



## **Guidelines for Opening of New Pradhan Mantri Bhartiya Janaushadhi Kendra (PMBJK)**

### **For State Government and Government Agencies**

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### **BUREAU OF PHARMA PUBLIC SECTOR UNDERTAKINGS OF INDIA**

(Set up under the Department of Pharmaceuticals, Govt. of India)

**8<sup>th</sup> Floor, Block E-1, Videocon Tower, Jhandewalan Extension, New Delhi-110055**

Telephone: 011-49431800; Fax: 011-49431899 Website: [janaushadhi.gov.in](http://janaushadhi.gov.in)

## **I. Pradhan Mantri Bhartiya Janaushadhi Pariyojana– GENESIS**

The branded (Generic) medicines are sold at significantly higher prices than their un-branded generic equivalents, though are identical in the therapeutic value. Given the widespread poverty across the country, making available reasonably priced quality generic medicines in the market would benefit everyone. With this objective, the Pharma Advisory Forum in its meeting held on 23<sup>rd</sup> April, 2008, decided to launch the Jan Aushadhi Campaign - starting with the sale of generic medicines through dedicated sales outlets called **Pradhan Mantri Bhartiya Janaushadhi Kendra (PMBJK)** in various districts of the country. Initially it was proposed that at least one PMBJK will be opened in each of the 630 districts of the country to be extended to sub-divisional levels as well as major towns and village centers. It was to be run on the principle of “No Profit, No loss”. The Jan Aushadhi Scheme was accordingly formulated and approved in the Standing Finance Committee Meeting of 01.02.2010 in consultation with the Planning Commission.

## **II. BPPI- Bureau of Pharma PSUs of India**

In order to enable a focused and institutional approach to implement the Pradhan Mantri Bhartiya Janaushadhi Kendra Campaign and to further the working and resources of CPSUs, BPPI was established in December, 2008 under the Department of Pharmaceuticals, Government of India, with the support of all the CPSUs. The Bureau has been registered as an independent society under the Societies Registration Act, 1860 as a separate independent legal entity in April, 2010. BPPI follows the provisions of GFR, 2005 as amended from time to time, the CVC guidelines, and instructions from the Department of Pharmaceuticals. The defined roles of BPPI are as follows:

- Make quality generic medicines available at affordable prices for all
- Coordinating marketing of the generic drugs through the Jan Aushadhi Stores (PMBJK)
- Coordinating supply of medicines from Central Pharma PSUs and Private Sector.
- Monitoring proper running of PMBJK

It was planned that the Central Government would suitably assist the Bureau both financially and technically till the Bureau could sustain itself through its own operations.

### **III. Roles and responsibilities of the State Govt.**

- a. The PMBJK operator for PMBJK outlets located in Government Hospitals / Medical College premises will be selected by the state Government. However, in case the performance of the Operator is not found upto the mark, BPPI will have the right to change the operator.
- b. State Govt. will provide the space free of charge in the premises of Medical College Hospitals, District Hospital or at any other suitable location as may be decided by the State Government for running of **Pradhan Mantri Bhartiya Janaushadhi Pariyojana (PMBJP) Kendra** by operating agency.  
**Also, PMBJP Kendra may be opened by State government or Government agencies in any government buildings owned by government bodies like Railways / State Transport Department / Urban local bodies / Panchayati Raj Institutions / Post Offices / Defence / PSU's etc.**
- c. It will issue suitable guidelines to ensure that the Doctors in the Government hospitals prescribe unbranded generic medicines and also to educate and popularize, amongst the general public, the advantages of the Pradhan Mantri Bhartiya Janaushadhi Kendra campaign.

Before the PMBJK starts functioning and BPPI makes arrangements to supply medicines to PMBJK, a tripartite agreement as per the format in Annexure need to be entered into between BPPI, Govt. agency and the operating agency.

### **IV. Roles and responsibilities of Operating agency**

1. In Government Hospitals/Medical colleges, the preferred agency will be reputed NGOs/Charitable Organizations but individuals would also be eligible.
2. Operating Agency will enter into agreement as specified in Annexure III before commencing operations of “**Pradhan Mantri Bhartiya Janaushadhi Kendra**” on free space provided by State Govt. All operations of Pradhan Mantri Bhartiya Janaushadhi Kendra will be conducted as per agreement terms and conditions.

