govt./Divisional/Territory/Regional Office of the Oil Marketing Company, as the case may be

‘Family Unit’ in case of married person/ applicant, shall consist of individual concerned, his/her Spouse and their unmarried son(s)/daughter(s). In case of unmarried person/ applicant, ‘Family Unit’ shall consist of individual concerned, his/her parents and his/her unmarried brother(s) and unmarried sister(s). In case of divorcee, ‘Family Unit’ shall consist of individual concerned, unmarried son(s)/unmarried daughter(s) whose custody is given to him/her. In case of widow/widower, ‘Family Unit’ shall consist of individual concerned, unmarried son(s)/unmarried daughter(s).

- vi. Have minimum total amount of ` 15 lakhs for Urban Markets and ` 10 lakhs for Urban-Rural & Rural Markets respectively **as the closing balance on the last date for submission of application as specified in the advertisement or corrigendum (if any)**. This amount is to be arrived at by adding amount in Savings Bank accounts in Scheduled Bank/ Post Office, free and unencumbered Fixed Deposits in Scheduled Banks, Post Office, Listed Companies / Government Organisation / Public Sector Undertaking of State and Central Government, Kisan Vikas Patra, NSC, Bonds, Shares of Listed Companies, Listed Mutual Funds, ULIP, PPF, Surrender Value of Life Insurance policies in the name of Applicant or family members of the ‘Family Unit’ of the Applicant as defined above. In case of locations reserved under ‘SC/ST’ category, minimum total amount of ` 5 lakhs for Urban Markets and ` 2.5 lakhs for Urban-Rural & Rural Markets respectively should be available as the closing balance on the last date for submission of application as specified in the advertisement or corrigendum (if any).
- vii. Should own a plot of land of adequate size (*within 15 km from municipal/town/village limits of the location offered in the same State*) for construction of godown for storage of 8000 Kg of LPG in cylinders or ready LPG cylinder storage godown **as on the last date for submission of application as specified in the advertisement or corrigendum (if any)**. As per Gas Cylinder Rules 2004, the floor area of the storage shed for storing 8000 kg LPG in cylinders should be 80 sq metres. The length of the storage shed should not be more than 1.5 times of width of storage shed. There should be clear minimum safety distance of 7 metres between storage shed and the boundary wall/ fencing. The plot of land with minimum dimension of 26.15 metres by 27 metre is adequate. It should be freely accessible through all weather motorable approach road (public road or private road connecting to the public road). In case of private road connecting to the public road, the same should belong to the applicant/member of Family Unit as defined in multiple

distributorship norm of eligibility criteria. In case of ownership/co-ownership by family member(s) in respect of such private road, consent letter from respective family member(s) will be required.

The land should be plain, in one contiguous plot, free from live overhead power transmission or telephone lines. Canals / Drainage / Nallahs should not be passing through the plot. The land for construction of LPG godown should also meet the norms of various statutory bodies such as PWD/Highway authorities/ Town and Country Planning Department etc.

In case an applicant has more than one suitable plot for construction of godown for storage of minimum 8000 Kg of LPG in cylinders or ready LPG cylinder storage godown **as on the last date for submission of application as specified in the advertisement or corrigendum (if any)**, the details of the same can also be provided in the application.

- (viii) Own a suitable shop of minimum size 3 metres by 4.5 metre in dimension or a plot of land for construction of showroom of minimum size 3 metres by 4.5 metre **as on the last date for submission of application as specified in the advertisement or corrigendum (if any)** at the advertised location or locality mentioned in the advertisement. It should be easily accessible to general public through a suitable approach road.

In case an applicant has more than one shop of minimum size 3 metre by 4.5 metre in dimension or a plot of land for construction of showroom of minimum size 3 metre by 4.5 metre **as on the last date for submission of application as specified in the advertisement or corrigendum (if any)** at the advertised location or locality as specified in the advertisement, the details of the same can also be provided in the application.

Reference vii & viii above:

'Own' means having ownership title of the property or registered lease agreement for minimum 15 yrs in the name of applicant / family member as defined in multiple distributorship norm of eligibility criteria. In case of ownership/co-ownership by family member(s) as given above, consent in the form of a Notarized Affidavit from the family member(s) will be required.

In case the land is jointly owned by the applicant / member of 'Family Unit' (as defined in multiple dealership / distributorship norm) with any other person(s) and the share of the land in the name of applicant / member of the 'Family Unit' meets the requirement of land including the dimensions required, then that land for godown/showroom will also qualify for

eligibility as own land subject to submission of 'No Objection Certificate' in the form of an Notarized Affidavit from other owner(s).

