

**Indian Oil Corporation Limited
Delhi Indane Divisional Office**



Ref. No.: DAO/LPG/NDNE/21-22

Date: 02.02.2022

Subject: Approval of area of operation & release of advertisement for appointment of new NDNE LPG Retailers in Delhi

Background:

1. Delhi Indane DO initiated note Ref. No. DAO/LPG/NDNE/21-22 dated 20.10.2021 for approval of appointment of 5 nos. of NDNE retailers in Delhi but ED (LPG) has approved appointment of 3 NDNE retailers (1 each in three proposed districts North Delhi, North East Delhi and West Delhi). **Annex-A**
2. As per Y2 data of Delhi market, present volume of NDNE which is being catered to by OMCs is approx. 4000 MT per month. Considering total industry sales volume including, IOCL share out is 58.8% during FY 2021-22 till Dec'21. Delhi Indane DO has registered loss of market share in NDNE by 2.2% during April-Dec'21.
3. To tap the market from OMCs, stiff competition and gain market share, we need to have dedicated NDNE retailers who will go aggressively in the market across the Delhi for selling NDNE LPG. Out of 11 districts in Delhi, 3 districts (North Delhi, North East Delhi and West Delhi) have very low NDNE market share of IOCL as compared to other districts as well that of Delhi in total.

District Name	MARKET SHARE 2021-22			MARKET SHARE (+/-)		
	BPCL	HPCL	IOCL	BPCL	HPCL	IOCL
CENTRAL DELHI	5.9%	5.8%	88.3%	2.4%	2.2%	-4.6%
EAST DELHI	39.8%	1.4%	58.8%	4.4%	0.2%	-4.6%
NEW DELHI	19.6%	0.0%	80.4%	6.1%	0.0%	-6.1%
NORTH DELHI	21.8%	46.5%	31.8%	9.0%	-18.3%	9.3%
NORTH EAST DELHI	62.2%	8.6%	29.3%	41.0%	-54.9%	13.9%
NORTH WEST DELHI	29.0%	1.6%	69.4%	-3.1%	0.4%	2.7%
SHAHDARA	33.9%	0.6%	65.5%	7.4%	0.0%	-7.4%
SOUTH DELHI	29.9%	7.2%	62.9%	5.2%	0.1%	-5.3%
SOUTH EAST DELHI	11.0%	22.8%	66.2%	2.1%	5.2%	-7.3%
SOUTH WEST DELHI	47.6%	7.5%	44.9%	3.3%	1.2%	-4.5%
WEST DELHI	21.1%	39.3%	39.6%	10.0%	6.1%	-16.1%
Grand Total	25.3%	15.9%	58.8%	5.1%	-2.9%	-2.2%

4. Since Delhi market is single market, availability of land in Delhi and geographical area districts is very less, following is proposed for setting up NDNE retailer:

S. No.	Location of NDNE Retailer	District	Area of operation
1	North Delhi	North Delhi	Entire Delhi
2	North East Delhi	North East Delhi	Entire Delhi
3	West Delhi	West Delhi	Entire Delhi


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5. To capture the additional market these NDNE distributors will play a major role to mop up the NDNE LPG business and also will be instrumental to secure business from BPC/HPC in other districts also where BPC/HPC have either commissioned NDNE retailers / released advertisement for appointment of NDNE retailer.
6. As per policy guidelines on appointment and operation of NDNE LPG Retailers circulated vide circular no. HO/LPG-Str/1003/2018 dated 06.04.2018 **(Annex-B)**, CGM (LPG) DSO is competent authority to approve area of operation of NDNE LPG retailers and ED & SH, DSO is competent authority for release of advertisement inviting applications for appointing NDNE LPG Retailers.
7. The locations identified will be advertised in 2 newspapers (one English and one vernacular) for wide publicity and circulation in area. Same shall also be posted on Indian Oil website.

Justification:

1. Delhi Indane DO has consecutively registered gain in NDNE market share during FY 2016-17 to FY 2020-21 which led to have high base volume as well as market share in NDNE LPG of IOCL Delhi. In order to meet high base volume and improve our market share in NDNE LPG, we need to have dedicated NDNE retailers who will go aggressively in the market for selling NDNE LPG in the market
2. BPC / HPC had invited applications for appointment of NDNE retailers in Delhi during October 2020 **(Annex-C)** and they have commissioned some NDNE retailers in Delhi in last 1 year which had impact on NDNE market share of IOCL. To avoid further loss and have strong competition with BPC/HPC, commissioning of new NDNE LPG distributor in the high selling market is very much needed.
3. In Jan'22, HPC has again released advertisement for appointment of NDNE retailers in West Delhi, North West Delhi and South West Delhi. **Annex-D**
4. Presently the regular Distributors are selling NDNE LPG in the market in addition to the normal day to day sale of domestic LPG. Most of the distributors are tied up with sale of domestic LPG cylinders and need to comply with many formalities set by IOCL as well as Statutory Bodies. While doing so they are unable to devote time for the NDNE LPG market. In current scenario of high competition, regular distributors are unable to retain / improve NDNE sales.
5. The NDNE LPG Retailer will devote his full time for sale of commercial packed LPG cylinders, which the present distributors are unable to do. For the


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survival of their own entity the NDNE LPG Retailer have to exercise their full effort which was not present in case of regular LPG distributors, as their survival is substantiated by selling normal domestic LPG cylinder, hence, their area of operation should be entire Delhi to have fruitful results.

6. These NDNE distributors will play a major role to mop up the NDNE LPG business and also will be instrumental to secure business from BPC/HPC in other districts also where BPC/HPC have either commissioned NDNE retailers / released advertisement for appointment of NDNE retailer.

Approval:

1. In view of above, CGM (LPG) DSO is requested to kindly consider and accord approval for finalizing above mentioned three locations & area of operation for setting up NDNE retailers in Delhi in line with policy guidelines on appointment and operation of NDNE LPG Retailers circulated vide circular no. HO/LPG-Str/1003/2018 dated 06.04.2018. A2
2. ED & SH, DSO is requested to kindly consider and accord approval for release of advertisement in news paper for inviting applications for appointing NDNE LPG Retailers at North Delhi, North East Delhi and West Delhi in line with policy guidelines on appointment and operation of NDNE LPG Retailers circulated vide circular no. HO/LPG-Str/1003/2018 dated 06.04.2018 and DOA 7.01(a). B

(Signature)
2/2/2022

(Abhishek Garg)
Manager (LPG-S), Delhi IDO

Recommended for approval
(Signature)

Divisional LPG Head, Delhi IDO

2/02/2022

Recommended for approval
① for Area of Operation of new NDNE retailers by CGM (LPG), DSO and
② for release of advertisement for appointment of new NDNE Retailers by State Head.
as mentioned in "A" & "B" above respectively as per relevant HO policy dated 6/4/18.

(Signature)
DGM (LPG-S), DSO

(Signature)
4/2/22

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CGM (LPG), DSO

① Approved for ~~Area~~ area of operation.

② Recommended for B.
A. V. Kumar
14.02.2022

ED & SH, DSO


14/02/22.