Government of Jammu and Kashmir

Health & Medical Education Department Civil Secretariat—Srinagar/ Jammu (Email:jdphealth@gmail.com)

(Phone No: 0191-2572210)

Subject:

Guidelines for Opening Up/Establishment of Pradhan Mantri Bhartiya Jan Aushadhi Kendras (PMBJKs) in the Union Territory of J&K.

Government Order No: ₹33 - JK(HME) of 2021

Dated: 29 - 11 - 2021

In supersession of Government Order No. 442- HME of 2019 dated 24-04-2019, revised guidelines for Establishment of Pradhan Mantri Bhartiya Jan Aushadhi Kendras (PMBJKs) in the Union Territory of J&K are hereby notified.

By Order of the Government of Jammu & Kashmir

Sd/-

(Vivek Bharadwaj)IAS, Financial Commissioner (Additional Chief Secretary)

Health & Medical Education Department

No: HD/Plan/216/2021-02

Dated: 29 -11-2021

Copy to the:

- 1. Joint Secretary (J&K), Ministry of Home Affairs, Government of India.
- 2. Principal Government Medical College, Srinagar/ Jammu.
- 3. Principal, Government Medical College, Anantnag/ Baramulla/ Rajouri/ Doda/ Kathua.
- 4. Mission Director, National Health Mission, J&K, Jammu.
- 5. Principal, Government Dental College, Srinagar/ Jammu.
- 6. Director, Health Services, Kashmir/ Jammu.
- 7. Controller, Drugs & Food Control, Organization, J&K, Jammu.
- 8. Managing Director, J&KMSCL, Jammu.
- 9. PS to Financial Commissioner (ACS), H&ME Department.

10. Stock file/ Concerned file.

(Aman Kumar Dogra)

Deputy Director (Planning), Health & Medical Education Department.

Guidelines

for

Establishment of Pradhan Mantri Bhartiya Jan Aushadi Kendras (PMBJKs)

Government of Jammu & Kashmir Health & Medical Education Department

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A) Eligibility Criteria for an Applicant:

The following category of persons are eligible to establish Pradhan Mantri Bhartiya Jan Aushadhi Kendras (PMBJKs):

- (i) Reputed NGOs/Societies/Trusts/Partnerships and Private Individuals shall be eligible for setting up PMBJKs. Individuals should be domiciles of Jammu & Kashmir.
- (ii) PMBJKs can also be established in Government Health Institutions under the supervision of the Medical Superintendent/Block Medical Officer concerned (as the case may be) of the hospital. The services of Government Pharmacists may be utilized in such cases on deputation/attachment basis.
- (iii) A Pharmacist registered with the Pharmacy Council of J&K.
- (iv) Doctors and Registered Medical Practitioners are eligible to apply. However, for operating the Kendras services of a Pharmacist registered with the Pharmacy Council of J&K shall be mandatory.

These may be called the Operating Agency hereinafter.

B) Advertisement:

The Director Health Services / Chief Medical Officers of the relevant district shall invite applications from eligible persons. The advertisement notice shall make a specific mention that applicants subsequently found eligible to run Pradhan Mantri Bharitiya Jan Aushadhi Kendras shall not claim any right for his /her permanent absorption/ regularization in the department.

C) Procedure for Selection:

1. The Authority issuing the Advertisement notice shall be responsible to execute the selection process in a fair manner. A three member committee shall be constituted for the purpose by the Authority issuing the notice with the Medical Superintendent/ Block Medical Officer of the Hospital where the PMBJK is to be opened as Chairman and representatives of the PMBI and State Drug Controller, Drugs and Food Control Organization shall be the other members.

The Application Form is at Annexure-A.

D) Margins and Incentives:

- 1. Operating agency will be provided retail margin as per government notification. Currently it is 20% on MRP (excluding taxes) of each drug.
- 2. PMBJK run by other Entrepreneurs/Pharmacist/NGOs/NGOs and Charitable Organization that are linked with PMBI headquarters through software will get incentive upto Rs.5.00 lakhs. The incentive will be given @ 15% of monthly purchase made from PMBI by these PMBJKs subject to ceiling of Rs.15,000/- per month upto total limit of Rs.5.00 lakh.
- 3. Special Incentive: An amount of Rs.2.00 lakhs:
 - (a) Rs.1.50 lakhs for furniture and fixtures.
 - (b) Rs.0.50 lakhs for Computer, Printer, Internet, Scanner etc. (one time grant against submission of original bills-GST included)
- 4. Normal Incentive: At the rate of 15% on monthly purchase made from distributor/Central Ware House/Regional Ware House (excluding G.S.T) with a ceiling of Rs.5.00 lakh.

E) Shop Site Selection & Design:

- 1. In the premises of Government Health Institutions Pradhan Mantri Bhartiya Jan Aushadhi Kendras (PMBJKs) shall be set up and shall be run under the supervision of the Medical Superintendent/Block Medical officer concerned (as the case may be) of the hospital. The option of reputed NGOs/Charitable Organizations establishing PMBJKs in Government Health Institutions can also be explored. Besides, reputed NGOs/Societies/Trusts/Partnerships and individuals shall also be eligible for setting up PMBJKs in private premises.
- 2 The Pradhan Mantri Bharitiya Jan Aushadhi Kendra premises should be located in a prominent place to secure better visibility to customers and visitors. It should have a minimum space of 120 sq.ft. (owned or hired).
- 3. The Pradhan Mantri Bharitiya Jan Aushadhi Kendras should have proper air-conditioned storage arrangements for preserving the properties of drugs stocked.
- 4. The Pradhan Mantri Bharitiya Jan Aushadhi Kendras shall commence operations after seeking necessary approval from Pharmaceutical and Medical Devices Bureau of India (PMBI).