- ix. Be physically and mentally sound to be able to run the business.
- x. Neither have been convicted nor charges been framed by any Court of Law for any criminal offence involving moral turpitude/ economic offences.
- xi. Not be a signatory to distributorship/dealerships agreement, terminated on account of proven cases of malpractice of any Oil Company.

6.2. Specific Eligibility Criteria For Different Categories applying as Individual

6.2.1 Specific Eligibility Criteria For Main Reservation Categories

a) Open Category (O)

Candidate fulfilling common eligibility criteria can apply under 'Open' category.

b) Scheduled Caste/ Scheduled Tribe Category (SC/ST):

The candidates belonging to castes/tribes recognised as Scheduled Castes/ Scheduled Tribes (SC/ST) under the Constitution of India will be eligible.

The candidates will be required to submit along with application a certificate issued by the competent authority notified by the Government of India certifying that the candidate belongs to Scheduled Caste /Scheduled Tribe.

The selected candidate belonging to SC/ST category would also be required to submit within 90 days from the date of declaration of draw result, the original Caste Validity Certificate granted by the competent authority of the respective state, wherever applicable.

c) Other Backward Classes:

The candidates belonging to Other Backward Classes recognised as OBC under the Constitution of India will be eligible.

The candidates will be required to submit along with application a certificate issued by the competent authority notified by the Government of India certifying that the candidate belongs to Other Backward Classes. Along with the OBC certificate, the candidate also has to submit an undertaking that he/she belongs to the OBC category and fulfils the non-creamy layer status. The last date for submission of application mentioned in the notice of advertisement or corrigendum (if any) will be treated as the date of reckoning for OBC status of the candidate and also for determining that the candidate does not fall in the creamy layer.

6.2.2 Specific Eligibility Criteria for different Sub-categories :

a) Govt. (Central & State) and Public Sector Units (Central & State) – (GP)

Applicants eligible under 'SC/ST', 'OBC' and 'Open' category as specified in para 6.2.1 above can apply for Regular LPG distributorship under respective "GP" sub-category on fulfilling the following conditions:

I. Defence Personnel

Defence Personnel means personnel of armed forces (viz. Army, Navy, Air Force) and will cover widows /dependents of those who died in war, war disabled/ disabled on duty, widows / dependent of those members of Armed Forces who died in harness due to attributable causes and disabled in peace due to attributable causes.

Candidate applying under this Category should attach in original the Eligibility Certificate issued from Directorate General of Resettlement (DGR), Ministry of Defence, and Government of India sponsoring the candidate for the Regular LPG Distributorship for which he/she has applied. Certificate of eligibility issued for one LPG Distributorship location is not valid for another LPG Distributorship location and therefore a candidate can be considered to be eligible only if he/she has been sponsored for the particular location with reference to current advertisement.

***Note:** The applicants under this category have the option to submit the original eligibility certificate from DGR on the day of draw of lots also. However, only on submission of such certificate they will be considered for draw of lots.*

II. Government and Public Sector Personnel

The personnel serving in different Departments of Central/State Governments and Public Sector undertakings of Central/State Government who are incapacitated or disabled while performing their duties will be eligible under this category. In case of death, while performing duties, their widows/ dependants will be eligible to apply under this category.

Applicants under this category should attach a copy of relevant certificate from the concerned Organisation/Govt Department signed by the Head of the Office or an Officer not below the rank of Under Secretary to the Government.

b) Combined Category (CC)

Applicants eligible under 'SC/ST', 'OBC' and 'Open' category as specified in para 6.2.1 above can apply for Regular LPG Distributorship under respective 'CC' sub-category on fulfilling the following conditions:

I. Physically Handicapped Category (PH) :

Candidates would be considered eligible under this category in case the candidates are orthopaedically handicapped to the extent of minimum of 40% permanent (partial) disability of either upper or lower limbs; or 50% permanent (partial) disability of both upper and lower limbs together. For this purpose, the standards contained in the 'Manual for Orthopaedic Surgeon in evaluating Permanent Physically Impairment' brought out by the American Academy of Orthopaedic Surgeons, USA and published on its behalf by the Artificial Limbs Manufacturing Corporation of India, G.T. Road, Kanpur, shall apply.

Deaf, Dumb and Blind persons with minimum degree of 40% disability will also be eligible to apply for LPG Distributorship under this category. However, totally blind persons will not be eligible.

