



# HINDUSTAN PETROLEUM CORPORATION LIMITED

## “H.P. GAS:” (LIQUEFIED PETROLEUM GAS) DEALERSHIP (DOMESTIC & COMMERCIAL) AGREEMENT

MEMORANDUM OF AGREEMENT made the \_\_\_\_\_  
\_\_\_\_\_ Day of \_\_\_\_\_ Two Thousand \_\_\_\_\_ by and  
between Hindustan Petroleum Corporation Limited, a company incorporated under  
the Indian companies Act, 1913 and having its Registered Office at 17, Jamshedji  
Tata Road, Bombay 400 020 and an office at \_\_\_\_\_  
\_\_\_\_\_ (hereinafter called the  
'Corporation' which expression shall unless inconsistent with the context include its  
successors and assigns) of the one part and \_\_\_\_\_  
\_\_\_\_\_, A co-operative society / A joint stock company / A partnership firm/ A joint  
Hindu Family / An individual carrying on business under the firm or style of  
\_\_\_\_\_ at \_\_\_\_\_  
(Hereinafter called 'The dealer') of the other part where by it is agreed as follows:

*Parties*

*Cross out that not  
Applicable*

1. Whereas the Corporation had entered into Dealership Agreement dated with the dealers; and whereas the said agreement was valid and for the period of \_\_\_\_\_ years and whereas the said period of 10 years has expired as on and whereas the Corporation and the dealers have voluntarily agreed to continue the dealership with the dealer for a further period of \_\_\_\_\_ years on the same terms and conditions as contained in the Dealership Agreement dated \_\_\_\_\_ and/or until such period this Dealership Agreement is terminated under the rules and regulations relevant in the behalf.
2. (a) The Corporation hereby appoints the Dealer and the Dealer hereby accepts the appointment as Dealer of the Corporation, on principal to principal basis, for sale of the Corporation, is Liquefied Petroleum Gas (LPG) known as 'H.P. Gas' in cylinders only for house-hold consumers, and commercial consumers like hotels, canteens, hospitals etc. (but not for any industrial use nor for any industrial consumer in the territory or distribution

*Appointment of Dealer.*

area of \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(b) The aforesaid appointment is subject to the following :

- i. The Corporation reserves the right at all times during the continuance of this Agreement to make direct sales of H.P.Gas to Central or State Government' Government Departments, Government Companies Railways, Military, Municipal authorities and other public bodies and authorities without any reference to the Dealer and on such direct sales the Dealer shall not be entitled to any remuneration, commission or allowance of whatsoever nature. ***No Guarantee of Area; Right of Corporation to sell directly or Indirectly.***
- ii. The Corporation reserves the right, without any reference to or consent of the Dealer, to appoint one or more additional dealers in the same territory referred to in Clause I(e) above and such additional dealer or dealers shall be entitled to make sales of H. P. Gas in the same territory without any objection from the Dealer and the Dealer shall not be entitled to claim any over-riding remuneration, commission or allowance for the purpose. ***Provision for appointment of additional Dealer***
- iii. Without prejudice to the above the Corporation shall so be entitled to require the Dealer to effect minimum sales of H. P. Gas in accordance with the policy that may be formulated from time to time by the Corporation and shall be further entitled at its sole discretion to reduce, restrict, modify or alter the area of the dealership territory and the decision of the Corporation shall be final and binding on the Dealer. The Corporation shall further be entitled to notify, without any legal obligation to do so, from time to time to the Dealer in writing the minimum number of LPG Filed Cylinders' which the Dealer shall be required to uplift in each month. The Corporation shall also be entitled to require the [Dealer to maintain during the duration of the Agreement such minimum stock as to meet the customers requirements. ***Quantities to be purchased by the Dealer***
- iv. The Dealer will during the continuance of this Agreement confine himself to effect the sales in the area or territory -specified hereinabove but the Corporation shall be entitled without the consent of the Dealer to enlarge, reduce, increase or modify such area or territory to such other place as may from time to time be authorised by the corporation in writing. ***Dealer not to sell outside his territory.***
- v. The Dealer shall make his best efforts for enrolling customers and canvassing business and for developing and increasing the sale of LPG within the area allotted to him.

