

DEALERSHIP AGREEMENT BETWEEN A MANUFACTURING
COMPANY AND FIRM

THIS AGREEMENT MADE ON THIS.....day of.....BETWEEN Chandika & Co. Ltd., a company incorporated under the Companies Act, 1956 and having its registered office at(hereinafter called the 'company' which expression shall, unless the context admits otherwise, includes its representatives) of the one part and Jumb & Jumboo, a partnership firm consisting of Shri.....,Shri.....Shri.....and Smt.....w/o Shri.....partners, having its main business place at.....and branches at..... and(hereinafter called "the firm" which expression shall, unless the context admits otherwise, include the partners, their heirs, executors, administrators, representatives and assigns) of the other part.

WHEREAS

1. The company manufactures cotton and polyster fibre yarn suitings and shirtings.
2. The firm has its own well-established marketing network and is selling goods of various manufactures and is desirous of selling the goods of the company at a new sales depot recently taken by it on rent for the purpose.

3. The company, after having considered the proposal of the firm, has agreed to appoint the firm as its dealer on the terms and conditions as hereinafter appearing.

NOW THIS AGREEMENT WITNESSES as under :

1. That the company hereby appoints the firm as its dealer for selling its products, more particularly described in the Schedule annexed hereto.

2. That the agreement shall remain in force originally for three years commencing from.....but may be renewed for similar periods on the terms and conditions as may be agreed by and between the parties hereto.

3. That the firm shall keep a minimum stock of.....pieces each of the company's products described in the Schedule to meet the demand of the ultimate users/consumers, and such quantity shall be reviewed every quarter in the light of the sales during the previous quarter the demands, consumers likings and the market trends.

4. That the company shall supply to the firm its products on credit for fifteen days from the date of the invoice and shall charge interest at the rate of.....per cent per annum from the sixteenth day of the invoice till payment in full if payments are not made within the period credit aforesaid.

5. That the company shall supply to the firm publicity and advertisement material in sufficient quantity for display at the firm's sales depot and for the distribution in its area of operation.

6. That the company shall bear 60% of the cost of maintaining the firm's sales depot including rent thereof subject to a maximum of 6% of the invoice value of all the products of the company sold to the firm, which amounts shall be credited to the firm's running account maintained with the company at the end of each quarter.

7. That the accounts between the parties will be settled half-yearly and the credit/debit balance shall be squared up by making necessary payments by the parties.

8. The firm shall make all efforts for the promotion of the sale of the company's products and in the event of the company being of opinion on the basis of sale records that the firm is failing in properly performing its duty as dealer, the company shall be at liberty to terminate this agreement by giving the firm one month's notice in writing and on the expiry of the notice period, this agreement shall stand terminated and the parties shall settle their accounts within a week thereafter.

9. The company hereby agrees and undertakes to supply to the firm its products as per the firm's orders and on the company failing to supply the goods under the firm's orders, the firm shall be at liberty to terminate the agreement by giving the company

one month's notice in writing and after the expiry of the notice period, this agreement shall stand terminated and the parties shall settle their accounts within a week thereafter

10. The firm shall at no time sell any product of the company at a price higher than that fixed by the company from time to time

11. The firm shall be free and entitled to appoint sub-dealers, salesmen, commission agents or other sales personnel on salary, commission or any other basis, but with the condition that they will function in accordance with the provisions of this agreement and not do anything which is detrimental to the interest of the company, or the firm and the collective interests of both.

IN WITNESS WHEREOF, etc.

SCHEDULE REFERRED TO ABOVE