



DISTRIBUTORSHIP AGREEMENT

SU-KAM POWER SYSTEMS LIMITED

Registered Office: WZ-12A, Bhagwan Das Nagar Extension, East Punjabi Bagh, New Delhi-110026
Corporate Office: 54, UDYOG VIHAR, PHASE VI, SECTOR 37, GURGAON, HARYANA-122001





PROPOSAL FOR APPOINTMENT OF DISTRIBUTOR

TO BE FILLED BY THE DISTRIBUTOR

NOTE: THE DATA TO BE GIVEN HEREUNDER SHOULD BE AUTHENTICATED AND SUPPORTED BY DOCUMENTARY PROOF

DISTRIBUTOR DATA:

Name of the Firm/Company
(with proof of incorporation/registration)

Registered Address (with address proof)

Telephone Number (with copy of last paid bill)

Fax Number

E - mail

Status

Date of Establishment of Business

TIN/VAT No. (with proof)

Permanent Account No. of the Firm/Company (with copy of PAN Card of firm/Co. & all the Directors/Prop./Partners)

MOA/Deed/Registration Certificate (with proof)

Business Commitment

Bank Account No. (provide six month bank statement)

Description of the Immovable Properties (attach proof of atleast one property)

Name of Property	Appl Market Value	Name of Owner	Whether Copy of Title Enclosed

NAME & ADDRESS: (PROPRIETOR /PARTNERS/DIRECTORS)

Name	
Date of Birth	
Father's Name	
Identity Proof	
Address-Present & Permanent Board Resolution/Authority Letter to enter into this Agreement	

Photograph



Name	
Date of Birth	
Father's Name	
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DECLARATION

We, hereby confirm that the details given in the proposal for appointment as AUTHORISED DISTRIBUTOR are true and correct according to our knowledge and belief and request that this be accepted.

Signed for M/s

PROPRIETOR
Address

NAME OF PARTNERS/DIRECTORS

SIGNATURES

- 1.
- 2.
- 3.

**RECOMMENDATION FOR APPOINTMENT**

- The party is recommended for appointment as our DISTRIBUTOR under the below mentioned appointment terms.
- The party has been visited by Mr.(Full name & Designation of Company Representative) on and the above particulars have been verified by him.

The recommendation is approved & the proposal from the party is accepted; formal agreement may be signed.

Dated:

Approving Authority

FOR OFFICE USE

DATE:

PLACE:

(This space has been left intentionally)



AGREEMENT

This Agreement is entered into by and between M/s. Su-Kam Power Systems Limited, a company registered under the Companies Act, 1956, having its registered office at WZ-12A, Bhagwan Das Nagar Extension, East Punjabi Bagh, New Delhi-110026 and its Corporate Office at 54, Udyog Vihar, Phase-VI, Sector-37, Gurgaon, through Mr. _____, authorized representative (hereinafter referred to as “**Su-Kam**”, which expression shall, unless repugnant to the context and meaning, mean and include its successors, nominees and assigns) of the First Part;

And

_____ <name of party> having its principal place of business at _____ and _____ <mention addresses>, through Mr. _____, <mention name of authorized representative / Director> the party identified and with details above as the Distributor (hereinafter referred to as “**Distributor**”, which expression shall, unless repugnant to the context, be deemed to mean and include its successors, nominees and permitted assigns) as of the **Effective Date** provided above.

Su-Kam and **Distributor** shall hereinafter be referred to as the “**Parties**” and individually as a “**Party**” to this Agreement, as the context requires.

Whereas, the Distributor has represented and warranted to Su-Kam as under that:

- I. the Distributor possesses requisite infrastructure, manpower and adequate financial resources to be appointed as a Distributor of Su-Kam.
- II. he/she/it is an Individual/ A Sole Proprietorship Firm/ Partnership/ Company, validly existing and in good standing under the laws of the Republic of India and has all requisite power and authority to enter into this Agreement with Su-Kam
- III. the obligations of the Distributor under this Agreement are legal, valid and binding obligations enforceable in accordance with its terms.
- IV. there are no proceedings pending, which may have an adverse effect on the ability of the Distributor to perform and meet its/his/her obligations under this Agreement.
- V. shall diligently and faithfully carry out all its obligations including a commitment to do business/sales of INR _____ per annum in the first year and as per company guidelines from time to time and duties as a Distributor in good faith and at all times protect and promote the best interests of Su-Kam .



