

# **AGREEMENT**

## **Format**

THIS AGREEMENT made and entered into on the \_\_\_\_\_ day of \_\_\_\_\_, 2005 between TAJ PHARMACEUTICALS LIMITED a Company registered under the Companies Act, 1956 and having its Registered Office at 434, Laxmi Plaza, Lakshmi Industrial Estate, New Link Road, Andheri (W), Mumbai 400 053, hereinafter referred to as “The Company” (which expression shall mean and include its successors and assigns) of the ONE PART; and M/s. \_\_\_\_\_ a Partnership Firm through its partner Mr. \_\_\_\_\_, hereinafter referred to as “The C & F Agent” (which expression shall mean and include the partners for the time being and from time to time constituting the said firm, the survivors of them, their legal heirs and legal representatives of the last surviving partners in business and permitted assigns) of the OTHER PART.

### **Whereas :-**

1. The Company is presently engaged in the manufacturing, marketing, sale & distribution of Medicines and drugs, including those manufactured / sold by other manufacturers / companies (hereinafter collectively referred to as “The Products”).
2. The C & F Agent has represented and warranted that he has the necessary infrastructure / facilities and is capable / competent to act as Carrying and Forwarding Agent for and on behalf of the Company and in that connection to receive the products sent by the Company, to store the products under its control and to deliver and / or forward them to such person(s) in such lots and on such directions as may be instructed by the Company from time to time and has requested the Company to appoint them as its Carrying and Forwarding Agent.

3. The Company after considering the aforesaid request of the C & F Agent has agreed to appoint the C & F Agent as its Carrying & Forwarding Agents, on the terms and conditions hereinafter appearing.

**NOW THIS AGREEMENT WITNESSETH AS FOLLOWS :**

1. The Company hereby appoints the C & F Agent to carry out the various obligation hereunder with effect from \_\_\_\_\_. This Agreement shall remain in force and be binding on the parties till \_\_\_\_\_ unless terminated earlier by either party by giving one month's notice in writing to the other. This Agreement shall be subject to renewal of another one year, at the sole option of the Company, on the terms and conditions contained herein.
2. The Company shall arrange to deliver the Products to the C & F Agents on a stock transfer basis from Mumbai or from any branches / depots / warehouse / factories of the Company or its principals or from any other place in India.
3. The C & F Agent shall take delivery of the Products from the transporter / carrier immediately on their arrival at the destination. If the consignment sent by the Company does not reach the destination within 15 days of dispatch, the C & F Agent shall give a written notice of the same to the transporter with a copy marked to the Company. The Company undertakes to notify the C & F Agent of all dispatches of goods within 24 hours of such dispatch.
4. The stocks on reaching the premises of the C & F Agent / Transporter's godown shall be checked and counted by the C & Agent. In the event of loss, damage, shortage or spoilage, the C & F Agent shall procure necessary certificate of loss damage, shortage or spoilage from the transporter and where necessary, shall also arrange for insurance surveys as laid down under insurance Company's Rules. In the event of failure

to comply with this condition, the liability of financial loss, if any, will entirely rest on the C & F Agent. The Company will provide the C & F Agent with full details of insurance requirements.

5. The C & F Agent shall arrange for proper storage of the Products in a separate godown (of such area and at such place as detailed in the schedule hereunder written) of first class construction and the products shall not be mixed up with the products of any other parties including those of the C & F Agent itself. The C & F Agent shall be responsible to the Company for all damages / losses due to improper storage and / or bad handling of the Products or shortage or theft of the Products from their godown and shall indemnify and keep indemnified the Company for all such losses and damages. The C & F Agent further agrees and authorizes the Company hereby to adjust such losses / damages from any sums that may be payable to the C & F Agent under this agreement or otherwise by the Company.
6. The C & F Agent shall keep and store the stocks of the said Products in a safe and secure condition to avoid contamination from any source and to prevent damage or loss from theft, fire, flood and other dangers. The C & F Agent shall also keep the products in clean and hygienic premises and surroundings in compliance with the rules prescribed by any Authorities. The C & F Agent shall also comply in all respects with the requirements of insurance companies engaged or caused to be engaged by the Company to insure various risks to the products held by the C & F Agent. The insurance premium will be paid or caused to be paid by the C & F Agent.
7. The C & F Agent declares and confirms that the title / interest in the products vest in the Company / its Principals and the C & F Agent shall not be entitled to pledge, mortgage, charge, hypothecate or in any manner encumber the Products. It is further agreed and understood

between the parties that no right of any nature whatsoever shall ever accrue on the said products to the C & F Agent and if any such right does accrue, then the C & F Agent expressly waives such right and confirms that it shall not claim any such right.

