

(I) INTRODUCTION:

HPCL has been marketing Non-Domestic Packed (NDP) LPG to meet requirements of commercial and industrial segment. The NDP-LPG marketing is largely being done by HPCL's regular LPG distributors. In few high potential markets, HPCL has appointed ND-LPG distributors for marketing NDP to commercial & industrial segments. HPCL also markets ND-Packed LPG directly to few high value customers by entering into contracts with them. In recent times, the NDP market has shown double digit growth as more industry and commercial establishments are adopting LPG as primary fuel. In order to establish presence in Industrial/commercial segments, HPCL has decided to appoint NDP LPG Energy Solution Providers and Suppliers (ESPS). The following selection guidelines are applicable for appointment of NDP ESPS by HPCL for selling Packed HP Gas in all sizes used by commercial & industrial segments other than domestic use LPG.

(II) CONTENT OF THE POLICY:

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(III) DETAILED GUIDELINES

(A) Newspaper Advertisement:

The locations where HPCL wishes to appoint new ESPSs will be advertised in one leading local English and one Vernacular Newspaper giving details like location, district, expected minimum volume etc. Further details on modality to apply and method of selection are uploaded on the website: <u>www.hindustanpetroleum.com</u> which the applicants are required to refer to and get themselves acquainted with the same.

B) Application Guidelines:



I. i) Eligibility criteria: An applicant can be an individual, a proprietorship firm, a partnership firm, LLP, a registered co-operative society or a Limited company (both public and private).

The eligibility criteria for the applicant are shown below. (Please note that all categories of applicants must meet the Common eligibility criteria applicable for all types of applicants, in addition to specific eligibility criteria applicable to specific types of applicants.)

The details are shown below:

a. Common for all type of Applicants:

- 1. Applicant should have a strong financial background and ability to generate a minimum of Rs.50 Lakhs in working capital on continuous basis.
- 2. Applicant should have executed 5 installations having cylinder banks of minimum 20 x20 cylinders within the last three years from the date of advertisement.
- 3. Applicant should have ready availability or can make available Office & LPG Godown or free unencumbered land suitable for LPG Godown close to commercial/industrial area. In case of land not available, he should be capable to provide for same within 45 days of the selection.
- 4. Applicant should not have been convicted of any criminal offence by any court of law.

All applicants need to submit affidavit in prescribed formats (Appendix (A1 / A2 / A3) as applicable as per type of applicant, attached with application form) regarding the same. The following provision should be noted:

NON-CONVICTION: Candidates convicted for any criminal offence and those against whom charges have been framed by a Criminal Court would not be eligible for ESPS Distributorship and if such a candidate is allotted the ESPS Distributorship by suppression of information, it will be cancelled even after appointment as a NDP-LPG ESPS.

- 5. Applicant should submit the affidavit (Appendix A1 / A2/ A3) as applicable as per type of applicant. Also necessary credit worthiness certificate as per prescribed format (Appendix A4) should be submitted.
- 6. Ex- ND LPG distributor / Lube Distributors / Lube CFAs / Retail Outlet Dealers / Domestic LPG Distributors / SKO / LDO Resellers of any OMC, who have been terminated, or delisted or put on holiday list in the past, are not eligible to apply during the period of 2 years of such termination and during the validity period of



their delisting/holiday listing. All applicants must attach **self-declaration** mentioning that they have not been terminated, delisted, holiday listed by any OMC as ND LPG Distributors / Lube Distributor / Lube CFAs / Retail Outlet Dealers / Domestic LPG Distributors/SKO/LDO Resellers anytime in the past. If there is a suppression of information or provision of false information by the applicant and if such a candidate is allotted the ESPS Distributorship, then the same will be cancelled/terminated even after his appointment as an NDP-LPG ESPS and necessary damages/costs will be recovered.

- 7. Applicants who are dealers or distributors or partners or hold a letter of intent in any Retail Outlet or Kerosene or LDO dealership or LPG distributorship or distributorship of any other petroleum product including Lubricants of any public sector oil company should submit a **self-declaration** with the application form stating that the applicant will:
- i. Obtain NOC from competent authority of the said public sector oil company regarding operating HPCL NDP-LPG ESPS on being selected.

