



Signet Crop Sciences India Pvt.Ltd

Admin. Off.: 522, 1st Floor, New Grain Market, G.T. Road, Karnal, Haryana -132001
Ph. No.: 0184-2220522, 2221155, 9254321155

DISTRIBUTORSHIP AGREEMENT

THIS AGREEMENT IS MADE ON THIS _____⁽¹⁾ DAY OF _____⁽²⁾
(Month & year) by and between **Signet Crop Sciences India Pvt. Ltd.**, a company duly incorporated under The Indian Companies Act, 1956, having its admin. office at 522, First Floor, New Grain Market, G.T. Road, Karnal, Haryana-132001 hereinafter referred to as “**The Company**”(which expression shall unless it be repugnant to the context or meaning thereof, be deemed to include their successors in business and assigns).

AND

M/s _____⁽³⁾ being a sole proprietorship / firm / company having its principal place of business at _____⁽⁴⁾ hereinafter referred to as the “**DISTRIBUTOR**” (which expression shall unless it be repugnant to the context or meaning thereof, be deemed to include their successors in business, assigns, executors and administrators).

WHEREAS **Signet Crop Sciences India Pvt. Ltd.** is engaged inter-alia in the business of production, distribution and marketing of “Signet Seeds” brand hybrid seeds of Corn, Millet, Sorghum, Sunflower, Cotton, Paddy and Vegetables etc.

AND WHEREAS M/s _____⁽⁵⁾ is in the business of trading in agricultural products and is desirous of being appointed as the distributor for Signet Seeds brand hybrid seeds of the Company and the Company agrees to appoint M/s _____⁽⁶⁾ as its distributor for _____⁽⁷⁾ (herein referred to as “territory”) on such terms and conditions as are contained herein.

NOW THIS AGREEMENT WITNESSETH and in consideration of the mutual promises and covenants hereinafter contained, it is hereby agreed by and between the parties as follows: -

ARTICLE 1- DEFINITIONS

For the purposes of this Agreement, the following terms shall have the following meanings unless the context specifically requires otherwise

“Agreement” shall mean this Distributorship Agreement.

“Assign” shall mean absolute transfer of interest and rights to a third party on which the assignor shall have no control.

“Competing Products” shall mean any products in the same class as the products and/or having similar or identical nature and kind.

“Distributorship” shall mean and include the import, storage, sale and distribution of the said products.

“Effective Date” means the date on which this Agreement enters into force pursuant to its provisions.

“Label” shall mean the trademark, trade name, copyright or any distinctive sign or for that matter any intellectual property of Company as selected by it for the products.

“Month” shall mean a calendar month.

“Non-Exclusive” shall mean that the party granting the right shall be free to grant the same right to any other party within the relevant territory.

“Parties” shall mean collectively “the Company” and “the Distributor” and “Party” shall mean either of them.

“Persons” shall include corporations and persons.



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“Products” or “Goods” shall mean the “Signet Seeds” brand seeds of Corn, Pearl Millet, Sorghum, Sunflower, Paddy, Cotton etc or any other seed produced and/or distributed by the Company under Company’s label.

“Territory” shall mean _____ (8)

“In writing” and “written” shall include printing, lithography and other modes of representing or reproducing words in a visible form.

“Seasons” shall mean the time period of four months from the date of respective invoice.

“Year” shall mean a calendar year.

ARTICLE 2- MUTUAL INDEPENDENCE OF THE PARTIES.

2.1 The parties acknowledge that they are independent of each other. No relation of subordination exists or shall ever exist between them at any time during the performance of this agreement. Thus, nothing contained herein shall be constructed as conferring upon the distributor the capacity of agent or of legal representative of the company. Accordingly, the distributor shall under no circumstances be entitled to enter on behalf of the company into any commitments, expressed or implied, binding on the company without the latter’s consent. Nothing in this Agreement shall constitute or be deemed to constitute a partnership between the parties and the distributor shall have no authority or power to bind the company or to contract in the name or create a liability against the company in any way or for any purpose whatsoever.