8. The C & F Agent shall display signboard at the godown premises and inside the godown premises indicating that he is the C & F Agent of the Company.
9. The Company shall arrange to insure the Products stored in the godown of the C & F Agent against fire, SRCC (Strike, Riots and Civil Commotion) and flood on declaration basis. In the event of any loss, the C & F Agent shall take necessary steps for lodging a claim with the insurance company within the stipulated time limit as prescribed by the insurance company. The C & F Agent shall be bound and liable to provide necessary information for the declaration to be made under the insurance policy and shall be responsible to comply with the terms and conditions of the insurance policy. The C & F Agent further agrees to indemnify and keep the Company indemnified for any losses / damages that the Company / its Principals may suffer on account of any breach of the insurance policy by the C & F Agent.
10. The C & F Agent shall arrange to procure and maintain current licenses and permissions prescribed by law or by competent authority for storage and sale of the Products. The licenses wherever applicable, will be in the name of the Company. The responsibilities to comply with the terms and conditions of the licenses and permits will be that of the C & F Agent and no liability whatsoever will be attached to the Company from the consequences of penalties, forfeiture and seizure occasioned by failure of compliance with and / or breach of laws, rules and statues relating to the said licenses and permits relating to the Products.

In the event of the C & F Agent committing any breach of this Clause, the C & F Agent shall indemnify and keep indemnified the Company / its Principals from and against all claims, demands, actions, proceedings, fines, penalties, expenses and other liabilities of whatsoever nature made or brought against the Company / its Principals or sustained or incurred by the Company / its Principals arising out of or as a result of such breach by the C & F Agent.

11. The C & F Agent shall dispatch / deliver / sell the Products in such quantities and to such destinations / parties within such territory as detailed in the schedule hereunder written or any other suitable location duly approved by the Company from the respective godown after receipt of confirmation from the Company. The Company, however, reserves the right to dispatch / deliver the Products directly to any destination or party instead of delivering them from the godown of the C & F Agent without assigning any reasons whatsoever thereto.
12. The C & F Agent shall dispatch / deliver / sell the Products on such terms / conditions specified in invoice and at such price as may be intimated by the Company and as per the instructions given by the Company from time to time.
13. If necessary and wherever applicable, the Company, at its sole discretion, will enter into Agreements with the carriers for dispatch of the products from the godown of the C & F Agent to various stations in the territories mentioned under Clause 11. However, the C & F Agent shall be responsible for implementing and enforcing the terms and conditions of such Agreements with the carriers.

In the event of any loss or damage to the stocks in any manner whatsoever during transshipment, the C & F Agent shall be wholly responsible for recovering the value of such loss from the carriers within

15days of lodging the claim with the carriers. In case the value is not recovered within this time, the Company shall be entitled to deduct the same from the next payment receivable by the C & F Agent.

14. The C & F Agent shall maintain records as advised by the Company and send all such periodic statements of accounts as are relevant to its operations, duly countersigned by the Company's authorised representative. The C & F Agent shall make all records available for inspection / verification at all time to the accredited representative(s) / auditors of the Company / its Principals.
15. The C & F Agent shall install sufficient telephones and fax machines to enable smooth and efficient performance. The C & F Agent also agrees and undertakes to install / operate computers / software for computerization of documentation, accounts, data processing and other operations. The C & F Agent shall prepare / furnish the documents / data / information at such intervals and in such manner as set out by the Company. The C & F Agent further agrees and undertakes to use the computers / software, if any provided by the Company only for the purpose of the Company.
16. The C & F Agent shall at all times be bound to specific instruction given by the Company at the expenses of the Company, to return to the Company or to consign to any place or places or to any consignee as required by the Company the products which shall for the time being be in the custody or under the control of the C & F Agent.
17. In consideration of the services rendered by the C & F Agent, the Company shall pay to the C & F Agent the sum detailed in the Schedule hereunder written. This shall be inclusive of cost incurred by the C & F Agen for storage and dispatch of goods, electrical services, documentation, data processing and furnishing reports, utilities and

provisions of infrastructural facilities like telephone, fax, computer etc. and other office expenses under this Agreement taxes and maintenance and all other expenses towards smooth and efficient discharge of the services to be rendered by the C & F Agent under this Agreement, except as provided elsewhere in this Agreement and irrespective of the quantum of stocks stored and volume of goods dispatched / delivered / sold.

