

LOK SABHA

UNSTARRED QUESTION NO. 1380

TO BE ANSWERED ON 2<sup>ND</sup> MAY 2016

ALLOTMENT OF PETROL PUMPS/GAS AGENCIES

1380. COL. SONARAM CHOUDHARY:

पेट्रोलियम एवं प्राकृतिक गैस मंत्री

Will the Minister of PETROLEUM AND NATURAL GAS be pleased to state:

- (a) the norms/criteria laid down by the Government for allotment of LPG agencies and petrol pumps in the country;
- (b) whether the Government has relaxed/ proposes to relax the said norms for the far flung thinly populated hilly and desert areas of the country including Rajasthan; and
- (c) if so, the details thereof and if not, the reasons therefor?

ANSWER

पेट्रोलियम एवं प्राकृतिक गैस मंत्रालय में राज्य मंत्री (स्वतंत्र प्रभार) (श्री धर्मेंद्र प्रधान)

MINISTER OF STATE (INDEPENDENT CHARGE) IN THE MINISTRY OF PETROLEUM & NATURAL GAS (SHRI DHARMENDRA PRADHAN)

- (a) to (c) The selection norms/guidelines for allotment of Regular LPG distributorships, RGGLVs and Retail Outlets(ROs) are uniform across the country. The guidelines for ROs are at **Annexure-I** and for LPG & RGGLV distributorships are at **Annexure-II**.

-----



**The norms and criteria/reservation policy for allotment of Petrol pumps**

The current guidelines for Retail Outlet Dealer Selection have come into effect w.e.f. 21.5.2014.

**Salient Features of the Dealership Selection Guidelines**

There is neither marks-based evaluation system nor interview process for selection. The selection is carried out by a transparent system of draw of lots/Bidding. Individuals and Non- Individuals can apply. All applicants meeting the eligibility criteria qualify for the draw/bidding. As per the eligibility criteria an applicant has to meet the minimum requirements on availability of suitable land at the advertised location, Finance, Age and Educational Qualification. However, for Corpus fund locations, Finance is not an eligibility criterion. All categories of applicants, except SC/ST category, are required to have suitable piece of land in the advertised location/area either by way of ownership / long term lease. SC/ST category applicants may apply without land.

**Reservation for retail outlet (RO) dealerships**

i) **The percentage reservation for various categories is as under:**

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

Category	SC/ST	OBC	Open	Total
<b><u>Combined Category 1 (CC1)</u></b> Comprising of :- (i) Defence Personnel & (ii) Para Military Personnel/Central/State Govt. and Central/State PSU employees	2%	2%	4%	8%
<b><u>Combined Category 2 (CC2)</u></b> Comprising of :- (i) Physically Handicapped Persons (PH) (ii) Outstanding Sports Persons (OSP) & (iii) Freedom Fighters (FF)	1%	1%	2%	4%
<b>SC/ST</b>	<b>19.50%</b>			<b>19.50%</b>
<b>OBC</b>		<b>24%</b>		<b>24%</b>
<b>Open</b>			<b>44.50%</b>	<b>44.50%</b>
<b>Total</b>	<b>22.50%</b>	<b>27%</b>	<b>50.50%</b>	<b>100%</b>

Reservations in states of Arunachal Pradesh, Meghalaya, Nagaland and Mizoram are as under as approved by MOP & NG:

State	Percentage of Regular & Rural RO Dealerships to be awarded to ST category	Balance percentage to be awarded to 'Open' category

Arunachal Pradesh	70	30
Meghalaya	80	20
Nagaland	80	20
Mizoram	90	10

**Eligibility Criteria :**

**Common Eligibility Criteria for all Categories applying as Individual**

(i) **Citizenship :** Indian Citizen.

(ii) **Residential status:**

Regular ROs : Resident of India

Rural ROs : Resident of India and Resident of the concerned Revenue District

(iii) **Age:** Not less than 21 years and not more than 55 years except for Freedom Fighter

(iv) **Educational qualification:**

**Prior to 3.3.2016**

a) In respect of applicants belonging to CC1 & CC2 categories:-

For Rural ROs: Passed Minimum 10<sup>th</sup> (examination conducted by a Board/School).

