

No. L -21011/1417/2006-IOC
Government of India
Ministry of Petroleum & Natural Gas

Shastri Bhawan, New Delhi
Dated 11th May, 2011

To

The Director (Marketing),
Bharat Petroleum Corporation Limited,
Mumbai.

The Director (Marketing),
Hindustan Petroleum Corporation Limited,
Mumbai.

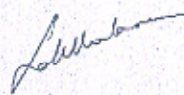
The Director (Marketing),
Indian Oil Corporation Limited,
Mumbai.

**Sub : Interest free security deposit for the retail outlet dealership of IBP Co. Ltd. at
Bhedia, Burdwan, West Bengal.**

Sir,

I am directed to refer to BPCL's letter No.RSHQ.POLICY dated 15th February 2007 on the above subject and to convey the approval of the Ministry to the proposal to adopt the following procedure on industry basis to decide the security deposit amount applicable in case of retail outlet dealerships :-

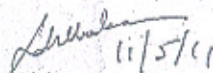
- (1) The security deposit amount will be indicated in the advertisement hitherto in respect of regular retail outlets as per the present system. However, the fact that this amount is only indicative and that the actual amount payable will be based on the trading area sales volume during the immediate previous financial year would be indicated in the advertisement.



....2/-

- (II) After the issue of Letter of Intent but prior to issue of letter of appointment the sales volume in the trading area would be re-worked out for the immediate previous financial year and the security amount decided based on this sales volume. However, there will no change in the quantum of security deposit from the present guidelines. There will, however, be no change in the security deposit amount applicable in case of Rural Retail Outlets of uniform Rs.10,000/- irrespective of any sales volumes.
- (III) The exact amount payable as security deposit would be indicated at the time of issuance of letter of appointment and not at the date of letter of intent as letter of appointment would give the correct estimated volume, and thereby the security deposit amount, in comparison to the letter of intent date which is issued much earlier.
2. The new policy will be applicable :
- (a) From the date of issue of this policy to all future advertisements for ROs.
 - (b) To all those ROs which are yet to be commissioned and in whose case security amount was not mentioned / indicated in the advertisement.
 - (c) Not to those ROs which are yet to be commissioned but security amount was indicated in the advertisement.
 - (d) To those ROs where advertisement has been made but no security amount is mentioned / indicated in the advertisement.
3. OMCs are requested to take further necessary action in the matter accordingly and send a report to this Ministry.

Yours faithfully,


11/5/11
(Lalchandama)

Under Secretary to the Govt. of India