

## **OMCs POLICY ON DOOR-TO DOOR DELIVERY (DDD) OF HIGH SPEED DIESEL THROUGH START-UPS**

There is a considerable demand of HSD for stationary equipment like generator sets, earth moving equipment, heavy machineries used in construction sites, mobile towers, etc. and these may not have facility / resource to store HSD. There is a demand from such customers for delivering HSD at their door steps.

Govt. of India under the aegis of Department for Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry is promoting Start-ups for engaging new entrepreneurs in innovative business solutions. Ministry of Petroleum & Natural Gas also has envisaged the novel concept of reaching HSD to the door steps of customers by engaging Start-ups. In view of above and to enable such Start-ups to engage in the reselling of HSD, this policy has been framed.

This scheme can be availed only by Start-ups registered and recognized by DPIIT, MoC&I. Start-ups will be required to register themselves as “DDD Resellers” of Oil Marketing Companies (OMC) and will also be required to sign an Agreement with the concerned OMC. Such start-ups will be called FuelEnts (Fuel + Entrepreneurs). Eligible Start-ups registered as “DDD Resellers” will be able to procure HSD directly from supply locations of OMCs or its Retail Outlets, having facility for loading of such Mobile Dispensers.

Start-ups will be required to obtain requisite statutory approvals / licenses for operation of the Mobile dispensers from PESO and Certificate for dispensing of fuel from Department of Legal Metrology. They would also have to comply with other statutory requirements pertaining to VAT, GST, Motor Vehicle Act, etc. as applicable under State/Central Govt. regulations. In other words, provisions of Essential Commodities Act, Control Orders and other statutory requirements of PESO, Weights & Measures, Taxation, etc. would apply to Mobile Dispensers. All statutory approvals and Licenses has to be obtained by the Start-ups in their name and will carry out periodic renewal of such statutory licenses / approvals as per the requirement of statutory norms at their own cost.

## **Scheme for Door to Door Delivery (DDD) of HSD through Start-ups**

The scheme for DDD of HSD is purely a business proposition wherein the Start-ups are expected to themselves assess the business potential and benefits of the scheme prior to making decision for any investment. Following guidelines for engaging Start-ups and further operations are proposed for taking this initiative forward:

1. Start-ups registered with Department of Promotion of Industry and Internal Trade (DPIIT), Ministry of Commerce & Industry (MoC&I) on website [www.startupindia.gov.in](http://www.startupindia.gov.in) shall only be considered by OMCs.
2. Such Start-ups shall be called “**FuelEnts**” (**Fuel + Entrepreneurs**).
3. Capsule advertisement shall be brought by OMCs, seeking application from the interested Start-ups for registration/enrolment as “**FuelEnts**”.
4. Registration fees per start up shall be **Rs. 10,000** per OMC. (taxes as applicable & non-refundable).
5. Following details are to be mentioned in the application by the applicant:
  - Supply locations of OMC for loading the Mobile Dispenser
  - Number of Mobile Dispensers.

Subsequent to the registration of Start-ups (FuelEnts), provisional Agreement will be signed with eligible Start-ups (FuelEnts), who will be required to put up the Mobile dispensers with all requisite statutory approvals / licences to commence the purchase of the product from OMC. Thereafter, eligible Start-ups (FuelEnts) will be able to procure HSD directly from supply locations of OMCs, having facility for loading of such Mobile Dispensers. In addition to Supply Locations of OMCs, Start-ups (FuelEnts) may procure HSD from any Retail Outlet of OMCs having facility for loading such Mobile Dispensers as per PESO norms.

6. **Interest free refundable Security Deposit (SD)** of Rs. 1 lakhs per start up to be submitted by the FuelEnt before signing the agreement. This SD shall be against the violation of any regulatory guidelines and breach of terms and conditions of “FuelEnt” agreement.
7. The Security Deposit will be refunded to the FuelEnt upon completion of the agreement period provided the agreement is not terminated due to violation of any regulatory guidelines or breach of terms and conditions of “FuelEnt” agreement.
8. “FuelEnts” shall be registered with OMCs as a **DDD Reseller**.
9. FuelEnt agreement shall be executed on **completion of the fabrication of Mobile Dispenser and PESO license / statutory licenses** (principal to principal agreement).
10. One **FuelEnt** can have Agreement with multiple OMCs on payment of Application fee & Security Deposit.
12. Agreement shall be for a **period of ten years**. After successful completion of the period, the agreement can be extended further on mutually agreed terms and conditions.
13. In case of any **Q&Q complaint**, OMCs shall forward to DSO (District Supply Officer) / State Govt. agency.
14. For smooth and safe operation, SOPs issued by PESO / OMC supply location shall be a part of the agreement.
15. “**FuelEnts**” to purchase Public Liability Insurance to cover public loss arising out of accidents.

16. **Mobile** Dispensers should be **empty** when reporting to the Terminal/Depot for filling. There shall not be any dead stock in Mobile Dispensers when reporting to the Terminal/Depot.
17. **OMCs'** responsibility with regard to **Quality, Quantity, safety, handling of the product** will cease as soon as the Mobile Dispenser leaves the OMC Terminal/Depot premises.
18. **FuelEnts'** shall be solely responsible for **compliance** of PESO / Legal Metrology / MS HSD Control Order / state tax liabilities and any other applicable statutory norms while uplifting and delivering HSD to the customers.
19. **Pricing** will be decided by OMC as per their own internal policy.
20. All tax liabilities/license fee/statutory payments shall be borne by "**FuelEnts.**"
21. Sales by Mobile Dispenser is to be made only to those equipments in line with the Petroleum Amendment Rules, 2019 as notified by Ministry of Petroleum and Natural Gas in the Gazette of India : Extraordinary dated 29<sup>th</sup> May, 2019 vide G.S.R. 384(E).
22. Mobile Dispensers shall be deployed, maintained and operated through trained staff by "FuelEnt" at their own cost. Trained staff should be able to handle safety equipment and handle exigencies.
23. Based on the market information regarding the start-ups network, concentration of industries and potential for door to door delivery of HSD, OMC shall put the facility for loading mobile dispensers at few supply locations to start with depending upon the feasibility at the OMCs Supply

locations in line with PESO norms. Further depending on the requirement, facilities would be added in other feasible supply locations.

24. SOP (by OMCs) for loading of Mobile Dispenser at Supply Location and SOP (by PESO) for loading at Retail Outlet and dispensing at Customer location will be part of this policy document. SOP for loading Mobile Dispenser at Supply Location is enclosed with this policy document. SOP (from PESO) for loading at Retail Outlet and dispensing at Customer location is under revision, will uploaded once firmed up.

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