2.2.1 The Company and the distributor agree that all prior understandings relative to all or part of the Distribution of Products are terminated and superseded by this instrument.

ARTICLE 3 – GRANT OF DISTRIBUTORSHIP

3.1 The Company hereby grants and entrusts to the Distributor who agrees and accepts the non-exclusive distributorship of the products of the Company (herein after also referred to as the “Goods”) on such terms and conditions as are contained herein.

3.2 The distributor shall bear all costs and expenses incurred in relation to the Distribution etc. of products in the territory.

ARTICLE 4 – PRODUCTS / STOCKS

This agreement shall be in respect of Signet Seeds brand seed of the Company.

4.1 The distributor shall undertake to sell the seeds of the Company at all times in the original packings with the original labels affixed and not to tamper with the packing supplied by the Company.

ARTICLE 5– DELIVERY

The Company shall sell the seeds to the Distributor only on cash and carry basis unless otherwise agreed to in writing between the parties or unless the Company supplies the seeds under any booking scheme launched/announced from time to time.

In all cases the risk and reward of ownership of the products shall transfer immediately on the handing over of the goods to the carrier. Any order which has been billed or dispatched to the Distributor shall not be cancelled and distributor will not withdraw the pending orders, other than as provided in this Agreement.

ARTICLE 6- SELLING PRICE



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Distributor shall sell the seeds purchased from the company at a price, which shall not be more than the Maximum Retail Price (MRP) as specified on the bag from time to time by the company or under any other regulation or order.

ARTICLE 7 - TERM / TERMINATION

- 7.1 This agreement shall come into effect and/or be operative from ___/___/____⁽⁹⁾(date/ month/ year) and shall be terminable on one month's written notice on either side, provided however the Company reserves the right to terminate this agreement forthwith without notice in the event of the distributor committing a breach of any of the terms and conditions of this Agreement. Without prejudice to any other remedy available to the company, such termination shall not entitle the distributor to claim any compensation or payment of any kind from the company.
- 7.2 This agreement shall automatically terminate if either the distributor files a petition of bankruptcy or goes into liquidation or suffers a receiver, liquidator or administrator to be appointed over any or all of its assets in compliance with applicable laws, rules and regulations in which case termination shall become effective as of the date of that event.
- 7.3 On the effective date of termination hereof, the Distributor shall send to the company an exact and updated list of its remaining stocks together with a statement of sales operations in progress. The company may at its discretion within 30 (thirty) days after the receipt thereof have a qualitative and quantitative stock taking carried out and communicate to the Distributor its observations and reservations, if any.
- 7.4 The termination, expiration or non-renewal of this Agreement shall not release the Distributor from its obligation and liabilities accrued prior to the date of termination, expiration or non-renewal of this agreement and all the provisions governing such obligations shall survive termination of this Agreement.

ARTICLE 8 - DAMAGE TO SEEDS

In case the seeds get damaged in transit, the distributor shall inform the company of such damage by a letter through registered post with acknowledgement due, to the Head office of the company at Karnal, Haryana at his own cost within 24 hours of receipt of the seed at his end or by any other quickest mode of written communication. If there is any delay in the intimation concerning the same, the company shall not be held liable to claim for any loss or damage of the consignment. For any trade related enquiry the Distributor shall contact the above-mentioned corporate Office of the Company.

ARTICLE 9 - SALES PROMOTION

The Distributor shall engage himself in active selling, including active participation in local/ regional agricultural fairs, exhibitions and in general contribute to the best of his ability to promote sales of the company's products.

ARTICLE 10 - TRADE MARGINS

The company at their discretion may pass to Distributor the discounts as prescribed in schemes announced from time to time and will be subject to review and revision according to market conditions and other factors.

