

## APPOINTMENT OF DISTRIBUTOR FOR A DISTRICT

THIS AGREEMENT made at ..... on this ..... day of ..... 2000, between M/s ..... a partnership firm having its principal office at ..... (hereinafter referred to as "the principals", which expression shall unless repugnant to the context, be deemed to include the partners for the time being and from time to time constituting the said partnership firm, the survivor of them, the legal representatives, heirs, executors and administrators of such last survivor) of the ONE PART and M/s ..... proprietor Shri ..... (hereinafter called "the distributor" which expression shall unless repugnant to the context, be deemed to include his heirs, administrators, executors, legal representatives, successors and assigns) of the OTHER PART.

WHEREAS the Principals are the sole selling agents of ..... Ltd., for the whole of India and under the Agreement dated ..... executed between ..... Ltd. and the Principals, the Principals are entitled to appoint agents, distributors for marketing the products of ..... Ltd., hereinafter referred to as the company.

WHEREAS the distributor of M/s. .... has got a big showroom at ..... and has requested the Principals to appoint it as its distributor for marketing the company's products.

WHEREAS the Principals have agreed to appoint M/s ..... as their distributor to sell the products of the company.

NOW IT IS HEREBY AGREED BETWEEN THE PARTIES AS UNDER:

1. The Principals appoint M/s..... as the sole agent for the district of Agra for the purpose of promotion and sale of the company's products for a period of two years from the date hereof on the terms and conditions set forth hereunder.
2. The distributor shall work conscientiously and in a business like manner for the promotion and sale of the products of the company.
3. The distributor shall fix the retail price in consultation with the Principals from time to time and make the sale of the company's products against cash memos.
4. The distributor shall maintain fifteen days stock of company's to products for sale at his own cost and shall not pledge the stock to bankers or other creditors without obtaining the prior consent from the Principals in writing. The Principals may grant consent for the pledge of the stock subject to terms and

conditions and the distributor shall abide by such terms and conditions and bring the same to the notice of the bankers or creditors.

5. The distributor shall not sell the goods directly or indirectly outside the agency district. The distributor while selling the company's products to persons in trade shall obtain undertaking in writing that the company's products shall not be re-sold outside the district agency and the said products shall not be re-sold to the public below the fixed retail price.
6. The distributor shall be responsible for the rent and other expenses of the showroom and godown occupied by him for the purpose of agency business. He shall at his own expense keep insured the company's products for full value against all risks. The Principals may inspect the receipts for the rent, rates and taxes of the showroom and godown and for the premium of insurance policies. The Principals will not be liable or responsible for the expenses relating to or incidental to the said agency.
7. The distributor shall make all sales on cash basis and shall keep record of all sales and shall remit the sum received by him to the Principals on each Saturday. The distributor may deduct the commission at the rate of ..... per cent, while remitting the sale proceeds. The distributor shall send weekly reports of the sales, net realisation, stock in hand, etc. to the Principals.

8. The distributor shall be entitled to ..... per cent commission on the sale price of the products realised on the basis of accounts maintained by him.
  
9. The products supplied by the Principals shall be the property of the Principals and they will be entitled to take possession of the said products at any time. The distributor shall maintain record of stock received by him, goods sold by him and the goods in stock in godown and showroom. The Principals have the right without prior notice to cause a stock checking of the company products supplied by them and if any shortage or deficiency is found on such. stock-checking, the distributor shall pay to the Principals the list price of such shortage or deficiency less the deduction by way of commission.
  
10. The Principals will not sell the company's products to any person in the agency territory and will redirect all inquiries or orders for Principals products received by them from persons resident in agency district to the distributor. The distributor shall also refer to the Principals all enquiries or orders for the Principals products from the persons resident outside agency district and enquiries or orders from persons resident in the agency district for the purpose of re-sale outside the agency district. The distributor shall not be

entitled to any commission on the sale resulting from such enquiries or orders.

11. The rights under this agreement shall not be assigned or transferred to any other person, except with the prior permission of the Principals in writing.

12. In the event of any dispute arising between the distributor and any customer regarding the purchase of company's products, the distributor shall inform the Principals immediately, who will advise the distributor the appropriate action which has to be taken by him in the matter.

13. The distributor guarantees a minimum sale of the value of Rs. .... per year. In case, the sale fails short by 25% or more for consecutive two years, the Principals may terminate this agreement.

14. Any of the parties may terminate this agreement by serving a notice of three months to the other party. The accounts between the parties will be settled and adjusted finally within the aforesaid period of three months.

15. In the expiry or earlier determination of this agreement, the distributor shall forthwith deliver to the Principals all the unsold stock of goods, all books of account and other documents of agency to the principals and shall pay to the

principals for the shortage or deficiency of stocks at list prices less commission allowed to the distributor.

16. In case any dispute arises between the parties out of or in connection with the agreement, the same shall be referred to the sole arbitration of an arbitrator, who may be appointed by the parties by mutual agreement. The proceedings held by the arbitrator in making the award will be in accordance with the provisions of Indian Arbitration and Conciliation Act, 1996 or any statutory modification thereof. The award of the arbitrator shall be final and binding on the parties.

17. This agreement shall be executed in duplicate. The original it shall be retained by the Principals and the duplicate by the distributor.

IN WITNESS WHEREOF the parties hereto have set their respective hands to these presents and the duplicate hereof on the date, month and year hereinabove written.

Signed and delivered by M/s.....  
the within named Principals by their partners

Signed and delivered by .....

the within named Distributor by their proprietor Shri .....

WITNESSES;

1.

2.