- vi. During the continuance of this Agreement, the Dealer shall not directly or indirectly engage or interest himself in the said area in any other business competing with the dealership of LPG granted to him under this Agreement other than the product supplied by the Corporation. This clause shall not affect or over-ride any other obligation of the Dealer under this Agreement.
3. The Corporation shall not be liable for any loss or damage from any delay in shipping or delivering or from failure to ship or deliver LPG filled cylinders/equipment ordered whatever may be the cause of such failure or delay. The Corporation shall further be entitled to refuse any order or orders and at any time to treat any order or Orders accepted or acknowledged as cancelled. Every order by the Dealer under this Agreement shall constitute a firm order not subject to cancellation or revision by the Dealer unless and until the Corporation intimates to the Dealer in writing its intention to treat such order a cancelled. **Corporation's Liability.**
4. The supply of LPG filled cylinders/ equipment shall, unless otherwise mutually agreed to in writing, be made by the Corporation against payment in cash by the Dealer, This prior payment of cash is to be at the Corporation's office at \_\_\_\_\_ or elsewhere as may be directed by the Corporation. **Terms of Payment.**
5. The Corporation shall be entitled at any time and from time to time and without any previous notice to the Dealer, to change all or any of the price which may be fixed for the purpose of the retail sale or supply of LP Gas for domestic and/or commercial purposes to the customers in the said area and similarly the Corporation will be entitled to effect any changes in the Dealer's selling prices and/or to reduce or abolish any such item. The Corporation shall not in the event of any such change be bound to make any allowance or pay any compensation to the Dealer. The Dealer undertakes to sell and supply the gas at the rates so fixed and the Dealer shall not sell at retail prices exceeding those fixed by the Corporation from time to time and shall sell the LP Gas upon such terms and conditions as may be indicated by the Corporation and shall execute and procure the execution of such warranties, indemnities and writings from himself and/or from any consumer or buyer as the Corporation may from time to time prescribe. The Dealer shall at his own cost and without charging any extra to the consumers arrange for delivery of full cylinders from his own storage premises to the customers premises to his own approved storage premises **Corporation reserves the right to change prices. Dealer to sell at fixed retail selling rate.**
6. The LPG Cylinders with valves, Caps, Security nuts, Regulators and any other equipment as determined by the Corporation shall at all times remain the property of the Corporation. The Corporation may, however, from time to time entrust to the Dealer for use in connection with the business in the said **LPG Cylinder etc. to remain the property of the Corporation and the Dealer to take proper**

LPG such equipment and/or the other property as the Corporation may see fit and the Dealer shall exercise due and proper care for the protection of all property so committed to his care without claiming any lien or right to retain possession of the same in any circumstances whatsoever and on demand deliver to the Corporation in the same good order in which it was received all property of the Corporation, due allowance being made by the Corporation for fair wear and tear of which the Corporation shall be the sole judge. The Dealer shall pay forthwith on demand to the Corporation at its Head Office at Bombay or at Regional office of the Corporation whenever desired by the Corporation the value of any property entrusted to him, which may be lost, broken, damaged or depreciated or used for purposes other than those for which it was supplied of which the Corporation shall be the sole judge. The Dealer shall be required to submit to the Corporation at its office at periodically as may be indicated by the Corporation, a signed inventory of all property of the Corporation, which has been so entrusted to him. Moreover, the Corporation's equipment / property so supplied will be used only for the purposes for which they are meant and the Corporation shall not be responsible for any liability due to misuse of the Corporation equipment.

***protection of the Corporation's equipments.***

7. The Dealer shall not undertake to repair the equipment or cause the same to be repaired by anyone except the Corporation or its authorized agents appointed for the purpose.

8. The Dealer shall provide adequate facilities duly licensed by Government or any other statutory authority for receiving and storing Liquefied Petroleum Gas Cylinders. All such storage space must also be approved by the Chief Controller of Explosives for India/Directorate for Explosives or his local representative. Such storage,- facilities shall be exclusively used by the Dealer for storing L.PG Cylinders and for no other purpose. The construction, maintenance and upkeep of storage facilities as per the conditions of Permit/License would be the sole and exclusive responsibility of the dealer who will also be liable to pay and discharge the entire expenditure for the same.

***Cylinder Storage Facilities***

9. The Dealer will not during the currency of this Agreement distribute/sell or be in any way concerned in distributing similar products of any other company or product without the previous consent in writing of the Corporation. Infringement of this Clause will entitle the Corporation to terminate the Agreement as well as claim any compensation for- loss of sales of which the Corporation to terminate the Agreement as well as claim any compensation for loss of sales of which the Corporation shall be the sole Judge.

