

HINDUSTAN PETROLEUM CORPORATION LTD.

**"H.P. GAS" (LIQUEFIED PETROLEUM GAS)
DISTRIBUTOR AGREEMENT FOR NON-DOMESTIC PACKED -
COMMERCIAL & INDUSTRIAL APPLICATIONS**

THIS AGREEMENT made the _____ by and between Hindustan Petroleum Corporation Ltd. a company incorporated under the Indian Companies Act, 1956 and having its Registered Office at 17, Jamshedji Tata Road, Mumbai 400020 and a Regional Office at 'Petro Bhavan', 3rd Floor, No.82 T.T.K. Road, Alwarpet, Chennai – 600 018 (hereinafter called the 'Corporation' which expression, shall unless inconsistent with or repugnant to the context, include its successors and assigns) of the ONE PART and

(hereinafter called 'the ND Distributor which expression shall, unless inconsistent with or repugnant to the context, include his legal heirs, administrators and assigns) of the OTHER PART

Whereas the Corporation had entered into Dealership Agreement dated with the dealer; and whereas the said agreement was valid and for the period of _____ years; and whereas the said period of 5 years has expired as on _____ and whereas the Corporation and the dealer 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 that behalf.

The Corporation is engaged, inter-alia, throughout the country in the business of refining and marketing of petroleum products including ND packed and Bulk LPG. The ND Distributor has the necessary facilities and resources and is desirous of being appointed as ND Distributor of the Corporation for the promotion, sale and delivery of the ND Packed LPG in _____ and the adjoining districts.

The Corporation has agreed to appoint the ND Distributor to market ND Packed LPG in the area subject to the following terms and conditions.

NOW THIS AGREEMENT witnessed and it is agreed by and between the Corporation and ND Distributor as follows:

1. The Corporation hereby appoints the ND Distributor and the ND Distributor hereby accepts the appointment as ND Distributor of the Corporation, on principal to principal basis for sale of the Corporation's Liquefied Petroleum Gas (LPG) known as "H.P. Gas" in 19 Kg, 35 Kg & 47.5 Kg cylinders or any other package introduced by the Corporation, only for commercial & Industrial consumers like hotels, canteens, hospitals, and for any industrial consumers with industrial applications in the territory/distribution area mentioned as _____ and the adjoining Districts.
2. 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 ND Distributor and on such direct sales the ND Distributor shall not be entitled to any remuneration, commission or allowance of whatsoever nature.
 - ii) The Corporation reserves the right, without any reference to or consent of ND Distributor, to appoint one or more additional ND distributors in the same territory referred to in clause 1 above and such additional ND Distributor or distributors shall be entitled to make sales of H.P. Gas in the same territory without any objection from the ND Distributor and the ND Distributor shall not be entitled to claim any overriding remuneration, commission or allowance for the purpose.

- iii) Without prejudice to the above, the Corporation shall also be entitled to require the ND Distributor 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 ND Distributorship territory and the decision of the Corporation shall be final and binding on the ND Distributor. The Corporation shall further be entitled to notify, without any legal obligation to do so, from time to time to the ND Distributor in writing the minimum number of LPG filled cylinders which the ND Distributor shall be required to uplift in each month. The Corporation shall also be entitled to require the ND Distributor to maintain during the duration of the Agreement such minimum stock as to meet the customer requirements.
 - iv) The ND Distributor will during the continuance of this Agreement confine to effect the sales in the area or territory specified herein above but the Corporation shall be entitled without the consent of the ND Distributor to enlarge, reduce, increase or modify such area of territory as may from time to time be notified by the Corporation in writing.
 - v) The ND Distributor shall make his best efforts for enrolling customer and canvassing business and for developing and increasing the sale of LPG within the area allotted to him. The ND Distributor shall also provide technical assistance to the customer and provide end-to-end solutions to the customer.
 - vi) During the continuance of this Agreement, the ND Distributor shall not directly or indirectly engage or interest himself in the said area in any other business competing with the ND Distributorship of LPG granted to him under this Agreement and shall not distribute or sell directly or indirectly any other product other than the product supplied by the Corporation.
3. The Corporation shall not be liable for any loss or damage due to any delay by the Corporation in shipping or delivering or from failure to ship or deliver LPG filled cylinders or 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 ND Distributor under this Agreement shall constitute a firm order not subject to cancellation or revision by the ND Distributor unless and until the Corporation intimates to the ND Distributor in writing its intention to treat such order as cancelled.
4. The supply of LPG in filled cylinders/equipments shall, unless otherwise mutually agreed to in writing, be made by the Corporation against payment in Advance by Demand Draft by the ND Distributor. This prior payment of Demand Draft is to be made at the Corporation's office at _____ or elsewhere as directed by the Corporation.
5. (i) The Corporation shall be entitled at any time and from time to time and without any previous notice to the ND Distributor, to change all or any of the prices which may be fixed for the purpose of the retail sale or supply of HP Gas for commercial

