

**DRS LIFECARE PVT LTD**

**DRS DISTRIBUTION POINT("DDP") AGREEMENT**

**DRS LIFECARE INDUSTRIES PVT LTD**

**Registered Office:** Plot No 4, 2<sup>Nd</sup> Floor, Near Prakash  
Petrol Pump, Badarpur, New Delhi-110044

## **DRS DISTRIBUTION POINT ("DDP") AGREEMENT**

**This DRS DISTRIBUTION POINT ("DDP") agreement is made**

**BETWEEN**

**DRS LIFECARE PVT LTD**, a company incorporated under the Companies Act, 1956 having its registered office at Plot no 4, 2<sup>nd</sup> Floor, Near Prakash Petrol Pump, Badarpur, New Delhi-110044 having, CIN# U51909DL2017PTC316251. and PAN# AAGCD1347J1ZO (hereinafter referred to as "**DRS LIFECARE**", which expression shall, unless it be repugnant to the context or meaning thereof, be deemed to mean and include its successors and permitted assigns);

**AND**

**Mr./Ms. (Name)**  
**DDP Code**  
**Distributor No.**  
**Address**  
**PAN No.**

(Hereinafter called "DDP" which expression shall mean and include heirs, executors, administrators and legal representatives of the sole proprietor) of the Other Part.

### **WHEREAS**

1. DRS LIFECARE appoints "DDP" for sale of the products through DRS Distribution Point at an approved location in lieu of which the DDP would be entitled for a Commission 10 % on BV of Product (Variable pay on product range). There can be change in % of this commission as per Business Requirement from time to time and same would be communicated by DRS LIFECARE accordingly.
2. The party of the Other Part is an existing valid active Distributor with DRS LIFECARE and has achieved minimum Opener level with an approved status of KYC/NEFT & PAN which is a prerequisite to be appointed as "DDP". Silver Champion & above Distributor would not apply for "DDP".
3. The other party had understood the policies & procedures and agrees for the appointment as the "DDP" to distribute the product.
4. DRS LIFECARE has agreed to appoint the party of the Other Part as the "DDP" to distribute its product on terms and conditions set out herein.

### **NOW THIS AGREEMENT WITNESSETH AS FOLLOWS:**

#### **1. Appointment of "DDP"**

That DRS LIFECARE hereby appoints the party of the Other Part as the "DDP" and the party of the Other Part agrees to act as the "DDP" of DRS LIFECARE products on the terms and conditions stipulated hereunder. It is being understood between parties that DRS LIFECARE retains the right to add to or remove products from its portfolio. Allotment of DDP is subject to DRS LIFECARE approval and discretion; decision of DRS LIFECARE will be final and binding.

#### **2. Effective Date of Agreement**

This agreement is effective from the date on which DDP code is allocated by DRS LIFECARE.

#### **3. Basis of the Agreement**

The relationship between the parties shall be that of principal to principal and not that of principal and agent notwithstanding anything to the contrary that may be contained in this agreement or any correspondence or letters between the parties hereto. Accordingly, the "DDP" shall at no point hold himself out as an agent of DRS LIFECARE and DRS LIFECARE shall not be responsible for any act omission or commission on the part of the "DDP".

#### **4. Right to appoint other "DDP"**

DRS LIFECARE shall have the right

- (i) To appoint other "DDP" in respect of all or any of the Products in the town in which the "DDP" is situated and operated as DRS LIFECARE may deem expedient and necessary.
- (ii) To sell all or any of the Products to any other persons at any time in the said town to whom DRS LIFECARE wishes to sell.

#### **5. Location of DRS Distribution Point & Requirements**

5.1 Location of DRS Distribution Point should be accessible and decently approachable. DDP must operate from approved location only (after verification of address proof and location photo). If any violation of this condition found

DDP will be liable to be terminated.

5.2 Change in DDP address/location would be subject to company's approval only after due submission of necessary documents by DDP. Any change in address would require Regional Head's approval.

5.3 DDP need to check the local rules. DDP should also comply with all the laws, as applicable on him, from time to time. DP would be responsible to apply for Trade License as per applicable law and would be liable for any financial implication/penalty, in case of any non-compliance.