***Sale of Corporation's LPG only***

10. The Dealer shall at all times sell LPG obtained by him only from the Corporation at price/tariffs fixed by the Corporation from time to time and shall faithfully carry out the directions of Corporation. However, the price/tariffs shall not exceed the maximum imposed by the Corporation. **Dealer's selling prices**
11. The Dealer shall not commit any act or omit to do any act or thing whereby the Corporation's rights in the trade mark or brand-name of the Corporation is in any way jeopardised. The Dealers shall not claim or have any right in such trade marks or brand-names of the Corporation and shall promptly confide to the Corporation any information obtained or received by him of any Infringement thereof or of passing of any goods of any person, firm or body as arid for those of the Corporation. **Trade-Marks & Brand name to belong exclusively to the Corporation**
12. The Dealer shall faithfully and diligently observe and carry out all directions, orders, terms and conditions as may be issued by the Corporation from time to time and may be contained in the Corporation's 'H.P. Gas Manual' and any amendments or modifications as may be made by the Corporation thereto from time to time. The Dealer hereby confirms that he has received the copy of the H. P. Gas Manual arid the General Directions as circulated by the Corporation on the date of this Agreement and agrees to abide by and perform the Same. **Dealer to abide by H P Gas Manual and other directions of the Corporation**
13. The Dealer shall unless otherwise agreed to in writing by the Corporation bear all expenses incurred in connection with or incidental to storage, licensing, handling, loading / unloading / cartage (from the Dealer's approved, godowns) delivery and sale and distribution of LPG Cylinders (filled or empty) or any other equipment that the Corporation may make available to the Dealer and the Corporation will not be liable to bear such expenditure under any circumstances whatsoever. **Dealer to bear handling and other charges**
14. The Dealer shall on or before the execution of this Agreement deposit with the Corporation a sum of Rs. \_\_\_\_\_ in cash or thru D/D/ Pay order in any other approved manner such as bank grantee or insurance guarantee as may be indicated by the Corporation or any Government Security or Securities approved by the Corporation and duly endorsed to the Corporation; and the Dealer shall irrevocably authorize the Corporation to adjust and set off any claim or loss suffered by fie Corporation to adjust an set off any claim or loss suffered by the Corporation or any other amount recoverable by the Corporation from the Dealer against such security deposit. The said security deposit shall not carry any interest against the Corporation and shall be liable for forfeiture in favour of the Corporation in the event of any breach, neglect or default by the Dealer in 3ddition to any other rights or remedies available to the Corporation under this Agreement or otherwise in law. If so required by the Corporation, the Dealer shall **Security Deposit.**

enhance the said Security Deposit to such increased amounts as the Corporation may from time to time indicate.

15. The Dealer shall at his own cost, in his own name and on his own account procure and maintain such accommodation and other facilities as are required for his business and as may be directed/ approved by the Corporation from time to time including, without prejudice to the generality of the foregoing

***Dealer to have adequate facilities***

- (a) adequate storage accommodation for cylinders, both full and empty, pressure regulators and other articles Supplied by the Corporation; and
- (b) such vehicles as delivery vans, three wheeler scooters, etc., in such numbers and in such manner as may be directed by the Corporation for transporting the full and empty gas cylinders and connected equipment.

The design, paint work etc., of all vehicles used by the Dealer shall be such as have been previously approved of by the Corporation. The Dealer shall also comply with all directions given and/or requisitions made by the Corporation in connection with such accommodation and other facilities. The Dealer shall comply with 311 laws, rules, regulations and requisitions of the Central and/or State Governments and of all authorities appointed by them or either of them including the Chief Controller of Explosives Government of India, and/or Municipal and/or any other local authority with regard to such accommodation, vehicles and the storage and transport of gas cylinders and connected equipment in Such accommodation and vehicles. The Dealer shall obtain/ renew all licences and/or permits required for the erection and/or use of the storage accommodation and/or for the storage therein of the cylinders, supplied by the Corporation, and shall comply with the terms and conditions of such licences or permits and hereby undertakes not to do or permit to be (lone any act or thing which may be contrary to the terms thereof. The Dealer shall be solely responsible for all consequences of any breach of provisions of this Clause.

16. The Dealer shall be solely responsible for and shall himself bear all expenses of and in connection with the business including administration, office, insurance premia, showroom, telephone, transport, storage, rents, licence or other fees, rates, taxes and all other charges and outgoing of every kind connected with the said business and shall pay the same promptly and without fail. The Dealer shall also be solely responsible for any breach or contravention by himself, his employees, agents or sub-agents of any rules,

***Dealer to bear all expenditure of business.***

regulations or bye-laws of the Central and /or other authorities as may be applicable to the business including without prejudice to the generally of the foregoing, the concerned authorities respectively appointed under the Petroleum Act, Payment of Wages Act, Shops & Establishments Act, Factories and the Workmen's Compensation Act, Indian Explosives Act, 1884, Gas Cylinders Rules, 1981, or any other Statutory Act Rules or Bye laws applicable from time to time and the Corporation shall not be responsible in any manner for any liabilities arising out of non-compliance by the Dealer with the same. The Dealer shall at all times indemnify and keep indemnified the Corporation against all actions, Proceeding, claims and demands made against it by the Central and / or State Government and / or Municipal local and / or other authorities and / or by any customer of the gas and / or by any other third party as a result of or in consequence of any act or omission of whatsoever nature of the Dealer, his servants, agents or sub-agents including, without prejudice to the generality of the foregoing, any accident or loss or damage arising out of the storage, handing and / or transportation of the gas cylinders and / or connected equipment whether or not such act or omission or loss or damage was due to any negligence want of care or any misconduct of the Dealer, his servants and agents or sub-agents

17. The Dealer shall, at his own cost maintain adequate trained and competent staff, to do installation work and for connecting appliances to cylinders and /or refills and pressure regulators and to the work or repairing appliance and providing free technical service to the customers in accordance with the general instructions given or laid down by the Corporation. The Dealer, his employees, agents and sub-agents shall not repair or attempt to repair any cylinder and /or any part thereof which may be damaged or defective or thought to be so, but shall immediately forward such cylinder and/or pressure regulator as the case may be to the Corporation for repairs. The Dealer shall be liable to the Corporation for the cost of repairs to cylinders and / or pressure regulators that are damaged whilst the same are in the custody of the Dealer and/or of the customers in the said area.