or industrial purposes to the customers in the said area, and similarly, the Corporation will be entitled to effect any changes in the ND Distributors selling prices and / or in respect of the commission, discounts and deductions 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 ND Distributor.

- ii) The ND Distributor undertakes to sell and supply the LPG at the rates so fixed and shall not sell at retail prices exceeding those fixed by the Corporation from time to time and shall sell the HP 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.
 - iii) The ND Distributor shall arrange for delivery of full cylinders from his own storage premises to the customers premises and for the return of empty cylinders from the customers premises to his own approved storage premises.
6. a. 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.
- b. The Corporation may, however, from time to time, entrust to the ND distributor for use in connection with the business in the said LPG, such equipment and /or the other property as the Corporation may see fit, and the ND Distributor 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.
 - c. The ND Distributor shall pay forthwith on demand to the Corporation at its Marketing Head Office at Mumbai or at the 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.
 - d. The ND Distributor 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.
 - e. The Corporation's equipments / 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's equipments.

7. The ND Distributor shall not undertake to repair the equipments or cause the same to be repaired by any one except the Corporation or its authorized agents appointed for the purpose.
8. The ND Distributor shall provide adequate facilities as detailed in Annexure I 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 ND Distributor for storing LPG 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 ND Distributor who will also be liable to pay and discharge the entire expenditure for the same.
9. The ND Distributor 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 shall be the sole Judge.
10. The ND Distributor shall at all times sell LPG obtained 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.
11. The ND Distributor 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 jeopardized. The ND Distributor 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 and of those of the Corporation.
12. The ND Distributor shall faithfully and diligently observe and carry out all directions, orders, guidelines, 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 ND Distributor hereby confirms that he has received the copy of the H.P. Gas Manual and the general directions as circulated by the Corporation on the date of this Agreement and agrees to abide by and perform the same.
13. The ND Distributor 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 ND distributors godown) delivery and sale and distribution of LPG cylinders (filled or empty) or any other equipment that the Corporation may make available to the ND Distributor and the Corporation will not be liable to bear such expenditure under any circumstances whatsoever.

14. The ND Distributor shall on or before the execution of this Agreement deposit with the Corporation a sum of **Rs.2 Lakhs (Rupees TWO LAKHS only)** as **Security Deposit** by way of Demand Draft drawn on any Bank or Bank Guarantee 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 ND Distributor shall irrevocably authorize the Corporation to adjust and set off any claim or loss suffered by the Corporation or any other amount recoverable by the Corporation from the ND Distributor against such Security Deposit. The said Security Deposit shall not carry any interest and shall be liable for forfeiture in favour of the Corporation in the event of any breach, neglect or default by the ND Distributor in addition to any other rights or remedies available to the Corporation under this Agreement or otherwise in law. If so required by the Corporation, the ND Distributor shall enhance the said Security Deposit to such increased amounts as the Corporation may from time to time indicate.
- 15.i) The ND Distributor 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 :
- ii) Adequate storage accommodation for cylinders, both full and empty, pressure regulators and other articles supplied by the Corporation; and
 - iii) 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.
 - iv) The design of all vehicles, plant and work place, used by the ND Distributor shall be such as have been previously approved of by the Corporation. The Distributor shall also comply with all directions given and / or requisitions made by the Corporation in connection with such facilities.
 - v) The ND Distributor shall comply with all laws, rules, statutes, 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.
 - vi) The ND Distributor shall obtain/ renew all licenses 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 licence or permits and hereby undertakes not to do or permit to be done any act or thing which may be contrary to the terms thereof. The ND Distributor shall be solely responsible for all consequences of any breach of provisions of this clause.