Candidate applying under this category should produce a certificate (*as per the standard format given in the application format*) issued by a Medical Board duly constituted by the Central / State Government as per the Gazette of India Extraordinary New Delhi, No 154 dated June 13, 2001 on Guidelines for evaluation of various disabilities and procedure for certification.

II. Outstanding Sports Persons Category (OSP):

The following persons will be eligible:

- a. Arjuna / Khel Ratna Awardees.
- b. Winners of Medals at Olympics/ Asian /Commonwealth Games and Recognised World Champions/ World Championships.
- c. National Champions - first position holders in Senior Category (both Men & Women) under the Recognised National Championships.
- d. National Adventure Awardees.

Candidate applying under this category should produce a certificate from the Recognised National Federation Organising National Championships (as recognised by Department of Youth Affairs and Sports, Govt of India) or from the Dept of Youth Affairs and Sports, Govt of India.

III. Freedom Fighters (FF):

Freedom Fighter means the person who is a holder of Tamrapatra and receiving pension sanctioned by the Ministry of Home Affairs, Government of India.

Persons applying for distributorships under this category should attach a certificate or Tamrapatra or an attested copy of the Pension Order issued by the Accountant General in pursuance of the sanction letter from the Ministry of Home Affairs, Govt of India of their having been Freedom Fighters.

The criteria of Educational Qualification and age as mentioned under common eligibility criteria will not be applicable for FF category.

6.2.3 Specific Eligibility Criteria for existing SKO Dealers of OMCs:

Existing SKO dealers of OMCs who are eligible under categories as specified in para 6.2.1 & 6.2.2 above can apply for Regular LPG Distributorship on fulfilling the following conditions:

- a. Existing SKO dealers of OMCs operating as a sole proprietor having an average allocation of less than 75 KL of SKO per month during the immediate preceding 12 months prior to the month of advertisement will be eligible to apply for LPG Distributorship. The applicants have to submit along with the application the proof of such allocation from allocating authority of the State Govt./Divisional/Territory/Regional Office of the Oil Company, as the case may be. Multiple Dealership/Distributorship norm shall not be applicable for such applicants.
- b. SKO Dealers operating as a Partnership Firm or Society or Company are not eligible to apply.
- c. In case of allotment, the SKO dealer will have to surrender their SKO dealership prior to issuance of letter of appointment for LPG Distributorship.
- d. Age & Educational Qualification :

Age: Maximum upper age limit – 60 years

Educational qualification: Should have passed minimum Xth Standard examination or equivalent from a recognized Board.
- e. To be eligible to apply for Regular LPG Distributorship, the SKO dealer should not have been penalized for violation of Marketing Discipline Guidelines within last 5 years preceding the date of advertisement or there should not be any proceedings pending against the dealership under Marketing Discipline Guidelines/Dealership Agreement, Kerosene Control Order or ESMA.
- f. Common eligibility criteria as specified under para no. 6.1 above shall also be applicable to SKO dealers.

7. ELIGIBILITY CRITERIA FOR NON-INDIVIDUAL APPLICANTS

Non-individual applicant means Government Bodies/Agencies, Organized Bodies, Societies registered under Societies Registration Act 1860, Charitable Trusts registered with Charity Commissioner of respective State Government and Companies formed under the Companies Act, 1956.

7.1. Registered Co-Op Societies / Consumer Societies Applying for Categories Other than 'Open category (without sub category)'

Registered Co-Op Societies will be eligible to apply under reserved categories subject to following conditions: -

- i) They will apply as non-individual. The Society will have to operate the distributorship through their own employees and not on contract basis.
- ii) All members of the Society should belong to the same category for which LPG distributorship has been advertised. A copy of certificate to this effect from Registrar of Society and a list giving names of all the members of the Society will be required.
- iii) The Society has to furnish appropriate resolution to show that person making the application is empowered to make the same. In addition, the Society should furnish an undertaking that it will observe the relevant guidelines, etc.
- iv) Societies should have made a net profit for previous three consecutive financial years duly certified by a Chartered Accountant.
- v) None of the members of the Society or their family members (family as defined in the case of multiple dealership norms for individuals) should hold dealership/ distributorship of any Oil company for MS/HSD/SKO-LDO/LPG/RGGLV in India or has/have been issued a letter of intent or appointment letter.
- vi) None of the members should have either been convicted or charges have been framed against them by court of law for criminal offences involving moral turpitude and / or economic offences (other than freedom struggle) punishable under Law.
- vii) None of the members of the Society should have been signatory to dealership/distributorship agreement of any Oil Company, which was terminated for malpractices and / or for violations of provisions of the Marketing Discipline Guidelines.
- viii) The Registered Society should not have any criminal records nor have any criminal charges framed against it by court of law involving moral turpitude

and/or economic offences (other than freedom struggle) punishable under Law.

