

LETTER OF INTENT

Ref: MZP.NRO.676.CHAINWA ON NH -85

Date: 16.06.2020

To

Ms. Ladlee Singh
D/o - Manoranjan Singh
Village - Bhajauna,
Po - Nachap, Ps - Manjhi
Dist - Saran, Bihar - 841208

Dear Sir,

Sub : Proposed MS/HSD Retail Outlet Dealership at Location Within 4km of Chainwa on NH-85(new NH 531) on either side, District - Saran, State-Bihar - Category: Open

We refer to our advertisement dated 25.11.2018 and your application form No. 15453134125143 for the award of MS/HSD Retail Outlet dealership at the above location and the subsequent draw of lot held at Hotel Shree International, Main Road, Maipur Muzaffarpur on 06.12.2019.

Please be informed that by this Letter of Intent, we propose to offer you a Retail outlet dealership of Bharat Petroleum Corporation Limited at the above location on the following terms & conditions:-

You have offered a suitable piece of land admeasuring minimum 35 meters (frontage) X minimum 45 mtrs (depth) at survey no Khata no 217, Khesra no 664, as indicated by you in the application for the development of the subject Retail Outlet. You have to make available this land within 2 months from the date of this letter failing which this offer is liable to be withdrawn.

For making the land available as required above, you will ensure that the land arranged by you is either registered in your name or it should be leased to you for a minimum period of 19 years & 11 months

As and when advised by the Corporation, the site offered by you would be duly developed up to the road level by cutting/filling (as applicable), with good earth/murum, layer-wise compacted as per standard engineering practices. You shall also construct necessary retaining wall and compound wall of 1.5 meters height, designed as per site conditions as per approval of Corporation as committed under Clause 12 (e) of affidavit submitted by you along with application. Kindly note that in case the site as offered by you for putting up the Retail Outlet is not developed as per the advice of the Corporation, this Letter Of Intent will be withdrawn without any further notice.

You will provide at the retail outlet infrastructural facilities like Driveway, Sales Office, Show room, Store, Toilet, Generator, Compressor, with room, electrical connection up to the sales building, Yard lighting, water connection / bore well and staff room as mentioned in the Brochure and after obtaining necessary clearances/approvals/licences as applicable in each case.

In addition, you will also provide the following basic facilities at your cost at the Retail Outlet premises:-

- Clean drinking water.
- Free Air.
- Clean toilet.
- Telephone.
- First aid kit with valid medicines.



- f. Adequate illumination.
- g. PUC facilities, wherever it is mandatory.
- h. Other facilities-as may be specified by the Corporation from time to time.

Additional facilities (site specific) like Canopy, Service Station or any other facility as may be decided by Bharat Petroleum Corporation Limited from time to time would also be required to be developed by you.

Bharat Petroleum Corporation Limited will provide storage tanks and pumps and other facilities considered necessary at the Retail Outlets.

For the facilities that may be provided by the Corporation as aforesaid, you will be required to pay license fee as may be decided by the Corporation and applicable to you from time to time. At present, the license fee (incl. GST) recoverable is Rs. 196.51/KL for MS and Rs. 163.76/KL for HSD.

The corporation will not be held liable for any loss or damage on account of delay that may be caused in providing you the facilities mentioned above whatever may be the cause of the failure or delay.

You will ensure all financial and other arrangements for operating the retail outlet dealership.

In case it is found that the funds stated in the application for the purpose of setting up and operation of the dealership are not made available as and when required, this LOI can be withdrawn and you will have no claim/damages whatsoever against the Oil Company.

You shall not induct any partner(s) in case of individual (s) nor make any changes in the constitution of the partners as existing at the time of application without approval of the Company, except your spouse as per terms and conditions of the Bharat Petroleum Corporation Limited.

It will always be a basic condition for the award of MS / HSD retail outlet dealership that you shall be paying attention towards day to day working of the dealership by personally managing the affairs of the dealership you will give us a written undertaking to this effect and shall not assign or part with the same to any other person (s).

You will not be eligible for taking up any employment. If you are already employed you 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.

You will deposit with us a Demand Draft for Rs 450000/- (Four lakhs Fifty thousand) drawn on any scheduled bank in favour of Bharat Petroleum Corporation Limited payable at Muzaffarpur towards security Deposit (after setting of the Initial Security Deposit amount) at the time of issuance of appointment letter after compliance of all the requirements of LOI. Kindly note that the Security deposit will not carry any interest and is refundable at the time of expiry of agreement between you and the Corporation. However, if such expiry of agreement is consequent to proven adulteration/malpractice at the dealership, this amount will be forfeited. Moreover, this Corporation reserves its right to adjust this amount towards any dues to it.

You will also remit an amount of Rs. 1500000/- (Fifteen Lakhs) towards Non-refundable Fixed fee, by way of a Demand Draft for Rs 1500000/- (Fifteen Lakhs) drawn on any scheduled bank in favour of Bharat Petroleum Corporation payable at Muzaffarpur within 15 days of receipt of NOC.