***Dealer to maintain adequate trained staff.***

18. In all contracts or engagements entered into by the Dealer with the customers for sale of LPG and / or the sale and /or installation and /or repairs of appliance and /or connections thereof with LPG Cylinders (filled or empty) and /or refills and/or pressure regulators and /or attached equipment the Dealer shall act and shall always be deemed to have acted as a principal and not as an agent or on account of the Corporation, and the Corporation shall not in any way be liable in any manner in respect of such contracts and / or engagements and / or in respect of any act or omission on the part of the Dealer, his servants, agents and workmen in regard to such installation, sale, distribution , connections, repairs or otherwise, the Dealer

***Dealer to act as principal and to fully indemnify the Corporation***

shall be bound to inform the customers in writing of this provision, through correspondence or at the time of enrollment, of the customer.

19. The following provisions relating to indemnity by the Dealer in respect of all claims including third party claims shall apply to this Agreement during the duration of this Agreement and even after the termination thereof in respect of any transaction arising in respect of the dealings between the parties hereto under this Agreement. For the purpose of this clause the expression " Dealer" shall include a sub-dealer, agent, servant, licensee, employee or other person nominated or appointed by the Dealer or otherwise having any direct or indirect interest in this Agreement or storing, licensing, handling, loading, unloading, delivering, selling marketing, distributing or transporting LPG Cylinders, whether filled or empty and equipment relating thereto. *Indemnity Clause.*
- a) The Dealer shall at all times fully and effectively indemnify and keep indemnified the Corporation, its estates and effects from and against all losses, damages, claims, suits, legal proceedings and otherwise howsoever arising from or in connection with any loss or injury to person or property in connection with any of the matters covered by this agreement or arising in the course of any of the contingencies referred to above or otherwise howsoever.
- b) Without effecting the generality of the indemnity referred to hereinabove, the Dealer shall fully and effectively identify and keep indemnified the Corporation, its successors, assigns, estate and effects officers, employees and agents from and against all losses, damages, claims, liabilities, suits, legal proceeding or otherwise howsoever arising out of any claims made by all third parties whether on account of injury to person or loss of life or injury, loss or damage to any property and occasioned directly or indirectly and irrespective of the cause or quantification of such loss or damage and in particular in respect of third party claims covering all types of risks and whether on account of any neglect, breach or default in the observance and performance of the Rules and Regulations from time to time framed by the Corporation and/or any statutory authority and prevailing in respect of the storage, handling, loading, unloading, licensing, sale distribution, marketing, transport, connection or disconnection at customers' sites or otherwise, supply, delivery and collection of cylinders from the Corporation and / or from the customers in relation to the LPG cylinders, filled or empty, and / or the Corporations, equipment and/or H.P. Gas or otherwise howsoever on account of non-implementation, non-observance or non-performance of the instructions issued by the Corporation from time to time, or by reason of the breach, non-conformation with the provisions of the Petroleum Act, 1934, Indian Explosives Act, 1984, Gas Cylinder Rules 1981 and all other Rules,



Regulations and Bye-laws made there under or any other Statute, Rules, Bye-laws or Acts in respect thereof or in relation to any Municipal licence or permission issued for the purpose of storage by any Central or state Government or legal or statutory public body or authority as may be applicable from time to time or otherwise howsoever arising to the end and intent that the Dealer's indemnity to the Corporation shall be enforceable by the Corporation under all circumstances envisaged including any loss or damage that may have resulted on account of any negligence or irregular use or handing by any person for and on behalf of the Dealer or by the customer or any person for and on behalf of the customer and such indemnity shall be unconditional and irrevocable and shall not be discharged absolved or relieved on the ground that the loss or damage has arisen on account of any act or omission of any person over whom the Dealer has no control.

#### **NO WARRANTY BY THE CORPORATION**

- a) It is specifically agreed and declared between the Corporation has not given nor shall be deemed to be have given or agreed to any express or implied warranty as regards the manufacture or use of the LPG cylinders or any other equipment or appliances that may be supplied and delivered under this Agreement and the Corporation shall not be responsible or liable for any defects manufacturing or otherwise arising there from.
  - b) The corporation shall, under no circumstances be liable or responsible for any loss, injury, or damage to the Dealer or to the customers, their servants, employees and agents or any other person whomsoever arising on account of any transaction under this Agreement or as a result of the LPG cylinders of the said equipment being in any way defective or in unfit condition.
20. The Dealer shall during the continuance of this agreement and valid for a period of three months from the date of the termination thereof at his own cost and expense take out adequate and proper Godown and Goods Insurance from a well reputed Insurance Company against all risks including Third Party risk to person and properties, fire and explosion risk, riot risk, comprehensive motor vehicle policy risk, workmen's compensation and injury policy. As and when called upon by the Corporation the Dealer shall produce such insurance policy and the renewals thereof for inspection and verification by the Corporation. The Dealer shall fully the punctually abide by all the terms, conditions and covenants contained and set out in such insurance policy and shall not do or omit to be done any act, deed or thing whereby such insurance policy is invalidated, cancelled or rescinded by the Insurance Company.
21. The Dealer will at all times fully indemnify the Corporation from and against

