



HINDUSTAN PETROLEUM CORPORATION LIMITED

"HP GAS" (LIQUEFIED PETROLEUM GAS) DEALERSHIP (Domestic & Commercial Agreement)

MEMORANDUM OF AGREEMENT made on 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, Mumbai-400020; 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 Shri / Smt. _____, A co-operative society/A joint stock company/A partnership firm/A Joint Hindu Family/An Individual carrying on business under the firm name or style of M/s. _____ at _____ (Hereinafter called 'The dealer') of the other part whereby it is agreed as follows: -

Parties.

Cross out that
Not applicable

1. 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 _____ 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.

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's Liquefied Petroleum Gas (LPG) known as HP 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 area of _____

Appointment
As Dealer

(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 Governments, 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 1(a) above and such additional dealer or dealers shall be entitled to make sales of HP 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.

Quantities to be purchased by the Dealer

(iii) Without prejudice to the above the Corporation shall also be entitled to require the Dealer to effect minimum sales of HP 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 Filled 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 customer's requirements.

Dealer not to sell outside his territory.

(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 authorized by the corporation in writing.

(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.

Corporation's Liability

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 as Cancelled.

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 CHERLAPALLY, HYDERABAD 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 prices 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 in respect of the commissions, 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 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 customer's premises and for the return of empty cylinders from the customer's premises to his own approved storage premises.

Corporation reserves right to change prices. Dealer to sell at fixed retail selling rate.

