

DISTRIBUTOR AGREEMENT

THIS AGREEMENT IS MADE AT KANPUR (U.P.) WITH EFFECT FROM day of..... month of the year 2014 by & between GARWARE PAINTS LIMITED through its (Director) & authorized signatory Shri Ankur Agarwal, S/O Shri Arvind Kumar Agarwal, adult, having its Administrative office at 123/813-A, Fazal Ganj, Kanpur(U.P.) hereinafter called the Company (which expression wherever the context so permits shall mean and include its legal representatives, Administrators, successors and assigns) of the FIRST PART and M/S DURGA ENTERPRISES Having its office at (Address) S/3/14, SECTOR A, ZONE A, MANCHESWAR INDL ESTATE, BUBHNESHWAR, ODISHA through its partners Mr Chintan Thacker & aged adult Son/Daughter of Mr. R/O(Address)... hereinafter called the Super Stockist (which expression wherever the context so permits shall mean and include its legal representatives, administrators, successors or assigns) of the SECOND PART.

WHEREAS the First Part is the manufacturer of Paints, Wall Putties, Wood Finishes, Adhesives, Construction Chemicals, Textile Auxiliaries, Industrial Chemicals Solvent and Reducers and Thinners etc. ,Which may be modified from Time to time by the company by exclusions & inclusions and other related products and is desirous of utilizing the services of the Second part for the purpose of distribution and sales of its aforesaid products by appointing them as the Super Stockist of their said products for the (Districts of /states of) UNDIVIDED PURI Territory,GANJAM DISTRICT and SOUTH TERRITORY (total odisha other than cuttack region (Hereinafter referred to as the territory).

AND WHEREAS the Second part has represented before the First Part that they have excellent business relations in the market in the territory and have adequate experience, finances, manpower and Infrastructure for enhancing distribution & sales of Company's (i.e. First Part's)

Aforesaid Products in the territory and is willing to be appointed as the Super Stockist on the terms and conditions herein after stipulated. This agreement is being executed at Kanpur (U.P.) subject to exclusive jurisdiction of Courts & authorities at Kanpur (U.P.). This agreement is governed by all the relevant laws & rules & regulations made there under applicable at Kanpur(U.P.).

1. That on the basis of the representation of the second part before the Company & subject to the terms & conditions hereinafter contained , the First Part appoints the Second Part as their Super Stockist for the territory for the distribution and sale of products manufactured or marketed by them & may from time to time desire and market during the term of this Agreement and the Second Part hereby accepts such appointment commencing fromand valid up to.....However, the same terms and conditions shall remain valid for a further period of months from the date of expiry of the agreement.
2. That the rights granted by the Company under this Agreement to the Super Stockist are personal in character and are not assignable to any third party without prior written consent of the First Part. Further, there is no principal & agent relationship between the First Part & Second Part.
3. (A) That the Super Stockist shall use its best Endeavour to promote, improve and develop the sale of the company's products/ in the territory in accordance with the defined policy of the Company, which will be strictly adhered to & implemented by the Super Stockist.
The Company being the owner of Trade Mark and goodwill associated with the authorized Products shall in its sole and absolute discretion may provide necessary support to the Super Stockist for the purpose of marketing of Authorized products in the Territory assigned.

Excepting the present distribution assignments of paint products companies, the Super Stockist will not accept any further distribution or other assignment with regard to similar products (especially any other paint & related products) of any other company without the written approval of the authorized signatory of the Company. A list of all the companies is enclosed herewith as Annexure A - I, for which the Super Stockist is already having distribution assignments.

3. (B) Super Stockist shall provide the COMPANY with a rolling forecast of product wise shipment quantities covering the following 3 months so as to inform the COMPANY about the future requirement of the authorized products which it plans to purchase and such 3 months rolling forecast will be made at the end of every month by the SuperStockist.