***To take out adequate insurance***

all losses, claims, suits and otherwise arising from or in connection with injury to person or property, short deliveries or otherwise howsoever in connection with matters covered by the agreement. ***Indemnity for third party's claim***

22. The Dealer shall not sell, assign, mortgage or part with or otherwise transfer his interest in the Dealership or the right, interest or benefit conferred on him by this agreement to any person. In the event of the Dealer being a partnership firm any change in the constitution of the firm, whether by retirement, introduction of new partners or otherwise howsoever will not be permitted without the previous written approval of the Corporation notwithstanding that the Corporation may have dealings with such reconstituted firm or impliedly waived or condoned the breach or default mentioned herein above by the Dealer. In the event of the death of any of the partners, the Dealer shall immediately inform the Corporation giving the necessary particulars of the heirs and legal representatives of the deceased partner and it shall be the option of the Corporation either to continue the dealership with the said firm or to have a fresh agreement of dealership with any reconstituted firm or to terminate the dealership agreement and the decision of the Corporation in that behalf shall be final and binding on all the parties concerned. No claim on premature termination for compensation or otherwise will be made or sustainable against the Corporation on account of such termination.

23. The Dealer undertakes that he and his servants and agents will observe and perform the provisions of the Petroleum Act, 1934 or any statutory reenactment or modification thereof for the time being in force and all rules and regulations made there under and all other Government or Municipal Local or such like acts, laws, regulations and bye-laws, as may be in force from time to time. If there is any violation on the part of the Dealer of the aforesaid provisions or statutory rules and regulations the Corporation will have absolute right to discontinue the supplies and take any other action including the termination of this agreement as the Corporation may at its absolute discretion think fit.

***Indian Petroleum Act***

24. :

a) The Dealer undertake faithfully and promptly to carry out, observe and perform all directions and orders or rules made from time to time by the Corporation or its representatives for the proper carrying on of the dealership of the Corporation.

***Faithful performance***

b) It shall be a paramount condition of the agreement that the Dealer himself (if he be an individual) or both the partners of the dealers firm (if the Dealer is a partnership firm consisting of two partners only) or the majority of the partners of the Dealers firm (if the Dealers is a firm

consisting of more than two partners) or the majority of the Office Bearers/ Elected Members of the Dealers co-operative Society (if the Dealer is a Co-operative society) Managing /whole – time or Elected Director (if the Dealer is a private limited company) as the case may be shall take active part in the management and running of the Dealership and shall personally supervise the same and shall not under any circumstances do so through any other person, firm or body.

- c) Except with the previous written consent of the Corporation –
- i. the Dealer shall not enter into any arrangement contract or understanding whereby the operations of the Dealer hereunder are or may be controlled carried out and /or financed by any other person firm or Company, whether directly or indirectly and whether in whole or in part :]
  - ii. The Dealer himself (if he is an individual or the partners themselves (if the Dealer is a partnership firm or the whole time Office Bearers / Elected Members if the Dealer is a Co-operative Society) shall not, (without prior permission in writing of the Corporation) take up any other employment or engage in any other business apart from the operation of the dealership which is the subject matter of this agreement.
  - iii. The Dealer (if it be a firm or a Co-operative Society) shall not effect any change in its constitution whether in the identity of its partners or appointment of whole time Office Bearers or Elected members or in the terms of the Deed of Partnership or of the By-laws as the case may be.
  - iv. the Dealer (if it be private limited company) shall not cause or permit any group transfers or substantial change in its shareholding (transmission by death etc., excluded).

In the event of the death of any partner of a firm/death or retirement of whole time Office Bearers/ Elected Members of Co-operative Society which has been appointed as a Dealer hereunder, the surviving partners/remaining members hereby agree to indemnify and keep indemnified the Corporation against any claims or demands which may be made by the heirs of the deceased/retired partner/member.

24. All correspondence, accounts returns of stocks and sales, and such other documents as may be required by the Corporation shall be made written neatly and correctly in English or Hindi language and all accounts shall be produced for inspection of the Corporation's representatives at any time when called upon by them to do so. The Dealer shall send to the Corporation either fortnightly or at such other intervals as the Corporation from time to

***Dealers Accounts and  
correspondence to be in  
English or Hindi***

time determine a report of all sales effected by the Dealer and of the unsold stocks in his custody in the form to be prescribed by the Corporation.

