

Appointment of Distributor/ Service Agent

Indian Drugs & Pharmaceuticals Limited (IDPL) is a Central Public Sector Undertaking manufacturing of generic formulation. In last F.Y. 2015-16 Company has achieved Sales of Rs. 88 Crores through In-house production. Under expansion business plan IDPL invite application for Distributor-ship and Services Agent for a period of one year extendable further on the basis of performance of the Party.

I) Service Agent (For Institutional coverage):

In the state of:

- 1. Maharashtra**
- 2. Gujarat**
- 3. Goa**

IDPL desire to appoint service agent on commission basis who will be responsible for:

- a. Procuring orders from Govt. & Semi Govt. institutions/PSUs
- b. Realization of Payments from the above (a) institutions in stipulated time.
- c. Giving information about any upcoming tender/orders to IDPL.
- d. After selection party has to sign the agreement as per the draft enclosed.
- e. Slab wise commission structures are also given in draft.

II) Distributor (For Institutional coverage):

In the state of:

- 1. Maharashtra**
- 2. Gujarat**
- 3. Goa**

IDPL desire to appoint distributors on :**"Cash & Carry Basis"** who must fulfill following criteria :

- a. Party must be financially sound.
- b. Having valid Drug License.
- c. Experience in supplies to Govt. institutions is must
- d. Ready to work on :**"Cash & Carry Basis"**.
- e. After selection party has to sign the agreement as per the draft enclosed.

One party cannot be applicable for two different positions. Interested parties may send their application with complete profile in sealed Envelope through Post to:

**IDPL Regional Sales Office
451, Poisar Ashiana Cooperative Housing Society Ltd, Building No-23,
Samata Nagar,Kandivali(East),Mumbai-400101(MH)
Ph: 022-28841824, Fax: 022-28841824
E-mail: idplmumbairsm@gmail.com**

Envelop should be superscripted for the kind of Agency applied for .

Last date of Submission of Application is 12.09.2016

Encl:

- 1. Draft agreement of Service Agent**
- 2. Draft agreement of Distributor**

AGREEMENT

This Agreement is made at this -----th ----- between **M/s Indian Drugs & Pharmaceuticals Ltd.**, a company registered under companies' act 1956, and having its registered office at IDPL Complex, Dundaheera, Delhi-Gurgaon Road. Gurgaon-122016 (Haryana), herein after referred to as the COMPANY, which expression shall unless repugnant to the context or measure thereof include its successors and assigns of one part) and Party Name....., having its registered place of business at address.....as Individual/Partnership Firm not registered under the companies act 1956 (hereinafter referred to as The Service Agent' which expression shall mean and include , legal heirs and executors of the other party).

Whereas:

The company is desirous of appointing a Service Agent for procurement of orders for items manufactured and/ or supplied by it from time to time as well as collection of proceeds against supplies made by the company (hereinafter referred to as "Service agent") for the following Health Institutions in the STATE OF

- a) The SERVICE AGENT has represented to the Company' that it has the necessary facilities at Ahmedabad in the State of MAHARASHTRA to undertake the aforesaid purpose(s).

NOW THEREFORE THIS AGREEMENT WITNESSETH AND IT IS HEREBY AGREED BY AM BETWEEN THE PARTIES HERE TO AS FOLLOWS

The company appoints the Service agent and the agent agrees to act as a non-exclusive 'Service Agent" of the company upon the terms and conditions' hereinafter mentioned.

2. This agreement shall be valid for the period from ----- to -----
3. The Service agent shall ensure that no change is made in the constitution of the organization of the Service Agent's firm except with the prior written approval of IDPL.
4. During the pendency of this agreement the Agent shall ensure that-
 - i. They shall be responsible for assisting IDPL in purchase of IDPL products in the aforesaid specified GOVERNMENT INSTITUTIONS / HOSPITALS AUTONOMOUS BODIES and CORPORATIONS IN THE STATE OF MAHARASHTRA.
 - ii. Procurements of orders from the above departments and passing on the same to the company's regional office for execution. Collection of the acknowledgement receipts and 'C/D' forms or any other form for the

purpose of concessional Sales tax as would be applicable. In case the company suffers any loss on this account due to negligence of the agent, the Service agents shall make the same good.