- 5. The Operating Agency shall mandatorily engage services of Registered Pharmacists to work in PMBJKs.
- 6. A separate account for PMBJKs shall be opened by the Operating Agency. The account so opened shall be linked with PMBI.
- 7. The Registered Pharmacists hired for the Kendra shall be designated as Pradhan Mantri Bharitiya Jan Aushadhi Kendra Manager. He shall provide full time service to the Kendra, and shall be responsible for day to day activities / management of the Kendra.
- 8 The Pradhan Mantri Bhartiya Jan Aushadhi Manager shall be responsible for maintaining sufficient inventory of medicines and other consumables/ surgical items which are available in the product basket of Pradhan Mantri Bhartiya Jan Aushadhi Pariyojna (PMBJK).
- 9. The Pradhan Mantri Bhartiya Jan Aushadhi Kendra Manager shall abide by all the terms and conditions of the agreement reached between the Operating Agency & PMBI.

F) Operating Terms & Conditions:

- 1. The Operating Agency shall be responsible to obtain a Drug License in the name of "Pradhan Mantri Bartiya Jan Aushadhi Kendra" and other permissions mandated to run such Kendras after fulfilling the requirements of PMBI.
- 2. The Operating Agency of the Kendra shall execute a memorandum of understanding with PMBI. In case the PMBJK is established under the supervision of Medical Superintendent/Block Medical Officer and a Pharmacist is selected as Pradhan Mantri Bhartiya Jan Aushadhi Kendra Manager, the owner shall be the MS/BMO and they will sign the agreement with PMBI.
- 3. In other cases, the Operating Agency will sign a tripartite agreement (the 1st Party DHS/CMO as Pradhan Mantri Bhartiya Jan Aushadhi Kendra allocating authority, IInd Party Operating Agency and IIIrd Party PMBI). The draft Agreement is at Annexure-B.
- 4. The premises shall be used for the purpose for which it has been allotted. No activity beyond its scope shall be permitted. Further, the allottee shall not sublet

- the premises to any person directly or indirectly or in part.
- 5. All the billings shall be done using software provided by PMBI. No medicine can be sold in PMBJK without using the software provided by PMBI.
- 6. The Operating Agency will be allowed to sell allied medical products, commonly sold in chemist shops. But they are not allowed to sell any medicines other than those allowed to be sold at Pradhan Mantri Bartiya Jan Aushadhi Kendra, in accordance with the list of medicines provided by PMBI.
- 7. For PMBJKs established under the supervision of Medical Superintendent/Block Medical Officer, the Registered Pharmacist whose services are hired as Pradhan Mantri Bhartiya Jan Aushadhi Kendra Manager, shall have to enter into an agreement with the Department through the relevant Institutional Head and PMBI stating that he shall abide by all the terms and conditions laid down by the Department and further shall not claim any regular appointment/regularization in the Department in lieu of such arrangement.
- 8. Taxes as applicable under rules shall be paid by the assesses.
- 9. Continuation of Pradhan Mantri Bhartiya Jan Aushadhi Kendra Manager shall be based on his performance vouched with by the committee on the basis of report submitted by the Medical Superintendent/Block Medical Officer concerned.
- 10. In case of unsatisfactory performance by the Pradhan Mantri Bhartiya Jan Aushadhi Kendra Manager, hired to work in the Pradhan Mantri Bhartiya Jan Aushadhi Kendra, the Committee shall be well within its power to terminate the services of the Registered Pharmacist(s) and substitute it by selecting another Registered Pharmacist by following the due selection process.
- 11. PMBJK will be responsible for maintaining proper inventory of stocks.
- 12. PMBI will not accept any return/exchange of products which are supplied against confirmed orders expect in case of delivery of stock supplied damaged/expired/NSQ/without confirmed orders.
- 13. Supply of medicines will be made against advance payment for dispatch of goods from PMBI.

ANNEXURE-A

PRADHAN MANTRI BHARTIYA JANAUSHADHI PARIYOJANA

Application for opening "Pradhan Mantri Bhartiya Janaushadhi Kendra" at _

S. No.	Particulars	Details
1.	Name of Applicant*	
2.	Address of Applicant*	
3.	Category (GEN/ SC/ ST/ OBC/RBA or Physically Disabled) *	
4.	Status of Applicant* (Tick Appropriate Box)	 Individual entrepreneur Charitable Institute/Hospital NGO/ Trust/ Society Government/ Government Nominated Agency Any Other (Please specify)
	Name of Pharmacist (Self/Employed) *	
5.	Registration Number of Pharmacist	
6.	Registration Number of Organization & Date of Incorporation (if Applicable)	
	Name of Contact Person*	
	Designation	
7.⊲	Mobile No/Landline No*	
	Alternative No. (if any)	
	Email id*	
8.	Aadhaar Card Number*	
9.	PAN Number*	
	Proposed location for opening 'Pradhan Mantri Bhartiya Janaushadhi Kendra':	
	Address Line 1*	
10.	Address Line 2	
	Block/ Tehsil*	

