**AGREEMENT OF SOLE SELLING AGENCY BY A PUBLIC LIMITED COMPANY**

 THIS AGREEMENT made at……………..this……………..day of.........., Two thousand and between A & Co. Ltd., a company registered under the Companies Act, 1956 and having its registered office at……………..(hereinafter referred to as "the Company" which term unless it be repugnant to the context or meaning thereof means and include its successors and assigns) of the First Part and M/s ............ partnership firm, carrying. on the business of……………..at……

 (hereinafter referred to "the sole selling agents", which term unless it be repugnant to the context or meaning thereof means and includes the partners for the time being and from time to time constituting the said partnership firm, the survivor or survivors of them, the heirs, executors and administrators of such last survivor) of the OTHER PART.

WHEREAS

(1) The company is engaged in the manufacture of colour and black and white televisions, washing machines and other electrical gadgets known by the brand name……………..in India and wants to appoint sole selling agents for the whole of India.

(2) The sole selling agents are the wholesale traders in colour and black and white televisions, washing machines and other electrical gadgets, having sales net work operating throughout India with headquarters in Bombay.

(3) The sole selling agents approached the company for the sole selling agency of its products for whole of India.

(4) The company has decided to appoint M/s……………..the sole selling agents for selling all the products manufactured by it for whole of India vide, a resolution dated……………..passed by it in its General Meeting and the appointment of the said sole selling agents has also been approved by the Central Government vide Letter No .......... dated ...........

NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:

(1) That the Company appoints M/s……………..as the sole selling agents for the goods manufactured by it for whole of India and the sole selling agents shall have the exclusive right to sell the products of the company throughout India.

(2) That the appointment of sole selling agents shall be for a period of five years with effect from However, the period of appointment may be extended for further periods not exceeding five years on each occasion.

(3) That the sole selling agents shall at their own expense open offices/branches in all big cities of India in the name of the company. The sole selling agents will be responsible for the payment of the salaries and wages of the staff of all the off ices/b ranches opened by it.

(4) That the sole selling agents will promote the sale of the company's products to the best of their efforts and they will work conscientiously and energetically in this regard and they shall not during the subsistence of selling agency, work directly or indirectly for any manufacturer of televisions, washing machines and electrical gadgets in India or any other part of the world.

(5) The sole selling agents shall regularly inform the company about the market position of Colour, Black and White TV, washing machines and products manufactured by the company in general and of the company products in particular.

(6) That the sole selling agents will maintain a godown or godowns at Bombay and also at other places where they open branch offices and will maintain proper stock registers for each of the godowns.

(7) That the sole selling agents will keep and maintain the full and complete account of the sale of the company's products, area and region wise and submit monthly reports of sale, stock in hand, realisation of credit bills and any other information as may be required by the company from time to time.

(8) That the sole selling agents will protect the patents and trade marks of the company's products used by them in all possible manners at their own costs and will take legal action against any party, who unauthorisedly uses the patents and trade marks of the company's products.

(9) That the sole selling agents will not assign interests, rights and obligations arising out of these presents to any third party.

(10) That the sole selling agents will sell the goods of the company in retail to the genuine customers, in cash at the prices mentioned in the price list, which is enclosed herewith and marked as Annexure.

(11) That the company shall provide the complete catalogue, instruction books, circulars for promoting sales of its products to the sole selling agents. The company shall also advertise its products through Television, All India Radio, national and regional newspapers, journals and magazines.

(12) That the company will execute the orders promptly placed by the sole selling agents.

(13) That the company shall not execute direct orders and all inquiries, orders and correspondence received by the company shall be forwarded to the sole selling agents to be dealt with.

(14) That the company shall pay a commission at the rate of ……………..% on the sale effected by them. The amount to be paid as such shall be calculated quarterly in the first fortnight of the month of April, July, October and January on the basis of the figures as on the 31st March, 30th June, 30th September and 31st December of each year respectively and shall be credited to the accounts of the sole selling agents with effect from the 1st April, 1st July, 1st October and 1st January of each year respectively.

(15) That the sole selling agents will pay to the company at its registered office at Bombay in cash the price of the company's products sold under orders through them on delivery of the products from We said office after deducting there from……………..% of the net invoice price thereof.

(16) That the sole selling agents will have no right to create any mortgage, pledge or charge on the company's stocks or deal with them in any manner otherwise than provided herein.