For Regular ROs: Passed Minimum 10+2 level of examination conducted by a Board/University.

b) In respect of applicants belonging to other categories:-

For Rural ROs: Passed Minimum 10+2 level of examination conducted by a Board/University.

For Regular ROs: 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 institution established by an Act of Parliament or declared to be deemed as a University under UGC Act 1956, or possess an equivalent qualification recognized by the Ministry of HRD, Govt. Of India.

- Graduation in any field
- Chartered Accountant
- Company Secretary
- Cost Accountant
- Diploma in Engineering

Minimum Educational qualification is not applicable to Freedom Fighters under CC2 category.

**W.e.f. to 3.3.2016**

Minimum 10th Pass (examination conducted by a Board/School) for all categories except for Freedom Fighters for both Regular and Rural ROs. Freedom Fighters will be exempted from minimum educational qualification requirement.

(v) **Finance :**

For Regular ROs the fund requirement for eligibility will be Rs. 25 lakhs and in respect of Rural ROs the fund requirement for eligibility will be Rs. 12 lakhs. However, for Location under SC/ST category i.e. Corpus fund locations, Finance is not an eligibility criterion.

(vi) **Land (Applicable to all categories except for SC/ST category):** Availability of suitable land at the advertised location is an eligibility criteria. SC/ST category may apply without land.

(vii) **Multiple Dealership Norm :** Applicants should fulfill multiple dealership norm.

#### **Draw of Lots / Bidding process**

In the Draw of Lots / Bidding process, priority will be given to applicants with regard to ownership of land as mentioned below :

- Group 1: Applicants having suitable piece of land in the advertised location/area either by way of ownership / long term lease including in all reserved categories.
- Group 2: Applicants having Firm offer of purchase or long term lease for a piece of suitable land including in all reserved categories.
- Group 3 (Only for SC/ST applicants) : Applicants, under SC/ST category, who have not offered land in the application.

Draw of lots / Opening of Bids will be held first amongst the eligible applicants with land falling in Group 1.

Draw of lots amongst eligible applicants of Group - 2 will be held only if there is no applicant in Group 1 or applicants in Group 1 have been disqualified or withdrawn.

The entire proceedings of the draw/bidding will be video graphed in one shot.

The result of the draw will be displayed on the notice board of the venue immediately and at Company office. It will also be hosted on the website of the Company.

\*\*\*\*\*

## Brief on Selection Guidelines for LPG Distributorships (Regular & RGGLV)

### 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
<b>Total</b>	<b>22.5</b>	<b>27</b>	<b>50.5</b>	<b>100</b>

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 separately for Regular Distributorships and RGGLV on Industry basis (i.e jointly by IOCL, BPCL and HPCL) to ensure percentage reservations as mentioned above are achieved. Distribution between SC & ST is as per the population ratio in 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. MODE OF SELECTION

For Regular distributorships, 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.

In case of RGGLVs, selection is done by inviting applications through advertisements in 2 vernacular newspapers - one with widest circulation in the State and other with widest circulation in District in which RGGLV is to be setup.

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

### 4. ELIGIBILITY CRITERIA FOR INDIVIDUAL APPLICANTS

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

Parameter	Regular Distributorship Criteria	RGGLV Criteria
Citizenship	Indian	Indian
Resident	Indian	Resident of Taluka/Tehsil of the

		advertised location. Preference is given to residents of Gram Panchayat.
Educational Qualification	<p>Have minimum any one of the following educational qualification as on the date of application :</p> <p>a) Graduation in any field b) Chartered Accountant c) Company Secretary d) Cost Accountant e) Diploma in Engineering</p> <p>The applicants applying under the category of 'SKO dealers of OMCs', should have passed minimum X<sup>th</sup> standard examination or equivalent from a recognized Board.</p> <p>The Educational Qualification criteria is not applicable for applicants belonging to Freedom Fighter (FF) category.</p>	<p>Have passed minimum X<sup>th</sup> Standard examination or equivalent from a recognized Board.</p> <p>Same as for Regular Distributorship.</p> <p>Same as for Regular Distributorship.</p>
Age	<p>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 &amp; FF category &amp; applicants belonging to the category of 'SKO dealers of OMCs'.</p> <p>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.</p> <p>For applicants belonging to the category of "SKO dealers of OMCs", maximum upper age limit shall be 60 years as on date of application.</p> <p>There is no age restriction for applicants applying for locations reserved under FF category.</p>	<p>Same as for Regular Distributorship.</p> <p>Same as for Regular Distributorship.</p> <p>Same as for Regular Distributorship.</p> <p>Same as for Regular Distributorship.</p>
Finance	<p>Have minimum amount of Rs 15 lakhs for Urban markets and Rs 10 lakhs for Urban-Rural &amp; Rural markets respectively in the name of applicant or family members of the 'Family Unit'</p>	<p>Have minimum amount of Rs 4 lakhs in the name of applicant or family members of the "Family unit" of the applicant as the closing balance on the last date of submission of</p>