- iii. Realizing payment against supplies made by regional office/plant of the company or C&F as the case may be within the stipulated period as provided in Para 6 of the agreement.
- iv. That the Service Agent shall not take up the agency or distributorship of any other public /private sector units havin^g product identical to that of the company during the period of agreement.
- v. The Service Agent shall not directly or indirectly involve themselves in any business/ work which may have adverse effect or prejudice the interest of IDPL.
- vi. The Company's Regional office Plant/ C&F will make supplies directly to the concerned institutions and intimation regarding dispatches shall be provided to the Service Agent along with the relevant copy of invoice GR/RR etc.

5. The Service Agent further agrees.-

- i. To ensure expeditious transmission of all orders received by the Service Agent for the company's products to the Regional office/C&F for execution, with copy to Head Office.
- ii. To provide necessary statement, reports, data and information as may be prescribed from time to time to the Company's Head office.
- iii. To furnish necessary data regarding the movement of Company's products to Divisional Regional Office.
- iv. To undertake follow up activities related to carrying out of Company's business including claims of the hospitals ([MD etc) and the out-standings.

6. In consideration of the services rendered by the Service Agent under this agreement, the Service Agent shall be entitled to the following:-

- i. Commission will be paid on receipt of full payment as per table below on net invoice product value inclusive of E.D. sold by the company in the defined Territory allotted to the agent. The period shall be calculated as number of days between date of Good receipt (G.R) and date of draft/Cheque. In case the DD/cheque is not received within 15 days of date of issue at company office then the date of receipt at office shall be considered as date of payment.

Period of payment	Commission payable
For payment within 60 days from the date of G.R.	10%
For payment within 75 days from date	9%

of G.R.	
For payment within 90 days from date of G.R.	8%
For payment within 120 days from date of G.R.	7%
For payment within - 150 days from date of G.R.	6%
For payment within 180 days from date of G.R.	5%

Beyond 180 days. Each case will be reviewed on merits and if considered appropriate. Commission up to 5% can be paid on approval of the C&MD.

- ii. **Preference will be given to the** arrangement whereby the Service Agent makes full payment on receipt of order or 50% on receipt of order followed by 50% payment on dispatch of goods from Company to **the** Institution. The Service Agent **shall be entitled** to 2% extra commission on that amount in addition to usual commission as given above.
7. The commission shall be calculated on the net product amount of each invoice after deducting discounts, all taxes and duties leviable, if any, but inclusive of excise duty in respect to the company's product sold in the territory of the agent. It is agreed that said commission payable to the agent is for fulfilling obligations under this agreement.
 8. The Company shall designate officer of the company to give instructions and directions for the day to day operations for and on behalf of the company. The agent shall at all time during continuance of this agreement obey and observe all directions and instructions, which may be given from time to time by such representatives.
 9. The Service Agent shall indemnify the company against all losses and damages caused or sustained by the company due to any default negligence, breach of any of the terms and conditions of this agreement on the part of the Service Agent.
 10. It is hereby expressly agreed by the Service Agent that the agent will not assign transfer, change or in any manner assign this agreement or any part thereof or the goods without this company's consent in writing.
 11. The company shall be entitled to terminate this agreement forthwith upon the happening of any of the following event:-
 - i. If the Service Agent in the sole opinion of the company, which shall be conclusive and binding upon the agent, becomes incapable of carrying out the duties undertaken by the Service Agent under this agreement.

