

## **Agreement**

**This agreement made on this ..... between:-**

**The Indian Drugs & Pharmaceuticals Ltd., IDPL Complex , Delhi  
Gurgaon Road , Dundahera , Gurgaon a Public Sector  
Undertaking, through its .....(hereinafter to be  
referred to as the Company Party of the first part .**

**AND**

**.....(herein after to be referred to as  
the Distributor Party of the Second part)**

**And whereas the Company of the first part referred to as above  
is a Public Sector Undertaking and is having business of  
manufacture / formulation of drugs and medicines, including  
trading thereof, and whereas it is desirous to appoint  
Distributor for the state of ..... in order to effectively like/  
promote sales of its products in Government Institutions and  
where as the Second Party having a drug wholesale license is  
desirous of being appointed as distributor and whereas the**

**Company of the first part has agreed to hereby appoint the party of second part its Distributor on the terms and conditions mentioned herein below:-**

**01. That the company hereby appoints M/s..... Distributor (Institutional sales) for the state of ....., for the following institutions.**

**i)**

**ii)**

**iii)**

**02. That this agreement shall be effective from ..... and shall be valid for a period of one year ie from.....up-to .....**

**03. At any time during currency of the Agreement, the Agreement shall be liable to be terminated on giving 3 month's notice by either party. The agreement shall be extendable for another one year by mutual consent of both the parties, if renewed prior to the date of expiry of said agreement.**

**04. The distributor shall establish a regular contact with the authorities to generate demands for its products. He will forward tender enquiries to the Company and shall appraise regarding competitor's activities.**

**05. That the Distributor shall arrange for forwarding the orders raised in favour of the company directly and then the goods shall be dispatched by the Company directly to the Distributor.**

**06. That the Distributor shall assist in safe delivery of consignment from Transport Office to the stores of indenting authorities. After delivery of consignment, the Distributor shall pursue for early completion of formalities such as inspection/verification, of stock entries. The Distributor shall submit the copy of invoice to the concerned Regional/Zonal Office of IDPL.**

**07. That the Distributor shall incur the necessary expenses including appointing man power , advertising , conveyance expenses , telephones, traveling , office expenses and other incidental expenses. The company will not bear the same. Further the Distributor will not incur any other expenses on behalf of the Company unless specifically permitted in writing.**

**08. That the Distributor shall have to furnish a bank guarantee (of a public sector bank ) of Rs.10,000/-having validity for entire period of agreement or in lieu thereof a cash deposit of Rs. 10,000/-(interest free ) within a period of 10 days from signing this agreement failing which this Agreement shall be deemed to have been terminated.**

**09. That Distributor shall be entitled to a commission for the service rendered @ 12% of the value of the order (excluding sales tax and other deduction made by indenting authority as per terms**

**and conditions of R.C./Order, such as liquidated damage ) provided the Distributor makes the payment at the time of delivery of consignment. This commission will be adjusted in the same bill towards the supply made against the said order.**

**10. An additional 2% commission shall be admissible in case where Distributor makes advance payment to the Company.**

**11. That the date of Demand Draft will be taken as the date of payment, if received within 15 days. If received after 15 days of the issue, the actual date of receipt of D / D in the office of the Company, shall be treated as the date of receipt of payment for calculating the commission payable.**

**12. That the Company will not be responsible for the non-execution of the orders due to reasons beyond its control (including non-availability of materials, strike, disinvestment by govt., natural calamity), and no commission will be payable for such orders which remain unexecuted, whatsoever may be.**

**13. That the company will be fully responsible for any complaint regarding quality arising out of supplies covered under the Agreement, however, subject to their handling and storage perfectly in prescribed manner.**

**14. That in the event of any dispute / difference between the parties to this Agreement arising out of or in connection with or in relation to this Agreement, the same shall be referred to the sole**

**arbitration of the Chairman & Managing Director of the Company of Party of the first part and his/her decision in the matter shall be final and binding on both the parties.**

**15. That any dispute relating to this Agreement shall be subject to jurisdiction of Courts at Gurgaon only.**

**16. That is expressly understood that this Agreement does not create any relationship of employer and employee between the Company and the Distributor.**

**17. That the company shall be at liberty to appoint any other Distributor in the said territory and the Distributor of Party of the second part, shall not have any objection to it. No commission shall be payable to him on orders generated / procured by other Distributor.**

**18. That the Distributor shall not take up the agency / distributorship of any other Public / Private Sector Unit having product range identical to that of the Company, during the period of operation of the system without prior approval of the Company.**

**19. That the Distributor shall, keep all the information gathered during the currency of this agreement, strictly confidential.**

**20. That any amendment or alteration to this Agreement shall be valid only if set down in writing and signed by the parties hereto.**

**21. The locally based Company Executive or Regional Manager/ Divisional Manager shall hand over the Goods Receipt (G.R.) after receipt of payment.**

**Signed and executed by the above mentioned parties**

**on the ----- day of the month of----- and year-----  
-----, as mentioned here in below.**

**Place : Gurgaon**

**Dated:**

**Witness**

**first party**

**Witness**

**second party**