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District*	
PIN Code*	
State*	
Category of Area, whether 'Rural' (R)or 'Urban' (U)	
Declaration:	
Mantri Bhartiya Jan Aushadhi Kendra and a	
Mantri Bhartiya Jan Aushadhi Kendra and a 2. I/We hereby declare that all the information is found to be incorrect, my/o legal/disciplinary proceedings.	agree to abide by the same. nation as mentioned above is true to best of my knowledge. If any our candidature is liable to be cancelled and may be subject to
Mantri Bhartiya Jan Aushadhi Kendra and aI/We hereby declare that all the information is found to be incorrect, my/o	agree to abide by the same. nation as mentioned above is true to best of my knowledge. If any our candidature is liable to be cancelled and may be subject to
Mantri Bhartiya Jan Aushadhi Kendra and a 2. I/We hereby declare that all the information is found to be incorrect, my/o legal/disciplinary proceedings.	agree to abide by the same. nation as mentioned above is true to best of my knowledge. If any our candidature is liable to be cancelled and may be subject to

Note: Applications without Aadhaar Card shall be summarily rejected. * Mandatory details to be provided.

List of Self-attested documents required to be attached with Application				
Individual	Institutions/ NGO/ Charitable Institute/ Hospital etc.	Government/ Govt Nominated Agency		
1. Aadhaar Card	1. Aadhaar Card	1. Details of Department who has allocated the space, along with supporting documents/sanction order		
2. Pan card	2. Pan card	2. Pan card		
Physical Disability (if applicable)	3. Registration certificate	3. Aadhaar Card		
4. Pharmacist Registration Certification	4. Pharmacist Registration Certification	4. Pharmacist Registration Certification		
5. ITR for last two years	5. ITR for last two years	5. ITR for last two years, if nominated operating agency is a Pvt. Entity.		
6. Bank statement for last 6months	6. Bank statement for last 6 months	6. Bank statement for last 6 months, if nominated operating agency is a Pvt.Entity.		
7. Declaration for GST registration once threshold limitis achieved	7. Declaration for GST registration once threshold limit is achieved	7. Declaration for GST registration once threshold limit is achieved		

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ANNEXURE-B

AGREEMENT

BETWEEN

BUREAU OF PHARMA PUBLIC SECTOR UNDERTAKINGS OF INDIA (BPPI) (SET UP UNDER THE DEPARTMENT OF PHARMACEUTICALS)

MINISTRY OF CHEMICALS & FERTILIZERS
GOVERNMENT OF INDIA

AND
(Applicant Approved for Opening of Pradhan Mantri Bhartiya Janaushadhi Kendra
ON(Date)

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AGREEMENT

THIS AGREEMENT is made and entered into on theday ofmonth of
20between Bureau of Pharma PSU(s) of India, set up under Department of
Pharmaceuticals, Ministry of Chemicals & Fertilizers, Government of India as a Society
registered under the societies registration act XXI of 1860, having its Registered Office at Core
No. 06, 1st Floor, SCOPE Complex, Lodhi Road, New Delhi - 110003, hereinafter referred to as
"BPPI" (which expression shall mean and include its successors and assigns) of the ONE PART;
AND
The applicant, M/SSociety/Institution/registered
under Name of the act) having its registered office at
(ADDRESS) through its (Proprietor / Partner / Director / President) Mr.
, (hereinafter referred to as "THE APPLICANT"
which expression shall mean and include the (Proprietor / Partner / Director / President)
for the time being and from time to time constituting the said, 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: -
(a) BPPI is presently engaged in procurement, marketing, sale & distribution of medicines and drugs including those manufactured by other manufacturers (hereinafter collectively referred to as "The Products") and is desirous of opening a "Pradhan Mantri Bhartiya Janaushadhi Kendra"
(hereinafter referred to as Pradhan Mantri Bhartiya Janaushadhi
Kendra) at in the district of within the state of for sale of generic medicines to public.
(b) "THE APPLICANT" has represented and warranted that he/they has/have the necessary infrastructure /manpower/ licenses / equipment / furniture & fixtures, Computers and associated peripherals and has also got sound financial status as required to open and operate the Pradhan Mantri
Bhartiya Janaushadhi Kendra and in that connection is also ready to perform all activities including
purchase of medicines against the advance payment for dispatch of goods the stock under ambient
temperature as required for storage of medicines, make retailsale, after generating sale invoice at prices fixed by BPPI from time to time, collect money thereof from customers for the sale value, make necessary
transactions entry in computerized software system and make available sufficient funds for purchase and
transactions only in computerized software system and make available sufficient rands for parentage and

replenishment with fresh stock of MEDICINES to run the Pradhan Mantri Bhartiya Janaushadhi Kendra on sustainable basis, and has requested BPPI to allocate him/them a Pradhan Mantri Bhartiya

Janaushadhi Kendraat the aforementioned address as specified in clause (a) of this agreement.

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(c) BPPI after considering the aforesaid request o	of the "APPLICANT" and has agreed to allow
for establishing and operate Pradhan Mantri Bhartiya	Janaushadhi Kendra atin the
district of within the state of for	sale of Generic Medicines. This agreement
remains in force for a period of 36 months	
commencing from and app	olicable till, unless
terminated earlier as per clauseof this agree	ement. This agreement can be renewed for
a further period of 36 months after mutual consent of	f both the parties in writing.

