

## **Distribution services**

The purpose of putting up this section in our website is to make our distribution policies transparent and open for proper understanding. BPPI regards supply chain service providers as business associates and a part of the BPPI family. BPPI endeavors to practice distribution policies which lead to development of healthy channel partners. Effective from November 9, 2016, BPPI has standardized the distribution services across the country. However, BPPI will have all the rights and discretion of deciding on selection of its channel and services based on BPPI and market needs. The following distribution services are being operated across the country:

- 1. C&F:** The services will include basic depot function of storage to be specified by BPPI, storage as per drug rules, receiving stocks, quickest dispatch, inventory management, invoicing, handling transactions, maintaining financial records and any other services related to the functions. The party will keep Bank Guarantee or security deposit of the amount to be specified by BPPI. The margin will be monthly basis turn over related. As on date it will be Turnover upto Rs 30 Lakhs 3% of sales excluding tax. Above Rs 30 Lakhs to 60 Lakhs 2.75% excluding tax, above Rs 60 Lakhs a flat 2.5% excluding Taxes.
- 2. Distributors** - Party will be responsible to supply to the PMBJP Kendra's assigned to them by BPPI. They will buy stocks from C&F or BPPI CWH as the case may be with two months PDC for the time being and will be entitled for a margin of 10% excluding Taxes. They will supply to the JA Kendra's against 1 month PDC and will keep a minimum of 1 month inventory at any given time. It is expected that a distributor will participate in demand generation through campaign along with BPPI and spend approx 4% of their turnover. This is an expectation for development of healthy channel partners which will be mutually beneficial. It is also expected that our distributors will facilitate opening of at least 15 'Pradhan Mantri Bhartiya Janaushadhi Kendra (PMBJK)' in one year time.
- 3. Franchise agents:** This scheme is to encourage social groups, societies, individual enterprises, private firms, Govt. or semi Govt. organisations/ PSU to join this movement of 'Pradhan Mantri Bhartiya Janaushadhi Pariyojana'. The parties who would open 10 or more JAK will be eligible for this scheme. The agent will be paid an upfront margin of 5% on excluding taxes on invoice and an incentive of 1.5% on total monthly sales is beyond 7.5 Lakhs for atleast 10 JAK. The same will be increased on prorata basis for more number of PMBJKs'. This will be in addition to the hand holding incentive of 2.5 Lakhs per Kendra as available for opening of 'Pradhan Mantri Bhartiya Janaushadhi Kendra (PMBJK)'.

In addition to above, the agent will be provided with 4 % reimbursement of marketing expense on receipt of bills for increasing footfalls which will help enhancing turnover. Besides, for advance payment the agent will also be eligible for 1% cash discount against order.