OR

- ii. The applicant will resign from the dealership / distributorship and provide written acceptance of resignation of the said public sector oil company before issue of LOA (Letter of Appointment) of HPCL NDP-LPG ESPS.
 - 8. All applicants must attach a signed copy of the Draft ESPS agreement (after downloading from said website) along with the application form as an acceptance of the terms of the agreement.

ii) Additional eligibility criteria for specific applicant type:

b. Applicable for Individual / Proprietorship firm Applicants:

- 9. Indian by Nationality and resident of India
- 10. Not less than 21 years and not more than 60 years of age as on the 1st day of the month of advertisement.
- 11. Minimum Matriculation / SSC pass or possessing recognized equivalent qualification. Preference will be given to qualified professionals.

c. Applicable for Partnership Firm applicants:

Partnership firms having two or more partners are eligible to apply. Every partner should submit separate application form giving cross reference of the other



partners' application form number. While submitting the filled forms, application forms of all partners should be clubbed together and inserted in one envelope only. If called for interview, all the Partners must appear for interview together. Partnership deed, duly registered with the Registrar of Firms, is required to be submitted along with the application form for existing partnership firms. For proposed partnership firms, draft Partnership deed is required to be submitted along with the application form. Partnership deed (even for proposed deed) should not include any limited liability to the firm and to the individual partners.

In addition, every Partner should individually meet the below additional eligibility criteria (in addition to common eligibility criteria for all types of applicant):

- 12. Indian by Nationality and resident of India.
- 13. Not less than 21 years and not more than 60 years of age as on the 1st day of the month of advertisement.
- 14. Minimum Matriculation / SSC pass or possessing recognized equivalent qualification. Preference will be given to qualified professionals.

d. Applicable for Registered Co-operative Society applicants:

In case of applicants belonging to Registered Co-operative society, the following additional eligibility criteria are applicable (in addition to common eligibility criteria for all types of applicant):

- 15. The Society must be registered under relevant Co-operative society act and submit copy of the registration certificate.
- 16. Co-operative Societies making a net profit (profit after tax) of minimum Rs 10 Lakhs per year for the previous three consecutive financial years are eligible to apply. Copies of audited Balance Sheet and Profit & Loss statements for last three years are to be enclosed along with application form.
- 17. The Co-operative Society must pass appropriate resolution (copy to be attached) authorizing the person (not less than Director Level) to fill the application form and for appearing for interview on behalf of the Society.
- 18. In case of a Cooperative Society, education qualification criteria will not be applicable.

e. Applicable for LLP/Private Limited / Limited Companies applicants:

In case of applicants being LLP/Private Limited / Limited Company, the following additional eligibility criteria are applicable (in addition to common eligibility criteria for all types of applicant):



- 19. The Company/LLP must be registered in India under relevant Companies Act or LLP Act and shall submit the copy of registration certificate. In addition, copies of memorandum and article of association of the company; LLP Agreement should also be submitted. The memorandum should include clause which enables the company to carry out the business of ESPS as per advertisement.
- 20. Companies/LLP having net profit (profit after tax) of minimum Rs 10 Lakhs per year for the previous **three** consecutive financial years are eligible to apply. Copies of audited Balance Sheet along with CA certificate/ copy of Income tax return for last three years are to be enclosed.
- 21. The Company/LLP must pass appropriate resolution authorizing the person(s) (not less than at least one Director Level or Partner Level) to fill the application form and for appearing for interview on behalf of the Company/LLP. Copy of the resolution must be submitted along with the application form.
- 22. In case of a Limited company, education qualification criteria will not be applicable.