- (d) BPPI retains the right to make direct sales and to appoint one or more **Pradhan Mantri Bhartiya Janaushadhi Kendra**in the same area / location / town and city.
- (e) Consistent with these introductory Sections and in consideration of the mutual consent contained in this AGREEMENT, BPPI and THE APPLICANT agree to be bound by the terms of this AGREEMENT.

1. Shop Site Selection & Design

THE APPLICANT will adhere to BPPI's procedures and requirements for site selection and design of the SHOP, as stated hereunder:

- The site location for opening the PMBJK KENDRA should be either in the hospital premises or near to hospital. If the location does not happen to be a hospital or near to hospital, then the same should be located at a place where high footfall happens and is easily accessible to people along with good site visibility.
- 1.2 The site for Pradhan Mantri Bhartiya Janaushadhi Kendra should either be owned or taken on lease in the name of Applicant. In case of lease, the same should remain effective and under the possession of Applicant for at least 03 complete years from the effective date of opening.
- 1.3 The minimum area required for opening Pradhan Mantri Bhartiya Janaushadhi Kendra should be 120 Sq. Ft.
- 1.4 The inside area of Pradhan Mantri Bhartiya Janaushadhi Kendrapremises being utilized for storage and sale transaction of medicines should be in "U" or in "C" shape, for better visibility to customer & visitor.
- 1.5 Although the requirement of Air-Conditioned premises is not mandatory, however provision for the same is highly desirable as the medicines should be kept or stored under a temperature of less than 25°C to maintain its best efficacy. Applicants with air-conditioned facility in the premises will be preferred over others.
- 1.6 In the case of a successive term being further permitted to the APPLICANT, then the existing structure may be required to be modified in order to comply with the standards applicable and prevailing at that time.

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- 1.7 THE APPLICANT shall not commence (or recommence) operations of the Pradhan Mantri Bhartiya Janaushadhi Kendra until and unless BPPI approves the same for being reasonably conforming to the planned specifications.
- 1.8 This agreement does not grant "THE APPLICANT" any right to relocate the Pradhan Mantri Bhartiya Janaushadhi Kendra without any permission in writing from BPPI
- 2. THE APPLICANT shall, at all times during the applicable term continuously and faithfully operate the PMBJK KENDRA in full compliance with the defined terms & conditions as listed bereunder:

2.1 DESIGNATED SHOP MANAGER.

THE APPLICANT shall at all times have a person on rolls with minimum qualification of Diploma in Pharmacy (i.e. D. Pharm.) or Degree in Pharmacy (i.e. B. Pharm.), designated as Pradhan Mantri Bhartiya Janaushadhi Kendra Manager having responsibility for the day to day operation of the Pradhan Mantri Bhartiya Janaushadhi Kendra in accordance with this agreement, who shall be reasonably acceptable to BPPI (including, but not limited to, the requirement that such individual possess sufficient experience in the management of a retail pharmacy business, as determined by BPPI in its sole discretion.

2.2 Best Efforts

The Pradhan Mantri Bhartiya Janaushadhi Kendra MANAGER shall furnish personal full time attention and best efforts to the day to day management and operation of Pradhan Mantri Bhartiya Janaushadhi Kendra in accordance with the requirements of this AGREEMENT and he must maintain a physical presence at the Pradhan Mantri Bhartiya Janaushadhi Kendra.

2.3 Pradhan Mantri Bhartiya Janaushadhi Kendra Employees

In addition to the designated **Pradhan Mantri Bhartiya Janaushadhi Kendra** MANAGER, the Pradhan Mantri Bhartiya Janaushadhi Kendra shall be staffed with qualified, competent employees well versed with working in computerized operation and will assist the Pradhan Mantri Bhartiya Janaushadhi Kendra Manager in day to day operations, and who are employed solely by THE APPLICANT and not by BPPI. THE APPLICANT is solely responsible for hiring and discharging employees of the SHOP, and setting their wages and terms of employment. THE APPLICANT shall comply with all applicable laws and regulations as applicable from time to time under respective laws. All employment related documents, including, without limitation, employment applications, schedules, job descriptions, and pay cheques, must clearly identify THE APPLICANT, and not BPPI, as the employer.

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2.4 Operations and Product Standards

Unless BPPI specifically permits otherwise, in writing:

- i. THE APPLICANT shall offer for sale from the SHOP the entire list of medicines and other consumables/surgical items as listed and made available periodically by BPPI.
- THE APPLICANT is permitted to sell from the Pradhan Mantri Bhartiya Janaushadhi Kendra only the Medicines which are supplied by BPPI.
- THE APPLICANT will be allowed to sell allied medical products commonly sold in chemist shops but are not supplied by BPPI.
- THE APPLICANT will at all times maintain an inventory of all listed medicines of BPPI to satisfy customer demand for any or all medicines required to be sold at the JAN AUSHADHI KENDRA. THE APPLICANT will adhere to the requirements for medicines & drug storage, its handling as per the applicable Drug & Cosmetic Act 1940, as amended and applicable from time to time. The medicines merchandising, presentation and display will also be managed by THE APPLICANT to make it more informative for the buyer and will have to emphasize the impact in terms of cost advantage between generic and branded medicines. If THE APPLICANT fails to conduct its business in accordance with the requirements of this Section 2.4, then, without limiting the rights of BPPI under this AGREEMENT BPPI may, temporarily suspend THE APPLICANT'S right to operate under this AGREEMENT, or temporarily or permanently suspend THE APPLICANT'S right to sell certain products under this AGREEMENT, or permanently terminate this AGREEMENT. The final decision rests with BPPI and shall be binding on the applicant.

