

## **DEALERSHIP AGREEMENT**

THIS AGREEMENT is made on this \_\_\_\_\_ day of \_\_\_\_\_ by and between M/s. National Seeds Corporation Limited (NSC), a company duly incorporated under the Companies Act, 1956, having its Corporate and Registered Office at Beej Bhawan, Pusa Complex, New Delhi-110012 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, assigns, executors and administrators).

### **AND**

M/s. \_\_\_\_\_ being a Sole Proprietorship firm/Partnership firm/Private/Public limited company/Co-operative Society having its principal place of business/ Registered office at \_\_\_\_\_ hereinafter referred to as the 'DEALER' ( 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 the Company is engaged inter-alia in the business of research, production, processing, distribution and marketing of Agriculture, Horticulture and Vegetable Crop Seeds, Fodder blocks etc.(hereinafter referred to as Product/Goods).

AND WHEREAS the Dealer is engaged in the business of trading in Agricultural Input Products and is desirous of being appointed as the Dealer for the Company and the Company agrees to appoint M/s. \_\_\_\_ (Village), of \_\_\_\_\_ as its Dealer for \_\_\_\_\_ (Taluk/Mandal) of \_\_\_\_\_ (District) of \_\_\_\_\_ (State) (hereinafter referred to as 'Territory') on such terms and conditions as are contained herein.

Both the COMPANY and DEALER may hereinafter be referred to singularly as "Party" and collectively as "Parties".

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:-

### **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 Dealership 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.

“Dealership” shall mean business to store and sell the Products/Goods. Dealer shall mean ‘Dealer’ as defined in Section-2(c) of the Seed (Control) Order 1983 and appointed with this written agreement by the Company .

“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 or other Companies with which the Company has trade/business agreements for production, supply, marketing arrangements as selected by it for the Products.

“Month” shall mean a Calendar month.

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

“Persons” shall include Corporations, Firms, Company either Private/Public Co-operative Society/Sangh and persons.

“Products”/“Goods” shall mean the Agriculture, Horticulture, Vegetable Crop Seeds/Tubers, Tissue Culture Plants, Fodder Blocks etc. produced and/or distributed by Company.

“Territory” shall mean area assigned for dealership.

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

“Year” shall mean a financial year starting from 1<sup>st</sup> April and ending 31<sup>st</sup> March of the subsequent year.

## **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 construed as conferring upon the Dealer the capacity of agency or of legal representative of the Company. Accordingly, the Dealer shall under no circumstances be entitled to

enter on behalf of the Company into any commitments, express or implied, binding on the Company without the latter's written consent. Nothing in this Agreement shall constitute or be deemed to constitute a partnership between the parties hereto and the Dealer 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.

2.2 The Company and the Dealer agree that all prior understandings relating to all or part of the Dealer of Products are terminated and superseded by this Agreement.

### **3. GRANT OF DEALERSHIP**

3.1 The Company hereby grants and entrusts to the Dealer, who agrees and accepts the non-exclusive Dealership of the products/goods of the Company for (List endorsed Taluk/Mandals as per **Annexure-I** in District \_\_\_\_\_ of \_\_\_\_\_ State (territory) on such terms and conditions as are contained herein.

3.2 All goods delivered under this Agreement shall be sold only in the territory, however, the goods could be sold outside territory where oral/ written permission to sell may be given, from time to time, by the Company

### **4. PRODUCTS/GOODS**

4.1 This agreement shall be in respect of all Products Produced, Marketed and Traded by the Company.

4.2 The Dealer shall not sell any product which has expired its validity period as mentioned in the label. Any attempt to do so would lead to initiation of legal action against the Dealer and the Dealer shall be responsible for all consequential claims/losses as per prevailing kind.

4.3 The Dealer shall undertake to sell the products/goods of the Company at all times in the original packing with the original labels affixed and not to tamper with the packing or seal/tag facilitating adulteration, pilferage or admixture to the material supplied by the Company.