3. (C) ORDERING & PAYMENT

All the sales of authorized products shall be affected by the issuance of Delivery order by company with dispatch instructions, if any. Super Stockist's cheque shall be presented to bank for realization within 30 Days of despatch of goods by Super Stockist to dealers and all the collection amount from dealers to be transfer to H.O. A/C every Saturday. The commission as agreed for Net Sales minus return, if any during the previous month shall be paid on monthly basis within 15 days of the close of the month.

RESCHEDULING & CANCELLATION

Delivery Orders will be provided to Super Stockist. On these invoicing, despatch arrangements etc. are to be provided by the Super Stockist.

STORAGE AND RETURN OF GOODS

No goods billed before 45 days period will be taken back from dealers. For risk coverage the Super Stockist is required to take a Comprehensive insurance cover. The responsibility of the company ceases as soon as goods are delivered to Super Stockist. Godown.Damage or improper Quantity goods shall be taken back by the company at his own risk & cost as and when intimated by the Super Stockist.

4. That the Super Stockist shall be responsible for doing all clearing and forwarding work in relation to such consigned stocks including packing, loading, unloading, sale and proper storing etc., of the said products of the company and publicity material and its dispatches to stockists / dealers / sub dealers / wholesalers in the territory. All clearances, freight, packing and forwarding expenses etc., shall be done by Super Stock at his own cost. The Company will not reimburse any amount to the Super Stockist for the goods dispatched by the Super Stockist from their godowns to the stockists / dealers / sub dealers / wholesalers in the territory
5. That the Super Stockist shall deposit Rs20 (twenty)Lacs as security. Out of which 90% value of the goods will be allowed to dispatch. Interest on security deposit will be paid on prevailing bank FD rates @8 % per annum. The company shall send to the Super Stockist goods for further despatches to assigned territory at the price list quoted by the principal from time to time. The goods will be supplied by the company to the Super Stockist F.O.R. its godown atBubheshwar.

The aforesaid security amount is refundable to the Super Stockist after termination of the appointment after adjusting dues of the company, if any. The undisputed amount of security deposit of the Super Stockist will be refunded after all accounts are settled. If deemed necessary the company may increase the security deposit amount to any such amount as required, which the Super Stockist will be bound to deposit with the Company.

6. That the Super Stockist shall be solely responsible for collections of all outstanding dues from the market, if any, and the Company will not be responsible or liable for the same. Any excess discounts/schemes/gifts etc., given by the Super Stockist, which are not according to Company's Rules or without the written consent of the Company, it shall be at the sole responsibility and risk of the Super Stockist & the company will not be liable for the same. The Super Stockist shall be solely responsible for Sales Tax / Vat or any other dues on the sales made in its territory and remittances thereof to the appropriate authorities, timely submission of relevant returns relating thereto or arising there from, with self attested copies of the same endorsed to the First Part.
7. That the Super Stockist indemnifies the Company from sales tax/vat and other levies in addition to submitting the proof of payment of tax / other levies to the Govt. Treasury. Super Stockist will apply and obtain at its own cost all the required Licenses / Sanctions / permissions under the relevant laws /Excise or any other act or rules / regulation made there under in connection with the sale and stocking of the Products of the Company. The Super Stockist will be liable for all penalties and interest on the amount of sales tax / vat and other levies. In case of default and non compliance of sales tax / vat and other Govt. rules, regulations & formalities by the Super Stockist, the company shall not be responsible for any expenses relating to sales tax/vat and other statutory Activities/levies as well as advocates' fee etc. The Super Stockist will procure & issue relevant Sales Tax / Vat / other forms if any required under the sales tax / vat provisions act or any other act as applicable.
8. That the authorized representatives and/or statutory auditors of the company are entitled to visit the premises/godowns/office of the Super Stockist for audit and verification of stocks, books of accounts and records maintained by them as often as it may be deemed fit and will also observe compliance of this agreement, company's rules & regulations and other instructions from time to time.