2.5 Sources of Supply

In order to safeguard the integrity of BPPI, and to maintain the uniformity and quality of items associated with the PMBJK KENDRA campaign, THE APPLICANT shall only purchasethe medicines form Central Warehouse/Regional Warehouse/Authorized distributors of BPPI.

2.5.1 GENERIC MEDICINES

THE APPLICANT acknowledges that the generic medicines used in, and offered and sold from the **Pradhan Mantri Bhartiya Janaushadhi Kendra**, as authorized by BPPI from time to time, are manufactured using proprietary recipes and processes, and are an inseparable and essential element of the **Pradhan Mantri Bhartiya Janaushadhi Kendra campaign**. In order to protect the interests of BPPI, and their respective suppliers, and to ensure the quality, uniformity, and distinctiveness of the medicines, THE APPLICANT agrees to purchase its entire requirements of generic medicines, from BPPI, or the supplier designated by BPPI, at prices, determined by BPPI only.

2.5.2 Supply will be made against the advance payment for dispatch of goods.

2.5.3 BPPI will not accept any return/exchange of products which are supplied against confirmed orders.

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2.6 Supplies and Equipment

THE APPLICANT shall not use paper goods, packaging, fixtures, equipment, signs, uniforms, and other supplies at the SHOP which do not bear the text and the logo of "Pradhan Mantri Bhartiya Janaushadhi Kendra" as required by BPPI and in the manner and format required and approved in advance by BPPI.

2.7 Mandatory Participation in Marketing Programs.

THE APPLICANT acknowledges that THE APPLICANT'S participation in promotions and marketing programs established by BPPI is important to enhance the value, recognition, and reputation of the PMBJK KENDRA campaign and agrees that THE APPLICANT shall participate in those promotions and marketing programs established from time to time by BPPI that are appropriate to the **Pradhan Mantri Bhartiya Janaushadhi Kendra**, as determined by BPPI.

2.8 Compliance with Laws

THE APPLICANT shall fully, strictly and faithfully comply with all laws (including, but not limited to, statutes, ordinances, regulations, and governmental orders) affecting the operation of the **Pradhan Mantri Bhartiya Janaushadhi Kendra**. In particular, THE APPLICANT shall have a Drug Sale License in the name of **Pradhan Mantri Bhartiya Janaushadhi Kendra** from the competent authority and operate and maintain the **Pradhan Mantri Bhartiya Janaushadhi Kendra** and its premises in strict compliance with all applicable drug & cosmetic act, health, sanitation, fire and safety codes and requirements. If any law affecting THE APPLICANT'S operation of the **Pradhan Mantri Bhartiya Janaushadhi Kendra** does not happen to comply with any specific regulation, then THE APPLICANT shall satisfy the same with applicable regulation by making necessary modifications, changes etc thereof. If THE APPLICANT perceives any law affecting THE APPLICANT'S operation of the **Pradhan Mantri Bhartiya Janaushadhi Kendra** to be in conflict with any of the regulations, then THE APPLICANT shall notify BPPI in writing, identifying the specific law, so that BPPI may determine the nature of conflict and take requisite steps to resolve the perceived conflict.

2.9 Remedying damaged and contamination

If any medicine dispensed at the **Pradhan Mantri Bhartiya Janaushadhi Kendra** is soiled, contaminated or in cut, torn or in spillage condition and does not comply with applicable law or regulations, or fails to be maintained in accordance with the requirements then, THE APPLICANT shall immediately eliminate the source of contamination, remedy all unsanitary conditions at the **Pradhan Mantri Bhartiya Janaushadhi Kendra**. This remedy is in addition to, and not in lieu of, other rights or remedies that BPPI has for THE APPLICANT'S breach of this AGREEMENT.

2.10 Shop Inspections

In order to safeguard and determine compliance with the **Pradhan Mantri Bhartiya**Page 9 of 16

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Janaushadhi Kendra standards BPPI representatives shall have the absolute right to enter, remain in, and inspect the SHOP whenever BPPI deems it appropriate. BPPI representatives may, without prior notice to THE APPLICANT, interview THE APPLICANT'S employees and customers, take photographs, video, and similar recordings, examine, evaluate and take representative sample of the medicines stored or sold. BPPI shall have the right to use all interviews, photographs, video, and other recordings for any reason BPPI deems appropriate, including in advertising, marketing and other promotional materials. THE APPLICANT shall not be entitled to, and hereby expressly waives, any right that itmight otherwise have to be compensated for the use of interviews, photographs, video, and other recordings by BPPI, its advertising agencies.

Being a Government of India campaign, the **Pradhan Mantri Bhartiya Janaushadhi Kendra** may also get visited and inspected by Government Officials, Honorable Parliamentarians, without any prior notice to THE APPLICANT.

2.11 Correcting Deficiencies

THE APPLICANT shall at its own expense promptly, and within any period reasonably specified by BPPI, correct any violation of the defined norms. If, during an inspection, BPPI identifies a violation of the norms that:

Is a reoccurrence of a previously identified violation of the defined standards, occurring at the **Pradhan** Mantri Bhartiya Janaushadhi Kendra within the preceding 12 months; or

Is a continuation of a previously identified violation of the defined standards, which THE APPLICANT failed to correct within a maximum period of 03 months from the date on which notice has been served by BPPI; In such a case, BPPI may ask THE APPLICANT toreimburse BPPI for the costs of a subsequent inspection of the shop, conducted to determine whether the reoccurring or continuing violation of the defined standards has been cured, at the rate of Rs. 500.00 (Rupees Five Hundred Only) per hour of the BPPIrepresentative's time (including travel time) plus travel and related expenses. This remedy is in addition to, and not in lieu of, other rights or remedies that BPPI has for THE APPLICANT'S breach of this AGREEMENT.