16. i) The ND Distributor shall be solely responsible for and shall himself bear all expenses of and in connection with the business including administration, office, insurance premium, showroom, telephone, transport, storage, rents, licence or other fees, rates, taxes and all other charges and outgoings of every kind connected with the said business and shall pay the same promptly and without fail.
- ii) The ND Distributor shall also be solely responsible for any breach or contravention by himself, his employees, agents or sub-agents of any rules, regulations or byelaws of the Central and / or State Governments and / or municipal local and / or other authorities as may be applicable to the business including, without prejudice to the generality of the foregoing, the concerned authorities respectively appointed under the Petroleum Act and Rules, Payment of Wages Act, Shops and Establishment Act, Factories Act, and the Workmen's Compensation Act, Explosives Act, 1884, Gas Cylinders Rules, 2004, 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 ND Distributor with the same.
- iii) The ND Distributor shall at all times indemnify and keep indemnified the Corporation against all actions, proceedings, 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 ND Distributor, 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 accident or loss or damage was due to any negligence want of care or any misconduct of the ND Distributor, his servants and agents or sub-agents.
17. The ND Distributor 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 attend to the work of repairing appliances and providing free technical service to the customers in accordance with the general instructions given or laid down by the Corporation. The ND Distributor, his employees, agents and subagents 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 regular or as the case may be to the Corporation for repairs. The ND Distributor 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 ND Distributor and / or of the customers in the said area.
18. In all contracts or engagements entered into by the ND Distributor with the customers for sale of HP Gas and / or the installation and / or repairs of appliances and / or connections thereof with LPG cylinders (filled or empty) and / or refills and / or pressure regulators and / or attached equipment, the ND Distributor 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 to any manner in respect of such contracts and / or engagements and / or in respect of any act or omission on the part of the ND Distributor, his servants, agents and workmen in regard to such installation, sale, distribution, connection, repairs or otherwise. The ND Distributor 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 ND Distributor (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, "ND Distributor", shall include a sub-dealer, agent, servant, licensee, employee or other person nominated or appointed by the ND Distributor 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.
- (a) The ND Distributor 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 ND Distributor shall fully and effectively indemnify and keep indemnified the Corporation, its successors, assigns, estate and effects, officers, employees and agents from and against all losses, damages, claims, liability, suits, legal proceedings 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 qualification 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 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 Corporation equipments 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 observance or non conformation with the provisions of the Petroleum Act, 1934 or Petroleum Rules 2002, Explosives Act, 1934, 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 license or permission issued for the

purpose of storage by any Central or State Government or local 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 ND Distributors 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 handling by any person for and on behalf of the ND Distributor 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 ND Distributor has no control.

- 20 a) It is specifically agreed and declared between the Corporation and ND Distributor that the Corporation has not given nor shall be deemed to 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 ND Distributor 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.
21. The ND Distributor 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 ND Distributor shall produce such insurance policy and the renewals thereof for inspection and verification by the Corporation. The ND Distributor shall fully and 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.
22. The ND Distributor will at all times fully indemnify the Corporation from and against all losses, damages, 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.
23. The ND Distributor shall not sell, assign, mortgage or part with or otherwise transfer his interest in the ND Distributorship or the right, interest or benefit conferred on him by this Agreement to any person. In the event of the ND Distributor 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 hereinabove by the ND Distributor. In the event of the death of any of the partners, the ND Distributor 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 ND Distributorship with the said firm or to have a fresh Agreement of ND Distributorship with any reconstituted firm or to terminate the ND Distributorship 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.