9. That in consideration of services rendered by the Super Stockist pursuant to the terms of this agreement, the company will pay following commission and expense reimbursement to Super Stockist on nett sales per month through the Super Stockist after adjusting / deducting and accounting for all incentives, trade incentive, bonus, trade schemes, sales tax / vat etc provided that the Super Stockist should have completed minimum Nett target of Rs 20 Lac (Rs twenty lac only) Per month & Rs 2Crore (Rs two crore only) Per annum. The settlement of the commission account shall be done after the end of each calendar month. No other commission or any kind of charges / expenses whatsoever shall be paid to the Super Stockist.
- a) Commission @ 04% (four percent) on billed amount (assessable Value) of the products on each invoice /
 - b) bill.
An additional commission of @ 02% (two percent) will be paid to Super Stockist for smooth working &
 - c) Expense reimbursement maximum up to @ 03% (three percent) on billed amount (assessable Value) of the products on each invoice / bill.
 - d) Further, 01% (one percent) Annual Performance Commission may be forwarded if the total payment of the company is made on the stipulated period of time (21 days)

The above structure includes Godown rent, secondary freight, loading unloading charges office & telephone etc.

10. That the Super Stockist shall be fully responsible to bear all expenses of printing of bills for sales, letter heads, accounts books, registers, charts, formats and other necessary papers at their cost as per instructions of the company .They shall also arrange the stationary etc., at their cost for the use of business purposes.
11. That the objections raised by our auditors in terms of pecuniary and "Financial" and other irregularities in the functioning of the Super Stockist, shall be debited to the account of the Super Stockist.
12. That the billing will be done and trade incentive will be given by the Super Stockist strictly as per norms of the Company. Super Stockist will not levy any other charges.
13. That no payment will be made by the Company to the Super Stockist against their expenses for postage, courier service, telephone etc., for the purpose of Company's work. The Super Stockist will not release payment to anyone until & unless authorized by the Company in writing to do so.
14. (a) That the Super Stockist shall not divulge the trade secrets, sale figures and other affairs of the Company, to any outsider during the continuation of the Agreement or after its termination except to a person in authority lawfully entitled to such disclosures.
- (b) That the Super Stockist will not sell any goods to any party / wholesaler / retailer out of its territory under any circumstances. In case they would do so, the Commission as applicable on such sale shall be deducted from their Commission and would be given to other Super Stockist / Super Stockist / Stockist / C&F Agent in whose area the goods would be supplied or sold either in cash or through bank by the Super Stockist.
15. That this Agreement can be terminated by either party by giving 30 days notice in writing and the Agreement shall come to an end on the expiry of the period of the said notice. However, the company reserves the right to terminate this agreement without notice anytime; if the Super Stockist commits breach of the terms of this agreement and / or is found indulging in any activity which is harmful for the Company or if the Super Stockist : (1) voluntarily or involuntarily enter into a proactive order or a bankruptcy proceedings (2) is appointed a receiver a trustee for the management of the assets (3) assigns a substantial assets for the benefit of its creditor (4) is otherwise unable to meet its debts as they fall due in the normal course of business and (5) is subject to a significant corporate transaction where the control of the entity will change.
- Such termination shall not entitle the Super Stockist to any compensation, damages or indemnity. In the event of termination, the Super Stockist shall not be entitled to the refund of security till the accounts are settled.
16. That the company shall be responsible for and shall compensate the Super Stockist for any loss or damage due to breakage in transit, discrepancy or due to pilferage of the stocks in transit. This means from the Company's factory / Depot to the Super Stockist's Godowns only.