2.12 Repair and Renovation

THE APPLICANT shall repair, rehabilitate, refurbish, modernize, renovate and upgrade the **Pradhan Mantri Bhartiya Janaushadhi Kendra** periodically to maintain it in a clean, attractive and orderly condition, to provide efficient, high-quality service to the public, and to conform to specifications applicable generally to medicine shop. THE APPLICANT must obtain the prior written approval of BPPI if any efforts are to be taken under this Section.

2.13 Sales and Product Mix Reporting Requirements

THE APPLICANT shall upon request periodically provide BPPI with any and all requested information related to THE APPLICANT'S sales, costs, earnings and related items. THE APPLICANT acknowledges that BPPI may request this information be provided monthly, and occasionally more often, and in some instances THE APPLICANT may be required to track

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certain information not regularly tracked by THE APPLICANT.

2.14 Projecting Requirements of Medicines

At the request of BPPI and or designated Distributor, THE APPLICANT shall periodically project sales and product requirements. THE APPLICANT shall endeavor to project quantities of medicines needed, including quantity of each of the MEDICINES, and the anticipated timing of such need. THE APPLICANT acknowledges that this information is important to BPPI so that it or its designated supplier may project quantities to be manufactured.

2.15 Hours of Operation

THE APPLICANT shall keep the **Pradhan Mantri Bhartiya Janaushadhi Kendra** open and in normal operation starting from 09:00 Hrs. to 21:00 Hrs. with the option of a Lunch Break from 13:00 Hrs. to 14:00 hrs. However, it is suggested to have the lunch on rotation basis so that one staff remains always present for the sales operation. THE APPLICANT shallconspicuously post on or within the **Pradhan Mantri Bhartiya Janaushadhi Kendra** premises, at a location visible to public about the shop operational and non-operational hours. This should also include contact number displayed prominently so that patient can contact and purchase medicines when shop is closed. In case of metro and big cities, the shop would remain open from 6 am to till 12 midnight. PMBJK KENDRA located in big hospitals and medical colleges shall remain open round the clock.

2.16 POS (Point of Sale) SYSTEM

To ensure the efficient management and operation of the Pradhan Mantri Bhartiya Janaushadhi Kendra, and the reporting of data and information to BPPI, THE APPLICANT shall, at its own expense, install, and during the tenure of association shall properly maintain in good working order, a computerized point of sale system (the "POS SYSTEM") consisting of one or more cash registers, an internet connection / modem, cables, a dedicated telephone line, a printer and other accessories and peripheral equipment, all of which must be approved by BPPI prior to start of operation or otherwise in writing. The software for computerized operation for POS will be uploaded free of cost by BPPI. The applicant will have to ensure that all sales transactions are fed & updated in the system and a sale receipt of cash memo must get generated and handed over to the buyer along withmedicines.

2.17 Collecting POS INFORMATION

THE APPLICANT shall at all times use the POS SYSTEM to accurately, consistently, and completely capture & record (including the name of doctor prescribing the medicine), and structure all data and information that BPPI prescribes from time to time either through automated software or manually.

certain information not regularly tracked by THE APPLICANT.

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At the request of BPPI and or designated Distributor, THE APPLICANT shall periodically project sales and product requirements. THE APPLICANT shall endeavor to project quantities of medicines needed, including quantity of each of the MEDICINES, and the anticipated timing of such need. THE APPLICANT acknowledges that this information is important to BPPI so that it or its designated supplier may project quantities to be manufactured.

2.15 Hours of Operation

THE APPLICANT shall keep the **Pradhan Mantri Bhartiya Janaushadhi Kendra** open and in normal operation starting from 09:00 Hrs. to 21:00 Hrs. with the option of a Lunch Break from 13:00 Hrs. to 14:00 hrs. However, it is suggested to have the lunch on rotation basis so that one staff remains always present for the sales operation. THE APPLICANT shallconspicuously post on or within the **Pradhan Mantri Bhartiya Janaushadhi Kendra** premises, at a location visible to public about the shop operational and non-operational hours. This should also include contact number displayed prominently so that patient can contact and purchase medicines when shop is closed. In case of metro and big cities, the shop would remain open from 6 am to till 12 midnight. PMBJK KENDRA located in big hospitals and medical colleges shall remain open round the clock.

2.16 POS (Point of Sale) SYSTEM

To ensure the efficient management and operation of the **Pradhan Mantri Bhartiya Janaushadhi Kendra**, and the reporting of data and information to BPPI, THE APPLICANT shall, at its own expense, install, and during the tenure of association shall properly maintain in good working order, a computerized point of sale system (the "POS SYSTEM") consisting of one or more cash registers, an internet connection / modem, cables, a dedicated telephone line, a printer and other accessories and peripheral equipment, all of which must be approved by BPPI prior to start of operation or otherwise in writing. The software for computerized operation for POS will be uploaded free of cost by BPPI. The applicant will have to ensure that all sales transactions are fed & updated in the system and a sale receipt of cash memo must get generated and handed over to the buyer along withmedicines.