25. The Corporation by its officers, representatives or servants shall have at all times and in any circumstances free and unrestricted access to all premises used in connection with the business of the Dealer and to inspect and take account of all products in his possession and of all implements, tools, furniture, fittings and/or other property entrusted to the Dealer by the Corporation. ***Discharge to Corporation***
- 26.(a) The Dealer shall display or cause to be displayed prominently upon any premises in or upon which the business in the said products is carried on, an inscription notifying to the public as conspicuously as possible the fact that he is selling the said gas supplied by the Corporation. ***Corporation's Display Advertisement.***
- (b) The Dealer agrees that upon the Corporation's premises in his use he will not display advertisements which have not the approval of the Corporation. He shall also not display advertisements for Petroleum Products other than those of the Corporation upon his own premises used in connection with this Dealership.
27. The Dealer shall settle, in the event of termination of this agreement for any reason, all accounts within seven days of such termination and in the event of the Dealer declining or neglecting or failing to settle accounts within such period, account certified by one of the Corporation's Officers, shall be absolutely final and conclusive for all purposes. ***Settlement of Accounts.***
- 28 A. Notwithstanding anything to the contrary herein contained, the Corporation shall also be at liberty upon their being satisfied of any breach of any covenant committed by the dealer s of this Agreement, to stop and/or suspend sales for such period or periods as the Corporation may think fit. Such right of stoppage and/or suspension shall be in addition to any/or without prejudice to any other right or remedy available to the Corporation under this Agreement. The dealer shall not be entitled to claim any compensation or damage from the Corporation on account of any such stoppage and or suspension of supply. ***Suspension of Supplies***
- 28 B. Notwithstanding anything to the contrary herein contained, the Corporation shall also be at liberty at its entire discretion to terminate this Agreement forthwith upon or at any time after the happening of any of the following event, namely:- ***Termination of Agreement.***
- (a) If the Dealer shall commit a delay, breach or default of any of the terms, conditions, covenants and stipulation contained in the

Agreement and fail to remedy such breach within four days of the receipt of a written notice from the Corporation in that regard;

- (b) Upon
  - (i) the death or adjudication as insolvent of the Dealer, if he be an individual;
  - (ii) the dissolution of the partnership of the Dealer's firm or the death or adjudication as insolvent of any partner of the firm, if the Dealer be a firm;
  - (iii) the liquidation, whether voluntary or otherwise or the passing of an effective resolution for winding up, if the Dealer be a Company or Co-operative Society;
- (c) If any attachment is levied and continued to be levied for a period of seven days upon the effects of the Dealer or any individual partner for the time being of the Dealer's firm or any elected member of the Dealers Co-operative Society.
- (d) If the Dealer or any partner in the Dealer's firm or any whole time office bearer of the Co-operative Society appointed as Dealer hereunder shall be involved in any criminal offence relating to moral turpitude.
- (e) If a Receiver shall be appointed of any property or assets of the Dealer or of any partner in the Dealer's firm or of the Dealer Co-operative Society;
- (f) If the licence issued to the Dealer by the relevant authorities for the storage of LPG products supplied by the Corporation is cancelled or revoked;
- (g) If the Dealer shall for any reason make default in payment to the Corporation in full or his outstanding as appearing in the Corporation's books of account beyond 4 days of demand by the Corporation.
- (h) If the Dealer does not adhere to the instructions issued from time to time by the Corporation in connection with safe practices to be followed by him in the supply and storage of the Corporation's products or otherwise
- (i) if the Dealer shall give out unauthorised connections to any person without the Corporation's receipt/subscription voucher or otherwise howsoever

- j) If the Dealer shall deliberately contaminate or tamper with the quality of any of the Corporation's products
- k) If the Dealer shall sell the Corporation's products prices higher than those fixed by the Corporation,
- l) If any information given by the Dealer in his application for appointment as a Dealer shall be found to be untrue or incorrect in any material particular;
- m) If the lease tenancy of the Dealer (if the Dealer holds the site as lessee or tenant) shall be terminated purported to be terminated or comes to an end f any reason whatsoever;
- n) If the Dealer shall either by himself or by his servants or agents commit or suffer to be committed any act which, in the opinion of the General Manager of the Corporation for the time being at \_\_\_\_\_, whose decision in that behalf shall be final, is prejudicial to the interest or good name of the Corporation or its products; the General Manager shall not be bound to give reasons for such decision.

The Corporation's right to terminate this Agreement under the terms of this clause shall be without prejudice to and without affecting any of its other rights and remedies against the Dealer. In the event of the Corporation terminating this Agreement under the provisions of this clause, it shall not be liable to pa for any loss or compensation in respect of such termination PROVIDED THAT the supply of any LPG product by the Corporation to the Dealer, pending expiry of any notice of termination or after any act, contravention or omission by the Dealer entitling the Corporation to terminate this Agreement shall have become known to the Corporation, shall riot in any way prejudice or affect the right of the Corporation to revoke and/or enforce the termination of this Agreement and the license granted hereunder.