II. Provision of minimum* infrastructure facilities and manpower required for operating the ESPS:

An applicant has to provide the following minimum* facilities and manpower for the ESPS:

a. Facilities:

- Desirable Covered Godown* of approximate size 25m x 30m or capacity 8000kg LPG – Either owned or rented or leased. However respective Zones of HPCL can decide on the size of the plot on case to case basis subject to minimum godown capacity of 2000kg.
- 2. Office space (min. 150-200 Sq. Ft) Either owned or rented or leased. Office space can be part of the godown premises.

For both Godown & Office space, the applicant needs to submit:

- a. Owner-ship details, if owned by applicant, along with the site/land ownership documents
- b. In case owned by any of the family members, a willingness letter from the said family member in whose name the site/land is available to provide the same for use of NDP-LPG ESPS, along with land ownership documents.



- Family is defined as under:
- Father, Mother, Father-in-law & Mother-in-law
- Spouse
- Children
- Brother, Sister, Spouse's Brother & Spouse's Sister
- c. If the premises is leased/rented, the same should be for a minimum period of five years: attach copy of the registered agreement. The term of the lease/rent agreement should be valid for the period for which the distributorship agreement will be signed.
- 3. Computer with software
- 4. Broadband Internet
- 5. E-mail Facility
- 6. Printer
- 7. Telephone
- 8. Adequate number of Tempos / Trucks owned by applicant or leased

(Kindly note that the delivery vehicles should be having minimum capacity of 1-2 MT and should not be more than 5 years old on the date of advertisement. In case the same are owned by applicant, he/she should provide copies of the RC book with application form to establish his/her ownership. If leased, relevant leasing documents should be attached with the application form. In case they are not available, detailed plans to arrange for the same within 45 days of receiving LOI should be provided.)

*Note: The candidate, if selected will be required to provide facility as mentioned above. He should also ensure that adequate manpower as per the business requirement is appointed for carrying out the ESPS operations. The above is the minimum requirement for meeting the minimum volume criteria for the location. In case of further growth in market potential, the ESPS is expected to augment the infrastructure facilities, manpower and working capital as per advice of HPCL.

III. Provision of minimum* financial requirement for operating the ESPS:

a. Applicant should be able to provide minimum* working capital of Rs 50 Lakhs on a continuous basis for operating the ESPS. In order to establish this, the applicant has to produce details along with specified documentary evidence as per below format:

*Note: The above is the minimum requirement which will be published against the location for meeting the minimum volume criteria. In case of further growth in market potential, the ESPS is expected to increase the working capital as per the requirement.



Fund Type	Fund Details	Amount (Rs. Lakhs)	Attachment
Liquid Funds	Liquid Funds (Savings/Current Account / FD/RD/NSC/Govt. Securities/Any other liquid deposits)		Documents of ownership/Receipt/Certificates, etc.
	Commitment Letter from Bank/Financial Institution with Loan amount		Appendix A4
	Loans from Family members with commitment letter & details of assets		Appendix A5
Other than Liquid Funds	Any other funds viz. shares/mutual funds/Stock-in Trade with documentary evidence		Documents of ownership/Certification from issuing authority
	Total Amount		

Detailed Elaboration:

Applicable conditions for considering above mentioned forms of fund are detailed hereunder:

a) Liquid Funds

This includes;

1) Savings Bank / Current Account

For calculating average monthly balance, the candidate is required to furnish Saving Bank / Current Account details of last three completed months. The month in which the application is made will be treated as the current month. Month means calendar month, and "Last three months" means past three months excluding the current month. In case no entry is found for a particular month, previous month closing balance will be treated as highest balance for the instant month. Illustration as under:

Say: Date of Application: 10th May, 2017 and bank account statement of an applicant shows the following:



	Daily Bal (Rs.	Max Bal
Date	Lakh)	(Rs Lakh)
08 Feb 2017	33.00	
27 Feb 2017	56.00	56.00
01 March 2017	72.15	72.15
31 March 2017	23.16	
07 April 2017	16.18	
11 April 2017	45.19	45.19
	May will not be con	sidered
Sum of Max. Balances		173.34
Average of maximum		
balances		57.78