ARTICLE 11 - TERMS OF PAYMENT

The distributor undertakes to make prompt and timely payment for each consignment of seeds. All payment shall be effected only by demand drafts drawn in favour of the Company. Cash transactions with the Company representatives/ employees are prohibited. The price (s) payable by the Distributor shall be the ruling price(s) on the date of actual lifting by him or the price (s) ruling on the date of direct dispatch to him. In the event of any delay in effecting such payments for goods consigned beyond 15 days from invoice date, the Distributor shall, in addition to any other liabilities for demurrage or wharfage or other charges, be liable to pay overdue interest at the rate of 2 % per month from the date of lifting or dispatch until the date of payment. In the event of the distributor participating in various sales promotion schemes, which the company takes out from time to time, the payment shall be made as per the terms and conditions specified in the scheme.

ARTICLE 12 – ADVANCE FROM CUSTOMERS



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The distributors shall advance to the company a sum of Rs. _____⁽¹⁰⁾ for prompt, un-conditional and faithful performance of the terms and conditions stipulated in this agreement. In the event of any breach or failure to fulfill all or any of the terms and conditions herein contained by the Distributor or for any other reasons whatsoever, without prejudice to such other remedies available, including forfeiture of the entire advance amount the company shall have the right to such sums as deem proper to meet the damage, loss or expenses incurred by the company in this regard. The distributor shall ensure that at all times the advance shall remain at the amount specified herein, on which the company to pay interest at a specified rate (the present rate is given in ANNEXURE – I). This rate can be revised by the company from time to time and the same shall be intimated whenever there is a change. The company shall have the right to deduct Tax deducted at source as applicable from time to time under the relevant statute.

ARTICLE 13 - STORAGE & QUALITY

The Distributor undertakes to provide adequate, proper storage facilities with special emphasis to preserve the germination percentage of the seeds. The distributor will ensure that there is no tampering of the company seal/tag facilitating adulteration, pilferage or admixture to the supplies made by the company at all times and shall also ensure quality through proper storage conditions. It shall also be ensured by the Distributor that the products are not resold in their existing form or reformulated, mixed or blended with any other goods. The distributor will indemnify the company against any claims, losses and other liabilities that may arise consequent to any violation of the above terms and save the company from any costs, claims and expenses arising thereby.

ARTICLE 14 – REPORTS

The Distributor shall prepare and submit to the company every month or on mutually agreed intervals, the store reports, returns, accounts or statement of sales as per the format provided by the Company. The Distributor shall also keep proper records of the stocks of the company's products and these records shall be inspected by the representatives of the company as and when required.

ARTICLE 15 – INSPECTION

The Distributor shall permit and allow access to the Company/ Company's authorized officers and representatives to inspect records, storage points, godowns and other premises of the Distributor for the purpose of checking and for ensuring by the Company that all conditions and statutory obligations pertaining to storage, etc. are being duly complied with. The Distributor shall take necessary remedial steps as pointed out by the company on such inspection. This is without prejudice to the Distributor's own liability to ensure proper storage and compliance with all statutory and other obligations in this regard.

ARTICLE 16 – GUIDELINES

The Distributor will abide by and follow such instructions and directives that the company may issue from _____ time to time regarding the procedures to be adopted pertaining to the transactions under this agreement. And any breach will entitle the Company to cancel this agreement and Distributor will be liable to make good the losses incurred thereby to the company.

ARTICLE 17 - LEGAL REQUIREMENTS

The Distributor undertakes to comply with all the statutory provisions including all laws, by-laws, Regulations, Ordinance or/ and directives prescribed by the Government departments and agencies pertaining to the seeds marketing and especially to the SEEDS ACT, 1966, ESSENTIAL COMMODITIES ACT, 1955, SEEDS (CONTROL) ORDER, 1983, THE STANDARDS OF WEIGHTS & MEASURES ACT, 1976 AND SEEDS RULE, 1968 as amended from time to time, their rules, ordinance, amendments if any from time to time thereof and to ensure the compliance with all the provisions relating to license, fees, cess, storage facilities, its records, submission of returns and reports, inspection by authorized officials, prices, quality and packages and all or any other directives/ laws/ regulations and Government imposed price restrictions if any that may be brought into force from time to time. Non-compliance of this clause or any other clause by the distributor shall render this agreement terminated forthwith.