- ix) Should have a minimum total amount of ` 15 lakhs for Urban Markets and ` 10 lakhs for Urban-Rural & Rural Markets respectively **as the closing balance on the last date for submission of application as specified in the advertisement or corrigendum (if any)**. This amount is to be arrived at by adding amount in Bank accounts in Scheduled Bank/ Post Office, free and un-encumbered Fixed Deposits in Scheduled Banks, Post Office, Listed Companies / Government Organisation / Public Sector Undertaking of State and Central Government, Kisan Vikas Patra, NSC, Bonds, Shares of Listed Companies, Listed Mutual Funds in the name of the Organisation. In case of locations reserved under 'SC/ST' category, minimum total amount of ` 5 lakhs for Urban Markets and ` 2.5 lakhs for Urban-Rural & Rural Markets respectively **should be available as the closing balance on the last date for submission of application as specified in the advertisement or corrigendum (if any)**.
- x) Should own a plot of land of adequate size (within 15 km from municipal/town/village limits of the location offered in the same State) for construction of godown for storage of 8000 Kg of LPG in cylinders or ready LPG cylinder storage godown **as on the last date for submission of application as specified in the advertisement or corrigendum (if any)**. As per Gas Cylinder Rules 2004, the floor area of the storage shed for storing 8000 kg LPG in cylinders should be 80 sq metres. The length of the storage shed should not be more than 1.5 times of width of storage shed. There should be clear minimum safety distance of 7 metres between storage shed and the boundary wall/ fencing. The plot of land with minimum dimension of 26.15 metres by 27 metre is adequate. It should be freely accessible through all weather motorable approach road (public road or private road of the applicant connecting to the public road) and should be plain, in one contiguous plot, free from live overhead power transmission or telephone lines. Canals / Drainage / Nallahs should not be passing through the plot. The land for construction of LPG godown should also meet the norms of various statutory bodies such as PWD/Highway authorities/ Town and Country Planning Department etc.

In case an applicant has more than one suitable plot for construction of godown for storage of minimum 8000 Kg of LPG in cylinders or ready LPG cylinder storage godown **as on the last date for submission of application as specified in the advertisement or corrigendum (if any)**, the details of the same can also be provided in the application.

- xi) Own a suitable shop of minimum size 3 metres by 4.5 metre in dimension or a plot of land for construction of showroom of minimum size 3 metres by 4.5 metre **as on the last date for submission of application as specified in the advertisement or corrigendum (if any)** at the advertised location or locality as specified in the advertisement. It should be easily accessible to general public through a suitable approach road.

In case an applicant has more than one shop of minimum size 3 metre by 4.5 metre in dimension or a plot of land for construction of showroom of minimum size 3 metre by 4.5 metre **as on the last date for submission of application as specified in the advertisement or corrigendum (if any)**, at the advertised location or locality as specified in the advertisement, the details of the same can also be provided in the application.

Reference x & xi above: 'Own' means having ownership title of the property or on registered long lease (minimum 15 yrs) in the name of the non-individual institution.

7.2. Non- Individual Applicants Applying Under 'Open' Category

Non-individuals applicants (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) are eligible to apply under '**Open**' category (without sub-category) subject to the following: -

- I. Applicability of multiple dealership norms to various non-individuals which 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/ RGGLV if any of the RO dealership/LPG distributorship/ RGGLV 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/ RGGLV acquire controlling stake in a company having RO dealership/LPG distributorship then the RO dealership /LPG distributorship /RGGLV of the acquirer would be liable to be terminated

iii) Government owned Companies defined as major shareholding with the Government, Public Sector & Joint Sector Units or Government administered Organization are exempted from the above Multiple Dealership Norms.