2) FD/RD/NSC/Govt. Securities/Any other liquid deposits

Date of all deposits should be prior to the date of Application. All the deposits should be in the name of applicant/Family and valid as on the date of interview. The family member's consent as per Annexure A5 is required for consideration of deposit in his name for the purpose of consideration of appointment of the applicant. Insurance policies should not be considered for evaluation.

b) Bank Offer Letter

An offer letter from scheduled bank (Appendix A4 of application form) indicating the amount of support likely to be extended in case applicant is awarded with HPCL ESPS. It should be clearly indicated that this amount of support should be in addition to the existing facilities the customer is enjoying from the bank. The date of the Bank Letter should not be prior to the date of advertisement and should also indicate the relationship (type and period) bank is holding with the applicant. The offer letter should be duly signed by an appropriate authority of the concerned bank on the bank letter head. The above mentioned document should be submitted in original.

c) Income:

Total Annual Income from all sources such as salary, property, business, agricultural, interest, dividend, rent earnings, royalty etc. during previous Financial year as per Income Tax Return of the last financial year and/or affidavit of income should be considered. In case of companies also, the Total Annual income to be considered.



b. Minimum working capital required is Rs 50 Lakhs per location. Applicant has to maintain minimum liquid fund requirement per location for 90 days from the closing date or till the issuance of LOI whichever is earlier. Also it should be noted that Liquid funds will have higher weightage in the evaluation of applicants. For details, please refer marking illustration section.

c. All the above Funds must be held in the name of the applicant.

d. Jewelry will not be considered under any asset class.

e. In case of Companies, the above evaluation will be only for stand-alone company and not for either its holding or subsidiary or JV companies.

f. In case of Balance Sheet evaluation, accounts receivables and stock-in-trade will not be considered as liquid assets but can be considered under "Other than Liquid Funds (any other funds)"

IV. Other Application Guidelines:

a. The Application Fee is Rs 10000/- per location.

b. Multiple ESPS Norms: If an applicant, is applying for ESPS for more than one location, he/she must submit separate applications for each ESPS and should meet all eligibility criteria for individual locations.

c. Candidates should ensure attachment of all relevant documents / certificates / declarations (Original) / undertakings (Original) / affidavits (Original) with the application forms. For documents whose photocopies have been submitted in the application form, the same need to be self-attested and original copies are to be produced at the time of Interview for verification.

d. Application forms must be submitted on or before due date. Forms received after due date/time will be summarily rejected. Similarly, incomplete application forms, forms submitted without relevant attachments will be rejected.

e. No additions / deletions / corrections will be permitted in the Application form once it is submitted, unless specifically asked for in writing by HPCL and submitted by the applicant in writing within specified period as mentioned below.

f. Applicants must note that attaching all relevant documents / certificates / declarations (Original) / undertakings (Original) / affidavits (Original) / signed-draft ESPS agreement etc. is must with the application. In case HPCL needs any further clarifications from applicant during scrutiny of application form, a written communication will be sent to the applicant and applicant also has to make a written reply within 15 days of receipt of such letter date.



g. Candidates should be capable of entering in to a contract as per the Indian Contract Act, 1872.

h. If any statement made in the application or in the documents enclosed therewith or subsequently submitted in pursuance of the application by the candidate at any stage is found to be incorrect or false, his/her application is liable to be rejected without assigning any reason and in case he/she has been already appointed as a ESPS, his/her ESPS is liable to be terminated. In such cases, the candidate/ ESPS shall have no claim whatsoever against HPCL, however HPCL will be at liberty to recover costs/damages incurred.

i. HPCL reserves the right to cancel / withdraw / amend the advertisement and terms thereof or extend the due date at its sole discretion without assigning any reasons. HPCL also reserves a right to accept or reject offers of any or all applicants.

j. The details provided in this selection guideline are only for information and HPCL reserves the right to amend, modify, delete or add any terms and conditions at its sole discretion. Decision of HPCL will be final and binding on all concerned with respect to selection of ESPS.

k. HPCL shall be the final authority for giving any clarification or interpretation on the contents given in this selection guideline, if need be and at its own discretion. HPCL cannot be held responsible for any loss or damage or consequences from misunderstanding or misinterpretation of the contents in this selection guideline. HPCL may revise the contents of this selection guideline from time to time without giving any notice.

l. The date as mentioned on the application form, the date of affidavit and the date of submission of application should be the same. In case of any difference in the dates, the date as mentioned on the application form will be taken for further consideration.