4.4 The Dealer shall 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.

### **5. SELLING PRICE**

5.1 Dealer shall sell the products/goods purchased from the Company, at a price which is

not more than the Maximum Retail Price(MRP) as specified on the packet and or informed in writing from time to time by the Company or under any other regulation or order of the State or Central Governments.

5.2 The Dealer shall purchase the products/goods from the Company at the prices indicated in the Company's price list from time to time. Such prices will be subject to periodic change and will be applicable at the time of delivery and or on the Invoice/Bill/Debit Memo etc. at the discretion and decision of the Company.

5.3 The Company shall have the right to modify the prices at any time. The parties agree that the Company shall not be held responsible for any loss/damage caused due to revision in prices by the Company on account of fluctuation in the cost of production/transportation cost/excise duties and other levies as well as other factors influencing the cost of production.

## **6. TERM/TERMINATION**

6.1 This agreement shall come into effect and/or be operative from \_\_\_\_\_ and shall be effective for three(3) years or Seed License Validity period from the said date, whichever is earlier. This agreement shall be terminable on one months written notice on either side, provided, however, the Company reserves the right to terminate this agreement forthwith without notice in the event of the Dealer committing a breach of any of the terms and conditions. Without prejudice to any other remedy available to the Company, such termination shall not entitle the Dealer to claim any compensation or payment of any kind from the Company.

6.2 This Agreement shall automatically terminate if either the Dealer 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.

6.2.1 The Agreement shall also automatically terminate if the Dealer ceases to possess a valid Seed License mandated under the Seed (Control) Order 1983 and Amendment Order thereof.

6.3 On the effective date of termination hereof, the Dealer shall send to the Company an exact and updated list of its remaining stocks together with a statement of sales operation 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 Dealer its observations and reservations, if any. The Company shall then at its option, buy back from the Dealer its stock of Products at the purchase price actually paid thereof by the Dealer and in that case only the loading and transportation charges for the bought back products from the Dealer's warehouse to the destination point of the Company as may be specified by it shall be borne by the Dealer.

6.4 Within fifteen days of the effective date of termination hereof, the Dealer shall pay/reimburse to the Company, all dues outstanding against it as on the date of termination.

6.5 The termination, expiration or non-renewal of this Agreement shall not release the Dealer from its obligation and liabilities of payments and all such matters of business due in favour of the Company 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.

#### **7. DAMAGE TO PRODUCTS/GOODS**

In case the Products/goods get damaged in transit for F.O.R deliveries to Dealer/destinations, the Dealer shall inform the Company of such damage by a letter through registered post with acknowledgement due, to the Regional/Area Office of the Company at his own cost within 24 hrs. of receipt of the Products 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. The Company shall not be held liable for any damage for Ex-Work deliveries made to the Dealer from the authorized destinations of supply of the Company.

#### **8. SALES PROMOTION**

8.1 The Dealer 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/goods.

8.2 That the DEALER shall ensure that no misrepresentation is made by himself/themselves or his/their agents/employees with regard to the nature, quality and the method of use and/ or the manner and time of usage of the Products/goods to any party concerned or the purchasers of the products and only that information is given as is provided by the COMPANY in writing or is printed on the packaging of the products. The Dealer shall be under an obligation to apprise himself, his agents/employees and also the purchasers of the Product about the correct information with regard to

their nature, quality, the method of use and/or the manner and time of usage, as is given on the packaging of the products and also provided in writing by the COMPANY. Should the DEALER'S failure to do so result in losses to any party then the COMPANY shall not be liable for the same.

#### **9. TRADE MARGINS**

The Company will allow to Dealer such trade margins or discounts as prescribed in the sales policy of the company and the schemes announced, from time to time and will be subject to review and revision according to market conditions and other factors. The prices of products may change without notice.

