

<On HPCL Letter Head>
<Letter of Intent Template>

HAND DELIVERY

Ref:
Date:

Dear Sir,

Sub: Letter of Intent (LOI) for proposed Lube Distributorship against submission of security deposit of Rs 2.00 Lakhs

LOCATION:
STATE:

DISTRICT:

We refer to your application for Lube Distributorship and the subsequent interview held on _____ at _____.

We also refer to your submission of security deposit of Rs. 2.00 Lakhs vide DD No: _____ dated: _____ payable to HPCL. It is intended to offer you the Lube Distributorship at _____ on the terms and conditions as under:

1. That you will arrange a suitable covered godown (minimum area of 500 Sq.ft.) either owned by you or taken by you on long lease/rent for a minimum period of 5 years with a renewal option for a minimum period of 5 years within 45 days from the date of this letter.
2. You will arrange for a suitable Office space (min 150 Sqr Ft.), preferably in the vicinity of the godown as well as conveniently located to cater to the retailers/customers in the area being assigned to you for operating the distributorship.
3. That you will make all financial and other arrangements for operating the Lube Distributorship within 45 days from the date of this letter.
4. That you would arrange for a Bank Guarantee of minimum Rs. 5 Lakh from a nationalized scheduled bank within 45 days from the date of this letter.

5. That you will arrange to obtain the necessary registration for Sales Tax and any other statutory permission that may be necessary for commissioning and operating the subject Lube Distributorship within 45 days from the date of this letter.
6. That you will operate the distributorship personally full time.
7. That you will not induct any partner/s in the case of individual nor make any changes in the constitution of the partnership as existed at the time of application unless approved by HPCL. Similarly in case of a Co-operative Society, it shall not affect any change in its constitution without written prior approval of HPCL. If it is a limited company, it shall not cause or permit any substantial change in its Shareholding without informing and taking prior written approval of HPCL.
8. That you have to submit acceptance of resignation from your employer, in case you are employed prior to your being issued an appointment letter regarding the subject Distributorship. This should be completed within 45 days of this letter.
9. That you will arrange for the following other infrastructure requirements:
 - a) Computer with latest specifications:
 - b) Printer
 - c) E mail / Broad band Internet facility
 - d) Telephone
 - e) Tempos / trucks (numbers ____as per location / state in line with selection guidelines) for organizing delivery of the products
10. That you would arrange to employ ____sales staff (numbers as per location / state in line with selection guidelines), 1-2 Office staff and 1-2 loading/unloading staff who would be responsible for:
 - a) Soliciting new business in bazaar trade
 - b) Ensuring delivery of orders
 - c) Follow-up for collections in the bazaar
 - d) Carrying out Sales promotion activities.
11. In case you are not able to comply with any of the above LOI requirements within the stipulated time period of 45 days from this letter date, the LOI will be withdrawn and you will forfeit the security deposit of Rs 2.00 Lakhs.

This letter is merely a Letter of Intent and is not to be construed as a firm offer of Distributorship to you.

The Distributorship shall be formalized / confirmed by an appointment letter followed by signing of our standard Distributorship Agreement by both you and us after you comply with the conditions spelt out herein above and confirming the same to us.

Should you require any further details / guidelines in this regard, please get in touch with us.

Kindly acknowledge receipt of this letter.

Thanking you,

Very truly yours

Chief/Senior Regional Manager
Lubes / Direct Sales.