

AGREEMENT BETWEEN A COMPANY AND SOLE SELLING AGENTS

THIS AGREEMENT made on this day of
BETWEEN Ltd. (hereinafter referred to as the company) having its
registered office and factory at , of the one part and
..... Ltd., carrying on business at (hereinafter
called the sole selling agents) of the other part.

WHEREAS the company is engaged in the manufacture of cotton and textiles
polyester fibre yarn suitings and shirtings.

AND WHEREAS the sole-selling agents are the whole-sale traders in suitings
and shirtings and other textile goods in north India with headquarter at Delhi.

AND WHEREAS the company in its general meeting held on.....has
decided to appoint Ltd. as the sole-selling agents for northern India for
whole-sale business of the company's manufactured suitings and shirtings and the
Central Government has also approved the appointment of the said sole-selling agents
vide letter NO.....dated.....

AND WHEREAS it is agreed between the parties that the company shall appoint
..... Ltd. as the sole selling agents for the suitings and shirtings

manufactured by the company and the said Ltd, have agreed to act as the sole-selling agents for the company.

NOW THIS AGREEMENT WITNESSES AS FOLLOWS :

(1) That the company appoints Ltd, Delhi as the sole-selling agents for the North India including the States of for the suitings and shirtings manufactured by the company and the said sole-selling agents will have the exclusive right and authority to sell whether in cash or on credit and procure the orders for sale of the said product of the company in any manner in the territories mentioned above.

(2) The appointment of sole-selling agents shall take effect from 1st day of....., and shall operate for a period of five years from the said date without prejudice to the right of reappointment but subject to the approval by the Company in general meeting and also subject to the approval by the Central Government as required under section 294 of the Companies Act, 1956, and Rule 2 of the Companies (Appointment of Sole Agents) Rule, 1975.

(3) The sole-selling agents shall have the right to operate in the entire territories of North India as mentioned above either directly or through their branch offices, associates or sub-agents for giving effect to this agreement.

(4) The sole-selling agents in consideration their selling and procuring orders for the sale of the company's products shall be paid a commission at a rate not exceeding 30% but determinable by the mutual agreement of the parties at the commencement of every year on sales effected by them at agreed intervals of time on the amount actually collected by them in accordance with the incentive rates on the amount collected, agreed to, and described in the Schedule hereinafter annexed.

(5) The sole-selling agents hereby covenant :

(i) That they will exclusively engage in the sale of the company's products to the best of their efforts and shall not engage in the sale of similar or identical products of other manufactures.

(ii) That they will protect preserve and maintain patents and trade mark of the company's products sold by them in all possible manner at their own cost and will never allow others to use the same unauthorisedly.

(iii) That they will keep and maintain the full and complete accounts of the sale of the company's products, area-wise and region-wise and submit quarterly reports of sale, stock in hand, realisation of credit bills and any other information as may be desired by the company at any time or from time to time;

(iv) That they will not create any obligation involving payments either in cash or kind on behalf of the company and shall not assign the interest, rights and obligations arising out of these presents to any third party;

(v) That they shall keep the company well informed of the demands of the company's products arising in the territories of their operation from time to time.

(6) The company also hereby covenants as under :

(i) That it shall provide the sole-selling agents complete catalogue, instruction books, circulars for promoting sales of its products and publish advertisements in local and regional newspapers for promoting sales of the company's products.

(ii) That it shall execute orders placed by the sole-selling agents with all reasonable despatch

(iii) That it shall not entertain and execute direct orders from the territories assigned to the sole-selling agents and in case any orders are received by it the same shall be passed on to the sole-selling agents and they will be paid commission 20% on such orders.

(7) The parties hereto hereby agree as under :

(i) That nothing contained herein shall prejudice the rights of the company to appoint another selling agents in any of the aforesaid States or to open its own retail shop in writing where it is found necessary to promote public distribution system or to execute any special programme of the Government of India. However, so the company shall obtain prior consent in writing of the sole-selling agents in that behalf.

(ii) That the retail price of the product shall always be determined by the company in consultation with the sole-selling agents.

(iii) That the agreement is renewable subject to mutual consent of the parties hereto on the expiry of five years.

(iv) That the agreement may be terminated by either party on giving six months, notice in advance to the other party in writing but by registered post.

(v) That any dispute arising between the parties hereto shall be referred to the sole arbitrator Shri.....and the decision/award of such arbitrator shall be binding upon the parties hereto.

(vi) That the Delhi courts will have the sole and exclusive jurisdiction of decide the issues in dispute between the parties hereto.

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

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SCHEDULE REFERRED TO ABOVE