	<p>of the applicant as the closing balance on the last date for submission of application.</p> <p>The financial instrument(s) as mentioned above cannot be offered by more than one applicant for the same Regular Distributorship location of the advertisement.</p> <p>In case of locations reserved under 'SC/ST' category, minimum fund requirement is <b>Rs 5 lakhs</b> for Urban Markets and <b>Rs 2.5 lakhs</b> for Urban-Rural &amp; Rural Markets respectively.</p>	<p>application.</p> <p>The financial instrument(s) mentioned for above amount cannot be offered by more than one applicant for the same RGGLV location of the advertisement.</p> <p>In case of locations reserved under 'SC/ST' category, minimum fund requirement is <b>Rs 2 lakhs</b>.</p>
Land for Godown	<p>The applicant should <b>own</b> as on the last date for submission of application a plot of land of minimum dimensions 25 mtr. x 30 mtr. (within 15 km from municipal/ town/ village limits of the location offered in the same State) for construction of LPG Godown for storage of 8000 Kg of LPG in cylinders <b>OR</b> a ready LPG cylinder storage godown (within 15 km from municipal/ town/ village limits of the location offered in the same State) of 8000 Kg capacity.</p> <p>The same piece of land for godown/ godown cannot be offered by more than one applicant for a particular location against an advertisement.</p> <p>The land 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. It is the responsibility of the selected candidate to observe and perform the provisions of all rules and regulations, Government or municipal or local or such like acts, laws, regulations, bye laws as may be enforced from time to time w.r.t. land for construction of godown/ LPG Godown.</p> <p>The selected candidate has to ensure that an all weather motorable approach road (public or private road connecting to the public road) of</p>	<p>The applicant should <b>own</b> a plot of land of minimum dimensions <b>21 mtr. x 26 mtr.</b> for construction of LPG Godown for storage of 5000 Kg of LPG in cylinders at the advertised RGGLV location <b>OR</b> a ready LPG cylinder storage godown of 5000 Kg capacity at the advertised RGGLV location.</p> <p>The same piece of land for godown/ godown cannot be offered by more than one applicant for a particular RGGLV location against an advertisement</p> <p>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 selected candidate must observe and perform the provisions of all rules and regulations, Government or municipal or local or such like acts, laws, regulations, bye laws as may be enforced from time to time w.r.t. Land for construction of godown/LPG godown. The plot of land or ready LPG cylinder storage godown should be freely accessible through all weather motorable approach road (public road or private road connecting to the public</p>