A. Pre-Qualification Criteria (PQC):

All candidates / submitted applications will be subject to pre-qualification evaluation criteria as per following parameters for shortlisting:

- I. Declared financial resources and investible funds: Meeting minimum requirement as per eligibility criteria (Rs 50 Lakhs) out of which minimum Rs. 5 Lakhs should be in the form of liquid funds and supported by all relevant documents / appendix. Candidates not able to meet the minimum eligibility, will not be eligible to appear for interview.
- II. Nationality, Age & Education for individual / proprietor / partnership firm to meet eligible criteria. For companies, the company should be registered under the Company's Act of India and LLP should be registered under LLP Act.



- III. Non-conviction criteria for all categories as per relevant appendix (A1 / A2 / A3 as applicable as per type of applicant).
- IV. Every partner shall individually meet all the eligibility criteria and submitting separate application forms giving cross reference of the partner's application form number/s.
- V. Minimum criteria of making net profit of Rs 10 Lakhs/year for Co-operative societies /LLP/ Private Limited / Limited companies for past three years.
- VI. To attach a signed original copy of the Draft ESPS agreement (after downloading from website) with the application form before submitting the form as an acceptance of the terms of the agreement.
- VII. Submission within the due date is must. No application form will be accepted after cutoff date/time.
- VIII. The application forms should be complete in all respects.

B. Interview & Evaluation Criteria:

- I. Those candidates found eligible after scrutiny & PQC evaluation, will be called for interview. Applicants found ineligible, will be informed through a regret letter.
- II. All eligible candidates will be evaluated on following parameters as per below evaluation guidelines:

Sr. No	Description	Weightage (Marks)
1	Personality	10
2	Professional Experience / Business Ability	30
3	Capability to provide Infrastructure	15
4	Capability to arrange Finances	45
	Grand Total	100 Marks

III. The minimum qualifying marks for a candidate to be considered is 65%.

Evaluation of Parameters:

1. Personality (Max. Marks 10)

The assessment of the candidate on the following parameters based on observations and responses of the applicant during the interview:

(a) Communication Skills / Self-Confidence : 5 marks



(b) Enthusiasm / Energetic / Positive Attitude/ : 5 marks Business acumen

2. Professional Experience / Business Ability (Max Marks 30)

Marks would be awarded based on the documents attached with the application and project report / leading questions with regard to earlier handling of business as well as response to specific situations related to queries as under:

Parameter	Description	<u>Marks</u>	Evaluation
Experience (In case of the Companies, the experience of the Company is to be evaluated)	Consumption of the customerswhere fuel conversion has beencarried out by the applicant. (Max.10 Marks)Conversion of Packed ND (LPG)a) Less Than 500 M.T in Last FYb) 500-1000 M.T in Last FYc) More than 1000 MT in Last FY	2 5 10	Marks to be given to the candidates based on the declaration of the customer to be submitted by the applicant along with the application duly supported by copy of Work Order/Purchase Order, Completion Certificate and evidence of operation of plant on LPG.
	Experience in carrying out the job of conversion from other fuels to ND-LPG Packed infrastructure facilities (Max. 10 Marks) No. of Installations a) 5 -14 No of installation b) 15 & above No of installation	5 10	Marks shall be given on the basis of documents submitted along with the application and supported by proof of Receipt of payment and GST/Sale Tax/Service Tax Return. Minimum 20x20 NDP-LPG cylinder bank will be considered. Experience for preceding years will be considered for evaluation.
	 Experience in ND Packed LPG Transportation & handling of Packed LPG (Max marks 10) a) More than Rs 5 lacs up to Rs 10 Lac in Last financial year. b) More than Rs 10Lacs to Rs 50Lacs in Last financial year. c) More than 50 lacs in Last financial year. 	2 5 10	Marks shall be allotted on the basis of any of the documents like Purchase Order/ certificate from supplier/ certificate from customer supported by receipt of payments and/or GST/service tax return submitted along with application.