17. That this Agreement may not be amended except in writing duly signed by authorized signatories of both the parties hereto.
18. That this Agreement is being executed at Kanpur (U.P.) subject to all relevant laws, rules & regulations applicable at Kanpur(U.P.) and if any dispute or difference arises at any time between the parties hereto touching or relating to this Agreement or any terms or conditions thereof or arising there from or any other matter related therewith or arising there from, the same shall be referred to Mror a person so nominated in this regard by him or by the company , for arbitration as per provisions of "The Arbitration and Conciliation Act, 1996" or any subsequent amendment or enactment that of and rules made there under and his decision shall be final and binding upon the Company and the Super Stockist. The place of Arbitration will be at Kanpur (U.P.) and language of arbitration will be English or Hindi. This Agreement is bound by the exclusive jurisdiction of the Courts & authorities at KANPUR (U.P.) India only. In spite of the fact that the Super Stockist may receive the goods at any place in the territory from factories, depots and other Super Stockists of the company situated at Kanpur and / or other towns, it is specifically and categorically agreed by the Super Stockist that all the goods, articles and documents etc would be deemed to have been given by the Company to the Super Stockist at Kanpur (U.P.). Hence, in case of criminal breach of trust or criminal Mis-appropriation or any other offence (s) committed by the Super Stockist against the Company, only courts and authorities at Kanpur (U.P.) will have exclusive jurisdiction.
19. That the Super Stockist shall take proper care and comply with all the Govt. Rules and Regulations in connection with sale and stocking of the products.
20. That the Super Stockist will be bound to inform the Company in writing in case of any proposed change in the constitution/partners/directors/address of its firm at least three weeks in advance and will not effect the above said change without the written consent of the company.

That the Super Stockist will maintain strict confidentiality regarding all matters like business secrets, business strategy, prices etc., and all the other facts, figures and matters which will come to the notice of the Super Stockist from time to time. Super Stockist will not disclose the same to any one for any reason whatsoever, even after termination of this agreement, except to a person who is lawfully entitled for such disclosure. Such disclosures of aforesaid confidential information by the Super Stockist will make him liable to pay such damages to the Company as to the extent of loss suffered by the Company due to such disclosures of confidential information by the Super Stockist.
21. That the Super Stockist will not make any cash payment or will not handover the goods or gift articles or any other property of the company to any employee or any business /Sales associate of the company or to any one without obtaining company's prior consent and Instructions in writing in this regard from the competent authority of the Kanpur Office of the Company, failing which the Super Stockist will be solely responsible and liable for the same and the company will not be liable for issuing any credit note to the Super Stockist in this connection.
22. That the Super Stockist will ensure total compliance of all the instructions & terms and conditions as mentioned in the Company's "Memorandum of Mutual understanding of Terms & conditions of business", which are enclosed herewith as Annexure No. A-2, and the same as amended and updated from time to time & the same are the part of this agreement but are not being repeated herein for the reason of brevity.
23. That if any of the clauses of this agreement at any time is declared void or in contravention of any law or rules made there under, then the rest of the clauses of this
24. Super Stockist agrees that company owns all rights, titles and interests to and in the product line that include the authorized products now or hereinafter subject to this agreement and in the company's all patent, trademarks ,trade names ,invention ,copy right, know how or trader's secretes relating to the manufacture, marketing or operation of the authorized products of the company . No title to or interest in the company's intellectual property rights or / and proprietary interest shall be transferred, assigned or licensed to Super Stockist by

All notices required to be given here under shall be given in writing by personal delivery or by registered post at the current address of the parties unless these are changed subsequently and notified to be other party by the manner contained herein.

Super Stockist shall not dispatch goods to any party other than authorized Super Stockist / stockiest / dealer / sub dealer. He should ensure that order should be on letter head & duly signed by the authorized signatory duly endorsed by company's representative.

A) No deliveries to any party without having ADVANCE cheque if credit limit is not Allocated or if it is exceeded.

B) No dispatches to any party whose previous bill is not clear/ cheque is not clear/is Returned

IN WITNESS WHEREOF the parties hereto respectively set their hand on the.....day of the..... month of the year 2014.

Encl: Annexure No. A 1 & A 2.

For Garware Paints Ltd

Witnesses

: 1.

Signature of Authorized Signatory

Name :

2.

Designation

(First Part)

M/s

Signature of Proprietor

Name :