B) For the 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)

- II. Registered Societies / Company incorporated under Companies Act 1956 should have made a net profit for previous three consecutive financial years duly certified by a Chartered Accountant.
- III. Registered Societies / Company incorporated under Companies Act 1956 will have to furnish appropriate resolution to show that person making the application on its behalf is empowered to make the same. It will also have to furnish an undertaking that it will observe the relevant guidelines.
- IV. The Registered Societies / Company incorporated under Companies Act 1956 will have to operate the distributorship through their own employees and not on contract basis.
- V. None of the members the Governing / Managing Committee of the Registered Societies / Company incorporated under Companies Act 1956 should have either been convicted or charges have been framed against them by court of law for criminal offences involving moral turpitude and / or economic offences (other than freedom struggle) punishable under Law.
- VI. None of the members of the Governing / Managing Committee of the Registered Societies / Company incorporated under Companies Act 1956 should have been signatory to dealership/distributorship agreement of any Oil Company, which was terminated for malpractices and / or for violations of provisions of the Marketing Discipline Guidelines.
- VII. The Registered Societies / Company incorporated under Companies Act 1956 should not have any criminal records nor have any criminal charges framed against it by court of law involving moral turpitude and/or economic offences (other than freedom struggle) punishable under Law.

Note: Conditions mentioned in Para V, VI & VII above are not applicable to Government owned Companies defined as major shareholding with the Government, Public Sector & Joint Sector Units or Government administered Organization.

VIII. Non-individuals applicants should have minimum total amount of ₹ 15 lakhs for Urban Markets and ₹ 10 lakhs for Urban-Rural & Rural Markets respectively **as the closing balance on the last date for submission of application as specified in the advertisement or corrigendum (if any).** This amount is to be arrived at by adding amount in Bank accounts in Scheduled Bank/ Post Office, free and un-encumbered Fixed Deposits in Scheduled Banks, Post Office, Listed Companies / Government Organisation / Public Sector Undertaking of State and Central Government, Kisan Vikas Patra, NSC, Bonds, Shares of Listed Companies, Listed Mutual Funds in the name of the Organisation.

IX. Non-individuals applicants should own a plot of land of adequate size (*within 15 km from municipal/town/village limits of the location offered in the same State*) for construction of godown for storage of minimum 8000 Kg of LPG in cylinders or ready LPG cylinder storage godown **as on the last date for submission of application as specified in the advertisement or corrigendum (if any).** As per Gas Cylinder Rules 2004, the floor area of the storage shed for storing 8000 kg LPG in cylinders should be 80 sq metres. The length of the storage shed should not be more than 1.5 times of width of storage shed. There should be clear minimum safety distance of 7 metres between storage shed and the boundary wall/ fencing. The plot of land with minimum dimension of 26.15 metres by 27 metre is adequate. It should be freely accessible through all weather motorable approach road (public road or private road of the applicant connecting to the public road) and should be plain, in one contiguous plot, free from live overhead power transmission or telephone lines. Canals / Drainage / Nallahs should not be passing through the plot. The land for construction of LPG godown should also meet the norms of various statutory bodies such as PWD/Highway authorities/ Town and Country Planning Department etc.

In case an applicant has more than one suitable plot for construction of godown for storage of minimum 8000 Kg of LPG in cylinders or ready LPG cylinder storage godown **as on the last date for submission of application as specified in the advertisement or corrigendum (if any),** the details of the same can also be provided in the application.

X. Non-individuals applicants should own a suitable shop of minimum size 3 metres by 4.5 metre in dimension or a plot of land for construction of

showroom of minimum size 3 metres by 4.5 metre **as on the last date for submission of application as specified in the advertisement or corrigendum (if any)** at the advertised location or locality mentioned in the advertisement. It should be easily accessible to general public through a suitable approach road.

In case an applicant has more than one shop of minimum size 3 metre by 4.5 metre in dimension or a plot of land for construction of showroom of minimum size 3 metre by 4.5 metre **as on the last date for submission of application as specified in the advertisement or corrigendum (if any)** at the advertised location or locality as specified in the advertisement, the details of the same can also be provided in the application.

Reference IX & X: 'Own' means having ownership title of the property or on registered long lease (minimum 15 yrs) in the name of the non-individual institution.

8. APPLICATION:

The Individuals and Non-individuals, who fulfills the eligibility criteria, can submit application for LPG Distributorship. Application format is given in **Appendix-I**. The application format can also be downloaded free of cost from websites www.iocl.com, www.ebharatgas.com, www.bharatpetroleum.in and www.hindustanpetroleum.com. Application should be typed or neatly hand written as per the prescribed format.

8.1. Non Refundable Application Fee:

Applicant should submit the application along with a non-refundable application fee of ` 1000/- (Rupees One thousand only). In case of SC/ST applicants, non-refundable application fee of ` 500/- (Rupees five hundred) is payable provided a copy of SC/ST certificate is attached.

8.2. Cut-off date for receipt of Applications:

Applications received after the specified closing date and time including postal delay will not be entertained.