3. Capability to provide infrastructure and related facilities (Max Marks 15):

Marks will be awarded basis application details and documents submitted along with the application:

a)	Ready Godown / un-encumbered land available	:	15 marks
	Owned by applicant/family & meeting HPCL require	ements	
b)	Ready Godown / un-encumbered land available on Lease / Rent meeting HPCL requirements	:	10 marks
c)	Firm Committed offers on infrastructure	:	5 marks
Applicant to provide suitable office of 150-100 sq.ft. before issuance of appointment letter.			

4. Capability to arrange Finances (Max Marks 45):

Evaluation is basis declared financial resources and investible funds: meeting minimum requirement as per eligibility criteria (Rs 50 Lakhs) and supported by all relevant documents / appendix. In case a candidate is applying for more than one location, the candidate will be required to furnish separate details for arranging finance for each location.



Parameter	Description	Max	Evaluation
Liquidity – Funds The amounts shown in Savings accounts/Current accounts in bank / F i x e d deposit etc. as on date of application should be maintained in the respective accounts/ certificates till the interview date or 90 days from the date of application whichever is earlier.	 (a) Average monthly balance Amount in Saving accounts /Current accounts in Bank. (as on date of application). For elaboration, please refer to the illustration shown for Liquid Funds under Savings Bank/Current account details in Section B, Clause III; Provision of minimum* financial requirement for operating the ESPS. (b) Free and un-encumbered fixed deposits or any other documents/ resource which can be readily converted to liquid cash to cover working capital/ infrastructure requirements (as on date of application) 	30	Based on the information & statement given in the application along with supporting attested copies of the documents. Up to Rs 5 lacs- Nil Marks. Above 5 lacs amount, award 0.1 marks on every unit of Rs.15000- or more in multiples of Rs.15000/ Amount less than complete unit of Rs. 15000/-will not be considered for award of marks. Maximum marks – 30 (thirty) for Rs 50.00 Lacs & above]. In case of Companies, all the above funds in the name of Company should only be considered.
Ability to arrange loan	(c) Bankers certificate for creditworthiness and willingness to extend loan, if required. (as on date of application)	10	Based on the letter from nationalized/ scheduled Bank enclosed with the application. If the amount of loan is not mentioned, zero marks shall be awarded. Full 10 (Ten) marks shall be awarded, on the basis of certificate from bankers/ financial institutions. Award of 0.5 marks on every unit of Rs.10 Lacs- or more in multiples of Rs. 10 Lacs Maximum marks – 10 (Ten) for Rs 200 Lacs & above]. In case of Companies, all the above funds in the name of Company should only be considered.



Income	(e) Total Annual Income from	5	Based on the information &
	all sources such as salary,		statement given in the
	property, business, agricultural,		application along with
	interest, dividend, rent earnings,		supporting attested copies
	royalty etc. during a Financial		of the documents. Total
	year (Apr - Mar) in the name of		Annual Income as per
	applicant. In case of companies		Income Tax Return of the
	also, Total Annual income should		last financial year and or
	be considered		affidavit of income. Award
			of 0.5 marks on every unit
			of Rs.1 Lacs- or more in
			multiples of Rs. 1 Lacs
			Maximum marks – 5 (five)
			for Rs 10 Lacs & above].

- IV. The name of selected applicant will be published on the same day of interview (in case interview is over on same day OR next day if interview spills over to next day) on the notice board of the concerned Regional Office and on the HPCL website.
- V. In cases where multiple candidates have same scores after the interview:
 - 1. In such cases, the candidate who has scored more marks in following order will be placed higher than others:

Preference	Description
Order	
1	Capability to arrange Finance
2	Professional Experience / Business Ability
3	Capability to provide Infrastructure
4	Personality

Illustration: The candidate who has scored more marks in Finance will be placed above others. In case even Finance marks also are same, then the candidate who has scored more marks in Professional Experience/Business Ability will be placed above the other. In case still not resolved, it will follow the sequence shown above for further evaluation. Even after all four criteria's have been checked, if the candidates are still at same level, then one showing more Funds will get preference.