24. The ND Distributor 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 ND Distributor 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.
25. (a) The ND Distributor undertakes 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 ND Distributorship of the Corporation.

(b) It shall be a paramount condition of the Agreement that the ND Distributor himself (if he be an individual) or both the partners of the ND Distributorship firm (if the ND Distributor is a partnership firm consisting of two partners only) or the majority of the partners of the ND Distributors firm (if the ND Distributorship is a firm consisting of more than two partners) or the majority of the office bearers / elected members of the ND Distributors co-operative society (if the ND Distributor is a Cooperative Society) or the directors (if the distributor is a limited company) as the case may be shall take active part in the management and running of the ND Distributorship 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 ND Distributor shall not enter into any arrangement, contract or understanding whereby the operations of the ND Distributor 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 ND Distributor himself or the partners themselves or the whole time office bearer/ elected members of the ND Distributor (if it is a co-operative society) or the

managing director or any director (if it is a limited company) 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 ND Distributorship which is the subject matter of this Agreement.

- (iii) The ND Distributor (if it be a firm or a cooperative society or a limited company) 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 byelaws or the board of directors as the case may be.
 - (iv) The ND Distributor (if it be a private limited company) shall not cause or permit any group transfers or substantial change in its shareholding (transmission by death etc., excluded).
 - (v) In the event of the death of any partner of a firm / death or retirement of whole time office bearers / elected members of cooperative society which has been appointed as a ND Distributor 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.
26. 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 ND Distributor shall send to the Corporation either fortnightly or at such other intervals as the Corporation from time to time determine a report of all sale effected by the ND Distributor and of the unsold stocks in his custody in the form to be prescribed by the Corporation.
27. 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 ND Distributor 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 ND Distributor by the Corporation.
28. (a) The ND Distributor shall display or cause to be displayed prominently upon the 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 HP gas supplied by the Corporation for commercial and industrial applications.
- (b) The ND Distributor agrees that upon the Corporation's premises in his use he will not display advertisements which do not have 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 distributorship.

29. The ND Distributor shall settle, in the event of termination of this Agreement for any reasons, all accounts within seven days of such termination and in the event of the ND Distributor 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.
30. Notwithstanding anything to the contrary herein contained, the Corporation shall be at liberty, upon their being satisfied of any breach of any covenant committed by the ND Distributor 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 and / or without prejudice to any other right or remedy available to the Corporation under this Agreement. The ND Distributor shall not be entitled to claim any compensation or damage from the Corporation on account of any such stoppage and / or suspension of supply.
31. 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.
- (a) If the ND Distributor shall commit a delay, breach or default of any of the terms, conditions, covenants and stipulations 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 ND Distributor, if he be an individual;
 - (ii) the dissolution of the partnership of the ND Distributor's firm or the death or adjudication as insolvent of any partner of the firm, if the ND Distributor be a partnership firm;
 - (iii) the liquidation, whether voluntary or otherwise or the passing of an effective resolution for winding up, if the ND Distributor be a company or cooperative society;
 - (c) If any attachment is levied and continues to be levied for a period of seven days upon the effects of the ND distributor or any individual partner for the time being of the ND Distributors' firm or any elected member of the ND distributor's co-operative society or the Managing Director or any Director of the ND distributor.