3. It would ensure that the Pradhan Mantri Bhartiya Janaushadhi Kendra is opened in the selected hospitals/Medical Colleges, as decided by the State Government in shortest possible time.
4. It will use the premises solely for the purpose for which it has been allotted and for no other purpose and shall not part with the premises, sub-let the premises to anyone directly or indirectly.
5. It will obtain all required licenses including drug license to run JAS.

## **V. Functions and responsibility of the BPPI.**

- a. For proper implementation of the scheme, BPPI would render all required assistance to the operating agency for running the PMBJK for furthering the objective of the Pradhan Mantri Bhartiya Janaushadhi Kendra Program.
- b. BPPI shall also facilitate the supply of affordable quality generic medicines, surgical items, consumable through its supply chain to Jan Aushadhi Generic Drug Stores with appropriate margins and credit facilities upto 30 days.
- c. BPPI's Distributor will take back Expiry/Breakage to the maximum extent or upto 2% of the total purchase value of PMBJK.

## **VI. Margin &Incentives:**

- a. Operating agency will be provided 20% margin on MRP (Excluding taxes) of each product.
- b. BPPI will provide one-time financial assistance upto Rs. 2.50 lakh as per details given below
  - i. Rs. 1 lakh reimbursement of furniture and fixtures.
  - ii. Rs. 1 lakh by way of free medicines in the beginning.
  - iii. Rs. 0.50 lakh as reimbursement for computer, internet, printer, scanner, etc.

## **VII. Requirements and Operating terms and conditions**

- a. For opening new JAS minimum space required is 120 sq feet
- b. The store should have sufficient furniture like:  
Racks to store the medicines, counter for issue of bills and medicines to patients, office tables, computer table and chair/stools etc for working of staff.
- c. The operating agency will recruit the staff for running the store as per the requirement at their own cost.
- d. All billings should be done using software provided by BPPI. No medicine can be sold in JAS without using the software provided by BPPI.
- e. The number of medicines to be sold at JAS will be increased to make the scheme viable, in addition, surgical as per requirement would also be supplied. In addition, PMBJK operators will be allowed to sell allied medical products, commonly sold in chemist shops. NGOs/Charitable Institutions/Reputed professional bodies/organizations will be allowed to sell medicines which are not in the list of BPPI with prior information and approval from BPPI.
- f. It shall be the responsibility of the operating entity to obtain drug license in the name of Jan Aushadhi Store and other permissions to run a drug store. Compliance to all statutory requirements for storage of drugs shall be ensured by the operating agency.
- g. BPPI's Distributor will take back Expiry/Breakage to the maximum extent or upto 2% of the total purchase value of JAS.
- h. Operating agency will run JAS as per terms and conditions in agreement to be signed with BPPI before start of operations.

**Submission of application**

**To,**

**The CEO**

**Bureau of Pharma Public Sector Undertakings of India (BPPI),**

**8<sup>th</sup> Floor, Block E-1, Videocon Tower,**

**Jhandewalan Extension,**

**New Delhi – 110055**

Envelope should be clearly marked with “APPLICATION FOR NEW PMBJK”



**PRADHAN MANTRI BHARTIYA JAN AUSHADHI PARIYOJANA**

Application for opening “Pradhan Mantri Bhartiya Jan Aushadhi Kendra\_\_\_\_\_”

S No	Particulars	Details
1	Name of Applicant	
2	Status of Applicant (Tick Appropriate Box)	Individual entrepreneur <input type="checkbox"/> Charitable Institute/Hospital <input type="checkbox"/> NGO / Trust <input type="checkbox"/> Government/ Government Nominated Agency <input type="checkbox"/> Any Other <input type="checkbox"/> (Please specify)_____
3	Registration Number of Organization, Date of Incorporation (if Applicable)	
4	Name of Contact Person	
	Designation	
	Mobile No/Landline No	
	Email id	
5	Aadhaar Card Number	
6	PAN Number	
7	Location of the Proposed Store with Complete Address	
<p>Declaration:</p> <p>1. I/We have gone through the terms and conditions as mentioned in the guidelines for opening of Pradhan Mantri Bhartiya Jan Aushadhi Kendra and agree to abide by the same.</p> <p>2. I/We hereby declare that all the information as mentioned above is true to best of my knowledge. If any information is found to be incorrect, my/our candidature is liable to be cancelled and may be subject to legal/disciplinary proceedings.</p> <p>3. Supporting documents are attached wherever required for information as provided above.</p> <p>Date: _____ Signature _____ Place: _____ Name and Designation _____</p>		