C. LOI & Responsibility of the ESPS:

I. Applicant, who is finally selected for the NDP-ESPS, will be issued a letter of intent (LOI) on submission of interest-free security deposit of Rs 5.0 Lakhs in the form of a local DD payable to HPCL. The candidate is expected to fulfill all LOI terms (please refer LOI format for details) within 45 days of the date of LOI, like:



- a) Facilities / Manpower
- b) All Financial conditions of ESPS Guidelines
- c) Other requirements like (if applicable) producing NOC from other PSU Oil company or Resignation from dealership or distributorship of other PSU Oil company
- d) Any other requirement as per selection guidelines or as decided by HPCL from time to time.

In case LOI holder is unable to fulfil any of the LOI terms, the LOI will stand withdrawn and the security deposit of the candidate shall be forfeited.

If the LOI holder fulfills all LOI terms, then the candidate will then be issued a letter of appointment (LOA) for NDP-LPG ESPS after compliance of all conditions and statutory requirements like PESO license, GST registration and other requirements as per Government guidelines as mentioned in LOI or informed by HPCL from time to time.

- II. Along with LOA, the candidate will have to execute ESPS agreement with HINDUSTAN PETROLEUM CORPORATION LIMITED. The agreement will be for a period of 5 Years wherein during the initial first year if the ESPS is unable to meet at least 50% of its assigned target then HPCL will terminate the ESPS Agreement forthwith. If from second year onwards the performance of the ESPS is not in accordance with the specified target / communication advised by HPCL from time to time, then an opportunity for improvement will be given to the ESPS and if the ESPS fails to improve its performance standards, then the ESPS Agreement will be terminated.
- III. The ESPS would be an independent entity. The relationship between ESPS and Corporation would be on Principal to Principal basis. It is not an employee, commercial representative or agent of the Corporation. Except for the contractual obligations, the orders of Corporation do not affect the ESPS. The ESPS bears all risks connected to his business activity, including bearing all business costs, i.e. the payment of wages to its employees, etc.
- IV. The agreement can be renewed for further period of 5 years' basis the ESPS fulfilling performance standards set by HPCL from time to time.
- V. As HPCL ESPS, the candidate is expected to meet periodic sales targets, enroll Industrial customers in the assigned area, manage business with service provider/ partners, carry out conversion from other fuels to NDP-LPG and fulfil all other responsibilities as laid out in the agreement and policy advised from time to time.
- VI. In case performance of the ESPS is not up to the mark as per target / communication advised by HPCL from time to time, the agreement may be terminated as per the relevant agreement clause.



VII. An ESPS shall not affect any change in its constitution whether in the identity of its sole proprietor or partner or in the deed of partnership in the event of death/removal/resignation of any partner without prior written approval of HPCL. Similarly, in case of a Co-operative Society, it shall not affect any change in its constitution or bye laws without prior written approval of HPCL. If it is a company, it shall not cause or permit any change in MOM, AOA and substantial change in its Shareholding without informing and taking prior written approval from HPCL. If it is LLP, it shall not allow substantial changes in partners/business without prior written approval of HPCL

VIII. SAFETY OF INSTALLATIONS:

The ESPS and/or the customer shall be responsible for maintaining the LPG Installations as per BIS standardization and system safety requirement. The ESPS shall keep corporation indemnified from all actions, proceedings, claims and demands made against it by any customer, government agency or any other third party.

IX. INTERPRETATION:

HPCL will have a final word regarding any issue arising out of interpretation of this policy. However, the applicant can seek clarification before submission of their application. Attempt should be made to ask all queries at once, however, more than 2 such requests will not be considered/entertained. Also clarifications sought after application is submitted would not be entertained.
