

**BROCHURE**

**ON**

**GUIDELINES FOR SELECTION**

**OF**

**REGULAR LPG DISTRIBUTORS**



**April 2011**

## **Guidelines on Selection of Regular LPG Distributorship (Applicable to all locations Advertised / Re-advertised after 1st of April 2011)**

### **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%
B	Schedule Castes / Scheduled Tribes (SC/ST)	25%
C	Central/State Govt and Central/State PSU employees – (GP)	18%
D	Combined Category (CC) Physically Handicapped Personnel (PH) Outstanding Sports Persons (OSP)	7 % For PH/OSP Clubbed together

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

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 100-POINT ROSTER**

Locations finalized for setting up of regular LPG Distributorships are to be placed under different categories of reservation as per '100 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 '100-point Roster' allocation of a reservation category against a serial number is done such that when 100 numbers of Dealers/Distributors are planned, the percentage of each category is achieved. Continuity is maintained in '100 point roster'. Once 100 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**

De-categorisation of advertised locations will be carried out as under: -

- a) In case after the first advertisement, no candidate has applied or no candidate meets the eligibility criteria for any of the reserved category locations, then the location is to be re-advertised under 'Open' category in the next round of advertisement.
- b) However, it is ensured that in case of SC/ST category, the reservation is maintained on overall basis by respective OMCs while de-reserving the locations from earlier roster by converting corresponding number of LPG distributorship locations under 'open' category from the new roster to 'SC/ST' category. In other words, shortfall in SC/ST category has to be made good in the future marketing plans.
- c) With regard to other reserved categories i.e. GP & CC, reservation percentages will be maintained only at the time of initial categorisation as per 100 Point Roster. In other words, once the category of such locations is changed to 'Open' after the first advertisement as no candidate has applied or no candidate meets the eligibility criteria, no adjustment in the roster would be made under future marketing plans.

### **5. OFFER OF 'OPEN' CATEGORY LOCATIONS TO STATE GOVERNMENT**

Once roster is finalized for new location, locations falling under 'Open' category of the roster are offered to the State Government for direct award of distributorships.

The State Government should respond within 45 days from the date of receipt of the communication. The concerned State Government department should send the application

to the concerned office of the OMC. The applicant has to operate the distributorship through its own employees and not on contract basis.

If no response is received from the concerned State Government within the stipulated time (45 days from date of receipt of letter by the State Government), then the locations are advertised along with other reserved category locations.

## **6. 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.

## **7. 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: -

### **7.1. 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
- iii. Be not less than 21 years of age and not more than 45 years of age as on the date of application for all categories except GP category.

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.

iv. 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'.

**'Family Unit' in case of married person/ applicant, shall consist of individual concerned, his/her Spouse(s) 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).**

- v. Have minimum total amount of ₹ 15 lakhs for Urban Markets and ₹ 10 lakhs for Urban-Rural & Rural Markets respectively **as on the date of application**. This amount is to be arrived at by adding amount in Savings 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, 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 as on the date of application should be ₹ 5 lakhs for Urban Markets and ₹ 2.5 lakhs for Urban-Rural & Rural Markets respectively.
- vi. 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 date of application**. 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 date of application**, the details of the same can also be provided in the application.

- vii. Own a suitable shop of minimum size 3 metres by 4.5 metre in dimension or a plot of land for construction of shop of minimum size 3 metres by 4.5 metre at the advertised location or locality as specified in the advertisement **as on the date of application**. 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 shop of minimum size 3 metre by 4.5 metre at the advertised location or locality as specified in the advertisement **as on the date of application**, the details of the same can also be provided in the application.

**Reference vi & vii 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 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 no objection from other owner(s).**

- viii. Neither have been convicted nor charges been framed by any Court of Law for any criminal offence involving moral turpitude/ economic offences.
- ix. Not be a signatory to distributorship/dealerships agreement, terminated on account of proven cases of malpractice of any Oil Company.

## **7.2. Specific Eligibility Criteria For Different Categories applying as Individual**

### **a) Open Category (O)**

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

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

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

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

### **c) Govt. (Central & State) and Public Sector Units (Central & State) – (GP)**

Applicants belonging to any of the following categories can apply under this category:

#### **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 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

#### **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.

**d) Combined Category (CC).**

Applicants belonging to any of the following categories can apply under this category:

**Physically Handicapped (PH):**

Applicants would be considered eligible under this category in case they 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 all regular LPG distributorship under this category. However, totally blind persons will not be eligible.

Applicants under this category should produce a certificate (*as per the standard format given 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.

**Outstanding Sports Persons (OSP):**

The following persons will be eligible:

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

Applicants 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.