	<p>minimum 2.5 metre width is made available to provide access of LPG Cylinder Truck to the offered land for godown /LPG Godown. In case of private road connecting to the Public Road, the same should be either owned/registered lease or having a right of way from the owner(s) of the land. The selected candidate is allowed to make the approach road available within the time frame as specified in the LOI.</p> <p><b>‘Own’ means having ownership title of the property or Registered lease deed having minimum 15 yrs of valid lease period commencing on any day from the date of advertisement up to the last date of submission of application as specified either in the advertisement or corrigendum (if any).</b> The applicant should have clear ownership as defined above in the name of self / member of “Family Unit” / parents &amp; grandparents (both maternal and paternal) of the applicant as on last date for submission of application as specified either in the advertisement or corrigendum (if any).</p>	<p>road) of minimum 2.5 Meter width. In case of private road connecting to public road, the same should either be owned/ registered lease or having right of way. The selected candidate is allowed to make the approach road available within the time frame as specified in the LOI.</p> <p><b>‘Own’ means having clear ownership title of the property in the name of applicant/family member(s) of the ‘Family Unit’ or land belonging to parents &amp; grandparents (both maternal and paternal) of the applicant as on the last date for submission of application.</b></p>
<p>Showroom</p>	<p>The applicant should own a suitable shop of minimum size 3 mtr. x 4.5 mtr. in outer dimension or a plot of land for construction of showroom of minimum size 3 mtr. x 4.5 mtr. as on last date for submission of application as specified in the advertisement or corrigendum (if any) at the advertised location i.e. within the municipal/town/village limits of the place which is mentioned under the column of ‘location’ in the advertisement. It should be easily accessible to general public through a suitable approach road.</p> <p>The same piece of land for showroom/showroom cannot be offered by more than one applicant for a particular location against an advertisement.</p>	<p><b>Showroom is not an eligibility criteria for an RGGLV.</b></p> <p>However, a showroom of the dimensions <b>2.6 mtr. X 3 mtr.</b> is to be constructed which could be near the Godown or in an existing nearby shop falling within a maximum distance of 500 meters from the Godown site in the same village.</p>

<p>Multiple dealership/distributorship norm</p>	<p>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 OMC.</p> <p>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.</p> <p>Also, Multiple Distributorship norm shall not be applicable to retailers/distributors appointed by PSU OMCs for exclusive marketing of NDNE LPG cylinders. However, in case of selection of any applicant who holds NDNE retailership/ distributorship or LOI of any OMC in his name or any member of 'Family Unit' will have to surrender their retailership/distributorship or LOI prior to issue of LOA for RGGLV.</p>	<p>Same as for Regular Distributorship.</p> <p>Same as for Regular Distributorship.</p>
<p>Other</p>	<p>Not be a family member of an employee of Oil Marketing Companies as on date of application. Be physically and mentally sound to be able to run the business.</p> <p>Neither have been convicted nor charges been framed by any Court of Law for any criminal offence involving moral turpitude/ economic offences.</p> <p>Not be a signatory to Distributorship/Dealerships Agreement terminated on account of proven cases of malpractice/adulteration of any Oil Company or not having resigned from Sole proprietorship of any dealership/distributorship of any oil company in order to transfer the dealership/distributorship in favour of</p>	<p>Same as for Regular Distributorship.</p> <p>Same as for Regular Distributorship.</p> <p>Same as for Regular Distributorship.</p> <p>Same as for Regular Distributorship.</p>

	any of his/her family member(s).	
--	----------------------------------	--

**Specific Eligibility Criteria for existing SKO Dealers of OMCs:**

- 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.
- SKO Dealers operating as a Partnership Firm or Society or Company are not eligible to apply.
- He 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.
- Common eligibility criteria as specified above shall also be applicable to SKO dealers.

**5. NON-INDIVIDUAL APPLICANTS**

For Regular Distributorships, Non-individual applicants can also apply. Non-individual applicant means Government Bodies/Agencies, 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 are also eligible for applying for a Regular LPG Distributorship.

**6. SELECTION PROCESS**

A Committee of the concerned Oil Company will do scrutiny of the application based on the information given in the application. 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.

However in case of RGGLV, selection will be done by draw of lot first out of all eligible applicants who are residents of the Gram Panchayat of the advertised RGGLV location. In case if no eligible candidate from the Gram Panchayat is found or the list of eligible candidates from the Gram Panchayat is exhausted, then only the draw would be conducted from the list of eligible candidates residing in the Taluka/Tehsil of the advertised location.

Candidate Selected in the draw have to deposit an amount equivalent to 10% of the applicable Security Deposit, after which Field Verification of Credentials (FVC) of selected candidate is undertaken. The applicable Security Deposit is as under :

	Regular Distributorships			RGGLV
	Urban	Urban-Rural	Rural	
Security Deposit	Rs 5.0 Lacs	Rs 2.5 Lacs	Rs 2.5 Lacs	Rs 2.0 Lacs
Amount to be deposited before FVC	Rs 50,000/-	Rs 25,000/-	Rs 25,000/-	Rs 20,000/-

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.

In Field Verification, if the candidate meets all the requirements as per policy guidelines, Letter of Intent (LOI) shall be issued to him. 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.