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The decision of the company as to whether such non-compliance has been committed or not, shall be final and binding and shall not be open to question. Moreover the distributor will indemnify the company against any claims, losses and other liabilities that may arise consequent to any violation of the above statutory conditions and save the Company from any costs, claims and expenses arising thereby.

ARTICLE 18 - SALES RETURN

No Sales Returns will be accepted by the company after 30 days of season being over and the distributor shall not be allowed any credit of such returns unless the same is approved to be accepted by the Company in writing. All incidences of sales return shall be approved by the area officer/manager of the company and the freight for such sales return shall be borne by the distributor.

ARTICLE 19 - THIRD PARTY PAYMENT

That in case of default in payment by a party or dealer to whom delivery of the seeds has been made at the request of the Distributor, it shall be the responsibility of the Distributor to make payment to the company of the goods so delivered.

ARTICLE 20 – ASSIGNMENT

The Distributor shall not assign this agreement or any interest in it, nor any of the rights or liabilities without the written permission of the company.

ARTICLE 21 - STATUS

In case of any change in the constitution of the status of the Distributor's ownership from firm to partnership or to company or vice versa the same shall be intimated to the company immediately for updating its records. **Any other changes like change of name of the firm, company and address, Phone no's and mobile numbers etc shall be intimated to the company i.e Signet Crop Sciences India Pvt.Ltd. immediately for updating its records.**

ARTICLE 22 - INTELLECTUAL PROPERTY RIGHTS

22.1 The Distributor shall not, by virtue of this agreement, become proprietor or owner to the label, patents, copyrights, trade secrets or any other intellectual property rights, whether protected or not, used by company for its products.

22.2 *In addition the Distributor agrees to refrain from any act, omission or negligence which might infringe the rights or Goodwill of the Company and its Group and/ or prove detrimental to the validity of the aforesaid trademarks and signs, and not to use same after the expiration or termination of this Agreement.*

22.3 *The Distributor shall inform the Company without delay of any acts of unfair competition or infringement of the Company's intellectual property rights by third parties in the territory, which come to its knowledge. In that event the Distributor shall take all urgent protective measures required to limit the consequences of such act and shall immediately so advice the Company. It shall then be the Company's responsibility, if it deems it necessary to institute proceedings against the unfair competitor or infringer. At the request and cost of the Company, the Distributor shall give it all possible assistance in conducting such action.*

ARTICLE 23 – WAIVER

23.1 No failure or delay by the company hereto any time during the term of this agreement to exercise any right or remedy hereunder shall operate as a waiver thereof nor shall it in any way affect the existence and contents of that right or remedy nor shall any single or partial exercise of any right or remedy prevent any further or other exercise thereof or the exercise of any other right or remedy. The rights and remedies herein provided are cumulative and not exclusive of any rights or remedies provided by law.



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ARTICLE 24 - SECRECY AND CONFIDENTIALITY

The provisions of this Agreement and dealings hereunder including transfer of any proprietor information by the company of the confidential nature to the Distributor shall not be disclosed to third parties.

ARTICLE 25 - INSURANCE

The Distributor shall take out an insurance policy to secure proper coverage of its business and shall deliver to the company at the latter's first request a certificate to attest that the Distributor's business has been duly insured. The company shall be the first beneficiary in the insurance policy.

ARTICLE 26- AMENDMENT

This Agreement and its all Attachments constitute the full and complete understanding between the parties in relation to the distributorship and this agreement shall be amended only by unanimous written consent of the parties executed by an instrument of equal force. No amendment or change hereof or addition hereto shall be effective or binding on either of the parties hereto unless set forth in writing and executed by the respective and duly authorized representatives of each of the parties hereto. **But the company can amend any part ,clause or the drafting of this agreement at any time when it seems necessary.**

ARTICLE 27- ARBITRATION

If any difference of opinion or dispute would arise between the parties in connection with this Agreement or its implementation, the parties shall first use all reasonable efforts to arrive to an amicable solution.