#### **10. TERMS OF PAYMENTS**

- 10.1 The Dealer undertakes to make prompt and timely payment for each consignment of products. All payment shall be effected only by demand drafts drawn in favour of the Company payable at concerned R.O./Area Office, and or digital on line payment through electronic modes. Cash transactions with the company representatives/employees are strictly prohibited. The price(s) payable by the Dealer shall be the ruling price(s) on the date of actual lifting by the dealer or the price(s) ruling on the date of direct dispatch to the dealer or as per the Invoice/Bill issued to him for the same as per the discretion and decision of the Company.
- 10.2 The Dealer shall not default in the payments made to the company. Any delay in effecting payments for goods consigned beyond 30 days from invoice date, the Dealer shall, in addition to any other liabilities for demurrage or wharfage or other charges, be liable to pay interest at the rate of 9% from the date of lifting or dispatch until the date of payment. In case of dishonour of cheques, the company reserves the right to charge a penalty @ 18% p.a. on the amount dishonoured. And as well as initiate action against the Dealer under the Negotiable Instruments Act, 1936.Repeated default would lead to legal action against the Dealer.
- 10.3 The company has the right to fix a credit limit if required for the Dealer beyond which no credit will be extended to the Dealer. The credit limit shall be established based on the creditworthiness of the Dealer and company reserves the right to revise it anytime based on the performance of the Dealer. Initial credit limit would be informed to the Dealer by way of a separate letter from the company and any revisions to the same shall be instantly communicated.

## **11. SECURITY DEPOSIT**

The Dealer shall deposit with the Company a sum of Rs. \_\_\_\_\_ (Rupees \_\_\_\_\_ only) 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 Dealer or for any other reason whatsoever, without prejudice to such other remedies available, including forfeiture of the entire security amount the Company shall have the right to such sums as deemed proper to meet the damage, loss or expenses incurred by the Company in this regard.

## **12. STORAGE & QUALITY**

The Dealer undertakes to provide scientific adequate and proper storage facilities with special emphasis to preserve the quality of the Products for all its attributes/specifications. The Dealer shall permit and allow access to the Company/Company's authorized officers and representatives to inspect storage points, godowns and other premises of the Dealer 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 Dealer shall also abide by the instructions given by the Company from time to time for storing the Product in the manner, type, fashion etc. as may be so prescribed by it based on Scientific Practices and or Good Storage Practices.

## **13. GUIDELINES**

The Dealer 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 Dealer will be liable to make good the losses incurred thereby the Company.

## **14. LEGAL REQUIREMENTS**

The Dealer 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 Products marketing and especially to The Seeds Act,1966; The Seed Rules, 1968; The Essential Commodities Act,1955; The Seeds (Control) Order 1983; The Standards of Weights and Measures Act, 1976; Circulars 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 & 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 Dealer shall render this agreement terminated forthwith. This 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 Dealer 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.

#### **15. ADVANCE BOOKING SCHEME**

The Advance Booking Scheme which shall be specific to its floatation i.e. One Advance Booking Scheme shall not be co-related to another Advance Booking Scheme. The Company may at its discretion float Advance Booking Scheme for the Products/goods. The Dealer shall have to mandatorily participate in the same for becoming eligible to receive the Products/goods from the Company. In absence of participation by the Dealer in such a scheme, the Company shall not be bound to supply the Products/goods to the Dealer despite it having placed any order with the Company during or upon cessation of the scheme including having made payment thereof. The supply of Products/goods shall be specific to the Scheme duly governed by the terms and conditions enumerated in the Scheme as well as under this Agreement.

#### **16. QUALITY OF PRODUCTS ( SEEDS) AND OTHER PRODUCTS/GOODS**

The supply of Products/goods shall be made and should be made as per the Quality Standards governed by the Indian Minimum Seed Certification Standards,2013 and any other standards as may be so prescribed for the different Products as amended from time to time and any Rules, Ordinances, Circulars, amendments, if any from time to time thereof.

#### **17. COMPLAINTS FROM CUSTOMERS**

Complaint from Customer for the Product (Seeds) if any, shall be dealt by the Company as per its Procedure of Redressal of Quality Complaints of Customers. The dealer shall in

no way make any assurances, and give any commitments of any sort whatsoever financial or kind to the Complainant farmers/customers/clients either directly or on behalf of the Company and that the Company shall not be liable to make good or honour such of acts of the Dealer in any manner whatsoever. In regard to the other Product the Company shall issue guidelines/procedure for redressal separately.