VI. shall not commit a breach or violation of any of the terms and/or conditions of this Agreement or of Su-Kam Policies, as in force from time to time.

Whereas, on the basis of the details provided above, representations and assurances including those made herein also, Su-Kam hereby agrees to grant to the Distributor the non-exclusive & non-assignable right to market and distribute/sell such Products provided by Su-Kam in the _____ <mention the Territory> through the Distributor's own retail network, in accordance with and subject to the terms and conditions set forth in this Agreement (including the Annexures listed below).

And Whereas notwithstanding and in supersession of all the previous agreements, arrangements, understandings, assurances, representations, etc. made by the parties to each other, the parties has now agreed to execute this agreement on the terms and conditions contained herein.

Accordingly, in consideration of the mutual covenants and undertakings set forth herein, the parties hereby agree as follows:

I. DEFINITIONS AND INTERPRETATION

- I.1. **"Affiliate"** shall mean, with respect to the Parties, any Person directly or indirectly Controlling, Controlled by, or under direct or indirect common Control with a Party; and "Control", "Controlled" or "Controlling" shall mean, with respect to any person, any circumstance in which such person is controlled by another person by virtue of the latter person controlling the composition of the board of directors or owning the largest or controlling percentage of the voting securities of such person or by contract or otherwise.
- I.2. **"Customer"**, means a person who is end user of Su-Kam Products.
- I.3. **"Manual"** means Su-Kam Handbook, or any such document that may be prepared from time to time by or on behalf of Su-Kam.
- I.4. **"Marks"** shall mean and include all trademarks, service marks, trade names, other commercial symbols, designs and logos owned and / or used and / or licensed by and / or associated with Su-Kam or its Affiliates including the marks or names relating to Products whether or not registered under any law.



- 1.5. **“Premises”** means the physical location or registered office or place of business from where the Distributor conducts its operations and shall include any branch / associate offices, warehouses and storehouses of the Distributor.
- 1.6. **“Retailers”** shall mean the agents of Distributor through whom Distributor may, to the extent permitted by Su-Kam, carry out its obligations under the Agreement.
- 1.7. **“Products”** shall mean Invertors, Batteries, UPS, Solar Systems etc. or any other product that maybe notified to the Distributor by Su-Kam, from time to time in writing' as per company policy as applicable
- 1.8. **“Territory”** shall mean the geographical area of operation of Distributor, as determined by Su-Kam under this Agreement or by any other addendum.
- 1.9. **“Distributor Price”** shall mean the price at which the Products are sold by Su-kam to the Distributor.
- 1.10. **“Retail Price”** shall mean the price at which the Products are to be sold to the Customer.

2. APPOINTMENT & SCOPE

- 2.1. This agreement supersedes all previous Distributor Agreements entered by and between the parties herein.
- 2.2. Su-Kam hereby appoints and grants Distributor the non-exclusive and non-assignable right to sell its products (“Products”) as per the List/Category may be provided by Su-Kam from time to time for such Distributor.
- 2.3. The appointment hereunder is on a non-exclusive basis and Su-Kam reserves the right to appoint other distributors in the Territory on the same, or different terms and conditions at the sole discretion of Su-Kam, or to sell the Products by itself or through other parties in the Territory.
- 2.4. Su-Kam shall be entitled to, at any time, amend or modify the terms and conditions of the Agreement by way of addition, deletion or substitution in writing, as is deemed necessary by Su-Kam. The Distributor shall accept and abide by any such amendment or modification.
- 2.5. Su-Kam and/or its Affiliates reserve the right to vary the specification under the Products.
- 2.6. Su-Kam has the right to take such steps as it may consider necessary or expedient to promote the sale of the Products in the Territory and to notify the



Distributor of any persons carrying on the business in the Territory, who appear to be potential purchasers of the Products.

- 2.7. No reimbursement or payment of any of the expenses of whatsoever nature shall be made by Su-Kam to Distributor whether incurred in relation to performance of this agreement or otherwise, save those specifically agreed and recorded herein.
- 2.8. Su-Kam may from time to time by notice to Distributor request for selling/ distributing additional Products. Distributor hereby authorises Su-Kam to amend and attach additional price list as well as schedule to this Agreement for each Product, as and when the same are notified by Su-Kam to the Distributor.