#### **6. Space requirement for DRS Distribution Point, Security Deposit and Business Material**

<b>Security Deposit amount</b>	<b>Trade Value against DP</b>	<b>Minimum Space Requirement</b>	<b>Business Material</b>	<b>Interest payable annually on Security Deposit</b>
INR 25,000/- (Web DP model)	INR 1,50,000/-	Minimum 50 sq. ft.	Poster sent through E-mail	7% per annum

Note- DRS LIFECARE shall not accept the Security amount in cash, moreover, at no point cash equivalent to or more than 2 Lacs shall be deposited under any circumstances. The security deposit amount is refundable at the time of termination of agreement by either party.

#### **6.1 Distance**

1. The minimum distance criteria between all Active and Ethical DDP's shall be as follows:
  - a. The minimum distance between all Active and Ethical DDP's is 3 km in Metro cities, 10 km in 2 tiers, 3 tiers cities & rural.
  - b. Below points would be checked to assess Active DDP
    - i. Minimum total secondary sales of 1.5 Lakh in every 3 months with a minimum sale of 15,000.
    - ii. Minimum Self Stock of at least 50,000 in every month in a rolling quarter.
  - c. This Clause 6.1 will be reviewed every 3 months.

#### **7. Training, Certification and Survey of "DDP"**

7.1 Once the DDP Code has been allotted, DDP will have to undergo a Training and Certification program that would be organized on quarterly basis in each region. A certificate would then be issued to each DDP who would attend the Training and its record would be updated as Certified DRS LIFECARE DDP. DP would be required to display this certificate at his Distribution point at all times. It would be mandatory for all existing and new DDP owners to go through, complete and pass the validation of DRS LIFECARE online DDP Training and to be certified and stay active.

DDP shall start its Operations by taking products of minimum value as in the table above, against its DDP code. The products/stocks may be decided by DDP owner.

7.2 By default the details of DDP (Name, Code, Telephone and Address) shall be published on DRS LIFECARE Website, for any request/change/omission pertaining to display of personal details on Website needs to be requested to DRS LIFECARE in writing with reason.

#### **8. Stock and DDP Audit**

8.1 "DDP" should keep stock of "DRS LIFECARE Products" as mutually agreed. DDP is also required to cooperate in stock exercise/ audit, done from time to time by DRS LIFECARE Executive.

8.2 DDP would undergo a periodic Audit varying from Monthly/Quarterly & Annual visits by DRS LIFECARE Executives or any appointed third party to ascertain that book stock matches the physical stock, DDP is maintained and operated as per policy/code of ethics and would solely be responsible for any financial implication/penalty arising out of any irregularity.

8.3 All models of DDP would be required to maintain the minimum self stock (as announced by DRS LIFECARE) at all times, or to replenish same within a period of 07 days, failure to which would attract alerts from DRS LIFECARE and repeated offenders would be suspended.

8.4 DDP Executives would also conduct monthly DDP Audits to ascertain the DDP location, Branding, up-keep, Self Stock, billing and other DDP Operations.

8.5 The trade stock billed during DDP Opening i.e. Zero BV Stock is considered as the investment stock/money, hence there is no return/exchange of any non-saleable/expired products at DDP.

8.6 At any point, no product replenishment would be done from Warehouse/ Branch Office with an expiry less than 3 months and all products with expiry of 3 months or more can be sent to DDP's in replenished stock.

Note- This doesn't apply to stock clearance sale products.

\*\* The discretion on above remains with DRS LIFECARE after assessing the circumstances.

## **9. Reimbursement for picking up stock from DRS LIFECARE Service Centre (MSC)/Warehouse**

In case the DDP picks up stocks from the assigned Branch/warehouse on its own, DDP will be reimbursed @ Rs.5 per kg of stock picked up from Branch/Warehouse.

- 9.1 DDP's need to ensure that they pick up their stock from MSC between a maximum period of 72 working hours, failure to which, shipment may then be sent via courier/transport and the invoices would change from Self Pick up to Courier mode and would not benefit the DDP with the INR 5/KG clause.

9.2 During Self Pick up, DDP Needs to ensure that all compliances pertaining to take stock transfer invoices or any other documentation in order to avoid any penalty from GST Enforcement Team as the accountability would remain with the DDP.