#### **18. SALE OF PRODUCTS (SEEDS) UNDER GOVT. SPONSORED SCHEMES WITH DISTRIBUTION SUBSIDY FOR FARMERS.**

The Dealer shall sell the Products, if so required to be done under different Government Sponsored Schemes wherein farmers may be entitled to receive Distribution Subsidy benefit in kind or by way of Direct Benefit Transfer(DBT) as may be the case. The Dealer shall sell the Products strictly with reference to the guidelines of the respective Govt. Sponsored Schemes and such of guidelines and instructions that may be issued by the Company thereof in writing only. Oral guidelines/oral communication thereof shall be absolutely invalid.

The dealer shall ensure the following:

- i. Give his official Cash Invoice/Cash Bill/Credit Memo and Money Receipt thereof to the farmer.
- ii. Ensure to mention therein above the name of farmer and his address to include Village, Taluk and District.
- iii. Ensure to mention therein above the lot Nos. of Product, Rate, Quantity, Amount and Subsidy Amount.
- iv. Ensure to create necessary infrastructure at their selling points towards DBT of subsidies to the farmers.
- v. Maintain a physical register/e-register which shall contain the following.

S.No.	Name of Farmer	Village	Taluk	District	Aadhar No.	Bank A/c No. linked to Aadhar	Bank Name & Address	Land Extract Copy
<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>

The dealer shall undertake the absolute responsibility to submit, produce the above relevant details or any other details so required thereof and or submit the same to the Company and or the Government Authorities responsible for or directed by the Central/State Govt. to inspect the same for due process of verification to ascertain and or establish whether the subsidy benefit has reached/received to/by the beneficiary farmer. In case of any lacunae whatsoever in implementation of the scheme the dealer

shall be liable for suitable legal action including termination of Dealership if so warrants. The dealer shall also Suo-Motto keep himself apprised of the scheme details through the Govt. /Company website and suitable inter-action with local Govt. Agriculture Department Authorities.

#### **19. SALES RETURN**

No Sales Returns will be accepted by the Company as a general rule. However, the Company may decide to accept Sales Return solely at its discretion as per policy framed and approved by its management under the Competent Authority of the CMD from time to time. Such Policy if any, shall necessarily be confirmed in writing to the Dealer. Any oral commitments or assurances in the matter by any official of the Company shall be purely invalid and unacceptable to the Company. The dealer shall agree to pay revalidation charges or any other charges as may be specified/ prescribed by the Company for the Sales Return. Further the transportation and loading/un-loading charges/expenditure for the products for which the Company agrees to take sale return shall be borne by the Dealer alone.

#### **20. ASSIGNMENT**

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

#### **21. STATUS**

In case of any change in the constitution of the status of the Dealer's ownership from Sole proprietary firm to partnership firm or to company or vice versa the same shall be intimated to the company immediately alongwith all relevant legal documents for such change for updating its records, and to enter into a fresh Dealership agreement if deemed necessary by the Company.

#### **22. TRANSFER OF OWNERSHIP**

The Company shall retain ownership of Products delivered until full payment of the agreed upon price is duly received by it duly credited to its Bank Account. The mere remittance of an instrument creating an obligation to pay, such as a cheque or other, shall not be deemed to constitute payment under this Article and the Company shall thus continue to validly hold

its original claim against the Dealer with all the guarantees attaching thereto including the reserve on ownership, until such time as said instrument will actually have been paid.

### **23. INTELLECTUAL PROPERTY RIGHTS**

- 23.1 The Dealer 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 the Company for its Products/Goods.
- 23.2 In addition, the Dealer agrees to refrain from any act, omission or negligence which might infringe the rights 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.
- 23.3 The Dealer 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 Dealer shall take all urgent protective measures required to limit the consequences of such act and shall immediately so advise 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 Dealer shall give it all possible assistance in conducting such action.