3. ACKNOWLEDGEMENTS

- 3.1. The Distributor acknowledges that it has conducted an independent investigation of the business of Su-Kam and recognizes that the distribution business contemplated by this Agreement involves business risks and that its success will be dependent upon the ability of the Distributor and the markets for the products generally.
- 3.2. Su-Kam expressly disclaims the making of, and the Distributor acknowledges that it has not received any representation, warranty or guarantee, expressed or implied, as to the potential volume of business, profits or success of the business of the distribution. The Distributor acknowledges that it had ample time to read and have read this Agreement and Su-Kam Policies, and that it fully understand the provisions of this Agreement and Su-Kam Policies.

4. SECURITY DEPOSITS

- 4.1. Distributor has deposited a deposit of INR _____ with Su-Kam. The security deposit shall be interest free and shall be refunded only at the time of full and final settlement of Distributor in the books of the accounts of Su-Kam. However the Distributor understands that the security deposit is subject to forfeiture by Su-kam, if there is any amount outstanding from the Distributor.

5. DISTRIBUTOR'S & SU-KAM'S RESPONSIBILITIES

- 5.1. Distributor shall use its best efforts to promote the sale and distribution of the Products and to provide adequate support, which efforts shall include the following:
 - 5.1.1. Establishing and maintaining appropriate, attractive and accessible premises and facilities for the display and demonstration of Products;



- 5.1.2. Provide an adequate, trained sales and technical staff to promote the sale and service of the Products;
- 5.1.3. Undertake promotional campaigns and canvas prospective users to stimulate the sales of Products;
- 5.1.4. Provide Su-Kam with forecasts every month of its probability requirements for the next three months for Products and accessories.
- 5.1.5. Such forecasts to be in such manner and in forms to be specified by Su-Kam and agreed to by Distributor.
- 5.1.6. Su-Kam provide a balance confirmation every three months to Su-kam;
- 5.1.7. provide stock position and dealer wise outstanding at the start of every month;
- 5.2. Su-Kam shall, upon request, assist the Distributor on all advertising, sales promotion, and public relations campaigns to be conducted, including providing Distributor with documentation of previous promotional campaigns conducted in connection with the Products, and shall provide necessary technical information and assistance.

6. SECURED BUSINESS UNIT ACCOUNTS

- 6.1. Distributor acknowledges and agrees that Su-Kam has solicited and engaged as customers and will be soliciting additional customers, which it considers to be protected or secured accounts (each one a “Secured Business Unit Account”) for market specific, competitive or customer requirement purposes.
- 6.2. Su-Kam may at its sole discretion provide a list of Secured Business Unit Accounts to the Distributor from time to time. Distributor agrees not to interfere with but rather cooperate with Su-Kam in it's relationship with the Secured Business Unit Account.
- 6.3. Su-Kam may at its sole discretion request Distributor's co-operation with the Secured Business Unit Account and in such cases, Su-Kam shall pay to the Distributor compensation relating to Secured Business Unit Account, depending on the level of involvement by the Distributor with each Secured Business Unit Account, as per Su-Kam Policies.



7. RETAILERS/DEALERS

- 7.1. The Distributor may engage Retailers/Dealers for the purposes of this Agreement after obtaining Su-Kam's prior written approval, and such approval will not be unreasonably withheld. The Distributor shall however, make sure and will be responsible of its credibility in the market.
- 7.2. The Distributor shall ensure that adequate personnel are recruited or assigned, in numbers, qualification and experience, to ensure the manpower needed is available.
- 7.3. The Distributor shall ensure that all such personnel and Retailers are bound by the obligations of the Distributor under the Agreement, including any guidelines issued by Su-Kam or its Affiliates under the Agreement.
- 7.4. The Distributor shall ensure that the Retailers are and will work in the best interest of Su-Kam.

8. PURCHASE ORDER, PRICE, PAYMENT & DELIVERY

- 8.1. The Distributor shall place order on Su-Kam, from time to time, for desired quantity of the Products, as per the standard prices determined by Su-Kam, in mode & manner advised by Su-kam fro time to time on terms of advance payment, unless agreed otherwise
- 8.2. Su-Kam agrees to supply units to Distributor as close as possible to the delivery date as agreed by Su-kam. Su-kam shall not be held liable for delays on any account whatsoever. Order once given cannot be withdrawn unless agreed by Su-Kam in writing .Su-KamSu-Kam reserves the right for distribution of material as per availability of material with Su-Kam. Further, Su-Kam reserves the right to transfer the material even without waiting for order from the Distributor, at its own, considering the future business prospects and the Distributor has to accept the material on terms and conditions, as if the material was ordered by him in accordance with this agreement.
- 8.3. All supplies of Products shall be made at Distributor's location/ Warehouse at invoice prices. The liability passes on the Distributor once goods are delivered at distributor location. Supply dates are approximate and are based, to a great extent, on prompt receipt by Su-Kam of all necessary ordering information from Distributor. Su-kam reserves the right to change or amend this clause as per the policy of the company and shall intimate the distributor, from time to time.