**Note: Applications without Aadhaar Card shall be summarily rejected.**

<b>List of documents required to be attached with Application</b>		
<p><b>Individual</b></p> <ol style="list-style-type: none"> <li>1. Aadhaar Card</li> <li>2. Pan card</li> </ol>	<p><b>Institutions/NGO/ Charitable Institute/Hospital etc.</b></p> <ol style="list-style-type: none"> <li>1. Aadhaar Card</li> <li>2. Pan card</li> <li>3. Certificate for Incorporation</li> <li>4. Registration certificate</li> </ol>	<p><b>Government/ Govt Nominated Agency</b></p> <ol style="list-style-type: none"> <li>1. Details of Department who has allocated the space, along with supporting documents/ sanction order</li> <li>2. Pan card</li> <li>3. Aadhaar Card</li> </ol>

**For – State Government Nominated Agencies**



**AGREEMENT**

**BETWEEN**

**BUREAU OF PHARMA PUBLIC SECTOR UNDERTAKINGS OF INDIA (BPP)**

(Set up under the Department of Pharmaceuticals, Govt. of India, Ministry of chemicals and Fertilizers, Govt. of India)

**AND**

**GOVERNMENT OF .....**

**DEPARTMENT OF .....**

**AND**

.....

**(Nominated Agency for operating Pradhan Mantri Bhartiya Janaushadhi Kendra)**

**ON ..... Day of 2018**



THIS AGREEMENT is made and entered into on the **XX day of XXX month of 2016** between 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, 1<sup>st</sup> 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 State Government of .....,

DEPARTMENT OF -----

AND

The applicant, M/S. \_\_\_\_\_ NGO/Society/Institution/----- registered under **(Name of the act)** \_\_\_\_\_ having its registered office at **(ADDRESS)** \_\_\_\_\_ through its **(Director/President/Secretary etc)** Mr. \_\_\_\_\_, (nominated operating agency hereinafter referred to as "THE APPLICANT" which expression shall mean and include the **(Director/President/Secretary etc)** 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 Jan Aushadhi store) 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 has 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 30 days credit with PDC cheque & the credit limit of applicant will be decided by BPPI on the basis of average sales of PMBJK from assigned C&F Agent/Super Stockist/Distributor appointed by BPPI/BPPI, receive and store the stock under ambient temperature as required for storage of medicines, make retail sale, 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 replenishment with fresh stock to run the **Pradhan Mantri Bhartiya Janaushadhi Kendra** on sustainable basis, and has requested BPPI to allocate him/them a **Pradhan Mantri Bhartiya Janaushadhi Kendra** at the aforementioned address as specified in clause (a) of this agreement.

(c) BPPI after considering the aforesaid request of the "APPLICANT" and has agreed to allow for establishing and operate **Pradhan Mantri Bhartiya Janaushadhi Kendra** at \_\_\_\_\_ in 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 applicable till \_\_\_\_\_, unless terminated earlier as per clause \_\_\_\_\_ of this agreement. This agreement can be renewed for a further period of 36 months after mutual consent of 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:

1.1 The site location for opening the Jan Aushadhi store 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 Kendra** premises 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.
- 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 Pradhan Mantri Bhartiya Janaushadhi Kendra in full compliance with the defined terms & conditions as listed hereunder:

### **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 primary 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 JAN AUSHADHI STORE 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 JAN AUSHADHI STORE 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 checks, must clearly identify THE APPLICANT, and not BPPI, as the employer