You will be notified by the corporation, in writing, after the facilities mentioned above are made available and are ready for commissioning the dealership. Immediately on receipt of the above notice from the corporation, you shall obtain each and every license necessary for operating your dealership as may be required under any central / state govt. / municipal or local authorities for the time being in force.



If we find that the progress made by you towards the above is not to our satisfaction, this offer is liable to be withdrawn.

Please note that you are required to fulfil the conditions with regard to inducting Spouse as Co-owner in the dealership before issuance of Letter of Appointment.

This letter of intent will stand automatically withdrawn and cancelled on the happening of any of the following events:-

- In case you or any of your family members (as defined under disqualification criteria of dealer selection guidelines) receive anytime or have received a letter of intent for any other "A/CC" site RO dealership or LPG distributorship from our company or any other oil marketing company either in your individual capacity or in partnership with any other individual(s).
- In case you or any of your family member gets inducted as partner or proprietor in "A/CC" site RO dealership or LPG distributorship of our company or any other oil marketing company.
- If it is found that you have suppressed and / or misrepresented any material facts in your application.
- In case you are found to be convicted for any criminal / economic offence involving moral turpitude.
- In the event of death if you are an individual/partner.

In case you are not able to provide the land / develop facilities within the specified time or fail to fulfill the terms & conditions of LOI, then LOI can be withdrawn. In such situations Initial Security Deposit (ISD) would be forfeited.

The Initial Security Deposit (ISD) would also be forfeited if you are unable to submit the total bidding amount within the stipulated time or withdraw for any reason, your selection would be treated as cancelled and LOI withdrawn.

The LOI would also be withdrawn and selection cancelled, if you are unable to submit the Non-refundable fixed fee within the stipulated time. In such situations Initial Security Deposit (ISD) would be forfeited.

You will not sell/lease/mortgage the said land to any third party without BPCL's permission in writing, so long as the agreement (DPSL) is valid and BPCL's facilities continue at the site.

In case of termination of / resignation from the dealership, within 3 months of disassociation BPCL, you will execute a lease or will sub lease the land together with structures thereon to the company if the company so desires, for a period not exceeding 30 years at normal yearly rental (excluding Municipal Taxes) which shall not be more than 10 % of the then prevailing market value of the land and the structures standing thereon.

This letter is merely a letter of intent and is not to be construed as a 'firm offer' of dealership to you. The dealership will be allotted to you on your complying with the terms and conditions spelt out herein above by issuance of appointment letter along with signing of our standard dealership agreement between you and us.

This allotment would be liable for cancellation in the event of adverse decision in the proceedings (Please specify the proceeding) pending against the dealership/distributorship held by you/member(s) of your family unit (as defined in the Dealership Selection Guidelines) under critical/major irregularities for violation of Marketing Discipline Guidelines/Dealership Agreement, Control Orders or ESMA. You will not be entitled for any claim, damages, etc. in case of cancellation of allotment in such an eventuality. (This clause is applicable for those dealerships/distributorships against whom proceedings are pending as confirmed in the application)



Should you require any further details / guidelines, please get in touch with our office at the address mentioned below:

Muzaffarpur POL Depot
Bharat Petroleum Corporation Limited
Village – Sherpur, Near Narayanpur Anant Railway Station
NH-28, P.O – MIT, Bela, Muzaffarpur - 842005

Note : You have one time option to offer alternate land meeting all specifications in the advertised location/stretch within 90 days of this LOI provided you have not availed such opportunity of providing alternate land after FVC.

"In case access permission for Retail Outlet from NHAI for the land offered by you at survey No. Khata no 217, Khesra no 664 is not received, then this LOI will be withdrawn and your candidature will be considered as per guidelines treating the land offered is not suitable / meeting requirements and is rejected."

Please acknowledge receipt of this letter.

Thanking you,

Yours faithfully,

For Bharat Petroleum Corporation Limited

Uttam Mhz

Territory Manager (Retail) Muzaffarpur

ACKNOWLEDGEMENT

I / we hereby accept this Letter of Intent with all the terms and conditions stipulated therein.

I/We do hereby confirm that I/we am/are eligible for allotment of Retail Outlet dealership as per applicability of Multiple Dealership Norm defined under Clause "Disqualification" in the "Brochure for Selection of Dealers for Regular & Rural Retail Outlets" and I am / we are not disqualified for allotment of Retail Outlet dealership under other conditions mentioned therein.

I/We confirm that in the event of any proceedings pending against the dealership/distributorship (Court cases, Show Cause notices, etc.), on account of critical/major irregularities for violation of Marketing Discipline Guidelines/Dealership Agreement, Control Orders or ESMA, held by me/us or my family unit / any member/s of our organization (as defined under Multiple dealership norm for individuals/non-individuals of Disqualification criteria); the allotment made will be conditional and subject to the outcome of such proceedings. I/We understand that I/we will also not be entitled for any claim, damages, etc. in case of cancellation of allotment in the event of adverse verdict in such pending proceedings.

Place: Muzaffarpur

Signature: Ladlee Singh

Date: 16.06.2020

Name: LADLEE SINGH