

AGREEMENT BETWEEN A MANUFACTURER AND SELLING AGENT

AN AGREEMENT made on this.....day of .....BETWEEN ABC & Co. Ltd. having its registered office at.....(hereinafter called the “manufacturer”) of the one part AND PN son of.....resident of.....(hereinafter called the agent) of the other part.

WHEREAS

1. The manufacturer carries on the business of manufacturing banyans, underwears, hosiery and other wearing apparel of all kinds.
2. The manufacturers is desirous of opening retail shops in various towns of India and is willing to appoint agents for this purpose who shall have to act exclusively as the selling agents of the products of the manufacturer.
3. The said agent has approached the manufacturer and expressed his consent to act as such agent on the terms and conditions mutually agreed upon.

NOW, THEREFORE, THIS AGREEMENT WITNESSES as follows:

1. The manufacturer carries on the business of manufacturing banyans, underwears, hosiery and other wearing apparel of all kinds.
2. The manufacturer is desirous of opening retail shops in various towns of India and is willing to appoint agents for this purpose who shall have to act exclusively has the selling agents of the products of the manufacture.
3. The said agent has approached the manufacturer and expressed his consent to act as such agent on the terms and conditions mutually agreed upon;

NOW, THEREFORE, THIS AGREEMENT WITNESSES as follows :

1. That the agent shall deposit a sum of Rs.....as security for the due fulfilment of the terms of this agreement as well as for the adjustment thereof against the price of the goods supplied to the agent by the manufacturer from time to time.
  
2. That the manufacturer shall supply an assortment of goods manufactured by it approximately of the value of Rs.....in the first instance and thereafter shall furnish to the agent at his request in writing such further goods as may be so requisitioned by him or as the manufacturer may think expedient to supply to the agent to be kept in the shop run by the agent, so that the total value thereof at any time may not, if requisitioned by the agent, exceed the value of Rs.....but it shall be at the option of the manufacturer to supply further goods of its manufacture, which it may deem expedient, subject, however, to the compliance with the requisition made to the manufacturer by agent as aforesaid to replenish the stock which, in the opinion of the agent, finds a ready market for its sale.
  
3. That the agent shall keep proper account and shall issue cash voucher for every article sold by him, which shall be prepared in triplicate, one legible copy whereof shall be submitted to the manufacturer by the agent every Friday or the next day on which the shop is opened by the agent in case Friday should be a close-day. The copies of such vouchers shall be accompanied with a statement of account showing the goods received by the agent from the manufacturer during the previous week ending with Saturday previous to Friday on which the return is so submitted.
  
4. That all the goods supplied by the manufacturer shall be deemed to be in trust with the agent for the purposes of sale on behalf of the manufacturer and any wilful omission or non-mention thereof in the return of the sale and receipt of goods submitted to the manufacturer weekly as aforesaid shall be deemed to be a misappropriation thereof unless such omission when pointed out and notified by the manufacturer is not rectified or appropriately explained within one week of such notification.

5. That the manufacturer shall pay to the agent a commission of.....per cent on the sale of the goods so supplied to the agent. The agent shall be entitled to deduct the commission out of the sale-proceeds and shall be bound to remit to the manufacturer the balance of the sale-proceeds received by the agent up to Saturday previous, which shall be so remitted on or before Friday next ensuing. The agent, however, shall, at his discretion, be entitled to sell not more than 10 per cent of the sales effected during the week on credit and he shall be bound to realise such outstandings within two months of the sale be bound to pay in cash from his own pocket for the price of the goods so sold on credit. The return submitted by the agent shall show in a separate account the sales so made on credit and the realizations made thereon from time to time.

6. That the agent shall not sell any article at a price less than the one marked thereon by the manufacturer or fixed in respect of the article by the manufacturer from time to time. Any article which becomes soiled or partly broken or otherwise unfit for sale or otherwise apparently diminished in value shall not be exposed for sale by the agent except with the prior approval of the manufacturer, and at prices to be mutually settled between the parties. The agent shall be entitled to give a concession of not more than 5 per cent of the saleable value of any article to any old customer of the agent or any relation of the agent. The agent shall indicate in the return submitted by him weekly as provided in the agreement the fact of such sale at concessional rates.

7. That the agent shall take reasonable care of the goods supplied by the manufacturer and in case of any theft or injury thereto or destruction thereof, he shall make a report to the police in case of a cognizable offence having been committed in respect thereof and forward a copy thereof to the manufacturer or submit a report in respect thereof within three days of the occurrence or its cognizance by the agent. The agent shall assist the manufacturer in the apprehension of the offender or in alleviating or removing the cause of such injury, if any. In the event of the manufacturer making a claim for compensation or otherwise from any insurance company the agent shall assist the manufacturer as if the agent was himself the assured.

8. That the agent shall keep the goods of the manufacturer for sale in a premises approved by the manufacturer which shall be kept clean and well equipped with furniture and other conveniences for the customers.

9. That this agreement is made to run for a period of two years liable, however, to be terminated earlier, ipso facto in the event of bankruptcy or death of the agent or at the expiry of a notice of a fortnight served on or delivered to the agent at his address aforementioned or sent by registered post to him at the said address in case of default of or breach committed by the agent in respect of any of the terms of this agreement. The agent may also terminate this agreement after giving one month's notice to the manufacturer in any of the aforementioned modes in case the manufacturer should fail to comply with or commit a breach of the terms of this agreement.

10. That any dispute arising between the parties touching the interpretation or compliance or non-compliance with the terms or conditions of this agreement shall be referred to the arbitration of the President of the District Bar Association who may determine the dispute himself or refer the dispute to the arbitration of any other member of the Bar Association at .....The fees of the arbitrator shall be determined by the said President with the assent of the parties, failing which by Court having jurisdiction at.....to try and decide the dispute.

11. That at the termination of this agreement, the accounts between the parties shall be mutually adjusted within one month of such termination . In case any party fails to assist in such examination or adjustment of accounts and the taking of stock, the other party may refer the examination and taking of accounts to the determination of the President of the District Bar Association at.....and the provision of Cl. 9 aforesaid shall apply thereto.

12. That no commission shall be payable to the agent after the termination of the agreement whether by efflux of time or otherwise under this agreement, except when this agreement is renewed and the parties mutually further agree thereto or the arbitrator in the event of reference thereto, thinks fit to allow such commission either by interlocutory award or finally subject to such terms as the arbitrator may deem proper.

13. That the agent shall not, during the period of two years fixed in the agreement (and notwithstanding prior determination thereof by any party thereto), sell goods of any other manufacturer or person and the manufacturer shall not appoint any other selling agent within a radius of ..... Yards of the shop of the agent.

IN WITNESS WHEREOF the parties have signed this agreement on the day and year first above written.

.....

(Agent)

.....

(Manufacturer)