## **7. BASIC FACILITIES REQUIRED FOR OPERATION OF LPG DISTRIBUTORSHIP :**

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 & 5000 Kg LPG in cylinders for Regular Distributorships and RGGLVs respectively.

In case of Regular Distributorship, a Showroom of minimum dimensions 3 mtr. x 4.5 mtr. 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 and it should be easily accessible to general public through a suitable approach road.

In case of RGGLV, a showroom of the dimensions 2.6 mtr. X 3 mtr. be made available which could be near the godown or in an existing nearby shop falling within a maximum distance of 500 mtrs. from godown site in the same village.

In addition to the Godown for storage of LPG cylinders and Showroom, Delivery Vehicles will be required for Regular Distributorships 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. However, in case of RGGLVs, no delivery infrastructure is required as the LPG cylinders are given to the customers from the authorised licensed LPG Godown at applicable RSP.

In each case where an individual gets selected, his/her spouse (i.e wife/husband) would 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.

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.

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

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

- 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.
- Anonymous complaints will normally not be investigated.
- Complaints received against the applicant will be investigated only if the applicant is selected in the draw. However for RGGLVs, in case any complaint is received prior to draw alleging that the same land/godown has been offered by more than one applicant

for a particular location, such complaints will be investigated and till its disposal, further action for conducting the draw will be kept in abeyance.

- 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.

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.

## 9. 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 :

-Parameter	Regular Distributorship	RGGLV
Financial Assistance Scheme	<p>OMCs shall facilitate selected candidate in obtaining loan from scheduled commercial bank for providing 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.</p> <p>The margin money shall however be limited to Rs 1.0 Lakh for Urban market Distributorships and Rs 0.60 lakh for Urban-Rural &amp; Rural market Distributorship or 20% of the total project cost against which the loan has been sanctioned by Bank, whichever is lower.</p> <p>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.</p> <p>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</p>	<p>Candidate Selected for RGGLV locations reserved under SC/ST category will be provided a secured loan of Rs 1.0 Lakh for construction of Godown/other facilities by the concerned OMC. This amount will be recovered on per refill basis at the rate of 20% of distributor's commission for 14.2 kg cylinders as per policy.</p> <p>For RGGLV locations reserved under SC/ST category, the concerned Oil Company will provide adequate working capital loan for operation of the RGGLV at an interest rate of 11% per annum on reducing balance. Both, the working capital loan as</p>

	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.	well as interest will be recovered in 100 equal monthly instalments from 13th month of commissioning of the RGGLV.
--	---	--

## 10. SECURITY DEPOSIT

The selected candidate before being issued the appointment letter will have to deposit interest free refundable security deposit to the respective OMCs as under :

	Regular Distributorships			RGGLV
	Urban	Urban-Rural	Rural	
Security Deposit	Rs 5.0 Lacs	Rs 2.5 Lacs	Rs 2.5 Lacs	Rs 2.0 Lacs

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.

## 11. 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.

In case of RGGLV, in addition to the above the LOI holder is given training on basic computer operating skills required for distributorship operations. A separate practical test is also to be taken by the selected candidate to know the basic computer operating knowledge, in which he has to score minimum 80% marks. In case selected candidate secures less than 80% marks, re-training would be given and re-test conducted.

RGGLV selected candidates having qualification only up to Senior Secondary i.e. (10+2) would be required to acquire basic IT knowledge/skills before they start operating the RGGLV distributorship. Such candidates will have to undergo a short duration course of minimum one month period conducted by a Computer Institute specializing in the area of Training/providing basic IT skills including various components and application areas of the computer system. The selected candidate would be required to submit a certificate of having completed such course before the commissioning of RGGLV.

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.

## 12. TENURE OF DISTRIBUTORSHIP

The tenure of LPG Distributorships shall be as under :

Parameter	Regular Distributorship	RGGLV
Tenure of LPG Distributorships	<p>The tenure of the HP Gas &amp; 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.</p> <p>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.</p>	<p>The tenure of the RGGLV shall be for an initial period of 5 years subject to terms and conditions of the agreement and shall be renewable at the discretion of the Corporation in terms of prevailing guidelines.</p>

## 13. 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.

\*\*\*\*\*