29. This Agreement shall remain in force for ten years from day of 20\_\_\_\_  
However, the same may be determined without assigning any reason by either party by giving one month's notice in writing to the other of its intention to terminate this Agreement, and upon the expiration of any such notice this Agreement shall stand cancelled and revoked but without prejudice to the rights of either party against the other in respect of any matter or thing antecedent to such termination provided that nothing contained in this clause shall prejudice the rights of the Corporation to terminate this Agreement earlier on the happening of the events mentioned

in clause 27 of this Agreement. Upon expiry of the aforesaid period of Ten years, the Corporation may at its option, enter into a fresh agreement with the dealer for a further period of five years on the same terms and conditions as herein contained.

30. Any acquiescence or waiver by the Corporation of any delay, breach or default committed by the Dealer shall not be deemed to be or considered as estoppel against the Corporation or prevent the Corporation from effecting termination of this Agreement under any of the aforesaid provisions (including clauses 27 and 28) in respect of any matter or transaction Antecedent of whatsoever nature.
31. On termination of the Agreement under any of the provisions herein contained (including clauses 27 and 28 hereof) the rights and liabilities of the Corporation as provided in the succeeding clause No.31 shall apply.
32.
  - (a) Upon termination of this Agreement, the Dealer shall be liable to immediately hand over, return and redeliver to the Corporation or any person nominated by the Corporation the entire stock LPG filled / empty cylinders / equipment that may have been made available or entrusted or hired to the Dealer by the Corporation during the currency of this Agreement. For this purpose the Corporation shall be entitled to take physical inventory of such stocks lying in the possession or control of the Dealer from time to time and the Corporation shall be entitled to enter upon the office, godown, premises etc., of the Dealer or any other place where the Dealer may have kept the same and take physical possession thereof.
  - (b) The Dealer shall also hand over to the Corporation or the person nominated by it all the necessary records, reference books, delivery challans, customers' subscription vouchers and other records which may be required by the Corporation or any other dealer who may be appointed by the Corporation to effectively service, continue and maintain the supplies to the customers.
  - (c) The Dealer shall also be liable to account to the Corporation all the LPG filled / empty cylinders / equipment as also all deposits or other amounts payable in respect thereof to the Corporation and shall pay to the Corporation immediately the amounts due and payable by the Dealer to the Corporation in respect thereof and the statement of account prepared and furnished by the Corporation in that behalf shall be final and binding on the Dealer
  - (d) The Dealer shall if so required by the Corporation be responsible to

***Dealer's liability on termination.***

make arrangements for recovery from, the customers in the said area of the LPG cylinders, pressure regulators and other equipment belonging to the Corporation which have been entrusted to the customers through the Dealer, or for the transfer thereof to any other Dealer or other person/s authorised by the Corporation.

- (e) On the revision by the Corporation of the said area by the curtailment thereof, the provision of this clause shall apply and be performed by the Dealer mutatis mutandis with regard to the cylinders, pressure regulators, documents, etc., referable to that portion of Provided however that in case of reduction or curtailment of area, the Corporation may direct that the equipment shall remain with the customers and that same would be deemed to be transferred as equipment in circulation to the account of the new Dealer appointed by the Corporation for such area. If the Dealer shall fail to deliver to the Corporation or to any of the Dealer appointed by the Corporation or to any other person or otherwise as aforesaid, the Corporation shall be entitled to recover the cost thereof from the Dealer at the Corporation's then prevailing tariff rates for cylinders and pressure regulators and other equipment / accessories. In particular and without prejudice to the generality of the foregoing provision, the Dealer shall not be entitled to retain any cylinders, pressure regulators and/or any other equipment, goods, stocks, documents, etc., furnished to him by or on behalf of the Corporation, on the ground of any alleged outstanding due to him or any disputed account. Notwithstanding the above, the Corporation shall have the right forthwith by its officers, representatives or servants to enter upon any premises where such goods and things are stored and take possession thereof and remove the same without being liable for trespass or otherwise. For this purpose, the Dealer hereby irrevocable authorizes the Corporation to take such action as may be necessary.
33. If the Dealer is a firm, the persons named above as partners and the partners for the time being of the Dealer shall be jointly and severally liable in respect of all matters hereunder and the Dealer shall forthwith advise the Corporation by written notice addressed to the Corporation and delivered to the Corporation at its office at \_\_\_\_\_ of any change that may take place in the partnership and in the absence of such notice no partner shall be relieved from liability by public notice retirement or dissolution in accordance with the Indian Partnership Act, 1932 and all the persons who have been partners shall in such event nevertheless remain full liable to the Corporation as if they had all continued to be partners.