- 8.4. In case of Cheque, delivery of the Products will be made by Su-Kam to the Distributor at its warehouse, upon realisation of the cheque.
- 8.5. The Distributor is not entitled to receive any other payments under this Agreement.
- 8.6. The Distributor is liable to pay all the applicable taxes in respect of the Products.
- 8.7. **Terms are advance payment**, except where satisfactory credit is established in which case terms are net thirty (30) days from date of invoice/billing. The credit facility shall be at sole discretion of Su-kam. After due date of re-payment of credit, interest shall be charged @ 24% for any period thereafter (including clean credit days as well). Su-Kam reserves the right to revoke any credit extended at its sole discretion. Distributor agrees to pay such invoices when due, regardless of other scheduled deliveries.
- 8.8. **If the credit period is to deviate from above, it shall be from the Managing Director of the Company and will be in writing.**
- 8.9. Orders once placed and Goods once sold will not be taken back.
- 8.10. IT IS AN OBLIGATION OF THE DISTRIBUTOR TO KEEP THE GOODS AS PER THE CONDITIONS DELIVERED & THE SAFETY INSTRUCTIONS OF THE COMPANY. ANY CLAIM OF RETURN OF GOODS ON THE BASIS OF IT BEING DAMAGE, IF FOUND DUE TO THE NEGLIGENCE OR MISHANDLING, WILL NOT BE ENTERTAINED BY THE COMPANY AND THE DISTRIBUTOR SHALL BEAR ANY LOSS AND OR DAMAGE CONNECTED TO IT. CLAIMS, IF ANY, ON THIS ACCOUNT WILL NOT BE ENTERTAINED BEYOND 30 DAYS OF DATE OF INVOICE.

9. TITLE IN THE PRODUCTS

- 9.1. Su-Kam hereby reserves a purchase money security interest in each unit of products sold or to be sold under this agreement and in the proceeds thereof, if distributor shall have sold a unit(s) to another party prior to distributor paying Su-Kam the purchase price for such unit as set forth herein, in the amount of such unit's purchase price. These interests will be satisfied by payment in full. Title to the products shall pass to distributor upon receipt by Su-Kam of payment in full for all amounts due for such units of products.



10. DUTIES AND OBLIGATIONS OF THE DISTRIBUTOR

- 10.1. The Distributor shall during the continuance of this Agreement diligently and faithfully sell the Products in accordance with the best practices followed in the marketing of the Products and shall use its best endeavours to improve the goodwill of Su-Kam and its Affiliates in order to further increase the sale of Products in the Territory.
- 10.2. The Distributor shall comply with all reasonable instructions given by Su-Kam and in the absence of any instructions in relation to any particular matter from Su-Kam, shall act in such manner as the Distributor reasonably considers to be most beneficial to Su-Kam, but without binding Su-Kam .
- 10.3. The Distributor shall maintain and keep intact any property of Su-Kam or its Affiliates that Su-Kam provides to the Distributor. The Distributor further undertakes that it shall not create any lien or charge on such properties in its possession. In the event of any damage to such property in possession of the Distributor, the Distributor shall be responsible for reimbursing the costs to Su-Kam. Su-Kam may, at its option, deduct such costs from the Deposit/running account.
- 10.4. The Distributor shall participate fully in all sales and services programs and promotions, which Su-Kam requires it to participate from time to time. The Distributor shall arrange, at its own cost, for all people involved in the selling and/or distribution of the Products to attend training seminars organised by Su-Kam or its Affiliates.
- 10.5. The Distributor shall maintain records of transactions and shall prepare and forward them as requested by Su-Kam in physical or electronic format or as direct input in one or more of Su-Kam's information systems, as Su-Kam deems necessary.
- 10.6. The Distributor shall obtain Su-Kam's prior written approval for printing any promotional material and for advertising through any medium, the sale of Products. Su-Kam shall have the right to revise any such promotional or advertising material.
- 10.7. EXCEPT AS EXPRESSLY AUTHORIZED BY SU-KAM , DISTRIBUTOR SHALL NOT DIRECTLY OR INDIRECTLY, ORALLY OR IN WRITING, MAKE OR GIVE ANY GUARANTEES, REPRESENTATIONS OR WARRANTIES EXPRESS OR IMPLIED, WITH RESPECT TO PRODUCTS TO CUSTOMERS. THE DISTRIBUTOR SHALL HAVE NO AUTHORITY, AND SHALL NOT HOLD