18. It is also further agreed that local transportation expenses for receipt and delivery of goods shall be borne by C & F Agent and out station transportation expenses for receipt and delivery of goods shall be reimbursed by the Company.
19. All payments by the Company to the C & F Agent shall be subject to income tax and any other statutory levies that may be imposed by the appropriate authorities / statutes.
20. In the event of any damage to packaging materials of the products which in the opinion of the Company is not on account of any act of negligence on the part of the C & F Agent shall repack the products with packing materials to be provided by the Company. If however, in the opinion of the Company, the damage to the packing materials of the products has occurred on account of any act of negligence on the part of the C & F Agent, the Company shall be entitled to recover the cost of replacing the damaged packing material from the C & F Agent and the C & F Agent agrees, undertakes and authorizes the Company to adjust such recoveries from any dues payable to the C & F Agent under this Agreement.
21. The Company will open a non-withdrawal bank account at the place specified in the Schedule hereunder written or at such other location as may be mutually agreed and the C & F Agent shall deposit all receivables, cheques, drafts, pay orders, etc. against the sale proceeds of

the products into the said account within 24 hours of receipt thereof and submit to the Company details of such deposits on a daily basis. The C & F Agent further agrees to change over to any other methods / systems of transfer of money collected / received towards the sales effected and shall comply with the requisition of the Company and shall not be entitled to retain, adjust, appropriate any such monies of the Company for any reason whatsoever. The C & F Agent shall not be entitled to make any payment in cash or otherwise without prior permission of the Company.

The C & F Agent shall not accept or pay cash on behalf of the company. The company may opt for a Cash Management System or other similar system of expending collections provided by \_\_\_\_\_  
\_\_\_\_\_ Bank Ltd., any other bank / financial institution / any other person in India. In such an event the C & F Agent shall scrupulously and faithfully adhere to such System(s) of collection.

22. The Company shall execute / arrange to execute a Power of Attorney in favour of the C & F Agent to enable them to represent the Company / its Principals before the Government, local bodies and other appropriate Authorities as may be required for the purpose of this Agreement.
23. For and on behalf of the Company / its Principals, the C & F Agent shall apply to the appropriate Authorities for registration under the Sales Tax Laws and also for Trade and Storing (Health) license from the Local municipal authorities, and any other license / regulations / permission required under the local laws.



24. The C & F Agent shall collect from the customers the amount of sales tax, surcharge and any other local taxes / levies, as applicable. It is the sole responsibility of the C & F Agent to collect and make timely payment of such levies and taxes to the concerned Authorities, along with the necessary returns as required. Any default in this connection will be on the account of the C & F Agent. The C & F Agent shall also keep necessary accounting documents for that purpose. The C & F Agent shall issue / collect appropriate Sales Tax Forms in compliance of the Central / Local Sales Tax Act.

The C & F Agent agrees and undertakes that it shall ensure compliance of all applicable statutory obligations under the Central / Local Sales Tax in pursuance of the various obligations under this Agreement and shall keep the Company indemnified from all the consequences of any such non-compliance.

25. The Company shall supply to the C & F Agent blank invoices / delivery challans and other stationeries above for the purpose for performing their duties as per the terms of this Agreement. The C & F Agent undertakes to utilize the said invoices / delivery challans / other stationeries for genuine purpose of the Company only and also to account for use of such stationery.
26. The Company shall provide an operation manual to the C & F Agent which shall be strictly adhered to the C & F Agent. The C & F Shall also maintain such accounts / books / records statutorily prescribed from time to time. The C & F Agent shall allow the Company's Auditors to inspect / examine the said accounts, books, records and documents relating to storage / collection of money by the C & F Agent.

27. The C & F Agent shall be entitled for reimbursement of expenditure incurred on behalf of the Company, duly authorised by the company, within 30 days from the receipt of the original document of payments.
28. The C & F Agent on receipt of freight bills from the transporters shall forward the same to the Company's office at the place specified in the schedule hereunder written after proper checking for certification and payments. The Company shall settle the freight bills at and from Mumbai. If the transporters insist on payment at any other place the Company may specifically authorise the C & F Agent in writing to pay the bills from their end and to include the said amount in their monthly bill to the Company for reimbursement, along with transporter's official money receipt.
29. Notwithstanding anything contained in this Agreement, the Company reserves its right to terminate this Agreement immediately and without any notice, if the C & F Agent.
  - Contravenes any Clauses or conditions of this Agreement or any statutory provisions.
  - Suppresses and / or falsifies the sales effected in any given period deliberately.  
Fails to remit promptly the monies due to the Company.
  - Acts in any manner detrimental to the Company's interests.
  - It convicted by a competent Authority of any offense in a judicial court.
  - Makes any commitment on behalf of the Company without the express written sanction of the Company save as provided for elsewhere in this agreement and
  - Fails to tender a true and correct account of the Company's goods and property entrusted to him.