9.3 Any repeated trend in not picking the stocks from Branch/Warehouse (ordered for self pick up within timeline) would be evaluated and can also attract suspension of self pick up option from DDP Dashboard.

## **10. Shortage/Damage and Goods return**

10.1 Details of shortages/damaged/leaked products received through courier in unsealed/damaged condition should be mentioned on the courier receipt copy (POD), a copy of this POD, packing list, damaged products with complete details of order, product/qty (for shortage as well) should be reported to [sales@drs lifecare.com](mailto:sales@drs lifecare.com) or to our call center on 1800-419-4707 within 24-48hrs of receipt of Order and obtain your Service Request Number.

10.2 In case Shipment is received intact, however, shortage/damage has been found inside, then complete details of Order; Product name/quantity of shortage/damage with a copy of packing list/damage product should be reported to [sales@drs lifecare.com](mailto:sales@drs lifecare.com) or to our call center on 1800-419-4707 within 24-48hrs of receipt of Order and obtain your Service Request Number.

## **11. Responsibilities of "DDP"**

- (i) To obtain from the Distributors the orders for the Drs lifecare products to effect sale from Drs lifecare to the Distributors.
- (ii) To Receive consideration from the Distributor and transmitting the order and consideration to Drs lifecare
- (iii) Once the order is ready for dispatch at Drs lifecare, to receive the order either through physical pickup from Drs lifecare location or through courier
- (iv) To furnish security as per agreement to safeguard the interest of Drs lifecare against the value of Drs lifecare goods at DDP point before delivery to the Distributor.
- (v) To make the ordered quantity available to Distributor.

11.1 DDP will ensure regular billing through Drs lifecare, processing orders quickly as and when order is received; and will ensure that the orders are converted into invoices and BV is generated on the correct Distributor number immediately. DDP will ensure that

any billing that is accepted from Distributor is converted into Order Invoices on real time basis, any loss to Distributor like loyalty miss etc. due to negligence in billing/not doing timely billing will account for DDP's liability to compensate the Distributor or debit to DDP or as advised by Drs lifecare.

11.2 Offers should be informed to Distributors; free products under the offer must be issued to Distributor

11.3 DDP will offer service to any Drs lifecare Customer or Distributor who walks into your premises, whether the person is from your own network or from cross line network. Further DDP will entertain the Distributor from cross line network only for supply of goods and refrain from poaching/enticing.

11.4 It will be the responsibility of DDP to ensure Drs lifecare Branding is in place at all times.

11.5 DDP will ensure that all Drs lifecare products are kept in order/systematic way and Code of Ethics are displayed at all times.

11.6 You will display DDP Opening/Closing timings and shall adhere to it at all times.

## **12. Payment options for funds deposit by "DDP"**

Various modes of payment available with the "DDP" are listed below:

12.1 **By NEFT**—The funds can be transferred by DDP owner into company's bank account using net banking facility from their bank account. This is the recommended mode since it would be faster way of processing of the orders.

12.2 **Direct Deposit**—DDP can deposit funds by visiting any of Drs lifecare Bank Accounts by visiting the nearest branch. Kindly contact nearest Drs lifecare Branch to get Bank Account details.

12.3 **Deposit at Branch Office**: Funds can be deposited at nearest Branch Office can obtain receipt thereof. On generation of receipt, funds get transferred to DDP's Ledger. DD should be drawn in favor of DRS LIFECARE INDUSTRIES PVT LTD. payable at New Delhi.

## **13. Business Promotion, Code of Ethics and Business Rules**

In terms of the present agreement the "DDP" reiterates his commitment to work in promoting Drs lifecare business, brands, products and goodwill. In furtherance of the same the "DDP" agrees to support and assist Drs lifecare in the brand/product promotion exercises undertaken from time to time, through sales promotion exercises/schemes/contests/trade discounts/ and also upon Drs lifecare instructions to build and/or maintain a prominent display of all brands of Drs lifecare products in his premises and in the markets covered by the "DDP".

13.1 DDP will ensure to maintain the price integrity of all products.

13.2 DDP will not create pages, websites, accounts or other online sites to sell Products.

13.3 DDP will not offer discounts or promote special promotions which are not being offered by Drs lifecare.

Above is not an exhaustive list of rules and are only part of key elements of Code of Ethics that may attract suspension of DDP in case of any breach.