ITSELF OUT, OR PERMIT ANY PERSON TO HOLD ITSELF OUT, AS BEING AUTHORISED TO BIND SU-KAM IN ANYWAY, AND SHALL NOT DO ANY ACT WHICH MIGHT REASONABLY CREATE THE IMPRESSION THAT THE DISTRIBUTOR IS SO AUTHORISED. FURTHER, THE DISTRIBUTOR SHALL NOT ENTER INTO ANY CONTRACT OR INCUR ANY LIABILITY ON BEHALF OF SU-KAM. UNLESS AUTHORISED BY SU-KAM IN WRITING SO TO DO, THE DISTRIBUTOR SHALL NOT COLLECT ACCOUNTS OR RECEIVE MONIES ON BEHALF OF SU-KAM.

- 10.8. Su-Kam shall have no liability to make any payments to the Distributor and all costs with respect to the setting up and operation of the business shall be borne solely by the Distributor.
- 10.9. The Distributor shall purchase such quantities of Products from Su-Kam at prices as stipulated by Su-Kam from time to time.
- 10.10. The Distributor shall engage and sell to such number of retailers as required to effectively distribute the Products and ensure that adequate stocks are available at all times to meet market requirements.
- 10.11. The Distributor shall ensure that the Products are not sold by its/his/her retailers at any price which is more or less than the Retail Price of such Products determined by Su-Kam from time to time and on any terms other than those, as may for the time being be fixed by Su-Kam.
- 10.12. The Distributor shall take necessary steps to ensure safe custody of all Products against any theft, misuse and accident. In case of theft, misuse and accident, Distributor shall not hold responsible to Su-Kam and shall not demand any compensation therefore.
- 10.13. Distributor shall not:
 - 10.13.1. assign or transfer this Agreement or any rights, duties, obligations or benefits there under to any person without prior consent in writing, of Su-Kam.
 - 10.13.2. represent or sell other products which are deemed to be competitive with Su-Kam's Products.
 - 10.13.3. sell or offer to sell Su-Kam Products to any Person or group of Persons, or carry on the Business at rates or prices other than those specified by Su-Kam, or provide incentives or subsidies which may have the effect of doing so



- 10.13.4. engage in any unfair or unethical trade practices or any other business practice with respect to the Business which Su-Kam prohibits, which shall not be done or permitted by Su-Kam
- 10.13.5. modify any Su-Kam Product or any device or accessory provided by Su-Kam, without written permission of Su-Kam
- 10.13.6. at any time carry on or allow any other person to carry on in the Premises or any part thereof any other business including the business of selling or servicing any products or acting as agent or distributor or service center of any competitor of Su-Kam or otherwise howsoever associating with any competitor of Su-Kam.
- 10.13.7. sell or distribute the Products beyond the Territory, unless prior written consent of Su-Kam has been obtained in this regard.

II. RESTRICTION AGAINST COMPETITION

- 11.1. During the currency of this Agreement or any renewal of it and even after two years of termination of Agreement, Distributor, its partners, directors, and majority shareholders shall not be directly or indirectly engaged, concerned or interested in a business similar to the Business where it would compete with Su-Kam, including having a financial interest in such a business that may enable Distributor a influence its economic conduct, but excluding a financial interest that does not allow Distributor to influence the economic conduct of the business.

2. PERIODICAL REVIEW OF THE BUSINESS

- 12.1. In order to ensure that the distribution of Su-Kam's products is run to a consistently higher level of excellence and to maintain the common identity and reputation of Su-Kam, Su-Kam may review and audit the business of Distributor regularly or as often as necessary. Distributor must, at our request, provide or ensure that there is provided to Su-Kam all information and documentation and other matters Su-Kam require to maintain such quality control. Without prejudice to the generality of the foregoing Distributor shall provide Su-Kam with any information Su-Kam require in connection with quality control on a regular basis that Su-Kam determine and notify to Distributor.