2.17 Collecting POS INFORMATION

THE APPLICANT shall at all times use the POS SYSTEM to accurately, consistently, and completely capture & record (including the name of doctor prescribing the medicine), and structure all data and information that BPPI prescribes from time to time either through automated software or manually.

2.18 BPPI's Access to POS INFORMATION

THE APPLICANT agrees that BPPI will have the absolute right to retrieve, electronically and manually, any or all of the POS INFORMATION that BPPI deems necessary or appropriate, or desires. THE APPLICANT may retrieve the POS INFORMATION at intervals and times BPPI determines, and without any advance notice to THE APPLICANT. THE APPLICANT shall assist BPPI in initially establishing electronic access to the POS INFORMATION, and shall thereafter, as required by BPPI, from time to time provide further assistance in connection with the retrieval of the POS INFORMATION.

2.19 Updates, Modifications, and Replacements

THE APPLICANT shall have no right to update or replace software used by the POS SYSTEM. THE APPLICANT shall make, or at BPPI's direction shall permit the designated person from BPPI to make, any programming changes required from time to time by BPPI.

2.20 BPPI's Ownership and Use of POS Information

THE APPLICANT agrees that all POS INFORMATION provided to BPPI, whether electronically retrieved or otherwise received, will become BPPI's property and the same may be used by BPPI in any manner BPPI considers appropriate.

2.21 Access to Email & Internet; Consent to Communication Medium

THE APPLICANT acknowledges that the world-wide web (www), internet, intranet, extranet, email, and similar medium are becoming an increasingly accepted and normal way of communicating. THE APPLICANT further acknowledges that BPPI may from time to time desire to communicate with THE APPLICANT using any of the foregoing medium. Therefore, THE APPLICANT shall at all times, before and during the tenure of association have ready access to a computer at **Pradhan Mantri Bhartiya Janaushadhi Kendra** with internet access and a reasonably current web browser, and:

- 2.21.1 Maintain an email address to which BPPI may send electronic communications; keep BPPI apprised of THE APPLICANT'S current email address; regularly check, at a frequency which may be every day, for email communications from BPPI;
- 2.21.2 Timely respond to email communications from BPPI, within a maximum of 48 hours from receipt;
- 2.21.3 In the event BPPI establishes an intranet, extranet, or other means of posting information on a web site or similar on-line medium, then regularly check, at a frequency, which may be every day, for information communicated by BPPI.

Except in the case of a NOTICE, THE APPLICANT hereby consents to receiving any communication or information contemplated by AGREEMENT in any manner contemplated

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by this Section 2.20, which communication or information shall be deemed communicated upon sending electronically to the email address designated by THE APPLICANT for such purpose, or upon posting on any web site or other on-line medium maintained by BPPI for such purpose.

2.22 Prompt Payment of Obligations

THE APPLICANT acknowledges that THE APPLICANT'S payment practices can impact the willingness of third parties to do business with, and extend credit to, others. Therefore, THE APPLCANT SHALL also timely pay all obligations and liabilities due and payable to vendors, suppliers, distributors, the LANDLORD, and other parties to whom THE APPLICANT incurs obligations in connection with the **Pradhan Mantri Bhartiya Janaushadhi Kendra**.

2.23 Significant Event Notifications

THE APPLICANT will keep BPPI informed of any fact, matter or circumstance that has a significant bearing on THE APPLICANT'S ability to continue to operate the **Pradhan Mantri Bhartiya Janaushadhi Kendra** in accordance with this AGREEMENT. Without limiting the preceding requirement, THE APPLICANT shall promptly, and in no event more than 7 days after THE APPLICANT becomes aware of any of the following situations related to the **Pradhan Mantri Bhartiya Janaushadhi Kendra**, provide NOTICE to BPPI of the circumstances, and provide BPPI with copies of pertinent documents, and any other information BPPI requires:

- (a) Any notice of default received with respect to the SHOP PREMISES from the LANDLORD, a rental agent, mortgagee, or lender.
- (b) Any claims, lawsuits, or other legal proceedings asserted or brought by any consumer, employee, governmental agency, or anyone else.
- (c) Any governmental inspections, notices, claims, reports, warnings, or citations.
- (d) Any fires, robberies, injuries, or similar events occurring on or at the Pradhan Mantri Bhartiya Janaushadhi Kendra
- (e) Any other matters, including those not related to the Pradhan Mantri Bhartiya Janaushadhi Kendra that could impair the good will associated with BPPI & Department of Pharmaceuticals under Ministry of Chemicals & Fertilizers, Government of India.

3. Fund Requirements & Earnings by the Applicant

- 3.1 Applicant will arrange sufficient funds for smooth running of PMBJK KENDRA at all times.
- 3.2 Incentive is to be given to PMBJK run by private entrepreneurs on the basis of their purchase of medicines (from Distributor/Central Warehouse/ Regional Warehouse) ina month. The incentive will be given @ 15% of monthly purchase subject to a ceiling of Rs 10,000/ per month up to total limit of Rs.5 lakhs. For the north eastern states, Naxal affected area ad tribal areas, the rate of incentive will be 15% of monthly purchase subject to a ceiling of Rs. 15,000/- per month up to total limit of Rs.5 lakhs.