- (d) If the ND Distributor or any partner in the distributors firm or any whole time office bearer of the co-operative society or its director 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 ND Distributor or any partner/office bearer/director in the ND Distributorship firm or of the ND Distributor cooperative society or ND Distributor company.
- (f) If the licence issued to the ND Distributor by the relevant authorities for the storage of LPG products supplied by the Corporation is cancelled or revoked.
- (g) If the ND Distributor shall for any reason make default in payment to the Corporation in full or his outstandings as appearing in the Corporation's books of account beyond 4 days of demand by the Corporation.
- (h) If the ND Distributor 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 Corporations products or otherwise.
- (i) If the ND Distributor shall give out unauthorized connections to any person without the Corporations receipt / subscription voucher or otherwise howsoever;
- (j) If the ND Distributor shall deliberately contaminate or tamper with the quality of any of the Corporations products.
- (k) If the ND Distributor shall sell the Corporations products at prices higher than those fixed by the Corporation.
- (l) If any information given by the ND Distributor in his application for appointment as a ND Distributor shall be found to be untrue or incorrect in any material particular.
- (m) If the lease or tenancy of the ND Distributor (if the ND Distributor holds the site as lessee or tenant) shall be terminated or purported to be terminated or comes to an end for any reason whatsoever.
- (n) If the ND Distributor shall either by himself or by his servants or agents commit or suffer to be committed any act which, in the opinion of the Chief/Senior/Regional Manager of the Corporation for the time being at **Chennai**, whose decision in that behalf shall be final, is prejudicial to the interest or good name of the Corporation or its products, the Chief/Senior/Regional 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 ND Distributor. In the event of the Corporation terminating this agreement under the provisions of this clause, it shall not be liable to pay for any loss or compensation in respect of such termination provided that the supply of any LPG products by the Corporation to the ND Distributor pending expiry of any notice of termination or after any act, contravention or omission by the ND Distributor entitling the Corporation to terminate this Agreement shall have become known the Corporation, shall not 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.

32. This Agreement shall remain in force for **five years** from _____. However, the same may be determined without assigning any reason by either party by giving one months 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 Clauses 9 and 31 of this agreement. Upon expiry of the aforesaid period of five years, the Corporation may at its option, enter into a fresh agreement with the distributor for a further period of five years on the same terms and conditions as herein contained.
33. Any acquiescence or waiver by the Corporation of any delay, breach or default committed by the Distributor 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 in respect of any matter of transaction antecedent of whatsoever nature.
34. (a) Upon termination of this Agreement, the ND Distributor shall be liable to immediately handover, return and redeliver to the Corporation or any person nominated by the Corporation the entire stock of LPG filled / empty cylinders and equipments that may have been made available or entrusted or hired to the ND Distributor 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 ND Distributor shall also handover 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 ND Distributor who may be appointed by the Corporation to effectively service, continue and maintain the supplies to the customers.
- (d) The ND Distributor shall if so required by the Corporation, be responsible to 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 ND Distributor, or for the transfer thereof to any other ND Distributors or other persons authorized by the Corporation.

- (e) On the revision by the Corporation of the said area by the curtailment thereof, the provisions of this clause shall apply and be performed by the ND Distributor mutatis mutandis with regard to the cylinders, pressure regulators, documents, etc. referable to that portion 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 ND Distributor appointed by the Corporation for such area. If the ND Distributor shall fail to deliver to the Corporation or to any of the distributors appointed by the Corporation or to any other person or otherwise as the Corporation may direct within a period of three months from the date of termination or curtailment of the area, as the case maybe, any of the cylinders and / or pressure regulators and other equipment / accessories loaned to the customers in the said area or excluded part of the said areas aforesaid, the Corporation shall be entitled to recover the cost thereof from the ND Distributor 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 provisions, the ND Distributor 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 outstandings 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 ND Distributor hereby irrevocably authorizes the Corporation to take such action as may be necessary.
35. If the ND Distributor is a firm, the persons named as partners and the partners for the time being of the ND Distributor shall be jointly and severally liable in respect of all matters hereunder and the ND Distributor shall forthwith advise the Corporation by written notice addressed to the Corporation and delivered to the Corporation at its office at **Chennai** of any change that may take place in the partnership firm and in the absence of such notice no partners shall be relieved from liability by public notice of 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 fully liable to the Corporation as if they had all continued to be partners.
36. The Corporation will supply the said products at the approved Godown of the ND Distributor. The ND Distributor 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 ND

Distributor shall also be liable for any loss or damage arising to the Corporation through his failure, neglect or delay to do so.

