

No.P-19011/1/2004-IOC
Government of India
Ministry of Petroleum & Natural Gas

Shastri Bhawan,
New Delhi, the 22nd February, 2005.

To
The Director (Marketing),
IOC/BPC/HPC/IBP Co. Limited
Mumbai.

Sub: Improvement in the procedure for selection of dealers/distributors for lending more transparency.

Sir,

The undersigned is directed to refer to this Ministry's letters of even number dated 27.12.2004 and 17.2.2005 on the above subject and to say that a meeting was taken by the Additional Secretary in this Ministry with the representatives of the oil marketing companies (OMCs) on 18.2.2005 to review the provisions in the guidelines of OMCs for selection of dealers, which provide for allotment of dealerships, etc. without recourse to advertisements. After review, it has been decided that in partial modification of the said letters, the OMCs should follow the following procedure:-

(i) The OMCs should, after receipt of direct offers of land, assess the viability of the location and if the same is found viable, OMCs must release an advertisement in 2 leading newspapers, which are in circulation in the area, stating the fact that they have received offer(s) of land for dealerships, etc., and are inviting similar offers from others. Further, these advertisements must indicate that final selection of the dealer will be on the basis of evaluation of the lands offered and evaluation of the candidates in respect of other parameters as provided for in the guidelines.

(ii) In respect of other bodies like Government organizations, Government undertakings, Semi-Government/Autonomous Bodies, Public Limited Companies, Charitable Trusts, Large Fleet Operators with volume commitment, the OMCs should follow a common definition. The same may be done and communicated to the Ministry at the earliest.

2. This procedure indicated in para 1(i) above should also be given due publicity through brochure / website, etc., as they have done in respect of the selection guidelines.

Yours faithfully,

(D.K. Banerjee)

Under Secretary to the Government of India

Copy to:

- 1) The Executive Director, IOC(AOD).
- 2) Director(PN)
- 3) Guard File.