

No.P-30024/33/2012-MC
 Ministry of Petroleum & Natural Gas
 Government of India

Shastri Bhawan, New Delhi
 Dated: the 17th February, 2014

To,

1. The Director (Marketing), IOCL, Mumbai
2. The Director (Marketing), BPCL, Mumbai
3. The Director (Marketing), HPCL, Mumbai

Subject : Guidelines for selection of Retail Outlet(RO) dealership for setting up of new ROs..

Sir/Madam,

I am directed to refer to BPCL's letter No.RSHQ.C2:201 dated 22nd January 2014 submitted on behalf of the industry on the above mentioned subject and to say that in supersession of this Ministry's order of even number dated 3-12-2012 the issues mentioned in the aforesaid BPCL's letter have been examined in the Ministry and the following changes in column have been now approved :

Category of Outlet (1)	Approved Earlier (2)	Now Approved (3)
Corpus Fund	Provision of land as Eligibility criteria.	Provision of land as Eligibility criteria. Further, land offered by the applicant will be taken on lease / purchased by OMCs.
	Security Deposit - Rural Rs.50,000/-; others : Rs.5 lakhs.	Security Deposit - Rural Rs.50,000/-; others : Rs.5 lakhs.
	Retail Outlet development - By dealer Select, superseded by Bank mediated financial assistance scheme vide MOP&NG's letter No.P-25011/4/2011-Mkt. dated 24.12.2012.	By OMCs. As per MOP&NG's letter ref. P-19011/5/92-IOC dated 30.11.1992 and as per Corpus Fund scheme of Government.
	Working Capital - By Bank mediated financial assistance scheme.	By OMCs - As per MOP&NG's letter ref. P-19011/5/92-IOC dated 30.11.1992 and as per Corpus Fund scheme of Government.
	Selection through Draw of Lots.	Selection through Draw of Lots.

(1)	(2)	(3)
Dealer Owned Dealer Operated	Provision of land as Eligibility criteria.	Provision of land as Eligibility criteria. Further, OMCs will have the option of taking the land and/or infrastructure constructed by the dealer on lease.
	Security Deposit - Rural : Rs.50,000/-; Others : Rs.5 Lakhs.	Security Deposit - Rural : Rs.50,000/-; Others : Rs.5 Lakhs. In addition, Dealer Select will be required to pay non-refundable fixed fees of Rs.5 lakhs for rural and Rs.15 lakhs for other ROs.
	Retail Outlet development - By dealer Select.	Tanks, pumps, etc. by OMCs. Other infrastructure by the dealers as hitherto.
	Selection through Draw of Lots.	Selection through Draw of Lots.
Corporation Owned Dealer Operated ROs	Provision of land as Eligibility criteria.	Provision of land as Eligibility criteria except where land is/being procured by OMCs. Further, land offered by the applicant will be taken on lease/purchased by OMCs.
	Security Deposit - Rural : Rs.50,000/-; Others : Rs.5 Lakhs.	Security Deposit - Rural : Rs.50,000/-; Others : Rs.5 Lakhs. In addition, Dealer Select will be required to pay non-refundable bidding amount (with a minimum of Rs.10 lakhs for rural and minimum of Rs.30 lakhs for other ROs).
	Retail Outlet development - By dealer Select.	Total RO development by OMCs
	Selection through Draw of Lots.	Through a system of bidding amongst the eligible candidates with minimum reserve bid amount. In case of tie in bid amount, selection through draw of lots amongst such applicants.
COCO, Dealership under Corporate tie up and Dealership to Govt. agencies	As per prevailing policy.	As per prevailing policy.

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2. Further, it has also been decided that the comparison of the Sale performance of the retail outlets for corpus fund and DODO retail outlets vis-à-vis the projected sales based on which the decision was recommended, shall be recorded and tracked in the Annual Performance Report of the Field Officer who recommended the location for a period till it achieves its projected sales.

3. These guidelines come into effect from the date of issue of this letter.

4. This issues with the approval of Minister (P&NG).

Yours faithfully,



(Akhilesh Kumar)

Under Secretary to the Govt. of India
Tel. No. 23389464

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