## **8. 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.

### **8.1. Registered Co-Op Societies / Consumer Societies Applying for Categories Other than 'Open' category**

Registered Co-Op Societies will be eligible to apply under reserved categories viz Scheduled Castes/ Scheduled Tribes (SC/ST); Government and Public Sector personnel category (GP) Outstanding Sports Persons (OSP); Physically Handicapped Persons (PH) 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) 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.
- iii) 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.
- 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 on the date of application**. 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 as on the date of application should be ₹ 5 lakhs for Urban Markets and ₹ 2.5 lakhs for Urban-Rural & Rural Markets respectively.
- 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 date of application**. 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 date of application**, 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 shop of minimum size 3 metres by 4.5 metre at the advertised location or locality as specified in the advertisement **as on the date of application**. 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 shop of minimum size 3 metre by 4.5 metre at the advertised location or locality as specified in the advertisement **as on the date of application**, 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.**

## **8.2. 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 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 on the date of application**. 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 date of application**. 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 date of application**, 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 shop of minimum size 3 metres by 4.5 metre at the advertised location or locality as specified in the advertisement **as on the date of application**. 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 shop of minimum size 3 metre by 4.5 metre at the advertised location or locality as specified in the advertisement **as on the date of application**, 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.**

## **9. 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](http://www.iocl.com), [www.ebharatgas.com](http://www.ebharatgas.com), [www.bharatpetroleum.in](http://www.bharatpetroleum.in) and [www.hindustanpetroleum.com](http://www.hindustanpetroleum.com). Application should be typed or neatly hand written as per the prescribed format.

### **9.1. 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.

### **9.2. Cut-off date for receipt of Applications:**

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

### **9.3. 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.

### **9.4. 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.

### **9.5. 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.

## 10. PROCEDURE FOR DRAW

- 10.1. 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 14 'Grievance /Complaint Redressal System'.
- 10.2. 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.
- 10.3. 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.
- 10.4. Attendance of all the applicants who have reported for draw would be taken and Applicants should sign the attendance sheet.
- 10.5. 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.
- 10.6. Two officials of the Company will conduct the draw in the presence of the candidates and the invited guest. However, quorum will comprise of at least 50% of the applicants (whose names are there in the draw) and two Company officials and one invited guest. If Quorum is not fulfilled, 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.
- 10.7. 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.** The proceeding of the draw will be video graphed.
- 10.8. 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.

## **11. FIELD VERIFICATION OF CREDENTIALS (FVC)**

**11.1.** 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).

**11.2.** 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.

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.

## **12. 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.

## **13. 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 10 above.

## **14. GRIEVANCE /COMPLAINT REDRESSAL SYSTEM**

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

**14.1.** Anonymous complaints will normally not be investigated.

**14.2.** Complaints received before the draw is conducted - On receipt of the complaint, a letter will be sent to the complainant asking him to submit details of allegation with a view to prima facie substantiate the allegations along with supporting documents, if

any. The complaint will be investigated only if the applicant against whom complaint has been lodged is selected.

**14.3.** In case the complaint is received after the draw against the selected candidates, it will be examined and action taken as appropriate.

**14.4. Complaints not substantiated:**

The complaint will be filed and the complainant would be sent a reply accordingly.

**14.5. 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.

**15. BASIC FACILITIES REQUIRED FOR OPERATION OF LPG DISTRIBUTORSHIP**

**15.1. 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.

## **15.2. 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.

## **15.3. 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 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.

## **16. 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.

## **17. 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 by the Oil Company.

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.

## **18. SCHEME OF FINANCIAL ASSISTANCE TO SC/ST CATEGORY DISTRIBUTORSHIPS**

The Selected Candidate for the locations reserved under **SC/ST category** has the option to choose one of the Financial Assistance Schemes given below or opt out of financial assistance altogether.

### **Scheme – I**

The applicants selected for locations reserved under SC/ST category are eligible for financial assistance under the existing Corpus Fund Scheme. Under the Corpus Fund Scheme OMCs will make the provision for following facilities:

- a. Infrastructure consisting of LPG Godown, Showroom with toilet, Delivery infrastructure and Telephone
- b. Adequate working capital loan at 11% interest per annum, for a full operation cycle of the operation of the distributorship. Both the working capital as well as 11% per annum interest thereon will be recovered in 100 equal monthly installments from the 13th month of commissioning of the Distributorship.

The allottees will have to pay a Licence Fee (LF) to the concerned Oil Company as applicable from time to time, for the facilities provided (refer Para 'a' above).

**Or**

### **Scheme – II**

- a. The candidate can opt for Financial Assistance by way of secured loan that will be provided to Distributorships reserved for SC/ST categories at (SBI PLR + 1 %) interest per annum of ₹ 5 lakhs for Urban markets and ₹ 3 lakhs for Urban-Rural & Rural markets for construction of godown and showroom. Both the capital loan as well as interest will be recovered at the rate of 20% of distributor's commission.
- b. 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.

## **19. 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 in Urban-Rural (UR) and Rural (R) area as applicable and stated in the advertisement.

OMCs will reserve the right to adjust any dues to it from this 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.

## **20. 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.

## **21. TENURE OF DISTRIBUTORSHIP**

The tenure of the 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 Oil Company and decision thereon.

## **22. 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 is liable to be rejected without assigning any reason and in case the applicant has been appointed as a distributor, the distributorship is liable to be terminated. In such cases the candidate / distributor shall have no claim whatsoever against the respective Oil Company.

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