27.1 Failing an amicable solution, all disputes arising in connection with this Agreement shall be finally settled under the Arbitration and Conciliation Act, 1996.

27.2 The Arbitration proceeding would be conducted at Hyderabad by the Arbitration of a sole Arbitrator to be appointed by the company.

The award pronounced by the said Arbitrator would not be open to challenge. Both parties will immediately take steps to ensure implementation of the said award.

ARTICLE 28 - FORCE MAJEURE

The Company shall incur no, legal liability whatsoever if any at any time it is unable to supply the whole or any part of the goods for reasons beyond its control including Acts of god, Acts of state governments, orders, restrictions, war like conditions, hostilities, strikes etc by which supply of goods becomes practically impossible. In such cases company shall be the sole judge to decide and it shall be binding on both the parties.

ARTICLE 29 – STATUS OF MIND

The distributor shall make this agreement with his conscious mind and he declares that he understands all the conditions and every single line of the agreement and he is signing this agreement with his own will and free consent. The distributor shall undertakes that he will not do any illegal act against the company i.e Signet Crop Sciences India Pvt. Ltd.

ARTICLE 30 - JURISDICTION

This agreement shall be subject to the jurisdiction of the courts of Karnal. The distributor signing this agreement with his conscious mind and free consent and he undertakes that he knows the Jurisdiction of any kind of dispute with the company is courts of Karnal (Haryana)

IN WITNESS WHERE OF, the Parties hereto, intending to be bound hereby, have caused this agreement to be executed by their representatives there unto duly authorized in two counterparts, each of which shall be deemed to be an original, as of the day and year first above written.



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For M/s _____

(11)

For **Signet Crop Sciences India Pvt. Ltd.**
()

**Signature
Name:**

**Signature
Name:**

Signature of Distributor with Seal
(12)

Witnesses

1
(13)

2.

Date:
(14)



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Distributor Details⁽¹⁵⁾

1) Name of the Organization/Individual: _____

Full Address : _____

2) Warehouse Address: _____

3) Type of Organization: Proprietorship/Partnership/Private Limited Company
(Please tick relevant)

4) List of Proprietor/Partner/Director:

1) _____

2) _____

3) _____

4) _____

5) _____

6) _____

5) Name and Address of the Banker:

1) _____

2) _____

3) _____

6) Sales Tax Number

1) Local(VAT) _____

2) Central(CST) _____

7) Income Tax Permanent Account No : _____

8) T.I.N. No. (VAT) : _____

⁽¹⁶⁾ **Signature of Distributor with Seal**



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ANNEXURE - I

a. Freight

Primary freight shall be borne by the company for any first destination point, provided the consignments are:

- For Corn, Jowar, Bajra, SSG : 2 M.T & Above.
- For Cotton : 2 Cartons & Above.
- For Sunflower & Paddy : 5 Gunny bags & above.

Freight on sales return shall be borne by the distributor.

b. Rate of interest on Security Deposit

Present rate of interest on security deposit is : 7% per annum. – payable annually.

(This is as per the article 12 given above. Whenever there is any change in this rate of interest, the same shall be intimated by the company)

Signature of Distributor with Seal

(17)



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ANNEXURE – 2

AFFIDAVIT

I,.....s/o.....Prop. of.....

M/s.....r/o.....

.....Permanent R/o.....(Attach Proof).....

.....do hereby

solemnly affirms and declare as under:-

1. That the deponent makes the agreement with Signet Crop Sciences India Pvt. Ltd. As the distributor/ dealer of the company with his free consent.
2. That the deponent will not do any illegal act against the company i.e Signet Crop Sciences India Pvt. Ltd.

Deponent.

Verification:-

Verified that all the contents of the said affidavit are true and correct to the best of my Knowledge and belief and nothing has been concealed therein.

Verified at.....

Deponent.