(17) That the sole selling agents will submit to the company statement of accounts indicating the stock sold and received, the price received thereof, the stock of unsold products, the products sold on the basis of indents and contracts, the actual amount paid or remaining unpaid to the company, all sums due to the company for damage, shortage and deficiency to the products supplied to them on consignment account or otherwise and the amount due to sole selling agents by the company, for the quarter expiring on the 31st of March, the 30th June, the 30th September and 31 st December of every calendar year. The said statement shall be submitted within fifteen days of the quarter expiring on the aforementioned dates.

(18) The sole selling agents will not give any warranty as to the quality of the products sold to the customers other than the warranty given by the company.

(19) If the sole selling agents receive any complaint regarding any manufacturing defect, the sole selling agents shall intimate the same to the company. If the defect is found to be genuine, the sole selling agents will substitute another product for the defective product and the defective product will be returned to the company at the cost of the company. The sole selling agents will not replace any product after the expiry of guarantee period of the said product.

(20) The sole selling agents will be entitled to appoint sub agents for different States/Districts on such terms and conditions as may be agreed upon between them the company will not be liable for any dealings between the sole selling agents and its sub agents. The sole selling agents will remain liable to the company in respect of the dealings between the sole selling agents and the company. However the sole selling agents will inform the company about the appointment of sub agents and send the copy of the agreements executed between sole selling agents and its sub agents.

(21) The company will be entitled to export its products and it can appoint selling agents outside India for the sale of its products.

(22) That the retail price of the company's products shall be fixed by the company in consultation with the sole selling agents.



(23) That the sole selling agents will deposit a security of Rs……………..with the company within a period of fifteen days of these presents for the due performance of the terms of this agreement.

(24) That the company can terminate this agreement, if the sole selling agents violate the terms of this agreement or are not able to perform the sale of the company's products upto the company's expectation. However, the sole selling agents will be given an opportunity to show cause, before termination of the agreement and the decision of the company in this regard shall be final and binding on the sole selling agents.

(25) That this agreement can be terminated by either party by giving six months notice in advance to the other party in writing. In case of such termination, all accounts between the parties will be settled and adjusted finally within the period of six months.

(26) That all disputes and differences of any kind whatever arising clause out of or in connection with this agreement shall be referred to arbitration and final decision of an arbitrator to be agreed upon and appointed by both the parties, in case of disagreement as to the appointment of a single arbitrator, to the appointment of two arbitrators, one to be appointed by each party which arbitrators shall before taking upon themselves the burden of reference, appoint a third arbitrator who shall act as Presiding Arbitrator. During the arbitration proceedings, the parties may mutually settle, compromise or compound their dispute or difference, the reference to arbitration and the appointment of the arbitrator or arbitrators as the case may be, shall be deemed to have been revoked and the arbitration proceedings shall stand withdrawn or terminated, with effect from the date on which the parties file a joint Memorandum of Settlement thereof, with the arbitrator or arbitrators, as the case may be. Upon every or any such reference, the cost of incidental to the reference and award respectively shall be in the discretion of the arbitrator or arbitrators, as the case may be, who may determine the amount thereof, or direct the same, to be taxed as between the parties and shall direct by whom and to whom and in what manner, the same shall be borne and paid. This submission shall be deemed to be a submission to arbitration within the meaning of the Arbitration and Conciliation Act, 1996 or any statutory modification thereof. The award of the arbitrator or the arbitrators, as the case may be, shall be final and binding on the parties. The parties hereby also agree that arbitration under this clause shall be a condition precedent to any right of action under the agreement.

(27) Any suit or legal proceeding arising out of this Agreement can be filed or commenced in the court at ...............

(28) The sole selling agents declare that the firms of sole selling agents or its partners have no substantial interest in the company within the meaning of section 284AA of the Companies Act, 1956

IN WITNESS WHEREOF the company has caused its common seal to be affixed hereto in the presence of its two directors, who have also affixed their respective signatures hereunder and the selling agents have signed these presents and a duplicate hereof, the day and year first hereinabove written.

WITNESSES The common seal of A & Co. Ltd., was hereunto

1. Affixed pursuant to the resolution of its Board of Directors passed on day of……………..20……………..in……………..

2. the presence of Shri……………..and Shri………Directors of the company who have signed in token thereof

 

3. Signed and delivered by the within name M/s ........... By its partners