### **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/surgicals items as listed and made available periodically by BPPI.
- ii. THE APPLICANT is permitted to sell from the Pradhan Mantri Bhartiya Janaushadhi Kendra only the Medicines which are supplied by BPPI.
- iii. THE APPLICANT will be allowed to sell allied medical products commonly sold in chemist shops but are not supplied by BPPI.
- iv. 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 Pradhan Mantri Bhartiya Janaushadhi 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 wrests 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 Pradhan Mantri Bhartiya Janaushadhi Kendra campaign, THE APPLICANT shall only purchase the medicines from designated/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** Pradhan Mantri Bhartiya Janaushadhi Kendra will be extended credit period of 30 days from receipt of goods, but post dated cheque will be required to be given by JAS in advance against goods supplied.

**2.5.3** BPPI's Distributor will take back Expiry/Breakage to the maximum extent or upto 2% of the total purchase value of PMBJK.

**2.5.4** BPPI will not accept any return/exchange of products which are supplied against confirmed orders. However, when product is supplied first time to PMBJK and same is not sold, BPPI will take back the return within three months of date of first invoice of that product

### **2.5.3 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" required by BPPI, in the manner and format required and approved in advance by BPPI.

## **2.6 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 Pradhan Mantri Bhartiya Janaushadhi 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

## **2.7 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 conflict with any of the regulations, then THE APPLICANT shall notify BPPI in writing, identifying the specific law, so that BPPI may determine how to resolve the perceived conflict.

## **2.8 Remediating 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.

## **2.9 Shop Inspections**

In order to safeguard and determine compliance with the **Pradhan Mantri Bhartiya 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 it

might 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.

### **2.10 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 to reimburse 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 BPPI representative'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.

### **2.11 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 to be taken under this Section

### **2.12 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 certain information not regularly tracked by THE APPLICANT.

### **2.13 Projecting Requirements of Medicines**

At the request of BPPI and or designated Distributor, C&F, 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.

### **2.14 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 shall conspicuously 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 mid-night. PMBJK located in big hospitals and medical colleges shall remain open round the clock.

### **2.15 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, a 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 with medicines.

### **2.16 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.



### **2.17 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.

### **2.18 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.

### **2.19 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.

### **2.20 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:

**2.20.1** 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 BPP;

**2.20.2** Timely responds to email communications from BPPI, within a maximum of 48 hours from receipt;

**2.20.3** 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 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.

### **2.21 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 APPLICANT 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**.

### **2.22 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 **JAN AUSHADHI MEDICALSTORE**, 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 at all times.

3.2 Operating agency will be provided 20% margin on MRP (Excluding taxes) of each product. BPPI will provide one-time financial assistance upto Rs. 2.50 lakh as per details given below

- a. Rs. 1 lakh reimbursement of furniture and fixtures.
- b. Rs. 1 lakh by way of free medicines in the beginning.
- c. Rs. 0.50 lakh as reimbursement for computer, internet, printer, scanner, etc.

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 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

3.4 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 BPPI list in connection with the operation of the JAN AUSHADHI STORE, only from BPPI's authorized Distributor/C&F agent 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 JAN AUSHADHI 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**

The Applicant, NGO's/Charitable institutions/Reputed professional bodies/organizations will be allowed to sell generic medicines which are not included in the list of medicines supplied by BPPI with prior information and approval of 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 his obligations under this Agreement.
- vi) If the "APPLICANT" is guilty of any conduct which, in the opinion of BPPI, is prejudicial to BPPI interest or BPPI principles of fair business practices.
- vii) If the "JAN AUSHADHISTOREAPPLICANT" 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 by 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 agreement, the same shall, at first instance, be amicably, the same shall be referred to the sole arbitrator to be appointed by the President of BPPI of the first party under the arbitration and conciliation Act, 1996. 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 THEREOF, the undersigned being duly authorized thereto by the respective parties have hereto signed this MOU

Signed at ..... on this ....., 2016 in three originals each in English.

( )

Name & Designation

Department of -----,

-----

-----

Govt. of -----

In presence of

(Shri .....)

Head/In-Charge of

(Nominated Agency)

( )

CEO/Director,

Bureau of Pharma Public

Sector Undertakings of

India (BPPI)

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