

AGREEMENT BETWEEN MANUFACTURER AND COMMISSION AGENT

AN AGREEMENT made of this.....day of.....BETWEEN ABC & Co. Ltd. having registered office at.....and manufacturer of.....(hereinafter called the 'manufacturer') of the one part and OP son of LN resident of.....(hereinafter called the "agent") of the other part.

WHEREAS

1. The manufacturer is desirous of appointing a commission agent for the sale of.....manufactured by it.
2. The agent has approached the manufacturer for his appointment as such agent and has consented to act as such agent.

NOW THIS AGREEMENT WITNESSES as follows :

1. That the manufacturer hereby appoints the agent to be its commission agent for the sale of.....manufactured by the former in the area comprised by the districts of.....andin the State ofand the agent hereby agrees to act as such sole selling agent in the said area of.....on the terms mentioned herein.
2. That the agent shall canvas for, secure orders and push the sale ofto the best of his ability and experience within the said area and hereafter guarantee to secure directly or indirectly orders for the sale ofto the extent of the value of Rs.....at least in the year commencing from the date of this agreement.
3. That the agent shall employ sub-agents, servants, canvassers, clerks and other employees at his own expense and cost in the business or the commission agency. The manufacturer shall, however advertise at its own cost in the said territory and at its discretion, whether in newspapers, magazines, cinema slides, or by any other means and shall indicate where feasible the name of the agent as its sole selling agent in the territory indicate above.
4. That the agent shall furnish to the manufacturer weekly return of the business secured and the work done, the persons approached and canvassed during the previous week and shall forward to the manufacturer not later than two days from the receipt of any orders for the supply ofas well as all enquiries received in respect of the said The agent shall deposit in the manufacturer all moneys received in advance from the customers, and submit an account thereof every Friday to the manufacturer.
5. That no representation shall be made on behalf of the manufacturer except as in conformity with the instructions issued from time to time by the manufacturer. All business done or procured by the agent shall be in accordance with the terms mentioned in the Schedule attached herehto, subject to modification thereof as per circulars or directions issued by the manufacturer from time to time.
6. That no order for the supply by the manufacturer shall be secured or undertaken which shall exceed the value of Rs..... unless prior consent thereof has been obtained in writing from the manufacturer.

7. That this agreement shall be in force for a period of one year from the commencement thereof, during which period, the agent shall, not canvass for or act as selling agent for goods of the same kind for any other manufacturer.
8. That the agent shall be paid by the manufacturer a commission ofper cent . on all orders and repeat orders received directly or indirectly from the said territory, which shall have been executed or complied with by the manufacturer, such execution or compliance being in the absolute discretion of the manufacturer. The said commission will be payable at the end of every month and shall be payable even in respect of orders received of supply of the said made by manufacturer out of their own accord to any constituent within the said territory, for valuable consideration.
9. That at the termination of the agreement whether by efflux of time or otherwise. The manufacturer shall not be liable to pay any commission on orders received thereafter.
10. That the agency may be determined by the manufacturer at any time during the said period of one year, after giving fourteen days' notice thereof, in case the agent should omit to comply with the obligations imposed upon him under this agreement or in case, in the opinion of the manufacturer, the agent is guilty of misrepresentation as to the quality or characteristics of the said.....or the canvassing or securing orders in the said territory does not substantially exceed the minimum guaranteed by the agent or for any other just cause construed in the business point of view. The agent may terminate this agreement at any time during the said period of one year, after giving one month's notice thereof in case the manufacturer should repeatedly fail to comply with or execute the orders by the agent any duly communicated to or accepted by the manufacturer pursuant to this agreement or in case the goods.....supplied are substantially inferior to the description thereof, or in case the manufacturer should without just cause, or cause, withhold the payment of the commission due to the agent under the agreement for a period exceeding tow months.
11. That the agent shall be personally liable for the payment of the price of the goods supplied through him or pursuant to the orders secured by him, if the constituent to whom the goods were so supplied by the manufacturer refused within three months of the receipt thereof to pay for the same or refuses to accept the same when forwarded to such constituent. This liability of the agent shall be akin to that surety.
12. That the agent shall furnish a cash security of Rs.....to the manufacturer for a period of one year sufficient (irrespective of previous determination of the agreement for any cause whatsoever) to ensure against due compliance by the agent of the terms hereof and such security shall carry interest at the rate of 3 per cent annum. Such security shall be repayable with interest to the agent within one month of the expiry of the period fixed in the agreement after adjustment of accounts between the parties. In case there should arise any dispute with respect to any matter regarding which any deduction is sought to be made by the manufacturer, the said dispute shall be referred to the arbitration of the President of the District Bar Association at.....who shall either act as arbitrator himself or appoint any other member of the Bar (paying income-tax) as arbitrator.

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

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(Agent)
(Manufacturer)

3. DEALERSHIP AGREEMENTS

(i) Preliminary.- It is the common feature of the manufacturing operations of the industrial concerns that dealers are appointed to sell the goods so manufactured . it is because of this that dealership agreements are invariably entered into by the manufacturing concerns with the other parties so as to demarcate the contours of relations inter se.

(ii) Model Forms