### **24. WAIVER**

No failure or delay by the Company hereto at 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.

### **25. SECRECY AND CONFIDENTIALITY**

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

## **26. NOTICES**

Unless expressly otherwise provided, all notices and communications and reports in respect of this Agreement shall be given in writing in English or Hindi language by Courier or Fax. Such notices or communications shall be deemed to have been given upon the mailing thereof to the party entitled thereto as its address set forth below or such other address as it shall hereafter designate for that purpose. Such notice or communication shall be deemed to have been received by the other party at the expiration of two (2) days after the same is delivered at the Courier Agency and in case of facsimile such notice or communication shall be deemed to have been received by the other party immediately on receipt of OK status report by the Sender.

<b>Address of Company</b>	<b>Address of Dealer</b>

## **27. INSURANCE**

The Dealer shall take out an insurance policy to secure proper coverage of its business and shall deliver to the Company at the later's first request, a certificate to attest that the Dealer's business has been duly insured.

## **28. AMENDMENT**

This Agreement and its all Attachments constitute the full and complete understanding between the parties in relation to the Dealership 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.

## **29. ARBITRATION**

- 29.1 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 any amicable solution.

- 29.2 Failing an amicable Solution, all disputes arising in connection with this Agreement shall be finally settled under the Arbitration and Conciliation Act, 1996 and as per the amended provisions thereof.
- 29.3 The Arbitration proceeding would be conducted at Regional office by a Sole Arbitrator to be appointed by the CMD, NSC.
- 29.4 The award pronounced by the said Arbitrator shall be final and binding on both the parties and would not be open to challenge. Both parties will immediately take steps to ensure implementation of the said award.

**30. REPRESENTATIONS REGARDING COMPLIANCE WITH COMPANY ANTI-BRIBARY POLICY:**

- 30.1 DEALER hereby represents that he/she/it has not, and shall not itself or through any of its personnel given or give or promise to give money or any gift to any employee of Company to influence their decision regarding this agreement and of any business transactions as per this agreement, nor shall he/she/it exert or utilize any unlawful influence through a promise to pay commission, percentage, brokerage or contingent fee or material in kind to secure or solicit any extension thereof.
- 30.2 DEALER acknowledges and agrees that he/she/it has not, and will not, make or promise to make corrupt payments of money or anything of value, directly or indirectly, to any government or public international organization officials, political parties, or candidates for public office, or employee of a commercial customer or supplier, or private parties, for any purpose whatsoever.
- 30.3 DEALER agrees that breach of this Clause shall be sufficient of Company to terminate agreement, withhold payments, and/or initiate legal action.

**31. FORCE MAJEURE**

The Company shall incur no legal liability whatsoever if 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/Central Governments, orders, restrictions, war like conditions, hostilities etc. In such case the Company shall be sole judge to decide the existence of such a circumstances and its decision shall be binding on both the parties.

## **32. JURISDICTION**

All disputes and issues arising out of this Agreement shall be subject to the jurisdiction of the Courts at Company's Regional Office (R.O) at which place the cause of action shall lie due to the fact that the seeds, being the subject matter of this agreement, are brought/sold from the Registered Office of the Company at R.O. Head Quarter and also because the present Agreement is being executed at Regional Office Head Quarter.

IN WITNESS WHEREOF, the Parties hereto, intending to be bound hereby, have cause 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.

For \_\_\_\_\_

(Signature)

(Name)\_\_\_\_\_

(Designation)\_\_\_\_\_

Witnesses:

1.\_\_\_\_\_ (Signature)

Name \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

2.\_\_\_\_\_ (Signature)

Name \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

For \_\_\_\_\_

(Signature)

Name \_\_\_\_\_

(Designation)\_\_\_\_\_

Witnesses:

1.\_\_\_\_\_ (Signature)

Name \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_

2.\_\_\_\_\_ (Signature)

Name \_\_\_\_\_

Address \_\_\_\_\_

Date \_\_\_\_\_