37. Any notice required to be given to the ND Distributor by the Corporation shall be deemed to be duly received and served on the ND Distributor if such notice has been addressed to the ND Distributor 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 ND distributor 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 **Chennai** and has been sent by registered post.
38. Without prejudice to any provisions of the Agreement, and so as not to limit in any way those provisions for their application, it is in particular agreed that no failure or omission to carry out 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 rise from any of the following causes, viz. the imposition of restrictions or onerous regulations, acts of God, insurrection, pirates, war declared or undeclared, strikes, lock outs, transport breakdown and / or combination of workmen, shortage of railway wagons, accidents to 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.
39. This Agreement has been made in all respect in the local jurisdiction of **Chennai** and the payments there under shall be due and made in **Chennai** unless otherwise directed by the Corporation. The courts in the city of **Chennai** alone shall have jurisdiction to entertain any suit, application or other proceeding in respect of any claim or dispute arising under this agreement.
40. Any dispute or difference of any nature whatsoever or regarding any right, liability, act, omission or account of any of the parties hereto arising out of or in relation to this Agreement (other than those in respect of which the decision of any person, is by the Agreement, expressed to be final and binding) shall be referred to the Sole Arbitration of the Chairman and Managing Director of the Corporation or some officer or retired officer of the Corporation or retired officer of other Oil PSUs or retired Senior Central Govt. officer who may be nominated by the Chairman and Managing Director. The dealer will not be entitled to raise any objection to any such Arbitrator on the ground that the Arbitrator is or was an officer and / or share holder of the Corporation or that he has to deal with or dealt with the matters to which the contract relates or that in the course of his duties as an officer of the Corporation he has expressed views on all or any of the matters in dispute or difference. In the event of the Arbitrator to whom the matter is

originally referred vacating his office or being unable to act for any reason, the Chairman and Managing Director as aforesaid at the time of such vacation of office or inability to act, shall designate another person to act as Arbitrator. In accordance with the terms of the Agreement such person shall be entitled to proceed with the reference from the point at which it was left by his predecessor. It is also a term of this contract that no person other than the Chairman and Managing Director or a person nominated by such Chairman and Managing Director of the Corporation as aforesaid shall act as Arbitrator hereunder. The cost of arbitration shall be shared equally by the parties. The Award of the Arbitrator so appointed shall be final, conclusive and binding on all parties to the Agreement, subject to the provisions of the Arbitration And Conciliation Act, 1996 or any statutory modification of or re-enactment thereof and the Rules made there under and for the time being in force shall apply to the Arbitration proceedings under this Clause.

- b. The arbitrator shall have power to order and direct either of the parties to abide by, observe and perform all such directions as the arbitrator may think fit having regard to the matter in dispute before him. The arbitrator shall have all summary powers and may take such evidence or and / or documentary as the arbitrator in his absolute discretion thinks fit and shall be entitled to exercise all power under the Arbitration Act and Conciliation Act, 1996, including admission of any affidavit as evidence in the matter in 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.
- c. 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 all claims or cross claims of the parties.
- d. The parties hereby agree that the courts in the city of **Chennai** alone shall have jurisdiction to entertain any application or other proceedings in respect of anything arising under this agreement and any award or awards made by the sole arbitrator hereunder shall be filed in the concerned courts in the city of **Chennai** only.

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

SIGNED by
Hindustan Petroleum Corporation Ltd. by Shri

**its Constituted Attorney
in the presence of)**

Signed by M/s _____
by Proprietor/Constituted Attorney in the
presence of