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- 3.3 Retail margins will be the earning of Applicants. The retail margins as applicable as per Government notifications will be included in the MRP (Maximum Retail Price) on each product and the applicant shall sell all products at printed MRP only. The currently applicable rate of Margins is 20%.
- 3.4 The Applicants belonging to weaker sections like SC/ST/Differently abled may be provided medicines worth Rs. 50,000/- in advance within the incentive of Rs.5 lakhs. Rest incentive will be provided in the form of 15% of monthly purchase subject to a ceiling of Rs. 10,000/- per month up to a total limit of Rs.5 lakhs.
- 3.5 In addition to the investment required for setting up the necessary infrastructure for opening of Pradhan Mantri Bhartiya Janaushadhi Kendra as per the requirement of this agreement, applicant will invest sufficient money to run the store smoothly by making all products available at all times
- 3.6 THE APPLICANT also acknowledges and agrees that this AGREEMENT confers no right to continuation, renewal for a subsequent term on or after the EXPIRATION DATE.

4. Sourcing of Medicines

THE APPLICANT shall purchase medicines in the list of medicines provided by BPPI,in connection with the operation of the Pradhan Mantri Bhartiya Janaushadhi Kendra, only from BPPI's Central Warehouse/Regional Warehouse/Authorized Distributors as informed by BPPI.

In-case of any change in source for procurement of Medicines, BPPI will inform THE APPLICANT in writing.

5. Ongoing Advice and Assistance

During the applicable term of this agreement BPPI shall, at no charge, from time to time provide THE APPLICANT with such advisory assistance, information, techniques, data, and instructional materials concerning the sale of Medicines from **Pradhan Mantri Bhartiya Janaushadhi Kendra**, and also marketing programs applicable to the PMBJK KENDRA campaign, local marketing of the **Pradhan Mantri Bhartiya Janaushadhi Kendra**, and adherence to the process and guidelines as BPPI deems advisable.

6. Selling other medicines & products

Selling other generics/branded medicines and product will not be permitted by BPPI.

7. Termination

I. BPPI shall be entitled to terminate this Agreement immediately forthwith in any one or more of the following events, by giving a notice in writing to the "APPLICANT":

- II. If, in the opinion of BPPI, the performance of the "APPLICANT" is found to be unsatisfactory.
- III. If the "APPLICANT" commits a breach of any of the terms and conditions of this Agreement.
- IV. If there is any change (not acceptable to BPPI) in the constitution of the "APPLICANT" without the prior written consent of BPPI.
- V. If for any reason, the "APPLICANT" is prevented for a period of three months from performing any of its obligations under this Agreement.
- VI. If the "APPLICANT" is guilty of any conduct which, in the opinion of BPPI, is prejudicial to the interests of BPPI or principles of BPPI relating to fair business practices.
- VII. If the "Pradhan Mantri Bhartiya Janaushadhi Kendra APPLICANT" assigns or purport to assigns its rights, interest or benefits or charge the benefits of the Agreement without obtaining the consent in writing of BPPI.
- VIII. If the "APPLICANT" is declared insolvent or commit any act of insolvency or compound or enter into a scheme of compromise with their creditors.
- IX. If the "APPLICANT" is charged with committing breach of any law of India or any anti-bribery or anti-corruption legislation as the case may be.

8. Confidential Information

THE APPLICANT acknowledges that BPPI will from time to time provide THE APPLICANT with information that is confidential in nature and that if disclosed to third parties might adversely impact the ability of BPPI to remain competitive. THE APPLICANT agrees that, unless otherwise determined BPPI, the marketing strategies and programs developed by BPPI shall be treated as confidential until publicly disseminated in accordance with the instructions of BPPI. THE APPLICANT shall not disclose any confidential information to any person other than THE APPLICANT'S employees as may be necessary to discharge the assigned duties of Pradhan Mantri Bhartiya Janaushadhi Kendra operations, and THE APPLICANT agrees not to use any such confidential information for any purpose other than to discharge its obligations under this AGREEMENT.

9. Force Majeure

Neither party shall be in default if a failure to perform any obligation hereunder is caused solely be supervening conditions beyond that party's reasonable control, including acts of god, civil commotion, strikes, acts of terrorism etc.

10. Dispute Resolution

This agreement shall be deemed to have been made/executed at Delhi for all purpose. In the event of any dispute related to the interpretation or right or liabilities arising out of this

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agreement, the same shall, at first instance, be settled amicably and in the event of the dispute not being settled amicably the same shall be referred to the sole arbitrator of Chief Executive Officer (CEO), BPPI or his nominee. The provisions of Arbitration and conciliation Act, 1996 shall apply. The award given by the arbitrator shall be final and binding on the parties. The venue for arbitration shall be at Delhi.

11. Governing Law/Jurisdiction

The applicable law governing this agreement shall be the laws of India and the court of Delhi shall have the exclusive jurisdiction to try any dispute with respect to this agreement.

IN WITNESS WHERE OF THE FIRST PARTY AND SECOND PARTY AFFEND THEM
SIGNATUREIN TOKEN OF HAVING ACCEPTED THE ABOVE TERMS AND CONDITIONS
ON THIS
DAY OF 20 AS MENTIONED ABOVE. IN THE
PRESENCEOF THE FOLLOWING WITNESSES.
SIGNED SEALED AND DELIVERED FOR THE FIRST PARTY.

WITNESS

SIGNED SEALED AND DELIVERED FOR THE SECOND PARTY

WITNESS