8.3. One Application per Applicant for a Location

Applicants should submit only one application for one location. In case more than one application is received from an individual, all the applications would be

clubbed together and treated as one application. In such cases, application fees received against all other applications would be forfeited.

8.4. Person Applying for Multiple Locations

A candidate can apply for more than one location. However, in such cases, he/she will have to submit separate application for each location. Each application should be accompanied with the requisite application fee.

8.5. Procedure For Receipt of Application

Application would be received in sealed envelope only. After application is received, serial number would be put on the envelope and also recorded in a 'Register'. Acknowledgement for applications received will be sent to the applicants.

In case deficiencies are found in the application, a letter would be sent to the applicant to rectify the deficiencies within a specified period of time.

9. PROCEDURE FOR DRAW

- 9.1. The scrutiny of the application will be carried out based on the information given in the application by the Committee appointed by the concerned Oil Company.
- 9.2. Selection will be done by draw of lot out of all eligible applicants. All applicants satisfying the eligibility criteria will be eligible for the draw.
- 9.3. All the applicants will be individually informed about the status of their application. The list of ineligible applicants & applicants eligible for draw of lot will be made available on the notice board of the concerned office of the Oil Company as well as on the website of the concerned Oil Company.
- 9.4. In case, complaints are received about any applicant with regard to their eligibility before the draw, the complaint would be dealt as mentioned below in Para 13 'Grievance /Complaint Redressal System'.
- 9.5. In case for a location there is only one eligible applicant, no draw is required. The lone eligible applicant would be declared as selected. The result would be displayed and hosted on the website. Field Verification of Credentials (FVC) would be conducted in line with procedure.
- 9.6. In case of two or more eligible applicants, draw for selection of LPG Distributor would be conducted. All the eligible applicants would be sent a written communication by Registered Post AD / Speed Post to report for a draw for

selection of LPG Distributor at a specified place on specified date and time. The notice with regard to the draw would be published before the date of draw in the same newspapers in which the advertisement for appointment of LPG Distributor was initially published.

- 9.7. Attendance of all the applicants who have reported for draw would be taken and Applicants should sign the attendance sheet.
- 9.8. Serial Number of the application along with name of applicant would be printed on a “paper token” and officers nominated for the draw would sign on each “paper token” with date of draw.
- 9.9. Two officials of the company will conduct the draw in the presence of the candidates and the invited guest. However, the Quorum will comprise of at least 50% of the eligible applicants for the 1st draw (whose names are there in the draw). If Quorum is not fulfilled during the 1st draw, then draw would not be held on that day. Subsequent date for the draw shall be fixed and announced as per the laid down procedure.
- 9.10. In case draw is required to be conducted for the second and subsequent times including with reasons of Quorum not being available in the 1st draw, then the draw will be held in the presence of two company officials, the invited guest and the number of applicants who choose to remain present during the draw.
- 9.11. The entire proceedings of the draw will be video graphed.
- 9.12. Folded paper tokens of all eligible applicants will be put in an empty box. The invited guest would be requested to draw out one ‘paper token’, unfold and show it to the video camera for it to capture the serial number and name of the applicant mentioned in the ‘paper token’. The application serial number and name of the candidate would be announced and declared as selected candidate for LPG distributorship for that location.
- 9.13. The result of the draw would be displayed on the notice board of the venue immediately and at Company office. It would also be hosted on the website of the Company within 7 days from the date of draw.
- 9.14. Candidate Selected in the draw will have to submit a Demand Draft of Rs. 50000/- (Fifty Thousand) i.e. 10% of the security deposit of Rs. 5 lakhs for LPG distributorship in Urban market or submit a Demand Draft of Rs. 25000/- (Twenty five thousand) i.e. 10% of the security deposit of Rs. 2.5 lakhs for LPG distributorship in Urban-Rural/Rural market within 3 working days from the date of receipt of letter issued by the concerned office of the OMC in this regard.
- 9.15. Field Verification of Credentials (FVC) of selected candidate will be undertaken only after DD of Rs. 50000/- or Rs. 25000/- as applicable is deposited with the concerned office of OMC.

10. FIELD VERIFICATION OF CREDENTIALS (FVC)

- 10.1. Verification of the information given in the application by the applicant with the original documents and with the issuing authorities wherever required is called Field Verification of Credentials (FVC).
- 10.2. Field verification will be carried out for the selected candidate as per laid down procedure. If in the FVC, the information given in the application by the applicant is found to be correct. Letter of Intent (LOI) will be issued with the approval of competent authority.
- 10.3. If in the FVC it is found that information given in the application is at variance with the original documents and that information affects the eligibility of the candidate, then a letter would be sent by Registered Post AD / Speed Post pointing out the discrepancy. Candidature of selected candidate in such a case will be cancelled and 10% of applicable security deposit remitted by the selected candidate before FVC will be forfeited if false/incorrect/misrepresented information has been given in the application.