13.4 It is mandatory for DDP to prominently display in the DDP location, Code of Ethics and Rules of Business available on Web, which needs to be availed from Drs lifecare at the time of DDP opening.

13.5 Retailing or selling Drs lifecare products on e-commerce would attract immediate suspension.

## **14. Statutory obligations**

The "DDP" shall discharge all statutory obligations cast upon him including those under indirect taxation statutes and shall forthwith, upon request, furnish the returns/proof/declarations forms in respect thereof to Drs lifecare, failing which, any consequential liability accruing to Drs lifecare, Drs lifecare shall be at liberty to adjust appropriate and/or recover the amounts from the "DDP".

## **15. Secrecy / Confidentiality**

15.1 The “DDP” undertakes that all information, arising out-off and in the course of this agreement, pertaining to the sale of the products, including formal records, summaries and reports , shall be treated as confidential information. The “DDP” shall use its best endeavor to ensure that the employees who have authorized access to such information shall keep it confidential and in secrecy.

15.2 The “DDP” further undertakes that the “DDP” shall take all reasonable precautions to protect the confidential information and neither the “DDP” nor his employees who have access to the confidential information shall use, produce, copy, translate, sell, distribute in whole or any part or summation of the confidential information except to the extent necessary for performance of their duties pursuant to this agreement.

15.3 The “DDP” or his employees and/or associate claiming under, or through the “DDP” shall not copy, reproduce, publish, sell and/or distribute in whole or in any part or summation of such Proprietary/Confidential information without prior written permission of Drs lifecare.

15.4 The “DDP” or his employees and/or associate shall not do any act/acts which are purported to malign image of “Drs lifecare” and its products or its directors/officers.

15.5 The “DDP” acknowledges that any breach of such condition would injure Drs lifecare irreparably and that money damages alone would not sufficiently remedy for such breach. In addition Drs lifecare shall be entitled to its rights of specific performance and injunctive relief under the terms of this Agreement, which relief would be without prejudice to any other rights and remedies available under the law.

## **16. Termination**

16.1 Drs lifecare can terminate this agreement on the happening of any one or more of the following events:

**i.** To remain active, DDP will be doing active/minimum sales as decided by the Company. Failure to comply with this requirement will lead to de-activation (closure) of the DDP.

**ii.** Drs lifecare will review the stock status of all DDP's after this period and take appropriate action in case of non- conformance to the guidelines

**iii.** In the event of the “DDP” being, in the opinion of Drs lifecare (whose opinion shall be final), incapable of complying with this Agreement or in the event of the “DDP” becoming or being adjudged insolvent or making a composition with his creditors or being a company going into liquidation either voluntary or compulsory or in the event of the financial position of the “DDP” at any time during the currency of this Agreement being considered by Drs lifecare (whose opinion shall be final) to be unsound.

**iv.** In the event of an act by the “DDP” of a fraud on Drs lifecare in connection with this agreement or upon the “DDP” failing to carry out any stipulation contained in this agreement for 7 days after being required in writing to do so by Drs lifecare.

**v.** In the event of any lawful authority ordering Drs lifecare to terminate this agreement.

**vi.** The DDP accepts that the Terms & Conditions of the company for opening /operating DDP's may change from time to time and the same will be accepted by the DDP from the date they are announced by the company.

A proper conduct needs to be maintained at all times through all channels while dealing with Drs lifecare or any of its representative, any type of misconduct towards any employee or Drs lifecare may attract disciplinary action and may result in Termination of this agreement.

**vii.** Drs lifecare may terminate the agreement with or without giving any reason if the same is found expedient for the business interests of Drs lifecare.

**viii.** The Drs lifecare sales through each DDP would be assessed on Monthly basis, consistently low sales or inactive DDP's would attract suspension/termination from Drs lifecare.

**ix.** DDP can be terminated for any of the following reasons- a) Promotion of competition products, aligned with another MLM or competition company, b) Poaching, not servicing

Distributors, c) No or very less sale that would be evaluated monthly, quarterly or yearly.