- ii. If there is any change in the constitution of the Service Agent. The reconstituted firm shall sign a fresh agreement.
 - iii. If the agent commits breach of any of the provisions of this agreement and fails to remedy the same within seven days from receipt of written notice from the company to do so.
 - iv. If any of the partners of the Service Agent's partnership firm or sole proprietor, if any becomes an insolvent or is adjudged as an insolvent or if the agent or any of its partners has made an application to the court to be adjudged as an insolvent.
 - v. If the agent or any of its partners enter into a compromise with their or his creditors or if any distress execution or other process is served upon the Service Agent or any of its partner or any encumbrances take possession or a receiver is appointed for any part of the property or assets of the Service Agent or any of its partners.
 - vi. The company shall not in any way be liable to pay the Service Agent any compensation in the event of termination of this agreement for any reason whatsoever.
12. Upon the termination of this agreement the Service Agent shall deliver to the Company forthwith all the goods and property of the company given in its custody or under its control and all the books of accounts, other documents and other materials relating to agent hereby created.
13. That the company shall be at liberty to appoint any other Distributor and Service Agents in the said territory and the Service Agent of Party of the second part, shall not have any objection to it. No benefit shall be payable to him on orders generated / procured by other parties.
13. No modification or variation of this agreement shall be valid or binding unless made in writing and executed by both the parties.
14. If at any time during the continuance of this contract either party is unable to perform on whole or in part in any obligation under this contract because of war. Hostility or Military action of any character or act of public enemy, civil commotion. sabotage, strikes, lock out, tire, flood explosion, epidemic, quarantine restriction, acts of god and act of government including but not restricted to prohibition of imports, the date of fulfillment of engagement shall be postponed during the time when such circumstances are operative. The affected party shall give the notice within seven days of the occurrence of such act, failing which no cognizance of such clause will be given.
- 15 This agreement can be terminated by either party at will by giving one calendar month's notice in writing to the other and any such termination shall not entitle either party to indemnity, damage or compensation whatsoever, business including claims of the hospitals (EMD etc) and the out-standings of the hospital institutions.
16. Should there be any dispute between the Company and the Service Agent in regard to or related to or arising out of this agreement. The party shall try to resolve the dispute in mutual trust and goodwill. In the event of such dispute or difference not settled amicably by negotiation, the same shall be referred to the Chief Executive of the Company as the sole arbitrator and the matter settled as per the rule of Indian Arbitration Act. The decision of the arbitrator shall be final and binding on the parties.

17. Any dispute arising under this agreement shall be under the exclusive jurisdiction of Gurgaon Courts.

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

Signed and delivered by:

(For and on behalf of the)
INDIAN DRUGS & PHARMACEUTICALS LTD.

Signed & Delivered to

(Service Agent)

Witnesses:

Place : Mumbai

Dated :

Agreement

This agreement made at Mumbai on this -----th day of Month-----, 2016 between:-

The Indian Drugs & Pharmaceuticals Ltd., IDPL Complex , Delhi Gurgaon Road , Dundahera , Gurgaon a Public Sector Undertaking, through its Mumbai Regional Office,451,Poisar Ashiana, Bldg No-23, Samata Nagar, Kandivali(East),Mumbai-400101 (hereinafter to be referred to as the Company Party of the first part .

AND

Party Name &address..... . (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 Party Name....., Distributor (Institutional sales) for the state of, for the following Districts & institutions.
02. That this agreement shall be effective from ----- and shall be valid for a period of twelve months i.e. From ----- up to -----, Which will be further extended for another twelve months after evaluation of sales performance & clearance of other liabilities, on the mutual concerns of the parties in the allocated region by mode of the extension letter from RM/Zonal manager of IDPL Zonal Office Mumbai.
03. At any time during currency of the Agreement, the Agreement shall be liable to be terminated on giving 30 days 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, against advance payment.
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. The distributor shall submit all orders copies of the institutions & Invoices copies raised by the distributor to the institutions along with orders copy on its letter head to the concerned Regional/Zonal Office of IDPL.
08. 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.
09. That Distributor shall be entitled to a discount for the service rendered @ 12% of the value of the invoice (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 strictly on the basis of cash & carry before the delivery of consignment. This discount will be adjusted in the same bill towards the supply made against the said order.
10. An additional 2% discount shall be admissible in case where Distributor makes advance payment to the Company.
11. The above discounts rates & terms are subject to modification from time to time as per the IDPL, corporate office instructions & as per the policy of the company.
12. The Distributors shall furnish the confirmation via hard copy or E-mail the details of payment made by advance blank cheques or RTGS/NEFT to IDPL, Zonal office along with full invoice details of the same.
13. 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 compensation will be payable for such orders which remain unexecuted, whatsoever may be.
14. 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.

15. 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.
16. That any dispute relating to this Agreement shall be subject to jurisdiction of Courts at Gurgaon only.
17. That is expressly understood that this Agreement does not create any relationship of employer and employee between the Company and the Distributor.
18. That the company shall be at liberty to appoint any other Distributor and Service Agents in the said territory and the Distributor of Party of the second part, shall not have any objection to it. No benefit shall be payable to him on orders generated / procured by other Distributor.
19. 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. And if found indulge in the above said activities shall be liable for punitive action by the company.
20. That the Distributor shall, keep all the information gathered during the currency of this agreement, strictly confidential.
21. That any amendment or alteration to this Agreement shall be valid only if set down in writing and signed by the parties hereto.
22. 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.....th day of the month of.... and year 2016, as mentioned here in below.

Place : Mumbai

Dated:

Witness

first party

Witness

second party