11. LETTER OF INTENT:

The distributor select, after receipt of LOI should fulfill the conditions specified in the LOI within a period of four months from the date of LOI, failing which the LOI is liable to be withdrawn along with forfeiture of the amount remitted by the selected candidate before FVC.

12. CONDITION FOR RE - DRAW

Draw for selection would be held again from the remaining eligible applicants in the following cases:

- a) Rejection of selected candidate due to findings in the Field Verification
- b) LOI is withdrawn from the selected candidate
- c) The distributor is terminated within one year of commissioning.

Re-draw would be carried out by following the procedure for Draw outlined in Para 9 above.

13. GRIEVANCE /COMPLAINT REDRESSAL SYSTEM

Any complaints received against an applicant will be disposed off as under:-

- 13.1 Complainants will have to deposit Rs.1000/- as complaint fees through a demand draft in favour of concerned OMC along with the complaint. Complaints which are not accompanied with the deposit of Rs. 1000/- will not be investigated.
- 13.2 Anonymous complaints will normally not be investigated.
- 13.3 Complaints received against the applicant will be investigated only if the applicant is selected in the draw.
- 13.4 Complaints will be entertained only if it is received by the office of the OMC within 30 days from the date of declaration of draw result.
- 13.5 On receipt of the complaint, a letter will be sent to the complainant asking him to submit details of allegation within a period of 15 days with a view to prima facie substantiate the allegations along with supporting documents, if any.
- 13.6 In case the complaint is received against the selected candidate but within 30 days from the date of declaration of result, the same will be examined and action taken as appropriate.
- 13.7 Complaints not substantiated:
The complaint will be filed and the complainant would be sent a reply accordingly.
- 13.8 Established complaint
In case of established complaint, suitable action would be taken as per the decision and the complainant would be sent a reply accordingly. Complaint fees of Rs. 1000/- remitted by the complainant shall be refunded only in case if such particular complaint leads to cancellation of candidature of the selected candidate.

14. BASIC FACILITIES REQUIRED FOR OPERATION OF LPG DISTRIBUTORSHIP

14.1. Godown for Storage of LPG in Cylinders

LPG Distributor should have a Godown duly approved and licensed by Chief Controller of Explosives of Petroleum and Explosives Safety Organisation (PESO) for storage of 8000 kg LPG in cylinders.

For construction of Godown, the plot of land should be of adequate size (within 15 km from municipal/town/village limits of the location offered in the same

State) for construction of godown for storage of minimum 8000 Kg of LPG in cylinders or ready LPG cylinder storage godown. As per Gas Cylinder Rules 2004, the floor area of the storage shed for storing 8000 kg LPG in cylinders should be 80 sq metres. The length of the storage shed should not be more than 1.5 times of width of storage shed. There should be clear minimum safety distance of 7 metres between storage shed and the boundary wall/ fencing.

A plot of land with minimum dimension of 26.15 metre by 27 metre is adequate. It should be freely accessible through all weather motorable approach road (*public road or private road connecting to the public road*). It should also be plain, in one contiguous plot, free from live overhead power transmission or telephone lines. Canals / Drainage / Nallahs should not be passing through the plot. The land for construction of LPG godown should also meet the norms of various statutory bodies such as PWD/Highway authorities/ Town and Country Planning Department etc.

14.2. Showroom

A Showroom of minimum dimensions 3 metre by 4.5 metre as per the standard layout is to be made in a shop / land located in the advertised location or locality as specified in the advertisement for LPG distributorship and it should be easily accessible to general public through a suitable approach road.

14.3. Infrastructure For Home Delivery Of LPG Cylinders

In addition to the Godown for storage of LPG cylinders and Showroom, Delivery Vehicles will be required for effecting home delivery of LPG cylinders in the authorized area of operation. Based on the assessment of the market, the Corporation will advise the LOI holder the requirement of the delivery system to be put in place before commissioning of the distributorship and subsequently any additional requirement with the growth in business from time to time.