***Partner's liability***



34. The Corporation will supply the said products at the approved Godown of the Dealer. The Dealer shall arrange to take prompt delivery of the said products and shall be responsible for and shall pay all demurrage and/or other charges arising through his failure or delay to take such delivery promptly. The Dealer shall also be liable for any loss or damage arising to the Corporation through his failure, neglect or delay to do so.
35. Any notice require to be given to the Dealer by the Corporation shall be deemed to be duly received and served on the Dealer if such notice been addressed to the Dealer at his last known address as communicated to the Corporation and such notice shall be deemed to be validly given and will be binding and legal. Any notice required to be given to the Corporation by the Dealer shall be deemed to be duly received by and served on the Corporation if such notice has been addressed to the Corporation at its office in \_\_\_\_\_ and has been sent by Registered Post. **Notice**
36. Without prejudice to the Provisions of Clause 2 and so not to limit in any way those provisions for their application, it is in particular agreed that no failure or omission to carry or observe any of the stipulation or conditions of this agreement shall give rise to any claim against the Corporation or be deemed a breach of this agreement if the same shall arise from any the following causes, viz., the imposition of restrictions or onerous regulations, acts of God, insurrection pirates, war declared undeclared, strikes, lock outs, transport breakdown and/or combination of workmen, shortage of railway wagons, accidents plant or machinery, non-delivery of supplies either on account of stoppage or reduction of production at refineries, bottlenecks in transport facilities, shortages in supply of LPG Cylinders or equipment etc. The Corporation shall not be responsible for any failure to fulfill any of the terms of this agreement if such fulfillment has been delayed, hindered or prevented by any circumstances whatsoever beyond the control of the Corporation. **Force Majure.**
37. This agreement has been made in all respect in the local jurisdiction of \_\_\_\_\_ and the payments there under shall be due and made in \_\_\_\_\_ unless otherwise directed by the Corporation. The courts in the city of \_\_\_\_\_ alone shall have jurisdiction to entertain any suit, application or other proceeding in respect of any claim or dispute arising under this agreement. **Jurisdiction**
38. Any dispute or difference of any nature whatsoever or regarding any rights, liability, act, omission or account of any of the parties hereto arising out of or in relation to this agreement shall be referred to the sole arbitration of the Managing, Director of the Corporation or of some Office of the Corporation who may be nominated by the Managing Director. The Dealer **Arbitration**

will not be entitled to raise any objection to any such arbitration on the ground that the arbitrator is and office of the Corporation or that he has to deal with the matter to which the contract relates or that in the course of his duties as an officer of the Corporation he had expressed views on all or any other matter in dispute or difference. In the event of the arbitrator to whom the matter is originally referred being transferred or vacating his office or being unable to act for any reasons, the Managing Director as aforesaid at the time of such transfer vacation of office or inability to act, shall designate another person to act as arbitrator in accordance with the terms of the agreement. Such persons shall be entitled to proceed with the reference from the point at which was left by his predecessor. It is also a term of this contract that no person other than the Managing Director or a person nominated by such Managing Director of the Corporation as aforesaid shall act as arbitrator hereunder. The award of the arbitrator so appointed shall be final, conclusive and binding on all parties to the agreement, subject to the provision of the Arbitration Act, 1940 or any statutory modification or reenactment thereof and the rules made there under for the time being in force shall apply to the arbitration proceedings und this clause. The award shall be made in writing and publish by the Arbitrator within six months after entering upon the reference or within such extended time not exceeding further four months as the sole arbitrator shall by a writing under his o hands appoint.

The arbitrator shall have power to order and direct either of the parties to abide by, observe and perform all such directions the arbitrator may think fit having regard to the matter difference i.e. dispute before him. The arbitrator shall have a summary powers and may take such evidence, oral and/or documentary as the arbitrator in his absolute discretion thinks fit and shall be entitled to exercise all power under the Indian Arbitration act, 1940 including admission of any affidavit evidence or the matter in difference i.e. dispute before him. The arbitrator shall be at liberty to appoint, if necessary any accountant or engineering or other technical person to assist him, and to act by the opinion so taken.

The arbitrator shall have power to make, one or more awards whether interim or otherwise in respect of the dispute and difference and in particular will be entitled to make separate awards in respect of claims or cross claims of the parties.

The parties hereby agree that the courts in the city of \_\_\_\_\_ alone shall have jurisdiction to entertain any application or other proceedings in respect of anything arising Linder this agreement and any award or awards made by the sole arbitrator hereunder \_\_\_\_\_ shall be filed in the concerned courts in the city of \_\_\_\_\_

\_\_\_\_\_ only".

39. The Marginal notes hereto shall not affect the construction of this-agreement. **Marginal Notes.**

40. For the purposes of these presents, the expression "the Corporation" shall unless repugnant to the context or meaning thereof be deemed to include its successors and assigns and the expression "the Dealer" shall unless repugnant to the context or meaning thereof be deemed to include (1) where the Dealer is a single individual, his/her heirs, executors, administrator and permitted assigns (2) Where the Dealer is a firm, the specified partners thereof at the date of these presents, their respective heirs,, executors and administrators, the partners or partner for the time being of such firm, the survivors or survivor of such partners and the heirs, executors and administrators of the last surviving partner and (3) Where the Dealer is a Company or other incorporated body, its successors and permitted assigns. **Word - Reference**

IN WITNESS WHEREOF the said parties have hereunto set their hands the day and year first hereinabove written.

SIGNED by Hindustan Petroleum )

Corporation Limited by Shri )

Its Constituted )

Attorney in the presence of : )

SIGNED by Messrs )

By its Partner/Constituted )

Attorney in the present of )