16.2 Expiry or termination howsoever occasioned shall be without prejudice to the rights and obligations already incurred prior to the date of such expiry or termination and the accounts between the parties shall be settled.

16.3 The "DDP" shall not be entitled to any compensation or damages from Drs lifecare for termination howsoever occasioned.

16.4 At the time of surrender/termination of DDP by Drs lifecare, the DDP can return his Zero BV saleable stocks having more than 3 months of remaining expiry period. The Company shall refund the value of such saleable stocks. The stocks shall have to be brought to the nearest Branch/Warehouse by the DDP on own cost. The full and final settlement can take a maximum of 45 days. (As per GST rules)

16.5 If any irregularity is found in stock/funds etc. at the time of closure same would be deducted from the final amount.

16.6 Any DDP Closure request within 3 Months from Opening would require approval from Drs lifecare.

16.7 Transfer of DDP Ownership under any circumstances is not permissible, DDP needs to be closed and new owners shall apply with fresh application.

## **17. Trademark**

**a.** The "DDP" should not use the trade name, logo, trade mark, design, copyright belonging to Drs lifecare or of which Drs lifecare is the proprietor/owner thereof in any way which might challenge or damage the validity or use of trade name, trade mark, design, copyright wrongfully causing injury to Drs lifecare business, reputation & goodwill.

**b.** The "DDP" shall not use adopt/utilize any of Drs lifecare logo, trade mark, design, copyright as a part of any trade name or its or any other corporate name on any other product or literature, pamphlet or except as otherwise expressly the authorized in writing by Drs lifecare. The "DDP" shall not combine as a unitary or composite mark any other trade mark with any trade mark or use any other trade mark on product labels, wrappers, advertising or promotional materials approved, (except as may be required by and/or) in writing by Drs lifecare.

**c.** The "DDP" shall indemnify, keep indemnified and keep Drs lifecare harmless from and against any and all claims losses damages expenses or liabilities of any nature of whatsoever caused by the use adoption of logo, trade name, trade mark, design, copyright

## **18. "DDP" Employees**

(a) It is expressly agreed and understood between the parties that all the staff and personnel employed by the "DDP" are and all time be and remain as DDP's employees. Such persons engaged by the "DDP" in connection with the performance of the obligations under this Agreement, shall at no time become or be deemed to have become Drs lifecare employees, agents, representatives or servants.

(b) As their clear and rightful employer the "DDP" shall have the exclusive liability and responsibility for compliance of requirements under various enactments, laws and other obligations with regard to these employees.

(c) The "DDP" undertakes to keep Drs lifecare fully and completely harmless and indemnified against any claim demand made on Drs lifecare by the "DDP" employees or any statutory authority and/or government.

## **19. Communication between "DDP" and Drs lifecare**

"DDP" can communicate with Drs lifecare in any one of the following ways:

E-mail- You can contact us by e-mail at

[sales@drs lifecare.com](mailto:sales@drs lifecare.com)

Telephone- You can contact us-18004194707,  
9910099818

Post mail- You can write us at : Drs lifecare Industries Pvt Ltd, Plot No. 4, 2nd Floor, Near Prakash

## **20. Indemnification**

“DDP” shall indemnify and hold harmless Drs lifecare and its Directors, officers, employees, agents, stockholders, affiliates, customers from and against all allegations, claims, actions, suits, demands, damages, liabilities, obligations, losses, settlements, judgments, costs and expenses (including without limitation attorneys’ fees and costs) which arise out of, relate to or result from any act or omission of the DDP.

## **21. Governing Law and Jurisdiction**

The contract shall be governed by and constructed according to the laws in force in India. The service “DDP” shall hereby submit to the jurisdiction of the courts situated at “New Delhi” for the purpose of actions and proceedings arising out of the contract and the courts at “New Delhi” shall have the sole jurisdiction to hear and decide such actions and proceedings

## **22. Supersedes previous Agreements**

This agreement supersedes all previous communications, representations, assurances or agreement either written or oral between the parties hereto or between “DDP” and any other Entity to which Drs lifecare is a successor.

## **23. Acceptance**

I \_\_\_\_\_ (“DDP”) have read the terms of my appointment as DDP and agree and accept to abide by the terms of this agreement.