15. SPOUSE AS CO-OWNER

In each case where an individual gets selected, his/her spouse (i.e wife/husband) would be made co-owner. In case, the applicant is unmarried/ divorcee/ widow/ widower, an undertaking will be required to be given that after marriage/re-marriage, spouse will be made co-owner. Co-owner means spouse will be 50% partner irrespective of age, qualification and employment. Individual applicants are not permitted to enter into partnership with anyone other than their spouse.

16. PERSONAL SUPERVISION

A person selected for the distributorship will have to personally manage the operation of the LPG Distributorship. He/she will not be eligible for taking up any other employment. If the selected person is already employed he/she will have to resign from the employment and produce the letter of acceptance of resignation by the employer before the issuance of Letter of Appointment (LOA) by the Oil Company. Before issuance of LOA by the OMC, the selected candidate would also be required to submit a Notarized Affidavit certifying that they are not employed in private sector or are not drawing any salary/perks/emoluments (other than pension) from the State/Central Government.

A Non - Individual applicant selected for the distributorship will have to manage the operation of the LPG distributorship through its own employees and not on contract basis.

17. SCHEME OF FINANCIAL ASSISTANCE TO SC/ST CATEGORY DISTRIBUTORSHIPS

The Selected Candidate for the location reserved under **SC/ST category** has the option to avail the following Financial Assistance Scheme :

OMCs shall facilitate the selected candidate in obtaining the loan from scheduled commercial bank for providing the LPG Godown, Showroom and LPG cylinder delivery infrastructure. In this regard, if the banks require any margin money to be invested by the candidate in providing the above mentioned facilities, OMCs shall extend Financial assistance by way of a secured loan towards such margin money. The margin money shall however be limited to ` 1 Lakh for Urban market Distributorships and ` 0.60 lakh for Urban-Rural & Rural market Distributorship or 20% of the total project cost against which the loan has been sanctioned by Bank, whichever is lower.

The secured loan towards the margin money will be provided to Distributorships reserved for SC/ST categories at (SBI PLR + 1 %) interest per annum. This loan as well as interest will be recovered at the rate of 20% of distributor's commission.

Adequate working capital loan at (SBI PLR + 1 %) interest per annum, for a full operation cycle of the operation of the distributorship will also be provided. Both the working capital as well as interest thereon will be recovered in 100 equal monthly installments from the 13th month of commissioning of the Distributorship.

18. SECURITY DEPOSIT

The selected candidate before being issued the appointment letter will have to deposit interest free refundable security deposit to the respective OMC of ` 5 lakhs for distributorship in Urban (U) area or ` 2.5 lakhs in Urban-Rural (UR) and Rural (R) area as applicable and stated in the advertisement. The amount deposited before FVC will be adjusted against the applicable security deposit.

OMCs will reserve the right to adjust any dues to it from the Security Deposit amount at the time of resignation/ termination. However, in case of termination of the distributorship is on account of proven malpractice, the said security deposit shall be forfeited.

19. COMMISSIONING OF THE DISTRIBUTORSHIP

A candidate who has been given the 'Letter of Intent' (LOI) would be required to fulfil the terms and conditions as contained therein, so as to commission the distributorship within the stipulated time period.

The selected candidate would be given training and has to clear pre-commissioning quiz/test by scoring qualifying marks that is 80%.

In case selected candidate secures less than 80% marks, re-training would be given and re-test conducted.

Before commissioning, Letter of Appointment would be issued to the selected candidate and an agreement shall be executed as per the standard LPG Distributorship agreement.

20. TENURE OF DISTRIBUTORSHIP

The tenure of the HP Gas & Bharatgas distributorship shall be for an initial period of 10 years and renewable for every 5 years thereafter, subject to the examination of the performance of the distributorship by the respective OMC and decision thereon.

The tenure of the INDANE distributorship shall remain in force for an initial period of 5 years from the date of execution of Distributorship Agreement and continue thereafter until determined as per rights mentioned in the Distributorship agreement.

21. FURNISHING OF FALSE INFORMATION

If any statement made in the application or in the documents enclosed therewith or subsequently submitted in pursuance of the application by the candidate at any stage is found to have been suppressed / misrepresented / incorrect or false affecting eligibility, then the application/candidature is liable to be rejected without assigning any reason.

In case the selection of the candidate is rejected after the FVC or after issuance of LOI but before issue of Letter of Appointment, then the 10% of the security deposit deposited by the selected candidate before FVC will be forfeited.

In case the selected candidate has been appointed as a distributor and the allotment is liable to be cancelled, then the distributorship will be terminated along with forfeiture of security deposit remitted by the candidate.

In such cases, the selected candidate / distributor will have no claim whatsoever against the respective Oil Company.