It is agreed that no consequential cost of whatsoever manner shall be payable by the Company to the C & F Agent on termination of this Agreement for any of the event arising out of the above reasons.

30. The C & F Agent shall be wholly and solely responsible for its employees activities and in no circumstances shall the Company directly or indirectly be liable for any claims / demands made by the employees of the C & F Agent, including the liability, if any, under the Employees Provident Fund, Gratuity, ESI and such other enactments of Central Government, State Government and Local Authorities concerned. Such employees shall not be considered as employees of the Company and for whose act, default and omission, the C & F Agent shall be responsible and keep the Company indemnified at all times.
31. The liability for complying with all labour enactments, legal and other formalities and making all payments due under any law or contract pertaining to the persons employed in or in connection with the operations as per the terms and conditions of this Agreement will lie wholly and exclusively on the C & F Agent. The liability for all such compliance and payments shall be that of the C & F Agent.
32. In the event the Company is compelled to make any payments and / or fulfill any other requirements of the Authorities in this connection, the C & F Agent shall be liable to reimburse to the Company all such payments made and all expenses incurred in such connection without prejudice to the rights of the Company to claim damages or to pursue legal remedies against the C & F Agent for such lapse.

33. The C & F Agent shall conduct sales and distribution of the products on such terms and conditions at such rates / prices intimated by the Company. In case the Company announces schemes / gifts / discounts etc. the C & F Agent shall make available to customers / stockists such offers as per the terms of the Company. The C & F Agent shall maintain such records in respect of schemes / gifts / discounts, as prescribed by the Company.
34. This Agreement can be terminated at any time by either of the parties without assigning any reason after giving the other party one month's written notice of termination.
35. On termination of this Agreement, the C & F Agent shall render complete accounts of the products and hand over the same to the authorised representative(s) of the Company.
36. The Company shall be entitled to appoint any additional party to stock / sell / distribute the products. Nothing contained in this Agreement shall confer any exclusive right on the C & F Agent.
37. Any dispute arising or touching the construction, meaning or the effect of this Agreement or any Clause herein contained or as to the rights / liabilities of the parties hereto shall be dealt under the exclusive jurisdiction of the appropriate Courts in the City of Mumbai.

38. In the event of any dispute arising between the Company and the C & F Agent necessitating legal redress, the Courts in Mumbai shall be competent Court to decide the issue and shall have exclusive jurisdiction in that connection.

**SCHEDULE CONTAINING CERTAIN DETAILED TERMS & CONDITIONS OF THE C & F AGENT BETWEEN TAJ PHARMACEUTICALS LIMITED AND M/S. \_\_\_\_\_**

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(Refer Agreement dated \_\_\_\_\_ Clause reference as detailed below)

<b>Clause Reference</b>	<b>Prescription</b>	<b>Details</b>
E		
5	Area of the godwon (Sq.ft)	_____ Sq.ft.
5	Godown to be located in	Mumbai
11	Broad territory of the C & F Agent	Maharashtra and Other Four States
17	Amount to be paid by	Rs. _____ of Net
	Company The C & F Agent in Consideration of services rendered.	Sales Amount (Excluding Taxes)
21	Place at which the Company will open the non-withdrawal bank account	

IN WITNESS WHEREOF the parties hereto have duly executed these presents  
the day and year first above written.

**SIGNED & DELIVERED BY THE )  
WITHIN NAMED TAJ PHARMACEUTICALS )  
LTD. IN THE PRESENCE OF THE )  
FOLLOWING WITNESSES )**

**1. Signature : \_\_\_\_\_ )**

**Name : )**

**2. Signature : \_\_\_\_\_ )**

**Name : )**

**SIGNED & DELIVERED BY THE )  
WITHIN NAMED IN THE PRESENCE OF )  
FOLLOWING WITNESSES )**

**1. Signature : \_\_\_\_\_ )**

**Name : )**

**2. Signature : \_\_\_\_\_ )**

**Name : )**