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

Shastri Bhawan, New Delhi
Dated 25th July, 2013

To

1. Director [Marketing], IOCL
2. Director [Marketing], HPCL
3. Director [Marketing], BPCL

Subject: Opening of New Retail Outlets by Oil Marketing Companies – Bank Mediated Financial Assistance Scheme.

Sir,

I am directed to say that BPCL on behalf of industry requested for reconsideration and withdrawal of guidelines dated 03.12.2012 issued by MoP&NG mandating that OMCs must seek private investment for funding their ROs.

You are requested to furnish your views/comments to this Ministry immediately on the following points:

[a] OMCs to advertise all such RO locations seeking offers from potential applicants in two stages, one after another:

[i] First, offers will be sought with full private investment i.e., EOI route, by the applicant as envisaged in the letter dated 03.12.2012 and coupled with a modified suitable dealer remuneration scheme under this dispensation.

[ii] If no offers are received under the EOI route then a decision can be taken at one level up in the OMC to invest in the RO for that location with usual remuneration pattern already in vogue i.e., as in pre 03.12.2012 position, and the location can be re-advertised on this basis.

[b] All OMC funded ROs under a [ii] above should be tracked for performance and recording in the appraisal process of the sales officer concerned compared to the projections made while recommending the location.

[c] The same approach would also be followed for the corpus fund category, the difference being that OMCs would have to compulsorily offer the RO under the modified Bank Mediated Financial Assistance Scheme, if no response is received under the Dealer Funded EOI. In case of ROs, assistance under the modified Bank Mediated Financial Assistance Scheme would be available if no offers are received in the EOI i.e., private investment route.

Yours faithfully,



[Akhilesh Kumar]

Under Secretary to the Government of India